

## SENATE—Thursday, April 24, 1986

(Legislative day of Monday, April 21, 1986)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore [Mr. THURMOND].

The PRESIDENT pro tempore. Our prayer this morning will be offered by the Reverend Dr. Mark Anschutz, rector of Christ Episcopal Church in Alexandria, VA. He is sponsored by Senator PAUL TRIBLE.

## PRAYER

The Reverend Dr. Mark Anschutz, rector, Christ Episcopal Church, Alexandria, VA, offered the following prayer:

Let us pray.

Almighty God, bless this bright land that Thou hast lifted between the seas: Her lonely wilds, her rich earth beneath our feet, her pulsing rivers, her splendid heights, the teeming cities and quiet villages of her landscape.

Bless, Lord God, this body of persons assembled. Give them minds and hearts this day and always which will allow them to wisely apply the fairness of the freedom we proclaim in this land. Let the laws they will create this day enshrine and reflect Your laws and be a mark of Your love on every citizen of this land. Inspire with vision every Member of this council, that in seeking Your truth they may be purified, this Republic may be strengthened and Thy glory done.

Inspire us with respect for the dignity of every citizen of this land and especially those who it would be easy to forget, the poor, the homeless and destitute, the old and the sick, and all who have none to care for them. Set us not on selfish paths, Lord God, but on Your high purposes, that we may heal all those who are broken in body or spirit and turn their sorrow into joy.

And, finally, Lord God, lest we forget, look down and visit the families of those elected to this body who give of themselves so generously in support of those who here serve—the spouses and children and grandchildren of this assemblage. Be Thou their guide and their strength this day and evermore, for it is into Thy care that we entrust them and we pray that Thy love would encompass them and guide them. All of this and so much more we say in the name of our God, the Creator. Amen.

## RECOGNITION OF THE ACTING MAJORITY LEADER

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

## THE INSPIRATION OF REVEREND ANSCHUTZ

Mr. TRIBLE. Mr. President, let me at the outset thank the Reverend Mark Anschutz for a beautiful prayer this morning. Reverend Anschutz is the rector of Christ Church in Alexandria, an ancient Episcopal church where George Washington and Robert E. Lee worshiped. Not only does Christ Church have a distinguished past but it is a vibrant church today of nearly 2,000 members. Christ Church is spiritually alive and growing and at work in this world trying to heal the brokenness that we see around us.

Mark Anschutz is a powerful preacher who inspires and challenges his congregation and who has the rare ability to take the teachings of the Lord and translate them to the life that each of us must lead—the joys, the frustrations, the problems that we all encounter. I thank him for being here this morning.

## SCHEDULE

Mr. TRIBLE. The majority leader is absent because of a meeting at the White House and in his stead let me summarize the order of the day.

At the outset the two leaders are recognized under the standing order for 10 minutes each. Then there will be special orders in favor of the following Senators for not to exceed 5 minutes each: Senators HAWKINS, CRANSTON, PROXMIRE, and MOYNIHAN. Then the Senate will turn to routine morning business not to extend beyond 10:30 a.m., with Senators permitted to speak therein for not more than 5 minutes each. At the conclusion of routine morning business, the Senate will then resume consideration of the budget resolution, Senate Concurrent Resolution 120. Pending is amendment No. 1800, the Moynihan amendment. Votes can be expected during the course of this day.

It will be the intention of the majority leader to ask that the Senate not be in session on Friday if an agreement can be reached to reduce the statutory time limitation allotted to the budget resolution by 10 hours.

## RESERVATION OF THE MAJORITY LEADER'S TIME

Mr. TRIBLE. Mr. President, on behalf of the majority leader, I ask unanimous consent to reserve the remainder of the majority leader's time.

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

## CELEBRATION OF PASSOVER

Mr. DOLE. Mr. President, last night at sundown, Jews the world over began the weeklong celebration of Passover.

This holiday, which commemorates the liberation of the Jews from bondage in Egypt, symbolically occurs in spring. It is a time for new beginnings and for reaffirmation of one's faith.

The story of the "Exodus" is retold each year during the first two nights of the holiday at Passover seders. Only unleavened bread, or matzoh, is eaten during the 7 days of Passover to remember the fact that the Jews, hastening from Egypt, had no time to leaven their bread. Other foods, which symbolize their bitter, difficult lives in Egypt, are part of the seder service.

Each evening, a cup of wine for the prophet Elijah is set on the table. For there is a legend that this prophet visits every Jewish home on seder night. Passover is the festival of freedom and Elijah is the one who will announce that happy time in the future when all men will be free and a new time of peace and happiness will come upon the Earth.

All men and women, Jews and non-Jews, understand the desire, the need for freedom that drove the Jews from Egypt thousands of years ago. And we also share the hope and the belief that the Elijah's message of peace soon will be delivered.

## RECOGNITION OF THE MINORITY LEADER

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

Mr. BYRD. Mr. President, I thank the Chair.

Mr. President, I ask unanimous consent that I may reserve my time for use later in the day.

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

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

### SENATOR HAWKINS' SPECIAL ORDER

The PRESIDING OFFICER. Under the previous order, the Senator from Florida is to be recognized for not to exceed 5 minutes.

Mr. MATTINGLY. Mr. President, I rise to offer a statement today by the Senator from Florida, the Honorable PAULA HAWKINS, with reference to drug testing.

#### DRUG TESTING

Mrs. HAWKINS. Mr. President, since the release of the report by the President's Commission on Organized Crime on Drug Abuse, Drug Trafficking and Organized Crime there has been a great deal said on the subject of drug testing. Unfortunately this has been another case where there has been more heat than light shed on this subject.

There can be little doubt that drug abuse and even drug use has serious consequences for our society, for our families, and even for ourselves as individuals. A survey by the American Management Association (AMA) and Arizona State University found that one in ten blue- and white-collar workers used illegal drugs in the workplace.

Contrary to what you might expect, this problem is not limited to bored assembly line workers or underachieving middle managers. Joseph A. Pursch, a medical director of Comprehensive Care Corporation, an alcohol and drug addiction treatment center in Newport Beach, California, has observed a 100 percent increase in the number of high-level executives coming in for treatment compared with only five years ago.

A 100 percent increase in high-level executives in need of treatment. These are the people who make the crucial business decisions that determine the fate of the entire company and its employees—to say nothing of profits. This should be enough to send shivers down the spine of employees and stockholders everywhere, and indicate the magnitude of the problem we are facing.

Some say that there is a distinction between the so-called recreational use of drugs and drug use in the workplace. But according to the Cocaine National Help Line this distinction is largely non-existent. In a study they conducted, 75 percent of the drug users tested admitted to using illegal drugs on the job; 64 percent said that drugs hindered their work performance; 44 percent said they sold drugs to fellow employees and 18 percent revealed having a drug-related accident or stealing from employers to support their habits.

There has also been an inclination to think that these so-called recreational uses of illegal drugs in off work hours does not have an effect on the job. Not so according to the November 1985 issue of the American Journal of Psychiatry. In an article entitled, "Carry-Over Effects of Marijuana Intoxication on Aircraft Pilot Performance: A Preliminary Report," authors Yesavage, Leirer, Denari and Hollister found that even 24 hours after smoking a single marijuana cigarette, pilots' skill can be impaired. The Psychiatrists asked 10 licensed private pilots to perform certain maneuvers in an aircraft simulation device. They then asked the pilots to smoke one average social "dose" of marijuana and then perform the same maneuvers immediately after smoking the joint, four hours later and then again 24 hours later.

When tested immediately after smoking the joint and four hours later the pilots were described as being barely in control of the plane. Even 24 hours later when the pilots were no longer feeling "high" the scientists noted increases in the number of hand movements needed to keep the plane stable, and found the pilots landing accuracy was still off by as much as one hundred percent with one of the pilots landing completely off the runway.

I don't know about you, but I would not want any of these people flying my airplanes; fixing the brakes on my car; operating a train or doing anything that affects my welfare or the welfare of my family or my country.

The toll taken by illegal drugs on our society is terribly high. We read increasingly of its effect on children and families. The effect on the workplace is just as bad. Drug use results in bad business decisions, diverted supervisory and managerial time, friction among workers, damage to company equipment and company public image, not to mention health care costs, absenteeism, sick leave, and the rising cost of health insurance and worker's compensation claims.

With so much at stake, it is no wonder that private companies are increasingly turning to drug testing as an effective means of addressing the problems posed by employee drug use. A survey of Fortune 500 companies has shown that 18 percent are using some form of drug testing, and that 20 percent are planning to implement a drug testing program within the next two years. This is up from only 5 percent testing in 1982. And it is not Mom and Pop companies that are doing the testing. IBM is now testing. So is Ford Motor Company, Alcoa, Boise-Cascade, American Airlines and even the New York Times.

Clearly the time has come for us to give this matter serious and careful consideration. I believe that drugs pose a serious threat to our country, and I believe that it will take a serious effort to get the problem under control. Drug testing can be an important part of this effort.

### RECOGNITION OF SENATOR CRANSTON

The PRESIDING OFFICER. Under the previous order, the Senator from California [Mr. CRANSTON] is recognized for not to exceed 5 minutes.

#### AIR SAFETY

Mr. CRANSTON. Mr. President, while the Senate is properly concerned about the budget—the issue before us today—millions of Americans are deeply concerned about air safety.

The two are linked.

Air passengers, understandably, are worried about the dangers of terrorism.

Airplanes appear to be a favorite target of terrorists.

And now more than ever is a time for utmost vigilance.

Yet, there is another threat to air travel that is more insidious and perhaps all the more dangerous because of that.

It is the danger of indiscriminate budget cutting by the Government

and injudicious cost cutting by some of the airlines.

Mr. President, a mechanic for one of the airlines was in my office recently and he admitted that some time ago the following incident took place:

A warning light on one of his planes was not functioning properly. But the crew, wanting to avoid costly downtime, decided not to take the plane out of service for repairs. Instead, they taped down the switch to the "off" position, and for a week—until the next regularly scheduled maintenance check—the plane flew with a warning light that did not work.

Fortunately, this particular incident ended harmlessly. But it illustrates why air travelers have reason to be worried these days.

Airline deregulation has brought us lower fares. But it also has brought us more airlines, more aircraft flying more passengers, more competition, and more intense temptation to airline management and workers to cut corners so as to bring down operating costs.

Now, more than ever, we need more Government oversight to ensure air safety; more safety inspectors to make sure that airlines live up to the highest levels of flying safety; more—and more experienced—controllers to handle the huge volume of air traffic.

Instead, we are getting less.

Because of budget cuts, we have 33 percent fewer air safety inspectors today than we had 7 years ago, and 37 percent fewer full performance level air traffic controllers than we had 5 years ago—and things can get much worse.

The first Gramm-Rudman sequestration for the current fiscal year cut the Federal Aviation Administration budget by \$115 million.

What will happen in fiscal 1987?

What will happen if the indiscriminate, across-the-board Gramm-Rudman formula is triggered and the FAA suffers another cut of 20 percent, or 25 percent, or more?

Mr. President, the current crisis in air safety points up the perils of mindless, priorities-be-damned budget cutting that is the essence of Gramm-Rudman.

It also points up the absolute need for Congress and the President to reach a budget agreement so as to avoid the Gramm-Rudman trigger.

Part of that agreement, in my judgment, should be increased funding for air-safety enforcement.

There was a sharp increase in air crashes and fatalities last year; 561 people died in U.S. airline accidents. We must avoid actions that would inevitably cause more death in the skies this year—and next.

Failure to do everything humanly possible to reduce the national calamity

ty of air accidents would be a national disgrace.

#### RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin [Mr. PROXMIRE] is recognized for not to exceed 5 minutes.

The Senator from Wisconsin.

#### THE NUCLEAR TEST BAN IS VERIFIABLE SO LET'S NEGOTIATE IT

Mr. PROXMIRE. Mr. President, the administration has offered a whole string of alibis for their opposition to negotiating a nuclear test ban treaty with the Soviet Union. Only one of those objections has even a remote plausibility. That "remotely plausible" objection is that such an agreement would not be verifiable. Now an outstanding expert on verification has demolished that objection. Who is this expert? Why is he qualified to make such a judgment? The expert is Kosta Tsipis of the Massachusetts Institute of Technology. Tsipis is the director of the program in science and technology for international security at MIT. Is Director Tsipis an expert on verification of nuclear weapons tests? He is, indeed. He and two other top professionals in this field have just published a book entitled, "Arms Control Verification: The Technologies That Make It Possible." In this book, Tsipis and his colleagues analyze the technologies of verification. They do more. They consider the political agreements necessary to bring the effective verification technologies into play. For instance, Tsipis says that if test ban negotiators can agree on stationing unmanned instruments in monitoring stations near test sites, the instruments could surely recognize and identify nuclear weapons test explosions. Could the instruments distinguish between earthquakes and nuclear weapons tests? Yes. They could. How? Tsipis points out that earthquakes generally give off seismic signals with low frequencies. Nuclear explosions produce higher frequency signals. Have these monitoring stations actually been produced? Yes, indeed. In fact, seven of these stations have already been completed. They are being tested now by scientists. Could the Soviets tamper with these unmanned stations and conceal their test explosions? No way. Tsipis flatly asserts that the stations are tamper proof. But would the Soviets agree to the installation of a sufficient number of these stations in their territory to provide the kind of monitoring required? Yes. In fact the Soviet Union has already indicated their willingness to do so, according to Spurgeon Keeney of the Arms Control Association. And, of course, this coun-

try can and should make the stationing of these monitoring stations within the boundaries of both countries a necessary condition of agreeing to the comprehensive test ban.

Isn't it possible that weapons development might proceed so swiftly that the verification techniques will not be able to keep pace? Fortunately the contrary is true. In spite of the reduction in funds for advancing verification technologies, Director Tsipis says that overall, technologies which allow the United States to verify Soviet compliance with arms control agreement are actually advancing more swiftly than weapons developments. Where have these verification technologies made progress? In optics, electronics and computing. Director Tsipis is confident that there is no question the United States now has the ability to verify existing and proposed arms control accords adequately. It is true that the new weapons have been getting smaller. The explosions have lower megatonnage and therefore send off smaller signals. Doesn't this make verification more difficult? No. Why not? Tsipis says: "the verification technologies are advancing at a faster pace. We are becoming even better."

Mr. President, the Defense Department has anticipated that they will not be able to base their case against test ban negotiations on the verification issue. They have been changing their alibis faster than a striptease artist can change clothes. They have argued that they had to keep testing to assure the reliability of their nuclear stockpile. That alibi lasted about a week. It lasted just long enough so that a check of the number of nuclear tests to assure reliability over the years showed that less than 3 percent had been for reliability purposes. Furthermore to the extent that reliability is a legitimate testing purpose, negotiations could permit an exception strictly limited for necessary reliability testing under international observation.

The latest Defense Department gambit in this regard is a real honey. In a response to Congressman MARKEY who has been the leading congressional advocate of a nuclear test ban, the Defense Department contends that continued nuclear weapons testing is necessary to prevent the proliferation of nuclear weapons. Mr. President, it is hard to believe that the Defense Department could offer such a transparently erroneous justification for not negotiating an end to testing nuclear weapons. For many years every expert advocate of stopping nuclear proliferation has pleaded with the superpowers to stop nuclear testing because the newly developed technologies resulting from testing will bring the cost of nuclear weapons down and their devastating effect up. As the nuclear weapons become more devastating per

pound and nuclear arsenals become cheaper, more and more small and relatively poor nations will be able to afford to acquire the nuclear "equalizer." But now the Defense Department argues that if we stop making our nuclear arsenal cheaper and ever more deadly, other nations will develop their own nuclear arsenals. Congressman MARKEY accurately tagged this latest alibi for continued testing when he said: "I have yet to see one shred of evidence that supports this patently ridiculous and Orwellian contention."

Mr. President, much of the material for this speech has come from an excellent article in Defense Week by David J. Lynch.

#### MYTH OF THE DAY: WHOLE HERD BUYOUT PROGRAM AND PRICE SUPPORT CUTS CAN SOLVE OUR LONG-TERM DAIRY SUPPLY PROBLEM

Mr. PROXMIRE. Mr. President, the myth of the day is that the Whole Herd Buyout Program and price support cuts can solve our long-term dairy supply problem. An expected explosion of milk production by the year 2000 shows the compelling need to develop effective ways to control our supply now. Otherwise, dairy farmers will drown in the surplus.

The Office of Technology Assessment [OTA], an agency established to help the Congress anticipate and plan for the consequences of uses of technology, has recently released startling figures about the effects of technology on our Nation's dairy farms by the year 2000. What will this technology mean in terms of animal production efficiency? The OTA projections are truly astounding. For the year 1982, the annual milk production per cow, measured in thousands of pounds, was 12.30. The OTA study pegs this figure at 24.700 by the year 2000. This represents an incredible increase of over 100 percent in the period from the years 1982 to 2000.

These staggering projections send a message, loud and clear, to all those concerned about dairy programs and policies: Now is the time to devise and put into place a dairy supply management plan that works.

What about the Whole Herd Buyout Program that was authorized in the 1985 farm bill? It is untried and untested. I strongly favored, instead, another Milk Diversion Program along the lines of its successful predecessor.

The Milk Diversion Program that ended March 31, 1985, was designed to bring about reductions in three related areas: first, milk production; second, Commodity Credit Corporation purchases; and third, Federal Government costs. It was a total winner in meeting these objectives.

In facing the gigantic increases in annual milk production per cow forecast by the OTA study, one thing is crystal clear: we cannot effectively deal with the dairy supply problem through price support cuts. When dairy farmers are hit by a price support cut, they do what any rational person would do in similar circumstances—they fight to survive. How? By producing more milk.

But do consumers benefit from dairy price support cuts? No, they do not. At the same time that price supports for dairy farmers have been severely slashed in recent years, retail dairy prices for consumers have been increasing. Why? Because those in between dairy farmers and consumers—namely, the processors and retailers—are not in the habit of being that generous. They do not generally pass the savings along to consumers.

And does cutting the price support level for dairy farmers translate into savings for the taxpayers? No, it does not. It is the taxpayers who must pick up the tab for increasing Government purchases of dairy products brought about by the need for dairy farmers to produce more in order to survive.

A sound dairy supply management program is the only effective way to meet the challenge posed by the ocean of milk that will likely confront us by the year 2000. The Whole Herd Buyout Program may prove helpful in the short run, and it should be given a chance. But I firmly believe that a policy based on the Milk Diversion Program concept is what we need to deal successfully with our long-term dairy supply problem.

#### ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to exceed beyond 10:30 a.m., with statements therein limited to 5 minutes each.

#### MISSISSIPPI LEGISLATURE EXPRESSES SUPPORT FOR THE SELECTIVE SERVICE SYSTEM

Mr. COCHRAN. Mr. President, I received from the chairman of the Mississippi Senate's Committee on Military Affairs a copy of a Senate concurrent resolution adopted by the legislature of the State of Mississippi at the recently concluded session in Jackson, MS. The resolution expresses the support of the legislature for the Selective Service System and the registration, even during peacetime, of those who are eligible for military service.

Wayne Burkes, who is chairman of the Military Affairs Committee of the State Senate, is a dear friend of mine, and he provides very important leadership in our State on matters which

come under the jurisdiction of that committee.

I ask unanimous consent that a copy of his letter to me and a copy of the Senate concurrent resolution be printed in the RECORD.

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

MISSISSIPPI STATE SENATE,  
Jackson, MS, April 16, 1986.

HON. THAD COCHRAN,  
Russell Senate Office Building,  
Washington, DC.

DEAR SENATOR COCHRAN: I have the honor and pleasure of transmitting to you Senate Concurrent Resolution 521 of the 1986 Mississippi Legislative Session expressing the support of the Mississippi Legislature and their constituents concerning the Selective Service System with continuous peacetime registration.

We Mississippians are traditionally patriotic and recognize our responsibilities and obligations to this nation which includes the privilege of serving in time of need.

May this resolution of support be of assistance in obtaining the strong defense posture this nation needs for continued world leadership.

I am and have been a strong supporter of the Reserve Components and the Selective Service System as they are an integral part of our national preparedness.

Sincerely,

WAYNE O. BURKES.

#### SENATE CONCURRENT RESOLUTION No. 521

Whereas, the President and the Congress of the United States support the continuation of the program for peacetime registration for the Selective Service System; and

Whereas, in approving funds for such registration, Congress has recognized that peacetime registration contributes to national readiness by reducing by up to two months the time required for a full defense mobilization; and

Whereas, the registration program is an important signal to our North Atlantic Treaty Organization allies and to our potential adversaries of the seriousness of United States defense commitments at home and abroad; and

Whereas, over one million United States citizens have sacrificed their lives in military service to protect the rights and freedoms of all Americans; and

Whereas, the registration for Selective Service is an integral part of current preparedness to preserve these rights and freedoms in the future; and

Whereas, the Legislature of Mississippi notes with pride that over 175,000 Mississippians have registered with the Selective Service System since resumption of registration and by so registering are contributing to the national defense preparedness of the United States:

Now, therefore, be it resolved by the Senate of the State of Mississippi, the House of Representatives concurring therein, That we do hereby reaffirm our support of the President and Congress for the provision of peacetime registration which has strengthened our national defense preparedness, signaling to our allies as well as our adversaries the seriousness of the United States defense commitments at home and abroad, and we commend the young men of this state and nation who have recognized their obligation to serve their country in time of need.

Be it further resolved, That a copy of this resolution be sent to the President of the United States and to the Mississippi Congressional Delegation, and that copies be made available to the press.

#### NORTH CAROLINA STUDENT LEGISLATURE

Mr. HELMS. Mr. President, there is a group of young people in North Carolina who have just observed their 50th birthday—and if that seems to be a contradiction, let me explain: I refer to the North Carolina Student Legislature which is the oldest such entity in the Nation.

I am very proud of the young people who today are participating in this very constructive and practical study of how the legislative branch of their State government functions. There are more than 250 of them involved this year. They come from more than 20 of North Carolina's colleges and universities.

Mr. President, I am told that more than 5,000 young people have participated in the activities of the North Carolina Student Legislature during the past half century. Some of them later became leaders of my State; all of them have gained a better understanding of how their State government works. They have learned parliamentary procedure. They have learned how the legislative process functions in a democratic society.

Small wonder that the Student Legislature is so highly regarded. Each year, the governor of this student group presents to the North Carolina General Assembly a compendium of legislation enacted by the Student Legislature. Copies of this document are delivered to the Speaker of the House and the President of the Senate. Not surprisingly, members of the general assembly take careful note of the actions taken by the young people, because nearly half of the members of the general assembly were once members of the Student Legislature.

The Student Legislature has an impressive track record. Nearly 40 percent of the legislation enacted by the young people has found its way to enactment by the general assembly, thereby becoming laws of the State of North Carolina. In the process, many student legislators have been consulted by their elders. Many others have testified before committees of the general assembly.

Mr. President, it is interesting that numerous alumni of the Student Legislature have gone on to serve in the Federal and/or State governments. For example, U.S. Attorney Sam Curran served years ago in the Student Legislature. Two former mayors of Charlotte got their start in the Student Legislature—Ken Harris and Eddie Knox. Eddie Knox later served

in the general assembly and as chairman of North Carolina's Advisory Budget Commission.

Others include the present Lieutenant Governor, Bob Jordan; the late U.S. Representative Allard Lowenstein; former U.S. Senator—now director of North Carolina's State Bureau of Investigation—Robert Morgan; and four former North Carolina Governors—Terry Sanford, Robert W. Scott, James E. Holshouser, and James B. Hunt.

There are others, I am sure, whose names do not come to mind. I offer the above list merely as examples—with the hope that any whom I have overlooked will forgive me.

The point, Mr. President, is that I am enormously proud of this extraordinary organization and all of the young people who, down through the years, have served and learned, and grown into responsible citizenship. So as the North Carolina Student Legislature moves into its 51st year, I extend my sincere congratulations and best wishes. It's an idea whose time had come on the first day it functioned—and it will be around for the next 50 years, and beyond, as a wholesome and constructive part of what we regard as the great State of North Carolina.

#### SENATOR GOLDWATER TO RECEIVE MEDAL OF FREEDOM

Mr. DOLE. Mr. President, this afternoon the White House announced that on May 12 Senator BARRY GOLDWATER will join a distinguished group of Americans as a recipient of the Medal of Freedom.

There are few Americans who have compiled the history of patriotic commitment and dedication to the principles of freedom and democracy that Senator GOLDWATER has.

Starting his political career in 1949 as a member of the Phoenix City Council, BARRY has risen through the ranks of State and National politics, and in 1964 was the Presidential standard bearer for the Republican Party.

A hero to a generation of conservatives, Senator GOLDWATER continues today to speak out on issues that will play a critical role in this Nation's future. And none, more important than national security. In his capacity as chairman of the Intelligence Committee, and now as chairman of the Armed Services Committee, BARRY is an unflinching advocate of a strong and effective national defense and the continuation of America's role as the bulwark of freedom throughout the world.

Mr. President, when BARRY GOLDWATER retires at the end of this session of Congress, the Senate will lose one of its most distinguished voices, and one of its truest patriots. So, I am very pleased that this honor, the Medal of Freedom, will be presented to him

when he was still a Member of this body. The Senate family can share in the pride of one its own, and as a colleague, extend BARRY our most heartfelt congratulations.

#### RESIGNATION OF DR. HARRY M. LIGHTSEY, JR., AS DEAN OF THE UNIVERSITY OF SOUTH CAROLINA LAW SCHOOL

Mr. THURMOND. Mr. President, last week I learned that Dr. Harry M. Lightsey, Jr., has resigned from his position as dean of the University of South Carolina School of Law in order to continue his service at the College of Charleston for an additional year as acting president.

While I sympathize with the students and faculty at the law school who will sorely miss his energetic leadership, I am delighted that the College of Charleston will continue to benefit from Dr. Lightsey's keen guidance.

A cum laude graduate of Clemson University, Dr. Lightsey received a degree in veterinary medicine from the University of Georgia and practiced as a veterinarian from 1956 to 1958. He then decided to enroll at the University of South Carolina Law School where he graduated summa cum laude.

He has been an assistant attorney general for the State of South Carolina, general counsel to the South Carolina Public Service Commission, and legal advisor to the President of the South Carolina Senate. From 1963 to 1966 and from 1972 to 1976 he served as a professor at the University of South Carolina School of Law.

In 1980, Dr. Lightsey was named dean of the law school, a post from which he took a leave of absence in January of this year to assume the interim presidency of the College of Charleston. His tenure at the law school has been exceptional and I know the university law school will continue to benefit from his contributions for many years to come.

Dr. Lightsey's short term at the College of Charleston has been a great success. Charleston's Evening Post newspaper has applauded his able and decisive leadership, calling him "A Thinking Man." His outgoing personality and sincerity have already made him a popular man not only on campus, but in the Charleston community as well.

Established in 1770, the College of Charleston is the oldest institution of higher learning in South Carolina, the 13th oldest college in the United States and the oldest municipal college in the Nation. This historic school has earned international recognition as one of the finest liberal arts colleges in the South. More graduates of the college are admitted to medical school than from any other college in the State and its accounting majors

maintaining the highest average scores on the CPA exam among South Carolina colleges and universities. It is only fitting that such a solid and experienced leader as Dr. Lightsey be at the helm of this great institution, and I am confident that he will continue to prove the effective leadership needed for the college to move forward with purpose.

#### NATIONAL COOPERATIVE BUSINESS ASSOCIATION

Mr. ANDREWS. Mr. President, when an organization starts its 70th year of service to a major portion of the American population, I feel special recognition is in order. The National Cooperative Business Association [NCBA], founded in 1916 as the Cooperative League of the USA [CLUSA], has just entered into its 70th year serving more than 58 million Americans who are members of cooperatives. The noteworthy accomplishments and ongoing efforts of this fine organization are a credit to its board, staff, and membership.

The National Cooperative Business Association is a membership and trade association representing America's cooperative business community. The NCBA, of which Morgan Williams is president and chief executive officer, serves as a chamber of commerce for cooperative businesses representing the unique and mutual needs of the various industries which make up the grand spectrum of cooperatives.

Membership includes farm supply, agricultural marketing, insurance, banking, housing, health care, consumer goods and services, student, credit union, worker, fishery, rural electric, telephone, State association, and other types of cooperatives. In addition, the National Cooperative Business Association represents all American cooperatives as the U.S. representatives to the International Cooperative Alliance, a worldwide organization based in Geneva, Switzerland, which is a coalition of cooperatives in 72 countries, speaking for over 499 million people.

The program of the National Cooperative Business Association includes:

Supporting the development, expansion, and interconnection of cooperative businesses in the United States.

Representing the cooperative business community in Washington, DC, through legislative policy and regulatory advocacy before Congress and Federal agencies.

Developing, building, and providing technical assistance to cooperative businesses in the developing world.

Representing American cooperatives in the world's cooperative business community through membership and active participation in the International

al Cooperative Alliance [ICA], headquartered in Geneva, Switzerland.

Promoting and developing international commerce, banking, insurance, trade, joint ventures, and other business interconnections by and among the world's cooperatives.

There is much more, Mr. President. Over the years, the National Cooperative Business Association has developed a number of related entities that pursue specific missions in close coordination with the association. They include the National Cooperative Business Foundation, the National Cooperative Business Political Action Committee, the Cooperative Hall of Fame and Historical Society, the National Cooperative Business Institute, and Cooperative Business International [CBI].

NCBA has played a prominent role in the founding of two well-known organizations in the cooperative business world, such as Cooperatives for American Relief Everywhere [CARE] and the National Cooperative Bank [NCB].

Currently, the NCBA International Division is implementing 11 long-term programs focusing on agribusiness development and cooperative education and training. Programs are underway in India, Indonesia, Equatorial Guinea, Niger, Rwanda, Haiti, Jamaica, Guatemala, and Peru.

Cooperative Business International [CBI], subsidiary of NCBA, is holding CO-EXPO in San Francisco, in July 1986. This will be the first trade show which will bring together cooperatives and other businesses from all over the world to learn about each other and explore opportunities for trading with each other.

The National Cooperative Business Association is holding its 1986 annual meeting here in Washington on April 28 through May 1.

I know my colleagues join me in congratulating the National Cooperative Business Association for 70 years of dedicated service to America's cooperative and wishing the NCBA well in its endeavors over the next 70 years.

#### AMERICAN RELATIONS WITH THE PEOPLE OF TAIWAN

Mr. CRANSTON. Mr. President, in my capacity as ranking Democrat on the Senate Foreign Relations Committee Subcommittee on Asia and Pacific Affairs, I paid a brief visit during the Easter recess to Taiwan and the Philippines.

I will be discussing my hopes and concerns regarding United States-Manila relations in upcoming hearings of the Senate Foreign Relations Committee. But I would like to take a few moments this morning to outline some of my findings regarding my visit to Taiwan.

#### THE SECURITY OF TAIWAN

It has been 7 years since the United States took the extraordinary step of withdrawing official recognition from Taiwan and opening full diplomatic relations with the People's Republic of China. At that time, I joined with Senator KENNEDY and 31 of our Senate colleagues in pressing legislation to ensure continued close ties between the peoples of Taiwan and the United States—including continued sales of defensive arms necessary to maintain a credible deterrent force. I continue to believe very deeply that this is a commitment which the United States must honor, and is one which serves our national interests and those of our allies.

By and large, I am satisfied with the manner in which the Cranston-Kennedy provision and the overall Taiwan Relations Act has functioned. I believe that tensions across the Taiwan Straits are the lowest they have been at any time since 1949—even despite the continued refusal of some PRC officials to rule out the use of force as a means of reuniting the Chinese people. It is very unlikely that there will be a rise in tensions in the foreseeable future, as all eyes in the region focus on Hong Kong, and the scheduled transfer of sovereignty from Great Britain to the PRC in 1997. Meanwhile, the ties between the people of Taiwan and the United States remain deep, our mutual interests and our common endeavors very broad.

#### TRADE ISSUES DOMINATE OUR AGENDA

I believe it is a measure of the success of our evolving relationship with the people of Taiwan that issues related to trade and commerce now dominate our agenda.

Taiwan has seen extraordinary success in the past 35 years in the development of the resource-poor island. It has done this largely by relying on its best natural resource—its people—and by making an enduring commitment to education and to understanding the global economy and market opportunities. Prosperity in Taiwan is quite widespread relative to most Third World nations and there has been remarkable success in eradicating deep poverty and spreading economic benefits evenly across class barriers. The authorities on Taiwan can be justifiably proud of these extraordinary steps, which are the envy of developing nations of the free and Communist world alike.

I went to Taiwan as a supporter of expanded trade between our peoples and an opponent of protectionist legislation such as the proposed tariff on textiles and shoe imports. However, I tried to press very strongly on the Taiwan authorities the point that unless America's extraordinarily high trade deficit with them is reduced, such protectionist measures will likely

be adopted by the U.S. Congress in the future.

I believe it is especially important for the authorities in Taiwan to take three steps. First, I believe it essential—to our mutual interests—that a greater effort be made to "buy American" when big ticket items like energy production facilities and rapid transit systems are purchased. Second, I believe it is important that some of the old monopolies in such fields as wine, tobacco, and movies be eliminated. Finally, more generally, I believe it is important for Taiwan to demonstrate sensitivity to American services industries seeking to compete in Taiwan's closed markets. Taiwan has moved through an industrialization phase at a remarkable pace and is rapidly becoming a post industrial economy where the majority of workers are employed in service industries. There is no excuse whatsoever for allowing its consumer goods industries to continue to hide behind a wall of protectionist tariffs and import quotas.

I am pleased that the authorities on Taiwan are showing some sensitivity to these concerns. For example, as a result of my recent visit and legislation I coauthored with Senator WILSON, the Wine Equity Act, the Taiwan authorities have announced two small steps of benefit particularly to California. First, they have pledged to slash tariffs on wine imports and to allow American wines full access to the Taiwan markets. Second, they have eliminated import tariffs and quotas on imports of foreign films.

But of course much more needs to be done. Americans are result-oriented. And no amount of concerned rhetoric will resolve these matters if the appalling numbers of the trade imbalance are not reduced expeditiously.

#### DEMOCRATIC DEVELOPMENT

With the extraordinary economic development on Taiwan has come the opportunity—and I believe the obligation—to make greater progress toward true democracy. When I was on Taiwan, I repeatedly pressed our friends to spur the process of opening up the one-party states' political process. I firmly believe that Taiwan will be a stronger and more secure country if Taipei will permit genuine opposition parties and greater freedom of expression.

In this one sense, the situation in Taipei bears some similarity to the situation in Manila, although otherwise there are many, many differences. As President Aquino told me earlier this month:

Under Marcos, the Communist guerrillas had two talking points—the crumbling economy and the lack of political freedom. With "people power" and a return to democracy, we have eliminated one of these grievances. Now if we can right the Philippine economy, the communists will have absolutely nothing to offer the people.

The lesson for Taiwan is clear: If authorities would allow genuine democracy to take root, if they would allow opposition parties to organize and publish and campaign, they would make the people of Taiwan even stronger and more united—and therefore better able to resist any potential source of aggression or subversion.

I fully recognize the concerns Taiwan authorities have about the continuing military threat across the Taiwan Straits. But I continue to believe there is no legitimate justification whatsoever for continuing martial law on Taiwan. As a friend of Taiwan, I have repeatedly expressed this view, while urging publicly and privately that the Taiwan authorities release prisoners held for basically political reasons—such as those who remain imprisoned for the Kaoshiung incident. Such steps are crucial, particularly in light of heightened hopes and expectations for democracy in Asia in the wake of developments in Manila.

Mr. President, I am pleased by the continued growth of ties between the people of the United States and the people of Taiwan. I was especially gratified that during my visit on Taiwan that I was able to meet with some of the young scholars who represent Taiwan's future. As I discussed issues which will confront us all as we prepare for the 21st century on the Pacific Rim, my confidence in the future of democracy throughout the Pacific was reinforced.

#### SENATOR HATCH'S ESSAY ON OPPRESSION IN ETHIOPIA

Mr. TRIBLE. Mr. President, I rise today to bring to my colleagues' attention a recent column by Senator HATCH on the continuing oppression of the Ethiopian people.

For much of last year, Americans sat in stunned silence as pictures of millions of starving Ethiopians reached the United States. We responded, as we have so many times, with overwhelming generosity, and immediately, massive shipments of food and other relief supplies were en route from the United States to Ethiopia.

But food assistance alone is not enough. We cannot be content with merely alleviating the hunger in Ethiopia. We must also move quickly to meet the Ethiopian people's thirst for freedom. Senator HATCH's most recent column on Ethiopia points out how we can begin to do so. I commend it to my colleagues, and I ask unanimous consent that a copy be printed in the RECORD at this time.

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

[From the Los Angeles Times, Apr. 20, 1986]  
ETHIOPIA'S NEW TERROR IS MANMADE—WHAT WE DID AGAINST FAMINE CAN BE DONE FOR LIBERTY

(By Orrin G. Hatch)

Americans have been moved to great compassion and generosity by media reports from Ethiopia. But little reporting has been done on the root causes of the Ethiopians' suffering.

Devastating as the latest drought is, the country's people have survived droughts before by stockpiling food in advance. This drought has been made virtually unbearable because of the policies of a Soviet-style dictator, Lt. Col. Mengistu Haile Mariam, and his military junta, the Dergue.

Ever since Mengistu seized power in 1977, he has conducted a Stalin-like reign of terror. His forced resettlement program, collectivization of agriculture and disregard for human rights have wreaked economic and social havoc throughout the country, imposing suffering on millions.

The sympathy of people who enjoy freedom should be stirred by these facts:

Mengistu has stated publicly that he intends to move 1.5 million Ethiopians from their traditional lands; 600,000 have been forcibly resettled in the last 18 months. According to the U.S. Food and Agricultural Organization, the regime uses food as "bait" to lure peasants out of the famine-stricken northern provinces where two Marxist resistance groups are based.

A French medical aid group, *Medecins sans Frontieres*, which was expelled from Ethiopia last December for criticizing the regime, reports that more people are dying now from the effects of the resettlement program than from famine. The doctors estimate that at least 100,000 deaths can be attributed to conditions during transport, where many refugees suffocate in unpressurized planes or are crushed or trampled to death, and in the resettlement areas, where disease and pestilence are rampant and where captured escapees are shot.

The State Department's 1985 Human Rights report describes the situation in Ethiopia as "deplorable," noting that the most alarming abuse last year was the resettlement program, "which was carried out involuntarily with considerable loss in human lives."

Although Mengistu recently announced a moratorium on forced resettlement, we should not expect this to last. Last May, when a sanctions bill was pending in Congress, the Ethiopian dictator temporarily halted the program, only to reinstate it in September after the bill had been scuttled by the State Department.

Yonas Dereasa, president of the Ethiopian Refugees Education and Relief Foundation, says that the Mengistu regime has "done absolutely nothing" to address the long-term effects of the drought in order to prevent its recurrence.

In fact, worse times may lie ahead, because Mengistu's policy of nationalizing all land holdings has greatly disrupted Ethiopia's agricultural production. A Congressional Research Service report notes that "since the revolution, the government has increasingly intervened in marketing and price setting of agricultural products."

After nearly 12 years of Mengistu's rule, the Ethiopian economy is a shambles. Unemployment in the cities is 50% and growing, according to Ethiopian sources.

Mengistu has never held a general election of any kind to legitimize himself or his Communist Workers' Party of Ethiopia.

And Ethiopian citizens do not enjoy freedom of the press, freedom of religion, freedom of speech or independent labor unions.

In sum, the policies of Mengistu and his regime are overwhelmingly repressive and a colossal failure. What can the United States do to pressure the Ethiopian government into instituting reforms? Sanctions are one option.

After passing both the House and Senate last year, legislation calling on the President to impose a trade embargo on Ethiopia was blocked by the State Department. A bill currently before the House Foreign Affairs Committee would place Ethiopia on the State Department's list of communist countries, making it ineligible for loans from the Export-Import Bank. This measure, which has been put forward by Rep. Toby Roth (R-Wis.), deserves careful consideration.

At the same time, the United States should not overlook another way to pressure Mengistu. We should support a little-known democratic resistance group, the Ethiopian People's Democratic Alliance, now based in neighboring Sudan. Its leader, Dereje Dereasa, claims that with political and financial support from the United States, the group could mobilize 50,000 men in a matter of months. Providing such support would be a positive step toward encouraging the development of a democratic Ethiopia wherein human rights will be respected. It is time we sent Mengistu a strong message that his reign of terror must end.

#### MAJ. TOM HARVEY, LEGISLATIVE FELLOW

Mr. WARNER. Mr. President, since last November, I have been extremely fortunate to have had Maj. (P) Tom Harvey, a 1985 American Political Science Association fellow, working temporarily as a member of my personal staff. Major Harvey is such an intelligent and outstanding young officer, and I have been so impressed by the high quality of his performance, that I wanted to take a few moments to commend him and express my appreciation for his exceptional service and dedicated efforts.

Tom has been involved in a wide array of defense and foreign policy issues. His counsel on these matters was consistently based on solid research and sound, thoroughly considered judgments. When the commercial aircraft crashed in Gander, Newfoundland, killing all of our 101st Airborne Division soldiers aboard, Tom played a critical role in researching and drafting legislation to ease the situation and provide added assistance to families of the victims. His diligence and perservance in this legislative effort is a testament to his capabilities and the genuine concern he felt for the soldiers and their surviving families.

Tom also played a key role during consideration of the Defense reorganization bill by the Senate Armed Services Committee. His knowledge, experience, and ability to assist in the drafting of a number of key amendments enabled me to modify and make

substantial improvements in the draft bill.

Keenly intelligent, highly dedicated, and with great personal initiative, Tom immediately became an invaluable addition to my staff. Possessing a high degree of intellectual maturity and consistently reliable judgment, his research and recommendations were always thorough and complete. His ability to express his advice and recommendations in a clear and concise manner orally or in writing was invaluable to me in the consideration of the many complex national security issues which demand my attention.

Tom was also a driving force behind legislation which I recently introduced regarding our national strategy. Recognizing the need for an overall national strategy from which our foreign policy and military strategy should be derived, Tom formulated key recommendations which formed the basis for this vitally important legislation. Throughout this effort he has displayed an exceptional knowledge of the essential elements of strategy and the operations of our national security apparatus.

Tom is extremely well-liked and highly respected by everyone in my office, and he will truly be missed here. His achievements are indicative of his outstanding abilities and his sincere devotion to our Nation. I am extremely appreciative of Tom's efforts and accomplishments while he served on my staff. I am especially grateful also to his wife and family for their understanding during this turbulent legislative cycle.

As Tom moves on to other duties, I would like to once again express my sincere appreciation to him for his outstanding service and wish him the very best in future endeavors.

#### NATIONAL HOME STUDY COUNCIL'S 60TH ANNIVERSARY

Mr. CRANSTON. Mr. President, this week marks the celebration of the founding of the National Home Study Council—the accrediting council for educational programs conducted through home study. Members from across the United States are gathered this week in San Antonio, TX, to observe this occasion. I want to take this opportunity to express my congratulations to the organization and its members, together with my best wishes for continued success.

Home study—or correspondence—education has flourished for over a century in America. Since its beginning, well over 60 million men and women have studied by correspondence. Many home study courses provide complete vocational training. Others prepare individuals for upgrading in their current work, without losing experience or seniority. With home study, students do not have to

give up jobs, leave home, or lose income. Individualized attention and self-paced instruction are offered.

Annually, the National Home Study Council conducts a "Home Study Graduate of the Year" program to recognize outstanding graduates of home study courses. This year, 46 exceptional 1984 home study graduates were judged on their academic records and the level and quality of their contributions in their chosen fields. The judges met in November 1985, and chose 13 finalists. Serving on the distinguished panel of judges was Ms. Janet Mahoney of Good Housekeeping magazine; Mr. G. Dewey Arnold, former regional managing partner of Price Waterhouse and a former NHSC accrediting commission member; and Dr. Richard Rowe, former executive director of the National Advisory Council on International Education, U.S. Department of Education.

Mr. President, on February 26, I was pleased to host a congressional reception to pay tribute to the 13 outstanding graduates. Later that evening, these remarkable students received their awards at a dinner held in their honor. Likewise, I am delighted to be the author of S. 1509, a measure that includes provisions, approved by the Senate last December as part of S. 1887, that would permit benefits earned under the so-called "new GI bill" to be used for home study programs of education.

At this time, Mr. President, I want to extend my heartiest congratulations to these "outstanding graduates." I particularly want to note the achievements of William H. Rochon from Hemet, CA, a graduate of the Columbia School of Broadcasting; Alberta Lee Klein, of La Mirada, CA, who completed courses in fashion merchandising offered by International Correspondence Schools; and S. Sgt. Andrew J. Svaby of Twenty Nine Palms, CA, who completed home study courses from the Marine Corps Institute. Other "Outstanding Graduates" were:

Kathleen Beers of Omaha, Nebraska, who completed a medical transcription course offered by the Hadley School for the Blind.

James R. Chapman of Fort Payne, Alabama, who was graduated from the Gemological Institute of America in Santa Monica, California.

Jo and Rich Doucet of Powhatan, Virginia, graduates of McGraw-Hill Continuing Education Center's National Radio Institute's courses.

James R. Foster of Frederick, Maryland, who completed the respiratory therapy course offered by the California College for Health Sciences.

Barbara S. Lefever of Dover, Pennsylvania, a graduate of the International Correspondence Schools' surveying and mapping course.

Pancrazio Nino Miso of Owerri, Imo, Nigeria, who received a diploma in hotel administration from the Educational Institute of the American Hotel and Motel Association.

Tyina Stefan of Dodge City, Kansas, a graduate of the American Medical Record Association's independent study program in medical record technology.

Dr. Seth Sykes of Lincolnshire, England, who completed courses through the International Correspondence Institute.

Staff Sergeant Florence G. Williams of Scott AFB, Illinois, a graduate of the U.S. Air Force Extension Course Institute.

Mr. President, the outstanding achievements of these 13 unique men and women, representing more than 3 million correspondence students now studying with NHSC schools, best tell the story of home study. So that my colleagues can appreciate these achievements, I ask unanimous consent that there appear in the RECORD at this point, brief summaries of the stories of these "Home Study Graduates of the Year."

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

#### KATHLEEN BEERS

Ms. Kathleen Beers has been blind since birth from a condition known as RFL—blindness caused by excessive oxygen. Kathleen knows that a person can have several careers in a lifetime, so she decided to change hers by taking The Hadley School for the Blind's Medical Transcription course.

Kathleen is the only blind individual in Nebraska working for Northwestern Bell. She has tried to blaze trails for the hiring of other visually impaired persons by continually updating her education, serving as a public speaker to Toastmasters International, and working with her company to choose a career that other blind individuals can follow.

Kathleen has an Associate of Arts degree in Secretarial Science from the College of Saint Mary, where she is currently enrolled in a program to receive a Bachelors in Business Management with an Associate of Arts degree in Computers Information Management.

"Our company asks that we employees 'be the best we can be.' By taking Hadley courses, I have bettered myself to be the best I can be in my field, gained a wealth of knowledge, and I am trying to build a sound career and a future for myself and my family. Thanks to the Hadley School, I will have a much brighter future."

#### JAMES R. CHAPMAN

Mr. James R. Chapman, a former bomber pilot, survived World War II, only to be stricken with cancer in his mid 30's. He continued to work and enjoyed a successful career in the packaging industry until his medical problems, which ultimately resulted in the loss of his leg and right lung, forced his retirement in 1977. It was then that his interest in gems and jewelry began.

In 1981, Jim and his wife established a retail gem and jewelry business. To better prepare himself for this new career, Jim began taking home study courses from Gemological Institute of America. In 1982, he completed the Diamonds course; in 1983, the Colored Stones course; and in 1984, the Gem Identification course.

Convinced that educating the public is the key to increasing public interest in gems and fine jewelry, Jim founded the DeSoto Gem and Mineral Club (and served as its first

president). He also lectures for various local clubs—the Women's Club of Valley's Head, Alabama; the Fort Payne Kiwanis; Lions; Rotary Clubs; Civettes Club; and the Fort Payne Culture Club.

"Because of my physical problems, it would have been impossible for me to earn my diploma if I couldn't have studied at home. GIA's instructors were most helpful, responding quickly to my questions. They really helped me get through the course."

#### JO AND RICK DOUCET

Jo and Rick Doucet are both graduates of McGraw-Hill Continuing Education Center's National Radio Institute's courses. Rick completed the TV/Radio Servicing course in 1980 and the Industrial Electronics course in 1984. Also in 1984, Jo finished the Building Construction course.

Even before completing his first course, Rick was able to open his own TV repair shop. Then, in 1979, Rick went to work for the Bank of Virginia as an electrician. To enhance his knowledge of the electronics applications industry, Rick enrolled in his second course. Today Rick is Senior Field Engineer with the Bank of Virginia and has earned the highest employee rating possible. He has also received several awards for outstanding service to his employer.

"The only formal training I've had in electronics has come through correspondence (NRI's courses)." Rick comments. "That says a great deal about the quality of the training I've received."

Jo had worked for local builders and land developers and was impressed by how much her husband had learned from his home study courses. So she decided to take NRI's Building Construction course. Combining her knowledge of business and computers with her NRI training, Jo has opened her own consulting firm, Controlled Construction. She sets up computer systems and trains builders and land developers to use computers and software to conduct their business more effectively. She has landed several contracts, including a six-month contract for a building and land developing firm.

"I was as thrilled to receive my NRI diploma as I would be to get my college degree," says Jo, "because I know how much I worked for it."

#### JAMES R. FOSTER

Mr. James Foster's only formal training was through the Air Force Cardiopulmonary School many years ago. He felt a weakness in his knowledge in the respiratory aspects of his job as a Critical Care Therapist at the National Institutes of Health in Bethesda, Maryland. To further his formal education, Jim decided to take courses from the California College for Health Sciences.

It had taken Jim three years to complete his associate degree while he worked full-time. With the birth of their second child, Jim dreaded the thought of trying to maintain a normal family life and going to school in the evenings. The Educational Coordinator where Jim worked told him about earning his degree through correspondence study and about CCHS's courses. This was just what he was looking for. Jim completed CCHS's Respiratory Therapy Technician course in February of 1984.

"California College provided me with a quality of education that has been reflected both by my national examination board scores and also by my improved clinical proficiency. The option of taking a traditional program in respiratory therapy involved a

very long process and it would have been difficult to maintain a normal family life. Professional advancement through California College has been the perfect solution for me."

#### ALBERTA LEE KLEIN

Alberta Lee Klein enjoyed an upwardly mobile career in financial planning, financial analysis, and financial data systems in the food service industry until 1984. Bitten by the "entrepreneurial bug," Lee contemplated a career change into the fashion industry where she would have more creativity in her work and a more direct involvement with customers. She researched classes at several trade schools but could not find a class schedule to fit her needs. She decided that the only way to continue her earning power, gain practical experience, and study her chosen field of endeavor was to study via correspondence. International Correspondence Schools offered just the course she wanted.

One month prior to completing the ICS course in Fashion Merchandising, Lee and a partner started their own company: Casa Le'. Since that time, the firm has successfully designed, sold, manufactured, and delivered two seasons of women's sportswear.

Lee enjoys sharing with others the knowledge and skills learned from her course. She and a partner have a second consulting business developing marketing plans for retail outlets. She uses her ICS materials for reference in the preparation of marketing plans, sales promos, advertising tactics, and visual merchandising strategies.

"Each section of the course was interesting and helpful. I have all of the course study materials on my desk at my office and use them daily for reference. I will continue to use the knowledge gained from the course for many years to come."

#### BARBARA S. LEFEVER

Barbara S. Lefever is a free-lance writer. Her recently completed novel, *The Stargazers*, traces the lives of Charles Mason and Jeremiah Dixon, the 18th century surveyors of the Mason-Dixon line. Barbara enrolled in the International Correspondence Schools' Surveying and Mapping course in order to authenticate her writings about surveying.

Barbara points out in her book that the Mason-Dixon Line, contrary to popular belief, is neither a railroad nor the dividing line between the Northern and Southern states, but is the border between Pennsylvania and Maryland. As a result of continuing conflict brought about by the failure of the Penns of Pennsylvania and the Calverts of Maryland to agree on the limits of their wilderness territories, the boundary became the subject of the longest Chancery suit in history and the scene of bloody altercations for more than 80 years. This situation prompted the hiring of Charles Mason and Jeremiah Dixon in 1763 to survey accurately the disputed 233-mile boundary with the help of astronomy.

"Indeed, the benefits I derived from studying the course have been useful in the composition of my novel, *The Stargazers*. I could not have written it as interestingly or as intelligently without the help of my ICS course."

#### PANCRAZIO NINO MISEO

Pancrazio Nino Miso studied Hotel Management at Cornell University before receiving his diploma in Hotel Administration from the Educational Institute of the Amer-

ican Hotel & Motel Association. Before his present position as hotel manager for the Concorde Hotel in Owerri, Imo, Nigeria, Mr. Miso worked in many parts of the world, including the Ivory Coast, Seychelles, Switzerland, Belgium, Italy and England.

Mr. Miso took the hotel administration courses because he wanted to learn and progress in his chosen career, and to make sure that any hotel he worked for provided the best service possible.

Mr. Miso believes that he has done a lot to improve the standards of Nigerian hotels. He is training staff locally with the help of other expatriots. He has been asked to serve on the Olympic Committee to help organize a sports club and to give advice on how to improve the tourist industry in Nigeria.

"I have benefited in my work and also personally by the courses I took from Educational Institute of AH&MA. Higher positions have obviously provided higher wages and carry greater responsibility. The knowledge I gained from my home study courses has helped me handle these added responsibilities."

#### WILLIAM H. ROCHON

William H. Rochon used to drop by local radio stations when he was in high school. Sometimes the disc jockeys would invite him to sit in on their shift. "Someday," he thought, "I'm going to be a radio announcer." Columbia School of Broadcasting helped him fulfill his dream.

Following a series of family hardships in his native Wisconsin, Bill moved to California. He enrolled in Columbia and he graduated in 1984. While studying, he worked for KPCC, a non-profit station, doing the announcing and music direction. After he graduated from Columbia, he began working for KHSJ-AM and KHVE-PM in Hemet, California.

Bill, who has adopted the radio name of Rick Elliot, is the full-time AM morning personality for the adult contemporary station. His duties include announcing the news, copywriting for commercials on both stations, and production of most of the programming he plays. He also manages to produce most of the advertising he writes. Bill also works as the emcee for local talent shows and is involved with sponsoring activities for the American Cancer Society and the Hemet Fair.

"Go confidently in the direction of your dreams. A winner is a loser who makes it, because it really comes down to believing that you can do anything if you only try. To accomplish great things, you must not only act, but dream. Columbia School of Broadcasting helped me to make my dream a reality."

#### TYINA STEFAN

Ms. Tyina Stefan was fascinated by medicine while she was growing up in Park, Kansas. After graduating from high school, she attended a community college and received a secretarial certificate. While working as a bookkeeper at the Gove County Hospital in Quinter, Kansas, Tyina learned about a program in medical record technology.

In 1978, Tyina moved to Dodge City, Kansas and began work as a medical transcriptionist at Humana Hospital Dodge City. She took some night classes and in 1981 she enrolled in the American Medical Record Association's Independent Study Program in Medical Record Technology.

While enrolled in the course, Tyina was promoted to Assistant Director of Medical Records and received the Humana Hospital Dodge City Outstanding Employee Award for the third quarter of 1982. During this time she redesigned quality assurance forms for her department and designed a work scheduling system that ensures a smooth flow of work. After graduating from the AMRA course in 1984, Tyina wrote the coding guidelines for her department.

"With the knowledge I gained from my AMRA courses, I was able to complete projects that have helped our department supply high quality, timely information to the health care team, and to improve patient care."

#### ANDREW J. SVABY

Staff Sergeant Andrew J. Svaby, a Marine Reservist, completed 76 home study courses from the Marine Corps Institute in 1984. Thirty-one of these courses carried a grade of 95-100% on the final exams. He completed these courses while holding down a full-time and a part-time civilian job to help with his mother's chemotherapy treatments, being a single parent, coaching midget soccer and wrestling, helping three marines pass their state GED exams with extensive preparation, and being heavily involved in the Marine Corps League and Toys for Tots activities.

Sergeant Svaby has the difficult task of keeping interest, enthusiasm, morale, and self-discipline high between drills for the Allentown, Pennsylvania Marines. His MCI courses have helped him in providing various public service functions. There are hundreds of individuals and families in the Lehigh Valley, Pennsylvania area who have completed other high school and college courses, a sports season, a beauty pageant and other endeavors all because of Sergeant Svaby.

Sergeant Svaby is always "on-call" with the Allentown Marines for counseling and tutoring. In addition, he speaks to other training groups in the Marine Reserve at least six times a year "at his own expense" to improve morale, enthusiasm, and completions of the MCI correspondence education programs.

"There is a great sense of self-worth that you have been a catalyst, a shaker and a mover, and an inspiration to other Marines who would otherwise have never enrolled, opened a book, or put a number two lead pencil to an MCI course."

#### SETH SYKES

Dr. Seth Alexander Greer Sykes is a private family physician in the United Kingdom. Rather than settling down to the responsibility of making money and advancing his career, Dr. Sykes was concerned about the deepest levels of human need. He accepted a position as a Primary Care Physician within a large military hospital in Saudi Arabia. His first few months there were very difficult because he was separated from his wife and four children.

Rather than surrendering to despair, Dr. Sykes set his mind to the study of International Correspondence Institute's courses and his heart on helping other people. He initiated a small fellowship group and soon found he was functioning as a lay preacher. When the local Presbyterian church (which was ministering to the needs of expatriots) was closed because of government pressure, Dr. Sykes found himself in charge of ten lay preachers and a large, but widely scattered, church community. His studies with ICI

found direct application through these varied ministries.

Dr. Sykes has now completed the degree requirements for a Bachelor of Arts degree in Religious Studies and has returned to medical practice in the United Kingdom.

"My ICI courses and study were to prove invaluable as we met together weekly for prayer and Bible study."

#### FLORENCE G. WILLIAMS

Staff Sergeant Florence G. Williams is a graduate of the U.S. Air Force Extension Course Institute. She has integrated her off-duty academic studies and professional interests into a systematic philosophy of military education. She has used her success in correspondence study not only to enhance her own career interests but also to serve as an example for subordinates and other Air Force members to emulate.

The knowledge Sergeant Williams has gained from ECI courses has enabled her to implement improved warehousing procedures and to increase inventory accuracy to 98.9 percent. Her efforts contributed to the individual Equipment Unit receiving an excellent rating during a recent Management Effectiveness Inspection.

Sergeant Williams is a member of the National Vocational Education Association and has recently received her Bachelor of Science degree in Occupational Education. Through experience with ECI programs, she firmly believes that home study plays a vital role in allowing people to meet present and future work demands.

"I realize that the future of the Air Force and our country depends on the current 'cross training' trends. Home study courses will play a vital role in allowing employees to meet their future work demands. ECI courses have certainly helped me to excel in my own career."

#### TRIBUTE TO MERRITT W. SPRAGUE, MANAGER OF THE FEDERAL CROP INSURANCE CORPORATION

Mr. ANDREWS. Mr. President, I rise to draw to the attention of my colleagues the resignation of Merritt W. Sprague, Manager of the Federal Crop Insurance Corporation. Mr. Sprague will leave his position to devote more time to his family farming operation.

I believe, based on premium volume between 1948 and 1984, my home State of North Dakota has been the No. 1 user of this form of insurance. I know many a farmer who's still farming today because he had the good sense to purchase crop insurance. I hope for our farmer's sake that Mr. Sprague will continue to exert some influence over the Corporation's further development.

For those of you who don't know Mr. Sprague, he came to Washington, DC, from Illinois. On the family farm in Pike County, one of the leading hog producing counties in the United States, Mr. Sprague grew corn, wheat, and soybeans on 2,000 acres and annually marketed 5,000 hogs. He also served as the Illinois State chairman of Agricultural Stabilization and Conservation Service from 1973 to 1977.

In Washington, Mr. Sprague served as Deputy Administrator for Commodity Operations at the Agricultural Stabilization and Conservation Service beginning in March 1981. While there he was responsible for the administration of the milk price support program, management and storage of all Commodity Credit Corporation owned inventories—dairy products, food and feed grains, and sweeteners—and procurement and transportation for Public Law 480, title II programs.

The passage of the Federal Crop Insurance Corporation Act of 1980 overnight obligated the Corporation to move from being a limited pilot insurance program to becoming the primary form of Federal disaster protection for farmers. Between 1980 and 1982, when Mr. Sprague assumed the leadership of the Corporation, five different men sat in the Manager's seat. The early 1980's were turbulent times for the Corporation and demanded resourceful and innovative leadership. Merritt Sprague delivered.

The results Mr. Sprague and the FCIC achieved in a short period of time are significant. Under his leadership, FCIC developed and fully implemented a production based guarantee program, which makes crop insurance attractive for our Nation's most productive farmers. County programs increased almost 300 percent, from 4,629 in 1980 to 18,892 in 1985. Acres insured, insurance in force, and premiums also increased dramatically. In 1980, acres insured were 26.6 million compared with 48 million for the 1985 crop year. Insurance in force increased for the same period from \$3 billion in 1980 to over \$7 billion in 1985. Premiums increased from \$158 million in 1980 to over \$440 million in 1985 due to increased participation.

Sure, I could recite a litany of the problems we have with the crop insurance program. So could Mr. Sprague. But, to achieve these kinds of results while American agriculture is going through some wrenching adjustments required solid leadership. Mr. President, I urge my colleagues in the Senate to join me in thanking Mr. Sprague for his dedication and commitment to American agriculture and the crop insurance program.

#### TRIBUTE TO FLORENCE S. LOWE

Mr. DODD. Mr. President, I rise today to praise Florence S. Lowe who recently left her post of Chief Public Affairs Advisor at the National Endowment for the Arts. During her 16-year tenure at the NEA, spanning four Presidential administrations, the name Florence Lowe has become synonymous with arts in America. What Florence Lowe has done for the betterment of the arts in this country is un-

paralleled, and for that she has our eternal thanks.

Ms. Lowe came to the NEA in March 1970. Since that time Florence Lowe has diligently toiled, often times in anonymity, to further the endowment's cause and mission. Over those 16 years the eyes of the public have gradually started to open and now, due in large part to Florence's efforts, the endowment boasts a substantially increased recognition factor.

In a glowing tribute to Ms. Lowe's accomplishments the National Council of the Arts adopted a resolution documenting Florence's invaluable career at the NEA. Mr. President, I request that the context of the resolution be printed at the conclusion of my statement.

Mr. President, to illustrate further to this body the depth of Ms. Lowe's character, allow me to share some of Florence's own thoughts on this warm tribute to her accomplishments. Florence stated "In all the words that were used in the resolution, all marvelous, flattering and very meaningful, the word that stands out is 'love', because that best describes my own feelings."

I know my colleagues join me in wishing her well for the future. Her contributions to the endowment and the whole arts movement in this country will never be forgotten.

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

NATIONAL COUNCIL ON THE ARTS RESOLUTION,  
NOVEMBER 1, 1985

Whereas Florence S. Lowe has put the National Endowment for the Arts into the consciousness of America, and

Whereas she served with distinction through 15 years of growth and turmoil and achievement for the endowment, and

Whereas she has both shamelessly and skillfully manipulated all the levers of all of the media in this country, and

Whereas there can never be another Florence Lowe to do all these things with quite the same style and effect, and

Whereas the National Council on the Arts has never previously broken from its solemn and judicious manner in commenting on matters of public concern;

Be it now resolved that the National Council on the Arts here assembled wishes to break all tradition, and to express in the wildest and most raucous and tumultuous manner possible, its total admiration, deep affection and profound thanks for the lady who gave us our public face;

Be it further resolved that as a token of our esteem, Florence Lowe is hereby authorized and empowered—even entreated—to continue planting good stories, giving influential dinner parties, and otherwise manipulating the national media in our favor until the end of time; and

Finally, be it resolved that we return now to our normal reserved nature and record for history, in the simplest and quietest way we know, that we love her and all her works, and that we are proud that she is our own Florence Lowe.

OPPOSITION TO THE FEDERAL  
OCEAN SPORTS FISHING LI-  
CENSE

Mr. HEFLIN. Mr. President, the President has proposed, in his fiscal year 1987 budget, a Federal Ocean Sports Fishing License of \$10 minimum per angler. Each coastal State would be required to provide \$5 of the fee to the Federal Government, and the States would retain the remainder of the fee. The States could also assess an additional amount to recoup the cost of administering the license program and to recover the cost of fishery management within that State.

The administration argues that since recreational fishermen benefit from Federal maintenance of our coastal resources, the fishermen should bear the cost of administering Federal services which support recreational fishing.

I think we should closely examine the facts of this proposal. In fiscal year 1986, the National Marine Fisheries Service received less than \$3 million to support recreational fishing. The President's proposed fishing licenses user fee is projected to raise \$200 million over the next 5 years. Clearly this is a burden on the fishermen far beyond that which the Federal Government requires to cover its services. Furthermore, salt water fishermen spend most of their time in in-shore waters which are under the management of the States. Recreational fishermen are already paying an excise tax on equipment and motor fuel which goes into the State management programs operated through the Fish and Wildlife Service. I might add, that these States management plans are operated at no cost to the Federal Government.

While I have not been supportive of the user fee concept, this particular license or user fee tax greatly disturbs me more so than the usual user fee. The administration justifies the need for this tax by telling us that the recreational fishermen should help pay the cost of maintaining those services from which they benefit. However, in this particular case, the Federal Government would use the revenue from this tax for deficit reduction, and not for those services from which they are benefiting.

Mr. President, I urge the administration not to push for legislation imposing this license fee. This proposal goes far beyond asking the fishermen to help pay the cost of Federal maintenance of the coastal resources. This proposal is simply a tax on those that enjoy sport fishing.

CHUCK PERSON APPRECIATION  
DAY

Mr. HEFLIN. Mr. President, today, April 24, 1986, has been declared "Chuck Person Appreciation Day" by

the city of Brantley, AL, by Brantley High School, and by the Crenshaw County Auburn Alumni Club. I am sure that everyone involved will have a most enjoyable time. I am delighted to rise today to congratulate Chuck Person for his outstanding achievements playing basketball for Auburn University. This year, the Auburn basketball team was one of the final eight teams remaining in the NCAA national tournament when they suffered defeat to the team which went on to win the championship. Auburn's success was largely due to Chuck's great talents. His accomplishments at Auburn are tremendous. There, he is the all-time leading scorer, and led the team in scoring and rebounding both as a senior and as a junior. He ranks third in the Southeastern Conference's all-time scoring chart, was honored as the amateur athlete of the year for basketball in 1985 by the U.S. Olympic Committee, and was selected as an alternate for the U.S. Olympic squad in 1984. These are just a few of Chuck's great successes. To name them all would take pages.

Chuck Person has demonstrated that hard work and dedication pays off. Participation in athletics teaches discipline, drive and the value of team effort. Chuck has set a great example for youths to follow in Alabama and the Nation. I salute Chuck for his accomplishments, and wish the citizens of the city of Brantley, AL, Brantley High School, and the Crenshaw County Auburn Alumni Club every success in their activities today.

A TRIBUTE TO JUDGE JOHN  
HENRY ARMSTRONG

Mr. HEFLIN. Mr. President, I rise to commend the great efforts of Judge John Henry Armstrong, probate judge of Washington County, in my home State of Alabama. Judge Armstrong has provided the people of Washington County with excellent leadership and understanding in his duties both on the bench, and as ex officio chairman of the county commission.

In his service, Judge Armstrong has labored to maintain an open door policy with his constituents throughout the daily discharge of business. In this way, all those with grievances are able to voice their problems and opinions. This practice guarantees that all elements of a case or conflict are heard, and that the parties involved are satisfied that their views were considered. Thus, Judge Armstrong has implemented a most effective addition while resolving disputes. Furthermore, with this open rapport, the judge is able to provide advice and counsel to any who may seek it. This is a traditional role of a probate judge in Alabama, and is important in giving valu-

able leadership and direction to the entire county.

I am delighted to see that Judge Armstrong has been so effective in perpetuating the valuable role of the office of probate judge. He is a man who possesses great understanding, equity, and integrity. He is a worthy member of his community and a great example to those he represents.

Mr. President, I ask unanimous consent that an article from the Mobile Press Register, which describes Judge Armstrong's achievements, be printed in the RECORD.

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

PROBATE JUDGE'S OFFICE SEEN NERVE CENTER FOR ENTIRE COUNTY  
(By David Gary)

CHATOM, ALA.—John Henry Armstrong knew the official duties of a county probate judge when he first ran for the office in 1976.

He said it was only after his election that he learned the true scope of the office—that it serves as an informal information nerve center for the entire county.

"This office keeps really busy with the telephones and there always seems to be an office full of people," he said.

"They are in here wanting to know everything. You get asked a lot of things and I believe that we get asked every type of question in the world. Not to mention that they think we will know the details of everything going on in the county."

The barrage of inquiries on everything from legal questions to "When does the school meeting start" has not made Armstrong a recluse from the public.

"I maintain an open-door policy here," he said "I may not be able to stick to any kind of schedule, and someone may have to wait a little while to see me, but I try to see or speak to everyone who wants to talk to me."

"I've learned that you have to know the people in any setting to learn the way they tick and I try to treat everybody the way that I would want to be treated."

Armstrong's job carries with it the added responsibility of being "ex officio chairman" of the four-member Washington county commission.

"They are four of the greatest fellows to work with. We may spend a lot of time in the meetings disagreeing, debating and arguing a lot, but when the meeting is over, it's all put aside."

Recent challenges to the county commission, according to Armstrong, include attempts to implement federal fair labor act overtime guidelines.

"We've had to examine what we do and as much as possible avoid overtime with the county employees. We have to stay away from it (overtime payments) because of the cost involved."

Armstrong said another problem facing county governments is the general belief that city governments are more essential.

"As county officials we represent all the county, including city dwellers. But it is tough to keep us in a higher profile than city officials. The county officials are representing a greater number of people and a greater geographical area."

According to the judge, this image of county and city governments is illustrated by the lower amounts of federal funds going to county governments.

"This is a gross impairment to our ability to serve the people," he said.

Being in the forefront of public criticism and scrutiny is another part of being judge, according to Armstrong.

During moments of heated debate, such as recent controversies over the operation of the county-owned hospital, Armstrong said that dealing with difficulties in a low-key fashion helps to calm the heat of the moment.

"We're always on the front line, but I've found that if things are dealt with in a low-key fashion; things go better. Nevertheless, emotions still ride high."

Armstrong also thinks that a proper use of humor also has a place during heated discussions.

"I try to exercise humor in what we do . . .," he said.

Versatility is another reason the judge likes his job.

"The best thing about the job is meeting all the different types of people. The variety it has in terms of the hours I spend out of the office dealing with different situations is another thing I like."

Carrying the weight of judicial responsibility is one of the job's tougher aspects, he said.

"Dealing with estates, guardianships and adoption cases is through the probate office. We have contested adoptions and this get touchy. There are domestic situations in which we have to decide how to handle the children."

Resounding his belief that maintaining an open-door policy is a must, Armstrong said confidence plays an important part in maintaining a good public rapport.

"I've made a habit of keeping confidential what people want me to keep confidential. It's not good for people to have any reason to lose confidence in me," he said.

A county native who was born and still lives in Millry 15 miles north of the county seat of Chatom, Armstrong teaches a senior men's Sunday school class at Millry Baptist Church.

An outdoorsman who enjoys deer and turkey seasons best, Armstrong said his greatest aim in sporting life is to one day out-hunt Monroe County Probate Judge Otha Lee Biggs.

After graduating from Millry High School, Armstrong, 39, got a degree in business management from the University of Alabama.

He is married to the former Glenda Overstreet, a native of Waynesboro, Miss. They are parents of Tera, 12, Brandon, 9, and Tory, 8.

#### TAX REFORM

Mr. HEFLIN. Mr. President, on April 6, 1986, an article was printed in the Washington Post written by Harold Apolinsky, a tax lawyer and law professor from Birmingham, AL, on the issue of tax reform. In his article, Mr. Apolinsky correctly points out that current tax reform proposals have strayed far from the goals of simplifying our tax system and making it fairer to lower- and middle-income taxpayers. Instead, we appear to be on the brink of simply proposing another major revision of our Tax Code not unlike the six major revisions Congress has passed since 1976.

There is no doubt but that most Americans believe that our tax laws have grown needlessly burdensome and confusing and inequitable in their application. However, the tax reform proposals which have been the focus of Congress over the past several months do not thus far appear to achieve the goals of simplification or fairness. The House tax bill is over 1,300 pages long and would no doubt require countless regulations in order to be understood and implemented. The Senate Finance Committee bill appears to be headed in the same direction. Unfortunately, the tax laws have been changed so often in the past several years that there is currently a backlog of 400 unfinished regulations. Furthermore, it seems to me that Congress is tending toward reform legislation which would merely shift the tax burden from one group of taxpayers to another without achieving fairness, an essential ingredient of tax reform.

Mr. President, I also fear that Congress is moving so rapidly on tax reform legislation that we are not taking the time necessary to analyze the impact of its provisions on our economic and industrial policy. It is vital to our economic security that we determine through extensive and careful study the potential impact on economic growth of the changes Congress proposes in our tax laws. We must ensure that in our zeal for tax reform we don't weaken incentives for individuals to invest and save or for business to invest in plant and equipment. To do so would be to undermine our country's long-term economic growth.

I urge my colleagues to read Mr. Apolinsky's article and I ask unanimous consent that it be printed in the RECORD.

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

[From the Washington Post, Apr. 6, 1986]

#### THE CHANGES JUST COST MONEY

(By Harold I. Apolinsky)

BIRMINGHAM, ALA.—House bill 3838 contains 1,300 pages of changes to the Internal Revenue Code. The Senate version will also contain more than 1,300 pages of changes. It is time to call "time out" in this annual tax game and admit that this legislation is not fair, not simple and will not promote economic growth. It is simply another massive change of our tax laws.

Too many changes have been made to the tax laws in the last few years. Consider the number of subsections in the Internal Revenue Code that have been changed:

	Number of code subsections affected
Tax Reform Act of 1976 .....	1,849
Revenue Act of 1978 .....	664
Economic Recovery Tax Act, 1981 .....	483
Tax Equity and Fiscal Responsi- bility Act, 1982 .....	530
1984 Deficit Reduction Act .....	2,245

	Number of code subsections affected
1984 Retirement Equity Act .....	44
Total .....	15,815
13,302 since 1981.	

The number of code subsections to be changed by the proposed Internal Revenue Act of 1985 (H.R. 3838) is 4,051.

The 22 tax lawyers in our firm receive significant fees for lobbying, explaining and implementing tax changes. If this latest effort continues and the law passes, we will enjoy another round of fees. But it is time to put our self-interest aside and be honest.

There used to be 15 years between major tax revisions. The 1954 code was enacted 15 years after the 1939 code, and the 1969 major tax revision came 15 years later. It takes time to study, learn and understand the law. It takes the Treasury time to write interpretive regulations. Tax lawyers and tax accountants readily admit they make their most aggressive tax planning recommendations in areas of the law where no regulations have been issued.

At a time when federal funding is being limited, the tax-writing staffs should be shifted from the chore of preparing and drafting annual tax legislation to writing regulations. The result would be simplicity through better understanding, fairness through nationwide consistency and better compliance by taxpayers.

The tax system would also be improved if the dollars spent on annual changes were appropriated to the Internal Revenue Service instead. Taxpayers understand that less than 2 percent of tax returns are audited. Why not set a goal of 10 percent? Fees for lawyers and accountants might drop, but revenue might increase significantly.

Title XI of H.R. 3838 contains 122 pages of changes to the tax laws affecting employee retirement savings plans. The Senate staff alone has made 50 pages of proposals.

Congressionally mandated changes to retirement plans that reduce savings in the interest of reform seem to occur annually. Employee retirement plans have been significantly and adversely affected by the Tax Equity and Fiscal Responsibility Act of 1982, the Deficit Reduction Act of 1984 and the Retirement Equity Act of 1984. The three major tax laws have required four costly amendments to retirement plans. The result is that plan terminations, as compared with new plans being adopted, have increased 300 percent in five years.

Some 700,000 qualified plans are now in force covering 55 million employees. More than 600,000 plans have been adopted by small businesses. In the past 3 years amendments in these plans have forced business to pay their lawyers and accountants at least \$3,000 per plan, or more than \$2 billion. H.R. 3838, if passed and signed by the president, would force another round of amendments at a cost of at least \$2,000 each, or more than \$1.4 billion. Why reduce benefits to employees and increase plan expenses? This is not fairness or simplicity. The only economic growth is for lawyers and accountants.

Recent reports indicate that the rate of savings in the United States has declined to a 35-year low of 2.9 percent of disposable income. This is an average annualized volume of 34 percent below that of last year. Why pass laws that further reduce incentives to save, thus causing termination of savings plans?

The employee plans divisions of the IRS are swamped. One division staffed and

planned for the submission of 20,000 plan changes in 1986. To date, 30,000 have been submitted, with 54,000 expected for the year. Turnaround time has swelled from 4 months to 9 months, with 12 months expected. Nearly all of the staff has, of necessity, been diverted to reviewing and processing amendments, not auditing operations. Plan terminations now account for almost 30 percent of the workload. Those pushing for more pension changes should ask the IRS whether more changes are needed. They would find the interest in more changes to be at the bottom of the agenda and survival of the system at the top.

A lot of personal capital has been invested in this latest tax reform effort—by the president; by Donald Regan, who stated this effort; and by Treasury Secretary James Baker, Ways and Means Committee Chairman Dan Rostenkowski and Senate Finance Committee Chairman Robert Packwood, who desperately want to finish it. They and their staffs have made an honest and determined effort. This should not be viewed as a Republican Party problem or a Democratic Party problem. It is a congressional problem—of too many changes. Let us hope the members of Congress are frank enough to admit that three rates versus 16, plus a higher standard deduction for some, is not fairness of simplicity and will not encourage economic growth.

The tax code should be left alone. It will become fair and simple through understanding and application. Economic growth will never be achieved through tax law changes; it will come from letting businessmen and motivated employees focus on marketing, merchandising and producing quality products at competitive prices. They should not be spending time and dollars on figuring out changes in the tax law.

**TEXTILE IMPORTS**

Mr. THURMOND. Mr. President, recently an article appeared in the Greenville News entitled "Textile Union Officials Defend Actions by Mills." This piece quotes representatives of the major textile trade unions as saying they are convinced that rising imports are responsible for the massive plant closings and job losses in the beleaguered textile industry. Officials of both the Amalgamated Clothing and Textile Workers Union, and the International Ladies Garment Workers Union said that if imports are not the cause of layoffs, it would be obvious to their organizations.

Mr. President, over the past 5 years, imports to textile and apparel products have more than doubled. Directly linked to these surging imports has been the loss of over 350,000 American jobs. A vital domestic industry, which the Defense Department ranks second only to steel in importance to national security, is struggling to survive. Without a doubt, uncontrolled imports are the cause of the problems facing the American textile industry.

Unfortunately, Mr. President, textile and apparel imports continue to climb. The year 1985 was the 5th consecutive year that imports of those products reach new record levels. For the 6 months from September 1985-Febru-

ary 1986, more textile and apparel imports came into our country than for the entire year of 1981. In addition, textile and apparel imports were up 27.7 percent for the first 2 months of 1986 over the first 2 months of 1985. Strong action is desperately needed to preserve American jobs in this important industry.

Mr. President, I ask unanimous consent that the article referred to above be printed in its entirety at this point in the RECORD.

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

[From the Greenville News, Apr. 22, 1986]

**TEXTILE UNION OFFICIALS DEFEND ACTIONS BY MILLS**

(By Chris Weston)

WASHINGTON.—Representatives of the major textile trade unions say they are convinced that textile manufacturers are not using rising imports as a pretense to fire workers to proceed with plant modernization plans.

Some congressmen involved on both sides of the legislative fight for a textile industry protection bill have said privately in recent weeks there are doubts in Washington about the severity of the import problem. Some have suggested privately that some in the industry may be exaggerating the role of imports in triggering layoffs and plant closings.

Often cited is a recent study by a Clemson University professor concluding that a comparable level of layoffs would have occurred without the steady rise in imports. Richard McKenzie, in a study prepared for American University in St. Louis, said in February that modernization efforts and increased productivity would have claimed a high level of manufacturing jobs even without the import threat.

The study was denounced by leading textile industry officials and economists at the American Textile Manufacturers Institute.

Officials of the Amalgamated Clothing and Textile Workers Union and the International Ladies Garment Workers Union, the two major trade unions said in a recent interview that an exploitation of the import issue by the industry to close plants and reduce employment with a minimum of labor unrest would have been spotted by the unions.

Art Gundersheim, the assistant to the president of the ACTWU, said Monday that "if someone is giving us a phony story, it would be blatantly obvious."

Gundersheim's union, along with the ILGWU, are major players in the lobbying bid being orchestrated by the textile and apparel industry to override on Aug. 6 President Reagan's veto of legislation to roll back textile imports and put strict limits on future growth.

He said he suspects that some manufacturers, in a few instances, may be dramatizing the impact of imports to proceed with modernization plans that would reduce their work force or in closing plants that were no longer profitable.

Wilbur Daniels, the executive vice president of the ILGWU, said, "I think you would not find the two major unions in the field joining with the industry if that were the case."

Officials of both unions said the labor organizations routinely monitor the manufacturing plants.

Private critics of the textile protection legislation, including some who are publicly supporting the bill, say imports have provided the industry with a convenient scapegoat to proceed with modernization plans that cost some workers their jobs. With such an outside threat, they say, the industry has been able to reduce employment and close marginal plants with a minimum of labor unrest.

Since 1981, 240 textile plants have been closed with a direct loss from those closings of about 40,000 jobs, according to figures compiled by the American Textile Manufacturers Institute. Since 1973, employment at textile plants has fallen from just over 1 million to about 703,000 in 1985, with jobs in apparel plants falling from 1.4 million in 1973 to about 1.1 million in 1985, according to the industry figures.

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

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

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is now closed.

#### CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1987

The PRESIDING OFFICER. The Senate will now resume consideration of Senate Concurrent Resolution 120, which the clerk will report.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 120) setting forth the congressional budget for the United States Government for the fiscal years 1987, 1988, and 1989.

The Senate resumed consideration of the concurrent resolution.

Pending: Moynihan amendment No. 1800, to modify the treatment of the general revenue sharing program.

Mr. DOMENICI. Mr. President, parliamentary inquiry: What is the pending business?

The PRESIDING OFFICER. The pending business is the pending amendment of the Senator from New York [Mr. MOYNIHAN].

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 10 minutes off the resolution.

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

#### CBO OIL TAX STUDY

Mr. DOMENICI. Mr. President, while waiting for the distinguished senior Senator from Florida for the purpose of discussing when we should advise Senator MOYNIHAN, the proponent of the pending amendment, to be on the floor to begin discussion of his amendment. I would like to take some of our time off the resolution to talk about a Congressional Budget Office study which is going to be released today. It has to do with import fees on foreign oil, and on certain combinations of import fees and gasoline taxes, and other energy tax options.

I had an opportunity to read it yesterday. I would like to take a few moments to describe this study because I think it is very interesting. As I indicated, it will be made public today. We will see to it that all of those interested in the U.S. Senate and those interested in the media and around the country get copies of it.

Several weeks ago, I, along with the ranking member of the Budget Committee, asked CBO to conduct a study on energy tax options. I have spoken to the distinguished chairman of the Finance Committee and told him that this study was forthcoming and that I thought he might find it interesting as he proceeds with his various activities in the tax writing committee.

I would like to submit today for the Senate some preliminary remarks on CBO's study.

We asked CBO to review energy tax options in light of, one, the need to reduce the deficits; two, the recent decline in energy prices; and finally, the depression in the domestic oil industry that is currently upon us. More specifically, we asked CBO to look at the effect of several tax options on the deficit, on various regions of the country, on the oil industry, and on the economy as a whole.

My particular interest in this study was to examine a tax or a combination of taxes which would meet several national objectives at once. First, I wanted to know to what extent the various energy tax options would reduce the deficit. Second, in light of the current energy situation, I wanted to know that energy taxes could be used to strengthen our energy security. Third, I felt that an energy tax could only be successful if it were spread evenly and equitably across the country.

The CBO study makes some powerful observations. I would like to begin by discussing CBO's assessment of our current and projected energy. At \$13 a barrel, CBO estimates that the current U.S. energy policy will cause our dependence on imported oil to grow from the current level of 30 percent to 54 percent in 1991.

Let me emphasize this point. Oil on the spot market is already lower than \$13 a barrel, and some wondered

whether our oil dependency would change dramatically as these prices came tumbling down. CBO concluded that at \$13 a barrel, leaving U.S. energy policy unchanged, our dependency on imported oil will grow from the current level of 30 percent to 54 percent by 1991. In addition, CBO estimates that stripper well production will decline by 500,000 barrels per day.

I would like to note there that this domestic oil production will be probably lost forever. Most stripper wells, if shut in, will probably never reopen because of the rules that apply to shutting them in and because of the economics prohibit bringing them back into production.

The study examines five energy options. Before getting into the study, I would point out to my colleagues that oil taxes are not new. Certainly, some people do not like these taxes. Others think they are absolutely necessary.

The most notable is the windfall profits tax which was imposed on domestic oil production during a period of rapidly increasing prices.

CBO estimates that the five options would reduce the deficit between \$8 billion and \$25 billion annually, depending upon the option. The summary of the study shows the different deficit reduction impacts under varying oil price assumptions.

I would like to note for comparative purposes that our budget resolution assumes \$18.7 billion of revenues in fiscal year 1987.

With respect to the energy policy, CBO found that all options would encourage energy conservation. However, only an oil import fee and a combination of an oil import fee and the gasoline tax would alleviate the current decline in the oil industry and ameliorate the rapid increase in our dependency on oil imports. In fact, the other energy tax options would have a detrimental effect on domestic oil production, which is already in a depressed condition.

Some of the options have the usual drawback of energy taxes. They hit some regions of the country harder than others. For example, an oil import fee would have a negative impact on the Northeast and on the Midwest, while a gasoline tax would punish the West. In addition, there is a concern that an energy tax would be regressive. CBO found that as a percent of expenditures, the tax burden from the options they examined would not vary by income classes.

I would like to call to the Senate's attention two particularly interesting points made in the study. First, between one-quarter and one-third of the burden of energy tax options would be borne by foreign producers. Second, the magnitude of the taxes under consideration was so small that there would be no discernible effects

on the economy as a whole. I expect criticism of energy taxes from opponents, and I expect criticism of these suggestions even from the White House. Most will say that it will slow economic growth. I would point out that CBO found that an energy tax could influence the economy in either direction.

For the purpose of this study, CBO assumed that the economy would not be affected. This is a standard practice for the analysis of tax options. For example, the Department of the Treasury and others in their analysis of the revenue effects of the President's tax reform bill, which will shift billions of dollars in tax burden, assume that the economy will not be affected by the tax bill.

Mr. President, in conclusion, I would direct my colleagues to one of the options that I feel deserves close study, the combination of an oil import fee with a gasoline tax. Even at a rather modest level, 6 cents a gallon and \$2.50 a barrel, this combination would reduce the deficit by more than \$10 billion in the first year and would go up slightly in each of the outyears. At the same time, it would alleviate the decline in the oil industry, saving thousands of jobs, and clearly would protect significant investments and institutions that finance them. It would reduce our dependence on oil imports. But most importantly, it would have an equitable impact upon the regions and income classes in our country.

Mr. President, we cannot overlook the opportunities offered by the rapid decline in oil prices.

This may be a once-in-a-century chance to simultaneously improve our fiscal condition, and alleviate our energy predicament and our dependence on foreign oil.

I ask unanimous consent that the summary from the CBO study be printed in the RECORD at this time.

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

#### SUMMARY

This paper analyzes taxes on oil or oil products. Such taxes have been proposed for a variety of purposes. One aim is to reduce the federal deficit. Another is to reduce U.S. dependence on imported oil and its attendant risks to the economy and to national security. Some advocates of oil taxes see them as driving down further the world price of oil. Taxes are also favored as a way to assist the domestic oil industry, which is undergoing a severe contraction.

Oil taxes would accomplish these goals in varying degree, depending on how a specific tax was designed. At one end of the spectrum, an oil import tariff would encourage conservation, the substitution of other fuels, and domestic exploration and production. At the other end, a general energy tax—such as an ad valorem tax on all fuels consumed—would lead to reductions in energy use but would do nothing to encourage the production and consumption of oil substitutes or the exploration and develop-

ment of domestic oil supplies. Oil taxes also raise a variety of questions as to their effects on the economy, on foreign trade, on the distribution of income, and on specific industries such as refining.

This paper examines five oil tax options:

An import tariff of \$5.00 per barrel on imported crude oil and \$10.00 per barrel on imported refined products;

A \$5.00 per barrel excise tax on all crude oil (domestic and imported) and \$5.00 per barrel on imported refined products;

A \$0.12 per gallon motor fuels tax;

A 5 percent sales tax on all energy consumption; and

A combination of a \$0.06 per gallon tax on motor fuels together with a \$2.50 tariff on imported crude and refined products.

Since each tax would have different effects depending on the underlying level of world oil prices, and since there can be no certainty as to future oil prices, this report examines the taxes under three alternative assumptions: that oil prices hold steady over the next five years at levels of \$23.00 per barrel, \$18.00 per barrel, or \$13.00 per barrel.

#### ECONOMIC ASSUMPTIONS

In estimating the economic and budgetary impacts of any tax, one must make some simplifying assumptions. In this case, perhaps the most important involves the operation of energy markets.

The economic effects of energy taxes depend to some degree on the response of foreign producers. This is difficult to forecast, because the governments of producing countries often play a crucial role in determining production levels. At one extreme, producers may respond by reducing production in order to maintain world prices at their pre-tax levels. At the other extreme, they may not change production at all and accept a fall in price equal to the implied per unit tax. This analysis makes an intermediate assumption. It assumes that world prices would fall, but by considerably less than the amount of the tax. Consequently, oil taxes would to some extent raise energy prices for U.S. consumers.

Analysts must also make some assumption about the behavior of aggregate production levels (gross national product, or GNP) in response to a tax. If foreign producers were forced to lower their prices, an oil tax could stimulate the economy and raise GNP. But there are offsetting influences. In the short term, higher taxes of any sort could lower GNP since they reduce household income. But to the extent that taxes also reduce the federal deficit, they may tend to reduce interest rates and the international value of the dollar, which would tend to raise GNP. In view of these various offsetting influences, and the fact that the net effect of any of the taxes on nominal GNP is likely to be rather small, CBO has followed the convention that nominal GNP (not adjusted for inflation) remains approximately constant in response to a tax.

#### REVENUE AND OUTLAY EFFECTS

Oil taxes affect the budget on both the revenue and the outlay sides. On the revenue side, the federal government would collect the tariff or tax directly. In addition, some taxes would increase domestic oil prices and the stream of revenues produced by the crude oil windfall profit tax. Finally, on the assumption that nominal GNP remains approximately constant after the imposition of a tax, the taxes and resulting price increases in the oil sector would reduce the income and profit streams of cor-

porations in other sectors of the economy, correspondingly reducing the taxes they pay to the government.

On the outlay side, the federal government is both a producer and a consumer of oil. As a producer, it would receive more royalties from oil and gas production from the outer continental shelf and other federal lands if oil taxes were to raise wellhead oil and gas prices. On the consumption side, federal agencies, principally the Department of Defense, use roughly 500,000 barrels of refined petroleum products per day; they would pay more if prices rose. Thus the net budgetary effect of oil taxes is likely to be less than the initial revenue collected.

In general, broader-based taxes, such as an excise tax or an energy tax, would reduce the federal deficit by more than would more narrowly defined taxes, such as an import tariff or a motor fuels tax, at the same level of tax. This is because the former would be imposed on a broader category of oil and/or energy sources. Moreover, because windfall profit tax collections and domestic oil prices are positively associated, the revenue differential between a tariff and an excise tax would widen if domestic oil prices fell. Estimates of the net budgetary effects of the tax proposals are given in the Summary Table. These estimates differ somewhat from those provided in CBO's "Reducing the Deficit: Spending and Revenue Options" because different assumptions regarding oil prices and other factors are used in this analysis.<sup>1</sup>

It should be noted that at the \$23.00 and \$18.00 levels, the import tariff of \$5.00 per barrel on crude oil and \$10.00 per barrel on refined products would have the same revenue effect as a flat \$5.00 tariff on both imported crude and refined products: the extra \$5.00 on refined products would make their importation prohibitive, resulting in no new funds. Consumer costs, in contrast to federal revenues, might rise as less efficient domestic refining capacity was brought into production. At \$13.00 per barrel, however, petroleum product consumption would exceed domestic refining capacity, and the extra tariff on refined products would lead to additional revenues.

#### ENERGY MARKET EFFECTS

The tax proposals described above raise a number of issues for federal policy and for the energy industry. Reductions in oil imports caused by oil taxes would be greater with lower initial oil prices, since a fixed tax represents a greater percentage increase in oil prices as underlying, pre-tax prices fall.

SUMMARY TABLE. NET DEFICIT REDUCTION UNDER FIVE OIL TAX ALTERNATIVES, FISCAL YEARS 1987-1991

(In billions of current dollars)

Tax alternative	1987	1988	1989	1990	1991
Pre-tax oil price: \$23 per barrel:					
Import tariff	8.1	8.3	8.6	8.8	9.0
Excise Tax	22.1	22.5	23.0	23.2	23.5
Motor fuels tax	8.8	8.9	9.1	9.1	9.3
Energy tax	15.1	15.6	16.2	16.6	17.1
Combination of taxes	8.6	8.7	9.0	9.2	9.6
Pre-tax oil price: \$18 per barrel:					
Import tariff	8.2	8.8	9.3	10.0	10.5
Excise Tax	24.0	24.6	25.1	25.5	26.0
Motor fuels tax	9.0	9.1	9.2	9.3	9.5
Energy tax	14.1	14.5	15.2	15.7	16.2
Combination of taxes	9.2	9.5	10.0	10.4	11.0
Pre-tax oil price: \$13 per barrel:					
Import tariff	8.9	9.9	10.6	11.5	12.2
Excise Tax	25.4	26.3	27.1	27.8	28.5

<sup>1</sup> In administering the budget process, the baseline assumptions of Reducing the Deficit would be used for scoring purposes.

SUMMARY TABLE. NET DEFICIT REDUCTION UNDER FIVE OIL TAX ALTERNATIVES, FISCAL YEARS 1987-1991—Continued

(In billions of current dollars)

Tax alternative	1987	1988	1989	1990	1991
Motor fuels tax.....	9.2	9.2	9.3	9.3	9.5
Energy tax.....	13.0	13.5	14.2	14.8	15.3
Combination of taxes.....	10.1	10.8	11.5	12.2	13.0

Notes:  
 Import tariff: \$5 per barrel imposed on crude oil and \$10 per barrel on refined products.  
 Excise Tax: \$5 per barrel imposed on all domestic and foreign crude oil and refined products.  
 Motor Fuels Tax: 12 cents per gallon (\$5.04 per barrel) on all motor fuels.  
 Energy Tax: Ad valorem tax of 5 percent of final sale value of domestic and imported oil, natural gas, coal, and electricity.  
 Combination of Taxes: \$2.50 per barrel on imported oil and 6 cents per gallon on motor fuels.

Source: Congressional Budget Office.

At \$13.00 per barrel, oil imports in the absence of taxes are projected to reach 7.3 million barrels per day. An import tariff could reduce this amount by close to 1 million barrels per day by stimulating conservation and fuel substitution, and, very importantly, by softening the impact of low world prices on domestic oil production. Other taxes would not reduce imports by as much, because they would not provide domestic producers with additional incentives to explore or produce. At \$23.00 and \$18.00 per barrel, the effect of price changes on domestic production would not be as drastic, and hence an import tariff would not have as great an advantage over other taxes in this regard.

The effects of any oil tax in reducing oil imports, putting downward pressure on the world price of oil, and providing protection for the U.S. oil industry would be interrelated. Oil taxes would put downward pressure on the world price of oil insofar as they led to a reduction in the U.S. demand for oil imports, and that reduction would be greater if a tax encouraged domestic exploration and production.

An oil import tariff would be superior to other energy taxes on this score. By raising the price of oil imports, an oil import tariff would encourage all activities that could substitute for oil imports: domestic oil production, production of substitutes for oil, conservation of oil, and substitution of other fuels for oil. It would therefore lead to the greatest possible reduction in oil imports (for a given level of tax) and provide the most assistance to domestic producers. An excise tax on foreign and domestic oil would lead to the same reduction in total oil consumption, but would burden rather than encourage domestic oil production, leading to a smaller reduction in oil imports and, therefore, putting less downward pressure on the price charged by foreign producers. A motor fuels tax would lead to a smaller reduction in oil consumption because it would be directed at only one form of oil use and would therefore preclude many oil conservation possibilities. It would also provide no incentives for expanded domestic production. Finally, an ad valorem tax on the consumption of all fuels would lead to energy conservation, but discourage the production of domestic oil as well as all U.S. energy supply sources. These last two taxes, therefore, would do less to reduce world oil prices, encourage a reduction in oil imports, and assist the domestic oil industry.

#### THE U.S. REFINING INDUSTRY

The two-tiered tariff (\$5.00 on crude imports and \$10.00 on refined product imports) is of special interest because it would raise consumer prices and domestic refiner and shipping company profits while provid-

ing no incentives for domestic oil exploration and production beyond those offered by a single \$5.00 levy on imported crude oil and refined products. Even if domestic refining capacity was sufficient to fulfill domestic needs entirely, this would require using domestic refineries that are older and less efficient than existing capacity.

The East Coast would be at some disadvantage under a two-tiered tariff, since it relies heavily on refined product imports and has very little excess refining capacity of its own. The difference could be supplied from Gulf Coast refineries, but product pipelines from the Gulf Coast have limited capacity and would have to be supplemented by tankers and barges at higher cost. All product shipments among ports in the United States would have to be made on U.S. flag ships, whose rates are already higher than those of foreign ships and are likely to become more so at higher utilization rates.

The most common arguments for two-tiered tariffs are that national security requires a stronger domestic refining industry, and that U.S. refiners suffer a disadvantage in having to pay pollution abatement costs. But the risks posed to national security from oil imports generally concern the threat to supplies of crude oil rather than refined products. A cutoff of refined products from the Persian Gulf—the most severe likely product disruption—would cause minor damage compared with a cessation of crude oil flow from the same countries. In 1985, only 0.4 percent of U.S. consumption of refined products was drawn from Persian Gulf sources, although that share is growing. Even if refining capacity was of paramount importance, a more appropriate response might be to fill part of the Strategic Petroleum Reserve with refined products in place of crude oil.

The other argument advanced for a two-tiered tariff concerns the costs U.S. refiners bear for pollution abatement, and holds that domestic refiners need protection to offset these costs. On net, the costs are much less than the \$5.00 per barrel differential found in one version of the proposed tariff—perhaps as low as \$0.50 per barrel, if the cost of removing the lead from gasoline to meet U.S. environmental statutes is also included. And even if the pollution abatement costs were higher, there is no precedent for offsetting them by imposing protective tariffs. Indeed, such an offset would encourage pollution.

Finally, like the oil regulations of the 1970s, two-tiered tariffs would encourage the construction of refineries that would be viable only because of federal protection. Half the refining capacity that has shut down since 1981 closed not because it was old, but because it had been built in the 1970s to take advantage of biases in federal regulations (often called the "small refiners' bias") and could not match the efficiency of internationally oriented refineries on its own terms. After oil was decontrolled, such capacity had to be shut down. This proposal would once again promote the creation of refining capacity dependent on federal protection.

#### INTERNATIONAL COOPERATION

Oil taxes would have their maximum depressing effect on world crude oil prices if imposed by all or most oil-consuming countries. Acting in concert, these countries could force producers to accept a larger proportion of any oil tax than if the United States acted alone. The result would be a

smaller decrease in oil imports and a smaller tax burden.

In fact, other industrialized countries already have higher levels of oil taxes than the United States. Most of these taxes are gasoline taxes; motor fuels taxes are four to ten times higher in these countries. Taxes on other fuels also exist: Japan, for example, has an \$18.00 per barrel tax on distillate fuel while the United States has none. Higher energy taxes in these countries reflect their far greater use of sales and consumption taxes as revenue sources. Industry sources note that many of these countries appear prepared to raise their oil taxes again now that world oil prices have fallen.

#### "VARIABLE TARIFFS"

One variant on the oil import tariff, proposed in S. 1997 by Senator Wallop, would set its value according to the difference between the existing world price of oil and some "benchmark" price. In S. 1997, this benchmark price is \$22.00 per barrel; thus if oil prices were to stay at \$13.00 per barrel, the tariff would equal \$9.00 per barrel.

The variable tariff would, in essence, provide a floor price for the domestic oil industry. If oil prices were to rise again next winter or in the next few years, as some analysts believe they will, such a levy would protect the domestic oil industry from a harmful "whipsaw" effect in which some production is forced to close as prices fall and is no longer available when they rise again. The corresponding disadvantage of such a proposal is that it would place an artificial restraint on oil imports that are less expensive than the benchmark price. If oil prices had found their long-term level below the benchmark, the tariff would redistribute income from other industries and regions to domestic oil producers, but would do so only at a cost to economic efficiency. This cost might be sizable, since only a fraction of current domestic oil production is jeopardized by current low prices; a variable tariff might give other domestic oil producers a subsidy they do not need in order to continue producing. Moreover, if the goal of energy policy is to encourage marginal producers to continue supplying oil now that the price is low, there may be better ways of accomplishing this than a variable tax.

#### DISTRIBUTIONAL ISSUES

At oil prices of \$23.00 per barrel, the energy taxes discussed in this paper generally would cost families an average of 0.3 percent of their annual income, or about \$85.00 per year at current price levels. Using another measure, these added energy costs would amount to 0.4 percent of their total expenditures. The latter may be a better measure by which to assess the distributional effects of the tax because families usually choose a level of expenditure that reflects their expectations of long-term income.

Measured as a percent of total expenditures, the tax burden would not vary widely for families with different incomes. In absolute terms, at current price levels, the added expenditures would range from about \$35.00 per year for families with annual incomes of less than \$5,000 to \$130 per year for families with annual incomes of \$50,000 or more, or from 0.4 percent to 0.3 percent of total expenditures.

Except for the two-tiered tariff, which would require the use of uneconomic refining capacity and place a heavier burden on the Northeast, the increase in energy expenditures would also be roughly the same across regions. In the Northeast, additional energy expenditures under the two-tiered

tariff would be about \$115 per year at current prices or 0.6 percent of total expenditures, while the rest of the country would spend no more than \$82.00 per year or 0.4 percent of total expenditures. At \$13.00 per barrel, the two-tiered tariff would penalize Northeast consumers even more, raising their energy costs by \$192 per year, more than twice the cost burden imposed by other oil taxes.

Mr. DOMENICI. Mr. President, as I indicated, the report will soon be on the Senate floor and available for public consumption.

I understand that Senator CHILES has arrived. I suggest the absence of a quorum to be charged equally.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DOMENICI. Mr. President, I yield myself whatever time I may use off the resolution, not off the spending amendment.

The PRESIDING OFFICER. The Senator has that right.

Mr. DOMENICI. Mr. President, I ask unanimous consent to have printed in the RECORD a list of entitlement and mandatory programs. In my discussion about the Federal budget and the various components of it on Tuesday, when we began debate on the budget resolution, I indicated that I would, since I used charts, incorporate in the RECORD the individual components of each of those major ingredients in the budget. I have that ready now, and I shall put it in the RECORD for reference. These will match up and indicate to anyone who is interested those four major components of the budget we discussed—discretionary appropriations, entitlements, defense, and interest on the national debt—what makes up each of those.

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

#### CBO-ENTITLEMENTS AND OTHER MANDATORY SPENDING

International development and humanitarian assistance; Funds Appropriated to the President; Peace Corps; Peace Corps miscellaneous trust funds.

Department of Transportation; Federal Highway Administration; Miscellaneous trust funds.

Funds Appropriated to the President; Agency for International Development; Miscellaneous trust funds, AID.

Conduct of foreign affairs; Payment to the Foreign Service retirement and disability fund.

Offsetting Receipts; Payment to the Foreign Service Retirement Fund.

Department of State; Administration of Foreign Affairs; Payment to the Foreign Service retirement and disability fund.

International Center, Washington, D.C.

Administration of Foreign Affairs; Miscellaneous trust funds.

Department of State; Payment to Foreign Service Retirement Fund.

Foreign information and exchange activities; Other Independent Agencies; United States Information Agency; Miscellaneous trust funds.

Japan-United States Friendship Commission, Japan-United States friendship trust fund.

International financial programs; Funds Appropriated to the President; International Monetary Programs; United States quota, International Monetary Fund.

Military Sales Programs; Special defense acquisition fund.

Foreign military sales trust fund.

Foreign Military Sales Trust Fund (Receipts).

Department of the Treasury; Departmental Offices; Exchange stabilization fund.

General science and basic research; Other Independent Agencies; National Science Foundation; Donations.

Supporting space activities; National Aeronautics and Space Administration; Miscellaneous trust funds.

Energy supply; Other Independent Agencies; Tennessee Valley Authority; Tennessee Valley Authority fund (Energy supply).

Department of Energy; Power Marketing Administration; Bonneville Power Administration fund.

Energy Programs; Advances for cooperative work.

Department of Energy; Energy-Advances for Cooperative Work.

Water resources; Department of Agriculture; Soil Conservation Service; Miscellaneous contributed funds (Water resources).

Department of the Interior; Bureau of Reclamation; Colorado River dam fund, Boulder Canyon project.

Reclamation trust funds.

Department of Defense—Civil; Corps of Engineers—Civil; Rivers and harbors contributed funds.

Permanent appropriations (Water resources).

Conservation and land management; Department of Agriculture; Forest Service; Operations and maintenance of quarters.

Soil Conservation Service; Miscellaneous contributed funds (Conservation and land management).

Forest Service; Forest Service permanent appropriations.

Miscellaneous trust funds (Conservation and land management).

Department of the Interior; Bureau of Land Management; Special acquisition of lands and minerals.

Service charges, deposits, and forfeitures. Operation and maintenance of quarters.

Range improvements.

Miscellaneous permanent appropriations (Conservation and land management).

Miscellaneous trust funds.

Department of Agriculture; Forest Service; Reforestation trust fund.

Department of Defense—Civil; Forest and Wildlife Conservation, Military Reservations; Forest products program.

Recreational resources; Department of the Interior; National Park Service; Operation and maintenance of quarters.

United States Fish and Wildlife Service; Operation and maintenance of quarters.

National Park Service; Commemorative activities fund.

United States Fish and Wildlife Service; Migratory bird conservation account.

Sport Fish restoration.

Contributed funds.

Miscellaneous permanent appropriations.

National Park Service; Miscellaneous permanent appropriations.

Miscellaneous trust funds.

Other Independent Agencies; Advisory Council on Historic Preservation; Donations.

Department of Defense—Civil; Forest and Wildlife Conservation, Military Reservations; Wildlife conservation.

Pollution control and abatement; Environmental Protection Agency; Miscellaneous contributed funds.

Department of Transportation; Coast Guard; Offshore oil pollution compensation fund.

Pollution fund.

Deepwater port liability fund.

Other natural resources; Department of the Interior; Bureau of Mines; Helium fund. Bureau of Mines; Contributed funds.

Geological Survey; Contributed funds.

Farm income stabilization; Department of Agriculture; Agricultural Stabilization and Conservation Service; Dairy indemnity program.

Commodity Credit Corporation; Commodity Credit Corporation Fund.

National Wool Act (special fund).

Agricultural Marketing Service; Milk market orders assessment fund.

Other Independent Agencies; Farm Credit Administration; Revolving fund for administrative expenses.

Agricultural research and services; Department of Agriculture; Agricultural Marketing Service; Perishable Agricultural Commodities Act fund.

Food Safety and Inspection Service; Expenses and refunds, inspection and grading of farm product.

Office of the Secretary; Gifts and bequests.

Agricultural Research Service; Miscellaneous contributed funds.

Statistical Reporting Service; Miscellaneous contributed funds.

Economic Research Service; Miscellaneous contributed funds.

Office of International Cooperation and Development; Miscellaneous contributed funds.

Animal and Plant Health Inspection Service; Miscellaneous trust funds.

Agricultural Marketing Service; Miscellaneous trust funds.

Mortgage credit and deposit insurance; Other Independent Agencies; National Credit Union Administration; Operating fund.

Credit union share insurance fund.

Other Independent Agencies; Federal Deposit Insurance Corporation.

Federal Home Loan Bank Board; Federal Home Loan Bank Board revolving fund.

Federal Savings and Loan Insurance Corporation fund.

Department of Housing and Urban Development; Government National Mortgage Association; Management and liquidating functions fund.

Housing Programs; Federal Housing Administration fund.

Government National Mortgage Association; Participation sales fund (Mortgage credit and deposit insurance).

Guarantees of mortgage-backed securities.

Other advancement of commerce; Legislative Branch; Library of Congress; Payments to copyright owners.

Department of Commerce; National Oceanic and Atmospheric Administration; Federal ship financing funds, fishing vessels.

Promote and develop fishery products and research pertaining.

General Administration; Gifts and bequests.

Economic and Statistical Analysis; Information products and services.

Department of the Treasury; Comptroller of the Currency; Assessment funds.

Department of Housing and Urban Development; Government National Mortgage Association; Participation sales fund (Other advancement of commerce).

Housing Programs; Interstate land sales.

Manufactured home inspection and monitoring.

Other Independent Agencies; National Institute of Building Sciences; National Institute of Building Sciences trust fund.

Ground transportation; Department of Transportation; Federal Highway Administration; Federal-aid highways (trust fund).

Highway-related safety grants.

National Highway Traffic Safety Administration; Highway traffic safety grants.

Urban Mass Transportation Administration; Transportation block grants.

Discretionary grants.

Air transportation; Office of the Secretary; Payments to air carriers, DOT.

Federal Aviation Administration; Grants-in-aid for airports (Airport and airway trust fund).

Water transportation; Coast Guard; Retired pay—Coast Guard.

Maritime Administration; Operating-differential subsidies.

Ocean freight differential.

Saint Lawrence Seaway Development Corporation.

Maritime Administration; Federal ship financing fund.

Coast Guard; Boat safety.

Maritime Administration; Gifts and bequests.

Coast Guard; Coast Guard general gift fund.

Maritime Administration; Special studies, services and projects.

Coast Guard; Miscellaneous trust revolving funds.

Community development; Other Independent Agencies; Pennsylvania Avenue Development Corporation; Gifts and donations.

Other Independent Agencies; Federal Emergency Management Agency; National insurance development fund.

Gift and bequests, fire administration.

Department of Housing and Urban Development; Community Planning and Development; Revolving fund (liquidating programs).

Housing Programs; Community disposal operations fund.

Government National Mortgage Association; Participation sales fund (Community development).

Management and Administration; Gifts and bequests.

Area and regional development; Department of Agriculture; Rural Electrification Administration; Rural communication development fund.

Department of Commerce; Regional Development Program; Regional development commission.

Department of the Interior; Bureau of Indian Affairs; Liquidation of Hoonah Housing Project revolving fund.

Operation and maintenance of quarters.

Cooperative fund (papago).

Miscellaneous permanent appropriations (Area and regional development).

Miscellaneous trust funds (Area and regional development).

Other Independent Agencies; Appalachian Regional Commission; Miscellaneous trust funds.

Disaster relief and insurance; Funds Appropriated to the President; Disaster Relief; Bequests and gifts.

Elementary, secondary, and vocational education; Department of Education; Office of Vocational and Adult Education; Vocational and adult education.

Office of Special Education and Rehabilitation Services; Promotion of education for the blind.

Higher education; Department of Housing and Urban Development; Government National Mortgage Association; Participation sales fund (Higher education).

Department of Education; Office of Post-secondary Education; Guaranteed student loans.

Higher education facilities loans and insurance.

College housing loans.

Guarantees of SLMA obligations, FFB direct loans.

Other Independent Agencies; Harry S Truman Scholarship Foundation; Harry S Truman memorial scholarship trust fund.

Research and general education aids; Legislative Branch; Library of Congress; Oliver Wendell Holmes devise fund.

Gift and trust fund accounts.

Other Independent Agencies; Corporation of Public Broadcasting; Public broadcasting fund.

Other Independent Agencies; Smithsonian Institution; Endowment challenge fund.

Canal Zone biological area fund.

Other Independent Agencies; National Endowment for the Arts; Gifts and donations (arts).

National Endowment for the Humanities; Gifts and donations (humanities).

Department of Education; Departmental Management; Contributions.

Other Independent Agencies; National Commission on Libraries and Information Science; Contributions.

Training and employment; Department of Labor; Employment and Training Administration; Gifts and bequests.

Unemployment trust fund (Training and employment).

Social services; Department of Health and Human Services, except Social Security; Human Development Services; Social services block grant.

Family social services.

Department of Education; Office of Special Education and Rehabilitative Services; Rehabilitation services and handicapped research.

Health care services; Office of Personnel Management; Government payment for annuitants, employees health benefits.

Employees health benefits fund.

Retired employees health benefits fund.

Department of Health and Human Services, except Social Security; Office of Assistant Secretary for Health; Retirement pay and medical benefits for commissioned officer.

Health Care Financing Administration; Grants to states for medicaid.

Office of Assistant Secretary for Health; Miscellaneous trust funds.

Health research; Department of Housing and Urban Association; Participation sales fund (Health research).

Consumer and occupational health and safety; Department of Health and Human Services, except Social Security; Food and Drug Administration; Revolving fund for certification and other services.

Medicare; Health Care Financing Administration; Federal supplementary medical insurance trust fund.

Federal hospital insurance trust fund.

Department of Health and Human Services; Federal contributions, FSMI Fund.

Health Care Financing Administration; Payments to health care trust funds.

General retirement and disability insurance (excluding social security); Department of Labor; Employment and Training Administration; Advances to the unemployment trust fund and other funds.

Employment Standards Administration; Special benefits (General retirement and disability insurance).

Pension Benefit Guaranty Corporation; Pension Benefit Guaranty Corporation fund.

Employment Standards Administration; Special workers' compensation expenses.

Black lung disability trust fund.

Other Independent Agencies; Offsetting receipts.

Department of the Treasury; Offsetting Receipts; Interest Payments on advances to Railroad Retirement.

Other Independent Agencies; Railroad Retirement Board; Federal payments to the railroad retirement accounts.

Rail Industry Pension Fund.

Repayment of advances, RR Board.

Payment to Railroad Retirement.

Fed. pymt. to RR TF, Rail Industry Pension.

Department of Health and Human Services, except Social Security; Social Security Administration; Special benefits for disabled coal miners.

Department of the Treasury; Offsetting Receipts.

Federal employee retirement and disability; The Judiciary; Judiciary Trust Funds; Judicial survivors' annuities fund.

Department of Labor; Employment Standards Administration; Special benefits (Federal employee retirement and disability).

Department of State; Administration of Foreign Affairs; Foreign Service retirement and disability fund.

Legislative Branch; United States Tax Court; Tax Court judges survivors annuity fund.

Office of Personnel Management; Civil service retirement and disability fund.

Employees life insurance fund.

Department of Defense—Civil; Military Retirement; Military retirement fund.

Unemployment compensation; Department of Labor; Employment and Training Administration; Federal unemployment benefits and allowances.

Advances to the unemployment trust fund and other funds.

Department of Labor; Repymts. of loans, extended unemployment comp.

Employment and Training Administration; Unemployment trust fund (Unemployment compensation).

Department of Labor; Unemployment trust fund, repayable advances.

Department of Transportation; Federal Railroad Administration; Conrail Labor protection.

Housing assistance; Department of Housing and Urban Development; Housing Programs; Rental housing assistance fund.

Public and Indian Housing Programs; Low-rent public housing—loans and other expenses.

Food and nutrition assistance; Department of Agriculture; Food and Nutrition Service; Special milk program.

Food stamp program.

Child nutrition programs.  
 Nutrition assistance for Puerto Rico.  
 Agricultural Marketing Service; Funds for strengthening markets, income, and supply.  
 Other income security; Department of the Treasury; Internal Revenue Service; Payment where earned income credit exceeds liability for tax.  
 Department of Health and Human Services, except Social Security; Social Security Administration; Supplemental security income program.  
 Assistance payments program.  
 Child support enforcement.  
 Payments to states from receipts for child support.  
 Social security; Payments to social security trust funds.  
 Department of the Treasury; Offsetting Receipts; Interest on normalized transfers—OASI.  
 Interest on normalized transfers—DI.  
 Interest payments to HI.  
 Income security for veterans; Veterans Administration; Veterans insurance and indemnities.  
 Pensions.  
 Burial benefits and miscellaneous assistance.  
 Veterans reopened insurance fund.  
 Servicemen's group life insurance fund.  
 Service-disabled veterans insurance fund.  
 National service life insurance fund.  
 United States government life insurance fund.  
 Veterans special life insurance fund.  
 Veterans education, training, and rehabilitation; Readjustment benefits.  
 Education loan fund.  
 Post-Vietnam era veterans education account.  
 Department of Defense—Civil; Education Benefits; Education benefits fund.  
 Hospital and medical care for veterans; Veterans Administration; Special therapeutic and rehabilitation activities fund.  
 Veterans housing; Director loan revolving fund.  
 Loan guaranty revolving fund.  
 Department of Housing and Urban Development; Government National Mortgage Association; Participation sales fund (Veterans housing).  
 Other veterans benefits and services; Department of the Treasury; Financial Management Service; Miscellaneous trust funds (Other veterans benefits and services).  
 Veterans Administration; Canteen service revolving fund.  
 General post fund, national homes.  
 Other Independent Agencies; American Battle Monuments Commission; Contributions.  
 Department of Defense—Civil; Soldiers' and Airmen's Home; Payments of claims.  
 Federal law enforcement activities; Department of the Treasury; United States Secret Service; Contribution for annuity benefits.  
 Federal litigative and judicial activities; The Judiciary; Courts of Appeals, District Courts, and other Judicial Services; Salaries of judges.  
 Criminal justice assistance; Department of Justice; Office of Justice Programs; Crime victims fund.  
 Legislative functions; Legislative Branch; Senate; Compensation of Member's Senate.  
 House of Representatives; Compensation of Members and related administration expenses.  
 Congressional use of foreign currency, House of Representatives.

Other Legislative Branch Agencies; Office of Technology Assessment; Contributions and donations.  
 Executive direction and management; Executive Office of the President; Compensation of the President.  
 Central fiscal operations; Department of the Treasury; Bureau of the Public Debt; Payment of Government losses in shipment.  
 United States Mint; Coinage profit fund.  
 United States Customs Service; Refunds, transfers and expenses, unclaimed, abandoned.  
 Departmental Offices; Gifts and bequests.  
 General property and records management; General Services Administration; General Activities; Virgin Islands Corporation liquidation fund.  
 Personal Property Activities; Expenses of transportation audit contracts.  
 Federal Property Resources Activities; Expenses, disposal of surplus real and related personal property.  
 Other Independent Agencies; National Archives and Records Administration; National archives gift fund.  
 National archives trust fund.  
 Central personnel management; Office of Personnel Management; Payment to civil service retirement and disability fund.  
 Offsetting receipt, payment to Civil Service retirement.  
 Govt. Share of Civil Service Retirement.  
 Other general government; Department of the Interior; Territorial and International Affairs; Compact of free association.  
 Bureau of Indian Affairs; Miscellaneous permanent appropriation (Other general government).  
 Department of the Treasury; Financial Management Service; Claims, judgments, and relief acts.  
 Departmental Offices; Presidential election campaign fund.  
 Financial Management Service; Miscellaneous trust funds (Other general government).  
 Other Independent Agencies; Advisory Commission on Intergovernmental Relations; Contributions.  
 Other Independent Agencies; United States Holocaust Memorial Council; Gifts and donations.  
 General revenue sharing; Department of the Treasury; Office of Revenue Sharing; Payments to State and local government fiscal assistance trust fund.  
 State and local government fiscal assistance trust fund.  
 Department of the Treasury; Payment to general revenue sharing trust fund.  
 Other general purpose fiscal assistance; Department of Agriculture; Forest Service; Forest Service permanent appropriations.  
 Department of the Interior; Territorial and International Affairs; Payments to the United States territories, fiscal assistance.  
 Bureau of Land Management; Payments in lieu of taxes.  
 Minerals Management Service; Payments to States from receipts under Mineral Leasing Act.  
 United States Fish and Wildlife Service; National wildlife refuge fund.  
 Bureau of Land Management; Miscellaneous permanent appropriations (Other general purpose).  
 Bureau of Reclamation; Miscellaneous permanent appropriations.  
 Department of the Treasury; Internal Revenue Service; Internal revenue collections for Puerto Rico.  
 United States Customs Service; Miscellaneous permanent appropriations.

Department of Energy; Energy Programs; Payments to states under Federal Power Act.  
 Department of Defense—Civil; Corps of Engineers—Civil; Permanent appropriations (Other general purpose fiscal assistance).

Mr. DOMENICI. Mr. President, I also ask unanimous consent to have printed in the RECORD a table showing the annualized rate of change of categories of the budget in real and nominal terms.

As I said before, it shows what has happened over the past 20 years in 5-year increments to the major components in growth and nongrowth. Some were interested in what the nominal growth will be. I used only real growth—that is, growth after inflation.

The table that I asked to have printed in the RECORD expands on those and gives the nominal growth for each of those categories for each of the 5-year periods preceding 1986.

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

ANNUALIZED RATES OF CHANGE BY CATEGORIES OF FEDERAL OUTLAYS, TOTAL OUTLAYS, AND REVENUES

[Percent change]<sup>1</sup>

	Fiscal year—			
	1965-70	1970-75	1975-80	1980-85
Defense:				
Real growth.....	4.9	-5.5	1.2	6.3
Nominal growth.....	10.1	1.1	9.1	13.5
Entitlements:				
Real growth.....	9.1	11.1	3.9	3.4
Nominal growth.....	13.7	18.6	12.3	9.4
Discretionary:				
Real growth.....	2.5	6.5	4.5	-3.4
Nominal growth.....	6.8	13.7	12.9	2.2
Interest:				
Real growth.....	6.3	3.1	3.0	13.2
Nominal growth.....	10.9	10.0	17.7	19.8
Total outlays:				
Real growth.....	6.1	4.1	3.8	3.9
Nominal growth.....	10.6	11.2	12.2	9.9
Total revenues:				
Real growth.....	6.0	9	4.7	1.4
Nominal growth.....	10.5	7.7	13.1	7.3

<sup>1</sup> Calculation of annualized real rate of change based on actual GNP price deflators, except for real defense outlays, which are based on the defense deflator.

Mr. DOMENICI. Mr. President, I designate the senior Senator from Washington [Mr. GORTON] to manage the bill on our side.

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

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

Mr. JOHNSTON. Mr. President, I ask unanimous consent that I be able to proceed as in morning business for not to exceed 10 minutes.

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

## TOURNIQUET BELOW THE WOUND

Mr. JOHNSTON. Mr. President, I am brought to the floor by the remarks of my distinguished colleague from New Mexico [Mr. DOMENICI], who this morning spoke about an oil import fee. I believe he spoke with approval of a \$2.50 import fee along with a 6-cent-per-gallon gasoline tax. Mr. President, I very strongly favor an oil import fee. I think it ought to be larger than \$2.50. Nevertheless, Mr. President, I commend the distinguished Senator from New Mexico.

Now, Mr. President, there are many who say that an oil import fee is dead as an idea: the President is against it, the industry is split, and there are all kinds of problems with Mexico, Venezuela, and chemical companies. I have heard all of those arguments before. But, Mr. President, I believe those arguments are either unpersuasive or will be satisfactorily addressed when it comes time for the Congress to actually decide on whether we should have an oil import fee. I believe it is a very viable idea substantively and that it is a very viable idea politically.

The reason I believe that, Mr. President, is I do not think this tax reform bill is going to go anywhere. My own mail is running 40 to 1 against. There were well over half the Members of the Senate who said we should not deal with tax reform until we balance the budget. That is simply another way of saying they give tax reform—I put “reform” always in quotes because I do not believe the measure being considered by the Finance Committee is tax reform—no chance to go anywhere.

The issue that is going to go somewhere is the need to raise revenue. And when the oil import fee, which raises significant amounts of revenue, is compared to various other kinds of revenue enhancements, to use the euphemism, I think the oil import fee comes off very well.

Mr. President, there is real suffering in my State, and I use that word advisedly. We have 13.2 percent unemployment on the way to 16, and who knows what after that. The whole economy of my State and that of our neighboring oil-producing States is imploding. It is imploding with frightening speed. The whole underpinning of our economy is collapsing and there is nothing to sustain it.

I do ask for sympathy, but in addition to sympathy, Mr. President, I ask for understanding of the plight of the oil industry in this country. Unless we do something to save it, it is going to be gone and once gone will not be easily resurrected. Once these companies are bankrupt and the geologists move on to become accountants; and the service industries and the mud companies close their doors and move away; and the drillers and the rough-

necks, the myriad other people who are involved in the oil industry leave the State and move elsewhere—and all of these things are beginning to happen—it is going to be very difficult to resurrect a domestic oil and gas industry.

We are going to be a country dependent almost exclusively upon foreign sources for our crude oil. And when the supply gets short and the price goes up the fat will be back in the fire again. Only this time, instead of having a domestic industry capable of producing 10 million barrels a day we will have a domestic industry with only a few old wells continuing to produce and little ability to discover and drill new ones.

Mr. President, with a great deal of fanfare, the President of the United States a day or two ago announced his plan to deal with the preservation of the oil industry. He came up with four proposals, all of which I have favored, but not one of which will be of any significant or immediate use to the oil industry given the magnitude of its current problems. He says we ought to repeal the Fuel Use Act. Of course, we should. I am a coauthor of legislation to do that and I hope and anticipate we will do it very soon. But the assistance it can bring to the industry is months and years down the road.

He says we ought to deregulate natural gas. We have fought that battle in the past. I have been for it. I have sponsored legislation to accomplish it. But I do not think Congress is going to do it. We received less than 30 votes last time after we debated it for days on end. But even if we pass it, it is not going to help the price of new gas and therefore will provide no incentive at all for drilling for new gas.

Yes, we ought to repeal the windfall profits tax, and I have authored legislation to accomplish that, too. But that is of no use at all, because the price is below the threshold at which the tax must be paid.

Yes, we should help stripper wells whose production we would otherwise lose. But the margin of relief which doing so would provide is of no help. We need to get drill rigs active looking for new oil and gas. The active rig count has dropped below 900 from a high of over 4,500 just 5 years ago. In the face of this the President of the United States gives us a program for saving the oil industry which is like putting a tourniquet on below the wound—no help at all.

If we want to preserve the industry, we have to do something now, and we have to do something dramatic. And the only thing that I can see is to use the Tax Code and to have an oil import fee.

The rise in prices which it would cause—or, more correctly, the limitation on the amount of price decline which it would cause—would be very

minimal—certainly very minimal when compared to saving in domestic oil production and preserving a domestic oil industry. I think it is a very good tradeoff.

So I believe that the oil import fee is a very viable political idea. I do not believe we need to make exemptions for Canada, Mexico, or Venezuela. In fact, I see no justification at all for that. I think we ought to have an exemption for imports which are in turn exported. But that would be easy to describe, easy to administer, and totally fair upon its face. Other than that, I think we could put together an excellent and appealing revenue raiser which also preserves a domestic oil industry.

So I want to congratulate the distinguished Senator from New Mexico [Mr. DOMENICI], for having proposed the oil import fee. I will join him and others in trying to get it passed here later this year.

I thank the distinguished Senator from New York for allowing me to speak on what otherwise would have been his time, and I yield back the remainder of my time.

## AMENDMENT NO. 1800

Mr. MOYNIHAN. I thank the Senator from Louisiana for his gracious remarks and for his interest and comments.

Mr. President, as I understand our situation, the amendment laid down yesterday for myself, Mr. SASSER, Mr. BYRD, and others is now the pending business. Is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. MOYNIHAN. Mr. President, as Senators well know, this is a straightforward proposal to retain general revenue sharing for the coming fiscal year and for such other years thereafter—1988 and 1989—as the Senate Finance Committee chooses to approve.

Two things are required: First, that the Finance Committee reauthorize the program, and it has typically been on a 3-year basis, although it could be done on a 1-year basis; and second, the Finance Committee must provide increased revenues in order to maintain the program at its level of \$4.6 billion. Because there is a one-quarter lag in the outlays, the Finance Committee would only be required to come up with revenues of \$3.4 billion in fiscal 1987.

Mr. President, we are no doubt going to hear that we ought to abolish general revenue sharing or that we cannot afford to continue it, and we should let it lapse, because there is no revenue to be shared. I have heard that statement from a number of Senators in the past during the debate when we dropped State revenue sharing, and I have heard it from Senators who are now cosponsors of this legislation, having looked longer and harder at

the situations of their own communities and at the qualities of this program. Indeed, we have 24 cosponsors at this time, which is about one-quarter of the Senate.

As a preface to some general remarks about the program, let me offer to the Senate some insights into the fiscal difficulties—the protracted fiscal crisis, indeed—in which we find ourselves in the Federal Government.

For several years now, since 1982, as I recall—and in writing since 1983—I have made the point that the deficits, the extraordinary triple-digit deficits, that appeared under the Reagan administration were deliberately contrived, contrived in order to create a crisis that would require the dismantling of the main outlines of the Federal Government as they have developed under Democratic and Republican administrations over the last half-century.

I do not think that this proposition, when I first offered it, was greeted with any great acceptance. It seemed too irresponsible a thing to have done, or too dangerous a thing to have done, and credence was not given the proposition that responsible Government officials could go about their duties and deliberately create a crisis which then they thought would have serious consequences.

If I recall, I did not say that the deficits were deliberate policy. I said that the creation of a situation in which the deficits would arise was the deliberate policy, which is to say the revenue loss incurred as a result of the 1981 tax legislation.

Mr. President, it is always difficult to put a proposition such as that, in any event; and even indirection is no protection from the obvious fact of what is being said, so why do I not say it straight out? I was right. I was dead right, and Mr. David Stockman now so states.

The administration knew perfectly well that it was going to create an enormous deficit with this legislation in 1981 and assumed that this would force Congress into huge reductions in Federal programs. And then it turned out the programs were not there to be cut.

Yesterday, the distinguished chairman and ranking minority member of the Budget Committee offered an amendment to terminate 44 programs and said, "Here, cut them." I think there were 14 Senators willing to say so and do so.

A marvelous article in this morning's Washington Post described some 24 Senators who had been writing letters to the President saying "cut" and then their opportunity to cut came and they, including the distinguished Senator who had organized the letter, could not bring themselves to do so.

How did we get ourselves into the situation?

Let me read some passages from David Stockman's book, and so we get a feeling for this, we are talking now about the time in late summer, early autumn of 1980 before the election.

I discovered that to balance the budget we would need huge spending cuts too—more than \$100 billion per year. The fabled revenue feedback of the Laffer curve had thus slid into the grave of fiscal mythology 40 days after the supply-side banner had been hoisted at the GOP Convention.

These dramatic changes in both my comprehension of budget estimating and the true fiscal math of the supply-side program occurred almost overnight. That should have been cause for second thoughts and reassessment of the whole proposition.

But it didn't happen that way.

Mr. Stockman recognizes that even before they went forward, he should have said, "Now, listen, will this work?" But then another idea occurred to him. Adopt Kemp-Roth and its 10-5-3 depreciation schedule and then, and I quote him, "We would have the Second Republic's craven politicians pinned to the wall," which craven politicians I think by a vote of 80 to 14 or something yesterday displayed what it regarded as craven.

We are of the Second Republic, and unlike the virtuous First Republic, the craven politicians would be pinned to the wall.

They would have to dismantle its bloated, wasteful, and unjust spending enterprises—or risk national ruin.

The idea of a real fiscal revolution, a frontal attack on the welfare state, was beginning to seem more and more plausible.

Mr. President, we are in the presence of a conspiracy. A young man is telling us how he came to Washington, seized control of fiscal policy and created a crisis that will be with us the rest of this century.

Here is his last paragraph I will read. He said:

The success of the Reagan Revolution depended upon the willingness of the politicians to turn against their own handiwork—the bloated budget of the American welfare state. Why would they do this? Because they had to! In the final analysis, I had made fiscal necessity the mother of political invention.

Mr. Stockman ends his book by saying he had learned differently and for all that politicians might be bad. "There is only one thing worse," he says, "and that is ideological hubris."

He concludes,

That the fiscal programs of the first few years of this administration were the most irresponsible in the 20th Century.

He writes,

In the entire 20th century history of the Nation there has been nothing to rival it . . . a willful act of ignorance and grotesque irresponsibility.

My good friend from Tennessee is on the floor and he will be speaking in a moment. I do not know if he has read that far in the memoirs to the conclusion where Mr. Stockman describes—

The policies of this administration so put in place with such deception, such concealment as a willful act of ignorance and grotesque irresponsibility. In the entire 20th century history of the Nation there has been nothing to rival it.

Mr. President, the proposition I put to you today is whether we are going to allow that conspiracy to continue and to permit that willful ignorance and gross irresponsibility to control our actions in the coming year with respect, in this instance, to one program, the program of general revenue sharing with local governments in the country.

I have a certain personal history in the General Revenue Sharing Program. I drafted the plank in the Democratic platform of 1964 that called for revenue sharing with State governments, and, as it happened, I also drafted the Presidential message of 1969 that called for revenue sharing with State and local governments, particularly city governments.

That was the legitimization that finally was enacted in 1972. A proposal first appeared in a Democratic platform and then was adopted by a Republican President, Mr. Nixon, and enacted in turn by a Democratic Congress. It has had bipartisan support and it has made its way into the structure of Federal relations in this Nation.

The theory of revenue sharing was simple enough, and I think it has proved over time to have held up, which is simply that the revenue resources of the National Government are both larger, and more responsive to economic growth than the revenue sources of State government and most particularly of local government where property taxes and such like are a principal source of revenue and are very sluggish in their response to growing economic needs of government that correspond to a growing economy.

We put it in those days, that for every 1-percent increase in GNP, you get about a 1-percent increase in the need for government, roads and infrastructure, and things like that, and the revenue the Federal Government would increase at something more than 1 percent and of local government at something less. I think those general ratios have held up.

In the President's budget, the legacy of the conspiracy of the Stockman era—coping with this protracted crisis and the continued belief that it could be done—asks us to put an end to revenue sharing with some 39,000 units of government, including 3,049 counties of the United States.

For our part, Mr. President, we hope this will not happen. We will hope that in the aftermath of the conspiracy we will do some damage control right here on this floor and not sever that relation between the Federal

Government and the cities and counties that we began to grow up in the 1960's and in the 1970's.

Not long ago, Mayor Cisneros, of San Antonio, spoke with great eloquence on the subject of that partnership that gave cities a sense of their role in the Federal mix of things, gave counties and smaller units of government the same.

Let me just end my remarks by quoting from the speech which Mayor Cisneros gave to the National League of Cities just a while ago. He said:

This year all of us together face a new problem that none of those who sat in these chairs has faced before. It is a disastrous dismantling of the federal-local partnership. It is a meat-axe chopping of the domestic obligations of government.

These are not in the category of threats or distant storm clouds, but the realities of the next 90 to 120 days. The mood, our response, must not be gloom or timidity or uncertainty or hang-dog apologetics. We must be determined to stand up for what is right in the face of what I can only call disrespect: a disrespect for our cities, disrespect for the people who govern them and disrespect for the people who live in them.

I see the same disrespect he sees, Mr. President. I hope we will pass this amendment.

I see the distinguished Senator from Tennessee has risen. The Senator from Minnesota would like to speak very briefly from the other side of the aisle, if that is possible.

Mr. SASSER. I would remind the Senator from New York, although I do want to accommodate the Senator from Minnesota, I have been sitting here for almost an hour.

How long, may I ask the Senator from Minnesota, will he take?

Mr. DURENBERGER. At the most, 4 minutes. I will try to be briefer than that.

Mr. SASSER. Mr. President, I am glad to accommodate the Senator.

Mr. MOYNIHAN. Mr. President, at this point, I ask unanimous consent that a letter from the National Coalition to Save General Revenue Sharing be printed in the RECORD.

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

NATIONAL COALITION TO  
SAVE GENERAL REVENUE SHARING,  
Washington, DC, April 22, 1986.

DEAR SENATOR: The National Coalition to Save General Revenue Sharing urges you to support the Moynihan, Sasser, Byrd, Heinz, Specter, Andrews Amendment to allow for full funding at \$4.6 billion for General Revenue Sharing.

Let us tell you what this amendment does not do:

It does not mandate a tax increase;

It does not "bust the budget" or add to the deficit since there would be no funds put in the budget for revenue sharing until the Finance Committee develops a mechanism to pay for it.

What this amendment will do:

If the Finance Committee reauthorizes the program and enacts additional revenues

to pay for it, then General Revenue Sharing would be allowed to be fully funded for \$4.6 billion for FY87.

Revenue Sharing has been one of the few programs that seeks to lessen fiscal disparities among our states. Jurisdictions with a population of under 10,000, most of which receive no other assistance from the federal government, make up more than 85 percent of the program's recipients. It is the only form of federal assistance to 77 percent of the 39,000 local governments that receive general revenue sharing funds. Sixty-two percent of general revenue sharing funds now go to jurisdictions with average per capita income less than 125 percent of the national average.

General Revenue Sharing helps cities and counties across this nation to provide essential services to their citizens such as police and fire protection, schools and hospitals. It has supplemented public education and supported health and welfare programs such as indigent health care and nursing homes.

Between 1980 and 1985, while total outlays increased by 23.3 percent, grants to state and local governments decreased by 23.5 percent. Since 1981 federal aid to state and local governments has been cut by almost 40 percent; in major urban programs it has been cut even deeper totalling 71% in actual dollars. General Revenue Sharing has provided the flexibility to respond to these reductions.

Please show your support for this vital program by voting for the Moynihan, Sasser, Byrd, Heinz, Specter, Andrews Amendment.

Sincerely,

ERNEST N. MORIAL,  
Mayor of New Orleans.

Coalition Members:  
U.S. Conference of Mayors.  
National League of Cities.  
National Association of Counties.  
American Federation of State, County and Municipal Employees.  
National Association of Towns and Townships.  
Council of Great City Schools.  
National Recreation and Park Association.  
International Association of Fire Chiefs, Inc.  
American Association of School Administrators.  
National Association of Public Hospitals.  
Government Finance Officers Association.  
National Congress of American Indians.  
National Council of Senior Citizens.  
National Urban Coalition.  
National Association of School Boards.  
National Urban League.  
National Education Association.  
National Council of Community Mental Health Centers.  
AFL-CIO.  
International Association of Firefighters.  
National Volunteer Fire Council.  
Service Employees International Union.  
National Association of Development Organizations.  
American Federation of Teachers.  
National Association of Community Health Centers.  
National Child Welfare League.  
American Planning Association.  
Friends Committee on National Legislation.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. I yield to the Senator from Minnesota such time as he requires.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. DURENBERGER. Mr. President, I will be very brief in deference to my colleague from Tennessee, who is the former ranking member of the Intergovernmental Relations Subcommittee of the Governmental Affairs Committee.

Mr. President, I rise to add a dimension to the debate on general revenue sharing.

Let me say that I favor the amendment by my colleague from New York, and I ask unanimous consent that I be added as a cosponsor of the amendment.

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

Mr. DURENBERGER. Mr. President, the dimension that I would add is a dimension that I know the Senator from South Dakota, who occupies the chair, and the Senator from Tennessee, who will speak next, will particularly appreciate, and that is the importance of the continuation of revenue sharing to rural America. I trust that my colleagues will take the time to consider the fact that, in the face of the very substantial reductions in Federal support, both the tax-subsidized support and the direct Federal-aid support for local governments in this country, some things are happening to rural America that are not happening to the cities of this country.

In southwestern Minnesota, land values have dropped in constant dollars from \$2,232 an acre in 1979 to about \$955 in 1985 an acre. That is true in South Dakota and that is true in many parts of America. This represents a reduction in the base from which local governments can raise the resources necessary to continue public services. Public services that include hospitals and public health, public transportations, services for the elderly, streets and roads, and many more. The ability of rural or local governments to provide these services to their citizens is substantially dwindling.

We must consider the impact of budget cuts on rural communities. It is an important consideration that often gets overlooked. We must be certain that in our attempts to solve the budget crisis that we do not exacerbate the agricultural crisis. Eliminating or severely cutting GRS would do just that.

GRS is more important to rural communities than urban communities. The value of GRS to urban communities has received widespread attention in the press and on the Capitol Hill. But GRS funds are even more important to rural communities that are not experiencing a severe drop in land values, and, consequently, property tax revenues. For rural communities, GRS has served as a lifeline, enabling

their governments to continue to provide basic public services.

Communities where the greatest source of income is derived from agriculture rely on GRS to a much greater extent than nonfarm communities. Revenue sharing comprises, on average, 44.5 percent of all Federal aid received by local governments in farm dependent areas, compared with a national average of 21.8 percent for all local governments.

I have a table which compares general revenue sharing as a percentage of all Federal aid to agricultural versus nonagricultural local governments in selected States: North Dakota, Iowa, Nebraska, Arkansas, Kansas, Georgia, Minnesota, Mississippi, Missouri, and Montana. It shows, for example, that in nonagricultural communities in North Dakota, general revenue sharing is 20 percent of their total Federal aid, while in the agricultural communities of North Dakota, revenue sharing is 38.6 percent of the Federal aid they receive. In Iowa, it is 25.8 percent for nonagriculture and in agriculture 46.6 percent comes from general revenue sharing. In Nebraska it is 22 percent to 49 percent; Kansas, 24 percent to 51 percent; Georgia, 21 percent in nonagriculture to 54.1 percent in agriculture. In Mississippi, GRS is 32.2 percent of Federal aid in the nonagriculture counties but 67.8 percent in the agricultural counties.

For many rural communities, GRS is the only form of direct Federal assistance they receive. We rely on rural governments to provide the same services as their more urban counterparts, yet they are not eligible for a large portion of intergovernmental aid. UDAG, CDBG, and mass transit subsidies by and large benefit urban America. The elimination of GRS, as many have proposed, would have an immediate and devastating impact on the ability of rural governments to provide basic public services.

Recently, I received some survey results from counties in southwest Minnesota. This is a rural area where, as I said agricultural values have dropped dramatically. As a result, property tax revenues—the major source of local funding—have also declined dramatically. For these communities, GRS is more important than ever. The survey results I received from these counties listed the following uses for GRS funds:

- Highway, roads, sidewalks, bridges—construction and repair.
- Hospital equipment.
- Snow plow equipment, snow removal.
- Public transportation for elderly and handicapped.
- Senior citizen activities—centers, meals, transportation.
- Police, fire protection and public safety.
- Library books.
- Day care.

Public service programs: health, mental health, family service, outreach programs, chemical dependency programs.

- Sewage plant work, landfills, garbage collection, storm sewage construction.
- Parks and recreational facilities.
- Agriculture assistance to farmers.
- Ambulance service.
- Liability insurance payments.
- Water department repairs, well updating equipment.

Few, if any, of these activities would be considered luxuries or unnecessary. They represent the very heart of what local governments are about. If these communities lose their GRS funds, they will be forced to eliminate or cut-back on these very vital, very basic public services.

I call on my colleagues, particularly those from rural areas, to consider the value of general revenue sharing to local governments.

Mr. President, I ask unanimous consent that the table I referred to be printed in the RECORD.

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

LOCAL GOVERNMENT REVENUES IN FARM-DEPENDENT VERSUS ALL COUNTIES IN 10 SAMPLE STATES, 1982

	Percentage of all counties Ag-dependent	General revenue sharing as a percent of all Federal aid
U.S. percent distribution all local	NA	21.8
North Dakota: Non-agricultural		20.6
North Dakota: Agricultural	71.7	38.6
Iowa: Non-agricultural		25.8
Iowa: Agricultural	52.5	46.6
Nebraska: Non-agricultural		22.6
Nebraska: Agricultural	69.9	49.3
Arkansas: Non-agricultural		29.9
Arkansas: Agricultural	37.3	29.4
Kansas: Non-agricultural		24.1
Kansas: Agricultural	38.1	51.3
Georgia: Non-agricultural		21.2
Georgia: Agricultural	20.1	54.1
Minnesota: Non-agricultural		22.4
Minnesota: Agricultural	40.2	42.2
Mississippi: Non-agricultural		32.2
Mississippi: Agricultural	23.2	67.8
Missouri: Non-agricultural		18.7
Missouri: Agricultural	31.3	32.1
Montana: Non-agricultural		23.9
Montana: Agricultural	42.9	33.4

Source: USDA list of counties that have 20 percent or more of all personal income directly from farming; Government finance data from U.S. Bureau of the Census, "1982 Census of Governments, Compendium of Government Finance, vol. 4, No. 5, table 50.

Mr. DURENBERGER. Mr. President, I suggest, whether we believe changes are appropriate in general revenue sharing or not, the future of the ability of rural America to provide for the needs of its people will be decided by our vote on this.

I thank my colleague from New York for what he is doing and for yielding to me, and I thank my colleague from Tennessee for his time and patience.

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, I yield to the Senator from Tennessee such time as he desires of the hour assigned to this side, all but 5 minutes that the Senator from Pennsylvania will require.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I thank the distinguished Senator from New York.

Mr. President, I am delighted to join today with my friend and colleague from New York, Mr. MOYNIHAN; my friend and colleague from West Virginia, Mr. BYRD; and 23 other cosponsors in offering an amendment to the budget resolution which I think exemplifies the very essence of the federalist form of government that we enjoy here in the United States.

It is the consummate Federal-local partnership. It has been vitally important in helping local communities deal with a variety of problems at the local level, including, but no limited to, law enforcement, fire protection, education, health programs, programs important to our elderly citizens, such as Meals-on-Wheels, other nutrition programs, water treatment and sanitation facilities, and road construction and maintenance. I am referring to the general revenue-sharing program.

There is one important point I think that needs to be emphasized here and that is that the general revenue-sharing program is one of the most efficient, if not the most efficient, Government transfer programs ever devised. Less than two-tenths of 1 percent of general revenue sharing funds are used to administer this program.

Now, revenue-sharing moneys are targeted to communities based on tax effort and based on per capita income. The program is not only very efficient, but also extremely flexible. Local governments may spend revenue-sharing funds for all types of capital outlays. They may spend it on operating costs. They may spend it for maintenance expenses.

General revenue-sharing funds find their way to more than 39,000 local communities across the length and breadth of this great land of ours. Eighty-five percent of these communities have populations under 10,000. So this is a program that benefits middle America, that benefits the small towns and small communities in this country.

These local governments are able to use these moneys based upon the needs of their communities, a decentralized form of financial decisionmaking, which, one would think, is fundamentally consistent with the efforts of the current administration.

This administration makes much ado about reviving federalism. It puts great stress and credence on the subject of transferring responsibility back to the State and local governments. Here is a way of fostering responsibility for local and State governments.

Nationwide over 18 percent of general revenue-sharing moneys are spent on police protection; almost 20 percent

of general revenue-sharing funds go for police protection at the local level; 14 percent of general revenue-sharing funds go for infrastructure improvements such as street maintenance; 10 percent of general revenue-sharing funds go for fire protection; 8 percent for education; 7 percent for health needs and hospitals.

The PRESIDING OFFICER. The Senator's 5 minutes have expired. Who yields time?

Mr. SASSER. Mr. President, I believe the Chair misunderstood.

Mr. MOYNIHAN. Mr. President, I yield to the Senator from Tennessee such time as he desired. Would he take cognizance that we have but 30 minutes left. The Senators from Pennsylvania, from Louisiana, and from Michigan would also wish to speak.

Mr. SASSER. I thank my distinguished friend from New York.

I will try to speak for no more than an additional 10 minutes.

I might say that 5 percent of the general revenue-sharing funds go for parks, 6 percent for sanitation and sewage, and the remaining 25 percent for other categories.

This administration generally opposes taxes. Yet, they have consistently proposed eliminating the general revenue-sharing program. I would suggest to my colleagues that there is an inconsistency here. If the general revenue-sharing program is eliminated, then there will be no other choice than for local governments to increase property and sales taxes. This would disproportionately impact upon middle-income and lower-income taxpayers because of the regressive nature of sales and property taxes.

In the major cities of this country the Federal tax system, even with all of its problems, which our colleagues on the Senate Finance Committee are striving mightily to correct at this very moment, is more than twice as progressive as local tax structures around this country.

The Advisory Commission on Intergovernmental Relations has compiled a comparison of the progressivity of Federal versus local taxes by region. I would like to share some of these figures with my colleagues.

Using a scale in which 100 represents the dividing line between a progressive and regressive tax structure, the U.S. median individual Federal income tax index was 169, while the personal local tax index registered 71. Thus, across the Nation, the Federal tax was more than twice as progressive as were local taxes. Let me share some examples with my colleagues.

Bridgeport, CT, registered an individual Federal income tax rate of 174 and a local tax rate of 59, indicating that the Federal income tax was nearly three times as progressive as local taxes in Bridgeport, CT. Or the

flip side is that local taxes were three times more regressive than the Federal income tax.

Portland, ME, for example, registered a Federal tax rate of 164 and a local rate of 63. Des Moines, IA, registered a Federal rate of 170 and a local rate of 70—on and on, indicating that on the average local taxes are twice as regressive as Federal income taxes.

Mr. President, I ask unanimous consent that the region-by-region table from which I have been quoting, be included in the RECORD at this point.

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

COMPARISON OF PROGRESSIVITY OF FEDERAL VERSUS LOCAL TAXES FOR THE MAJOR CITY IN EACH STATE BASED ON DIRECT TAX BURDENS FOR A MARRIED COUPLE WITH TWO DEPENDENTS (1982)

Index of progressivity: Greater than 100 indicates a progressive tax structure and less than 100 indicates a regression tax structure)<sup>1</sup>

City and State by region	For individual Federal income taxes	For personal local taxes <sup>2</sup>
U.S. median	169	71
New England:		
Bridgeport, CT	174	59
Portland, ME	164	63
Boston, MA	171	57
Manchester, NH	173	61
Providence, RI	170	72
Burlington, VT	167	69
Mideast:		
Wilmington, DE	164	83
District of Columbia	165	110
Baltimore, MD	170	85
Newark, NJ	174	53
New York, NY	161	88
Philadelphia, PA	173	90
Great Lakes:		
Chicago, IL	173	87
Indianapolis, IN	173	81
Detroit, MI	171	81
Cleveland, OH	170	78
Milwaukee, WI	168	60
Plains:		
Des Moines, IA	171	70
Wichita, KS	169	77
Minneapolis, MN	159	84
St. Louis, MO	170	79
Omaha, NE	170	69
Fargo, ND	170	70
Sioux Falls, SD	175	70
Southeast:		
Birmingham, AL	171	84
Little Rock, AR	167	84
Jacksonville, FL	172	82
Atlanta, GA	168	97
Louisville, KY	170	89
New Orleans, LA	168	110
Jackson, MS	168	77
Charlotte, NC	166	83
Columbia, SC	165	90
Memphis, TN	173	76
Norfolk, VA	169	70
Charleston, WV	168	79
Southwest:		
Phoenix, AZ	168	73
Albuquerque, NM	168	71
Oklahoma City, OK	165	82
Houston, TX	174	84
Rocky Mountain:		
Denver, CO	169	71
Boise, ID	167	70
Billings, MT	168	66
Salt Lake City, UT	171	76
Casper, WY	172	68
Far West:		
Los Angeles, CA	164	74
Las Vegas, NV	172	62
Portland, OR	167	71
Seattle, WA	173	69
Anchorage, AK	172	61
Honolulu, HI	165	66

<sup>1</sup> The progressivity indices were computed as follows: taxes as a percentage of income at the \$50,000 level divided by taxes as a percentage of income at the \$25,000 level (multiplied by 100).

<sup>2</sup> Total for personal local taxes. The taxes included in these figures are local individual income and general sales taxes and the local tax on real property.

Source: Calculations based on ACIR Staff Working Paper No. 3, "Tax Burdens for Families Residing in the Largest City in Each State, 1982" (April 1984).

Mr. SASSER. So we ask ourselves a question: Where will the moneys come from to replace the funds lost by general revenue sharing? Of course, they are going to have to come from increased local property and sales taxes, the same regressive taxes that I referred to just a moment ago. So instead of a revenue-sharing program, we are going to end up, I suggest, with a tax-shifting program, and a tax-shifting program that shifts the tax burden away from a progressive tax structure and onto a regressive local tax system.

While the current revenue-sharing program is vital to both large and small communities, the program represents a much higher percentage of the budgets of the smaller local governments. For cities in the 20,000 to 100,000 population range, revenue-sharing funds represent almost 7 percent of the taxes raised. In cities with populations exceeding 1 million, these funds represent roughly 4 percent of the taxes raised. So what are we doing if we deny these smaller communities, which make up the backbone of this country, revenue sharing? We shift an even greater percentage of the tax burden onto their local taxing systems which we have seen from my comments above are more regressive than the Federal tax structure. Well, it is not an accident that most of these communities are in the poorer States and in the more rural States. There are 17 States out of our 50 where general revenue-sharing funds account for more than 10 percent of the funds raised by local government.

For example, Arkansas will lose \$46 million if general revenue sharing is eliminated. This represents over 22 percent of the local taxes raised by communities in the State of Arkansas.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. SASSER. I am delighted to yield to my colleague.

Mr. MOYNIHAN. Do I take him to be making a point not different from the point that the Senator from Minnesota makes that, however, as much as this program may have been conceived as an urban program, the reality once in place is that it is far more significant to agricultural communities than to urban communities. In Mississippi, for example, 68 percent of the revenue of agricultural townships come from revenue sharing. It has become in many ways a program for rural America.

Mr. SASSER. I say to my colleague from New York that he is entirely correct. This program I am seeking to demonstrate, and my friend from New York, I think, has gone to the meat of the coconut very quickly, but this pro-

gram, the general revenue-sharing program, as it has been administered, as it has come to be accepted over the past few years, does, I think, decidedly aid local and rural communities more than it does the large urban areas. That is one reason we are so grateful to the Senator from New York for his sponsorship of this amendment. Although it will be of assistance to New York, and to many in his urban constituency there, it will be of more assistance, I say, to the constituents of some of us from Southern States and of Western States.

I would like to take this point a little further.

Mississippi is one of the lowest per capita income States. My neighboring State of Mississippi will lose nearly \$60 million if this program is eliminated, and that represents almost 20 percent of the amount of local taxes raised in the State of Mississippi.

So they are going to have to raise local taxes in the State of Mississippi by 20 percent to offset the loss of general revenue sharing.

I am hard put, since my State of Tennessee is adjacent to the State of Mississippi and we share many of the same common economic problems, to see how local officials in the State of Mississippi are going to be able to raise this 20 percent loss in revenue.

Other States that are adversely affected and that are severely impacted include Delaware, Idaho, Kentucky, Maine, Montana, New Mexico, North Carolina, North Dakota, Oregon, South Carolina, Utah, Vermont, West Virginia, Wisconsin, and Wyoming.

To target revenue sharing for continued cuts will effectively continue this administration's assault on aid to local governments.

Last year, general revenue sharing was reduced from a funding level of \$4.6 billion to \$4.2 billion, an 8-percent reduction. In addition, because of the Gramm-Rudman-Hollings across-the-board reductions in March of this year, the funding level was cut by another 4.3 percent. Since 1981, Federal aid to local governments has declined by over 40 percent in grants to State and local governments after adjusting for inflation.

If the loss of revenue sharing was made up either through property tax increases or through local service cuts, the national impact of eliminating revenue sharing would be either a 9.2-percent increase in property taxes levied by local governments, or an across-the-board cut of 18,494 police officers, 8,250 firefighters, 18,152 teachers, 20,000 human service workers, and 26,065 street maintenance workers.

So these are the facts surrounding the general revenue sharing program.

The amendment we are offering is a simple one. It would merely assume full funding for the general revenue-sharing program over the next 3 fiscal

years at a level of \$4.6 billion contingent upon two premises.

I say to my friend from New York I am about to wind up here.

First, it would be contingent upon the Finance Committee reauthorizing the program. As you all know, the Budget Committee can only make overall assumptions as to how the funding for specific budget functions is to be achieved. So we leave it to the Finance Committee to make the determination as to whether the program will be reauthorized.

Second, it allows the Finance Committee maneuvering room to go up to the full funding level of \$4.6 billion if it so desires.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. SASSER. I am delighted to yield.

Mr. MOYNIHAN. I take it he means that the authorization could be up to the \$4.6 billion level, but in the end we will have to live with what the Finance Committee and the Congress finally decides.

Mr. SASSER. That is correct.

The amendment does not suggest what the program might look like as far as proposed formula changes are concerned, but merely allows in this budget resolution room for full funding if that is the decision of the finance committee.

I know that there are many in this body who would like to see a formula change in the general revenue-sharing legislation, and many of my colleagues are supporting the Durenberger approach to targeting fiscal assistance. Those decisions are best left to the Finance Committee. But under the current budget resolution, only \$1.8 billion is allowed for revenue-sharing, we are allowing for the flexibility to go to the full funding amount.

I think it is important to note, finally, that the Government Operations Committee in the House Tuesday approved full funding for the general revenue-sharing program by an overwhelming majority of 28 to 10. This is an important victory for all local governments across the Nation and I believe that we should send a similar message here in the U.S. Senate today.

At this point, Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the National Coalition to save general revenue sharing in support of our amendment. There is a copy of this letter on each desk.

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

NATIONAL COALITION TO SAVE  
GENERAL REVENUE SHARING,  
Washington, DC, April 22, 1986.

DEAR SENATOR: The National Coalition to Save General Revenue Sharing urges you to support the Moynihan, Sasser, Byrd, Heinz, Specter, Andrews Amendment to allow for

full funding at \$4.6 billion for General Revenue Sharing.

Let us tell you what this amendment does not do: It does not mandate a tax increase; It does not "bust the budget" or add to the deficit since there would be no funds put in the budget for revenue sharing until the Finance Committee develops a mechanism to pay for it.

What this amendment will do: If the Finance Committee reauthorizes the program and enacts additional revenues to pay for it, then General Revenue Sharing would be allowed to be fully funded for \$4.6 billion for FY87.

Revenue Sharing has been one of the few programs that seeks to lessen fiscal disparities among our states. Jurisdictions with a population of under 10,000, most of which receive no other assistance from the federal government, make up more than 85 percent of the program's recipients. It is the only form of federal assistance to 77 percent of the 39,000 local governments that receive general revenue sharing funds. Sixty-two percent of general revenue sharing funds now go to jurisdictions with average per capita income less than 125 percent of the national average.

General Revenue Sharing helps cities and counties across this nation to provide essential services to their citizens such as police and fire protection, schools and hospitals. It has supplemented public education and supported health and welfare programs such as indigent health care and nursing homes.

Between 1980 and 1985, while total outlays increased by 23.3 percent, grants to state and local governments decreased by 23.5 percent. Since 1981 federal aid to state and local governments has been cut by almost 40 percent; in major urban programs it has been cut even deeper totalling 71% in actual dollars. General Revenue Sharing has provided the flexibility to respond to these reductions.

Please show your support for this vital program by voting for the Moynihan, Sasser, Byrd, Heinz, Specter, Andrews Amendment.

Sincerely,

ERNEST N. MORIAL,  
Mayor of New Orleans.

Coalition Members:  
U.S. Conference of Mayors.  
National League of Cities.  
National Association of Counties.  
American Federation of State, County and Municipal Employees.  
National Association of Towns and Townships.  
Council of Great City Schools.  
National Recreation and Park Association.  
International Association of Fire Chiefs, Inc.  
American Association of School Administrators.  
National Association of Public Hospitals.  
Government Finance Officers Association.  
National Congress of American Indians.  
National Council of Senior Citizens.  
National Urban Coalition.  
National Association of School Boards.  
National Urban League.  
National Education Association.  
National Council of Community Mental Health Centers.  
AFL-CIO.  
International Association of Firefighters.  
National Volunteer Fire Council.  
Service Employees International Union.  
National Association of Development Organizations.  
American Federation of Teachers.

National Association of Community Health Centers.  
National Child Welfare League.  
American Planning Association.  
Friends Committee on National Legislation.

Mr. SASSER. I would like to note also for the record the organizations supporting our amendment. They include: The U.S. Conference of Mayors, the National League of Cities, the National Association of Counties, the American Federation of State, County, and Municipal Employees, the National Association of Towns and Townships, the Council of Great City Schools, the National Recreation and Park Association, the International Association of Fire Chiefs, the American Association of School Administrators, the National Association of Public Hospitals, the Government Finance Officers Association, the National Congress of American Indians, the National Council of Senior Citizens, the National Urban Coalition, the National Association of School Boards, the National Urban League, the National Education Association, the National Council of Community Mental Health Centers, the AFL-CIO, the International Association of Firefighters, the National Volunteer Fire Council, the Service Employees International Union, the National Association of Development Organizations, the American Federation of Teachers, the National Association of Community Health Centers, the National Child Welfare League, the American Planning Association, and the Friends Committee on National Legislation.

I urge my colleagues to support the amendment we are offering here today and I ask for the yeas and nays on the amendment.

Mr. President, I ask unanimous consent that two tables, one showing State-by-State impact of eliminating general revenue sharing under two scenarios, and the second showing distribution of general revenue sharing for local governments by State, be printed in the RECORD at this point.

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

DISTRIBUTION OF GENERAL REVENUE SHARING FOR LOCAL GOVERNMENTS BY STATE (BASED ON FEDERAL FISCAL YEAR 1985)

State	Total dollar loss (millions)	Total dollar loss as a percent of local taxes
Alabama	76.0	10.9
Alaska	21.8	7.0
Arizona	55.0	7.4
Arkansas	46.0	22.3
California	505.1	5.8
Colorado	54.2	5.0
Connecticut	53.8	4.6
Delaware	13.2	17.2
District of Columbia	17.6	NA
Florida	165.8	6.4
Georgia	109.4	7.7
Hawaii	21.5	6.1
Idaho	19.3	15.8

DISTRIBUTION OF GENERAL REVENUE SHARING FOR LOCAL GOVERNMENTS BY STATE (BASED ON FEDERAL FISCAL YEAR 1985)—Continued

State	Total dollar loss (millions)	Total dollar loss as a percent of local taxes
Illinois	209.0	6.5
Indiana	85.2	9.3
Iowa	54.0	6.9
Kansas	38.2	5.7
Kentucky	74.5	16.5
Louisiana	82.9	7.7
Maine	28.1	10.9
Maryland	87.1	6.6
Massachusetts	128.1	6.9
Michigan	191.7	9.2
Minnesota	89.2	8.5
Mississippi	59.9	19.1
Missouri	79.4	6.8
Montana	20.0	11.1
Nebraska	30.5	8.4
Nevada	14.3	5.8
New Hampshire	14.1	5.4
New Jersey	145.6	6.2
New Mexico	32.0	12.8
New York	459.7	3.5
North Carolina	120.4	10.4
North Dakota	12.9	12.3
Ohio	188.7	7.3
Oklahoma	57.4	8.7
Oregon	54.6	11.0
Pennsylvania	218.1	8.0
Rhode Island	20.1	7.8
South Carolina	68.5	19.2
South Dakota	14.6	9.8
Tennessee	82.7	8.8
Texas	238.8	5.8
Utah	36.1	10.1
Vermont	12.0	12.8
Virginia	98.3	6.4
Washington	73.7	7.1
West Virginia	44.5	22.2
Wisconsin	104.9	11.6
Wyoming	15.8	10.1
National total	4,543.1	6.7

Note.—Local taxes are adjusted to remove the portion of tax collections used by school districts.  
Source: U.S. Treasury.

STATE-BY-STATE IMPACT OF ELIMINATING GENERAL REVENUE SHARING UNDER TWO SCENARIOS

(Raise property taxes to make up loss or across-the-board reduction local service to make up loss)

State	Percent increase in local government property tax, excluding special districts	Reduction of police officers	Reduction of fire officers	Reduction of teachers	Reduction of human service workers	Reduction of street maintenance workers
Alabama	35.71	420	207	13	51	806
Alaska	7.13	19	12	191	3	49
Arizona	13.88	213	79	13	124	351
Arkansas	46.23	282	113	1	25	610
California	10.06	1,475	642	541	4,746	1,321
Colorado	12.05	229	71	0	376	381
Connecticut	2.58	131	90	1,065	107	156
Delaware	25.34	74	22	0	0	18
District of Columbia	4.43	40	12	97	126	20
Florida	8.87	917	378	0	172	853
Georgia	13.92	745	383	27	69	983
Hawaii	7.44	144	70	0	9	116
Idaho	17.28	123	38	0	28	126
Illinois	11.78	1,267	459	8	682	1,277
Indiana	10.31	306	188	1	709	555
Iowa	7.53	183	86	0	186	622
Kansas	7.54	151	63	0	24	423
Kentucky	37.01	404	211	0	72	496
Louisiana	17.89	491	166	2	41	749
Maine	6.99	93	76	642	45	229
Maryland	5.72	216	108	1,559	5	271
Massachusetts	4.16	358	297	2,232	65	398
Michigan	11.57	775	336	0	403	1,081
Minnesota	9.31	216	87	0	956	659
Mississippi	21.22	253	122	15	151	1,007
Missouri	24.08	504	159	0	32	651
Montana	6.69	79	26	4	70	193

Mr. JOHNSTON. Mr. President, will the Senator yield me 3 minutes?

Mr. MOYNIHAN. First, Mr. President, may I thank my friend for his extraordinarily clear presentation of this problem, particularly regarding the governmental relations.

I am, of course, managing the time. I have to say that my friend from Pennsylvania was first to ask. I yield 5 minutes to him. Then I will be glad to yield to the Senators from Louisiana and Michigan.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I thank my colleague, the Senator from New York, for yielding me these few minutes.

Mr. President, I commend the Senator from New York and our other colleagues in offering this amendment. I rise as sponsor of S. 318, the authorizing bill introduced on January 29, 1985, to extend the General Revenue Sharing Program at what was then the funding level, for the next 5 years. Senator MOYNIHAN's amendment, of which I am a cosponsor, seeks to leave in the budget room for the full funding of \$4.6 billion for fiscal 1987 that my bill would authorize.

We all understand the fiscal reality that we do not have a lot of revenue to share. But I must say that I have deep, serious reservations about the drastic reductions called for in this budget resolution which would reduce the funding for the program from its current level of slightly more than \$4 billion to \$1.8 billion in fiscal 1987.

What that means is that halfway through fiscal 1987 the revenue-sharing program would be totally terminated, and during the first two quarters of fiscal 1987 municipalities and local governments would receive drastically scaled-down amounts of assistance.

Mr. President, that is not only drastic; it is deeply discriminatory.

What we are talking about is not only a 57-percent cut from the level appropriated in fiscal 1986 but a termination of this program. There are other programs in this budget that the Budget Committee decided to cut. They froze assisted housing, a cut in real terms. They cut UDAG 10 percent. They froze community development block grants. They cut operating assistance for mass transit by 20 percent, and put in a 10-percent cut for EDA. None of those programs are being terminated. Here, revenue sharing is not only being proposed for termination but in the process, during the phasedown of next year, it is being cut by 57 percent. That is truly unfortunate and unfair.

I believe we have an opportunity to voice our support for this program without increasing the debts that the

American people are going to have to face up to one of these days.

Mr. President, most of the revenue from revenue sharing, as it is spent by the municipalities, is spent for necessary public services that someone has to pay for. I will speak to exactly what that goes for in a moment.

So all we are doing, if anybody claims we are reducing the budget deficit by agreeing to the Budget Committee's proposal, is that we are taking a small portion, a very small portion, of the Federal budget deficit and we are picking it up and simply placing it on the backs of the municipalities who are going to have to continue these services.

My good friend from Tennessee referred to this as tax shifting. I do not disagree with him. But it is also deficit shifting. To my mind, what will happen if we do this is that we will create some tremendous hardships and we will force many municipalities to raise taxes in the most regressive way.

Most municipalities, if they are going to be able to do anything about this, will have to raise their property taxes. Of course, people who pay property taxes have to pay the property taxes whether they are working or retired, whether they are unemployed or working, regardless of whether they have the money. They have to pay those property taxes and they may very well have to borrow to do it. That is real deficit-shifting, right from the Federal Government to those who can afford it least. I for one believe that we can find a revenue source that is more equitable and would produce less hardship than severe increases in local property taxes, which is what would certainly occur in many communities in my State of Pennsylvania and across the Nation if this program were cut by more than 50 percent as proposed in this budget resolution.

Mr. President, general revenue sharing is one of the most important and widely used Federal programs we have. There are few Americans who do not directly benefit from the proceeds of general revenue sharing. In my State of Pennsylvania, it is the only direct source of Federal assistance for more than 90 percent of the municipalities. And this assistance goes for services that are vital to the health, safety and general welfare of the people in each community.

There are some 39,000 units of local government, Mr. President, that benefit from this. Let me just point out that some of these local government units, such as those in my home State of Pennsylvania, simply have been so devastated by the closing of industries and mills that, even if they wanted to, they cannot possibly afford in any way, shape, or form to make up the lost revenue.

For many municipalities in my State of Pennsylvania, general revenue shar-

ing is the sole means of providing essential human services such as police and fire protection, highway and road maintenance, water and electric service.

In the town of Clairton, PA, where the United States Steel works has closed, the tax base has already been so severely decimated that they have had to lay off all the firemen, all the policemen, and all the employees at city hall. If this amendment is not agreed to, they are probably going to have to sell city hall, or at least take out a big mortgage on it.

And this is not an isolated example. We have literally dozens of municipalities—Duquesne, McKeesport, Midland, White Oak, Swissvale, Wilmerding, Lock Haven—throughout that area and many other parts of my State as well, where this reduction will cause enormous hardship.

Some of my colleagues will still say, "why can't these towns raise taxes?" The answer is that in many cases, the State legislature will not let them. There are laws that restrain the municipalities covered under our municipal codes from exceeding certain levels of taxation. And the communities that I have just named, plus a lot of others are at their absolute maximum. They cannot raise any additional revenue.

Mr. President, let me simply conclude by saying that although we are all dedicated to fiscal restraint and to deficit reduction, and while we all know there are hard choices to be made this year, I find it ironic that no program, domestic or otherwise, has taken nearly as deep a cut in this budget resolution as general revenue sharing—a program that provides direct assistance to our smallest communities that are struggling to become more self-sufficient in the face of numerous other spending cuts. I do not think the Congress displays fiscal courage by taking funds away from other units of government.

Mr. President, I urge my colleagues to adopt this amendment.

I ask unanimous consent that a special report prepared by the National Association of Counties immediately follow my remarks.

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

#### GENERAL REVENUE SHARING IN PENNSYLVANIA

(In my State of Pennsylvania, where the economy has been so distressed, a survey of local governments found that revenue-sharing accounts for 16.7 percent of the average local budget. Replacing revenue-sharing funds with property tax revenues in Pennsylvania would require an average increase of 62 percent. For nearly 94 percent of the Pennsylvania municipalities responding to the survey, revenue sharing is the only direct source of Federal funds.—Sen. H. John Heinz, III, introducing S. 318, a bill to extend General Revenue Sharing—Jan. 29, 1985)

(A special report by Ralph Rathburn and Herb K Schultz)

County officials throughout the State of Pennsylvania are concerned about the possibility of losing Federal General Revenue Sharing. Local governments in Pennsylvania receive \$220 million in General Revenue Sharing funds. These monies are an important portion in county budgets in a state which saw tax increases in more than half of its counties last year.

Doug Hill, executive director of the Pennsylvania State Association of County Commissioners, said "GRS monies are spent to support broad categories of human services and to a lesser extent the court system. We, like many states, do not use GRS for capital improvements as much as for service provision."

In a survey conducted among the members of the State Association, almost every county stated that a reduction or loss of General Revenue Sharing will mean a tax increase or a decrease in services.

Charles Griffiths of the Pennsylvania Intergovernmental Council said "Counties are probably the hardest hit by the reductions in federal dollars than any other level of government." The Intergovernmental Council is a private non-profit organization which promotes intergovernmental cooperation on a state level.

"The difficulty in cutting services at the county level is that many are mandated by the state and the federal government," said Hill. "We are saying to our legislators, 'We have all these mandates which we are carrying out on your behalf and reimbursements are decreasing. GRS is the only way for us to make our ends meet.'"

Congressman William H. Gray, III (D-Pa.-2), chair of the House Budget Committee, has said that states with budget surpluses should not expect to receive General Revenue Sharing funds. Pennsylvania is one of the states which has a surplus.

"The State currently has a \$100 million surplus," said Doug Hill. "Governor [Richard] Thornburgh (R) has said consistently over the past six years that he has no intention of replacing any federal monies lost at the local level."

Mike Moyle, deputy press secretary to the Governor said, "Local government can't expect the state to pick up the costs if they lose it [GRS]. You can't hope to go out and pick up everything which the feds are going to cut." The Governor's office states that he has no position on GRS.

"When you have a \$100 million surplus you have to be very careful. You have to turn away many who want some of that money. I could give you 25 times the requests which you [local governments] are making on that surplus," added Moyle.

Paul Bartle is the president of the Pennsylvania Association of County Commissioners and a commissioner in Montgomery County, PA. Through the State Association and other avenues he has been working to retain General Revenue Sharing.

His county provides him with reason to be a strong supporter of GRS, "Losing General Revenue Sharing would be a big problem. Montgomery County receives \$2.5 million in GRS money. For us to go into 1987 without those monies would be a serious problem and the Federal government should address it."

Gov. Thornburgh stated in December that there will be a tax decrease in personal and business rates to return the surplus to the people. "The Governor feels that when you

have a large surplus, it should be returned to the people. That will help the economy. That will increase spending and create jobs," said Deputy Press Secretary Moyle.

"The real problem is that we in the county don't have the latitude of the state and federal government. We depend upon real property tax. We do not have, in this state, the ability to levy an income tax," said Bartle. As a result, even if the economy benefited from the tax decrease, counties would receive no increased tax revenues from the additional activity. Local governments will be forced to raise taxes, if they can.

According to Dough Hill, "This year we already increased taxes by an average of 14 percent in the counties which had increases. One half of all PA counties raised taxes this year. Additionally, we have a statutory limit on tax rates in PA. Probably one fourth of the counties in the State are at or near the limit. They obviously don't have much more flexibility there. Pennsylvania counties have no budget surpluses overall."

Sullivan County has reached the statutory limit on its taxing authority. Under Pennsylvania law, it can not raise taxes. General Revenue Sharing represents 22.6 percent of the total revenues of this county. The county expends the bulk of those revenue sharing dollars on corrections and health.

GRS monies make up 60 percent of the Sullivan County corrections budget and 100 percent of the county health budget. The remaining GRS funds are used in a variety of other budgets. The county estimates that between 21 and 30 percent of the total county budget is used for mandated services. This leaves little flexibility for local budget cuts to make up for a loss in revenue sharing.

Sullivan and neighboring Luzerne, Columbia and Carbon counties include some of the most economically depressed areas in the state. The unemployment rate in the area is between 10 and 11 percent—more than 3 percent higher than the national average.

Rep. Paul Kanjorski (D-PA-11) represents these counties in the northern part of the state. A strong supporter of reauthorization, he is a cosponsor of one of the GRS reauthorization bills—H.R. 1400.

The General Revenue Sharing formula "has benefited relatively low-income, but high tax effort areas like Northeastern Pennsylvania," said Rep. Kanjorski. "If revenue sharing is eliminated, towns, cities, boroughs and counties in the 11th Congressional District of PA. will lose more than \$10.1 million in federal aid that currently makes up 16.7 percent of their non-educational revenues. Some smaller communities will lose as much as one-third of their non-educational revenues."

In Western Pennsylvania, Allegheny County estimates that it will have to raise taxes by 2 mils to compensate. This would be in addition to the 2.25 mil increase which went into effect on Jan. 1 of this year.

Revenue sharing money is used to fund the Allegheny County Port Authority. County funding for this local transit system is required by law. Meeting state and federal mandates commands nearly 40 percent of the total county budget. If GRS is lost the county will "either have to increase taxes or have severe cutbacks in other traditional county services," said Guy Tumolo, Allegheny County director of budget and finance.

Congressman Douglas Walgren (D-PA-18) of Allegheny County said in support of GRS in the House of Representatives, "I have

heard from many of the over 60 local communities in my district and their message is clear: Elimination of revenue sharing can only result in one of two things: cuts in basic services such as police or fire protection or higher local property taxes."

Fiscally conservative Adams County in Southern Pennsylvania is very concerned about the possibility of losing GRS. Commissioner Catherine W. Cowan said, "The Federal and State governments have shifted increased responsibilities to counties over the past ten to 15 years. Some monies have come with the responsibilities but these are decreasing and there are also many hidden costs which are not reimbursed. General Revenue Sharing is a way to regain some of those costs."

Commissioner Cowan is one of a number of county officials who are fed up with the response which they are receiving from the Governor's office. "I don't think the Governor knows what kind of situation the counties are in and I don't think he cares. He hasn't been on the front line of public service. He is very insulated. He doesn't understand the situation on the front lines," she said.

When it comes time to cut programs, Adams County will look at what is mandated by the State and Federal governments. Cowan explains that "Communities, in general, have less flexibility in cutting those services which are mandated, and so local options will be cut."

Loss of GRS in Bucks County would disrupt county operations. "We'll need an overall reduction of services in all departments. That right away means 2.5 mils or a 6.6 percent tax increase. That is the stark reality," said Richard Gore, finance director for Bucks County. Bucks, which is located to the northeast of Philadelphia, would lose \$3 million in direct GRS appropriations.

Lancaster County Commissioner James Huber believes, "If we lose GRS we will have to reevaluate all the programs which receive GRS funds and determine which programs will be cut or eliminated. There is also a strong possibility that there will have to be a tax increase."

Should GRS fall and the local governments be forced to increase revenues to make up for the shortfall which that would cause, finding revenues would be difficult. The possibilities for local tax increases in PA. are not good. One-half of the counties in the state had a tax increase last year and one-quarter of the counties are at their top tax rates. A second problem is that "Counties in PA are on a calendar year budget. We can't raise taxes in the middle of a year. The only options we have are service cutbacks or layoffs," said Hill of the State Association.

"Governor Thornburgh really does believe that you can 'do more with less' that is his slogan. He believes that if the local governments lose some federal dollars that they can pull themselves up by their bootstraps and that they will make it," said Griffiths of the PA. Intergovernmental Council.

"We find a very insensitive attitude when it comes to social services from the Governor's office," said Commissioner Paul Bartle. "We have asked the Governor for additional dollars for Children and Youth services which include programs on child abuse. As a result of increased awareness and a greater effort to adequately address this problem, reports of child abuse have doubled. The state mandates services in this area. We agree that the services are needed. But the state has placed a cap on the state

funds which are available to meet this need. We use GRS funds to make ends meet."

Commissioner Cowan points out that the elimination of GRS is being played against the backdrop of the Gramm-Rudman-Hollings Deficit Reduction Act which will cause massive cuts in program funding for federally mandated programs. "Given the combined results of Gramm-Rudman and the cuts it will bring, the loss of GRS would have quite an impact."

"We have implemented all the efficiencies that we can," said Commissioner Cowan. "Counties in Pennsylvania have a very limited ability to adjust financially," she said.

"General Revenue Sharing is not a gift. We need to educate legislators that these dollars are being used to provide federally mandated programs," Cowan said.

"Unless the state and federal governments put dollars with their mandates, we will have a real problem. Revenue sharing can be very helpful to us with that," said Commissioner Bartle. "We urge every representative of state and local government to talk with their congressmen," said Bartle.

"We will be hit very hard by Gramm-Rudman. We get a big piece of the various block grants which are subject to Gramm-Rudman cuts," said Doug Hill.

"The President can say all he wants about no tax increases," said Hill. "But, the reality is that without GRS and with the cuts from Gramm-Rudman, if they continue to provide the same level of services, counties will go into debt this year and have to raise taxes next year."

The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. I yield 5 minutes to the Senator from Michigan [Mr. RIEGLE].

Mr. RIEGLE. I thank the Senator. Mr. President, I rise in support and as a cosponsor of the amendment by the distinguished Senator from New York.

Local governments have already made a significant contribution to deficit reduction. In the last 5 years, Federal spending on State and local programs has been cut by 23 percent. Defense spending rose by nearly 40 percent during the same period.

I was pleased when a bipartisan majority of the Budget Committee adopted my proposal to preserve General Revenue Sharing, and that we were able to keep the program alive at about half of last year's funding level.

That was the best we were able to work out during Budget Committee negotiations.

I rise today to say that that proposal clearly does not go far enough. We ought to have the full revenue-sharing amount provided, as this amendment would do. If we fail to take this action today, I think we will hurt taxpayers across the country, certainly in the State of Michigan but in other States as well. Most of the cities and towns across America use a substantial part, if not all, of the revenue-sharing money to provide basic public services; in many cases that is police and fire protection.

Just to give some examples: In the State of Michigan, of the revenue-sharing money received by the city of Detroit, 90 percent is spent for public safety. That, in effect, is for police and fire activity. In the city of Grand Rapids, 85 percent of the money from revenue-sharing finances public safety activity in the police department. In the city of Flint, my hometown, 100

percent of revenue sharing is used for that purpose. One hundred percent is used in Lansing for that purpose; in Kalamazoo, Saginaw, and Pontiac, 100 percent; in Muskegon, 85 percent. In the city of Jackson, an all-American city, 100 percent is used for public safety; in Hazel Park, MI, 100 percent; Benton Harbor uses 100 percent, Muskegon Heights, 100 percent.

I could go on. In many other cities there are a very high percentage of revenue sharing money used to provide these basic services. Mr. President, I ask unanimous consent to have the table printed in the RECORD. There being no objection, the table was ordered to be printed in the RECORD, as follows:

CHART 1.—IMPACT OF THE PROPOSED FEDERAL REVENUE SHARING REDUCTIONS

Cities	Fiscal year 1984-85 DMB revenue sharing information	1984-85 total F.R.S.	Percent of general fund budget	Percent design for public safety	Total number public safety force	Projected public safety job loss	Projected millage increase (mills)	Millage limitation	Special election required
Detroit	35,145,000	34,274,390	3.50		5,716	700	6.5	Max	Yes
Grand Rapids	3,866,000	3,866,261	6.00		633	38	2.7	Max	Yes
Flint	3,731,000	3,600,000	6.70		632	30-35	2.2	(1.45)	Yes
Lansing	2,768,000	2,800,000	5.00		520	26-30	1-2	(9.00)	No
Kalamazoo	1,464,000	1,437,808	5.00		307	15-17	1.72	(.632)	Yes
Saginaw	1,832,000	1,752,048	8.00		225	18-20	.5	(1 Mill)	Yes
Pontiac	2,255,000	2,205,991	5.20		365	50	3.0	Max	Yes
Southfield	749,000	716,967	2.50	35.00	253	0	.5	Max	Yes
Jackson	951,000	970,000	9.50		111	20-25	3.0	Max	Yes
Inkster	991,000	950,000	7.00		95	19	3.0	Max	Yes
Port Huron	364,000	350,000	5.00	10.00	81	3	2.0	Max	No/cut
Highland Park	1,033,000	998,698	9.60	40.00	102	12-14	2.0	Max	Yes
Ypsilanti	793,000	778,722	5.20	87.00	99	35	5.0	Max	Yes
Hazel Park	595,000	584,716	8.00	14.00	82	12	3.0	(3.28)	Yes
Benton Harbor	375,000	310,000	4.30		52	8-10	2.0	Max	Yes
Muskegon Heights	438,000	427,187	12.00		30	30	3.0	Max	Yes
Melvindale	355,000	348,270	11.00		36	6-8	6.0	Max	Yes
Livonia	171,000	170,000	4.00	21.00	40	N/A	1.2	Max	Yes
Battle Creek	719,000	705,000	3.0(2.7)		232	20-25	.5	Max	Yes/no/Cut
Taylor	1,059,000	1,070,000	4.80	8.00	221	3-5	2.08	(4.904)	No
	1,080,000	1,062,260	8.0	70.00	162	120	1.5-2	Max	Yes

Mr. RIEGLE. If we take this money away, Mr. President, these communities will be in a terrible situation. They will either have to reduce police protection and other public safety services in those communities or raise local taxes. Quite frankly, the strategy of the Reagan administration over the past 5 years has been a systematic attack on local governments. We see it now in the attack on revenue sharing which originally, in the old days, was a Republican proposal. Now we see a recommendation to do away with it. We have seen other very substantial cuts in help for basic services for State and local governments over the last 5 years.

We have a proposal from the President before the Finance Committee to eliminate the deduction for State and local taxes. This is another attack on State and local governments, another way to shove the cost burden on the local taxpayers and to stick them, in effect, with the cost of the big defense buildup and the other waste which I think still exists in Federal activity.

So revenue sharing makes sense. It is a partnership, a way for local communities to get back some small share of the money extracted from them in terms of the broad Federal tax base.

Mr. President, if we do not fully restore Federal revenue sharing, we will be creating additional taxing at the local level. As the Senator from Tennessee said, we do not need to see local property taxes or other taxes brought up as a way for us to save money that

comes off the broad tax base of our system.

This has been one program that has worked. It has worked effectively. There is a minimum of bureaucratic cost involved with it. Local communities make their own decisions on how to use it. Because it has been there so long now, it has taken on vital importance.

As I say, in most instances in my State, 100 percent of it is used to finance police departments and to provide for the public safety, which is clearly something that is essential from the point of view of people getting something they need from their tax money and from the money that they contribute in that form.

Mr. President, I hope the Senate will go on record today as favoring the continuation of this partnership. It is essential that we do it. Some States today are in very serious difficulty. I know the States that are affected by the oil and gas problem, particularly now, desperately need the revenue sharing money, but we do in Michigan as well. I hope the Senate will go strongly on record today for keeping this very vital program alive.

I thank the Senator for yielding.

Mr. MOYNIHAN. Mr. President, I thank the Senator from Michigan and interpolate the observation that no one knows the future. One moment, this part of the country is prosperous, another not; this kind of economy is doing well, others are not. They shift.

One of the points about Federal revenue sharing is that it provides a steady level of support no matter what the change which takes place.

I see the Senator from Louisiana [Mr. JOHNSTON] has risen. I look forward to hearing from him. We have been reading of the city of New Orleans having the most difficult economic situation in a half century, since the Great Depression. We would not have thought that possible 3 years ago. Today, New York City is not doing all that badly. Three years ago, you would have thought that not possible.

That is why we have a National Government and national programs, I think.

I yield the Senator from Louisiana 5 minutes.

Mr. JOHNSTON. Mr. President, I thank the distinguished Senator from New York and I am delighted to join with him as a coauthor of this amendment. What he has read about the city of New Orleans, what he has read about Louisiana is not as bad as the actual reality. The reality in my State is so bad it is without parallel, I believe, anytime since the Great Depression.

We have 13.2-percent unemployment as last measured and this is rising rapidly. The State of Louisiana has an \$800 million deficit as last measured; this comes on top of raising taxes by almost \$1 billion 2 years ago.

The city of New Orleans just announced this morning that their defi-

cit is not \$12 million as they had thought it was, but \$30 million.

Mr. President, when you translate the deficits of the city and the State into job losses, particularly for State employees and State programs, it is absolutely devastating. We have already closed our libraries in New Orleans. And we are going to have to let more workers go: firemen, policemen, street cleaners, city workers of all kinds will have to be let go by the score.

Mr. President, New Orleans 3 years ago was not in good shape. It was directly dependent 3 years ago, at the height of the oil boom, upon revenue sharing. Revenue sharing now is nothing less than a lifeline. It is nothing less than a safety net. Indeed, it is not a safety net strong and firm enough to save us from economic difficulty, but it may be enough to save us from total economic ruin, from economic catastrophe.

Mr. MOYNIHAN. Will the Senator yield for a question?

Mr. JOHNSTON. I certainly will.

Mr. MOYNIHAN. We earlier heard the Senator from Tennessee speak of this as a tax shifting measure, if we go ahead as indicated by the budget resolution; in other words, that local governments will have to raise the taxes they lose to replace the revenue.

The Senator is saying in the city of New Orleans there is no capacity to raise the taxes; you simply cut the services. They have closed the libraries and they may close the fire departments as well.

Mr. JOHNSTON. The Senator is exactly correct. To say to New Orleans, "Go raise your taxes," is very much like saying, "Let them eat cake." The sales tax in New Orleans is already 9 percent, one of the highest rates in the country. If it is raised any higher, then it will discourage tourism, which is the last bit of business we have. You cannot raise revenues effectively from an income tax increase in New Orleans. People commute from the suburbs. Such a tax would have to be authorized by the State legislature. They would not do that any more for New Orleans than you would do it in Washington, DC. It would be vetoed.

Mr. President, we have very few places to turn. Washington is one of those few. Do you know what we get when we turn to Washington? We get the Reagan budget. If you look at the Reagan budget superimposed on the difficulty we now have, we in Louisiana will lose 9,000 guaranteed student loans, almost 5,000 Pell grants, almost 2,600 State student initiative grants; and we would have lost 750 jobs in the Strategic Petroleum Reserve Program had the Reagan budget "rescission" gone forward. Thankfully, we reversed that. We would also, in the Reagan budget, lose 2,820 jobs on Red River and 290 jobs in the Cooperative Extension

Service. In historic preservation, we would lose 4,000 jobs; for dislocated worker assistance, so-called TAA, in Shreveport, alone, 3,000 workers who have lost their jobs would not get benefits; 125,000 kids would be removed from the school lunch program; and from the summer feeding program, we would lose 40,000 kids.

Mr. President, we in Louisiana need help. We do not need in the kind of budget President Reagan proposes that takes away the remainder of Louisiana economic lifeline and allows us to go into economic ruin.

The PRESIDING OFFICER (Mr. GORTON). The time of the Senator from Louisiana has expired.

Mr. JOHNSTON. I thank the Chair. The PRESIDING OFFICER. Who yields time?

Mr. MOYNIHAN. Mr. President, might I inquire, how much time remains on the amendment?

The PRESIDING OFFICER. Two minutes.

Mr. MOYNIHAN. Mr. President, the distinguished chairman of the committee has risen.

Mr. DOMENICI. I thank the senior Senator from New York.

Mr. President, clearly I want to permit the senior Senator from Washington, who currently occupies the Chair, who was here in my stead for most of this debate, to discuss the matter with the Senate for as long as he needs. I understand we have about 60 minutes remaining. I do want to comment. I yield myself as much time as I use off the amendment itself.

In my absence, I understand the distinguished junior Senator from Louisiana [Mr. JOHNSTON] discussed my statement earlier this morning with reference to a CBO study on the economic effects of various energy taxes and the combination of a 6-cent gasoline tax and a \$2.50-a-barrel import fee. He discussed that in morning business, I am told, but nonetheless I want to thank him for the comments he made.

Once again, with an additional number of Senators on the floor and obviously others who are not interested in the debate, I do commend to them the CBO report which I understand will be delivered sometime today. It will be on every desk in the Senate, and it will be available for the offices, for the press, and for various committees.

(Mr. GRAMM assumed the chair.)

Mr. DOMENICI. Mr. President, I want to repeat two points. I make these also for my good friend, the junior Senator from Texas, who occupies the Chair.

I believe, regardless of where one stands on any kind of energy taxes, there are two very, very important findings which, if they are not refuted, are rather dramatic for the United States.

As we all know, one of those findings assumed oil would get down to \$13 a barrel. In many instances, it is already there. They assumed that the dependency of the United States on imported oil will rise from 30 percent today to 50 percent by 1991. I think that is a very, very important issue for our country. For all of us who were concerned in the early 1970's when we had a boycott of less than a million barrels a day at a time when our dependence was less than 50 percent clearly they should be very significantly concerned about a situation in which our vulnerability is much greater.

There is another fact that is very startling, and that is that 500,000 barrels a day by way of stripper production will be lost at current price levels. I think their assumption is right. They have, obviously, talked to people in "Oilpatch." Most of wells will be lost forever. That is also a very important fact.

The CBO also concludes that if you mix a revenue raiser between a \$2.50 import fee and a 6-cent gasoline tax, you have equalized disparity in burdens among regions that arises with a straight import fee.

In addition, the CBO concludes interestingly enough, that one-third of the import tax would not be borne by Americans at all; that in its final mix it will be borne by the foreigners who supply us with oil.

The import tax I have just described would yield \$10 billion in the first year, \$11 and \$12 billion in the next 2 years respectively. And I only use those numbers because quite by coincidence they match up very well with some of the assumptions we make in our budget resolution of ways and means to arrive at a revenue change.

Finally CBO concludes the tax would have little or no discernible effect on the American economy, and that is an interesting conclusion. Obviously, as I indicated this morning, that would be debated by a number of people. But I also was intrigued with their analysis. Perhaps everybody knew this; I did not. Their approach to this tax change which yields no significant economic change is an extrapolation of the current practice. When the Finance Committee talks about, let us say, a new excise tax of \$10 billion, they use the same contention which is called a static evaluation. This also applies to other new taxes and tax reform. It would appear to me—I have said it different ways before—that what is good for the goose is good for the gander. For those who think that some revenues in this budget resolution of the type just discussed will have this significant negative impact on the economy, I suggest that we assess all taxes in a similar way they are going to budget reduction on to

reform the tax system. If you can assume none there, then I think it is pretty fair that you assume, as CBO has, that there be none here. I am not sure of either of those, but there is some merit to consistency. Since it is being done in one place very dramatically with a lot of revenues and a lot of tax changes, I think Senators will find this CBO evaluation rather interesting.

Now I yield to my friend, the senior Senator from Washington, who wants to speak in opposition to the proposal before us, as much time as he needs.

Mr. GORTON. I thank the distinguished chairman of the Budget Committee.

Mr. President, it is with some trepidation that I speak not just in opposition to this amendment but to the case made by the distinguished Senator from New York. That Senator is not only an extraordinarily able Member of this body but is, I believe, the most eloquent Member of the U.S. Senate both orally and in writing. He presented to the Members of the Senate at the outset of his remarks an interesting book review on the book published yesterday by the former Director of the Office of Management and Budget.

In his fairly extensive comments, however, he spoke very little about the amendment itself, although it was addressed by very firm and persuasive presentations on the part of other cosponsors of the amendment.

Mr. President, the amendment and the arguments in favor of it present us with something of a paradox. Perhaps it is best stated by the letter from the National Coalition to Save General Revenue Sharing, a copy of which has been deposited on the desk of each Senator. I should like to quote one paragraph from that letter. The writer says:

Let us tell you what this amendment does not do. It does not mandate a tax increase. It does not bust the budget or add to the deficit, since there would be no funds put in the budget for revenue sharing until the Finance Committee develops a mechanism to pay for it.

Mr. President, in all candor, the statement that this amendment does not mandate a tax increase is, at best, disingenuous.

The amendment proposed is a paradox because on the one hand it may result in no action at all, because the Finance Committee will not act upon it. In this case, of course, it will not add a tax increase or spending on the part of the Federal Government. On the other hand—and I believe this to be the purpose of those who propose the amendment—it will result in action on the part of the Finance Committee, and therefore will, of course, mandate a tax increase and will add quite substantially to the spending of the Federal Government.

So, to present this amendment to us as being innocuous because it has no tax or budgetary implications is either to mislead Members of the Senate or to say that we are wasting our time by debating it because nothing will happen in any event. I choose to treat the amendment as I believe the distinguished Senator from New York does: As the first step in a serious attempt to see to it that the Finance Committee of the Senate authorizes \$4.6 billion in general revenue sharing for 1987 and adds \$4.6 billion in taxes in 1987 on the people of the United States in order to pay for it.

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

Mr. GORTON. I yield.

Mr. MOYNIHAN. Perhaps the Senator heard that it is the nature of this program, being lagged, that it would be \$6 billion for fiscal 1987; and if it continues, it would go up.

Mr. GORTON. The Senator appreciates the correction on the part of the Senator from New York.

On the assumption that the amendment is presented seriously as an attempt to rescue general revenue sharing and to impose taxes on the American people to finance it, it is in effect a request by its chief sponsor, a member of the Finance Committee, and a number of other members of that committee who have spoken in favor of it today, that the 80 Senators who are not members of the Finance Committee delegate to the 20 Senators who are members of that committee the authority not only to revive general revenue sharing but also to tell us precisely what taxes we must raise in order to finance that program.

In other words, we are asked at this point to delegate to members of that committee—the committee which is bringing us the tax reform proposal which has been under consideration for the last 8 or 10 weeks there, to the approbation of almost all Members of the Senate—the authority to find \$4.6 billion a year in taxes on the American people to support a program which, by definition, will benefit local governments, but which those local governments are unwilling to fund themselves. In other words, we are asked to impose on the people of the United States this amount in additional taxes and then to delegate the responsibility for spending that to local governments—local governments, which, by definition, do not wish to raise their taxes in order to provide the services which we have heard eloquently defended on the floor of the Senate in the course of the last hour or so.

Mr. President, that, in some respects, may be too harsh a comment. My own view is that general revenue sharing has indeed been a successful program. It does have the great merit of getting some 99.8 percent of the moneys involved in it through to local

governments for their decision as to the type of services which will be provided by them.

This Senator, at least, would be strongly inclined to vote for this amendment were it a substitute for \$4.6 billion of categorical aid programs now going to States and local governments rather than something which is to be based on a tax increase levied upon the people of the United States. I would do so simply because more of this money does get through to ultimate beneficiaries than in the case of any categorical aid program, and because I agree with the sponsors of the amendment for the proposition that a local government is better able to set its own priorities than is the Congress of the United States.

Unfortunately, however, this amendment does not come to us in that form. It seeks simply to add to all the remaining categorical aid programs an additional several billions of dollars, to be paid for by the taxpayers of the United States, but to be used by various local governments.

Finally, as the Presiding Officer and as the distinguished Senator from New York well know, this Senator, at least, has not been averse to voting for additional revenues in order to meet the goals of the Gramm-Rudman-Hollings Act and to meet what he considers to be appropriate national priorities. In fact, the budget resolution at the present time includes some \$18.7 billion in new revenues for fiscal year 1987, to which must be added some \$300 million to offset \$300 million in outlays by reason of an amendment adopted yesterday on the floor of the Senate.

The true question under those circumstances, Mr. President, is not whether or not this program, in the abstract, is a desirable one. The true question is whether or not spending an additional \$4.6 billion in taxes on general revenue sharing represents the highest priority of the Government of the United States; whether that is higher in priority than our investment in research in science or health; whether it is a higher priority than the American space program, which by definition can only be financed by the Federal Government; whether it is higher in priority than debate over a defense budget; whether it is higher in priority, in other words, than every other Federal spending program which is under great constraint in this budget, the vast majority of which are the exclusive province or the primary province of the Federal Government and not of State and local governments.

Mr. President, I must say bluntly that for this Senator, there are literally dozens of Federal programs which rank higher in priority than this one, which are functions of the Federal

Government and which, in my view, should be funded before we come to the proposition which remains as true this year as when we began this debate a year ago—the proposition that very bluntly we no longer have revenue to share with local governments in this fashion.

Mr. SPECTER. Mr. President, one of the most pressing issues confronting the Congress today is the reauthorization and funding of the Federal General Revenue Sharing Program. Revenue sharing constitutes a very productive partnership between Federal and local governments. It comprises the single largest Federal program assisting local authorities, providing \$4.6 billion annually. As my colleagues know, general revenue sharing is a comprehensive and flexible program, allowing funds to be used for a wide range of programs and activities, determined at the local level, and giving localities the opportunity to respond quickly to new problems.

In my State of Pennsylvania, the general revenue sharing program has provided an annual allocation of \$225 million which represents 16.7 percent of revenues raised locally by taxes. The need to continue this program has been fully documented. A recent survey found that revenue sharing in Pennsylvania accounted for almost 17 percent of the average local budget. The survey also indicated that 85 percent of township general revenue sharing funds were utilized for police, fire, and public works expenses.

The survey states that if revenue sharing does not receive reauthorization when it expires at the end of next fiscal year, at least 64 percent of Pennsylvania's counties would be compelled to compensate by raising taxes or cutting services. This would include an average 61-percent increase in property taxes. In a State like Pennsylvania, that has not fully benefited from economic recovery, such results could strike a crippling blow to continued recovery and economic well-being. The same is true for many States in this country.

In budget hearings that I held throughout the State, it became evident that revenue sharing is the critical part of the funding equation for many municipalities. The figures that I have cited above indicate why local officials, who represent their constituents, have made general revenue sharing a top priority and are most active in promoting its benefits.

Funding for general revenue sharing has been frozen at \$4.6 billion annually from 1977 to 1985 with a drop to \$4 billion in 1986, as the program has not contributed to the increase in Federal deficit during the past 9 years.

The amendment before us will provide \$4.6 billion for general revenue sharing for each fiscal year from 1987 through 1989, if the Finance Commit-

tee reauthorizes the program and finds additional revenues to support it. There is a bill before the Finance Committee, of which I am a cosponsor, to reauthorize and provide revenue for general revenue sharing. The funding in these amendments is responsible, level funding.

I urge the support of this amendment by my colleagues as a step toward preserving this vital program.

Mr. MOYNIHAN. Mr. President, I find myself in the situation of co-manager of the resolution, and I yield 5 minutes off the resolution to my friend, the distinguished Senator from New Jersey [Mr. LAUTENBERG].

Mr. LAUTENBERG. I thank the manager.

Mr. President, I rise in support of the amendment offered by the Senator from New York to insure the continuation of the general revenue sharing program. I am an original cosponsor of this amendment.

It is fitting that this amendment should be offered by my distinguished colleague from New York. For many years, he has been one of our Nation's foremost experts on urban America. The senior Senator from New York knows the richness and vitality found in our cities. Our cities are centers of art, commerce, finance, and education. But he knows as well that many of our most pressing and intractable problems are found in our cities.

But we are not talking only of large cities. In New Jersey, local governments—large and small—will share \$126 million in revenue sharing in fiscal year 1986. Nationwide, 39,000 local governments participate in this program.

Revenue sharing is vital to the survival of many of our cities and towns. Revenue sharing is a key element in the partnership between the Federal Government and our localities. The ability of many local governments—large and small—to provide basic services without resorting to regressive tax increases hinges on the continuation of revenue sharing.

Mr. President, the Senate has the opportunity by adopting the Moynihan amendment to send a message to our local governments that we are not abandoning the Federal/local partnership. The Senate can tell mayors across the Nation that the challenges before their communities are of concern to us all.

The message being sent by the administration, Mr. President, is in stark contrast. Like the famous statement of a previous administration to New York City, the administration is saying to urban America, "drop dead." Our localities are being told that their concerns are not the proper business of the Federal Government.

Mr. President, the question the Senate must answer today is this: "Is the ability our Nation's local govern-

ments to provide basic services—to provide for the public safety and the health and well-being of their citizens—in any way a concern of the Nation as a whole?"

The President's fiscal year 1987 budget answers that question with a resounding "no!". And it goes beyond revenue sharing. Beyond terminating revenue sharing, the President's budget would: Cut the Community Development Block Grant Program by \$500 million in fiscal year 1986 and \$1 billion in fiscal year 1987; terminate the Urban Development Action Grant Program; cut federally assisted housing by over 70 percent from \$10 billion to \$2.3 billion.

Terminate the Economic Development Administration.

Cut Federal aid to mass transit by 66 percent.

Terminate Federal assistance to Amtrak.

Reduce Federal assistance to highways and airports.

Cut Medicaid payments by \$1.3 billion.

Mr. President, the fiscal year 1987 budget offered by the administration represents the end of the Federal/local partnership.

Mr. President, the budget before us contains painful cuts for local governments. Perhaps the most painful is the proposed phaseout of general revenue sharing. Coupled with other suggested reductions, the phase-out of revenue sharing will mean higher local taxes and service cutbacks.

The services provided by revenue sharing are not frills to be quickly shed and little missed. We are not talking about discretionary spending. Revenue sharing pays for basic services. It insures that a policeman will be available to answer an emergency. That a fire truck is there to respond to a call. The schools, libraries, and hospitals will remain open.

Mr. President, opponents of revenue sharing argue that if local governments want the services paid for by revenue sharing, then they can pay for them. This argument ignores the immense pressure under which local governments are laboring in response to a 23.5 percent decrease in grants to State and local governments since 1981.

The proposal to end revenue sharing is being made at the same time the administration wants to eliminate the deductibility of State and local taxes and limit the use of tax exempt bonds. These measures would make it virtually impossible for local governments to raise the revenues necessary to compensate for the lost Federal funds.

Mr. President, added together, these proposals lead this Senator to an inescapable conclusion. If the Federal Government will not assist local government in providing services, and if

we deny local government the ability to raise alternative revenues, services will just not be provided. It is not a matter of putting local governments on a diet. It is a matter of starving them to death.

Mr. President, across this country there are examples of mayors and county officials struggling to maintain and revitalize their economies in the face of declining tax bases. It is one thing to heap praise on local officials and quite another to ensure that they have the tools to do the job. Programs like revenue sharing, urban development action grants and community development block grants are absolutely essential if our cities and towns are going to make it.

Mr. President, I urge adoption of the amendment by the senior Senator from New York.

The PRESIDING OFFICER (Mr. GORTON). Who yields time?

Mr. MOYNIHAN. Mr. President, I yield myself 2 minutes from the resolution.

May I thank the Senator from New Jersey for his emphasis on the central concern that so many of us have here which is the Federal-local relationship which has been established over the past 30 years and of which the key element here was revenue sharing, a statement of trust, as the Senator from Washington said to the good sense and priorities of local government.

I might just note that one of the things that led up to this was the occasion in late 1960 when the administration found itself proposing a rat control bill here in Congress. The elemental urban service is rodent control before anything else. And what is the Federal Government doing with such matters? That is why we let local governments decide.

A relationship was created, it does exist, which is as much or more important for rural communities as for urban communities.

A crisis was created for the deliberate purpose of destroying this relationship. We are saying, "No, we know we have a budget crisis but we are not going to let it carry out its intended objective, which is to destroy all these relationships." It is not good government and it is submitting to a conspiratorial turn that is certainly, in this Senator's view, unwelcomed.

Mr. President, I yield an additional 2 minutes off the resolution to the distinguished Senator from Alabama.

Mr. HEFLIN. Mr. President, I rise to support this amendment to restore full funding for general revenue sharing. I am a joint sponsor of this amendment.

The budget resolution under consideration by the Senate allows \$1.8 billion for two quarters to close out the general revenue sharing in fiscal year 1987, if the Finance Committee reau-

thorizes the program and then finds additional revenues to pay for it. This is not acceptable.

Mr. President, many units of local governments, including those in my State, are facing serious problems trying to meet the needs of their citizens. The general revenue sharing is one of the most important Federal programs in existence today. It is not a giveaway program. As you know, this was a program enacted in 1972 and at that time a commitment was made between the States, municipalities, and the Federal Government. This was a commitment by those who believe in the constitutional principles of Federalism. The revenue sharing program was begun as an integral part of a long-range plan to return government control to the people through their local governments. The idea at that time was that Government bureaucracies in Washington had too much to say over how a local government should spend its tax dollars. That was a valid argument then—and it still is today.

I am here today to ask that the Members of this body act now to see to it that the Federal Government stands by its commitment. As you, of course, know, throughout its existence the basic purpose of general revenue sharing has been to bring about a balance in the total tax revenues going to the Federal, State, and local governments of this Nation.

The General Revenue Sharing Program has the lowest administrative costs of any of the Federal assistance programs; it is distributed on a fair and equitable basis. The funding received by local governments through this program has been crucial to enabling local governments to provide the much-needed services to its citizens.

Mr. President, money worthwhile and money well spent equals revenue sharing for the local governments. We are talking about money for education, fire protection, health care, highways, housing, hospitals, libraries, natural resources, parks and recreation, and police protection.

Mr. President, revenue sharing helps local governments with their day care programs for the young and hot meals for old folks.

Let me assure each Member of this august body, the distinguished Members of the House of Representatives, and, most importantly, the American people, that revenue-sharing funds have not been wasted. Revenue sharing has been used to pay for basic essential needs and services for the citizens of this great Nation.

Mr. President, I further add that a great deal of revenue-sharing funds in my State goes for police protection. With crime as one of the major problems, I dare any Member of Congress to go to his or her home town and try to convince his or her neighbors, fami-

lies, and friends that police protection is not an essential service. If the local police are to fight crime and do their jobs well to protect the citizens, we need to help them. We have an opportunity to help the local police forces through this Revenue Sharing Program, there being many new impositions placed on State and local governments as a result of Federal court action as well as Federal congressional action, and it seems to me that this particular area of dealing with crime that revenue sharing is needed. We certainly ought to continue it.

Mr. President, I believe that revenue sharing is the best way to get some of the tax dollars back into the local communities. Without revenue sharing, local governments would be faced with the choice of increasing taxes or reducing services. If the funds are not restored for revenue sharing, there will be many city, town, and county governments across America that will be completely handcuffed fiscally.

I strongly support multiyear funding for the Revenue Sharing Program so that local governments may have a realistic basis for their fiscal planning.

Mr. President, I ask unanimous consent that a resolution which was adopted by the legislature of Alabama urging Congress to take affirmative action to extend the Revenue Sharing Program be printed in the RECORD.

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

#### RESOLUTION

Whereas, the federal revenue sharing program launched during the early 1970's has pumped millions of dollars annually into state, county and city treasuries throughout this nation; and

Whereas, the current authorization for the federal revenue sharing program terminates at the end of fiscal year 1986; and

Whereas, in Alabama, federal revenue sharing funds account for over 9 percent of total municipal revenues and over 5 percent of total county revenues; and

Whereas, without federal revenue sharing funds, many local governmental entities will be forced to cut back or even curtail such vital services as police and fire protection among others; and

Whereas, the federal revenue sharing program is generally recognized as the most equitable and administratively efficient federal program now in existence; and

Whereas, there is no provision of law that sunsets federal revenue sharing in 1986, but merely a consensus of the conferees on the Budget Reconciliation Bill of 1985 that it would be sunsetted after the next meetings of the various state legislatures; and

Whereas, under such consensus agreement, seven state legislatures are not scheduled to meet again until 1987; and

Whereas, because the Alabama Legislature meets in 1986, this state's federal revenue sharing funds would be sunsetted at least one year prior to those of the aforementioned seven states, thereby placing an inequitable financial burden on the citizens of Alabama; and

Whereas, there are no less than five bills presently before Congress that would reauthorize federal revenue sharing at least through the fiscal year 1987; and

Whereas, the sense of the Alabama Legislature is that if federal revenue sharing is to be terminated, Congress should reauthorize the program for at least one more year while it formulates a gradual and equitable sunset plan; now therefore,

Be it resolved by the legislature of Alabama, both Houses thereof concurring, That we do hereby urge Congress to take affirmative action to extend the federal revenue sharing program at least through the end of fiscal year 1987.

Be it further resolved, That a copy of this resolution shall be presented to the President of the United States and to each member of the Alabama Congressional Delegation.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, let me first inquire, how much time do the opponents have?

The PRESIDING OFFICER. Forty-two minutes.

Mr. DOMENICI. I thank the Chair. The distinguished Senator from Texas [Senator GRAMM] would like to speak for a few moments and then I would like to speak for a while. I would mention, unless the majority leader or the minority leader have something different in mind, I would hope now that I would not use all of our time, and the proponents have no time left on the amendment—

The PRESIDING OFFICER. The proponents have 2 minutes remaining.

Mr. DOMENICI. They have 2 minutes remaining; excuse me.

Mr. President, I think we might start voting, if it is satisfactory with Senator MOYNIHAN, at 1:15 or 1:20, at the latest. There are a number of Senators who want to be put on notice.

So it would seem to me we would be ready to start this vote at about 1:15.

Let me state just for a moment that I have received a message from the leadership office that we do not want to vote that soon. I have to discuss it with him and perhaps delay it because a group of Senators have to go to the White House. So let me reserve on that and we will talk about it in a little while on the record as soon as I have confirmed that.

I yield as much time to the Senator from Texas as he desires.

Mr. MOYNIHAN. Will the chairman yield for just one question?

Mr. DOMENICI. Of course.

Mr. MOYNIHAN. There is a meeting the President has requested at the White House at 1:45. It seems to me possible to vote before then or, if not, we want to accommodate the Senators going to the meeting. I have been asked. That does not happen every day. But is it because of that meeting or is it because of Senators who cannot be here to vote?

Mr. DOMENICI. Let me clarify it with the leader. That message that

came in was from his office. It may very well be we will finish our debate and ask that another amendment be called up and set a time, perhaps somewhere around 2:15 or 2:30, for a vote on this. We will accommodate the Senator from New York.

Mr. MOYNIHAN. I do not get asked to the White House every day.

Mr. DOMENICI. Well, I do not know whether you do or not. I am delighted you are going. I hope you have a very, very good meeting and return convinced that we ought to vote for less add-ons on this budget.

Mr. MOYNIHAN. I am going to put a word in to the President on your behalf.

Mr. DOMENICI. We need the President to put a word in with you in our behalf.

Mr. MOYNIHAN. He is a busy man.

Mr. DOMENICI. I yield to the Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mr. GRAMM. Mr. President, I thank the distinguished chairman of the Budget Committee for yielding.

This amendment is in all ways reasonable and proper and, looking at the list of cosponsors, it is probably popular.

I rise in opposition to it and in doing so I would like to begin by associating my remarks with the senior Senator from Washington. The senior Senator from Washington outlined options in the Federal budget that could use \$3.6 billion this year and \$4.6 billion next year. And I would like to add one alternative and that alternative, of course, is to leave the money in the pockets of the people who earned it in the first place. Then that money could be invested in the American dream, invested in education, invested in housing, invested in new plant and equipment to create new jobs.

The biggest problem with the budget before us is not the fact that many of us do not like the priorities in terms of defense and nondefense spending; that many of us do not like the priorities of raising taxes to fund domestic spending. The biggest problem is that the budget, by its very nature, has to be a partnership between the Congress and the President.

Under the law, we can adopt any budget we want, but to enforce that budget we have to adopt a reconciliation bill, in this case a reconciliation bill that prior to yesterday would have raised taxes \$53 billion over a 3-year period above the level that the President asked for in his budget.

Yesterday, we proposed raising taxes through action on an amendment by roughly another \$3 billion, raising the total to \$56 billion. If we, through the adoption of this amendment, add another \$13 billion to taxes, we are talking about almost \$70 billion worth of

taxes above the level that the President requested in his budget.

Now, this must lead Members to speculate as to what the President is going to do. Having listened to the President through the 1984 campaign, having listened to the President every day since that time, having listened to the President as late as yesterday say that he was going to veto a tax increase above the level called for in his budget, I would have to conclude that, if we send a tax increase for \$70 billion to fund increases in domestic spending down to the White House, that bill is going to be vetoed.

Now, that in no way reflects on the perfect right and consistency of this amendment. But I think it does reflect on the fact that, if we simply write a budget and set out spending levels and sustain expenditures without taking into account the possibility of enacting taxes to pay for it, we do create the problem under the Gramm-Rudman-Hollings bill that we may find ourselves at the beginning of the fiscal year with an across-the-board cut being imposed. And I guess maybe I am a little sensitive to that because when the headline runs, it will be "Gramm-Rudman Cuts; Gramm-Rudman Denies." The reality will be that Gramm-Rudman did not do any of those things, but instead that Congress did not live up to the commitment to meet the target of \$144 billion.

If the distinguished Senator from New York had offered an amendment that joined together the amendment we voted on yesterday and this amendment, I would have supported it. As you will remember, the distinguished chairman of the Budget Committee offered an amendment that set out all the terminations in the President's budget and proposed that they be adopted and that tax increases be reduced. As I remember, that total was about \$4.2 billion. Had this amendment had that offset, accepting those terminations, I not only would have voted for it, but I would have been a strong proponent of it.

I have always felt, relative to the grant program, that revenue sharing was preferable. I guess part of it is regional in nature. I have always felt, whether you were talking about heating days squared in the formula for low income energy assistance or the age of housing as a factor in HUD funding, that my part of the country has always ended up on the short end of the stick in terms of the grant system. I have always felt that priorities set at the local level were more likely to be priorities representing the public interests than priorities set in Washington.

But our choice today is not to terminate UDAG and EDA and a multitude of other programs to fund revenue

sharing. I would support that amendment. Our choice is, do we want to over the next 3 years raise taxes by almost \$13 billion to fund a program that we claimed termination for in last year's budget; that we took credit for, in fact, in the whole process of going through the adoption of a budget last year in reconciliation. We are back again voting on it and debating it this year.

I think the odds of the President signing a revenue-sharing extension without an offsetting reduction in spending somewhere is relatively low.

But I rise in opposition to this amendment. I hope we can vote it down. While I do not oppose revenue sharing as compared to grants, I think we are moving in the wrong direction in raising taxes on the working men and women of America so that Government can continue to grow at a rate several times the rate of growth in the private sector. I remind my colleagues that, even the President's budget proposal which had \$53 billion less in revenues, Government spending in the aggregate was not cut. The fact tends to be lost in all of these arguments about these massive reductions in Federal spending is that under the requirements of the Gramm-Rudman law, if the economy stays healthy—and I submit that \$70 billion of new taxes will not help keep it healthy—but if it stays healthy, Government will grow every day under the Gramm-Rudman requirement because revenues are growing faster than the deficit reduction requirements under Gramm-Rudman. The problem is that Congress does not want to limit the growth of Federal spending, but in fact wants to expand it and that is what this amendment is about. I hope my colleagues will vote it down. I yield the floor.

The PRESIDING OFFICER (Mr. MATTINGLY). Who yields time?

Mr. DOMENICI. Mr. President, now I am prepared to indicate what the leader wants us to do with floor votes. I think I can accommodate it without having to do anything extraordinary. The leader indicated that we would not vote on this amendment, either up or down or table, before 2:15 p.m.

Anyone who is interested in making sure that they are around for the vote and have something else that is important, should know we will finish this debate, and if there is not another amendment that we can call up and temporarily lay aside in order to vote on the Moynihan amendment, I will use time off the bill to accommodate the leader's concern with reference to the time we vote on this.

Mr. President, I yield myself as much time as I need now in opposition. However, I would like to be advised if I use up the remaining time that I have under the amendment itself.

In my opening remarks a few days ago when this budget resolution and the fiscal policy plan for the country was taken up here on the floor, I mentioned that there was a figure in Greek mythology named Sisyphus. In mythology he was pushing a large rock up a mountain. He would get the rock up to the top, and it would roll back down. He kept trying but never could get it quite up to the top of the mountain, where it would fall down on the other side once and for all.

As I said, I have a cartoon of this in my office. It is most interesting. It has Sisyphus trying to push that rock up, but that rock is the budget. He has it about halfway up. You know the rest. It did not matter how far. It comes rolling down. Well, this amendment reminds me of Sisyphus' large rock. We have eliminated funding for all or part of this program in two separate pieces of legislation and now it is back.

Shortly, I will tell you of my involvement in revenue sharing. Obviously, if I had my druthers and we could vote to cut some other programs, it would not take much to get the Senator from New Mexico not only vote for revenue sharing, but I would offer the amendment to keep it. But my experience is that Congress will not make enough cut to make room in the budget for something like revenue sharing.

Let me remind the Senate the budget is growing, not coming down. My only comment to my friend from Texas would have been that he is absolutely right. But the President too wants the budget to grow. It is just that he wants it to grow in the areas that he prefers.

Obviously, the President would say, as others do, that my preference is something very important—the military. That is true. There are many who agree with him. Nonetheless, we all have our own preferences. But on this amendment, last year we voted in the budget resolution to phase out revenue sharing. It passed.

On the floor of the U.S. Senate, the HUD-Independent Agency Subcommittee of Appropriations, chaired by Senator GARN brought an appropriations bill to the floor. There was not enough money in it for veterans, and there was not enough money in there for the space program—it also included revenue sharing fully funded. I do not know how many Senators know it, but in that appropriation bill they voted here on the floor to phase out revenue sharing.

That is why I am reminded of the Greek figure, Sisyphus pushing the rock up the mountain. I am sure that when the Appropriations Committee acted last year, many members thought they had finally pushed one budget rock over the mountain. Then we reinforced this action with reconciliation.

The proponents say this amendment does not mandate a tax increase. Well, that is right. But I guarantee you that there is no way within the budget that you can pass this amendment to reinstate revenue sharing fully for an additional year. This budget contemplates payment for one additional quarter, the one before us. We have been asked to give a transition period. The transition period contemplated is all of the rest of this year, and the first quarter of next year. But this amendment says that you can provide for a full fiscal year and it just will not cost you anything. Let us go ahead and say to the Finance Committee, keep the program. If they can find \$4 billion that is a rounded number in new taxes, we can keep this program and everything will be OK.

I just hope everybody knows that this is a real vote to add \$4 billion to the deficit, or to add \$4 billion to the \$19 billion in taxes for the year 1987 that are now prescribed by this budget resolution. Yesterday's amendment in the name of education added another \$300 million in new taxes in the first year. It is a little bigger in the out-years—\$1.2 billion and \$1.4 billion in 1988 and 1989.

Frankly, I have already given some indication of my perception of this program. I really did not think the day would ever come that we would have put in revenue-sharing. Prior to general revenue-sharing, we were certain that we knew how to do things better. We had decades of categorical grant programs, with strings attached, for education, for aid to the counties, for aid to the cities to take care of the homeless. We always wanted to have our committees involved, and pass on programs every year. Then general revenue-sharing came along, and said let us just put that money in local officials' hands and see if they cannot do some good with it. That was a great day.

Yesterday, however, we saw that \$4 billion could be saved with 44 individual programs that have strings attached. Only 14 Senators desired to get rid of the \$4 billion for those categorical grant programs.

Let me tell you that this is just the beginning. The budget before us has \$108 billion in grants and aid of different types to State and local governments. Whatever changes we have made in the past 5 years, that is how many are still there. Yes, some of them are far more important than others. Some of them have to do with health. Some of them have to do with economic development. Clearly, Congress has said it is not going to get rid of the 44 programs that are among the lesser categorical grant programs. They may be the least efficient or perhaps even the least necessary of the entire 2,400-and-some programs of our

National Government. We cannot get rid of those either.

So today if my count is right, we revisit this issue for the third time, including last year in the budget. Let us bite one serious bullet. It is a pretty big one. It is almost \$4 billion. Let us do it. We ordered the committees to do it in reconciliation and we thought it was done. We voted in an appropriation bill to cut it out.

Now we are here again with an amendment that says, "Put it back, but do not worry about its impact on the deficit; it does not mandate anything."

Obviously, I have grown to appreciate the fact that we cannot expect everything here. You cannot get your way all the time. Clearly, there is room for disagreement and there is room for compromise. But I do not think one ought to doubt this one.

If revenue sharing is put back this year, with its \$4 billion a year price tag, for those who thought there was one breakthrough for fiscal responsibility, just say goodbye to it. In fact, that fellow who pushed the rock up the mountain for all those years moved to another mountain on this one. There is no question he is not going to be pushing here anymore. He is going to find another one. Maybe he will find some other program and start pushing the rock up to see if he can get the rock over the top of the mountain. This one is gone.

I urge that everyone understand that we do reach the point at some place that we just cannot continue to say, "Add some more taxes." We cannot even say, "We do not even add that number to the tax side unless and until they pass the revenue sharing and then unless and until they pay for it."

I think we ought to decide that we cannot afford it.

Mr. President, I want to repeat that I have plenty of county commissioners and some of the smaller cities in my State who desperately need revenue sharing. They also use many of the other programs that I have alluded to, that \$108 billion, and they use some of those programs that will be terminated.

There is no way that their Senator can find a substitute for revenue sharing or some of those others. I cannot get anyone around here to do that. I tried to draw up a bill on that but it will not work. You just cannot find enough categorical programs that people are willing to give up and to marry into some kind of a swap for revenue sharing.

I would hope that we would not follow on the heels of a \$4 billion programmatic increase yesterday, as I indicated, one-half of 1 percent increase in what America is spending for education. We added that to our national

commitment, which is a very small commitment. That is the first vote.

The second vote is this one. It is a little bigger. Yesterday's and today's votes will be a victory for, those who want to send a signal that we are going to have a sequester at the end of the year and cut everything across the board. I would even think this is the last amendment that might be adopted in the next 4 or 5 days to add some more. I do not think it is getting us closer to a budget, however. I think it is getting us closer to a situation where we will have none. We will have to take about a \$25 billion to \$30 billion outlay cut across the board at the end of the year.

How much additional time remains in opposition, Mr. President?

The PRESIDING OFFICER. Eighteen minutes.

Mr. DOMENICI. I yield such time as the distinguished Senator from Florida desires in opposition.

Mr. MOYNIHAN. Will the Senator yield for a moment?

Mr. CHILES. Yes.

Mr. MOYNIHAN. As I understand it, the vote is to be called for 2:15.

Mr. DOMENICI. In response to the leader's request, I think it is to be no sooner than that.

Mr. MOYNIHAN. Mr. President, I ask for the yeas and nays.

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

The yeas and nays were ordered.

Mr. DOMENICI. I am sure the Chair will confirm this, but I did not get a unanimous consent that we would have a vote of any type. I merely said we would not vote sooner than that.

Mr. MOYNIHAN. I understand. I wanted to be absent from the floor for a period.

Mr. METZENBAUM. Will the Senator yield?

Mr. DOMENICI. I yield the floor.

Mr. CHILES. Mr. President, the budget debate always produces a series of attractive amendments. This one is attractive. I see a long list of other very appealing amendments.

The trouble is each one compounds the problem we have passing this resolution. They certainly do not add revenue. That is one of the problems with the amendment before us.

The committee tried to take into advance consideration the views expressed on the floor today by the Senator from Louisiana, the Senator from Tennessee, the Senator from New York, the Senator from Michigan, and many other sponsors of this amendment. We said we would try to make allowances if revenue sharing was reauthorized. That is what we need to remember. The authorization for revenue sharing is expiring and it must be reauthorized. The President of the United States has said he will not

countenance the reauthorization of revenue sharing. It has been made very clear that he will veto any bill that attempts to reauthorize revenue sharing. Because of that, our Budget Act last year, and the appropriations bills we passed last year, took into consideration that revenue sharing was going to expire.

But because of some of the views we heard expressed here today and have heard in the committee, we fenced off some money. We said that in the event revenue sharing or a portion of it is reauthorized, and in the event the Finance Committee raises the additional money to pay for it, we will allow approximately half of the revenue sharing money to come forward for 1 year.

That was our attempt take care of these concerns and, at the same time, put together a product with some balance in the amount of spending cuts and, at the same time, not have it overbalanced with new revenue in the package.

Our concern is, as we see these amendments come forward, we are going to lose that balance we put in.

Revenue sharing is something tremendously popular in my State. I hear from all my cities. I hear from all my counties. They certainly want it.

We have been trying to tell the officials down there for the last several years that this was a program whose life was expiring, that the President was not going to reauthorize it. They needed to make other provisions.

We attempted to do that in last year's budget. We attempted to give the signal as strong and as loud as we could give it, "Get ready to replace this money because you will be in trouble with revenue sharing." We have done that again in the budget resolution.

But if we provide this money, the problem we run into is the possibility that it will be sequestered under Gramm-Rudman-Hollings. Sequester will work all kinds of havoc on the cities, all kinds of havoc on the counties, much more havoc on our State governments, to say nothing of what it would do to all our domestic and defense programs.

That is what people must take into consideration, that and the fact that in this proposal we try to provide additional phase-down time, additional money to allow the counties and the cities to be able to readjust.

Mr. President, let me remind my colleagues of the name of the program itself—revenue sharing.

What have we been doing over these past years with revenue sharing?

We have been sharing revenue we do not have in the Federal Government because we are running a deficit. This year, last year, the year before, the year before, the year before, the year before, and the year before that. So

we are simply sharing our printing press, that's all. We are sharing a printing press.

We have seen what that has done to us over the years: a tremendous increase in interest rates, inflation, and recessions.

The whole purpose of the present exercise is to provide ourselves with some revenue to share. We might be able to get our deficit down. We certainly will not be able to do that if we turn around and continue this program.

Mr. President, I understand the Senator from Ohio wants to ask a question. I shall be happy to yield to him.

Mr. METZENBAUM. Mr. President, I thank the Senator.

If the Senator will yield for a question, it is my understanding that the distinguished manager of the bill, Mr. DOMENICI, had come on the floor and indicated that he hoped there might be some other amendments called up while waiting for a vote on the Moynihan amendment. It is a fact that the leader has also been pressing those of us who have amendments to call them up. I am on the floor not to make any disturbance but to indicate that I am prepared to offer an amendment.

I am prepared to call it up, debate it very briefly, with the understanding that there be no vote on it until such time as the Moynihan amendment is disposed of.

If that is the pleasure of the managers of the bill, I am perfectly willing to proceed at this point and if it is not, I hope that after the Moynihan amendment is disposed of, the Senator from Ohio might be recognized for the purpose of calling up my amendment.

Mr. DOMENICI. Mr. President, first, I had not the slightest suspicion that the Senator from Ohio was on the floor to cause the slightest disturbance.

Mr. METZENBAUM. Never.

Mr. DOMENICI. Which amendment is it, I ask the Senator?

Mr. METZENBAUM. Child health. I think the managers have been notified about that; it is approximately \$200 million over 3 years. I do not think there will be any debate. We can vote it up or down and I have no problem with respect to the time limit.

Mr. DOMENICI. Mr. President, let me say to my friend from Ohio that we had already advised Senators KENNEDY and DeCONCINI that we were expecting them to offer amendments. Let us check and see and we shall get right back to the Senator if either of them is ready. They have been told they will be next. We will try to do that.

Mr. METZENBAUM. I shall stand by until the chairman informs me. I thank both managers.

Mr. CHILES. Mr. President, let me conclude by saying I think the amendment of the Senator from New York is

very attractive and has a strong base of support in our cities and counties. But what we have before us in the resolution is a reasonable, practical approach we should follow. It would give the best opportunity for some kind of additional support for revenue sharing.

Mr. DOMENICI. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

Mr. CHILES. I hope that we would follow that course rather than adopt this amendment.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that it be charged equally to both sides.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. CHILES. Mr. President, I yield 1 minute to the Senator from Louisiana.

Mr. LONG. Mr. President, I am a cosponsor of the amendment which allows for the full funding of the General Revenue Sharing Program for each of the fiscal years 1987 through 1989 at the \$4.6 billion funding level.

Since the inception of the Revenue Sharing Program in 1972, I have been strongly committed to the program's objectives and have supported each reauthorization of the program.

Mr. President, revenue sharing has been one of the most successful programs we have funded. In my State of Louisiana, the cities, parishes and townships that have received revenue sharing funds have used this money to provide essential services to their residents. Improved education, police and fire protection, health and public hospitals, roads and highways, and parks and libraries have been the result of the revenue sharing dollars. Revenue sharing represented over 8.9 percent of the total available tax revenues for localities in Louisiana and if revenue sharing funds were to be cut off, our smaller communities would be forced to pass sizable tax increases of over 30 percent or cut public services to compensate for the loss of these funds. More than 85 percent of the program's recipients are jurisdictions with populations of less than 10,000.

Mr. President, Louisiana is currently in the midst of an economic crisis due to the international oil situation. Unemployment is now at 13.2 percent, the highest of any State. In some areas where the oil and chemical plants have closed, unemployment has exceeded 25 percent. Our communities have already cut public services and if revenue sharing is discontinued, a 30

percent tax increase to offset the loss of revenue sharing from an already limited base would appear impossible.

Revenue sharing is essential to allow local governments to pick up the increasing burdens from declining Federal support for domestic needs. According to the Congressional Research Service, the Federal Government has cut State and local programs by 23.5 percent in 1980-85—constant dollars were used for comparison. In many communities, revenue sharing is a large part of the local government's budget.

Revenue sharing also allows the local community flexibility to allocate the funds to meet their individual needs. Mr. President, where can we find a program today that is more efficient dollar for dollar than this program? The Federal administrative costs are less than two-tenths of 1 percent of the total outlays of this program. Revenue sharing works and it works well.

I cannot think of a time when reauthorization has been needed more. Reauthorization will help our financially strapped local governments and provide jobs for our citizens.

Reauthorization of the General Revenue Sharing Program has the full support of our Nation's mayors, parish, county and law enforcement officials. Reauthorization should also hold the highest priority among our Members in this Congress.

That is why, Mr. President, I strongly support this amendment, and I urge my colleagues to support the continuation of full funding for the full General Revenue Sharing Program for fiscal years 1987 through 1989.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum, with the time to be charged equally.

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

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. FORD. Mr. President, will the distinguished manager of the bill yield?

Mr. DOMENICI. I yield to the Senator from Kentucky.

Mr. FORD. Mr. President, I am pleased to be a cosponsor of this amendment which would allow for the continued funding of the General Revenue Sharing Program. This program is the highest priority Federal assistance program for our cities and counties, and with good reason.

There are some who argue that revenue sharing was instituted to share what was at the time surplus revenues with the cities and counties. Now that

we no longer have surplus revenues, the argument goes, we can no longer afford the program. I would argue the opposite: we cannot afford not to have revenue sharing. The disruption in vital services that a loss of these funds would cause far outweighs the benefits of the dollars saved by ending the program.

These funds provide necessary services such as police and fire protection, water and sewer services, life centers for our senior citizens, clothes for the needy, and food for the hungry. And the list does on and on. Revenue sharing enables our cities and counties to provide for their own and in the long run reduces the drain on the Federal Treasury by allowing the most efficient allocation of resources. Revenue sharing allows our communities to provide for the specific needs of their citizens, rather than the generic needs that other targeted Federal programs provide.

There is a great myth in Washington that our communities will be able to adjust to a loss of these funds. I wish that were true. For years I have been preaching to the cities and counties not to put these dollars into reoccurring expenses—use them for single expenditures—knowing that the time would come when even this great program would come under attack. One thing I learned about Washington when I was Governor is that nothing is permanent. Unfortunately, many of our communities put these funds into reoccurring expenses because they had no other sources with which to pay for the services. I can't fault them; these local officials were only trying to improve their communities by providing necessary services.

I think that our local officials recognize that revenue sharing will not be around forever. They are preparing to have fewer dollars, and over time will find ways to adjust. But this transition cannot occur overnight. Our communities must be given adequate time to re-order priorities, seek and enact other sources of revenue, and reassess needs, without an interruption in services. I know that there are those who feel that local officials have been on notice for several months now and so should have been able to get their houses in order and prepare for an elimination of these funds. But that simply ignores the realities of local financing and budgeting, and the types of governments these funds go to.

More than 85 percent of the recipients of revenue sharing are local communities with populations under 10,000. The large majority of these communities receive no other assistance from the Federal Government. It is impossible for these communities to replace these funds within a few months or even a year's time. General revenue sharing is the only form of Federal assistance for more than

30,000 local governments. Even providing these communities with an additional two quarters of revenue sharing will not solve their problems. They simply need more time. The 49 largest cities receiving revenue sharing spend 55 percent of these dollars on fire protection, and police protection and education. Perhaps these larger communities will ultimately be able to replace these dollars, but they certainly will not be able to do so within the next few months.

Our cities and counties are strapped for fiscal resources also. A 1985 survey by the National League of Cities showed that 30 percent of the cities responding had already raised property taxes in 1984, 18 percent had raised sales taxes, 24 percent had raised business taxes, and 39 percent had raised user fees. We cannot expect these same communities to raise the additional funds to replace revenue sharing dollars.

The fact is, our communities must provide essential services. Not all communities are fiscally able to do so. Revenue sharing provides a way of sharing the great wealth of this Nation with all in an attempt to give each community the opportunity to provide for its citizens. While I am as strong a supporter of reducing the deficit as anyone, I believe that there are some programs that are worth funding, and general revenue sharing is definitely one of those programs.

I urge my colleagues to recognize the continuing vital needs of our cities and counties and support this amendment.

Mr. PRYOR. Mr. President, I am pleased to join the Senator from New York, Mr. MOYNIHAN, in offering this amendment to provide for full funding for general revenue sharing for the next 3 fiscal years. I know of no amendment that we will consider to this budget resolution that is of any greater importance than this one. Revenue sharing is providing over \$42 million to Arkansas cities and counties this year, and a recent study showed that revenue-sharing funds make up over 22 percent of the typical budget for most communities in Arkansas.

This amendment is a fiscally responsible way to continue revenue sharing. The way the amendment is drafted, it will only take effect if two things occur. First, Congress must reauthorize the program. Second, sufficient revenues must be found to pay for the continuation of the program. Therefore, adoption of this amendment will not increase the budget deficit.

Mr. President, revenue sharing is a program that enjoys widespread support, and should stand on its own merits. It's about the only program operated by the Federal Government that cuts out all the redtape and strings that so frequently go with Federal assistance. This program is basi-

cally a conduit—funds are returned to the cities and counties of our Nation, and local officials decided how the money is spent, not someone sitting behind a desk here in Washington. This is a very efficient use of tax dollars. It's important to note, Mr. President, that this program doesn't have any bloated bureaucracy here in Washington. Only two-tenths of 1 percent of all funds in this program are used for administrative costs. Therefore, 99.8 percent of the money goes to local governments.

Mr. President, I've heard from mayors, county judges, emergency medical personnel, teachers, and many, many others who support this program. These funds are used to provide emergency medical services, transportation for our elderly citizens, police and fire protection, and many other important services.

We shouldn't eliminate this very important program, which is as effective as any program operated by the Federal Government. We should focus our attention on other parts of the budget where inefficiencies are well-documented.

For all of these reasons, Mr. President, I urge the adoption of the pending amendment. Also, I ask unanimous consent that a news article from the Arkansas Democrat on the issue of revenue sharing be included at this point in the RECORD.

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

#### FUNDING LOSS TO HIT ARKANSAS HARDEST

(By Damon Thompson)

WASHINGTON.—Arkansas' cities and counties will lose a bigger portion of their budgets than local governments in any other state if the federal government eliminates its general revenue-sharing program Sept. 30.

The U.S. Conference of Mayors, during a recent meeting at the nation's capital, circulated a chart indicating how much federal revenue sharing goes to local governments in each state and the percentage of local tax increases—excluding school taxes—that would be needed to replace those funds if they were eliminated.

The chart, based on 1985 fiscal year figures provided by the Department of the Treasury, shows local governments in Arkansas receive about \$40 million annually from revenue sharing and would have to raise taxes by an overall 22.3 percent to equal that amount.

Only West Virginia, which would require overall local tax increases of 22.2 percent to raise the \$44.5 million its local governments get in revenue sharing, was anywhere near Arkansas on the chart.

General revenue sharing, begun in 1972, now provides \$4.5 billion in no-strings-attached federal funds a year to local governments nationwide.

However, Congress agreed last year in its 1986 budget resolution to end the program Sept. 30, at the end of the fiscal year, and President Reagan is expected to seek its elimination when he unveils his proposed 1987 budget this week.

That prospect already has local officials and lawmakers from Arkansas and elsewhere scrambling to convince Congress to reauthorize the program. But they say the outlook isn't rosy.

"It doesn't look promising at all to us," Courtney Langston, executive director of the Arkansas Association of Counties, said. "And Arkansas is going to take a big end of the loss."

Langston said elimination of revenue sharing would cut county government budgets on the average by 10.5 percent, or about \$290,000 per county.

More specifically, he said the percentage of county budgets that revenue-sharing funds comprise ranges from 5.6 percent in Grant County to a whopping 19.8 percent in Hot Spring County.

The amount of revenue-sharing funds a county gets is based on factors including population and poverty level, which he said were also what determine how heavily counties depend upon them.

Langston said he has been warning county officials to prepare to cut services or find new revenue.

However, he said finding new revenues won't be simple. Twenty-six of Arkansas' 75 counties have already agreed to local sales taxes in recent years, while nearly three-fourths of the state's school districts have enacted millage increases.

"We don't have much of an option in Arkansas, except for the local-option sales tax," he said. "It's not going to be easy to ask for a tax increase in areas where people have already raised them."

In Hot Spring County, where unemployment has spiraled after a shutdown by the aluminum industry, he said a tax increase to cover a nearly 20 percent revenue loss would be an especially severe double whammy.

Don Zimmerman, executive director of the Arkansas Municipal League, said the problem would be even more severe for Arkansas' cities. He said the cities receive about \$24 million overall in revenue-sharing funds which account for 15 to 30 percent of the cities' operating budgets.

"Some cities that are able to have been using revenue sharing only for capital improvements, because they feared this was coming down the pike," he said. "But a large number are using them in their operating budgets right now to pay employees like their firemen and police."

"They're going to have to lay off some of them if they lose it."

Just as the impact on cities will be more acute, so will the problem of raising alternative revenues, Zimmerman said. He said more than 200 municipalities in Arkansas have already enacted a local-option sales tax, either by themselves or along with a county government.

"Most of the places where it would be most beneficial have already got one," he said. "But a lot of cities in Arkansas just don't have the tax base. They could possibly levy a sales tax, but they don't have any degree of retail sales. And counties have a better property tax source and they have pretty good fee systems in place that cities don't have."

Local government had already included this year's revenue-sharing funds in their budgets when Congress passed the Gramm-Rudman deficit-reduction law that mandates automatic 4.3 percent cuts in most non-defense programs in 1986 unless Congress can work out an alternative by March 1.

Congressional leaders have indicated no alternative will be reached, however, mean-

ing Arkansas' allocation of revenue-sharing funds will be cut by about \$2 million.

"We'll manage to get by this year, but 1987 will be really critical," Langston said.

In addition to the possible loss of revenue-sharing funds, he said Gramm-Rudman also poses a threat to cities and counties in the form of possible cuts in aid which they traditionally receive through the states in the form of block grant programs.

Sen. David Pryor, D-Ark., said recently he also feared cities and counties could be caught in a crunch if Congress approves a tax reform bill that does away with tax-exempt municipal bonds as well as deductions for state and local taxes.

Mr. METZENBAUM. Mr. President, I rise to express in the strongest terms my support for the Moynihan amendment to fund general revenue sharing in full next year.

Revenue sharing is the only program we have that helps nearly every city, town, and county throughout the country. These local governments depend on revenue-sharing funds to provide essential public services including education facilities, police and fire protection, health and public hospitals, roads, parks, and libraries.

There is simply no question that if this amendment fails, it will mean serious cuts in public services in these communities.

Last year, for instance, revenue sharing represented over 7.9 percent of the total available tax revenues for localities, other than school districts, in my own State of Ohio. That translates to a 7.9-percent reduction in services, or a 7.9-percent increase in local taxes, if this amendment fails.

The fact is, States and localities have been willing to do their share to solve the Federal budget problem. But they have already borne the major brunt of Federal budget cutbacks. Every single assistance program for the cities has experienced major funding cutbacks since 1981.

Communities simply cannot afford to lose revenue sharing. They need revenue sharing to make up for the increasing economic burdens caused by declining Federal support for other domestic needs. For instance, much of the burden of Medicaid cuts will fall on local public health services whose budgets are already strapped. Without revenue sharing to make up the difference, I have no doubt that local health services will decline in quality.

Revenue sharing is ideal for local communities because it is flexible. Communities may allocate the funds to meet their particular needs.

In addition, revenue sharing is efficient. Federal administrative costs are less than two-tenths of 1 percent of total outlays, far less than it would cost most communities to raise the needed revenue themselves.

Mr. President, I believe this is a good amendment. The cities and towns and counties of this country are depending on it. I urge my colleagues to support it.

Mr. KASTEN. Mr. President, I am deeply concerned about the ability of local units of government to finance critical services.

Over the past few years we have taken a number of steps that dramatically erode the ability of local governments to finance these important functions.

We are taking many more this year.

I am especially concerned about the termination of general revenue sharing.

Of all of the programs which assist local units of government, this reaches the most.

Over 39,000 municipalities receive funding from general revenue sharing. Many of these receive no other funds from the Federal Government.

Revenue sharing is critical if these municipalities are to continue essential services.

Instead of eliminating this program, we should be using it as a model of how to efficiently deliver services. General revenue sharing is widely regarded as a program which spends an extremely small fraction of its funds on overhead, and delivers its resources to the actual performance of municipal services.

Many of the communities that depend on revenue sharing will not be able to fill in the void created if this program is significantly cut or terminated.

A very large number of communities are currently levying taxes at the maximum level allowed under State law. In addition, any community which raises its taxes faces the likely prospect of driving revenue producing industries outside of their jurisdiction.

I will support this amendment, although I believe it is imperfect. I believe that fencing the funds for general revenue sharing makes it unlikely that these critical resources be turned over to local units of government.

While I have opposed an increase of Federal taxes, I support this amendment. If we allow revenue sharing to be terminated we are mandating either the termination of essential services such as police and fire protection or an increase in local taxes.

For this reason, I urge my colleagues to join me in supporting this amendment.

Mr. THURMOND. Mr. President, pursuant to the budget resolution passed last year by Congress, authorization for the General Revenue Sharing Program will expire at the end of the 1986 fiscal year. We thoroughly debated this issue last year and decided that the Federal Government no longer had any revenue to share. We still have no revenue to share, and for that reason I am opposed to this amendment which would restore revenue sharing for another year.

Mr. President, when the revenue sharing program was proposed by President Nixon in 1972, it was meant to be used by local governments for capital improvements. Soon afterward, the strings were loosened to give local governments more flexibility and revenue sharing operated much like a block grant. Many local governments began to rely on this source of funds for operating expenditures in lieu of other sources of revenue. Some have become dependent on revenue sharing and naturally want the flow of money from Washington to continue.

Over the past few months, I have heard from local officials all across the country, including a number from my home State of South Carolina. Many of them have urged me to support efforts to resurrect revenue sharing. They have expressed concern that without revenue sharing money, they would have to face the difficult task of either cutting services or raising taxes. Well, that is precisely the decision confronting us here in the Congress. It is understandable that some local officials would prefer that no changes be made and that the Federal Government continue to send them money. Unfortunately, 19 cents out of every dollar the Federal Government spends is borrowed money which adds to the national debt.

Mr. President, all Americans pay for the current \$2 trillion national debt our past fiscal policy has created. In fact, interest alone on that debt has become by far the fastest growing part of the Federal budget. It currently takes the personal income taxes of all Americans who live west of the Mississippi River just to pay the interest on the debt. That is correct, just to pay the interest. Most disturbing to me is that the tax dollars that go to pay the interest on our debt do not enforce one criminal statute, help the needy or provide for the national defense.

Really, Mr. President, the money we spend on interest is the ultimate waste of taxpayer dollars. It is not fair to our children and grandchildren for us to ignore the current fiscal crisis. We must confront the problem and make the difficult decisions necessary to ensure the continued viability of our system of Government.

Mr. President, given the financial condition of our Federal Government, I cannot support the continuation of general revenue sharing. Thus, I intend to vote against the pending amendment.

Mr. ROCKEFELLER. Mr. President, I rise in support of this amendment, which would restore full funding to the General Revenue Sharing Program.

Continuing this assistance to local communities is extremely important to local communities throughout the country. In my State of West Virginia, it is absolutely imperative: If revenue

sharing payments are eliminated or sharply reduced, most localities will be forced to slash essential public services.

To give a few examples, in McDowell County—one of the poorest areas of the State—revenue sharing pays for part of the police force. Wood County uses the assistance to upgrade its fire department, while Mercer County relies on the program to finance a health clinic. Throughout my State, revenue sharing supports public education, libraries, law enforcement, and other major functions of local government. These are clearly services that no area can readily forego.

It is frequently argued that local governments should go ahead and raise their own taxes to pay for such services rather than depending on the continuation of Federal aid. But in a State like mine, with an unemployment rate above 13 percent, the alternative of raising taxes enough to make up for the loss of revenue sharing simply is not practical. In West Virginia, local taxes would have to be raised 22 percent to generate the funds now provided by revenue sharing. Either way, we lose: Our communities cannot afford that kind of tax increase, but they also cannot afford to let public services deteriorate. Without good facilities and services at the local level, West Virginia's opportunities to attract industry and expand jobs will be greatly diminished.

The revenue sharing program has come under relentless attack from the Reagan administration—despite its push to decentralize and shift various responsibilities from Federal programs to State and local governments. Oddly, the administration does not seem to care whether these units of government have the means of financing such activities: Besides trying to end the revenue sharing program, the administration advocates repealing the deductibility of State and local taxes as well as placing new restrictions on municipalities' use of tax-exempt bonds. In combination, these proposals seem to make the job of adjusting to cutbacks in Federal assistance as difficult as possible.

In 1983, President Reagan said, "The Federal Government has never spent money more wisely than by devoting it to general revenue sharing." He was right then. He is wrong now.

Fortunately, the Senate Budget Committee refused to eliminate revenue sharing, and recommended \$1.8 billion for the program in fiscal 1987. That is half the amount approved for fiscal year 1986 after funding was cut back by more than 8 percent in the appropriations process and by 4.3 percent under Gramm-Rudman. Half a program may be better than none, but is not enough. I urge my colleagues to support the amendment and restore

full funding for the revenue sharing program.

Mr. LEAHY. Mr. President, I rise today in support of Senator MOYNIHAN and SASSER's amendment permitting the Senate Finance Committee to reauthorize the General Revenue Sharing Program for up to 3 years.

In his fiscal year 1987 budget request, the President recommended the complete elimination of the Revenue Sharing Program and, indeed, called for cancellation of the last quarterly payment for 1986.

This simply cannot be allowed. General revenue sharing allows cities and towns in rural States, like my own State of Vermont, to provide essential services without raising already high property taxes. Vermont's property tax burden is already the 15th highest in the Nation. Eliminating revenue sharing would create an even greater tax burden for Vermonters.

In fact, a recent survey of Vermont town officials found that 75 percent of the State's municipalities would be forced to both raise taxes and cut services to replace lost Revenue Sharing funds.

Nearly one-half of Vermont's towns would be forced to cut social services, at a time when demand for those services has increased by 50 percent at the local level. One-half of Vermont's cities and towns would also have to cut capital expenditures for such items as fire equipment and police cruisers.

Revenue sharing also pays for 15 percent of total local fire protection costs in Vermont and 11 percent of total local police costs.

Eliminating revenue sharing makes no sense either at a time when rural communities across the Nation are struggling to pay liability insurance premiums which have increased by 200 and 300 percent annually.

Ending revenue sharing makes no sense and it will hurt Vermont, whose towns and cities last year received \$12.4 million in funds through this important program—funds which otherwise would have to be raised by increasing local property taxes.

Mr. President, I ask unanimous consent that a table showing the amount of revenue sharing funds received by Vermont's towns and cities appear at this point in the RECORD.

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

FEDERAL GOVERNMENT GRANT AWARDS, PROCUREMENT CONTRACT AWARDS, AND LOANS AND INSURANCE BY GEOGRAPHIC AREAS: FISCAL YEAR 1985

Municipality or township area	Congressional district	U.S. resident population	General revenue sharing
Vermont.....	00	530,052	12,362,800
Addison County.....	00	30,890	682,162
Bristol.....	00	1,815	20,909
Vergennes.....	00	2,517	53,104
Addison town.....	00	961	17,432

FEDERAL GOVERNMENT GRANT AWARDS, PROCUREMENT CONTRACT AWARDS, AND LOANS AND INSURANCE BY GEOGRAPHIC AREAS: FISCAL YEAR 1985—Continued

FEDERAL GOVERNMENT GRANT AWARDS, PROCUREMENT CONTRACT AWARDS, AND LOANS AND INSURANCE BY GEOGRAPHIC AREAS: FISCAL YEAR 1985—Continued

FEDERAL GOVERNMENT GRANT AWARDS, PROCUREMENT CONTRACT AWARDS, AND LOANS AND INSURANCE BY GEOGRAPHIC AREAS: FISCAL YEAR 1985—Continued

Municipality or township area	Congressional district	U.S. resident population	General revenue sharing
Birdport town	00	1,040	24,292
Bristol town	00	3,450	42,418
Cornwall town	00	1,037	16,188
Fernsburg town	00	2,168	34,593
Goshen town	00	185	3,360
Granville town	00	287	9,980
Hancock town	00	367	12,234
Leicester town	00	866	17,092
Lincoln town	00	877	16,851
Middlebury town	00	7,806	209,538
Monkton town	00	1,305	30,461
New Haven town	00	1,264	29,991
Orwell town	00	940	27,438
Panton town	00	588	5,147
Ripton town	00	377	8,678
Salisbury town	00	893	20,591
Shoreham town	00	949	21,577
Starksboro town	00	1,533	21,158
Walham town	00	415	7,733
Weybridge town	00	667	15,587
Whiting town	00	402	3,627
Balance of county			
County undistributed			12,183
Bennington County	00	34,632	717,600
Manchester	00	626	3,789
North Bennington	00	1,760	19,893
Old Bennington	00	359	2,961
Readsboro	00	412	10,525
Arlington town	00	2,290	37,508
Bennington town	00	16,323	369,391
Dorset town	00	1,733	15,556
Landgrove town	00	130	2,910
Manchester town	00	3,404	58,179
Peru town	00	327	10,183
Powall town	00	3,432	59,907
Readsboro town	00	658	15,810
Rupert town	00	623	12,062
Sandgate town	00	249	4,136
Searsburg town	00	77	2,551
Shaffsbury town	00	3,185	37,635
Stamford town	00	758	19,928
Sunderland town	00	796	11,642
Winhall town	00	319	11,263
Woodford town	00	327	1,527
Balance of county			
County undistributed			10,244
Caledonia County	00	26,354	661,178
Hardwick	00	1,428	17,276
Lyndonville	00	1,390	17,964
West Burke	00	349	3,489
Barnet town	00	1,311	43,889
Burke town	00	1,414	35,307
Danville town	00	1,743	20,202
Groton town	00	726	23,327
Hardwick town	00	2,617	89,953
Kirby town	00	325	10,278
Lydon town	00	5,030	66,381
Newark town	00	324	10,201
Peacham town	00	581	17,622
Ryegate town	00	1,047	21,450
St. Johnsbury town	00	7,844	186,389
Sheffield town	00	443	10,718
Stannard town	00	148	4,590
Sutton town	00	734	16,279
Walden town	00	647	20,943
Waterford town	00	908	30,947
Wheelock town	00	495	11,805
Balance of county			
County undistributed			5,657
Chittenden County	00	121,683	2,227,043
Burlington	00	37,817	975,963
Essex Junction	00	7,375	70,441
Milton	00	1,523	6,952
Richmond	00	918	4,132
Winooski	00	6,535	108,489
South Burlington	00	11,521	170,533
Bolton town	00	763	13,077
Charlotte town	00	2,714	18,246
Colchester town	00	13,751	176,554
Essex town	00	15,071	205,561
Hinesburg town	00	2,949	43,898
Huntington town	00	1,306	22,652
Jericho town	00	3,837	23,833
Milton town	00	7,768	132,125
Richmond town	00	3,552	40,623
St. George town	00	658	3,420
Shelburne town	00	5,421	61,498
Underhill town	00	2,394	34,916
Westford town	00	1,576	32,751
Williston town	00	4,043	46,980
Balance of county			
County undistributed			34,399
Essex County	00	6,586	136,444
Bloomfield town	00	192	1,329
Brighton town	00	1,658	45,321
Brunswick town	00	75	496
Canaan town	00	1,244	26,125
Concord town	00	1,194	16,504
East Haven town	00	278	9,521
Granby town	00	80	891

Municipality or township area	Congressional district	U.S. resident population	General revenue sharing
Guidhall town	00	235	7,293
Lemington town	00	96	2,698
Lunenburg town	00	1,171	15,119
Maidstone town	00	94	3,314
Norton town	00	184	2,231
Victory town	00	55	2,001
Balance of county			
County undistributed			3,661
Franklin County	00	36,039	836,686
Enosburg Falls	00	1,287	24,217
Richford	00	1,414	48,024
St. Albans	00	7,275	228,409
Swanton	00	2,621	35,612
Bakersfield town	00	902	19,608
Berkshire town	00	1,159	29,908
Enosburg town	00	2,131	33,230
Fairfax town	00	1,982	30,889
Fairfield town	00	1,578	25,317
Fletcher town	00	742	12,384
Franklin town	00	1,010	14,752
Georgia town	00	3,132	40,244
Highgate town	00	2,608	46,594
Montgomery town	00	688	23,153
Ripton town	00	2,160	72,209
St. Albans town	00	3,647	51,255
Sheldon town	00	1,673	28,789
Swanton town	00	5,355	48,841
Balance of county			
County undistributed			23,251
Grand Isle County	00	4,927	90,056
Alburg	00	540	2,386
Alburg town	00	1,407	28,132
Grand Isle town	00	1,384	17,416
Isle La Motte town	00	386	11,135
North Hero town	00	470	12,126
South Hero town	00	1,280	16,525
Balance of county			
County undistributed			2,336
Lamoille County	00	17,502	544,354
Cambridge	00	221	1,018
Hyde Park	00	502	2,299
Jeffersonville	00	506	2,399
Johnson	00	1,358	10,354
Morrisville	00	2,000	31,345
Stowe	00	559	3,663
Belvidere town	00	232	7,017
Cambridge town	00	2,193	56,818
Eden town	00	710	21,712
Elmore town	00	445	14,368
Hyde Park town	00	2,152	58,822
Johnson town	00	2,551	50,444
Morrisville town	00	4,511	127,522
Stowe town	00	3,167	105,131
Waterville town	00	507	5,410
Walcott town	00	1,036	34,489
Balance of county			
County undistributed			10,543
Orange County	00	23,772	580,006
Bradford	00	867	15,078
Wells River	00	405	7,577
Newbury	00	448	2,556
Bradford town	00	2,319	40,104
Brantree town	00	1,116	29,646
Brookfield town	00	1,001	22,692
Chelsea town	00	1,136	32,329
Corinth town	00	935	14,885
Fairlee town	00	829	17,663
Newbury town	00	1,749	48,315
Orange town	00	761	25,012
Randolph town	00	4,758	124,499
Stratford town	00	831	16,032
Theford town	00	2,341	35,331
Topsham town	00	778	12,947
Tunbridge town	00	999	25,485
Vershire town	00	434	10,139
Washington town	00	914	23,917
West Fairlee town	00	461	13,021
Williamstown town	00	2,413	51,883
Balance of county			
County undistributed			10,895
Orleans County	00	23,894	739,047
Albany	00	189	561
Barton	00	1,032	14,798
Derby Center	00	618	7,292
Derby Line	00	879	6,757
Newport	00	4,608	288,774
North Troy	00	700	13,971
Orleans	00	977	23,281
Albany town	00	755	19,423
Barton town	00	3,072	40,099
Brownington town	00	740	15,528
Charleston town	00	890	28,232
Crafts town	00	748	15,694
Croftsbury town	00	863	18,483
Derby town	00	4,349	34,843
Glover town	00	843	21,665
Greensboro town	00	694	23,091
Holland town	00	523	16,909
Irasburg town	00	911	20,013
Jay town	00	335	11,285

Municipality or township area	Congressional district	U.S. resident population	General revenue sharing
Lowell town	00	601	19,165
Morgan town	00	488	9,981
Newport town	00	1,312	24,484
Troy town	00	1,468	34,582
Westfield town	00	432	11,271
Westmore town	00	266	8,606
Balance of county			
County undistributed			9,249
Rutland County	00	59,066	1,434,689
Pictets	00	721	3,262
Poultney	00	1,447	20,248
Rutland	00	17,809	608,317
Benson town	00	792	24,729
Brandon town	00	4,178	77,158
Castleton town	00	3,867	102,605
Chittenden town	00	978	10,947
Clarendon town	00	2,638	35,636
Danby town	00	1,068	25,068
Fair Haven town	00	2,816	54,416
Hubbardtown town	00	532	17,595
Ira town	00	388	5,160
Mendon town	00	1,069	5,850
Middleton Springs town	00	643	6,245
Mount Holly town	00	1,046	21,233
Mount Tabor town	00	207	994
Pawlet town	00	1,291	23,977
Pittsfield town	00	401	12,192
Pittsfield town	00	2,686	53,044
Poultney town	00	3,054	48,359
Proctor town	00	1,967	42,171
Rutland town	00	3,447	43,726
Sherburne town	00	908	28,268
Shrewsbury town	00	967	11,055
Sudbury town	00	392	4,357
Timothy town	00	428	14,053
Wallinford town	00	1,959	35,945
Wells town	00	855	18,122
West Haven town	00	266	4,201
West Rutland town	00	2,418	56,330
Balance of county			
County undistributed			19,426
Washington County	00	53,559	1,257,804
Barre	00	9,898	283,817
Cabot	00	289	993
Marshfield	00	313	1,442
Montpelier	00	8,167	251,961
Northfield	00	2,088	23,762
Plainfield	00	572	2,548
Waterbury	00	1,757	63,437
Barre town	00	7,209	143,516
Berlin town	00	2,462	31,180
Cabot town	00	1,003	22,580
Calais town	00	1,301	15,100
Duxbury town	00	901	13,610
East Montpelier town	00	2,287	19,042
Fayston town	00	711	22,094
Marshfield town	00	1,277	40,547
Middlesex town	00	1,350	22,484
Moretown town	00	1,327	21,661
Northfield town	00	5,643	74,413
Plainfield town	00	1,162	27,520
Roxbury town	00	490	15,847
Wattsfield town	00	1,440	18,487
Warren town	00	988	34,012
Waterbury town	00	4,488	60,162
Woodbury town	00	655	14,444
Worcester	00	804	16,106
Balance of county			
County undistributed			16,930
Windham County	00	38,430	1,140,500
Bellows Falls	00	3,500	92,696
Newfane	00	122	572
North Westminster	00	317	1,318
Saxtons River	00	602	6,403
Westminster	00	362	13
Athens town	00	272	7,663
Brattleboro town	00	12,081	375,484
Brookline town	00	323	3,807
Dover town	00	772	24,299
Dummerston town	00	1,730	22,259
Grafton town	00	650	12,147
Guilford town	00	1,599	17,387
Halifax town	00	511	16,972
Jamaica town	00	686	23,657
Londonderry town	00	1,527	21,634
Marlboro town	00	733	12,981
Newfane town	00	1,213	25,695
Putney town	00	1,926	39,289
Rockingham town	00	5,670	154,207
Stratton town	00	117	4,094
Townshend town	00	899	24,626
Vernon town	00	1,280	42,117
Wardsboro town	00	518	17,079
Westminster town	00	2,746	68,544
Whitingham town	00	1,062	36,020
Wilmington town	00	1,886	63,166
Windham town	00	231	7,866
Balance of county			
County undistributed			18,505
Windsor County	00	52,717	1,315,231

FEDERAL GOVERNMENT GRANT AWARDS, PROCUREMENT CONTRACT AWARDS, AND LOANS AND INSURANCE BY GEOGRAPHIC AREAS: FISCAL YEAR 1985—Continued

Municipality or township area	Congressional district	U.S. resident population	General revenue sharing
Ludlow	00	1,377	17,513
Perkinsville	00	208	701
Proctorsville	00	493	2,290
Woodstock	00	1,230	11,965
Andover town	00	385	12,482
Baltimore town	00	183	1,225
Barnard town	00	864	12,988
Bethel town	00	1,816	34,757
Bridgewater town	00	920	17,296
Cavendish town	00	1,437	29,506
Chester town	00	2,900	81,074
Hartford town	00	8,477	242,990
Hartland town	00	2,514	27,961
Ludlow town	00	2,473	66,804
Norwich town	00	2,555	22,299
Plymouth town	00	414	10,563
Pomfret town	00	928	10,398
Reading town	00	668	11,300
Rochester town	00	1,075	33,766
Royalton town	00	2,705	40,082
Sharon town	00	969	23,960
Springfield town	00	10,026	297,017
Stockbridge town	00	524	14,278
Weathersfield town	00	2,596	46,035
Weston town	00	653	15,858
West Windsor town	00	820	13,967
Windsor town	00	4,004	118,081
Woodstock town	00	3,315	83,190
Balance of county			14,865
County undistributed			
State undistributed			

Mr. LEAHY. Mr. President, let me also make clear that the Moynihan-Sasser amendment is fiscally responsible. The amendment simply directs the Senate Finance Committee to reauthorize the General Revenue-Sharing Program at a level which is commensurate with the amount of revenue that can reasonably be raised to pay for the program. In other words, this amendment will not increase the deficit.

The amendment simply gives the Finance Committee room to reauthorize revenue-sharing up to the current level of spending on the program, if the committee believes we can afford it.

Let me also emphasize that this amendment must not increase individual income taxes.

The chairman of the Senate Finance Committee and virtually all of its members have stated that any revenues raised to reduce the deficit would not be derived by increasing individual taxes. I also oppose outright any increase in individual taxes to raise the necessary funds to finance this amendment and I encourage the Finance Committee to raise the needed revenues either through a minimum corporate tax or efforts to increase tax compliance.

Mr. President, more than 200 of our largest, most profitable corporations paid less in taxes last year than the average Vermont family. In fact, the Boeing Corp. and Dow Chemical received \$13.6 million and \$18.5 million refunds, respectively.

Mr. President, I ask unanimous consent that a list of corporations that pay no Federal income taxes appear at this point in the RECORD.

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

COMPANIES THAT PAID NO INCOME TAX

(The following chart lists 50 American companies that paid no Federal income tax or received refunds from 1981 through 1984, according to a recent survey of 275 companies by Citizens for Tax Justice. Total profits and tax refunds for that period are in millions of dollars.)

Company	Profit	Tax refund	Tax rate (percent)
Boeing Co.	\$2,099.0	\$285.0	-13.6
Dow Chemical Co.	972.0	180.0	-18.5
ITT	815	177.7	-21.8
Tenneco	3,401.0	166.0	-4.9
Pepsico	1,798.7	135.8	-7.6
Santa Fe Southern Pacific Corp.	2,309.0	133.4	-5.8
General Dynamics	1,579.5	103.8	-6.6
General Electric	9,477.0	98.0	-1.0
Transamerica Corp.	748.6	93.6	-12.5
Texaco	1,819.0	68.0	-3.7
Ashland Oil	336.1	62.0	-18.5
Hutton (E.F.) Group	372.5	59.6	-16.0
Weyerhaeuser Co.	929.2	59.1	-6.4
Georgia Pacific Corp.	783.0	59.0	-7.5
IC Industries	534.7	55.4	-10.4
Northrop Corp.	415.8	46.2	-11.1
First Executive Corp.	444.2	44.2	-10.0
International Minerals and Chemical	371.6	43.7	-11.8
Mitchell Energy and Development Corp.	458.7	41.1	-9.0
Dupont	4,075.0	40.0	-1.0
Mellon Bank Corp.	544.7	32.8	-6.0
International Paper Co.	1,136.3	32.6	-2.9
Ohio Edison Co.	1,524.4	31.8	-2.1
Scott Paper Co.	594.6	30.5	-5.1
Philadelphia Electric Co.	1,892.5	30.3	-1.6
Panhandle Eastern Corp.	1,220.7	28.8	-2.4
Union Carbide	892.0	26.0	-2.9
Piedmont Aviation	169.0	25.4	-15.0
Tesoro Petroleum	124.3	22.5	-18.1
Harris Corp.	307.6	19.5	-6.3
Allied Corp.	693.0	17.0	-2.5
Columbia Gas System	1,147.1	15.9	-1.4
Northern Indian PSC	792.5	14.6	-1.8
Arizona Public Service Co.	1,278.4	14.1	-1.1
Singer Co.	194.2	11.6	-6.0
Sun Chemical Corp.	103.2	10.4	-10.1
Greyhound Corp.	419.9	10.4	-2.5
Centex Corp.	264.4	10.2	-3.9
Pennsylvania Power and Light Co.	1,362.9	10.0	-0.7
Xerox	1,122.7	9.2	-0.8
Southwest Airlines Co.	213.0	8.1	-3.8
Comerica	135.3	7.1	-5.3
Dun and Bradstreet Corp.	967.0	6.7	-0.7
Ogden Corp.	251.5	5.6	-2.2
Jim Walter Corp.	361.7	4.1	-1.1
International Multifoods	43.9	3.2	-7.3
Burlington Northern	2,799.2	1.1	-0.0
Tyson Foods	69.1	1.0	-1.4
Grumman Corp.	653.4	0	-0.0
Lockheed Corp.	1,670.9	0	-0.0

Compiled by James Schwartz—the Washington Post.

Mr. LEAHY. This cannot go on. The Senate Finance Committee ought to report a minimum tax to ensure that these corporations pay their fair share of taxes. As part of the Hollings budget freeze, I was pleased to cosponsor a minimum tax that would raise \$15 billion from corporations that previously avoided paying taxes. It can be done. Out of a sense of fairness, it must be done.

Finally, Mr. President, last year the Internal Revenue Service reported that up to \$92 billion in revenues could be raised simply by collecting taxes owed to the Federal Government. It makes far more sense to increase efforts to collect back taxes from those who have skirted their responsibilities than raising individual taxes. I urge the Finance Committee to follow the lead that Senator KERRY and I took in offering a successful amendment to Gramm-Rudman-Hollings calling for an annual report on the progress of the Internal Revenue

Service's efforts to increase tax compliance.

No American should be asked to pay a single cent more in Federal income taxes, when so much revenue remains uncollected and so many profitable corporations avoid paying their fair share of taxes.

Mr. KERRY. Mr. President, I rise today to express my support for the amendment offered by the Senator from New York which would provide full funding for the general revenue sharing program, through 1989.

Mr. President, general revenue sharing has long been regarded as a vital economic tool in the fiscal and economic planning of our local governments. Since its inception in 1972, the program has proven to be an extremely successful vehicle in strengthening our local governments and maximizing their flexibility in responding to a variety of needs.

General revenue sharing returns to local control, a share of the tax base that localities have contributed. In this respect, the program recognizes the fundamental role that our local governments play in our overall economy. General revenue-sharing funds are distributed to more than 39,000 local communities and go toward providing a variety of services such as police and fire protection, education, health, and sanitation. These services in turn result in positive commercial development, meaningful job training and creation as well as critically necessary human services. There is little doubt that these indispensable services will suffer if general revenue sharing is eliminated.

Mr. President, I am fully cognizant of the severity of our current Federal budget deficit and the serious threat it poses to our economy and our future. I do not believe, however, that elimination of or providing less than full funding for the general revenue sharing program is either a fair or a reasonable approach to addressing this problem.

We are witnessing a massive disinvestment by the Federal Government in our cities and towns. Since 1981, Federal aid to local governments has been cut by almost 40 percent. This disinvestment has meant reduced funding for other essential community programs such as the Community Development Block Grant Program [CDBG]; the Urban Development Block Grant Program [UDBG]; and the Community Services Block Grant Program [CSBG]; as well as fewer resources for housing, education, the environment and transportation. The fact that these reductions in aid to our local governments are occurring as our military budget grows by leaps and bounds, makes the disinvestment that much more unconscionable.

In Massachusetts, the reduction or elimination of general revenue-sharing funds will be particularly hard felt due to the existence of proposition 2½. This law constrains local communities in their ability to set new tax rates and thereby offset the losses that will ensue in the absence of general revenue-sharing funds.

Throughout the course of its existence, the General revenue sharing program has enjoyed bipartisan support from both Chambers of Congress. The program has proven itself successful in achieving the goals set forth when the program was established. I reiterate my unqualified support for the general revenue sharing program in general as well as for the amendment under consideration today.

#### GENERAL REVENUE SHARING

Mr. BYRD. Mr. President, I strongly support general revenue sharing and I am pleased to join my colleagues in sponsoring this amendment, which seeks to continue full funding for general revenue sharing through fiscal year 1989.

The general revenue sharing Program provides assistance to America's 39,000 general purpose local government units. This program has enjoyed strong bipartisan support. It was proposed by a Republican President and enacted by a Democratic Congress in 1972. Three times—in 1976, 1980, and 1983—this program has been extended and amended with strong bipartisan support. And through such actions, the program has been fine tuned and has become more responsive to the needs of local governments. Funds have been increasingly targeted to local units of government. States have been provided greater flexibility in developing formulas for allocating funds to local governments. And provisions have been included which recognize the special needs of those localities with severe economic dislocation.

Last year, when confronted with the President's fiscal year 1986 budget recommendation that the program be terminated, the 99th Congress instead chose to reaffirm its commitment to this program by appropriating \$4.185 billion for fiscal year 1986.

But despite general revenue sharing's history of deep bipartisan support, the President's fiscal year 1987 budget once again proposed to strike a death knell for the program: It sought to terminate the program upon expiration of its authorization in 1986. It also requested a rescission of \$760 million of the program's fiscal year 1986 post-Gramm-Rudman appropriation.

The budget resolution now before us, proposes a solution but it is only a halfway measure. It would accommodate reauthorization of the program for 1 year and fiscal year 1987 funding of \$1.8 billion. But I am convinced that the predicaments of many of our local governments dictate that this is

not enough. I believe we need full funding of general revenue sharing.

Mr. President, throughout this Nation, millions of Americans and thousands of local communities are in serious economic trouble. Their needs are genuine and highly visible. Already, 16 States have enacted cuts in their fiscal year 1986 budgets and 7 States have deferred fiscal year 1986 expenditures to later years.

Where are these communities and who are these people? They are located throughout those States with economies that are highly dependent on the gas and oil industries and coal and steel. They are found in the bayous of Louisiana, and the fields of east Texas and Oklahoma; they are cities and townships and villages throughout the States of Alaska and Colorado. And the farm belt is full of distressed communities populated by farmers facing unmanageable debts and unemployed farm workers.

And there are other types of communities and people who are in deep economic trouble, but whose needs are increasingly ignored by this administration. These are the States and communities and families who have failed to reap the economic fruits of the national economic recovery of the past 3 years. They are the victims of deep economic dislocations associated with industrial and technological change. They are ex-employees of a town's closed factories. They are the long-term unemployed. They are the never-employed young men and women.

I know these communities and people, because my State of West Virginia contains many of them. West Virginia has an unemployment rate of over 13 percent—that is almost twice the national rate.

In fiscal year 1985, West Virginia received \$44.9 million in general revenue sharing funds. Under the proposal made by the Senate Budget Committee, West Virginia's fiscal year 1987 funding would be reduced to an estimated \$18 million. This represents a cut of nearly 60 percent. Most other States will experience even higher percentage cuts.

Due to the State's economic ills, West Virginia counties and municipalities would be dramatically affected by such a funding cut. The "Federal funds information for States" service, reports that in West Virginia during fiscal year 1984, general revenue sharing funds constituted 7 percent of the expenditures of counties and 5.5 percent of the expenditures of municipalities. Indeed, in some smaller West Virginia counties, general revenue sharing represents nearly 30 percent of expenditures.

West Virginia is not alone in its need for general revenue sharing. There are many other States where fiscal year 1984 general revenue sharing funding represented more than 5 percent of

county, municipal, or township expenditures. Among such States are Arkansas, Delaware, Illinois, Indiana, Kansas, Maine, Minnesota, Missouri, Nebraska, New Mexico, North Dakota, Pennsylvania, South Dakota, Utah, and Vermont. I might add that 10 of these States along with 22 others project fiscal year 1986 budget balances equal to less than 3 percent of their expenditures.

A drastic reduction in funding for revenue sharing will create economic hardships for many communities across the Nation, compounding an already serious fiscal situation. Mr. President, I hope the Senate will act to help our local governments that form the foundation of this country.

Mr. McCONNELL. Mr. President, I rise to speak in opposition to the Moynihan amendment as a Senator who has seen first hand the good work represented by general revenue sharing funds. While judge/executive of Jefferson County, KY, as much as \$9 million or 10 percent of the county budget was funded by revenue sharing. My colleagues have spoken eloquently today about how that money is used around the country. And I am pleased to report that the funds have always been allocated for beneficial initiatives in Jefferson County as well. Revenue-sharing funds have contributed to the maintenance of roads, the construction of drainage projects, and for police and fire protection—all good and worthy efforts.

But, Mr. President, today's debate should have very little to do with whether or not the money is being well spent—it is, and no one disputes that point. The issue we should be discussing is whether or not the Federal Government should foot the bill—whether or not a government that is \$2 trillion in debt, with \$200 billion being added annually, can or should be asked to pay for local services. Or whether, as the Moynihan amendment requires, we should ask our constituents to pay higher taxes—to send a greater portion of their income to Washington.

Mr. President, I cannot support the Moynihan amendment because I do not believe that Kentuckians want the Federal Government to raise their taxes yet another time to pay for a program that is most efficiently funded at the local level. That is not to say that there is not a great deal of talk about a tax increase on Capitol Hill. Not only is there talk, but the discussion invariably turns to excise taxes. I have raised objections to these regressive taxes—which hurt Kentucky disproportionately—in the context of tax reform and I will continue to do so in the context of our budget debate. The reality is that any vote which adds spending to the budget by an arbitrary tax increase, increases

the pressure to realize that tax increase by further expanding excise taxes.

Mr. President, the budget debate that faces us will not be easy. There are many difficult decisions yet to be made. I, for one, am not ready to throw in the towel on trying to make the Federal bureaucracy more efficient, rather than give in to the tax and spend mentality held by some in this institution, which has created the budget environment in which we now find ourselves.

Mr. MOYNIHAN. Mr. President, today I propose to maintain full funding—\$4.6 billion—for the general revenue sharing program.

Two conditions must be met before the budget resolution would be adjusted to allow for such funding of general revenue sharing. First, the program must be reauthorized; second, additional revenues must be found to cover the costs of the program at the reauthorized level.

The idea of giving local government funds to use them as they best see fit is not new. In fact, the origins of Federal revenue sharing can be traced to Andrew Jackson's administration, which had collected a large Federal surplus from customs receipts and the sale of public lands. The Surplus Distribution Act of 1836 provided that all money in the U.S. Treasury on January 1, 1837, with the exception of \$5 million, was to be deposited with the States in proportion to their respective representation in the Senate and the House.

The deposits were made in four quarterly installments; and in return, the States pledged to keep and repay the money as might be required by the Secretary of the Treasury. Of the \$37 million available for distribution, only \$28 million was actually deposited with the States. Although the transfer of funds was to be temporary and subject to repayment, it was—in actuality—an outright grant, as none of the money was ever requested to be returned.

In this century, congressional attempts to secure Federal tax sharing legislation began in 1949, when, early that year, Representative Errett P. Scrivner (R-Kansas) introduced a bill to authorize the collectors of Internal Revenue to transfer to each State treasury, on a quarterly basis, 1 percent of Federal individual and corporate income taxes collected within the State. Such shared revenues were to be used by the States for "educational purposes only without any Federal direction, control, or interference." Congress failed, however, to take action on this legislation.

The current program has roots tracing back 20 years when, in 1964, I drafted the plank in the Democratic Party Platform calling for revenue

sharing with State and local governments. On that occasion, I wrote:

Consideration should be given to the development of fiscal policies which would provide revenue sources to hard-pressed State and local governments to assist them with their responsibilities.

At that time, we were faced with an elementary fact: The progressive basis of our income tax system caused the revenues of the Federal Government to grow faster than those of State and local governments. This trend threatened the fundamental nature of our federal system, for as money flowed to Washington, so did power.

President Johnson did appoint a task force to study the merits of Federal revenue sharing, but the idea was shelved due to the acceleration of the Vietnam war in 1965 and the attendant increase in defense outlays.

But the idea did not disappear. In 1969, as Assistant to the President for Urban Affairs, I drew up the program and drafted the 1969 Presidential message calling for revenue sharing. And on October 20, 1972, President Nixon signed into law the State and Local Fiscal Assistance Act. At the time, this legislation was seen as a way of halting—or even reversing—the trend toward ever-increasing concentrations of power in Washington at the expense of State and local prerogatives.

Since the creation of the program and its subsequent reauthorizations in 1976, 1980, and 1983, general revenue sharing has provided more than \$74 billion in assistance to State and local governments. Today it continues to embody the fundamental concept of maximizing local control over fiscal decisions. The original program has been reformed some, to ensure that the funds would be sent to the governments which most need them. When first established, State governments as well as localities received revenue sharing funds. In 1980, this was changed to reflect the view that State governments were in better financial shape than the Federal Government.

Today, general revenue sharing continues to provide needed funds to cities and towns throughout the country on the basis of fiscal need and capacity. More than 39,000 units of Government are eligible for the program, including 3,049 counties nationwide. Jurisdictions with populations of less than 10,000, most of which receive no other assistance from the Federal Government, account for more than 85 percent of the program's recipients. Revenue sharing is the only form of Federal assistance received by more than 30,000 local governments.

These communities need the general revenue sharing program. Sixty-two percent of all revenue sharing funds goes to jurisdictions with per capita incomes below the national average. Fully 93 percent goes to those with

per capita incomes below 125 percent of the national average.

And these funds are used well. Almost half pay for police, fire, schools, and hospitals. They are also used to help maintain roads, highways, and bridges and to build jails.

Less than 0.2 percent of the funds are used for administrative costs, making the program one of the most efficient the Government has ever established.

What would happen if this program were eliminated?

For many local governments, taxes would have to be increased more than 30 percent to compensate for the loss of general revenue sharing. The national impact of eliminating the program would on average be a 9.2-percent increase in local property taxes. If the loss were made up through local service cuts, these would result in reductions in force nationally of 18,494 police officers, 18,152 fire officers, 18,152 teachers, 20,220 human service workers, and 26,065 street maintenance workers.

In my own State of New York, the city of Syracuse, which uses its general revenue sharing funds for fire department salaries, would have to increase property taxes \$4.48 per \$1,000 of assessed value to compensate for the GRS fund losses.

Albany, which also pays its firemen with general revenue sharing funds, would have to increase property taxes \$4.91 per \$1,000 if the program were eliminated.

The loss of GRS funding for the city of Oneonta would translate into an increase of 9.5 percent in the local property tax levy.

For the village of Saugerties, the elimination of general revenue sharing would result in a 22.6-percent increase in the town's general tax.

Mr. President, the list goes on and on, but at this point, because it is best said in their own words, I ask unanimous consent that letters from the following officials be printed in the CONGRESSIONAL RECORD at this time: Lucille Pattison, Dutchess County executive; Arthur LeFevre, supervisor of the town of Plattsburgh; Thomas Bradley, supervisor of the town of Alexandria; Stephen Snyder, supervisor of the town of Onondaga; Thomas Whittaker, clerk of the board of supervisors, County of Chenango; Robert Densberger, Chemung County executive; David Miller, mayor of the city of Tonawanda; and Lucien Morin, Monroe County executive.

What most distresses me about the possible elimination of the general revenue sharing program is that today our local governments are in no position to make up for the loss of GRS funding.

City governments most certainly are not. A recent study by the Joint Eco-

nomie Committee found that, despite the strong economic recovery, 53 percent of cities surveyed had an actual current operating deficit in 1983—a 13-percent rise over 1982.

Another study, published in the March/April 1985 New England Economic Review, examined the ability of 86 central cities to raise revenues from their own sources from 1970 to 1982: It reported that almost 30 percent of large central cities experienced a decline in fiscal capacity during the 1970's. It concluded: "Many U.S. cities will find it increasingly difficult to raise enough locally generated tax revenue to offset declines in inflation-adjusted Federal or State aid or growing public service demands."

Nor are county governments in a position to make up the difference. Since 1981, county governments have had to raise taxes to compensate for reductions in Federal funding. The share of county government revenue coming from local sources rose by 4.2 percent from fiscal years 1981 to 1984, while the Federal and State portions each fell by approximately 2 percent. Moreover, county property tax collections increased 8.8 percent in 1984 over 1983. Elimination of GRS would necessitate more tax increases.

Finally, State governments are in no position to make up for the elimination of general revenue sharing. The alleged State surpluses are illusory: More than 80 percent of the surpluses consist of social insurance funds. Some States do hold budgetary surpluses, but in fiscal year 1986, nearly 50 percent of these are held by four States—California, Minnesota, Illinois, and Wisconsin. And though 15 States may propose tax cuts in fiscal year 1986, 23 others are expected to raise taxes.

General revenue sharing is a vital program for our localities. Its loss will most surely result in either the elimination of vital services to our citizens or increased local taxes.

We must not let this program end, and I urge my colleagues to support this amendment.

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

THE DUTCHESS COUNTY EXECUTIVE,  
Poughkeepsie, N. Y., February 24, 1986.  
HON. DANIEL P. MOYNIHAN,  
Russell Senate Office Building, Washington, DC.

DEAR SENATOR MOYNIHAN: I call to your attention again my deep concern about the proposed elimination of the general revenue sharing program.

This program has been exceedingly valuable to Dutchess County. As you can see by the attached list of GRS expenditures for 1984, 1985, and this fiscal year, our revenue sharing is not spent frivolously. Should revenue sharing be eliminated there will be a resulting property tax increase for our County residents.

I urge you to co-author a GRS reauthorization bill and to work actively for its passage.

Sincerely,

LUCILLE P. PATTISON,  
County Executive.

TOWN OF PLATTSBURGH,  
Plattsburgh, NY, March 17, 1986.

Senator DANIEL PATRICK MOYNIHAN,  
Russell Building, Washington, DC.

Re: Federal general revenue sharing funds,  
town of Plattsburgh.

DEAR SENATOR MOYNIHAN: The Town of Plattsburgh, a small municipal government (16,000 plus population) in upstate New York on the shores of Lake Champlain, wishes to express to you and other members of the Federal and State Government that the Town of Plattsburgh relies on Federal Revenue Sharing Funds to provide basic governmental services in the areas of recreation, highway construction and repair, basic library services, sanitary land fill closure program and other community services. Federal Revenue Sharing has been a tremendous asset to small governments throughout our country.

The proposal for the Administration to rescind the general revenue sharing payments during the final quarter of fiscal year 1986 and to terminate the Federal Revenue Sharing Program for fiscal year 1987 will create a severe increase in local taxes to Town residents in order to continue to provide these basic services in the Town of Plattsburgh.

The Town Board and I strongly urge you and your fellow legislators to support and continue the Federal Revenue Sharing Program. We urge you to continue the procedures that you have taken in support of the Federal Revenue Sharing Program payments to all local municipalities. Federal Revenue Sharing payments assist local government in providing the very important and essential forms of government service as mentioned above including police, fire, schools, hospital, and many other programs provided by other levels of local government with these funds.

Sincerely yours,

ARTHUR L. LEFEVRE,  
Supervisor  
Town of Plattsburgh.

TOWN OF ALEXANDRIA,  
COUNTY OF JEFFERSON,  
Alexandria Bay, NY, April 17, 1986.

Senator DANIEL P. MOYNIHAN,  
Russell Senate Office Building,  
Washington, DC.

DEAR SENATOR MOYNIHAN: The Town of Alexandria is very concerned about the impending loss of the Federal Revenue Sharing Program. The loss of Revenue Sharing will have a devastating effect on our taxpayers.

Being a town in northern New York with a high seasonal unemployment rate and a large number of retired and senior citizens, the impact of the loss of Revenue Sharing on real property taxes will be significant. The Town is worried about where these citizens will be able to find the money to pay the extra taxes.

The Revenue Sharing Program in our community is used to help provide services such as our sanitary landfill, liability insurance, highway garage, and library among others. If the Federal Revenue Sharing Program is ended the Town of Alexandria will be faced with a decision of cutting back services to the taxpayers, or the raising of

property taxes. This would be a no win situation for everyone concerned.

The Board members of the Town of Alexandria would like to urge you to continue the Federal Revenue Sharing Program. It is a necessary and needed program not only for our community, but for every community in the state.

Thanking you in advance for your cooperation.

Very truly yours,

THOMAS J. BRADLEY,  
Supervisor.

TOWN OF ONONDAGA,  
Syracuse, NY, March 20, 1986.

HON. DANIEL P. MOYNIHAN,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR MOYNIHAN: As Supervisor for the Town of Onondaga, I am writing to express my concern over the possible elimination of the General Revenue Sharing Program.

Over the past several years the Town of Onondaga has greatly benefitted from these funds. General Revenue Sharing Funds have been used for various projects including a new highway garage; funds to improve library services; and several energy conservation projects to enhance the efficiency of Town Hall.

Without Revenue Sharing Funds, the increase in local taxes would severely undermine the quality of life in our town. On behalf of the citizens of the Town of Onondaga, I urge your support for the retention of federal assistance through the General Revenue Sharing Program.

Thank you for your time and consideration.

Very truly yours,

STEPHEN SNYDER,  
Supervisor.

COUNTY OF CHENANGO,  
BOARD OF SUPERVISORS,  
Norwich, NY, January 16, 1986.

HON. DANIEL P. MOYNIHAN,  
U.S. Senate,  
Russell Senate Office Building,  
Washington, DC.

DEAR SENATOR MOYNIHAN: I am herewith enclosing a certified copy of Resolution #12-86 entitled, "Supporting Enactment of U.S. Senate Bill S1964, An Act To Extend The Revenue Sharing Program For Local Governments Through The Fiscal Year 1988," adopted by the Chenango County Board of Supervisors on January 13, 1986.

Your assistance in implementing the intent of this resolution will be greatly appreciated.

Very truly yours,

THOMAS M. WHITTAKER,  
Clerk, Board of Supervisors.

RESOLUTION No. 12-86

Finance Committee offered the following and moved its adoption:

Whereas, the General Revenue Sharing Program is scheduled for termination as of September 30, 1986, and

Whereas, these funds have been used to support police departments, and schools, as well as the maintenance of bridges and highways, and

Whereas, the termination of this program would result in either significant decreases in essential local services or a substantial increase in local taxes to continue these services.

Now, therefore, be it

*Resolved*, That the Chenango County Board of Supervisors supports #S1964, which extends the General Revenue Sharing Program, and be it further

*Resolved*, That certified copies of this resolution be sent to President Reagan, Senators D'Amato and Moynihan, House Representative Boehlert, NYSAC, NACO and the Supervisors' and County Legislators' Association.

CHEMUNG COUNTY,  
Elmira, NY, March 26, 1986.

HON. DANIEL P. MOYNIHAN,  
U.S. Senator,  
Dirksen Office Building,  
Washington, DC.

DEAR SENATOR MOYNIHAN: I am writing on behalf of Chemung County to urge your continued support for the maintenance of the General Revenue Sharing Program.

This program has been targeted for elimination by the Reagan Administration in their efforts to balance the budget. While we applaud these efforts to control the national debt, we believe that in eliminating a program such as this, it will merely be shifting that debt from a national level to a local level and, therefore, having no real benefit to the citizens of localities like Chemung County.

Last year our county received \$1,115,419 from this program. We used these monies to staff road patrols for our Sheriff's department, fund local portions of mandated welfare programs, help pay for a portion of our debt service, and pay for a portion of our employee fringe benefits. Chemung County, as well as other counties in the Southern Tier, is just beginning to show signs of recovery and depends on these monies. The elimination of this program would result in either a 12% tax hike, or reduction/depletion of very needed services to the people of Chemung County. Either one of these options would be devastating to our efforts to rejuvenate local economies.

In closing, we appreciate your past efforts in this area and urge you to continue the fight to maintain this still needed program.

Sincerely,

ROBERT G. DENSBERGER,  
Chemung County Executive.

CITY OF TONAWANDA,  
Tonawanda, NY, March 19, 1986.

Senator DANIEL PATRICK MOYNIHAN,  
Senate Office Building,  
Washington, DC.

DEAR SENATOR MOYNIHAN: I am writing in my capacity as Mayor of the City of Tonawanda, New York, to express my opposition to the proposed elimination of the General Revenue Sharing Program. I urge you to support legislation which would extend this program beyond September 30, 1986, when it is scheduled to expire.

The City's ability to generate revenue is limited, due to the fact that the City of Tonawanda remains in an economic slump and recently suffered two plant closings. This makes a property tax increase that would be required to offset the loss of revenue very difficult.

As Mayor, I can assure you that Federal Revenue Sharing Dollars are much needed, well spent and indispensable to the City of Tonawanda. While I am fully aware of the need to reduce the Federal Budget deficit, it is my firm conviction that efforts to do so should not come unfairly at the expense of the City of Tonawanda and the thousands of cities and towns like it.

In conclusion, once again, I strongly urge you to lend your support to preserve this vital form of Federal Assistance to our local governments.

Thank you for your time and consideration.

Sincerely yours,  
DAVID L. MILLER,  
Mayor.

COUNTY OF MONROE,  
Rochester, NY, January 13, 1986.

HON. DANIEL PATRICK MOYNIHAN,  
U.S. Senator,  
Russell Senate Office Building,  
Washington, DC.

DEAR SENATOR MOYNIHAN: As Congress debates the continuance or termination of the Federal Revenue Sharing Program, I feel it important for you to know how significant this program is for local governments throughout New York State and the country.

As Monroe County Executive, I strongly urge you to support the continuance of this most vital program beyond Federal Fiscal Year 1986-87. The elimination of this program will create a fiscal nightmare for this community and local governments across the country.

General Revenue Sharing provides a source of revenue free of federal red tape and bureaucracy, which is used to provide essential local government services. It is the one program under local control which can be used by communities to fill the gaps left by federal budget cuts. According to the National Association of Counties' survey pertaining to this program, in 98% of mid-size counties, General Revenue Sharing pays for services to the poor and disadvantaged; in 83% of larger counties, it is providing needed health care services; in over one-half of all counties, General Revenue Sharing is used to meet the mandates imposed by state and federal governments; and in one-quarter of all counties, General Revenue Sharing accounts for more than 10% of the entire county budget.

In Monroe County, approximately 64% of our total 1986 budget of \$501 million will be used for mandated programs. Over the years, the county government has emerged as the primary unit of local government. Accordingly, the county has assumed increasing responsibility for the delivery of essential services benefiting the entire community. Throughout this period of increasing costs, Monroe County has used federal Revenue Sharing funds exclusively for social services programs. If Revenue Sharing funds are not continued, Monroe County will be faced with a loss of \$4.4 million. This can only be accommodated with a tax increase, which obviously will place an additional financial burden on the residents of our community. Any decision to either raise county property taxes or reduce programs for the needy and disadvantaged will have a profound negative effect on this community.

The concept behind the Revenue Sharing Program is a fundamental premise of federalism. This program is not revenue sharing, but, rather, tax base sharing designed to assist local governments in carrying out national policy objectives.

Again, on behalf of the residents of Monroe County, and those taxpayers throughout the state and nation, I strongly

urge you to support the continuance of this most vital program.

Sincerely,

LUCIEN A. MORIN,  
County Executive.

Mr. METZENBAUM. Mr. President, does the Senator from New Mexico have the floor at the moment?

Mr. DOMENICI. Mr. President, I do not, but I had been waiting for Senators DECONCINI and ABDNOR to present an amendment. I understand that Senator ABDNOR is here now.

Mr. METZENBAUM. Senator DECONCINI will not be able to come.

Under the circumstances I ask unanimous consent that the Moynihan amendment be temporarily set aside in order that I may offer an amendment with the understanding that the vote in connection with my amendment would not occur until the vote had occurred with respect to the Moynihan amendment in the event there is such a vote.

Mr. DOMENICI. Mr. President, reserving the right to object, we have no unanimous-consent agreement as to the time that we would vote on the underlying amendment. So long as it is understood that when the manager or the majority leader is ready, no sooner than 2:15 p.m., will set the Senator's amendment aside and proceed to vote on the underlying Moynihan amendment, I have no objection.

Mr. FORD. Mr. President, reserving the right to object, is this amendment going to be in the second degree, too?

Mr. MOYNIHAN. No.

Mr. FORD. That is going to be set aside and the revenue-sharing amendment will not be disturbed.

Mr. METZENBAUM. That is correct.

Mr. FORD. I have no objection.

Mr. METZENBAUM. I thank the Senator.

Mr. DOMENICI. Mr. President, I understand we have a message from the President.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President was delivered by Ms. Sara Currence Emery, Special Assistant to the White House Executive Clerk.

Mr. BYRD. Mr. President, will my colleague yield to me 1 minute?

Mr. CHILES. I yield.

Mr. METZENBAUM. I thought I had the floor, but I yield the floor to my colleague, the distinguished minority leader, without losing my right to the floor when he concludes his remarks.

Mr. BYRD. Mr. President, I thank the Senator from Ohio, the Senator from Florida, and the Presiding Officer.

Mr. President, the message from the President that has just been presented to the Senate marks the first time in

the history of the Senate that a woman has delivered such a message from the White House. I further note that the messenger, Sara Currence Emery, who is the first woman special assistant to the Executive Clerk of the White House was born and raised in Marlinton, WV. Marlinton is in beautiful Pocahontas County, which also contains most of the Cranberry Wilderness Area.

Sara Currence Emery is a graduate of West Virginia University. She came to Washington, DC, to work at the White House, where she has been employed for the last 17 years.

I wish Sara all the best in her new responsibilities.

I thank the Senator.

#### CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1987

The Senate continued with the consideration of the concurrent resolution.

##### AMENDMENT NO. 1801

(Purpose: To add funds for the supplemental food program for women, infants, and children (WIC), the maternal and child health block grant program, the childhood immunization program, and the community health centers program)

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

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Ohio [Mr. METZENBAUM] for himself, Mr. SARBANES, and Mr. BUMPERS, proposes an amendment numbered 1801.

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

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

The amendment is as follows:

On page 2, increase the amount on line 3 by \$145,000,000.

On page 2, increase the amount on line 4 by \$42,000,000.

On page 2, increase the amount on line 5 by \$10,000,000.

On page 2, increase the amount on line 8 by \$145,000,000.

On page 2, increase the amount on line 9 by \$42,000,000.

On page 2, increase the amount on line 10 by \$10,000,000.

On page 2, increase the amount on line 19 by \$200,000,000.

On page 2, increase the amount on line 24 by \$145,000,000.

On page 2, increase the amount on line 25 by \$42,000,000.

On page 3, increase the amount on line 1 by \$10,000,000.

On page 5, increase the amount on line 5 by \$145,000,000.

On page 5, increase the amount on line 6 by \$42,000,000.

On page 5, increase the amount on line 7 by \$10,000,000.

On page 5, increase the amount on line 10 by \$200,000,000.

On page 5, increase the amount on line 15 by \$145,000,000.

On page 5, increase the amount on line 16 by \$42,000,000.

On page 5, increase the amount on line 17 by \$10,000,000.

On page 17, increase the amount on line 16 by \$125,000,000.

On page 17, increase the amount on line 17 by \$76,000,000.

On page 17, increase the amount on line 25 by \$35,000,000.

On page 18, increase the amount on line 8 by \$10,000,000.

On page 19, increase the amount on line 18 by \$75,000,000.

On page 19, increase the amount on line 19 by \$69,000,000.

On page 20, increase the amount on line 4 by \$7,000,000.

On page 33, increase the amount on line 13 by \$145,000,000.

On page 33, increase the first amount on line 14 by \$42,000,000.

On page 33, increase the second amount on line 14 by \$10,000,000.

On page 44, increase the amount on line 6 by \$145,000,000.

On page 44, increase the first amount on line 7 by \$42,000,000.

On page 44, increase the second amount on line 7 by \$10,000,000.

Mr. METZENBAUM. Mr. President, the amendment which I and Senator SARBANES have introduced today provides for moderate increases in four key programs which meet the health and nutrition needs of America's most vulnerable children.

Our amendment provides \$75 million for the WIC Program; \$75 million for the Maternal and Child Health Program; \$25 million for immunizations; and \$25 million for community health centers. The offset is from General Revenues. Together, these programs form the front line in the battle against infant mortality, low birthweight, and childhood disease.

This child health initiative is an investment—it is not a cost, it is an investment of \$200 million over the next 3 years to save anywhere from \$600 million to a billion dollars in the future.

It represents a cost-effective expenditure on programs with a proven track record of delivering value for the Federal dollar.

Mr. President, it is a scandal that today there are over 13 million American children living below the poverty line; that one-third of this Nation's children lack adequate health insurance; that over half of all black preschool children are not immunized against childhood diseases; that 1 in 10 poor children under the age of 2 does not see a physician even once during an entire year.

Mr. President, ours is a nation where technological genius abounds, yet ours is also a nation where infant mortality rates for black infants in Cleveland, Chicago, Detroit, and so many other cities and communities throughout the Nation exceed those in Cuba, Ja-

macia, Puerto Rico, Bulgaria, Czechoslovakia, East Germany, and Poland.

As my colleague, Senator CHILES, recently pointed out, we still have nearly 10 white babies, close to 20 black babies, and 17 other nonwhite babies die for every 1,000 who are born. The GAP between black and white infant mortality has increased to the worst point in over 40 years.

And what has been our response? The Maternal and Child Health Program has been cut over 20 percent in real terms since 1981. Mr. President, this is a program which saves anywhere from \$3 to \$11 in the costs of medical care after birth and of institutional care for some of the babies who would have been born handicapped.

Community health centers, which provide critical prenatal and children's health services, have been frozen in real terms over the same period.

On January 10, the U.S. Department of Agriculture released a comprehensive study on the WIC Program. The report documents the significant positive impact this feeding program has had on maternal and child health in America. Yet, currently, the WIC Program serves less than 40 percent of the women, infants, and children who are eligible.

Mr. President, each dollar spent to immunize a child against measles saves over \$7 in reduced illness and hospitalization costs, according to the Centers for Disease Control. Yet, over half of all black preschool children are inadequately immunized against childhood diseases, and reports from around the Nation indicate that anywhere from 65 to 80 percent of school-aged children are suffering from one or more untreated health conditions. It is anyone's guess how many of these conditions could have been prevented with an adequate Immunization Program.

The Current Immunization Program contains enough funds to finance a full series of immunizations—including pertussis, tetanus, diphtheria, measles, mumps, rubella, polio, and meningitis—for about 1 million children each year. Yet there are 21.3 million children in the United States below age 6. Nearly 1 in 5—about 5 million—is poor.

Mr. President, my amendment provides an additional \$25 million for the Childhood Immunization Program in order to purchase a complete immunization series for an additional one-half million infants, toddlers, and preschoolers.

It also contains an additional \$75 million for WIC which will ensure food supplements for an additional 156,250 pregnant women and their infants and young children.

In providing \$75 million for maternal and child health as well as \$25 million for community health centers, the amendment ensures that thousands of medically underserved pregnant

women, infants, and school-aged children will receive badly needed health care services.

Mr. President, I am sure we will hear from those who say these are good programs but we just cannot afford to increase them. I believe we can. I believe we cannot afford not to increase them. Our Tax Code is so riddled with corporate loopholes, that a single year's tax refund for the AT&T Co. could finance the entire cost of this amendment with \$81 million to spare. (AT&T earned \$1.9 billion in 1984, paid no Federal income taxes, and yet received a refund of \$281 million).

I could stand on the floor and recite instance after instance after instance of large corporations in this country, many of whom are major defense contractors, making hundreds of millions and billions of dollars and receiving tax refunds. Why can we not address ourselves to that issue and why can we consider that we cannot afford to take care of the children in this country?

Over a 4-year period, two of this Nation's biggest defense contractors, General Dynamics and General Electric, earned over \$11 billion in profits, paid no Federal income taxes, and received a tax refund of \$200 million. If they just paid no taxes over this period, but we kept the refund, we would have enough money to pay for this amendment.

I ask the question, Can we afford to spend \$150 million a year on military bands and refuse to spend an extra \$200 million on crucial children's health programs?

Mr. President, I think not.

This amendment is modest—\$145 million in outlays in fiscal year 1987, \$42 million in fiscal year 1988, and \$10 million in fiscal year 1989.

I urge my colleagues to support this amendment.

Mr. President, I ask for the yeas and nays, with the distinct understanding that I had previously offered a unanimous-consent request that the yeas and nays, when ordered, would come after the Moynihan amendment had been disposed of.

The PRESIDING OFFICER (Mr. NICKLES). Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BUMPERS. Will the Senator from Ohio yield a couple of minutes to me?

Mr. METZENBAUM. There is no time limit.

Mr. BUMPERS. Mr. President, I will just take a few moments to say that I strongly and heartily support the amendment of the Senator from Ohio. It makes sense that he is trying to increase the funding for these programs because the benefit/cost ratios of those programs range anywhere from 15-to-1 to 5-to-1.

I have said many times in the past 10 years, as we have cut Federal fund-

ing for education from 12 percent of all the funds for education down to 6.7 percent, that we are going to wind up paying a high price for these cuts. You can argue philosophically and ideologically that the local school districts ought to be raising this money or that the States ought to be raising the money, but if the United States allows Federal funding for education in this country to be whittled away, we may wind up with one or two generations where the illiteracy rate climbs dramatically.

The only reason in the world the Federal Government ever gets involved in education or health care or anything else is because we are a union of States and we have concerns about all the people in the country, not just those who can afford good education and good health care for their people.

I was visiting with a fellow the other day who said something about, "Let the States and the local school districts decide how much they want to spend on schools."

That is fine if you just look at education spending or health care spending in a vacuum. But there is a considerable difference between how much money the people of Scarsdale can afford and how much the people of South Bronx can afford for the education of their children. Now that is a slightly convoluted example of what we are talking about; that is, the question of whether some people are going to get education or health care and others are not. One of the real problems we have in this country is we have been moving toward a dual health care system: One for those that can afford it and one for those who cannot.

This is not a big amendment considering the way we spend money around here. The kind of money the Senator from Ohio is talking about would last the Pentagon about 15 minutes. And yet there is a real danger in this country that we are going to allow the immunization levels of our children to drop back. We are now 16th among all the nations of the world in infant mortality. The United States of America, the most powerful rich nation on Earth, 16th in infant mortality.

And the Maternal and Child Health Care Program is a program that is crucial in every State. Every State has some latitude as to how they are going to use MCH money. But in my State we use it to make sure that pregnant women get a proper diet and good prenatal medical care so that they have healthy babies.

Let me give you an illustration. Two hundred low-weight babies will cost the U.S. Government more money over the next 50 years than this entire amendment will cost. You have heard me preach this sermon on immunizations 100 times in the 11 years I have

been here. And you all know that my wife was active in immunizing all the children of my State when I was Governor, and she was responsible for immunizing all of the children of the country after I came to the Senate. But we spent less money in 2 years to raise the immunization levels of our State's children from 78 percent to 96 percent than it would have cost to institutionalize one rubella syndrome child for a lifetime.

So I feel stronger about the funding for the immunization program that is incorporated into this amendment than I do the other three items. But they are all important. I spoke to the Arkansas Medical Society luncheon last Friday, a week ago tomorrow. And I talked about preventive health. And while the inflation rate for health care has been declining—down to a 9.3-percent increase in 1984, the lowest increase in any year since 1963—we still have not really dealt with the one thing that would do more to cut health care costs in this country than anything else; that is, preventive health.

The Census Bureau and the National Institutes of Health tell us that nutrition is extremely important to health, and yet we do not have a national nutritional counseling service. Hubert Humphrey used to stand at this desk right here in front of me, and make the speech I heard him make many times in the short time I was privileged to serve with him—a speech about how we talk about health insurance in this country, that we really ought to change the name of it so it would be more appropriate, and call it sick insurance because none of it is any good unless you get sick.

The Ford Motor Co. decided several years ago to implement an experimental program for its own employees in an attempt to cut down the cost of health care. Over a 3- or 4-year period they did a lot of things. The principal one was that everybody over 40 years of age who worked for them had to have a physical examination every year. They found that they saved themselves millions of dollars in health care costs with that requirement.

Every one of the items listed in the amendment of the Senator from Ohio comes under the category of preventive health—the cheapest health care dollar we spend. The Senator from Mississippi, the senior Senator from Mississippi, has always helped on Maternal and Child Health Care and WIC Programs because Mississippi has a demonstrated benefit/cost ratio from the maternal health care programs of \$10 saved for every dollar we spend.

I am not going to vote for every amendment that comes up here. A lot of them are going to be meritorious, laudable, and I do not want to vote

against them. But I can tell you there will not be one single amendment offered here, with the possible exception of the amendment of the Senator from Massachusetts dealing with Medicare, there is not going to be an amendment offered here that goes right to the heart of health care in this country like this amendment does. If we pass this amendment, we can spend \$200 million and possibly save ourselves \$2 billion a year.

We had an outbreak of measles this year on the campus of the University of Arkansas, and it was bad. It cost more than half a million dollars just to get that one little outbreak under control. The good news out of that was we were able to get the outbreak under control quickly. My wife accuses me of always talking about the bad news. She said it was bad that the measles outbreak occurred but there was something very good and very positive about it also. Only one age group—college age students—got the measles, apparently because they had gotten defective vaccines back in the early 1960's. The good news was that because we had immunized all the people after that time with effective vaccine, the outbreak did not spread beyond that particular age group.

But I can tell you that it is easy to assume that childhood diseases have been conquered once and for all, but they have not. You must stay on top of them year in and year out. You must do followup if the immunization program is to be effective and provide the cost/benefit ratios we want.

So, Mr. President, I hope that the people in this body will support this amendment. I know it is \$200 million. I know the budgetary constraints we are operating under. But I can tell you one thing: Gramm-Rudman will be a lot tougher to deal with 3, 4 years down the pike if we start shortchanging programs like this.

Mr. President, unless somebody else wishes the floor, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, let us assume as Senators that whatever the distinguished Senator from Ohio has said about the condition of things out in our country relevant to the groups we are helping in these programs is true. Let us also assume that in the areas that the Senator from Arkansas spoke of there are some problems. I hope everyone understands in the Budget Committee, which was bipartisan, is we did not cut these programs. Funding for discretionary health in this budget that is before us is \$74 million above the 1986 funding level. The WIC Program is already \$52

million above the 1986 level. In January there were 3,323,588 women and infant children participating in this program.

For a time, 2 years ago, we could not even get people on fast enough. The States were not even able to get on the people that we were giving the money for. That is still the case in a few States, but over 3 million are now being taken care of. The budget resolution contains \$52 million above the 1986 level for the WIC Program.

The Senate Budget Committee reported out by a bipartisan rate contains \$300 million for the years 1987 through 1989 in higher Medicaid spending for infant mortality initiatives. In fact, the distinguished Senator from Florida, Senator CHILES, has already in fact introduced legislation that would address the high infant mortality rates. Clearly, there is sufficient money in this budget resolution for the appropriators to take additional steps to deal with this problem.

This amendment, clear and simple, says, "We have to tax the people \$200 million more because the amendment says we have to add more to programs that we have already added to."

It is hard for the Senator from New Mexico to come down here when our country, like most countries in the world, has some health problems. It is doubly hard when they are women, infants, and children.

I submit that we are doing a good job. I submit that the Senate Budget Committee was well aware that while we cut other programs, while we ordered reforms of other programs, these programs ought to increase.

I had a suspicion about what would happen this year in spite of the need for fiscal restraint. We made a decision, and made a bipartisan agreement in committee. We added where some Democrats thought we ought to add. We added where some Republicans thought we should; and we reached an agreement, I had a suspicion that when programs like these, a Senator would come to the floor and say that the problems are still not solved out there and we need more money.

I suspected that the Gramm-Rudman rules would not have stopped any of that, that it would be here just as it is all the time. I imagine that even if we had added \$200 or \$300 million, people would come to the floor and ask for more money. They would talk to us and, in a sense, talk to their constituents, to make a point that they support higher funding because the problem is still there.

Our Government spends \$119 billion for health care. When you look out across the land there is \$119 billion for health care. Any of us, given 24 hours' notice, can get somebody with statistics, somebody with numbers, somebody with ideas, to say, "We still have people who either cannot afford

health care, who are still ill, who are not able to get this, that, and the other." We still have problems. The \$119 billion ought to be \$140 billion. Someone may offer an amendment that we ought to spend another \$30 billion or \$40 billion. Every time we have this kind of problem in the budget and in the appropriations process there is no question that an argument can be made and a difficult vote can be put before the Senate. Who wants to be against more money for these kinds of problems.

We do not have all the money in the world. We have tried our best to prioritize. We have increased where it is necessary and where absolutely you could not get by with less. In these programs we did not freeze or cut even with a \$180 billion deficit. We increased funds for these programs.

I told the Senate how much the Federal Government spends for health care, how much the American people pay. Our estimate is \$460 billion and the Federal Government pays about 26 percent of that.

Is it really credible that we can solve these problems that are discussed by the proponents with \$200 million. Look at these statistics about health deficiencies in our country. Are we really going to solve them with \$200 million, when we are already spending \$460 billion? This amendment would add about two-tenths of 1 percent to the health functions for Federal expenditures, four one-hundredths of 1 percent to the expenditures made in behalf of health care across the country.

I remind my fellow Senators that these are all appropriated accounts. This does not mean that we are going to add anything more to these accounts. It merely means we are adding \$200 million more to the discretionary programs, \$200 million more in taxes on the American people. The assumption being made is that these funds would be specifically and adroitly targeted to the problems we are discussing here today.

I do not know when, if ever, enough will be enough. It seems to me that if this amount of money is as important for these programs as the proponents say, at the least they could say, "Out of the \$1 trillion budget there must be \$200 million we can find someplace and apply it to these programs. At least, we want to express the sense of the Senate today and hope the appropriators would follow it." They have not said that. We have to add \$200 million more on the tax side, which already has \$19 billion in new taxes.

I hope Senators do not think it is easy to just vote for this and add to the tax side. We did for years before the congressional budget process was started. We assumed there was no relationship between the two and we did

not have to worry. At least there is an accounting now. At least we say add on \$200 million in taxes.

I yield to the ranking minority member such time as he desires.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. Mr. President, I have listened to the remarks of the chairman. He has made an excellent point. As we went through the process in our committee markup, there were some compromises made between the mark the chairman had and the mark we were proposing. Part of the compromise added money in these areas. We did add funds. But there is no way either he or I can argue we are spending enough for child health care. We would both like to spend more.

We recognize these programs are cost efficient. I make that argument all the time, that the dollars we spend are returned to us manyfold.

If we adopt this amendment, someone could well say we ought to be spending \$500 million more. And they would be right. We should be. You can say, "When that is won, we should be spending more than that." And they would be right, because we need it.

But one of the best ways to set priorities is to get our budget in order. Look and see what we tried to do within our resources, within the problems we have writing a budget that accommodates Gramm-Rudman-Hollings without having a devastating cut across the board. I would say to the proponents of this amendment, sequester would devastate these programs. If we cannot get our budget in order, if we cannot meet those targets, that is when child health will be terribly hurt.

If you look at what we have done, in the immunization program, \$65.6 million is assumed, \$6 million above a freeze. That is \$4.2 million above the baseline.

The amendment would bring the funding up to 90, and that, of course, would be well above the baseline in many of our programs.

If you look at the community health centers, \$426 million is assumed. That is \$30 million above a freeze and \$8 million above the baseline.

If you look at the Maternal and Child Health Program, you see it is already funded at its current authorized level of \$478 million.

So the budget resolution leaves more than enough room to make up the \$20 million lost from the sequester cuts already in effect and then we fund this program up to its authorized level.

The WIC Program would also be funded—\$1.612 billion being assumed, up to its authorized level. So in two of the four programs we are talking about, literally, the money cannot be spent because they are already up to the authorized level and there is nothing that we can do about this.

Argument has been made about immunization for rubella—measles. That is tremendously important. I think we ought to do everything in the world we can in that area. And I hope we will find some more money for that. But if you look at what we have been attempting to do in the resolution, we have tried to take special note of these programs. We want funds to provide for these programs without triggering sequester, and having a resolution that goes way beyond what we are able to pay for.

I hope the Senate will not adopt amendments that are going to break apart what we have attempted to do. I hope we will put together a balanced package which meets the Gramm-Rudman-Hollings targets, avoids sequester order, avoids the across-the-board-cut targets, and gets our House in order so that we may be able to start taking care of these programs in the way we should.

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

The PRESIDING OFFICER. On whose time?

Mr. CHILES. The time to be divided equally off the bill.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

#### AMENDMENT NO. 1800

Mr. DOMENICI. Mr. President, I have received indication from the majority leader that he would like us to commence voting on the Moynihan amendment. It is my understanding that the amendment which is pending will be set aside until after the vote is disposed of on the underlying amendment, the Moynihan revenue-sharing amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. METZENBAUM. Will the manager yield for a question?

Mr. DOMENICI. Surely, Mr. President.

Mr. METZENBAUM. I am prepared if he is—immediately upon the completion of the vote on the Moynihan amendment, to proceed with a vote on my amendment. Would that meet with the Senator's approval?

Mr. DOMENICI. I think I had better just wait and see, Mr. President. We might even be able to announce it at the end of that vote, but let us proceed without it at this point.

Mr. President, I move to table the Moynihan amendment and I ask for the yeas and nays.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. Is there a sufficient second?

Mr. MOYNIHAN. Mr. President, will the distinguished Senator yield for a question?

Mr. DOMENICI. Yes, Mr. President.

Mr. BOSCHWITZ. Regular order, Mr. President.

Mr. MOYNIHAN. What does the Senator mean by that?

Mr. DOMENICI. There is no time for debate.

The PRESIDING OFFICER. Does the Senator withdraw his request for a second?

Mr. DOMENICI. I do not. I was going to yield for a question, but let me get my second first.

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

The yeas and nays were ordered.

Mr. DOMENICI. I ask unanimous consent that the Senator from New York be granted 1 minute to ask the Senator from New Mexico a question.

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

Mr. MOYNIHAN. Mr. President, is it the view of the Senator from New Mexico that we have to have a motion to table? There are those of us on both sides of the aisle who feel strongly about this issue and who also feel strongly about Senate decorum. We would like to vote up or down. Absent that, we could have 15 votes.

Mr. DOMENICI. Let me say to my friend from New York that I have to have the latitude on some to move to table, on others not. I would have moved to table yesterday, but the way the unanimous-consent request was phrased, I could not.

I assure the Senator I do not intend to have a number of votes. If tabling one shows a result, we will not do anything else.

Mr. MOYNIHAN. Would the Senator hear my plea? I have very rarely asked this, but if we cannot be accommodated, there are Senators on both sides of the aisle on this legislation who would like to vote.

Mr. DOMENICI. We are going to vote, I say to my friend.

Mr. MOYNIHAN. A vote up or down, Mr. President.

The PRESIDING OFFICER. The time has expired. The question is on agreeing to the motion to lay the amendment on the table.

Mr. DOMENICI. 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. DOMENICI. I ask unanimous consent that the order for the quorum call be rescinded.

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

The question is on agreeing to the motion to lay the amendment on the

table. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Washington [Mr. EVANS], the Senator from Florida [Mrs. HAWKINS], and the Senator from Idaho [Mr. SYMMS] are necessarily absent.

I also announce that the Senator from Maryland [Mr. MATHIAS] is absent on official business.

I further announce that, if present and voting, the Senator from Florida [Mrs. HAWKINS] would vote "nay."

Mr. CRANSTON. I announce that the Senator from Montana [Mr. MELCHER] is absent because of death in the family.

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

The result was announced—yeas 54, nays 41—as follows:

[Rollcall Vote No. 78 Leg.]

YEAS—54

Armstrong	Garn	Nunn
Baucus	Goldwater	Packwood
Bentsen	Gorton	Pell
Boren	Gramm	Pressler
Boschwitz	Grassley	Proxmire
Chafee	Hatfield	Quayle
Chiles	Hecht	Roth
Cochran	Helms	Rudman
Cohen	Humphrey	Simpson
Cranston	Kassebaum	Stafford
Danforth	Kennedy	Stennis
Denton	Laxalt	Stevens
Dodd	Lugar	Thurmond
Dole	Mattingly	Trible
Domenici	McClure	Wallop
Eagleton	McConnell	Warner
East	Mitchell	Weicker
Exon	Nickles	Wilson

NAYS—41

Abdnor	Gore	Long
Andrews	Harkin	Matsunaga
Biden	Hart	Metzenbaum
Bingaman	Hatch	Moynihan
Bradley	Heflin	Murkowski
Bumpers	Heinz	Pryor
Burdick	Hollings	Riegle
Byrd	Inouye	Rockefeller
D'Amato	Johnston	Sarbanes
DeConcini	Kasten	Sasser
Dixon	Kerry	Simon
Durenberger	Lautenberg	Specter
Ford	Leahy	Zorinsky
Glenn	Levin	

NOT VOTING—5

Evans	Mathias	Symms
Hawkins	Melcher	

So the motion to lay the amendment (No. 1800) on the table was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. MOYNIHAN. Mr. President, I ask unanimous consent that the name of the Senator from Iowa [Mr. HARKIN] be added as an original co-sponsor of the previous amendment.

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

AMENDMENT NO. 1801

Mr. DOMENICI. Mr. President, Senator METZENBAUM has an amendment pending. There is time remaining in opposition. Shortly, I intend to yield back the time in opposition. I understand that he will yield back the remainder of his time.

He would add \$200 million to various health programs and raise \$200 million more in revenues. Our position is that in the bipartisan compromise, all the programs referred to have been increased over their current level of funding. Two of the programs have been authorized, and our bill funds them to the maximum level authorized. The amendment would fund them in excess of the authorized level.

Mr. LEAHY. Mr. President, I rise to support this amendment because it is a humanitarian measure, and because it is cost-effective.

The WIC Program has escaped the budget ax over the past years yet it still reaches only a minority of the low-income infants, young children, and pregnant and nursing women at nutritional risk who are eligible to receive WIC food supplements and nutrition counseling.

In spite of our support for this program, WIC is still underfunded and reaches only 3.2 million people, fewer than half of those who are eligible. Because WIC is not an entitlement program it can serve only as many poor women, infants, and children as we provide funds for. It is a fact that more than 100 counties in the United States have no WIC Program at all and many others are forced to turn away eligible mothers and babies.

Studies show that WIC and the other programs which this amendment speaks to, are cost-effective because they result in healthier children at birth.

The number of children living in poverty is on the increase, with one out of every five poor. These are very young children with nearly one out of every four children under the age of 6 living in poverty.

There are 13 million children in this country who are poor.

Poverty is costly. Children born into poverty receive less nutrition, less health care, less education, and fewer chances to succeed at becoming self sufficient.

The programs which will receive modest increases under this amendment have proven to be effective. We know that prenatal care and food supplements to pregnant women through WIC can save \$3 for every \$1 spent by reducing the incidents of high-risk births. Studies show that every dollar spent on a measles shot saves \$7 in reduced illness and hospitalization costs.

Vermont's WIC Program provides an excellent example of the value of the program. Vermont has the highest participation rate of eligible WIC re-

cipients in the Nation. About 45 percent of Vermont's 1981 births were to women who had participated in the WIC Program.

According to a report put out by the U.S. Department of Health and Human Services, Vermont led the Nation in having the lowest number of infant deaths per 1,000 births for the period of 1981 through 1983. I think it is fair to suggest there is a correlation between the high WIC participation rate and the low infant mortality rate.

I have spoken for the most part about the WIC Program but the same conclusions can be made about the title V Maternal and Child Health Block Grant Program, the Community Health Centers, and the Childhood Immunization Program.

Anytime we help to improve the health and well-being of pregnant women and their unborn children, and help to keep children in good nutrition and health, we are saving untold dollars in later health costs, lost opportunities, and wasted human talent.

Mr. METZENBAUM. Mr. President, let me explain this amendment very briefly. It is a child health initiative for women and infant children.

Mr. FORD. Mr. President, the Senate is not in order. May we have order?

The PRESIDING OFFICER. The Senator from Kentucky is correct. The Senate will be in order. The Senator from Ohio is entitled to be heard.

Mr. METZENBAUM. I thank the Chair, and I thank the Senator from Kentucky.

Mr. President, this amendment is very simple. It is \$75 million for women and infant children over the next 3 years. It is \$25 million over the next 3 years for immunization. It is \$75 million for maternal child health care.

That would just bring it back to the 1981 level in real terms. The community health centers, \$25 million over 3 years; \$200 million over a period of 3 years.

If we believe that the future of our children and the health of our children is important, I do not think we can afford to turn down this amendment because, although we might prevail with respect to the amendment, the facts are that we will pay a price over future years, whether it has to do with children who have not been able to obtain immunization or whether it has to do with maternity and child health, whether it has to do with aid for women and infant children.

We cannot afford to say, "No." We can close one loophole of a major defense contractor, not even require that defense contractor to pay any taxes but just to keep that defense contractor from getting any refund, and we would save \$289 million which is \$89 million more than

this entire program and this entire amendment deals with.

I hope that my colleagues see fit to accept the amendment. I think that the country cannot afford not to do it.

Mr. President, I am prepared to go forward with the vote.

The PRESIDING OFFICER (Mrs. KASSEBAUM). The Senator from New Mexico.

Mr. DOMENICI. Madam President, I thought I made a 30-second remark. I think I deserve another half minute.

Let me repeat with numbers. The bipartisan substitute before us is already \$74 million in budget authority above 1986; the Women's, Infant and Children Program is already \$52 million above current level. We are currently at \$73,323,000. The Senate Budget Committee bipartisan mark is \$300 million for these 3 years and Medicaid spending.

I believe we have done justice to these programs. Many others have been cut. These have been given the appropriate preference of being increased rather than reduced.

I am pleased to yield back the remainder of my time.

Mr. METZENBAUM. Madam President, will the Senator from New Mexico yield for a question?

Mr. DOMENICI. I am pleased to yield for a question.

Mr. METZENBAUM. The \$74 million that the Senator talks about as being over current level, that \$74 million, as I understand it, is not alone for these four programs. It is for all of the programs out at the National Institutes of Health. It is a whole host of programs, and that \$74 million would have to be distributed. In all likelihood these four programs would see but a pittance as compared to the total. It is not \$74 million as against these four programs. It is \$74 million across the board.

Some of these programs are below current levels as we now have it. So I do not think we ought to confuse the issue.

Mr. DOMENICI. Madam President, I respond by saying the increase that is provided is as specific and as vague as the Senator's proposal because nothing about his proposal requires that the appropriators spend the additional money where he says it all goes into health function and they will end up deciding where to spend it anyway.

This is just adding that much to the full account. No specificity can be provided for here. So, yes, ours is in the whole account. His will end up with just that much more in the whole account, no more or no less.

Mr. METZENBAUM. How much time remains for each side?

The PRESIDING OFFICER. The Senator from Ohio has 41 minutes and the Senator from New Mexico has 40 minutes.

Mr. METZENBAUM. I wonder if the Senator from New Mexico will be willing to agree to have an up-and-down vote and both yield back the time? If you have the votes, you have them.

Mr. DOMENICI. On this one, I really cannot do that. Members have asked me about it. I said the last vote was the motion to table.

The Senate does not have to go along. But I believe I will move to table.

Mr. METZENBAUM. I yield back the remainder of my time.

Mr. DOMENICI. I yield back the remainder of my time.

Mr. President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is sufficient second.

The yeas and nays were ordered.

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

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

The question is on agreeing to the motion of the Senator from New Mexico [Mr. DOMENICI] to table the amendment of the Senator from Ohio [Mr. METZENBAUM]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Washington [Mr. EVANS], the Senator from Florida [Mrs. HAWKINS], and the Senator from Idaho [Mr. SYMMS], are necessary absent.

I also announce that the Senator from Maryland [Mr. MATHIAS], is absent on official business.

I further announce that, if present and voting, the Senator from Florida [Mrs. HAWKINS] would vote "nay."

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

The result was announced—yeas 56, nays 40, as follows:

[Rollcall Vote No. 79 Leg.]

YEAS—56

Abdnor	Gramm	Nickles
Armstrong	Grassley	Nunn
Bentsen	Hatch	Packwood
Bingaman	Hatfield	Pressler
Boren	Hecht	Proxmire
Boschwitz	Heflin	Quayle
Chiles	Heinz	Roth
Cochran	Helms	Rudman
Danforth	Hollings	Simpson
Denton	Humphrey	Stafford
Dole	Johnston	Stennis
Domenici	Kassebaum	Stevens
Durenberger	Kasten	Thurmond
Eagleton	Laxalt	Tribble
East	Lugar	Wallop
Exon	Mattlingly	Warner
Garn	McClure	Wilson
Goldwater	McConnell	Zorinsky
Gorton	Murkowski	

NAYS—40

Andrews	Ford	Metzenbaum
Baucus	Glenn	Mitchell
Biden	Gore	Moynihan
Bradley	Harkin	Pell
Bumpers	Hart	Pryor
Burdick	Inouye	Riegle
Byrd	Kennedy	Rockefeller
Chafee	Kerry	Sarbanes
Cohen	Lautenberg	Sasser
Cranston	Leahy	Simon
D'Amato	Levin	Spencer
DeConcini	Long	Weicker
Dixon	Matsunaga	
Dodd	Melcher	

NOT VOTING—4

Evans  
Hawkins

Mathias  
Symms

So the motion to lay on the table amendment No. 1801 was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

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

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 1802

(Purpose: To provide essential funding for Childhood Immunization program)

Mr. BUMPERS. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. BUMPERS] proposes an amendment numbered 1802.

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

The PRESIDING OFFICER. Without objection it is so ordered.

The amendment is as follows:

On page 7, decrease the amount on line 12 by \$25,000,000.

On page 7, decrease the amount on line 13 by \$17,000,000.

On page 7, decrease the amount on line 22 by \$4,000,000.

On page 8, decrease the amount on line 7 by \$3,000,000.

On page 17, increase the amount on line 16 by \$25,000,000.

On page 17, increase the amount on line 17 by \$17,000,000.

On page 17, increase the amount on line 25 by \$4,000,000.

On page 18, increase the amount on line 8 by \$3,000,000.

Mr. BUMPERS. Madam President, I will be rather brief about this because most of what I wanted to say about this I said on the amendment of the Senator from Ohio a few moments ago.

This amendment, very simply, is this: It adds \$25 million to the immunization programs, which, incidentally, is \$15 million less than we need to be absolutely certain that we can immu-

nize all of our children next year. But I am told that if nothing untoward happens, an additional \$25 million will be enough to get through fiscal year 1987.

I would like to advise my colleagues that this is not done whimsically or cavalierly, but it is done because the cost of some of the vaccines for preventive childhood diseases has gone up 1,000 percent in the past 5 years.

Everybody here understands the efficacy of preventive health, and especially the value in immunizing our children against the mumps, whooping cough, diphtheria, measles, and so on. Rather than to see somebody say, "I am voting against this because I do not want to raise taxes \$25 million," or offset for this additional \$25 million is a reduction in the foreign aid function.

I know that the Budget Committee has already cut about 11 percent from the current level of funding for international affairs. But I do not think there is any question but that they can find an additional \$25 million out of the roughly \$12 to \$13 billion that remains in that function, especially if those funds will be used for as laudable a cause as the immunization program.

I do not mind saying, and I do not want to pursue this, as I look through the foreign aid bill I am absolutely appalled to find a foreign military credit to Korea of \$232 million, a very viable, economic nation, who last year had a \$4.8 billion trade deficit of the United States. Under the terms of that function, the United States, which is running \$200 billion deficits, will go out and borrow money, \$232 million, in order to loan to the Koreans at a heavily subsidized rate so that they can buy weapons from us.

You do not have to be a bleeding heart liberal or broke out with brilliance, either one, to understand that immunizing children of this country is considerably more important than a subsidized loan to Korea. I am not picking on Korea. Go down the list. There is a bunch of them that I would hardly approve of.

I am simply saying that when you look down the list, why, when we are running \$200 billion deficits, are we borrowing money to loan money to one of the most viable economies in the world?

I can tell you, you can do it now or you can do it later, but if you do it later it may be too late, to provide funds to immunize our children.

Let me give you some ideas of what the immunization program does in this country.

The benefit-cost ratio, when rubella and measles vaccines are given together, the unit-cost ratio of those two shots in combination is \$23 to \$1. That just simply means that for every \$1 we put into it we save \$23.

How often do you get a chance to vote on the floor of the U.S. Senate for a program that even approaches that benefit-cost ratio? The answer is never.

On polio, the benefit-cost ratio is \$10.30 for every \$1 we spend.

So the savings of \$1 billion a year for polio and \$500 million for measles is \$1.5 billion we save just on those two.

What are the "costs" we save? Frankly, they are health care costs, but let me tell you something else. The cost for mom and pop to stay home with a son or daughter who has measles should also be added to the actual outlays for health care for their children.

Let me give you another statistic. I say this because we are asking for \$25 million out of the foreign aid bill for the most cost-effective program we will ever vote on.

Let me tell you what I am talking about in terms of dollars and human misery.

Eight percent of all the people who are institutionalized either in State hospitals or other long-term facilities in the United States are there as a result of a childhood disease—mumps, measles, or rubella.

Let me repeat what I said earlier about what we did in Arkansas when I was Governor. We immunized all the children in our State and the cost of it was less than the cost of institutionalizing one child for a lifetime.

Madam President, since 1963, 57 million cases of measles have been avoided because of the vaccine, and 19,100 cases of mental retardation have been averted. I do not see how you can ever find more persuasive, more compelling numbers than those.

So, Madam President, I am not going to belabor my point. To me the option is clear. It should not even be debatable. The managers of the bill ought to accept this. We will be certain that sometime down the road you will not again hear of the kinds of measles outbreaks we had this year at the University of Arkansas. Incidentally, that one measles outbreak cost more than half a million dollars. It was a limited outbreak. But any cases are too many. You have two choices: Either allow pools of susceptibles to develop across this country, and along with them the potential for outbreaks of measles, mumps, rubella, and polio; or appropriate the money.

Why wait until next year? Let us do it now.

Madam President, I yield the floor.

Mr. ARMSTRONG. Madam President, will the Senator from Arkansas join me for just a moment to discuss this? As I understand it, the Senator's amendment adds \$25 million to function 550 and subtracts a like amount from function 150, international affairs.

Mr. BUMPERS. The Senator is correct.

Mr. ARMSTRONG. For the record, could the Senator remind us how much is presently contained in function 550?

Madam President, the correct answer is \$38 billion.

Mr. BUMPERS. Thirty-eight?

Mr. ARMSTRONG. Thirty-eight billion dollars is the correct answer.

Mr. BUMPERS. Thirty-eight billion. Well, the Senator certainly ought not to object to \$25 million for immunization.

Mr. ARMSTRONG. For the edification of the RECORD, it is \$38 billion in round figures, \$37.8 billion or some such number as that. Also for the RECORD, does the Senator have in mind how much is contained in function 150 from which he is making a subtraction?

Mr. BUMPERS. I think \$8,300,000,000.

Mr. ARMSTRONG. The Senator is correct.

Madam President, I yield the rest of the afternoon to the Senator from Indiana.

Mr. LUGAR. Madam President, I rise not only to oppose the amendment of the distinguished Senator from Arkansas but to discuss its underlying premise. The Senator has made the point that only \$25 million is involved. This is not a small amount, Madam President, but I think we all recognize this is only the first of several amendments that may be targeted at function 150, the international affairs account.

I wish the 150 function were not such an inviting target, but I would like to discuss the account so that Senators will have some criteria upon which to base votes as these amendments come along the trail.

As a general argument, Madam President, there are any number of important causes in this country which need \$25 million, particularly if funds can be provided, all at the expense of persons in other countries. The amendment is presented as if this is simply a case of taking money from people who are in foreign lands and devoting it to our own interests.

Madam President, the foreign assistance accounts have been devised because they are important to the national security of our country. They are devised to assist allies, to try to provide support for people who are prepared to defend our interests as well as theirs, to try to bring about peace in this world and to maintain peace. Of course, a good case can be made for immunization but a very good case can also be made for peace. On almost any other occasion most Senators would be very concerned about the strength of our alliances, the strength of our ability to manage

the Soviet relationship, to fight terrorism, to create conditions which would maintain peace and thus preserve American lives and American interests.

Now, I think it is instructive to start our review today of the 150 account by pointing out that the account has already been discussed to some length by the Budget Committee. I would just point out with regard to the foreign security aspects of that account that the Budget Committee recommendation already represents a cut of more than \$5 billion from the administration's request to a point that we now are looking at \$8.3 billion for the three major security assistance programs: the Economic Support Fund, Foreign Military Sales, and the Military Assistance Program.

Madam President, that is a very substantial change. The administration has made in my judgment a good case for its request. The Budget Committee has in fact presented in this budget we are now considering \$8.3 billion for the major security programs. That \$8.3 billion includes \$5.2 billion for Israel and Egypt. If Senators want to offer amendments for specific sums of money, they might very well begin to specify which of these situations they want to address. If, in fact, we want to cut aid to Israel or Egypt, there is a good chunk of money available. If, on the other hand, we wish to fully fund Israel and Egypt we are left with \$3.1 billion in security assistance funds and \$2.3 billion of that, almost another 70 to 80 percent, is made up of our base rights agreements with Greece, Turkey, Spain, Portugal, and the Philippines—a total of \$2.3 billion.

Now, I have no doubt that there will be a great deal of debate on this floor about our losing bases, about our losing influence abroad. Madam President, we have agreements with these five countries. Most Senators, I believe, would want to retain those bases and appreciate the obligations that we have. But I would simply point out that if Senators support funding Israel and Egypt and the five base rights countries, then all but \$800 million of our major security programs will have been committed.

Now, with the \$800 million left are we going to fund our obligation to Pakistan? There are many Senators who have stood on the floor and talked about the Afghan rebels and our ability to resist Soviet incursions, resist the invasion and occupation of Afghanistan. The Pakistan money is clearly an integral part of that resistance. Without that assistance there is not going to be much of a U.S. influence in that area. That is roughly another \$600 million. That leaves \$200 million for all our other worldwide commitments. For example, we in the Senate have already earmarked assistance for Cyprus. A good many people are interested in that situation. There

have been long debates with regard to the Greek-Turkey situation, the southern flank of NATO, and our ability to be of assistance to Cyprus.

Ecuador, a remarkable friend of the United States, is a country that has done all of the things that we could ask of any fledgling democracy. Uruguay, having just turned over a dictatorship to come back to democracy, is an extremely promising situation. We had a long debate last year about our obligation to the Cambodian resistance fighters. Tunisia, likewise, is a very important recipient of assistance from the United States. Madam President, I have not even talked about our obligations in Central America. Can it be assumed that money surely will be found there for El Salvador, Guatemala, and Honduras? To the extent we get into economic aid to the Contras, somehow that must be found.

Mr. BUMPERS. Will the Senator yield for just one moment?

Mr. LUGAR. Yes; I will be happy to yield for a question.

Mr. BUMPERS. In regard to the last statement of the Senator as to how we were going to find money for the Contras, I understood that came out of the defense function.

Mr. LUGAR. The Senator is correct with regard to the last debate we had here in the Senate. But of course it is not really clear that the House will go along with our action. We may have to revisit that situation. Clearly, after we get through this particular budget phase, either humanitarian or other aid will continue to be an issue next year.

Mr. BUMPERS. I thought one of the arguments the President used in his speech to the Nation was it would not increase the deficit; it would simply come out of the appropriate function of the Defense Department. There may not be any impact if no money goes to Contras, obviously.

Mr. LUGAR. The Senator is correct, if the House were to adopt the sensible position the Senate took. Unhappily, the House has not yet taken that position, and it is not clear whether they will. I appreciate the point the Senator is making. So I would reiterate that we may be revisiting the Contra issue. We certainly will continue to face the promise made in the Jackson report that we must do something for the infrastructure of our neighbors to the south because our failure to address this issue is likely to bring considerable problems to our Southwestern States through immigration.

Let me just mention, Mr. President, this very afternoon we received a very important report from the President of the United States in regard to assistance for the Philippines. He apparently will ask for a number of ways in which the Philippines might be assisted but clearly some of them come

from the 150 account. In our Committee on Foreign Relations we are already taking a look at a request for Irish aid. That question is being pushed very strongly by many Members of this body. It already has been pushed very strongly by Members of the House. There appears to be no money for Irish aid, at this moment in this budget.

Now let me comment as to whether there are other options other than those which I have described. Indeed the distinguished Senator from Arkansas has already mentioned the choice between assistance to South Korea or to our domestic immunization program.

He suggested the South Koreans are borrowing money at subsidized rates. I must point out to the Senator that in fact, if they borrow money, the South Koreans borrow it at market rates.

I might also mention that in the Budget Committee recommendation, the particular account from which countries may borrow at market rates—not at subsidized rates but market rates—was cut by \$1 billion. Given that curtailment by the Budget Committee, it is now uncertain that the South Koreans could even borrow at market rates in fiscal year 1987.

As a matter of fact, the support for South Korea being allowed to borrow at market rate comes from our desire for our own security. The United States and this body, the Senate, have on many occasions said we ought to have a presence in South Korea. If so, we ought to be secure in that presence. There is still, as a matter of fact, an aggressive force in North Korea, very close at hand.

I simply say to the Senator that many of us are very pleased that the South Koreans are prepared to borrow money at market rates to provide for the defense of their own country and for the interest that we have in trying to hold back communism in that part of the world.

The Senator might also look at the 150 account and suggest that we are taking too big a step in relation to embassy security this year. That program comes within the 150 account. The Inman Commission has suggested, that \$4 billion may be needed over the course of the next few years to strengthen our diplomatic missions in order to prevent the kind of disaster that occurred in Lebanon, to provide some security, at least, for the many personnel who are currently in unsafe circumstances. We shall be having additional hearings in the Foreign Relations Committee on this issue in the near future. We are trying to take a look at how that request can be shaped, at how the budget impact will be lessened.

In its recommendation the Budget Committee has already reduced very

substantially whatever commitment might be possible for embassy security in fiscal year 1987. They did so because we are facing a tight year.

Having cut back the military programs, the Budget Committee has also cut the other security programs within the 150 account.

The additional personnel that were requested by the Department of State this year were all to address the enhanced security program. Those additional personnel might have been provided somewhere else. Conceivably, the Department of Defense or Treasury or the account of another agency might have provided these personnel. However, they are in the 150 account. The embassy security proposal is part of this picture.

It will be argued by the distinguished Senator from Arkansas that after you put these figures together—either the original request or the truncated Budget Committee recommendation—the \$25 million would hardly be missed. I make the point, Mr. President, that it would be missed. We do not have the money presently to meet the foreign policy obligations of the United States of America. If, in fact, our foreign policy were not working well, if in fact, we were not making some headway throughout the world, I suspect that Senators would say perhaps we ought to be doing more.

It is ironic, I would argue, that at a time when there are many U.S. foreign policy successes, Senators are prepared to cut out not only the 14 percent recommended by the Budget Committee but to nibble away at the funding which remains in the account.

Mr. DOMENICI. Would the Senator from Indiana yield to me, Mr. President?

Mr. LUGAR. I am happy to yield.

Mr. DOMENICI. Let me ask the Senator if he would mind watching the floor for me for about 10 or 15 minutes. I assume he wants to make some further comments anyway.

Mr. LUGAR. Yes, Mr. President, I shall be pleased to do that.

Mr. DOMENICI. Mr. President, let me state the problem with this amendment from the standpoint of Senator BUMPERS' belief that somehow or other what we do today on the floor will have some kind of impact on the immunization program. I want to be as fair as I can to this process and to what happens later, but let me see if I can convince the Senator from Arkansas that his amendment is not going to do anything for child immunization. Then we might figure out some way to tell the Senate that we want the appropriators to seriously consider immunization.

I am going to try to explain. Most Senators, when they come down here and talk about this budget resolution, do not understand. If they listen, they just say, "Well, that is going to

happen some other time; I am not worried about it." But let me see if I can explain to my friend from Arkansas what is going to happen.

First, if he succeeds in taking \$25 million in budget authority out of the foreign affairs function 150—if he succeeds—this resolution will be in all other respects the same. Otherwise, his amendment would not be in order. There will be the same total budget authority for the appropriators after his amendment as before. The total outlays that we are going to be permitted to appropriate out of discretionary accounts is going to be exactly the same. If that were not the case, you would have to ask for revenues, and you have not.

When we leave the floor of the Congress with a budget resolution, a very interesting event is going to occur. We pass ours and Senator BUMPERS has his \$25 million switched. There would be nothing in this resolution about \$25 million for child immunization; there will only be another \$25 million in that big piece of Government that includes health care. That is the only change in this amendment. Then we are going to get the resolution conferred on in the House.

Finally, a resolution is going to go to the appropriators in the House and the appropriators in the Senate. That is where the Senator will get some additional immunization money or will not get it. It will have little or nothing to do with how we vote here this afternoon. The law we are now working under says the following: When that event occurs that I have just described, the appropriators in the U.S. Senate are now bound by statutory law to divvy up among the appropriating committees of the U.S. Senate that budget authority I just told my colleagues about, that big pot, and those outlays. Until they have assigned the budget authority in outlays to the appropriations subcommittees and published it—that is the new law—we cannot bring an appropriations bill to the floor.

Now, I say to my friend the chance of every one of these functions, including 150 and 550, the ones the Senator is concerned with, ending up in appropriations when they have assigned the money to the committees, the chance of it ending up exactly as it left here is—what would he guess? I would say 1,000 to 1. But there probably are some who would say there is no chance that they will end up the same way. They will decide whether there is more money needed for child immunization, with or without the amendment, than is prescribed for in that function.

Yes; they may have to go to the subcommittee of my good friend from Arizona and say, "We need some money from one of yours, and we are going to put it here."

Interestingly enough, the converse will happen, too. If the Senator succeeds tonight in doing this, again there will be nothing here about child immunization; but if the 150 foreign assistance function needs \$25, \$30, or \$40 million more than we left in this function, they will, in that deliberation, move it from one to another.

I will admit that if you get up into the billions—education added \$1 billion—it is pretty hard to say they are not going to leave some of that where we voted it. But \$25 million is not going to end up where the Senator from Arkansas tonight expects it to.

Frankly, I urge that the Senator work with us. We will do what we can. Perhaps we can even draft some language and put it in the resolution, saying that we do not believe the current level of funding for child immunization is adequate, that we hope the appropriators will understand what the distinguished Senator understands, and that they will consider additional funding. There is no way we can bind them, I say to my friend from Arkansas; but neither is there any assurance that if this amendment is adopted, he will receive \$25 million more in programmatic budget authority for child immunization.

We can carry this on. I want my friend from Indiana to know that there are at least three more amendments. Everybody thinks we ought to take from 150, put it in another one, and it is not going to be binding because the appropriators will have to allocate. But it is a very nice political plum, so long as they do not have the problem of foreign relations and foreign affairs for the United States. They can take \$300, \$400, or \$500 billion out of it, spread it around—and I am not saying that the Senator from Arkansas is doing this—and make it appear that it is going somewhere else, but we are not the least bit sure it will.

The Senator from Florida and I will cooperate on some language that we hope immunization is funded more in the appropriations process than at present levels, and not have to vote up and down on this amendment.

I yield the floor.

The PRESIDING OFFICER (Mr. PRESSLER). The Senator from Arkansas.

Mr. BUMPERS. Mr. President, first of all, I appreciate the eloquence and explanation of the Senator from New Mexico, the chairman of the Budget Committee.

What the Senator has just said applies not just to this amendment dealing with childhood immunization. It applies to virtually every amendment that will be offered here. If the amendment of the Senator from Ohio on maternal child care and WIC had been accepted, the Senate would have absolutely no assurance that the ap-

propriators would allocate the money he is asking for.

I understand the way the process works.

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

Mr. BUMPERS. I yield.

Mr. DOMENICI. There was one other major difference. That amendment added \$200 million in new taxes.

Mr. BUMPERS. I understood that, and that is the reason I did not do that.

Mr. DOMENICI. The other amendment says to the appropriators, there is \$200 million more to spend. The Senator does not say that. The Senator says, "I do not want to spend more money. I am asking that you take it out of foreign affairs for the purpose of this first go-round and put it in the health care program." I think the appropriators will make the decision, especially when the amount is small.

Mr. BUMPERS. The Senator is correct.

I did not want to ask the Finance Committee to raise taxes to finance this amendment, so I went through the budget, and I looked every place I could to see what kind of offset I thought would be appropriate to fund \$25 million.

However, before I get into that, let me also say that all we can ever do here on an amendment is simply send word to the appropriators. If the Senate speaks loud and clearly this afternoon that we believe funding the immunization program at \$56 million or \$57 million is not going to be enough in 1987, then we are saying to the appropriators, "When you get into funding discretionary health care programs, we want to make sure that you put in \$81 million for the immunization program? We are saying that \$56 million is not going to be enough next year.

If we do not do anything—if I pull my amendment down or if we insert some language in the RECORD—the chances are that it will be influential enough to get the job done. But it seems to me that everybody understands the meritorious nature of this amendment, and we ought to accept the amendment, so that the appropriators will have a message that they understand clearly. They will know the Senate has spoken on this issue. That is all we do in any amendment when we debate the budget. Nobody has any assurance here that because an amendment is adopted, that is going to be the way it winds up in appropriations.

Mr. President, when I first started debating this amendment, the Senator from Colorado was sitting in the manager's seat on the majority side. He made the point that there was about \$37.9 billion in the Domenici-Chiles budget for function 550; and the implication was, "What on Earth is the

Senator from Arkansas thinking about, asking for a paltry \$25 million for childhood immunizations, when there is already \$37.9 billion in that function?"

When you consider the funding for Medicaid and the other programs in this function, you will find that there is still, in the making up of this budget, only an anticipated \$56 million for childhood immunizations. Those were the assumptions. The committee started out with a baseline of \$38.4 million for current services. In other words, in order to maintain Medicaid and all the health programs in 550 in 1987, it would require \$38.4 billion—\$38.5 in outlays—and the committee recommend \$37.9 billion, or \$600 million less than that.

What does that mean? That means that next year we are going to be \$600 million under the level of current services.

The committee said that under discretionary health programs, which is where immunizations are located, the mark assumes that most discretionary programs will be frozen for 3 years—frozen—when vaccines are going up as much as 100 percent a year.

It said some additional funding above the freeze level is assumed in order to provide the Appropriations Committee with additional flexibility to allow increases for high priority programs such as the National Institutes of Health research awards.

Do you know how much money we are anticipating putting into AIDS research next year? The level this year is about \$192 million and I promise you it will go up \$30 million to \$100 million next year.

Where does that leave immunizations?

I can tell you this budget still assumes \$56 million for immunizations, the same level as this year. We were scared to death this year that we were going to have to get a fast supplemental passed through here just to take care of two relatively minor outbreaks.

I must say I do not want to start a roll here of people hitting foreign aid and I recognize the position of the chairman of the Foreign Relations Committee, and I respect it. He is doing an excellent job over there, and I understand his problem.

But I just say, on the floor, I am offended when I read Korea is asking for \$232 million in concessionary sales which means we borrow money, \$232 million, send it to them, and they do not pay a dime interest for 10 years. Yet we stand here quibbling about \$25 million, which is just about what the interest would be on that loan to them the first 2 years.

I do not want to get into that offset contest because I believe in foreign aid. I think it is in our national security interest to provide foreign aid in some cases. But nothing is more im-

portant to our national security than our good health and the health of our children.

So I have not asked for a tax increase. I have simply asked for a shifting of priorities to make sure that this program which has the highest benefit to cost ratio of anything we ever vote on is not underfunded.

Mr. President, I am going to ask for a quorum call unless the Senator wishes to speak.

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

I withdraw that request.

I ask unanimous consent that Senator Exon of Nebraska be added as a cosponsor of this amendment.

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

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

Mr. LUGAR. Will the Senator from Arkansas withhold?

Mr. BUMPERS. I am happy to withhold.

Mr. LUGAR. I thank the Senator from Arkansas for withholding that request.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, let me mention again that earlier in the debate I made the point that South Korea is not asking for concessional assistance. South Korea is prepared to borrow at market rates, which means they would pay back their loans at rates equal to what it costs us to borrow them. I appreciate that the Senator from Arkansas would be dismayed if the South Koreans were asking for concessional assistance. But they are not now, and they have not been doing so. As a point of fact I want to reiterate that point again.

Mr. President, the distinguished Senator from Arkansas has described this amendment as one that does not start a roll of amendments attempting to hit foreign aid. He has suggested that he has aimed at the 150 account instead of raising taxes.

Let me just say, Mr. President, whatever may be the problems in the 550 account, I have been describing the 150 account in which the Budget Committee has taken a hard look at our military security problems, the defense of our country, and has made some very tough judgments in this 150 account.

Let me point out once again for the record that the President of the United States and the Secretary of State have both commented on the needs of our country in terms of our defense in working with front-line countries. They have suggested security assistance of \$11.5 billion this year. That is their request. The Budget Committee has reduced this to \$9 billion, a \$2.5 billion reduction, and I have already pointed out that the vast

part of that is consumed by our obligations in the Middle East that come from the Camp David Accords.

Senators can argue whether we have that degree of interest in Israel, that degree of interest in peace in the Middle East. Senators can argue whether we ought to be worried about our military bases in the Philippines, Spain, Greece, Portugal, and Turkey. I can accept that as a legitimate argument.

As the distinguished Budget Committee chairman pointed out, there are at least four amendments that he has identified, all of which seek foreign aid as an easy target.

I fear, Mr. President, the supposition is that foreign assistance is seen by many Senators, many Americans as gifts to other people, as ways in which we help other economies when, in fact, the foreign assistance account is in a very straightforward, hardheaded program which enables us to help friendly countries be strong in their defense and strong in their democracies so that American troops do not have to be used in defending our security interests abroad.

It is in our interest that these countries remain free. It is in our interest that our alliances remain sound. This is the glue factor that helps hold the free world together.

The question should not be immunization or foreign aid. The question should be immunization and a peaceful world. That is the rationale behind foreign assistance. Using foreign assistance as an easy mark to find funds for other programs will not do, Mr. President.

There may have been a time when Senators, such as the Senator from Arkansas, took a look at the whole budget and miraculously came upon account 150 to find a source of funds for other programs.

I'm saying that 150 is not an easy mark. Senators who are looking at 150 are going to talk about Israel, the Philippines, Central America, Korea, and others. If Senators honestly want to come to the floor and suggest that we disrupt our alliances, that we renege on our obligations, that we do not want to defend the country while we are talking about immunization, then that's fair enough. That is the kind of argument that will have to be made and it is not an easy trick to simply come in and say \$25 million for immunization or \$50 million for some other worthy purpose. It will not do.

Mr. President, I want to continue this because I see no purpose in having one Senator after another survey the entire budget, and conclude that the 150 account is out there ready to be attacked, while our own children are not immunized. As the distinguished chairman of the Budget Committee has pointed out, nothing in this amendment is going to guarantee

the first shot of immunization. It is a bogus argument, and it sets the stage for a severe weakening of our national defense.

I am going to argue on each of these amendments so Senators better be prepared that if they are prepared to weaken our national defense, weaken our fight against terrorism, go head to head on aid to Israel or on the Philippines, then that's fair enough. But that should be the argument. The 150 account is not an easy mark any more and colleagues need to know that. If they deliberately want to invade that account with one amendment after another in a sort of a community chest effort, fair enough. But there will be consequences as Senators are asked to decide in terms of whether they want to weaken our embassy security or which country programs they want to reduce.

Now let me say, Mr. President, that I appreciate that foreign assistance may not be a program that Senators used to vote for, but last year 75 Senators supported foreign assistance—75, a strong bipartisan consensus.

Mr. BUMPERS. Senator, I was one of those Senators.

Mr. LUGAR. I thank the Senator for his support. And I would have anticipated the Senator would support that assistance because the Senator has been a farsighted person taking a look at our national goals and objectives. And I have no quarrel with the Senator's quest for immunization. As a matter of fact, as the Senator knows, I have supported, along with the distinguished member of the Foreign Relations Committee, a proposal to discuss at the summit with the Soviet Union the immunization of children throughout the world. My first emphasis obviously would be on children in this country. The distinguished ranking member, Senator PELL, is on the floor now and I applaud his leadership in that respect. We have an intense interest in that item.

But I wish that the Senator had not decided to frame an amendment that reduces the 150 account and, in my judgment, unravels what I think is very serious situation. As the Senator from New Mexico has pointed out, this amendment may be the forerunner of several others that we shall see.

Let me continue by mentioning that the Senator from Arkansas could have pointed out that the 150 account includes ways to bring information to people around the world. The 150 account includes more than military assistance to frontline allies. We also support USIA, Voice of America, and various other ways to get, some word behind the Iron Curtain to people who need information; These are debatable objectives, of course. Many have wondered how effective we are in spreading the word, how effective our books, our records, and our exchanges may

be. Some have questioned, I am certain, whether we ought to have exchange programs, and whether that is a legitimate objective. I think that it is. That program is included here and already has been cut.

The broadcast functions were cut across the board. As a matter of fact, the administration requested nearly \$1 billion. About \$800 million was in fact recommended by the Budget Committee. How we will continue the level of services there is not clear.

As the distinguished Senator from Arkansas has pointed out, he was looking for a level of services continued in the immunization front. The same case, unhappily, has to be made with regard to information functions throughout the world, quite apart from our military security aspects that I have mentioned.

The Foreign Relations Committee has supported the President and our Secretary of State. We have visited with members of the Budget Committee about these vital objectives. That committee has taken a look at the overall 150 account and cut each of these categories rather sharply, by at least 11 percent overall.

I visited with our distinguished Secretary of State George Shultz yesterday and he said, "Try to bring some understanding to your colleagues that we have a lot going for us in the world right now. There are a lot of people deeply interested in our foreign policy. A lot of folks, as a matter of fact, a lot of Americans who would like to have a good bit more security in our embassies and the representation of Americans around the world."

I would just say to the distinguished Senator from Arkansas that the Secretary of State is prepared to make the case for the full budget he requested. He and the President are deeply unhappy over the prospects of having to make so many choices against allies, with whom they are visiting as they head out to the summit conference in Tokyo. Nevertheless, the Budget Committee has suggested those levels. I would say to get into these kinds of arguments now in which we dismantle what is left of the 150 account seems to me not in the best interests of our country and our foreign relations.

I hope that the Senator would reconsider the particular course of action that he has adopted. I hope that he might work with the distinguished chairman of the Budget Committee on some *modus vivendi* out of this situation.

But let me just say, if he does not take that course of action, I clearly hope that we would not start down the trail of cutting the 150 account for every one of several causes that the people may bring to mind.

Mr. BUMPERS. Mr. President, I just want to take about 60 seconds to say

that I apologize for concentrating all of my speech earlier about the 150 function on Korea. The chairman of the Foreign Relations Committee has I think correctly made the point that the \$163 million credit to South Korea last year was technically not a concessionary sale. Nevertheless, it was a sale that had a 10-year interest-free provision in it—same thing by a different name.

Second, I do not want to be accused of Korea bashing. I have made the point here.

But you know the President wants to abolish the Eximbank. And I do not know whether I am going to fully support him, but I certainly will support a very healthy cut of \$500 million or so. There is \$1.1 billion in here. The President and I agree this program either ought to be terminated or cut very substantially. Certainly we could find this \$25 million in the Eximbank of \$1.1 billion.

Mr. President, in order to send a message to the Appropriations Committee that we want to make sure childhood immunization programs are fully funded, we are saying let us transfer one-twelfth of 1 percent of function 150 over to function 550 to make sure that we do not get into a crisis situation like we did this year.

I am prepared to yield back the balance of my time.

Mr. DOMENICI. Mr. President, I am prepared to yield back the balance of my time. In fact, I yield back the time in opposition.

Mr. BUMPERS. I yield back the balance of my time.

Mr. LUGAR. Mr. President, I move to table the amendment.

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

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Indiana [Mr. LUGAR] to table the amendment of the Senator from Arkansas [Mr. BUMPERS]. The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. SIMPSON. I announce that the Senator from Washington [Mr. EVANS], the Senator for Florida [Mr. HAWKINS], and the Senator from Idaho [Mr. SYMMS] are necessarily absent.

I also announce that the Senator from Maryland [Mr. MATHIAS] is absent on official business.

Mr. CRANSTON. I announce that the Senator from New Jersey [Mr. LAUTENBURG] is necessarily absent.

The result was announced—yeas 49, nays 46, as follows:

## [Rollcall Vote No. 80 Leg.]

## YEAS—49

Abdnor	Grassley	Packwood
Armstrong	Hatch	Pell
Boschwitz	Hatfield	Pressler
Chafee	Hecht	Quayle
Cochran	Heinz	Roth
D'Amato	Helms	Rudman
Danforth	Humphrey	Simpson
Denton	Johnston	Stafford
Dixon	Kassebaum	Stennis
Dole	Kasten	Stevens
Domenici	Laxalt	Thurmond
Durenberger	Long	Trible
East	Lugar	Wallop
Garn	Mattlingly	Warner
Goldwater	McClure	Wilson
Gorton	McConnell	
Gramm	Murkowski	

## NAYS—46

Andrews	Exon	Mitchell
Baucus	Ford	Moynihan
Bentsen	Glenn	Nickles
Biden	Gore	Nunn
Bingaman	Harkin	Proxmire
Boren	Hart	Pryor
Bradley	Heflin	Riegle
Bumpers	Hollings	Rockefeller
Burdick	Inouye	Sarbanes
Byrd	Kennedy	Sasser
Chiles	Kerry	Simon
Cohen	Leahy	Specter
Cranston	Levin	Weicker
DeConcini	Matsunaga	Zorinsky
Dodd	Melcher	
Eagleton	Metzenbaum	

## NOT VOTING—5

Evans	Lautenberg	Symms
Hawkins	Mathias	

So the motion to lay on the table amendment No. 1802 was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The Democratic leader is recognized.

Mr. LUGAR. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Democratic leader.

Mr. BYRD. Mr. President, I thank the Chair.

I take the floor at this time to inquire of the distinguished assistant Republican leader as to what the schedule will be for the rest of the day, particularly with reference to rollcall votes, what will happen on tomorrow, and what the program—

Mr. STENNIS. Mr. President, may we have quiet so the Senator may be heard?

The PRESIDING OFFICER. The Senate will be in order.

Mr. BYRD. I thank the Senator from Mississippi.

I also ask with reference to rollcall votes on Monday next and Tuesday, as far as he can see?

Mr. SIMPSON. Mr. President, in the absence of the majority leader, and in a rare burst of generosity, I think if I can propound this unanimous-consent request, I might be able to answer that question.

## UNANIMOUS-CONSENT AGREEMENT

Mr. SIMPSON. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 10 a.m. on Monday, April 28, 1986.

I further ask unanimous consent that when the Senate resumes the unfinished business, Senate Concurrent Resolution 120 on Monday, 25 hours be considered the remaining time for debate on the resolution.

I further ask unanimous consent that any rollcall votes ordered in relation to amendments offered and debated, motions to recommit or reduce the time, and appeals on Monday be postponed to occur no earlier than Tuesday, April 29, at 11 a.m., with the exception of procedural questions such as a motion to instruct the Sergeant at Arms and a vote on adoption of the concurrent resolution.

The effort there, I share with the Democratic leader, is that there would be no more votes tonight. We would lay down the DeConcini amendment, I believe. There would be no session on Friday if we reach this agreement; then, convening under these terms and no votes taken on Monday, but we will be, of course, in session. If anyone is concerned about not having time to offer an amendment, I suggest that they make arrangements to offer their amendment on Monday, because time will be running on the resolution regardless of whether or not amendments are offered during the session on Monday.

I find one other item of language to be included in the unanimous-consent request regarding the Budget Act rules:

And all provisions of the Budget Act regarding floor consideration of amendments shall remain in full force and effect.

With that, I share with the Democratic leader, it is the intention of the leadership to proceed on that basis if that is acceptable to all.

Mr. BYRD. Mr. President, I see a note here which comes from Mr. MELCHER. He would like 30 minutes, equally divided, prior to any vote on his amendment on Tuesday. I think the managers could give time off the resolution and assure him of that.

Mr. DOMENICI. I do not understand the request.

Mr. MELCHER. Reserving the right to object, Mr. President, will the distinguished Senator from Wyoming yield?

Mr. SIMPSON. Certainly, Mr. President.

Mr. MELCHER. I can see where we might be in a position where we would not complete all amendments. I do not want much time on the amendment and I am prepared to offer it early Monday morning, when we start. I only request before we have the final

vote on the amendment, which would have to occur on Tuesday, some time to discuss what the amendment is about prior to voting on it.

Mr. DOMENICI. I say to my good friend, he ought not to have any concern. We ought to be able to accommodate him. I am reluctant to have unanimous-consent requests of that order. I do not know the scope, but at this point, I see no way we could not accommodate him. He would have an hour on his amendment, an hour on opposition. We just would not use all the time when he brought it up and later in the day, we would accommodate him.

Mr. MELCHER. Reserving the right to object, that is my thought. No use in using the 2 hours.

Mr. CHILES. Reserving the right to object, I trust this means that time we are burning off would be equally divided.

Mr. SIMPSON. That is the intent.

Mr. KENNEDY. Reserving the right to object, I have a question regarding what the chairman and the ranking member stated about consent agreements. As the floor manager knows, we have been here since 11:30 prepared to offer our Medicare amendment. I shall not object to this agreement, but what I would like to do is ask unanimous consent that we lay this down after the final vote on Tuesday morning that we will have as a result of consideration of the amendments on Monday.

I would be more than glad to enter into a half-hour time limitation. This is on the Medicare amendment. I have talked the amendment over with both the chairman of the committee and the ranking minority member of the committee. I would like to be able to get those assurances.

Mr. HEFLIN. Reserving the right to object, Mr. President, would the Senator from Wyoming tell us now, his unanimous-consent request means that starting on Monday or Tuesday, there would be 25 hours remaining. How many hours have we used up of the 50 now?

Mr. SIMPSON. Mr. President, the Parliamentarian could share with us the amount of hours remaining at the present time. I inquire about the time unexpired.

The PRESIDING OFFICER. There is a total of 33 hours 46 minutes; 16 hours and 6 minutes for the majority; 17 hours and 40 minutes for the minority.

Mr. HEFLIN. Thirty-three hours of what is remaining?

The PRESIDING OFFICER. Thirty-three hours and forty-six minutes total.

Mr. HEFLIN. I would have some hesitancy about giving up 8 hours—that is more than 8 hours—and to start on Monday. There have been

some times on amendments that we have run out of time on these things.

Mr. SIMPSON. Mr. President, if the Senator from Alabama would yield, there is an alternative. That is to run that time tomorrow. The intent of the unanimous-consent request is that we would be out of session tomorrow and begin on Monday at 10 a.m. with 25 hours to be considered as remaining on the budget resolution. We can run it in the more formal fashion if that is the wish of the body. That would mean a session tomorrow.

Mr. DOMENICI. Would the distinguished acting majority leader yield to the Senator from New Mexico?

Mr. SIMPSON. I yield.

Mr. DOMENICI. I might say to my friend from Alabama, that this is the sixth time I have been through this as manager. If we start on Monday with 25 hours remaining, it will not be that 25 hours and the current state of things that will cause anybody to have any trouble with amendments. Nobody can promise what happens that last half-hour, but we do not have enough amendments that I know if, if we were to take them all, to use the 25 hours. I think there is more than adequate time.

Incidentally, to the Senator from Massachusetts, I want to agree with him shortly, as soon as this colloquy is over, that we can accommodate him.

Mr. HEFLIN. I wonder if we might just settle on 26 hours.

Mr. BYRD. Mr. President, who has the floor?

Mr. SIMPSON. The Democratic leader.

Mr. BYRD. Mr. President, will the distinguished Senator from Alabama be willing to accept the 25 hours that are in the request with the proviso that instead of coming in at 10 o'clock on Monday, we come in at 11? That is the same thing except we get to come in 1 hour later.

Mr. HEFLIN. I think that is all right. I would be willing to accept that.

Mr. SIMPSON. Mr. President, the unanimous-consent request is amended accordingly.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Reserving the right to object, and I do not intend to object, could I just get assurances from the leadership that after you dispose of the votes on Tuesday morning—as I understand it, you intend now to vote on Tuesday morning, when we come in, on the amendments that have been proposed on Monday—after those votes are concluded, we would be recognized to consider the Medicare amendment which I will offer with the Senator from Pennsylvania [Mr. HEINZ]. I indicate now I would be quite willing to engage in a time limitation of 40 minutes equally divided.

Mr. SIMPSON. Mr. President, I yield to the floor manager for a response to the request of the Senator from Massachusetts.

Mr. DOMENICI. Let me say to the senior Senator from Massachusetts, we will do that rather than to get a unanimous-consent request. The reason is there may be one of the amendments we plan to vote on that day that is finished but there may be one there is 15 minutes left on. I do not know whether the Senator would like us to then leave that alone and go to his. I think we could work that out. My purpose is as soon after the vote that is prescribed, which will at least be a vote on the DeConcini amendment, perhaps more, as soon after that as possible the Medicare amendment of the Senator from Massachusetts will be next.

Mr. KENNEDY. I thank the Senator from New Mexico. With those assurances, I certainly will not object.

The PRESIDING OFFICER (Mr. HUMPHREY). Is there objection?

Mr. HEFLIN. I understand that the acting majority leader amended the unanimous-consent request?

Mr. SIMPSON. That is correct, Mr. President.

Mr. HEFLIN. I have no objection.

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

Mr. BYRD. Mr. President, if I may ask another question of the distinguished assistant Republican leader, how late will the Senate be in this evening?

Mr. SIMPSON. Mr. President, I yield to the Senator from New Mexico, the floor manager, for the response.

Mr. DOMENICI. Let me respond as best I can to the distinguished minority leader. The amendment that will be called up next is the DeConcini-Abdnor amendment. I do not think they necessarily want their full hour, so I would think that we do not need over 15 or 20 minutes. After that I have nothing further on the pending resolution. It would be up to the leaders as to what transpires thereafter.

I would like to make this statement while I am on my feet. We have just approved a unanimous-consent request that says we go back on this bill at 11 o'clock on Monday. There are a number of amendments that are ready and a number of Senators who are ready to offer them. We are going to run the time as required under the Budget Act starting at that hour. If there are Senators in town who have amendments, we would like them to bring them up. We are not even going to insist that they use all their time that day. They may want to reserve a few moments. But if we could get the amendments up and start to stack them in an orderly manner, the chances of us running into the problem that the Senator from Alabama

raised are certainly minimized. So we do not intend to do nothing on Monday. If no one proposes amendments, we will use up 6 or 8 hours of the remaining time.

Mr. SIMPSON. Mr. President, I thank very much the Democratic leader for his assistance in resolving this matter for purposes of our planning. For the information of Senators, as I say, time on the budget resolution will begin running at the appointed hour, and I certainly urge the presentation of amendments on Monday. I hope that might take place. Mr. President, I would think, depending on the disposition of the DeConcini amendment, that we would get out soon thereafter, with a wrap-up as soon as possible.

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

Mr. SIMPSON. Mr. President, I will announce that there will be no more rollcall votes this evening.

#### CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1987

The Senate continued with the consideration of the concurrent resolution.

##### AMENDMENT NO. 1803

(Purpose: To increase budget authority and outlays for fiscal year 1987 for functional category 750 (Administration of Justice))

The PRESIDING OFFICER. The Senator from Arizona.

Mr. DECONCINI. Mr. President, I send an amendment to the desk on behalf of Senator ABDNOR, Senator ZORINSKY, Senator BENTSEN, Senator WILSON, Senator MELCHER, and myself and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arizona [Mr. DECONCINI], for himself, Mr. ABDNOR, Mr. ZORINSKY, Mr. Bentsen, Mr. WILSON, and Mr. MELCHER proposes an amendment numbered 1803.

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

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

The amendment is as follows:

On page 2, decrease the amount on line 19 by \$63,000,000.

On page 5, decrease the amount on line 10 by \$63,000,000.

On page 7, decrease the amount on line 12 by \$163,000,000.

On page 7, decrease the amount on line 13 by \$84,000,000.

On page 23, increase the amount on line 2 by \$200,000,000.

On page 23, increase the amount on line 3 by \$168,000,000.

On page 24, decrease the amount on line 2 by \$100,000,000.

On page 24, decrease the amount on line 3 by \$84,000,000.

Mr. DECONCINI. Mr. President, we just had a vote on an amendment that would take some funds out of the foreign operations account. It was a very close vote. I want to begin debate on this amendment with the assurance to the Senator from Indiana, the chairman of the Foreign Relations Committee, that this is a very important subject to me as it is to him. I realize that he has a grave obligation which he certainly satisfies in defending foreign operations and foreign assistance. I, too, as with the Senator from Arkansas, have not willy-nilly just jumped on this account. It seems to me that we have some big problems in the United States to deal with terrorism, and indeed foreign operations has to play some role.

Mr. DOMENICI. Will the Senator from Arizona yield to the Senator from New Mexico for a moment?

Mr. DECONCINI. I will be glad to yield.

Mr. DOMENICI. Mr. President, I designate the Senator from Indiana [Mr. LUGAR] to manage the bill in my stead until I return.

Let me say to my friend from Arizona, I am fully aware of the exceptional needs in the drug prevention areas that he alludes to. I wish I could support his amendment but, frankly, I do believe that we ought to find some place else to save the money. I am not inclined to support further reductions in international programs. The same arguments hold that held an hour ago when the Senate debated the Bumpers amendment.

I want to tell the Senator from Arizona in advance I support him on most of the areas. We are joining together in a task force. In fact, we have asked the President to see the border State Senators about this issue of increased drug traffic coming into our country and our border States from Mexico. I want to assure him I will continue working with him in all these areas.

Incidentally, the border facilities are a disgrace to the United States except for one new one which I believe is in the Senator from Arizona's State. Both of us have gone down to the border and have seen the deplorable conditions in which our customs officers and our immigration officers are working. There is one facility in El Paso, TX, that probably, if it was anything but a facility of the U.S. Government, would be condemned. If it was anything other than a Government facility, one of our laws on occupational safety would close it down. It has one restroom for 45 employees, including men and women.

We ought to fix these facilities. They are an embarrassment. Frankly, I do not believe we can do it in the way the Senator is suggesting tonight, and I want him to know that in advance.

Mr. DECONCINI. Mr. President, I thank the Senator from New Mexico. I wish he was going to stay here, because I was going to say some nice things about his cooperative effort on the drug issue. I will say them anyway.

The Senator from New Mexico is correct. He has helped a great deal and has been a leader in law enforcement with respect to the drug traffic problem. My argument is not with the Senator from New Mexico or the Senator from Florida. But there comes a time when we have to stand up and take a stand.

Mr. President, while recent international events have turned the attention of most Americans to Libya, the Middle East, Frankfurt, Heathrow Airport in England, and other places, there has been a growing realization right here at home that this country is threatened by a national security problem at our own borders. I am talking, of course, about the narcotics trade that is becoming increasingly dangerous, particularly along the southwest border of the United States.

To a great extent, this problem exists in the Southeastern part of the United States; but a very aggressive, coordinated, funded effort—pushed by Congress, by the way and with the help of the military—has made some inroads in stopping the traffic of drugs into the Southeastern United States. By no means should we relent in that effort. At the same time, the southwest border has taken its licks in what is becoming the worst history of drug trafficking in the Southwest that I know of. The time has come to shift our eyes back home for a moment and focus on the growing drug trafficking threat to this country and how we can build our defenses against the drug menace.

Mr. President, the amendment that I am offering today with my good friend from South Dakota, Senator ABDNOR, would ensure that we have solid drug interdiction manpower levels in place in the Southwest and all along the southern tier, particularly in the U.S. Customs Service—our frontline drug interdiction agency. Our amendment would add \$200 million to function 750: administration of justice, to provide additional resources for the U.S. Customs Service and other important law enforcement agencies that would be severely damaged if held to the budget resolution's post-Gramm-Rudman-Hollings freeze level for another year. Specifically, it is the intent of our amendment to restore \$115 million to the U.S. Customs Service accounts; \$45 million to the Bureau of Alcohol, Tobacco, and Firearms; \$35 million to the U.S. Secret Service; and the balance of \$5 million to other high-priority law enforcement initiatives in the other law enforcement agencies covered by function 750.

In order to make the amendment outlay neutral, we have offset the increased funding for function 750 by reducing function 150—International Affairs by \$163 million in BA and \$84 million in outlays; and by reducing function 800—General Government by \$100 million in BA and \$84 million in outlays. The outlay neutrality of our amendment has been confirmed by the Congressional Budget Office.

Mr. President, the primary intention of this amendment is to allow sufficient room within function 750 to accommodate an increase of approximately \$115 million over current levels for the U.S. Customs Service. This would allow the agency to restore the cuts imposed both by the Gramm-Rudman-Hollings March sequester and the President's fiscal year 1987 budget.

If we fail to grant Customs this increase and are forced to live with the budget resolution target, the agency will have to fire 1,800 personnel in fiscal 1987—the largest personnel reduction at Customs since President Reagan took office. This cut could not come at a worse time in our effort to combat drug smuggling along our borders, particularly the Southwest.

For example, Customs intelligence sources reveal that Mexico is rapidly becoming a major drug source and transshipment country for the trafficker looking for U.S. markets. Now over 33 percent of all heroin consumed in this country is grown in Mexico and over 30 percent of the cocaine is now being shipped through Mexico into the United States. Furthermore, Mexico is now in a "dead heat" with Colombia as the No. 1 supplier of marijuana to the United States. If the cuts imposed under this budget resolution are allowed to go forward, our defenses along the Southwest border to combat this growing threat will be drastically wounded.

In addition, we should not lose sight of the fact that the Customs Service is our second largest revenue agency, bringing in over \$14 billion a year in revenue to the Treasury, with an estimated 20-to-1 ratio of revenues brought in to staff dollars spent—higher than the IRS. So, we need this amendment to give the Customs Service the tools it needs to fight drugs and to enforce our tariff and trade laws.

Mr. President, another agency that would be hard-hit by the provisions of the budget resolution would be the Bureau of Alcohol, Tobacco, and Firearms—an agency that is deeply involved in our antiterrorist effort here in the United States. This small but important agency has a solid track record of making good cases against major weapons and explosives traffickers here in the United States, and their contribution to our domestic antiterrorism effort is significant. If our

amendment fails, this agency will suffer personnel cuts of 650 positions—a sharp blow to our law enforcement effort here at home.

Finally, the U.S. Secret Service has critical responsibilities both in its protective mission for the President and other top officials, and in law enforcement investigations that affect our antiterrorism campaign here in the United States. The Secret Service is a critical cog in our antiterrorism, antiweapons, and explosives law enforcement team and would lose at least 350 people if our amendment fails today. We need to bolster—not cut—this important law enforcement agency.

Mr. President, I do not take lightly the offsetting cuts in foreign aid and general government. All budget functions are in tough shape with respect to the moneys that are available for them. We have critical international obligations to Israel and Egypt—as the Senator from Indiana pointed out before the last amendment—as well as other allies who are our friends. This amendment would not cut aid to Israel or Egypt. Let me restate that. This amendment would not cut aid to Israel or Egypt. I want to make that very clear, as clear as I can.

In short, the amendment is very clear. The unequivocal intent of this amendment is to reduce the administration costs associated with State Department operations and other low priority activities in function 150 and that no reduction whatsoever shall be made in aid to Israel or Egypt. I trust that the legislative history on this amendment will reinforce the clear intent of no cut in aid to Israel or Egypt.

The small saving of \$163 million in international affairs could be and should be absorbed in other low priority areas, such as State Department staffing and administrative costs for running our myriad of foreign aid programs. For example, the State Department wants to spend \$421 million next year for "administrative and staff activities." This is not for security and antiterrorism. This is for administrative and staff activities. A rollback of that funding to fiscal year 1985 levels would save nearly \$80 million—almost half of our reduction.

At the same time, the general government function includes Congress; the Office of Management and Budget; the General Services Administration; and other executive branch functions that could be trimmed by \$100 million in fiscal year 1987. For example, an amendment that Senator HUMPHREY and I sponsored last year and which was signed into law April 7 by President Reagan in the omnibus reconciliation bill would save \$50 million in 1 year in the operation and management of the Federal motor vehicle fleet—a fleet by the way that

contains over 400,000 vehicles, automobiles, trucks, and limousines. By using the private sector and some creative thinking at the agencies, we could save more than half of the \$100 million reduction in just this one management program in the Federal Government.

Mr. President, this is an amendment that adjusts priorities. Pure and simple it says we need to fight drugs here at our borders more than we need to spend these additional amounts on State Department bureaucracy or general government activities. It says that drug interdiction is really important, not the stepchild of law enforcement as some in the administration view it. It says that we are going to get together and get tough on domestic terrorism and set up our defenses against drugs and terrorism before the threat gets any worse and comes knocking right at our door, not after we suffer our first major tragedy here at home. It is a responsible amendment; it does not impact the deficit; and it should be approved by the Senate.

We have not asked for any new revenues. We are asking for a shift in funding priorities.

I hope that the Senate will vote in favor of this amendment.

Mr. ABDNOR. Mr. President, I am very pleased to be a cosponsor of this amendment with my good friend, the Senator from Arizona. The Budget Committee has tackled a difficult task and has given us a resolution which freezes almost all domestic spending at the postsequester level.

I believe the Budget Committee has made a fine effort to meet a difficult target, however, a freeze will impose a hardship on three law enforcement agencies which my appropriation subcommittee funds. Senator DECONCINI and I have strived for the last 5 years to fund the U.S. Customs Service, the U.S. Secret Service, and the Bureau of Alcohol, Tobacco, and Firearms at levels we felt necessary for these agencies to do their jobs. Quite frankly, I think we should have done more but we have done what we can to hold the budget line.

If the Senate insists on freezing these accounts, I believe we are making a mistake. The Customs Service is the front line in our fight against drugs. It makes more sense to me to try to stop it before it gets into the country rather than to spend money once it is on the street. Drugs are only one issue. Customs is charged with the day-to-day processing of passengers and cargo. Frankly, there probably is not a Member of this body who has not heard a complaint about how long it takes to get through an airport or how long it takes to get cargo processed. I can tell you that employees are a hard working group,

but quite frankly there are not enough of them.

The Congress approved funding for almost 500 new positions in last year's appropriation. None of these positions plus approximately 250 other openings have been filled because of the sequester. If Customs is funded at the current level, its ranks will be reduced by at least 700 more positions in the next year. That means that processing will slow and quite possibly ports will be closed or at the very least see reduced hours. I know from my conversations with many Senators that they are opposed to that. I could go on, but I think you all see what I am talking about.

The Bureau of Alcohol, Tobacco, and Firearms is also going to suffer and it will impact on revenues. ATF is charged with collecting alcohol and tobacco excise taxes. We have continually given them more responsibility and have insisted that they do it with fewer personnel. ATF collects nearly \$12 billion a year in taxes and there is more out there to collect. A freeze will continue at the very least; a hiring freeze, if not further staff reductions. As a result ATF will be strapped.

The Secret Service does not collect revenues or fight drugs, but it fulfills several functions important to the Nation. The obvious role the Secret Service fills is protection of dignitaries. The Service is also charged with protecting the Nation's currency and is very active in fraud dealings with credit cards, food stamps, and other schemes affecting the Treasury. Failure to fund the Service would slow investigations, cost the Treasury money and prevent the Service from its preparation for the upcoming Presidential campaign.

I have touched briefly on what impact the freeze would have on these agencies. I do not believe we want this to happen. To do this we are proposing to take \$163 million in budget authority and \$84 million in outlays from function 150, international affairs and \$100 million in budget authority and \$84 million in outlays from function 800, general government an increase function 750 administration of justice by \$200 million in budget authority and \$168 million in outlays. The Congressional Budget Office has reviewed this amendment and has indicated that this amendment will result in no outlay impact.

Specifically, this amendment will provide the Customs Service with \$115 million in budget authority; the Secret Service \$35 million in budget authority; and the Bureau of Alcohol, Tobacco, and Firearms by \$45 million to provide enhanced domestic law enforcement. We cannot afford large personnel cuts this freeze will cause.

I cannot think of a more necessary amendment to be offered to this budget resolution.

We all know the work that Customs; Alcohol, Tobacco, and Firearms; and the Secret Service provide for this Nation. It is imperative that we keep them at a working level so they can do the job that we have assigned them.

Once again let me tell you that every year that goes by we are adding more duties, responsibilities, and requirements to each of these agencies. They are an important arm of Government.

In most cases they do a great job of collecting revenue. The more we cut them back, the less revenue will be coming into Government.

We certainly urge Senators' positive consideration of this amendment.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I rise to oppose the amendment offered by the distinguished Senators from Arizona and South Dakota.

The distinguished chairman of the Budget Committee has indicated in preliminary remarks on this amendment that the Senate has just considered a worthy amendment by the distinguished Senator from Arkansas asking for \$25 million for additional immunization. The point that the Budget Committee makes is that offering that kind of amendment does not bring about one inoculation more than we now have. The effect is null because, we cannot provide, cannot authorize and appropriate in a budget resolution.

I think Members generally understand this fact, although I appreciate that many Senators coming to the well during the last debate felt that they were voting for immunization. Some may have felt that foreign aid was as good a target as any to hit for a worthy cause.

I tried to make the point in the debate on the last amendment that we have a series of worthy causes. Fighting drug abuse is certainly one of them. I do not know of a single Member in this body who does not want to fight drug abuse, does not want to fight drug peddlers and smugglers and the whole lot.

Indeed, I have no doubt money will be appropriated, substantial sums to fight these battles. The distinguished Senator from South Dakota is objecting that somehow the amount to fight drugs has simply been frozen at previous levels. In order to address that situation, the proponents of this amendment has decided to go after foreign assistance, the 150 account.

We have already substantiated, Mr. President, that the 150 account has not been frozen at last year's levels. Anybody generally interested in this account would appreciate that the President of the United States asked for \$23.7 billion for the 150 function. The Budget Committee has provided after its deliberations \$18.3 billion, a

cut of \$5.4 billion from the Presidential request.

Now, the President's request was not out of thin air. The President's request reflects obligations around the globe. We have to defend ourselves. We should be prepared to help others who want to help defend us. I think that is an important objective.

Let me just say, Mr. President, that I note that the proponents of this amendment have changed their tune from the time that they wrote to their colleagues with regard to this amendment. At that time, they suggested that the foreign assistance programs of the 150 account, might be reduced by \$163 million. They suggest in the final paragraph of their "dear colleague" letter, dated April 22, 1986, these words:

We cannot afford these drastic personnel cuts in our front-line enforcement agencies that play such a role in our antiterrorism, antidrug, anti-explosive and weapons programs here at home. On the other hand, the offsetting cuts to foreign aid and general Government can be accomplished without jeopardizing our important foreign assistance efforts or essential general governmental programs.

They stated categorically that we will not affect those important obligations at all in making these transfers.

As a matter of fact, after the distinguished proponents of the amendment heard the first debate today, they have decided that this amendment is vulnerable if it affects Israel and Egypt. They want to make sure now that the Israeli-Egyptian situation is clearly understood to be off limits. We are almost facing earmarking within earmarking.

It appears the distinguished Senators appreciate that taking after Israel is an interesting argument but not one they want to address today. It is conceivable they might not want to debate the base rights issue either. They might not want to debate embassy security. In fact, as they have listened to the debate on the first amendment, they have decided that the assistance programs in the 150 account may not be so easy a target after all. This country has foreign policy obligations. We have alliances. We prefer other people help us preserve our security. That is what our foreign assistance is all about.

So where do they land? Have they refocused their attention? On the State Department. They suggest, "There is your target, the State Department sitting overseas with diplomats, employees, persons just carrying on general functions of Government."

But those are the people that might be fired because of these cuts. There is just not that kind of money sitting in the State Department.

Mr. President, the request for the State Department for fiscal year 1987 including the enhancement of security

for that Department—we are talking about our embassies abroad—was \$3.8 billion. The Budget Committee cut that request by \$1 billion.

Now, you cannot have it both ways. The proponents of this amendment have tried. As a matter of fact, if you want to cut the embassy security request, say it. That is what you are proposing. The billions supposedly to come out of the State Department budget have already been cut. Diplomats are being laid off. Senior diplomats are on the line and are being retired before they get to the age of 65. As a matter of fact, if they are passed over, they are out.

Now, Members may be beguiled into voting for an easy cut, but you really need to know that the argument is going to be made this time that you are going to be hurting America's security. I appreciate the need to fight drug abuses. I wish there was more funding available for that fight. But I also wish the Budget Committee had not reduced foreign assistance by over \$5 billion, had not reduced the State Department by \$1 billion. That was not just a freeze but a real hatchet job.

I am here not to argue against your trying to restore funds that I think legitimately could be restored. I am here with the finger in the dyke trying to stop people from running over our foreign assistance and what is left of the State Department budget at this point.

Now, it may have been good politics in the past to cut foreign assistance. I do not think that is true any more. That is why I am going to make this argument vigorously each time a Senator rises to offer what seems to be an appealing transfer amendment, whether it is relating to a health, education, welfare affair, drug abuse, or other programs.

But I would just say to my colleagues, if you have such an amendment, be prepared to discuss it in terms of America's security. Be prepared to describe why your cause has somehow fared worse than America's security has already fared, as exemplified in this particular 150 account.

I have gone through this litany before and I will not do it again but, as a matter of fact, when we come to foreign assistance we are really talking about Israel and Egypt. We are talking about five bases overseas. We have got just \$200 million left for everything else and we have not even touched the Philippines. We have not touched Irish aid. I frankly do not know whether Irish aid ought to fly or not. It has not yet come out of our committee. The Speaker of the House wanted it very badly. But I must tell the Senators, there is no money presently there for it.

There is no money for a lot of things. There is no funding to do the

things we need to do for Pakistan, and for our obligations in Afghanistan, and for Cambodian freedom fighters, or for anything in Latin America, given this current budget.

I would advise the Senators that if there are emergencies in this world, we are going to have to come back for supplementals to try to address them. I would also suggest to Senators, since we have become very worried about terrorism around the world and the security of Americans abroad, there may be some sentiment on another day, another cause for funds for this cause. But I would ask Senators to forbear from offering one amendment after another hitting the 150 account. Although it used to be an easy mark, I do not think Americans are going to stand for that approach any more. Americans are going to want to know who it is that is attacking our security programs.

I would just say to Senators you may think it is good politics to offer these amendments, but I think there are consequences to doing that. I think it is irresponsible to come after the 150 account and then, having invaded the 150 account, to begin to alter your arguments looking for the easiest spot left in the 150 account. That approach has only run smack up against the issue of embassy security.

Now, if the proponents of this approach are seriously talking about taking \$180 million out of what is left of the payroll of the State Department, fair enough. Detail how many people you want on the pavement. Make that argument, fair and square. But do not tell us in a dear colleague letter that our national security programs will not be touched.

I would just say, Mr. President, that if I take this amendment seriously—and I sound like I do—you are right. I suppose I had hoped that this amendment would not be offered after we made these arguments once before on a very appealing amendment, immunization for children. It is interesting that these amendments bring Senators to the well with the bogus argument that they are choosing immunization for children as opposed to foreign giveaways. But it is not so easy, Mr. President. At least 49 Senators said we are not going to buy that kind of argument anymore. You cannot just wreck our foreign policy by offering an appealing community funding argument, particularly when you offer it, and it will not really inoculate a single additional child.

Mr. President, I hope Members will reject this amendment. I hope they will reject each similar one that follows it. I hope that at least there will be something left of our foreign security programs after we have completed the budget process.

Mr. President, I yield the floor.  
Mr. PELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I support very strongly and heartily the eloquent words of our chairman, the Senator from Indiana. He has expressed the problem here clearly for us all. We should bear in mind that the 150 function of the budget has already taken an 11 percent cut below the sequestration levels mandated under Gramm-Rudman. These cuts as recommended by the Budget Committee are the sharpest of any function of the budget. In other words, it has already been cut not to the bone but to the marrow.

Last year the Foreign Relations Committee reported a foreign aid bill for fiscal years 1986 and 1987, the first time this has been done in 4 years. That bill passed the Senate on an overwhelming vote of 75 to 19, and subsequently became law.

Currently, the President is urging \$4.4 billion for embassy security enhancement, a quarter of billion dollars for Irish aid, \$100 million for the Contras, and just yesterday he submitted a supplemental request of \$150 million for the Philippines. I do not see how such requests can be met in a sensible way while the 150 function, already 11 percent below a freeze bill, would be reduced another \$163 million if this amendment is adopted.

As far as drug control goes, as the Senator from Arizona knows, I am very much interested in that. I was an original cosponsor of the Senate Drug Commission. I held a hearing in my own State of Rhode Island on the importation of drugs because they have now moved from the Southeastern portion of the United States up to, I regret to say, the Northeast.

I think the functions and responsibilities posed by the Senator from Arizona are important ones, and ones that should be carried out but not carried out at the expense of the State Department which really is our first line of defense. Our Foreign Service must bear the brunt of the battle overseas. They are the ones who actually bear the brunt of the dangers. They are the ones when it comes to hostile times who suffer the most.

I believe I am correct in saying that there were more Foreign Service officers and diplomats killed in the last 25 years than there were generals and admirals in two wars—Korea and Vietnam. These are the kinds of statistics we should bear in mind, especially as terrorism spreads across the globe.

I hope the 150 function will be left alone, and, if the programs advocated by the Senator from Arizona are to be supported let us find some other source of funds. Maybe it would be a good idea to offer an amendment suggesting that money be taken from the Defense Department.

So for all of these reasons I hope that my colleagues will support the tabling motion when it is offered, and I remind them of the overwhelming support that the basic foreign aid bill received only 1 year ago. I hope that sense rather than emotion will prevail in this important matter.

Mr. DeCONCINI. Mr. President, these debates are really of interest to me. Certainly the Senator from Rhode Island, who has been here far longer than I have, and the Senator from Indiana has been here the same time know these issues. But all of a sudden foreign aid is national security. Now we have cloaked foreign operations and billions of dollars, some to friends, some to enemies, as "national security." In my opinion if it is national security you want to talk about—drug trafficking is a greater national security threat.

If you want to fight and take anything away from foreign aid, boy, you are hurting our national security.

I wonder how many people know that since 1980 to 1986 discretionary foreign operations spending has grown from \$7.6 to \$14.4 billion; an 89 percent increase.

Some say that is for foreign security, national defense. We know better. This Senator is prepared to stand with anybody on the necessity to influence a peaceful settlement in the Middle East. This Senator has stood firm with Israel and Egypt. This amendment does nothing to touch it. The Senator from Indiana knows that.

Our aid to Israel and to Egypt is \$5.2 billion; \$3.1 billion is for security assistance, including \$2.1 billion for base rights items. That is an \$8.3 billion subtotal, leaving \$10 billion to absorb a cut of \$163 million. You want to talk about national security. Where is it? It is on our U.S. borders today.

Sixty percent of the cocaine that is coming into this country is flying across our Southern borders, all the way from Florida to California. If we cannot find \$163 million out of \$10 billion left in to combat drug trafficking, then we are not serious about national security and national defense. When we have increased it 89 percent in the last 6 years, there is something wrong here. There is something wrong with your priorities.

Are we interested in our borders? Are we interested in stopping drugs? Hear is a chance, folks; here is a chance to do something about it.

Let me say that we did not take all of this out of the 150 international affairs function, realizing that there are needs there, and this Senator supports many of them, particularly Israel; Egypt; antiterrorism and security. The Senator from Indiana knows where this process is going to go after this budget is passed. It will go to his committee and to the Appropriations Committee. Senator ABDNOR, and

myself, Senator ABDNOR being the chairman of the Treasury subcommittee that I am ranking member on, has the general government area of jurisdiction. We took \$100 million out of there. So we are not picking on anyone. If we are, we are picking on ourselves, our own turf, so to speak.

We are prepared to do that because we think that the priority insists that we do something about this drug problem; that we do it this year; that we do not put it off; that we stand up, and that we not be afraid to do it.

The Appropriations Committee is going to make the decision of how many staffers the State Department really needs when it comes to appropriating some of that money. I think that is a proper place for that decision to be made.

I do not know about other Senators. But I think the State Department has ample staffing. They do a good job. I am not here to criticize them. I am here to say that we can save money in those administrative accounts.

Certainly it is hard to justify an 89 percent increase in foreign operations appropriations over the last 6 years. In the little bit of time that I have been in this body, if anybody had proposed a 12-percent increase in foreign aid as President Reagan's budget did when it was sent up here, there would be petitions to impeach any other President.

Here we have now decided that, well, it is national security. So anything goes under national security. Well, I am talking about real national security. I am talking about drugs on the streets of Phoenix, AZ. I am talking about the drugs on the streets of Indianapolis, IN, and I am talking about the drugs on the streets of any city in this country.

It comes from our south. That is our line of defense. Our security starts there, and not just overseas.

The Senator from Arkansas points out so well that there is a \$232 million market rate loan, or concessionary loan to South Korea. When are the people of this country going to get a chance to see that money. It is spent with an ally that is ripping us off because they are better at the international trade than we are. We have a horrendous deficit with them. If we cannot find 2 percent out of the \$10 billion that is left in function 150, we are not very good at our jobs. I think we could do that.

National security is important. Foreign assistance has to play a role in it. Base rights are important, and what have you. But so is our national security at home. But those decisions of how you spend that money and allocate it are going to be made by the Appropriations Committee.

I can assure the Senator from Indiana when we get a chance to mark up those budgets, we are not going to

jeopardize those functions he has talked about and those areas. He knows as well as I do of the commitment in this body. He knows better than I do in his own committee, yesterday turning down the sale of sophisticated weapons to Saudi Arabia. A lot of it had to do with our strong, firm commitment to the State of Israel and to the State of Egypt; the Camp David peace accord, and the failure of the Saudis to enter into such an agreement and be part of it.

Mr. President, the case, I think, is clear.

I will give one more quick example. The USIA has increased from \$543 million in 1985 to \$609 million now—an increase of 11 percent. We see the good work they do in the Voice of America and other functions they have been involved in. But we also see the \$400 and \$800 hotel bills in Paris, France, for their director and some of their employees, on the basis of, "Well, we have to do a good PR job for the United States."

Nonsense. The people of this country can sell themselves without blowing that kind of money in the foreign assistance accounts.

These are hard facts to face. Nobody likes to talk about foreign aid. We like to cover it any way we can. We want to be sure that it is OK now. They have had some healthy increases in the last few years including a 113-percent increase in outlays since 1980. And a lot of us have to cover for that. What do we do? Put on the cloak of national security. I submit to this body that national security starts right at home with our preparedness, our national defense, our military capability, and what are we going to do about our borders.

Again, this money is cut out of two accounts, not one. One is \$163 million for international offers and the other is \$100 million out of function 800. So we have not picked on account 150 as the Senator from Indiana wants to lead us to believe, and that we are just taking on an easy mark.

First of all, I wish it was an easy mark, but it is not. Thanks to the capable hands of my friend from Indiana, who is able to defend that mark. But I am tired of that mark being increased at the rates we have seen and the rate we see in budgets year after year.

Mr. ABDNOR addressed the Chair. The PRESIDING OFFICER. The Senator from South Dakota.

Mr. ABDNOR. Mr. President, I want to say that I agree with the Senator from Rhode Island that the Senator from Indiana presented some very eloquent remarks. I cannot say that I agree with or support those remarks, but they were well stated.

I must say, though, that my colleague, the Senator from Arizona, was

much more specific on the issues we are talking about.

I am one of those who never thought of foreign aid as national security. I do believe in a strong defense and I have been a strong supporter of defense. I have not been as strong a supporter of foreign aid because I have oftentimes had many questions about it. I would say 90 percent of the people of South Dakota would agree with me when we get on the subject of foreign aid. It is not something they think of in terms of defense.

It made me think the other night about national security when Libya was bombed. Maybe that is national security for America. It was not done by the State Department. They did not take care of that situation. I am sure the State Department has a great part to play in the overall picture of foreign affairs, of course.

But I think the Senator from Arizona has pointed out the vast increase over the last 6 years in foreign aid.

Let us look at the function we are talking about here. We are trying to find some dollars for a problem that really is national security. I think everyone clearly knows the problem that the Defense Department has had with drugs. They are taking steps to try to do something about it. The easiest thing to do is to keep it out of this country entirely. Prevent drugs from coming in. We are doing that. We think we are making some progress. But wherever we try to set up a good defense, we find that the smugglers use new innovation and new equipment to bring drugs into America. It is a constant battle that goes on and on.

We are not trying to only hold the line in defending against smuggling, but we are trying to do it within budget restraints which would require 1,800 fewer personnel than we had a year ago.

I have been on this floor representing the subcommittee for 5 years. I wish you could hear all the requests we have from Members of this body to add additional personnel, additional manpower, to our Customs centers to keep drugs out of this country which are arriving in goods coming into the country. They are seeking hundreds and hundreds of people.

I thought it was very interesting, and I am sure the Senator from Arizona will agree with me, that in the reconciliation provision brought out last year, there was a call for additional IRS people because for every man we were putting on at IRS it would mean more dollars in Government collections, which we could spend on the different functions and responsibilities we have in Government.

Let me tell you one thing. The same thing is true with our Customs agents and with our ATF agents. One of the main purposes of these agencies is to collect revenue.

Everywhere I look we are adding more responsibilities to them. If you think smuggling in cigarettes and alcohol is not going to be good business now that we have greatly increased taxes on those items, forget it, because it is going to be. It is going to be doubly tough. The more we let get away, the fewer dollars we will have in the Treasury.

I can think of other responsibilities in this particular category that we try to deal with. We expect less manpower to deal with more responsibilities.

If I am correct, there is talk of the State Department transferring more responsibilities from the State Department to the Secret Service. I will bet in 1½ years they will have it. That is another little thing that we can slip off to one of our agencies and let them try to get by with what they have.

This sort of thing just is not going to do. As a percentage of function 150 we are talking about a drop in the bucket. If you compare that to what is being done in function 750 it makes a big difference not only in revenue we need to run Government, and everybody is looking for more, but also the important part played in the security of this Nation. I think these are important matters, priorities, each of us in the Senate will have to decide. It is either raise taxes or pick priorities of what we think are important.

If we carefully analyze the responsibilities of each of these functions we have been talking about, we would have to conclude that this amendment we are offering here today is of extreme importance to this country's security.

Mr. LUGAR. I yield 2 minutes to the Senator from Hawaii.

Mr. INOUE. Mr. President, this amendment must be opposed. While the stated intention of the authors is to enhance efforts to "combat drug trafficking, terrorism and other crimes against the citizens of the United States," I argue that it will have exactly the opposite effect. Unfortunately, this is an example of good intentions gone awry.

What would be the effects of the adoption of this amendment?

American citizens who serve our Government and our institutions in foreign countries would be denied protection which they so clearly need and deserve. Once again, we would have failed to defend against terrorist attacks on U.S. installations and personnel. It is not a rhetorical device; it is not hyperbole to say that adoption of this amendment, with its inevitable reduction in funds for security measures recommended by the Inman Commission, could result in the loss of life of not only State Department officials and military personnel, but also their children. We must recognize that the next time the terrorist strikes, his cowardly blow could be directed against

the children of our Government servants abroad. I will not vote for this amendment.

Let us return to the original intention of the authors of this amendment as stated in their dear colleague letter.

They would take the funding from foreign aid. What would that mean? Funds for narcotics control assistance would be cut. Funds for antiterrorism assistance would be cut.

It strikes me as rather peculiar that the authors of this amendment would seek to curb crime and narcotics abuse and terrorism in the United States after the fact rather than seeking to stop it at its origin. The subcommittee on which the Senator from Arizona and I are privileged to serve has worked very hard over the past several years to improve the narcotics control programs and the antiterrorism program of our foreign assistance.

These programs are meant to meet the threat at the source—not to wait until it appears on the streets of America. You cannot cut foreign aid without cutting these programs. You cannot get something for nothing.

For purposes of argument, let us say that there is no reduction in State Department administrative expenses—which this year means security enhancements—and that the amendment does not touch narcotics control assistance or antiterrorism assistance contained within the foreign aid bill. Where would the reduction fall? The international affairs 150 function in the resolution before us is already \$4 billion below the President's request. For foreign aid alone, the resolution assumes sharp reductions in the economic support fund, foreign military sales, and military assistance programs. If we fully fund requests for Israel and Egypt within the amounts allowed in the resolution for these security assistance programs, we would be left with \$3.1 billion. If we then subtract funds for the base rights countries, according to agreements we have entered into with Greece, Turkey, Spain, Portugal, and the Philippines, we would be left with \$800 million to meet our remaining worldwide commitments.

We now know that the administration will seek additional funding in fiscal year 1986 for the Philippines and its nascent democracy. It would be reasonable to assume that additional amounts will be required in fiscal year 1987. Furthermore, we know that our renewed commitment to Pakistan will call for substantial amounts of funding to preserve the security of this frontline state. What's left? Nothing. Nothing for the whole of Africa; nothing for Central America.

Mr. President, as I said at the beginning of this statement, the amendment is an example of good intentions gone awry. Will the renewed outbreak

of conflict in the Middle East, the collapse of democracy in Central America, or an unfettered resurgence in the production and distribution of opium in the golden triangle of Southeast Asia or the poppyfields of Mexico enhance efforts to combat drug trafficking, terrorism, and other crimes against the citizens of the United States? I say no.

I say no to this amendment. I say no to the belief that we can continually raid the foreign assistance programs without paying a price.

That price, Mr. President, is chaos. It is a price we should not be asked to pay. I urge my colleagues to defeat this amendment.

(Mr. WILSON assumed the chair.)

Mr. LUGAR. Mr. President, let me say in the gentlest way possible that I appreciate that Senators, from time to time, have found it difficult to vote for foreign assistance. Maybe they found it difficult to consider that foreign assistance is important to the security of the country. I think it is an argument that needs to be discussed more frequently to be understood more clearly.

Foreign assistance is not, as has been characterized on occasion, a giveaway of funds. We are talking about the very serious business of funding the security of allies so they can purchase military hardware, provide troop training, and provide forces that will make it less necessary for Americans to be in areas we think are in our vital security interests.

Let me mention, Mr. President, that this objective does not come cheaply. The distinguished Senator from Arizona has suggested that from fiscal year 1980 until the present, there may have been an increase of as much as 89 percent in the amounts of money in the 150 account which includes foreign assistance. We are not in a position here, on the floor, to detail the figures or to establish the baselines, but let me suggest this: there are some important changes that have occurred in the way we account for foreign assistance. Those are important to note.

I think it is honest bookkeeping to put the FMS—foreign military sales credits—up front and part of the budget. That is not the way they used to be accounted for when they were guaranteed and off-budget. Roughly \$4 billion of the increase is accounted for in that way alone. It is not to give away money. This is security money any way you look at it. It is money that is there now in a way that more easily can be seen and known.

Let me indicate that about \$2 billion of the difference has occurred because we are more aware of our needs in the Middle East. If one is to be honest about it, and the distinguished proponents of this bill have affirmed that they do not want to touch the Israeli situation, then let's point out that much of our recent increases have

been because we have been more generous to Israel than we used to be. If one is looking at percentage terms, one can account for a good bit of the money in these ways.

We are also more generous to Pakistan. We have taken on a new obligation in Afghanistan, a substantial one. We talk about \$600 million for Pakistan. That also is very different from what we used to do.

Maybe Senators will say we are not sure that this is military security or national security. The charge is made, in a way, by the distinguished Senator from Arizona that when we talk about foreign assistance as national security, we are cloaking—cloaking—giveaways in national security garb. I do not see any cloaking. I think it is time we understood what the national security interests of our country are and how they are provided for.

There is mention that it is not national security we are touching, but the State Department or general government operations, and the international broadcasting. I suppose the broadcasting aspect is arguable, and maybe Senators would feel that the extension of America's word behind the Iron Curtain has now been intensified. That is arguable. I feel we are doing a much better job in terms of freedom. That does have something to say about our national security. Our ability to manage the Soviet relationship is part of our national security.

Finally, Mr. President, I say whatever case may be made for our borders with regard to drug abuse and drug smuggling, all the opponents of this bill are saying is that those efforts have been frozen at those levels.

Some of us have tried to make the case that the 150 account has been cut very substantially, not only below what the President asks for, but what was appropriated last year, what was authorized last year, what the Budget Committee started with, and where they finished. It has been cut substantially. Every program in the 150 account has been cut.

I would just say that at some point, Senators have to understand what security is all about and what influences the way people perceive our country abroad.

I mention this thought. As the distinguished Senator from Hawaii pointed out, a good bit of work with regard to the drug problem occurs through the valued talents of Foreign Service officers and other personnel who operate abroad under funding provided in the 150 account.

I do appreciate the point made by the distinguished Senator from Arizona that he is worried about the streets of Phoenix and I am worried about the streets of Indianapolis. I once had some responsibility for assisting law enforcement in my city and at that time we did not look to the Federal

Government for assistance. We might now if I was still in that capacity. We had to fight it with our own local taxes, with some benefits from the State of Indiana. We used to do it the old-fashioned way and we had to do it with very limited resources. We saw the national security situation handled by the Federal Government.

There are problems with regard to our borders, international problems. Everyone in this debate would like to do more with regard to that. But the proponents of this amendment did not ask for additional moneys or additional revenues that the taxpayers of this country might provide. Instead, they looked toward the 150 account. I think that was a mistake tactically. I hope it proves to be a mistake because I believe there are important goals being served by diminished sums of money available in the 150 account.

Mr. President, I know of no one on our side who wishes to debate further. As soon as the distinguished proponents of the bill are prepared to yield back their time, we are prepared to yield back our time. For the moment I yield the floor.

Mr. DECONCINI. Mr. President, I ask unanimous consent the Senator from South Carolina [Mr. HOLLINGS] be added as a cosponsor.

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

Mr. DECONCINI. Mr. President, the senior Senator from Hawaii, who I have the greatest respect for and who serves as ranking member on the Foreign Operations Subcommittee, talked about the International Narcotics Control Program in the State Department, which is a very important area and an important program. If I am not mistaken, that program is roughly at \$65 million. That is \$65 million out of a budget amount here of \$18.3 billion.

Our cut in function 150 is a little less than 2 percent. Two percent off of \$65 million or \$1.3 million, and what do we get in exchange for that? We get \$163 million for Customs to stop those airplanes that are coming from some of these countries—\$1.3 million is a good tradeoff to get more drug interdiction at our borders.

So we are not going to cut and hurt the international narcotics effort in the State Department. What we are going to do is stop those narcotics at the border through our air interdiction program.

I have some interesting statistics just to wind this up for today. Budget outlays for foreign aid, since President Reagan took office, have grown 113 percent. Military assistance grants in the past 6 years have grown 580 percent. Foreign military sale credits since 1980 have grown 96 percent. Economic support fund assistance has grown 80 percent. And the USIA, with those big suites in Paris and expendi-

tures by the director and some of his staff, has grown 87 percent. Nobody is against the Voice of America. We are talking about less than a 2-percent cut out of a USIA that has grown 87 percent. And the State Department operating expenses during that period of time have grown by about 80 percent.

Now, do not tell this Senator and do not tell the people of Arizona or any place else that less than a 2-percent cut in international affairs in order to give us the necessary resources to do something about drugs coming across our borders, cannot be absorbed in function 150. I submit that it can.

#### U.S. ANTITERRORIST CAPABILITIES

Mr. ZORINSKY. Mr. President, I would like to express my support for the amendment offered by the distinguished Senators from South Dakota and Arizona, and to speak on behalf of an interest all my fellow Senators share: The protection of American citizens from the scourge of terrorism.

Recent world events have demonstrated that we must maintain constant vigilance in the war against international terrorism. The threat of terrorism is not absent in this Nation, but has been so effectively blunted by our domestic law enforcement agencies that we sometimes forget that terrorists have struck domestic targets and will surely attempt to do so in the future. With the Libyan terrorist network aroused and seeking vengeance against an American target, now is hardly the time to grow lax in our war against domestic acts of fanatical violence.

The amendment under consideration would contribute greatly to prevention of terrorism on our shores, and I am proud to join Senators ABDNOR and DeCONCINI in sponsoring this legislation. I am also convinced that adequate funding levels for domestic anti-terrorism cannot wait until fiscal 1987 and that recent events require this body to immediately restore the funds eliminated by the March 1 sequestration order. To offset this reduction, I will be proposing an amendment to the 1986 supplemental appropriations bill, and have informed the distinguished chairman and ranking member of the Appropriations Subcommittee of my intention to do so.

My amendment would simply restore the funding to the FBI, BATF, INS, Customs Service, and Secret Service that was cut by the Gramm-Rudman law. Like the amendment under consideration, my amendment will have an offset to ensure that it is also deficit neutral. Specifically, I will be proposing that NATO funding is reduced by the amount required by my amendment.

Mr. President, we must stand firm in the face of international terrorism, and provide our domestic law enforcement agencies with the financial ability to maintain their vigilance. I urge

my colleagues to support my amendment to give these agencies this ability in the present year, and to support my distinguished colleagues in preserving our antiterrorist capabilities in the coming year.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I know of no further debate on this amendment. I yield to the distinguished Senator from South Dakota.

Mr. ABDNOR. Mr. President, Senator RUDMAN will not be here until Tuesday, and because debate on this amendment will end Monday I ask unanimous consent that he be allowed to speak for 5 minutes, if he so desires, before the vote on this amendment.

The PRESIDING OFFICER. Is there objection?

Mr. LUGAR. Mr. President, reserving the right to object, and I will not object, let me indicate to the distinguished Senator from South Dakota, apparently the distinguished chairman of the Budget Committee would not want me to yield back all time on this side. I understand that is probably true on both sides.

I have no idea as to what the order of business will be on Tuesday. I suppose we are coming up to votes at that point. We have no objection to the distinguished Senator from New Hampshire having an opportunity to speak for 5 minutes on that day.

Mr. ABDNOR. We are not sure. He indicated that he would like to have 5 minutes before the vote on Tuesday so that he may speak at that time.

The PRESIDING OFFICER. There being no objection, it is so ordered.

Mr. WALLOP. Mr. President, I have sought the floor today to speak in dismay about the budget process. I cannot speak in support of the pending budget resolution, the so-called Domenici-Chiles package. I would begin my comments by repeating the advice an Irishman gave to a traveler seeking directions. He said, "If I was you, I wouldn't start from here." I would like to offer this same advice to my colleague from New Mexico, the chairman of the Budget Committee.

There have been a number of bizarre occurrences affecting the budget process of late. First, we have the perennial expectation that the Congress will not meet any of the timetables set for generating a budget resolution. This coupled with the certainty that we will have a reconciliation bill before us at some point during the year. The process has gotten so backed up that the reconciliation bill which we were working on last year was signed into law only a few weeks ago. I expect at some point in the not-too-distant future, we will have to simply skip an entire fiscal year because we have gotten so far behind in the budget process. This would not be too bad if we could also skip the Federal spending for that lost

fiscal year as well. However, I doubt that we would ever fail to pass a continuing resolution, no matter how much it disarrays the budget process.

This year is proving to be no different than any recent year. The House of Representatives refuses to do anything to develop a budget resolution, with the exception of a gratuitous, partisan vote rejecting the President's proposed budget for this fiscal year. The Senate Budget Committee has forged ahead to produce the budget resolution now pending in the Senate. In light of what the committee has produced, it may have been preferable to adopt the House posture and do nothing.

The committee resolution is obnoxious for several reasons. In the first place, budget levels for defense are mischievous in that they create the illusion that we are meeting our rearmament goals. However, the Domenici-Chiles resolution is \$25 billion below the President's budget request for fiscal year 1987 authority and \$28 billion below the budget authority provided in the Senate's version of the budget resolution only last year. What may we ask, happens to the resolve of the Budget Committee in matters of national security? I will tell you what national survival is sacrificed on the altar of perceived political survival. Having talked so bravely about defense waste, they suddenly convinced themselves there was only waste and no need. While the final 1985 budget resolution had a lower defense number than the Senate version, it did provide for 3 percent real growth for fiscal year 1987.

The pending budget resolution does not provide the 3 percent growth. Defense spending is basically frozen. From a strategic perspective, this is a dangerous freeze. When President Reagan assumed office in 1981, he pledged to reverse the "decade of neglect" in defense spending. He also expressed his determination to respond to the burgeoning Soviet military menace. During the 10 years while we let our military forces slip in every regard, the Russians were relentlessly building their military forces. Since 1970, the Soviets have outspent the United States by \$500 billion in expenditures on weapons, facilities, and research.

Since 1981, we have attempted to close this gap, to rebuild our Armed Forces. The first budget resolution under the Reagan administration set defense spending targets with this objective in mind. Despite the need to improve our military forces, defense outlays have been reduced, by the Congress, a total of \$177 billion between fiscal years 1982 and 1986 below the target spending first outlined in 1981. Obviously, we have not gone on the proverbial drunken spree when it

comes to defense spending during the 1980's. All we have done is try to reverse the de facto disarmament of the 1970's.

The resolution reported by the Budget Committee is a proposal based on compromise. Often, in politics, compromise is the necessary route to soothe the passions and establish public policy. In this spirit of compromise, defense spending was sacrificed. This is compromise which does not work. It is doubtful that Libya will give up terrorism as an official state policy because the United States will spend less money on defense. The Soviet Union will not withdraw its army of occupation in Afghanistan because we are reducing military spending. And, Cuba will not forego its attempts to foster red colonialism in Central America if the Senate adopts this compromise defense budget. The real world can present a harsh face at times, and it does us little good to compromise in confronting this reality.

Another aspect of the budget which is utterly fraudulent is the requirement for a tax increase. Just at the moment when we have quenched the fires of inflation, when the economy has been set for a period of long-term growth, we are asked to crush the recovery. There is one incentive in public policy to spur real economic growth in the private sector. That incentive is stable taxes. But, now we are expected to pass a tax increase. This battle had been fought in 1984, and 49 States voted against a tax increase. President Reagan has adamantly opposed any new taxes.

Now, under the guise of balancing the budget, we are asked to provide a tax increase. However, even before the collapse of inflation in recent months, both OMB and CBO produced 5-year forecasts showing the deficit declining to less than 2 percent of GNP by 1990, without additional budget cuts or new taxes. But, we are being asked to increase taxes. We are falling on purpose into a trap. Since the deficits are already on a downward path, then the hidden purpose of a tax increase is evident. It is an excuse for a new outburst of Federal domestic spending. In 1984, we did pass a tax increase with the Deficit Reduction Act. We have yet to see 1 cent of this increase to go for deficit reduction. Instead, the revenue has gone for increased Federal spending. Some here in Congress have not learned the lessons of the 1960's and 1970's. They want an expanded Federal sector meddling in every aspect of our lives. While we thought Big Brother died in 1984, the Budget Committee seeks to resurrect him in 1986.

The tax reductions enacted in the early 1980's have been blamed for the current deficits—most vociferously by those seeking a tax increase. This is one of those inaccuracies which re-

peated often enough become part of the popular mythology. And, before we know it, taxes will be increased.

What really happened with taxes since 1981 is that the net effect of the cut in individual rates has merely protected the American worker from being pushed into higher tax brackets because of inflation. We have not cut taxes, we have simply neutralized the Tax Code for inflation. The cuts in corporate rates have restructured such taxes to eliminate disincentives to invest in productive plant and equipment. The cuts also removed some of the inflationary bias in corporate taxes.

In brief, defense spending over the past 5 years has focused on improved military preparedness to recover from past neglect. Tax reductions have kept taxes neutral for inflation. It is no secret that we are now faced with significant budget deficits—not as far in the future as we can see, but at least for the next 4 years. Taxes and defense are blamed, but the actual problem is continued domestic spending. Over the past 5 years, our so-called budget-slashing efforts have actually merely slowed the growth in domestic spending. It was not until last year that the deficit took a downward path, thanks only to cuts in defense spending rather than domestic spending.

The President has three budget goals: No tax increase; maintenance of defense spending; protection of Social Security. The only goal met by the budget resolution is the last one—it protects Social Security from budget cuts. By asking us to approve higher taxes and lower defense spending, we are left no choice but to reject this resolution. Rejecting this resolution does not mean we would not have a budget; it would not initiate the automatic budget cuts of the Gramm-Rudman-Hollings Act.

We do have an alternative. We should revive the budget resolution passed by the Senate last year. This resolution would provide \$81 billion in budget reductions over 3 years above what the Domenici-Chiles resolution provides. It does not increase taxes. It does provide for small real growth in defense spending. It is a resolution that would lead to a budget surplus by 1990 if current budget assumptions are adjusted to reflect the actual price of oil. This is a sensible alternative. I suggest that we reject the pending resolution and adopt the resolution put together by Chairman DOMENICI last year. By this single bold stroke, we would reject the popular myths that have grown up around, and disturbed, the budget process. Mythology usually requires a hero to triumph over some monstrous evil. It is time for the Senate to become the hero, slay the dragon of deficits, throw off the sequestering haircoat, and proudly wear the victory laurels of autumn.

ANDREWS/HOLLINGS EDUCATION AMENDMENT  
Mr. DeCONCINI. Mr. President, I strongly supported the amendment offered yesterday by Senators ANDREWS and HOLLINGS to the concurrent budget resolution for fiscal year 1987 to restore funding for function 500 by \$1.2 billion for fiscal year 1987. The amendment restores funding for the basic education programs to current service levels plus inflation.

Although we are facing a deficit crisis, I voted for the Andrews-Hollings amendment because I happen to believe that education must remain a national priority. Adequate funding for education is essential for continued growth and development of our country. As a Member of Congress, I feel that it is my responsibility to ensure that the education of our children remains protected as insurance against a faulty future.

Although the cost of the amendment is offset through unspecified revenue increases, it is not my intent nor my desire that any of these funds come from an increase in personal income taxes.

Mr. President, there are approximately 25 million Americans who cannot read the front page of a newspaper and an additional 35 million who read below the level needed to function successfully in our society. These statistics are shocking and shameful and should be enough for us to realize that education has to be one of our national priorities. Report after report supports these embarrassing figures. Reducing our commitment to education can only exacerbate this already intolerable problem.

We do have many challenges facing us today and the budget deficit is at the top of the list. However, our jobs as elected officials are to establish priorities and to balance the budget. I am committed to both of these goals.

In an alert, prepared by the Committee for Education Funding, we are reminded by its member organizations that we cannot continue to mortgage our children's future in order to finance the budget deficit. We cannot deny educational opportunities and other vital services to children if we intend to remain a leader in the free world.

Mr. President, I wish to state once more I supported the Andrew-Hollings amendment because education is a priority. I want to reiterate, however, that the increased revenue necessary to fund the amendment should not and must not come from an increase in personal income taxes. There are numerous ways to obtain the necessary revenues to fund this modest increase for education. The most obvious example is a minimum corporate tax.

It is simply not right or equitable that profitable U.S. corporations, through skillful and legal manipula-

tions of the Tax Code, avoid paying taxes. Let's look at the tax record of some of our largest corporations.

In 1983 General Dynamics received DOD contracts totaling \$6.6 billion; they showed a profit that same year of \$492.5 million but paid no dollars in corporate income tax to the Federal Government.

General Electric had \$4.5 billion in DOD contracts in 1983; they had a profit of \$2.4 billion, yet paid no dollars in corporate income tax.

Also, in 1983, the Boeing Corp. received \$4.4 billion in DOD contracts; their annual statement showed a profit of \$475 million; they, too, paid no tax.

If these corporations paid a minimum corporate tax, we could easily fund this education amendment and many other vital services. For these reasons and those raised by my colleagues, I supported the Andrews-Hollings education amendment and was pleased that it was adopted by such an overwhelming vote.

#### ROUTINE MORNING BUSINESS

Mr. LUGAR. Mr. President, I know of no further debate on this amendment tonight. Therefore, I ask unanimous consent that there now be a period for the transaction of routine morning business not to extend beyond 6:20.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

#### KURT WALDHEIM

Mr. GORE. Mr. President, I rise to address the matter of Kurt Waldheim. Last night marked the beginning of the Jewish festival of Passover. Our Jewish colleagues, friends, and fellow citizens gathered in their homes at their tables, in the peace and freedom of our beloved America, to participate in the first of two ritual Passover meals. These meals—memorializing ceremonies which once took place in the high temple in Jerusalem—celebrate two great events in history: The deliverance of the Jews from bondage and the threat of extermination; and the definitive appearance of the one God before a multitude of ordinary humanity—of whom He intended to create a nation that would bear his mark and hold his covenant. It is, arguably, a seminal religious event, since we may trace from it not only the lines that run to present day Judaism but to the worlds of Christianity and of Islam.

All those partaking of the Passover Seder are deeply aware that the exodus from Egypt was merely the first in a series of miraculous escapes from certain doom, across the millennia and right down to our own times, within the memory of the

living. Indeed, it is our own epoch—the epoch of industrial technology, of science, of enlightenment—which will carry forever the blot of having produced the single most concerted and barbaric assault upon the continuity of the Jewish people, and, indeed as a member of other nations as well. The record of Nazi activities during the Holocaust staggers the mind, and defies any explanation that ignores the reality of Evil as a force at large in the world.

That is why for me it seems unusually appropriate to take up, on this day, the subject of Kurt Waldheim, former Secretary General of the United Nations and now candidate for the Presidency of the Republic of Austria.

Every man's reputation must be held sacred, and by none more than those of us who speak in this Chamber without fear of prosecution for libel. And so, I shall restrict myself to an accounting of what I have learned.

In memoirs and in biographical statements, Mr. Waldheim claims that he spent the wartime years of 1942 to 1944 recuperating from wounds received on the eastern front and studying for his law degree in Vienna. For 40 years, the world believed this. But Nazi war documents bearing Waldheim's own signature conclusively reveal that during those years he continued to serve in the Balkan countries, and that he was involved in atrocities the likes of which we have seen in the cases of Josef Mengele, Klaus Barbie, and Adolf Eichmann.

Waldheim's Nazi connections can be traced back earlier than 1942. According to documents found in the Austrian Archives, he joined the Nazi Student Union on April 1, 1938, 3 weeks after the incorporation of Austria into the Third Reich. Later that year, on November 18, he joined a mounted unit of the Sturmabteilung (S.A.), better known in this country as the Brownshirts. That same month, the Brownshirts were involved in a horrific night of violence and murder, the Kristallnacht, where they killed Jews, burned their homes and synagogues, looted their shops, and kidnaped and tortured the survivors in cities all over Germany and Austria.

When confronted by this evidence, Waldheim first denied it, then said that these organizations were only garden variety parts of the Nazi social structure, and finally claimed that his father—whom he previously said had nothing to do with the Nazis—had signed him up.

In 1939, Waldheim entered the military and in 1942, according to German military records, was assigned to the German Army command headquartered in Salonika, Greece. He served with rank of oberleutnant to Gen. Alexander von Lohr, under whose command numerous atrocities against Serbian, Croatian, and Greek civilians

took place. Lohr was hanged as a Nazi war criminal in 1947.

The organizational chart of the German high command places Waldheim at the head of section 03, a division whose responsibilities included delivering intelligence briefings to the chief of staff; carrying out the *zunder-auffgaffen*—special tasks—such as deportations, assassinations, and mass terror; and interrogating prisoners, which sometimes required the torture of American, British, French, and Balkan citizens.

While General Lohr and his oberleutnant directed operations in the Balkans, the Ustasha—Croatian fascists—brought about the wholesale destruction of the Jews of Yugoslavia and Greece—with direct aid from their Nazi friends. The Kozara massacre, which is to Yugoslavians what Auschwitz is to Jews, was carried out under the orders of the German commander of the Southeast command. In June 1942, 45,000 troops were given the task of encircling and destroying all Serbian and Jewish partisan units in the Kozara and Posara mountains. All those captured were to be shot dead and the male population over the age of 14 was to be transported to concentration camps. By the end of July, German and Ustasha soldiers had combed the mountains, set fire to the villages, and killed 500 of the wounded partisans. Out of 70,000 villagers—mostly women, children, and old people, 25,000 were dead or left to die of starvation. Others were taken to the Ustasha camp, where only a few prisoners escaped.

On September 9, 1942, the Ustasha awarded Waldheim with the King Zvonimir medal for "merit under fire." Of the 45,000 troops, only 3 soldiers received this honor from fascists—one of them was Waldheim.

Six months later, Waldheim left Croatia for Greece, where the Germans began to deport Salonika's 46,000 Jews, 45,000 of them to Auschwitz and the rest to Bergen-Belsen. Waldheim claims that, living 4 miles outside of Salonika, he knew nothing of this mass deportation. He claims that he was only an interpreter, not mentioning that he would necessarily be privy to intelligence about such a major "special task." In his position as head of section 03, he would have been expected to help supervise the operation.

Another campaign in which Waldheim took part was the "Black Operation" of May 1943, where prisoners of the German and Italian commands in the area were shot en masse. Wednesday's Washington Post cites a Yugoslavian report stating that Waldheim took part in "murder" and "putting hostages to death" from April 1944 to May 1945.

This latest evidence was part of a U.N. War Crimes Commission file kept in U.N. vaults for the past 38 years. In 1948, the Commission assigned Waldheim's case its highest classification, one reserved for suspects like Mengele and Eichmann whom the Commission believed should merit prosecution. There is painful irony in the fact that during the decade while Waldheim was Secretary General of the United Nations, his war crimes file—with its summary of the evidence gathered against him—gathered dust in the U.N. basement.

Whether or not Kurt Waldheim is a war criminal is something that ought to have been established decades ago in a court of law. I believe the emerging facts may lead many people to firm conclusions, but we shall never have an ultimate test before the bar of justice. On the other hand, whether or not Kurt Waldheim is an honest man is, in my opinion, already known. His is a career built upon a foundation laid across a concealed and denied past, spent at the center of some of the most brutal events since the atrocities of Genghis Kahn. He is a man who acknowledges the truth about his past only insofar as others succeed in driving him from the safety of one lie to the next.

Mr. President, the people of Austria must soon judge the candidacy of Kurt Waldheim. Many in this country and abroad may believe that their decision ought not to be embarrassed by accusations such as these. But there is no choice. What was hidden has found its voice. It is the voice of innocent people slaughtered by the millions, of whom the Jews were first in number though among a multitude of nationalities. No man whose life's path led him into the heart of that darkness was ever fit for public office. No man who built a life by denying such a past should ever hold high public trust again.

Mr. President, I ask unanimous consent that following my statement there be printed in the RECORD the prepared statement of Eli Rosenbaum, general counsel of the World Jewish Congress, delivered before a committee of the other body 2 days ago.

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

PREPARED STATEMENT OF ELI M. ROSENBAUM,  
GENERAL COUNSEL, WORLD JEWISH CONGRESS

Mr. Chairman, I am pleased to appear today to testify on behalf of the World Jewish Congress with respect to the WJC's ongoing investigation of the wartime activities of former United Nations Secretary-General Kurt Waldheim.

At the outset, I would like to stress that our investigation of this exceedingly complex case is still a very young one. Although we have learned and revealed to the world many previously concealed facts about Kurt Waldheim's past, we expect to unearth a great deal of additional information in the

coming weeks, months and years. This information will, without exception, be made available to the public.

From the time that this investigation was authorized by our president, Edgar M. Bronfman, the WJC's goal has simply been to uncover the full unvarnished truth. Regrettably, this task has been complicated immeasurably by Dr. Waldheim's continued dissembling about his past. As a result, we are faced with one of the most complex Nazi investigations ever undertaken anywhere, one that will take a long time to complete. If I may be permitted to offer a comparison, it would be with the case of Klaus Barbie, the "Butcher of Lyons." Barbie's activities were largely confined to the area of Lyons, France. He has not yet come to trial, despite the fact that investigators gathered evidence about him for many years prior to his transfer from Bolivia to France in 1983, and have continued to do so during the nearly three years that he has been in French custody. Waldheim, by comparison, was active on the Russian Front and thereafter throughout the Balkans. He served on the staff of the High Command of an Army Group of some 400,000 men, which Command created hundreds of thousands—if not millions—of documents, which are now scattered among archives throughout the world.

We are keenly interested, as well, in determining how Kurt Waldheim was able to carry off this elaborate deception over a period of fully four decades. The WJC, which possesses official non-governmental organization (NGO) status at the United Nations, is profoundly saddened by the manner in which Waldheim was able to defile that important world body—an organization which, ironically, was formed in response to the horrors perpetrated by the Nazis and their acolytes.

The revelations concerning Kurt Waldheim's past have emanated principally from two sources. The facts of his prewar activities have come to light primarily as a result of the work of a number of Austrian journalists. The key disclosures pertaining to Waldheim's wartime whereabouts and activities have come from my organization. I would like, with the Chairman's permission, to review very briefly the most salient facts revealed to date, and then to present some information bearing upon Kurt Waldheim's credibility—or, more correctly, his obvious lack of same.

As a result of the investigative efforts of a small group of Austrian journalists, we now have documents showing irrefutably that Kurt Waldheim, who has long boasted of his purported anti-Nazi attitude before and during the war, actually belonged to at least three Nazi organizations. On April 1, 1938 only three weeks after Austria became part of the German Reich—he was enrolled as a member of the Nazi Student Union (NS-Studentenbund). Then, on November 18, 1938—less than two weeks after the infamous anti-Jewish rampage now known as "The Night of Broken Glass" (Kristallnacht)—Waldheim became a member of a mounted unit of the dreaded Sturmabteilung (SA)—Hitler's brownshirted stormtroopers. Finally, Waldheim also was enrolled as a member of the NS-Reiterkorps, a mounted affiliate of the Nazi Party.

Kurt Waldheim's military service during the Second World War began with his participation in the 1941 invasion of the Soviet Union while serving with the 45th Infantry Division of the Wehrmacht. On December 18 of that year, he was briefly hospitalized as a result of a minor wound which had

become infected. In countless statements over the years made in books, articles, campaign literature and the like, Waldheim has falsely stated in the most deliberate and cunning fashion that his military service ended with this hospitalization. For example, in his 1977 book, "The Challenge of Peace," he writes as follows at page 24:

"The knowledge that I was serving in the German Army was hard to bear. Deliverance from my bitter situation finally came when our unit moved into active combat on the Eastern Front in 1941. I was wounded in the leg and medically discharged.

"By the time I was repatriated [to Vienna] in 1942, it had become impossible to leave the country. The borders had been closed and were being heavily patrolled. Everywhere the most ordinary movement was restricted, and the authorities dealt arbitrarily with anyone who did not conform to the regulations. I was permitted to resume my studies toward a Doctorate in Law, which I obtained some two years later."

In fact, records obtained by the WJC from archives in West Berlin state that Waldheim returned to active service after only two-and-one-half months convalescence and leave. As he now admits, he was assigned to the staff of Army High Command 12 (AOK 12) in the Balkans, arriving in Yugoslavia by April 1942 attached to the Command Staff of the "Combat Group West-Bosnia" (Kampfgruppe Westbosnien). Except for a few brief leaves, Waldheim would spend the rest of the war serving in the Balkans in the armed forces of Nazi Germany.

During the summer of 1942, the Kampfgruppe Westbosnien directed a notoriously brutal anti-partisan campaign in the area of the Kozara mountain range. Thousands of anti-Nazi resistance fighters and unarmed civilians were slaughtered and more than 60,000 persons—primarily women and children—were deported to concentration camps in what has come to be known as the Kozara Massacres. At the U.S. National Archives, we located last month a contemporaneous German account which candidly referred to the operation as a "final liquidation" of "Untermenschen" (subhumans) carried out "without pity or mercy," because only "a cold heart can command what needs to be commanded." This is language of a type ordinarily seen only in SS documents—not in Wehrmacht reports. The very first page appended to this report is a listing of 34 men singled out for meritorious service—just 34 men among the 15,000 to 25,000 Axis forces engaged in that operation. Lieutenant Waldheim is number 25 on the list. For his exemplary service, Waldheim also received a high award of the notorious Nazi puppet government of Croatia: the "King Zvonimir" medal, conferred in silver with oakleaves "for service under enemy fire." Documents obtained from archives in Yugoslavia show that Waldheim was recommended for this award by no less a personage than Generalmajor Friederich Stahl, the Wehrmacht officer who directed Mount Kozara operation. After the war, Stahl admitted to his Allied questioners that he had authorized "reprisal" executions of civilians, pursuant to which as many as 100 unarmed civilians would be murdered for every German soldier killed by the resistance.

In December 1942, Waldheim was promoted to Oberleutnant (First Lieutenant). On or about March 31 of the following year, he arrived in Salonika, Greece, as a senior intelligence officer in Ic/AO (intelligence) group of the High Command of Army Group E (which had absorbed the former

AOK 12 as of January 1943). His commander-in-chief was the notorious Wehrmacht General Alexander Loehr, who was hanged after the war as a Nazi war criminal.

In conjunction with the SS, Wehrmacht personnel serving under General Loehr directed the deportation of the Jewish community of Salonika to the Auschwitz death camp—where they were immediately killed in the gas chambers. These deportations began some two weeks before Waldheim's arrival and were largely completed by mid-May. During this two-month period, more than 40,000 Jews were transported to Poland. Nearly every day, 2,000 to 2,500 Jewish men, women and children were stuffed into Wehrmacht trains and hauled off to Auschwitz. Waldheim insists that he not only had nothing to do with this atrocity, but that he did not even notice that any Jews disappeared. One-fifth of the population vanished in just two months, and, incredibly, Kurt Waldheim saw and heard nothing of it. Last month, Col. Roman Loos, the former head of the German Geheimfeldpolizei (Secret Field Police) in the area was quoted by the Associated Press as exclaiming, "He didn't know about that? That was known to everybody."

Captured German documents housed at the U.S. National Archives shed considerable light on Waldheim's responsibilities while serving on the staff of the man whom historian Gerald Reitlinger characterized as "perhaps more implicated in Jewish deportations than any other Wehrmacht commander."

A December 1, 1943 organization chart for Army Group E (Microfilm Series T-311, Roll 181, Frame 0007) states that Waldheim was the chief "03" officer in Group Ic/AO. His listed responsibilities included: preparing and presenting morning and evening briefings for the General Staff, prisoner interrogations in Greece and adjacent areas, as well as unspecified "Sonderaufgaben"—"special tasks." Such terminology was of a type used by the Nazis to denote operations too distasteful to describe further—typically, secret measures of mass terror or torture, kidnapping and execution.

Waldheim's responsibility for prisoner interrogations extended through much of the Balkans, and included interrogations conducted inside and outside Army Group E's headquarters. Interrogation under the Germans often involved torture, and usually ended in execution. We have not yet located any survivors of such interrogations. It should be noted that the word "prisoners" is not necessarily limited to military POWs. In this theatre, it referred to partisans and civilians as well.

According to the aforementioned captured document, Waldheim was also responsible for personnel matters within the intelligence group. In intelligence, this was an especially sensitive area, particularly after the attempt on Hitler's life, when the "political reliability" of personnel achieved paramount importance.

On May 22, 1943, Waldheim took part in an important meeting at the airstrip in Podgorica, Yugoslavia. He appears in a now-famous photograph of that meeting released last month by the World Jewish Congress. Attended by Wehrmacht, Waffen-SS and Italian officers, the meeting soon degenerated into a heated quarrel over who was to direct the so-called "Black Operation" ("Unternehmen Schwarz"). That operation, one of the most brutal anti-partisan campaigns of the war, was already well under way at the time of the meeting at the

airstrip. According to Professor Jozo Tomasevich, the shooting of partisan prisoners—long standard operating procedure for Axis forces in Europe—"reached its peak" during the Black Operation.

Dozens of intelligence reports signed by Waldheim have been found by World Jewish Congress researchers at the U.S. National Archives. Time after time, Waldheim reported on "Sauberung" ("cleansing" or "mopping up") operations—an expression often employed by the Germans as a euphemism for mass executions and/or deportations.

One secret report signed by Waldheim was actually used by U.S. prosecutors at Nuremberg as evidence of Nazi war crimes committed in Greece. The report, dated August 11, 1944, is part of Nuremberg document NOKW-935. Read in open court on August 18, 1947 at the Palace of Justice in Nuremberg, the document reports on mass shootings in Athens. Ominously, it also identifies the area south of Iraklion on the island of Crete as one of widespread partisan activity. Under orders issued by General Loehr a year earlier, such activity was to be responded to by "shooting or hanging of hostages, destruction of the surrounding localities, etc." (Nuremberg document NOKW-155). Indeed, document NOKW-935 reveals that two days after Waldheim's report, German forces launched a reprisal "cleansing operation" southwest of Iraklion, in which two villages were destroyed and twenty hostages were shot to death.

According to testimony given by former Wehrmacht colleagues of Waldheim to the Yugoslav War Crimes Commission, Waldheim was deeply involved in the planning of other brutal reprisal measures. These witnesses reportedly testified that Waldheim made recommendations for such reprisals, for approval by his immediate superior officer. One witness—Egbert Hilker—testified that Waldheim was specifically responsible for a reprisal committed in October 1944, when three villages between the towns of Kocani and Stip were burned. 114 people perished in this reprisal.

As a result of documentary and testimonial evidence gathered on Waldheim by the Yugoslav War Crimes Commission, it concluded in a December 18, 1947 decision that Waldheim was a fugitive Nazi war criminal whose extradition to Yugoslavia is "mandatory." Waldheim was subsequently listed as an accused Nazi criminal by the United Nations War Crimes Commission. Thus, during the ten years that Secretary-General Kurt Waldheim sat on the 38th floor of the United Nations building in New York, elsewhere in the U.N. complex there was to be found a U.N. War Crimes Commission file on Nazi war crimes suspect number 79/724—"Waldheim, Kurt."

Waldheim was also listed in 1948 on the final "Central Registry of War Criminals and Security Suspects" (CROWCASS) compiled by the United States Army. Under the heading "reason wanted," there is a one-word entry: "murder." The WJC is troubled by the fact that the Department of the Army, in responding to my February 10, 1986 Freedom of Information Act request for all pre-1950 documents referring or relating to Waldheim, supplied us with three innocuous documents, none of which related to Waldheim's military service. The Army insisted that these were the only locatable Army documents responsive to our request.

One can readily imagine our shock upon subsequently discovering Waldheim's name on a CROWCASS list at the National Ar-

chives. This episode is particularly distressing in light of my experience while serving from 1980 through 1983 as a trial attorney with the Justice Department's Office of Special Investigations—the special unit of the Criminal Division responsible for investigating and prosecuting suspected Nazi war criminals residing in the United States. In each of OSI's more than one thousand investigations, a request for a background check has routinely been forwarded to the Department of the Army. Never in my experience was there an instance in which the fact that an individual was listed in the CROWCASS registry failed to emerge in the Army's response to an OSI request for information on that individual.

Unfortunately, time does not permit me to recite the full litany of Kurt Waldheim's misrepresentations concerning his past. A few examples may be instructive, however. Incredibly, Waldheim continues to deny membership in the SA, NS-Studentenbund, and NS-Reiterkorps. This denial, however, has been of an "on again, off again" variety. Since the controversy over his past erupted last month, Waldheim has, on a few occasions, actually admitted these memberships. He has offered a bizarre series of mutually exclusive "explanations" for these affiliations, including: (1) he belonged to groups that were later "absorbed" by the Nazi organizations, (2) his father enrolled him without his knowledge, and (3) he joined in order to be able to continue his university studies.

An indication of Waldheim's lack of integrity in responding to the facts which have been discovered about his past may be found in a document which he has distributed in the United States through his son, Gerhard. The document purports to be a compilation of statements made by prominent individuals in support of the elder Waldheim. Among those said to support him are Javier Perez de Cuellar, the current U.N. Secretary-General, famed Nazi-hunter Simon Wiesenthal, former Austrian Chancellor Bruno Kreisky, and Holocaust historian Professor Hagen Fleischer.

However, on April 18, Mr. Alvaro de Soto, Special Assistant to Secretary-General Perez de Cuellar, advised the WJC that the Secretary-General had never made any statement of support for Waldheim in connection with the inquiry into the latter's past.

The WJC has collected some of the statements made on the Waldheim affair by the other individuals just mentioned. These statements in fact are quite condemnatory of Waldheim. Thus, Simon Wiesenthal has said, "I don't believe that he knew nothing about the deportations of the Jews during the time he was in Greece (Newsweek, April 7, 1986). Professor Fleischer has charged that Waldheim's claim not to have known about deportations from Salonika in 1943 is "not credible" and his claim of ignorance regarding the 1944 deportations of Jews from Crete, Rhodes and Corfu is "a provocation" (Reuters, April 13, 1986). Similarly, former Chancellor Kreisky angrily complained to U.S. News & World Report last week, "I was deceived. The curriculum vitae that Waldheim gave me so we would support him was a lie." (Issue of April 28, 1986)

Waldheim's deceit truly knows no bounds. Last Friday, we revealed that Waldheim's April 6 memorandum purporting to describe his military career was surreptitiously altered six days later. The April 6 version—which was provided by his son to the U.S. Department of Justice—says he returned to

Salonika in April 1943. Although Waldheim has consistently admitted since March 2 of this year that he returned to the Salonika area in late March/early April 1943, during the height of the deportations of Jews there, his new memo says he returned to Salonika in July 1943. This quiet change was never brought to the attention of members of the press and others who received the new memo.

Permit me to conclude, Mr. Chairman, with a public challenge to Kurt Waldheim. Last week, during a meeting in New York between Gerhard Waldheim and WJC Executive Director Elan Steinberg, Mr. Waldheim stated that his father is in possession of a copy of the U.N. War Crimes Commission suspect file pertaining to this own case. The younger Mr. Waldheim agreed to provide the WJC with a copy of that file. We have, as yet, received nothing.

Gerhard Waldheim is here today and is scheduled to testify next. I have reason to believe that he may have a copy of the U.N. file with him now. If, as Kurt Waldheim asserts, he has nothing to hide, then let him make that file available to this subcommittee now or agree to provide it within 48 hours.

The world has been cruelly deceived by Kurt Waldheim. For ten years, the chief human rights officer of the planet was an accused war criminal. It is long past time for all the facts to come out. It is ludicrous for Waldheim to maintain that his fabrications were "unintentional." It is indecent of Waldheim to implore, as he did in an interview last week, "Forty-one years after the end of the war, there should be an end to this." (Der Spiegel, April 14, 1986). And it is obscene for Gerhard Waldheim to come to our country and defend his father by comparing—as he did in the Washington Post on April 13—the experiences of the Nazi troops in the Balkans with those of American veterans of the Vietnam war.

That concludes my prepared text, and I would be happy to answer questions from the Committee. Thank you.

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

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

#### ORDERS FOR MONDAY, APRIL 28, 1986

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader on these matters, I ask unanimous consent that when the Senate convenes on Monday, April 28, the reading of the Journal be dispensed with, no resolutions come over under the rule, the call of the calendar be dispensed with, and following the recognition of the two leaders under the standing order, there be special orders in favor of Senators HAWKINS, CRANSTON, and PROXMIRE, for not to exceed 5 minutes each, to be followed by a period for the transaction of routine morning business not to extend

beyond the hour of 12 noon, with Senators permitted to speak therein for not more than 5 minutes each; and provided further that the morning hour be deemed to have expired.

Mr. BYRD. Mr. President, reserving the right to object.

The PRESIDING OFFICER. The Democratic leader.

Mr. BYRD. Mr. President, I remove my reservation.

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

#### ORDER TO HOLD H.R. 1116 AT THE DESK

Mr. SIMPSON. Mr. President, I ask unanimous consent that H.R. 1116, Garrison Diversion Unit Reformulation Act of 1986, just received from the House of Representatives, be held at the desk until the close of business on Monday, April 28, 1986.

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

Mr. SIMPSON. Mr. President, it was the intention—and I share this with the Democratic leader—of the majority leader to pass H.R. 1116 today. It is my understanding now that the minority leader is not in a position to do that tonight, but will attempt to clear its passage between now and Monday.

Mr. BYRD. Mr. President, if the distinguished assistant Republican leader will yield, that is correct. We on this side have been working on clearing this measure for passage. I think we have made significant progress toward that end and I will continue.

Mr. SIMPSON. I thank the Democratic leader for that helpful note.

#### DOCUMENTATION OF VESSEL "MARILYN" IN THE COASTWISE TRADE

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate now turn to Calendar Item No. 626, H.R. 739, dealing with the vessel *Marilyn*.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 739) relating to the documentation of the vessel *Marilyn* to be employed in the coastwise trade.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Wyoming?

Mr. BYRD. Mr. President, there is no objection on this side.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Commerce, Science, and Transportation, with an amendment to strike out all after the enacting clause, and insert the following:

That subtitle II of title 46, United States Code, is amended as follows:

(1) In section 2101(14)(C), strike "Material" and substitute "Materials".

(2) Section 2101(21) is amended as follows:

(A) In subclause (A)(ii), strike "crewmember." and substitute "crewmember or other individual engaged in the business of the vessel who has not contributed consideration for carriage on board the vessel."

(B) Strike subclause (B)(v)-(vii) and substitute the following:

"(v) a guest on board a vessel being operated only for pleasure who has not contributed consideration for carriage on board; or

"(vi) an individual on board a towing vessel of at least 50 gross tons who has not contributed consideration for carriage on board."

(C) At the end, add the following new subclause:

"(F) on a sailing school vessel, means an individual carried on the vessel except—

"(i) the owner or representatives of the owner;

"(ii) the master or a crewmember engaged in the business of the vessel who has not contributed consideration for carriage and who is paid for services;

"(iii) an employee of the owner of the vessel engaged in the business of the owner, except when the vessel is operating under a demise charter;

"(iv) an employee of the demise charterer of the vessel engaged in the business of the demise charterer;

"(v) a guest on board the vessel who has not contributed consideration for carriage on board; or

"(vi) a sailing school instructor or sailing school student."

(D) Strike "or a sailing school vessel," in clause (B).

(3) In section 3302(i)(5), strike "charter" and substitute "charterer".

(4) At the end of section 3302, add the following new subsection:

"(k) Only the boiler, engine, and other operating machinery of a steam vessel that is a recreational vessel of not more than 65 feet overall in length are subject to inspection under section 3301(9) of this title."

(5)(A) Section 3304 is amended as follows:

(i) In the section catchline, strike "Carrying" and substitute "Transporting".

(ii) In subsection (a), strike "carrying cargo that carries" and "vessel" and substitute "transporting cargo that transports" and "vessel if the vessel is otherwise subject to inspection under this chapter.", respectively.

(iii) In subsection (b), strike "Before an individual in addition to the crew is carried" and substitute "Except when subsection (e) of this section applies, before an individual in addition to the crew is transported".

(iv) In subsection (c), strike "The privilege" and substitute "A privilege".

(v) Add at the end the following new subsection:

"(e) The Secretary may by regulation allow individuals in addition to the crew to be transported in an emergency or under section 2304 of this title."

(B) In item 3304 in the analysis of chapter 33, strike "Carrying" and substitute "Transporting".

(6) In section 3318(f), before clause (1), strike "then" wherever it appears and substitute "than".

(7)(A) Section 3503 is amended as follows:

(i) Insert "(a)" at the beginning of the section.

(ii) Strike the last sentence and substitute "Before November 1, 1993, this section does

not apply to a vessel in operation before January 1, 1968, and operating only on the inland rivers."

(iii) Add at the end the following:

"(b)(1) When a vessel is exempted from the fire-retardant standards of this section—

"(A) the owner or managing operator of the vessel shall notify prospective passengers that the vessel does not comply with applicable fire safety standards due primarily to the wooden construction of passenger berthing areas;

"(B) the owner or managing operator of the vessel may not disclaim liability to a passenger for death, injury, or any other loss caused by fire due to the negligence of the owner or managing operator; and

"(C) the penalties provided in section 3504(c) of this title apply to a violation of this subsection.

"(2) The Secretary shall prescribe regulations under this subsection on the manner in which prospective passengers are to be notified."

(B) Until the regulations required by subclause (A) of this clause become effective, the owner or managing operator shall notify prospective passengers in all promotional literature and on each ticket that the vessel does not comply with those standards due primarily to the wooden construction of passenger berthing areas.

(8) In section 3714(a)(4), strike "charter" and substitute "charterer".

(9) Section 4308 is amended by striking "operator" wherever it appears and substituting "individual in charge".

(10) In section 7111, strike "Part" and substitute "part".

(11) In section 7312(e), strike "able seaman-limited" and substitute "able seamen-limited".

(12) Section 8104(k) is amended by striking "watchers" and substituting "watches".

(13) In section 8502(a)(4)(A), strike "Part" and substitute "part".

(14) Chapter 89 is amended as follows:

(A) In item 8903 in the chapter analysis, strike "Uninspected" and substitute "Self-propelled, uninspected".

(B) In the catchline of section 8903, strike "Uninspected" and substitute "Self-propelled, uninspected".

(C) In the text of section 8903, strike "An" and substitute "A self-propelled".

(15) In section 10709(a)(1), before clause (A)—

(A) strike "then \$1,500 in value, and" and substitute "than \$1,500 in value, the court,"; and

(B) strike "wages, the court" and substitute "wages,".

(16) Section 12122(a) is amended by adding at the end the following sentence: "Each day of continuing violation is a separate violation."

(17) In section 13102(a)(4), strike "coordinate carrying the State" and substitute "coordinate carrying out the State".

(18) Section 13104(b) is amended by inserting after "Secretary" the words "for State recreational boating safety programs".

(19) Chapter 111 is amended as follows:

(A) At the end of the chapter analysis, add the following new item:

"11112. Master's lien for wages."

(B) At the end of the chapter, add the following new section:

"§ 11112. Master's lien for wages

"The master of a documented vessel has the same lien against the vessel for the master's wages and the same priority as any other seaman serving on the vessel."

SEC. 2. (a) The Coast Guard may enter into a lease in excess of 1 fiscal year to acquire a site on the State pier in New Bedford, Massachusetts, for construction of maintenance assistance team and vessel support facilities on that pier.

(b) Any lease under this section is effective only to the extent that amounts are provided for in appropriations laws.

(c) Notwithstanding section 322 of the Act of June 30, 1932 (40 U.S.C. 278a), and beginning in fiscal year 1986, the Coast Guard may spend appropriated amounts for the construction of fixed facilities and improvements on that portion of the State pier leased from Massachusetts for the use of a maintenance assistance team and Coast Guard vessels.

SEC. 3. The body of water known as Lawyer's Ditch located at block 5,000 in the city of Newark, county of Essex, New Jersey, is declared to be a nonnavigable waterway of the United States within the meaning of the General Bridge Act of 1946 (33 U.S.C. 525 et seq.).

SEC. 4. The Coast Guard may enter into any agreement or letter of intent with a municipal utility within the Seventeenth Coast Guard District to provide electricity to a Coast Guard facility without complying with the provisions of section 4 of Public Law 98-557.

SEC. 5. Bayou Lafourche, in the State of Louisiana, between Canal Boulevard, city of Thibodaux, parish of Lafourche and the Southern Pacific Railroad bridge crossing the bayou, city of Thibodaux, parish of Lafourche, is hereby declared to be a nonnavigable waterway of the United States within the meaning of the General Bridge Act of 1946 (33 U.S.C. 525 et seq.).

SEC. 6. Notwithstanding sections 12105, 12106, 12107, and 12108 of title 46, United States Code, and section 27 of the Merchant Marine Act, 1920 (46 U.S.C. App. 883), as applicable on the date of enactment of this Act, the Secretary of the department in which the Coast Guard is operating may issue a certificate of documentation for the following vessels: Marilyn, Maryland registration number MD 3533 AA; Royal Star, Michigan registration number MC 9797 J; Alaskan Shores, United States official number 603879; Shearwater, United States official number 260827; Gypsy Rose, California registration number CF 4291 HF; Eliminator, United States official number 507572; Puka Kai, United States official number 677462; Lobster House, Panama registration number 494-PEXT; Jane E. Bahamian registration number 315924; and Diane M. Bahamian official number 315925, except that such vessels Jane E. and Diane M. may be operated under such documentation only in the waters of the Atlantic Ocean and the Gulf of Mexico.

SEC. 7. Section 2(a) of the Act entitled "An Act to facilitate increased enforcement by the Coast Guard of laws relating to the importation of controlled substances, and for other purposes", approved September 15, 1980 (21 U.S.C. 955b(a)), is amended by inserting immediately before the period the following: " , except that an event otherwise qualifying as an arrangement under such section does not lose that qualification by the fact that consent to, or the terms of, such arrangement are communicated by radio, telephone, or other similar means, or by how specific such arrangement is as to the vessel to which such arrangement applies".

SEC. 8. The Coast Guard may enter into a cost-sharing arrangement with the city of Cape May, New Jersey, under which the city

of Cape May will provide necessary roadway improvement on and along Pennsylvania Avenue between Pittsburg and Buffalo Avenues, as abutted by housing owned by the Coast Guard. For purposes of entering into such an arrangement, the Coast Guard may expend from previously appropriated funds an amount not to exceed \$200,000 on a non-recurring basis.

SEC. 9. Section 2103 of title 46, United States Code, is amended by striking all after "subtitle" the third time it appears and substituting". The Secretary may prescribe regulations to carry out the provisions of this subtitle."

SEC. 10. Section 4370(a) of the Revised Statutes of the United States (46 U.S.C. App. 316(a)) is amended—

(1) by striking all from "a certificate of registry," through "the Act of June 7, 1918, as amended (U.S.C., 1934 edition, Supp. IV, title 46, sec. 288)," and substituting "a certificate of documentation issued under sections 12106 or 12107 of title 46, United States Code,"; and

(2) by striking "a vessel of foreign registry, or a vessel in distress", and substituting "a vessel in distress".

SEC. 11. Section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702) is amended—

(1) in paragraph 6, (A) by striking the period at the end of subparagraph (B) and substituting a comma, and (B) by adding at the end thereof the following: "except that the term does not include a common carrier engaged in ocean transportation by ferry boat, ocean tramp, or chemical parcel-tanker. As used in this paragraph, 'chemical parcel-tanker' means a vessel whose cargo-carrying capability consists of individual cargo tanks for bulk chemicals that are a permanent part of the vessel, that have segregation capability with piping systems to permit simultaneous carriage of several bulk chemical cargoes with minimum risk of cross-contamination, and that has a valid certificate of fitness under the International Maritime Organization Code for the Construction and Equipment of Ships Carrying Dangerous Chemicals in Bulk"; and

(2) in paragraph (18), by striking all from the semicolon and substituting a period.

SEC. 12. Notwithstanding the provisions of the Act entitled "An Act to authorize the Secretary of Commerce to sell two obsolete vessels to Coast Line Company and for other purposes", approved June 3, 1980 (Public Law 96-260; 94 Stat. 435), the Secretary of Transportation shall permit the vessels Pictor, United States official number 243529, Procyon, United States official number 244022, and Zelima, United States official number 248207, to be scrapped in the foreign market if—

(1) the purchaser of such vessels and the country in which such vessels are to be scrapped are acceptable to the Secretary of Transportation; and

(2) the seller of any such vessel agrees in writing to reimburse the United States a reasonable amount, acceptable to the Secretary of Transportation, of not less than one-half of the profits realized from such sale.

SEC. 13. Notwithstanding any other provision of law or any agreement with the United States Government, the vessels Paul Bunyan, United States official number 602272, and John Henry, United States official number 599294, may be sold to a foreign purchaser or purchasers if—

(1) the person desiring to sell the vessel submits to the Secretary of Transportation and the Secretary of the Navy a written offer under which the Secretary of Transporta-

tion may elect to acquire either or both vessels for the National Defense Reserve Fleet or the Secretary of the Navy may elect to acquire either or both vessels for the Ready Reserve Fleet, under the same terms and conditions as those offered by the foreign purchaser or purchasers; and

(2) neither Secretary elects to acquire the vessel within 60 days after the date on which a written offer is submitted to the Secretaries under paragraph (1) of this subsection.

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

The committee amendment was agreed to.

Mr. DANFORTH. Mr. President, I am offering today H.R. 739, as reported by the Commerce Committee, making changes in laws administered by or affecting the Coast Guard and other Federal agencies with responsibilities for maritime programs.

H.R. 739 was received from the House and referred to the Commerce Committee on December 4, 1985. It waived the application of Jones Act restrictions, authorizing the Coast Guard to issue documentation for eight vessels.

The provisions of H.R. 739 were modified and included in an amendment of H.R. 2466 which was adopted by unanimous consent in the Senate on December 19, 1985, and in the House on January 29, 1986. H.R. 2466 was vetoed by the President on February 14, 1986.

H.R. 739 as reported by the committee contains those provisions of the previously adopted H.R. 2466 which were not identified as objectionable by the President in his veto message. They include: technical amendments to subtitle II of title 46; an extension of the exemption allowing continued operation of the Delta Queen paddlewheel riverboat; long-term leasing authority for the Coast Guard; declaration of two waterways as nonnavigable for purposes of bridge-permitting laws; authority for the Coast Guard to contract for electrical power on St. Paul Island, AK; Jones Act waivers; provisions to facilitate drug enforcement by the Coast Guard; authority for the Coast Guard to share costs of road improvements in Cape May, NJ; elimination of a loophole that allows foreign tugs to tow foreign-registry vessels in U.S. ports; clarification that chemical parcel-tankers are not "common carriers" under the Shipping Act and are, therefore, not exempt from the anti-trust laws; and authority for vessels to be sold to foreign purchasers.

The provisions of the bill as reported are the result of extensive discussions with representatives of the affected public and are supported by them. The text of the amendment also has been discussed with members of the House Merchant Marine and Fisheries Committee and the administration to ensure that it will be welcomed and

considered favorably and expeditiously.

Mr. President, the bill as reported reflects a consensus and I ask my colleagues to support it.

Mr. HOLLINGS. Mr. President, there is one provision of this Senate amendment to H.R. 739 that is of particular value to South Carolina and other States ravaged by the influx of illegal drugs from abroad. This provision, section 7 of the amendment, addresses a question raised in the courts regarding the Coast Guard's law enforcement practices with respect to foreign-flag vessels suspected of drug trafficking.

Under international law, a foreign vessel operating outside the U.S. 12-mile contiguous zone and territorial sea is generally subject only to the jurisdiction of its flag country. However, U.S. law allows the Coast Guard to board and seize a suspicious foreign-flag vessel on the high seas if permitted to do so by treaty or other arrangement with the nation whose flag the vessel is flying.

The typical situation arises after the suspect vessel's master refuses a Coast Guard cutter's request to board. The captain of the cutter then must send his boarding request and supporting information up the chain of command to Coast Guard Headquarters and the State Department. This is usually done by telephone, followed by written message. The State Department in turn, through the affected American embassy, seeks the cooperation of the country whose registry is being claimed. The necessary special arrangement for boarding and possible seizure usually consists of oral communications by the flag nation, confirmed by subsequent messages or diplomatic notes. Some lower courts here in the United States have questioned the validity of these special arrangements, asserting that the underlying law calls for a more formal agreement.

The Justice Department, Coast Guard, and other Federal agencies involved in the fight against the illegal drug trade have urged statutory confirmation of the legality of the present practices. Even under the special arrangements procedure, U.S. law enforcement agencies have an awesome task. As is obvious from the description of this procedure, days can pass while the Coast Guard cutter awaits the flag-country's approval to board. In the meantime rapid weather changes can hamper the cutter's ability to keep in range of the suspect vessel. In addition, enough time may elapse to allow the suspect vessel to escape into a third country's waters, or to permit contraband drugs and other evidence to be disposed of over the side.

Section 7 makes it clear that boarding and seizure authority granted by an agreement via telephone, radio, or

other similar means qualifies as a legitimate arrangement under U.S. law. This change will further strengthen Public Law 96-350, which has been very successful in facilitating the convictions of maritime drug smugglers. Prior to the 1980 enactment of that law, which I supported, only 64 percent of those arrested by the Coast Guard were accepted for prosecution, and then only 45 percent of those tried were convicted. In contrast, Coast Guard 7th District statistics for 1984 indicate that 76 percent of those arrested were accepted for prosecution, and of those cases 85 percent resulted in guilty verdicts in Federal court.

I urge approval of this and other provisions in the Senate amendment to H.R. 739.

The PRESIDING OFFICER. If there is no further debate, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 739), as amended, was read the third time, and passed. The title was amended so as to read "An Act to make miscellaneous changes in laws affecting the U.S. Coast Guard, and for other purposes".

Mr. SIMPSON. I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

#### PHOTOGRAPHS OF THE SENATE CHAMBER

Mr. SIMPSON. Mr. President, after conferring with the Democratic leader on this measure, I ask unanimous consent that the Rules Committee regulations pertaining to taking photographs of the Senate Chamber, regulation No. 4, Senate wing of the Capitol, be waived on Friday, April 25, for the purpose of allowing television cameras and still cameras to photograph the Chamber prior to the installation of television cameras in the Senate Chamber.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

#### AUTHORIZATION FOR TESTIMONY OF A SENATE EMPLOYEE

Mr. SIMPSON. Mr. President, I send a resolution to the desk in behalf of Senator DOLE, and Senator BYRD, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 389) to authorize testimony of a Senate employee.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DOLE. Mr. President, the U.S. attorney for the district of Maine has obtained a subpoena for the testimony of Gayle Cory, an employee in Senator MITCHELL's Washington office, at a criminal trial which began this week in the case of *United States v. Robert Christopher Ingraham*, (Cr. No. 85-00051-B (D. Maine)).

The defendant in that case is charged with violating 18 U.S.C. § 875(c), which prohibits the interstate communication of threats to injure individuals. The indictment alleges that the defendant mailed to Senator MITCHELL's office a letter threatening a number of government officials, including Senator MITCHELL and the Governor of Maine.

This resolution would authorize Ms. Cory, who handled the letter for Senator MITCHELL when it was received in his office, to testify at this trial. This is in keeping with our practice of facilitating justice consistent with the privileges and rights of the Senate.

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

The resolution (S. Res. 389) was agreed to.

The preamble was agreed to.

The resolution with its preamble, reads as follows:

S. RES. 389

A resolution (S. Res. 389), to authorize testimony of a Senate employee.

Whereas, in the case of "*United States v. Robert Christopher Ingraham*," Criminal No. 85-00051-B, pending in the United States District Court for the District of Maine, the United States Attorney has obtained a subpoena for the testimony of M. Gayle Cory, an employee in Senator Mitchell's Washington office;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that the testimony of an employee of the Senate is needful for use in any court for the promotion of justice, the Senate will take such action thereon as will promote the ends of justice consistent with the privileges and rights of the Senate: Now, therefore be it

Resolved, That M. Gayle Cory is authorized to appear and to testify in the case of "*United States v. Robert Christopher Ingraham*," except concerning matters which may be privileged.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

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

The motion to lay on the table was agreed to.

TECHNICAL CORRECTIONS TO THE HIGHER EDUCATION ACT

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Labor Committee be discharged from further consideration of S. 2329, "Technical Corrections to the Higher Education Act," and I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 2329), to make technical corrections in the higher education title of the Consolidated Omnibus Budget Reconciliation Act of 1985.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2329

A bill (S. 2329), to make technical corrections in the higher education title of the Consolidated Omnibus Budget Reconciliation Act of 1985.

*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 "Student Financial Assistance Technical Corrections Act of 1986".

Sec. 2. (a) Section 16014(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985 (hereafter in this Act referred to as "the Act") is amended—

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

(2) by inserting before paragraph (2), as redesignated by clause (1), the following new paragraph:

"(1) Section 428(c)(1)(A) of the Act is amended by inserting before the period at the end of the first sentence of such section a comma and the following: 'including the administrative costs of supplemental preclaim assistance for default prevention as defined in paragraph (6)(C)'."

(b) Section 16016 of the Act is amended by striking out "section 435(d)(1)(D)" and inserting in lieu thereof "section 435(g)(1)(D)".

(c) The second sentence of section 16023 of the Act is amended by striking out "to the Secretary" and inserting in lieu thereof "by the Secretary".

(d)(1) Section 16041(b)(1) of the Act is amended by striking out "January 1, 1986" and inserting in lieu thereof "July 1, 1986".

(2) Section 16041(d) of the Act is amended by striking out "January 1, 1986" and inserting in lieu thereof "July 1, 1986".

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

AUTHORITY FOR COMMITTEE ON FOREIGN RELATIONS TO FILE REPORT

Mr. SIMPSON. Mr. President, I ask unanimous consent that during the adjournment of the Senate over until Monday, April 28, the Foreign Relations Committee be authorized to file a report to accompany Senate Joint Resolution 318, between 10 a.m. and 6 p.m. on Friday, April 25, 1986.

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

GOVERNANCE OF THE INSULAR AREAS OF THE UNITED STATES

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar Item No. 511, H.R. 2478, regarding the territories of the United States.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 2478) to amend the Revised Organic Act of the Virgin Islands, to amend the Covenant To Establish a Commonwealth of the Northern Mariana Islands, to amend the Organic Act of Guam, to provide for the governance of the insular areas of the United States, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Energy and Natural Resources, with amendments, as follows:

(The parts of the bill intended to be stricken are shown in boldface brackets, and the parts of the bill intended to be inserted are shown in italic.)

H.R. 2478

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That section 12 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1593) is amended to read as follows:

"Sec. 12. (a) The people of the Virgin Islands shall have the rights of initiative and recall to be exercised as provided in subsection (b) and subsection (c), respectively.

"(b)(1) An initiative may enact, amend, or repeal any law, except that an initiative shall not be used to repeal a law declared by the legislature at the time of passage to be an emergency law necessary for the preservation of the public health, safety, or peace.

"(2) An initiative that proposes a reduction of taxes shall also provide for an equivalent reduction of expenditures or an equivalent increase in revenues from other sources.

"(3) An initiative shall address one subject only and matters reasonably related to that subject.

"(4) The ballot question shall be in such form that a 'yes' vote is a vote in favor of

the proposal and a 'no' vote is a vote against the proposal.

"(5) A copy of the proposed initiative petition, including a complete text of the proposed law and containing signatures equal to at least 1 percent of the voters of each legislative district or 4 percent of all voters of the Virgin Islands must be submitted to the Supervisor of Elections prior to circulation for ballot qualification. The Supervisor of Elections must determine within 10 days after the submission whether the preliminary signatures are sufficient. If so determined, the Supervisor of Elections shall refer the preliminary petition to an initiative titling board consisting of the Attorney General, the Supervisor of Elections, and the legislative counsel of the legislature. The board shall, in an open hearing, prepare the official ballot title, the submission question, and a summary of the initiative proposal, and this preparation shall be completed within 30 days after referral.

"(6) After the ballot title has been written, proponents of the initiative proposal shall have a maximum of 180 days to circulate the petition. Petitions containing signatures equal to at least 10 percent of the voters of each legislative district or 41 percent of all voters of the Virgin Islands must be submitted to the Supervisor of Elections. The Supervisor shall have 15 days to determine that the minimum number of valid signatures are contained in the petition and he shall forward the certified proposal to the legislature which must accept or reject the measure within 30 days. If approved, the initiative shall take effect in accordance with its terms. If the legislature does not approve, the initiative shall be submitted to the voters at the next general election, unless the legislature approves a special election for this purpose. The legislature may submit its own version of the initiative to the voters. Should both measures be approved by the voters, the measure receiving the higher number of votes shall prevail. The voters shall have a clear alternative of rejecting either version or the entire proposition.

"(7) An initiative submitted to the voters shall take effect if the initiative is approved by a majority of persons voting and if a majority of the voters of the Virgin Islands vote on the initiative. An initiative may not be vetoed by the Governor, and when approved by the voters, may not be amended or repealed by the legislature during the 3-year period after its approval unless the legislature acts by a two-thirds majority.

"(8) The legislature may provide the manner in which petitions shall be circulated, filed, certified, and the ballot question shall be submitted to the voters.

"(c)(1) An elected public official of the Virgin Islands may be removed from office by a recall election carried out under this subsection. The grounds for recall are any of the following: lack of fitness, incompetence, neglect of duty, or corruption.

"(2) A recall election may be initiated by a two-thirds vote of the members of the legislature or by a petition under this subsection.

"(3) Prior to circulation a recall petition which identifies by name and office the official being recalled and which states the grounds for recall shall be submitted to the Supervisor of Elections. The sponsors of the recall petition shall be allowed a period of 60 days after such submission for filing with the Supervisor of Elections a list of signatures equal in number to at least 50 percent of the whole number of votes cast for that

office in the last general election at which that office was filled. The Supervisor of Elections shall have 15 days in which to determine whether the minimum number of valid signatures are contained in the recall petition.

"(4) A special recall election shall be held with respect to an elected public official not earlier than 30 days after a vote of the legislature under paragraph (2) or a determination of the board of elections under paragraph (3), as the case may be, and not later than 60 days after such vote or determination.

"(5) An official shall be removed from office upon approval of the recall in an election in which at least two-thirds of the number of persons voting for such official in the last preceding general election at which such official was elected vote in favor of recall and in which those so voting constitute a majority of all those participating in such recall election.

"(6) No recall election shall be held with respect to an elected public official—

"(A) during the first year of the first term of office of the official; or

"(B) less than 3 months before a general election for the office.

"(d) As used in this section, the term—

"(1) 'law' means a law of the Virgin Islands; and

"(2) 'voter' means a registered voter who is eligible to vote on the issue or for the office involved."

[**SEC. 2.** Appropriations through fiscal year 1986, made under authorization of subsection (c) of section 702 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, approved by Public Law 94-241, may be expended for capital improvement projects which facilitate the economic development of the commonwealth.]

**Sec. 2.** A total of up to \$4,000,000 of funds currently reserved for use by the economic development loan fund, as established under subsection (c) of section 702 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, approved by Public Law 94-241, may be expended for capital improvement projects, provided that such funds become available for use by the economic development loan fund and such funds are not obligated for economic development loans.

**Sec. 3.** The first sentence of section 4(a) of the Act of November 20, 1963 (77 Stat. 339) is amended to read as follows: "(a) Except as otherwise provided by law, the governments of the Virgin Islands, Guam, and American Samoa, shall have concurrent civil and criminal jurisdiction with the United States with regard to property owned, reserved, or controlled by the United States in the Virgin Islands, Guam, and American Samoa respectively."

**Sec. 4.** Effective October 1 [1985.] 1986, there are authorized to be appropriated \$1,200,000 to the Secretary of the Interior for grants to the College of the Virgin Islands for projects related to the Eastern Caribbean Center, to remain available until expended.

**Sec. 5.** Section 29(b) of the Organic Act of Guam (64 Stat. 392) is amended by striking out "Governor" and inserting in lieu thereof "Government of Guam".

**Sec. 6.** The Secretary of the Interior is authorized and directed to develop, in consultation with the Governor of the Virgin Islands, options for the future use or disposi-

tion of Water Island which would contribute to economic growth in and make the island an integral part of the Virgin Islands community. The Secretary shall submit such options to the Committee on Interior and Insular Affairs of the House of Representatives and the Committee on Energy and Natural Resources of the Senate within 10 days after the convening of the 100th Congress.

**Sec. 7.** Section 901(a) of part I of title I of the Act of June 19, 1968 (82 Stat. 225, as amended, 42 U.S.C. 3791(a)) is further amended—

(1) in paragraph (2)—

(A) by striking out "and"; and

(B) by inserting before the semicolon the following: ", American Samoa, Guam, and the Northern Mariana Islands. *Provided*, That for the purposes of section 407(a) American Samoa, Guam, and the Northern Mariana Islands shall be considered as one State and that, for these purposes, 33 per centum of the amounts allocated shall be allocated to American Samoa, 50 per centum to Guam, and 17 per centum to the Northern Mariana Islands"; and (2) in paragraph (3)—

(A) by striking out ", Guam, American Samoa" and inserting "and" in lieu thereof, and

(B) by striking out all that appears after "Pacific Islands" and inserting a semicolon in lieu thereof.

**Sec. 8.** (a) Section 8a of the Act of September 2, 1937 (50 Stat. 918, as amended and supplemented, 16 U.S.C. 669g-1) is amended by deleting the word "Act," the first place it appears and inserting in lieu thereof: "Act, and hunter safety programs as provided by section 8(b) of this Act,".

(b) Section 4(b) of the Act of September 2, 1937 (50 Stat. 918, as amended and supplemented, 16 U.S.C. 669c(b)) is further amended by striking the period at the end of the first sentence and adding: "and Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands shall each be apportioned one-sixth of 1 per centum of such revenues."

**SEC. 9. LAND GRANT COLLEGE.**—(a) Section 506 of the Education Amendments of 1972, Public Law 92-318 (86 Stat. 235), is amended—

(1) by inserting ", the Northern Marianas College," immediately after "the College of Micronesia" in subsection (a); and

(2) by striking out "Virgin Islands, Guam, American Samoa, and Micronesia"; each place it appears in subsection (b) and inserting in lieu thereof "Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)".

(b) Section 5 of the Act of August 30, 1890, c.841, 26 Stat. 417 (the Second Morrill Act), as added by section 506(c) of Public Law 92-318 (86 Stat. 235) is amended by striking out "and Micronesia, and Guam" and inserting in lieu thereof "Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)".

(c) Subsection (c) of section 1361 of Public Law 96-374 (94 Stat. 1367) is amended by striking out "American Samoa and in Micronesia" and inserting in lieu thereof "American Samoa, the Northern Mariana Islands and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)".

(d) Section 22 of the Act of June 29, 1935, c.388, 49 Stat. 439, as amended (7 U.S.C. 329) is further amended—

(1) by striking out "and Guam" wherever it appears and inserting in lieu thereof "Guam, and the Northern Mariana Islands";

(2) by striking out "\$8,100,000" and inserting in lieu thereof "\$8,250,000"; and

(3) by striking out "\$4,360,000" and inserting in lieu thereof "\$4,380,000".

(e) The first sentence of section 3(b)(2) of the Act of May 8, 1914, c.79, 38 Stat. 372, as amended (7 U.S.C. 343), is further amended by striking out "and Guam" and inserting in lieu thereof "Guam, and the Northern Mariana Islands".

(f) Section 10 of the Act of May 8, 1914, c.79, 38 Stat. 372, as added by section 1(i) of Public Law 87-749 (76 Stat. 745) and as amended (7 U.S.C. 349), is further amended to read as follows: "The term 'State' means the States of the Union, Puerto Rico, the Virgin Islands, Guam and the Northern Mariana Islands."

Mr. SIMPSON. Mr. President, I ask unanimous consent that the committee amendments be withdrawn.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

#### AMENDMENT NO. 1804

(Purpose: To make necessary changes to H.R. 2478, regarding the territories of the United States)

Mr. SIMPSON. Mr. President, I send an amendment to the desk on behalf of Senator WEICKER and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Wyoming [Mr. SIMPSON], for Mr. WEICKER, proposes an amendment numbered 1804.

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

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

The amendment is as follows:

Strike the text of section 2 and add the following new text:

"Sec. 2. A total of up to \$4,000,000 of funds currently reserved for use by the economic development loan fund, as established under subsection (c) of section 702 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, approved by Public Law 94-241, may be expended for capital improvement projects, provided that such funds become available for use by the economic development loan fund and such funds are not obligated for economic development loans."

Strike the text of section 4 and the following new text:

"Sec. 4. Effective October 1, 1986, there are authorized to be appropriated \$1,500,000 for grants to the College of the Virgin Islands for projects related to the Eastern Caribbean Center, to remain available until expended."

In section 8 delete "669g-1" and insert "669h" in lieu thereof, and at the end of the bill add the following new sections:

"Sec. 9. (a) Section 506 of the Education Amendments of 1972, Public Law 92-318 (86

Stat. 235) is amended by inserting, 'the Northern Marianas College', after 'the College of Micronesia' in subsection (a).

"(b) Section 5 of the Act of August 30, 1980, c. 841, 26 Stat. 417 (the Second Morrill Act), as added by section 506(c) of Public Law 92-318 (86 Stat. 235) is amended by striking out 'and Micronesia, and Guam' and inserting in lieu thereof 'Guam, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)'.

"(c) Subsection (c) of section 1361 of Public Law 96-374 (94 Stat. 1367) is amended by striking out 'American Samoa and in Micronesia' and inserting in lieu thereof 'American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)'.

"(d) Section 22 of the Act of June 29, 1935, c. 388, 49 Stat. 439, as amended (7 U.S.C. 329) is further amended—

"(1) by striking out 'and Guam' wherever it appears and inserting in lieu thereof 'Guam, and the Northern Mariana Islands';

"(2) by striking out '\$8,100,000' and inserting in lieu thereof '\$8,250,000'; and

"(3) by striking out '\$4,360,000' and inserting in lieu thereof '\$4,380,000'.

"(e) The first sentence of section 3(b)(2) of the Act of May 8, 1914, c.79, 38 Stat. 372, as amended (7 U.S.C. 343), is further amended by striking out 'and Guam' and inserting in lieu thereof 'Guam, and the Northern Mariana Islands'.

(f) Section 10 of the Act of May 8, 1914, c.79, 38 Stat. 372, as added by section 1(i) of Public Law 87-749 (76 Stat. 745) and as amended (7 U.S.C. 349), is further amended to read as follows: 'The term 'State' means the States of the Union, Puerto Rico, the Virgin Islands, Guam and the Northern Mariana Islands.'

"Sec. 10. The Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America approved by Public Law 94-241 (90 Stat. 263) is amended

"(1) in section 703, subsection (a), after the words, 'section 702' add the words 'and section 705';

"(2) in section 704, subsection (a), after the words 'section 702' add the words 'and section 705';

"(3) in section 704, delete subsection (c), and redesignate subsection (d) as subsection (c);

"(4) after section 704 add a new section 705, as follows:

"Sec. 705. Enactment of this section by the United States Congress and approval by the President shall constitute a commitment and pledge of the full faith and credit of the United States for the payment of \$228,000,000 at guaranteed annual amounts of direct grant assistance for the Government of the Northern Mariana Islands for an additional period of seven fiscal years after the expiration of the initial seven-year period specified in section 702, which assistance shall be provided according to the agreement of the special representatives on future United States financial assistance for the Government of the Northern Mariana Islands, executed July 10, 1985, between the special representative of the President of the United States and the special representatives of the Governor of the Northern Mariana Islands. The islands of Rota and Tinian shall each receive no less than a 1/2 share and the island of Saipan shall receive no less than 1/4 share of annualized capital improvement project funds which shall be

no less than 80 percent of the capital development funds identified in the schedule of payments in paragraph 2 of part II of the agreement of the special representatives."; and

"(5) in section 1003, subsection (b), delete 'Article VII, Sections' and insert in lieu thereof '701-704.'; redesignate subsection (c) as subsection (d); and add a new subsection (c) as follows:

"(c) Section 705 will become effective as of October 1, 1985."

"Sec. 11. Public Law 96-193 is amended by adding the following new section at the end of title III:

"Sec. 306. (a) The Secretary shall provide an exemption from applicable noise standards to permit the operation of any noncomplying aircraft if the operator is flying such aircraft between Honolulu or other nations and points in the United States Pacific territories or the Trust Territory of the Pacific Islands (or successor political entities). No such noncomplying aircraft shall be allowed to operate at any other United States airports.

"(b) Nighttime noise restrictions for aircraft operating pursuant to subsection (a) of this section shall be inapplicable in Honolulu, the United States Pacific territories and the Trust Territory of the Pacific Islands, (or successor political entities), provided that the State of Hawaii institutes nighttime noise restrictions for Honolulu International Airport, with equal application to all operators, that are no more restrictive than the existing restrictions."

"Sec. 12. (a) In awarding assistant grants, consolidated under the provisions of title V of the Act entitled 'An act to authorize certain appropriations for the territories of the United States, to amend certain acts related thereto, and for other purposes'. (91 Stat. 1159, as amended), to the Trust Territory of the Pacific Islands, American Samoa, Guam, the Northern Mariana Islands or the Virgin Islands, the Administrator of the Environmental Protection Agency may, in his discretion, adjust or otherwise modify maintenance or level of effort requirements.

"(b) In awarding grants to the Trust Territory of the Pacific Islands, American Samoa, Guam, the Northern Mariana Islands and the Virgin Islands under section 201(g)(1) of the Clean Water Act (33 U.S.C. 1251 et seq.), the Administrator of the Environmental Protection Agency may waive limitations regarding grant eligibility for sewerage facilities and related appurtenances, insofar as such limitations relate to collector sewers, based upon a determination that applying such limitations could hinder the alleviation of threats to public health and water quality. In making such a determination, the Administrator shall take into consideration the public health and water quality benefits to be derived and the availability of alternate funding sources. The administrator shall not award grants under this section for the operation and maintenance of sewerage facilities, for construction of facilities which are not an essential component of the sewerage facilities, or any other activities or facilities which are not concerned with the management of wastewater to alleviate threats to public health and water quality.

"Sec. 13. Section 29 of the Organic Act of Guam (64 Stat. 392) is amended by adding the following new subsection (c):

"(c) The Government of Guam may establish an Office of Public Prosecutor and an Office of Public Auditor."

"Sec. 14. Section 101(a)(15)(D) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(D)) is amended by inserting '(I)' after '(D)' and by adding at the end the following new clause:

"(ii) and alien crewman serving in good faith as such in any capacity required for normal operations and service aboard a fishing vessel having its home port or an operating base in the United States who intends to land temporarily in Guam and solely in pursuit of his calling as a crewman and depart from Guam with the vessel on which he arrived. For the purposes of this clause, an alien crewman shall be considered to have departed from Guam after leaving the territorial waters of Guam, without regard to whether the alien arrives in a foreign state before returning to Guam."

"Sec. 15. Subsection 212(1) of the Immigration and Nationality Act (8 U.S.C. 1182) is amended as follows:

"(1)(1) The requirement of paragraph (26)(B) of subsection (a) of this section may be waived by the Attorney General, the Secretary of State, and the Secretary of the Interior, acting jointly, in the case of an alien applying for admission as a nonimmigrant visitor for business or pleasure and solely for entry into and stay on Guam for a period not to exceed fifteen days, if the Attorney General, the Secretary of State, and the Secretary of the Interior, after consultation with the Governor of Guam jointly determined that—

"(A) an adequate arrival and departure control system has been developed on Guam, and that

"(B) such a waiver does not represent a threat to the welfare, safety, or security of the United States, taking into account the conditions prevailing on, and the location of, Guam.

"(2) An alien may not be provided a waiver under this subsection unless the alien has waived any right—

"(A) to review or appeal under this Act of an immigration officer's determination as to the admissibility of the alien at the port of entry into Guam, or

"(B) to contest, other than on the basis of an application for asylum, any action for deportation against the alien.

"(3) Any personnel employed by the Immigration and Naturalization Service in order to implement the provisions of this subsection shall not be counted for the purposes of personnel ceilings or other limitations on the number of employees in either the Immigration and Naturalization Service or the Department of Justice.

"(4) Assignments of employees of the territory of Guam to the Immigration and Naturalization Service under section 3374 of title 5, United States Code, shall not be subject to the time limitation provided for in section 3372(a) of title 5, United States Code.

"(5) The Attorney General is authorized to accept from the Territory of Guam reimbursement for the increased cost of administering the Immigration and Nationality Act resulting from this subsection.

"(6) The Attorney General, after consultation with the Secretary of State, the Secretary of the Interior, and the Governor of Guam, shall issue regulations governing the admission of nonimmigrant aliens pursuant to the visa waiver authorized by this subsection."

Mr. WEICKER. Mr. President, on December 3, of last year I chaired a hearing in the Committee on Energy and Natural Resources on three legis-

lative proposals regarding the territories. Since that time the committee has reported two of the measures unanimously, H.R. 2478 and Senate Joint Resolution 192, and they are now ready for consideration by the full Senate. I am pleased to be joined by my distinguished colleagues, the chairman and ranking member of the committee, Senators McCLURE and JOHNSTON, in offering an amendment to one of these territorial measures, H.R. 2478. This amendment has five parts. First, it would replace the text of section 2 in order to clarify the use of economic development loan funds for capital improvement projects in the Northern Mariana Islands. Second, it would replace the text of section 4 to respond to a request from the College of the Virgin Islands that the authorization for the Eastern Caribbean Center be shifted from the Secretary of the Interior to the Agency for International Development. Third, the amendment would make a technical change in section 8. Fourth, the amendment adds a new section to the bill granting land grant status to the Northern Mariana College. This new section is a slight modification of one of the committee amendments reported with H.R. 2478 and which was considered and approved by the committee. Finally, the fifth purpose of this amendment is to add the provisions of Senate Joint Resolution 192, as amended, to the end of H.R. 2478 and thereby combine the two reported measures as one.

As combined with Senate Joint Resolution 192, H.R. 2478 will have 15 provisions regarding the territories. Some of these items, such as continuation of financial assistance to the Northern Mariana Islands, are of critical importance. Other provisions are less critical but are important for enacting several necessary authorizations, clarifying amendments and program modifications designed to meet the needs of the U.S. territories of Guam, the Northern Mariana Islands, American Samoa, and the Virgin Islands.

I would like to acknowledge the efforts of the members and staff of several subcommittees for their cooperation and assistance in developing these provisions. These subcommittees are: the Subcommittee on Aviation, the Subcommittee on Environmental Pollution, the Subcommittee on Western Hemisphere Affairs, the Subcommittee on Immigration and Refugee Policy and the Subcommittee on Education, Arts and Humanities. I have prepared a section-by-section analysis of the 15 provisions, as amended. I urge my colleagues to join with us in adoption of this amendment and in passage of H.R. 2478.

I ask unanimous consent that the section-by-section analysis be printed in the RECORD.

There being no objection, the section-by-section analysis was ordered to be printed in the RECORD, as follows:

#### SECTION-BY-SECTION ANALYSIS

Section 1 would amend section 12 of the Revised Organic Act of the Virgin Islands to grant the people of the Virgin Islands the authority to make law by initiative and to recall elected officials. A similar provision had been included in the territorial constitution which was defeated in a local referendum (although the initiative and recall provisions were not controversial). Section 101 of Public Law 97-357 provided similar authority to the people of Guam.

Section 2 would authorize the Government of the Northern Mariana Islands (NMI) to expend unspent economic development loan funds for capital improvements projects. Section 702(c) of the Covenant between the United States and NMI, Public Law 94-241, provided a total of \$23 million over 7 years for funding of economic development loans, an amount which NMI officials believe is greater than is needed. At the same time, there is an acute need for basic improvements to the islands' infrastructure. The provisions would permit the transfer of already appropriated funds to higher priority needs. It is intended that only funds which are not obligated for loans by the Fund managers shall be available to be transferred. Further, it is not intended for this authority to be open-ended; the language specifically limits the total of the funds which may be transferred to \$4 million.

Section 3 would amend section 4(a) of Public Law 88-183 to grant the Virgin Islands, Guam and American Samoa full civil and criminal concurrent jurisdiction with the United States over Federal property in these territories to the extent that local laws do not conflict with Federal laws. Public Law 88-183 granted territorial governments concurrent jurisdiction over "parties found, acts performed and offenses committed" on Federal property. It was intended to be a general grant of concurrent jurisdiction. However, a Federal court in the Virgin Islands last year cast doubt on this by ruling that a local access law could not be enforced on Federally-owned Water Island (Water Isle Hotel and Beach Club Ltd. vs. Kon Tiki, St. Thomas, Inc. Civil No. 1983-284 Dist. Court V.I. March 27, 1984).

Section 4 would authorize \$1.5 million in multi-year funding for the Eastern Caribbean Center which was proposed in the President's Caribbean Basin Initiative. The Center is to promote Caribbean regional development through cooperative technical assistance programs. The Center was established at the College of the Virgin Islands in 1985 under an authorization to the Secretary of the Interior. Since that time, the College of the Virgin Islands has requested that the authorization be shifted to the United States Agency for International Development (USAID). This section provides for a general authorization which does not specify the USIA. However, there is an informal agreement that the USIA is the appropriate agency to administer this authorization. It is anticipated that the House of Representatives will develop more specific language describing this authorization and will amend this section during House consideration.

Section 5 would amend section 29(b) of the Organic Act of Guam, which assigns the authority to organize the Guam education system, by replacing the word "Governor"

with "Government of Guam". The Guam Board of Education and the Legislature of Guam have requested that this change be made. However, the Governor opposes the change which would allow for an increase in the number of Guam officials involved in education policy. It is the intention of the Committee that the Government of Guam, not the U.S. Congress, shall determine how to allocate the authority to organize the Guam education system. This provision does not preclude delegation of this authority to the Governor under local law nor does it require that there be any changes to the current organization of the education system.

Section 6 would direct the Secretary of the Interior to develop options for the future status of Water Island and report to Congress by the beginning of the 100th Congress. This 500 acre island in St. Thomas Harbor is owned by the Federal government and has been leased to a hotel operator since 1952. The lease expires in 1992. Two issues which are of particular concern and underscore the need for this report are: one, that the current lease requires full payment to the leaseholder for all improvements if the lease is not renewed; and two, Public Law 96-205 bars any change in the lease without Congressional approval. Options must be developed for Congressional consideration before the Secretary of the Interior can begin negotiations with the leaseholder on future status.

Section 7 would amend section 901 of the Justice Assistance Act, Public Law 98-473 to make American Samoa, Guam and the Northern Mariana Islands eligible to receive grants as a single state. Because of their relatively small size, Guam would be eligible for one-half of a state allocation, American Samoa a one-third share and NMI a one-sixth share. This assistance has been sought by the Pacific territories to help cope with growing crime problems.

Section 8 would make the territories eligible to participate in the Hunter Safety Program of the Federal Aid in Wildlife Restoration Act of 1937. The provision would amend the law to allocate one-sixth of 1 percent of the program's funds to each of the four smaller territories. Puerto Rico is already eligible.

Section 9 extends program eligibility for the Land Grant College Program to the College of the Northern Mariana Islands. Because of the small size of the College of the Northern Mariana Islands, this provision does not authorize the college for the \$3 million endowment which has usually been included in the extension of program eligibility. It is intended that the college be eligible for all program grants and benefits extended to other member colleges except for the endowment.

Section 10 would implement the agreement of the Special Representatives on the Future United States Financial Assistance for the Northern Mariana Islands which modifies the conditions for financial assistance to the islands. In 1976, Congress approved a Covenant to Establish a Commonwealth of the Northern Mariana Islands (CNMI) in Political Union with the United States (Public Law 94-241). Article VII of this Covenant pledges the full faith and credit of the United States to seven years of financial support to the CNMI for its operations and economic development.

Section 902 of the Covenant requires that special representatives of the United States and CNMI meet at least 1 year prior to the expiration of the period of financial assistance to consider and make recommenda-

tions regarding future multiyear financial assistance. Section 704(d) of the Covenant provides that the level of payments will continue until Congress appropriates a different amount or "otherwise provides by law." Having met, on July 10, 1985, the Special Representatives on Future United States Financial Assistance for the CNMI reached an agreement on funding for the next seven year period.

Upon enactment of Section 10, this agreement will provide the framework for the U.S. financial assistance to the CNMI for the second 7-year period, fiscal years 1986 through 1992. It would provide \$228 million over the next 7-years for three general activities; \$100.5 million for Government operations; \$126 million for capital development, and \$1.5 million for special programs.

Section 11 would amend title III of Public Law 96-193 to provide an exemption from aircraft noise standards for aircraft flying between Honolulu, Hawaii, or other nations, and the United States Pacific territories or the Trust Territory of the Pacific Islands (or successor political entities). The section would further provide that the State of Hawaii shall be authorized to institute nighttime noise restrictions for Honolulu airport which would be no more restrictive than those which currently apply. The intent of this provision is to increase air service in these insular areas where it is essential for economic and social development. The current restrictions were developed in response to a noise problem which is minimal in the territories because aircraft operate over water. In addition, the region's two largest airports, in Guam and Honolulu, are also used by military aircraft which do not need to meet the noise restrictions. The high cost of compliance with the noise restrictions has resulted in more harm than benefit to these islands. The cost, generally over \$2 million per aircraft, has discouraged operators from serving these markets or it has forced them to cease operations altogether. Although the exemption in Honolulu is more limited, to daytime flights, it is necessary to include Honolulu in order to assure that there is an opportunity for mail, freight and passenger service to the United States to develop adequately.

Section 12 would provide flexibility to the Administrator of the Environmental Protection Agency (EPA) to modify certain water quality grant requirements and limitations which he may determine are not appropriate to conditions in the territories. For example, water and power service, on which water treatment facilities depend, are generally less developed and reliable in the territories than in mainland areas. As a result, the territories have lagged behind mainland areas in meeting eligibility requirements and in taking advantage of water quality grants. Because these grants are now being phased-out, the territories may lose the opportunity to take full advantage of the grants despite a significant threat to public health and water quality. It is intended that the Administrator of the EPA will use the flexibility granted by this provision to waive requirements, including time limitations on grants, to alleviate threats to the public health and quality, and to encourage the development of water treatment facilities. The provision would allow Federal funds to be used for the construction of sewage collection systems to receive sewage from household connections and transport it to interceptor or trunk sewers, provided the required findings related to threats to public health are made. The Clean Water Act does

not permit use of Federal funds for the installation of house connector lines to sewage collection systems.

Section 13 would add a new paragraph (c) to section 29 of the Organic Act of Guam, authorizing the Government of Guam to establish independent offices for Prosecutor and Auditor. It is intended that the Government of Guam, not the U.S. Congress, shall determine how to allocate the authority to establish and organize each of these two separate offices. This provision does not preclude delegation of this authority to the Governor under local law nor does it require that there be any changes to the current organization of these offices.

Section 14 would amend the Immigration and Nationality Act to correct an inconsistency in the immigration law which allows alien crewmen on foreign vessels to enter Guam for shore leave while denying the same alien crewmen entry to Guam if they work on U.S.-registered vessels. This discriminatory treatment favoring foreign vessels has resulted in severe morale problems on U.S. vessels and, in one case, led to violence when immigration officers attempted to enforce the law. This section is intended to alleviate this problem. Aliens otherwise admissible as crewmen under Section 101(a)(15)(D) of the Act would be able to periodically come into Guam on the fishing vessel on which they are serving and be admissible as "D" crewmen, without the necessity of first entering a foreign country before returning to the United States.

Section 15 would amend subsection 212(1) of the Immigration and Nationality Act which was enacted by Congress in 1984 (Public Law 98-454) to provide for a limited 15-day visa waiver for visitors to Guam. The unique conditions prevailing on Guam and its isolated location provide sufficient safeguards for the welfare, safety and security of the United States to justify a broad application of the visa waiver system. Guam's isolation as an island in the Pacific Ocean easily allows for the restriction of visa waiver recipients to the Territory thereby preventing them from traveling onward to Hawaii and the mainland. Guam's small area and its relatively small population ensure that any nonimmigrants who overstay the visa waiver period of fifteen days can be quickly located and removed. The waiver of remedies provision contained in this legislation also ensures that there will be little if any administrative cost attributable to appeals of entry denials to visa waiver applicants. Given the inherent protections which Guam offers the welfare, safety and security of the United States the visa waiver system should be liberally applied to a broad range of countries. In particular, the visa denial rates through 16% for the preceding calendar year, including but not limited to South Korea and Taiwan. It is intended that the visa waiver program should initially be given wide application. If threats to the welfare, safety or security of the United States develop those threats should be dealt with on a country by country basis.

Mr. SIMPSON. Mr. President, I move adoption of the amendment.

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

The amendment (No. 1804) was agreed to.

The PRESIDING OFFICER. The bill is before the Senate and open to further amendment. If there be no

further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill (H.R. 2478), as amended, was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

#### EXECUTIVE CALENDAR

Mr. SIMPSON. Mr. President, I would like to inquire of the Democratic leader if he is in a position to consider the nomination of Robert J. Bryan, of Washington, to be U.S. district judge for the western district of Washington.

Mr. BYRD. Mr. President, that nomination has been cleared on this side of the aisle. We are ready to proceed.

#### EXECUTIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination of Robert J. Bryan.

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

#### THE JUDICIARY

The assistant legislative clerk read the nomination of Robert J. Bryan, of Washington, to be U.S. district judge for the western district of Washington.

Mr. GORTON. Mr. President, Senator EVANS and I are delighted to have this nomination of Judge Bryan before the Senate for two reasons. The first is that this specific position in the western district of Washington was created because of an immense need for an additional judge, especially in the southern division of that district.

Even more important, however, is the fact that Senator EVANS and I have an immense delight in having had the President nominate a candidate of such impeccable qualifications.

Robert Bryan first became a member of the bench when he was appointed to the superior court for Kitsap County in 1967 by the then Governor of the State of Washington, who sits on the other side of Judge Bryan right now.

He served for 17 years until his retirement from that position in 1984. Lawyer evaluation polls in the State of Washington ranked him either at the top or right at the top of all of the superior court judges in the State almost from the beginning of his career on the bench.

He was overwhelmingly characterized as excellent in each area of review

in the way judges are reviewed there—legal ability, judicial temperament, availability, integrity, hard work, and the like—precisely the kind of person we need in our courts.

For the last 2 years, he has had a refresher in what it is like in the private sector in one of the most distinguished law firms in Seattle. His personal credentials match those of his professional credentials. He has given freely of his time not only to the legal community in the State of Washington, but to many other worthy causes as well.

I may say in passing, Mr. President, that at his nomination hearing before the Senate Judiciary Committee, I commented on physical similarities between Judge Bryan and our distinguished senior Senator from New Jersey [Mr. BRADLEY]. Judge Bryan was also at one time an outstanding basketball player.

Like our great colleague, he maybe cannot get quite so far off the floor now as he could at that time, but it is simply another illustration of his success and of a background which is so broad and includes so many important positions as to make him overwhelmingly qualified for this position.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. SIMPSON. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

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

The motion to lay on the table was agreed to.

Mr. SIMPSON. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to this nomination.

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

#### LEGISLATIVE SESSION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Senate now resume legislative session.

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

#### PERMISSION FOR THE COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS TO INTRODUCE LEGISLATION

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs, under the jurisdiction of Senator GARN have 30 minutes after the Senate adjourns this evening in order to introduce a bill.

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

#### MESSAGES FROM THE PRESIDENT RECEIVED DURING RECESS

Under the authority of the order of the Senate of January 3, 1985, the Secretary of the Senate, on April 23, 1986, during the recess of the Senate, received a message from the President of the United States submitting sundry nominations and a withdrawal; which were referred to the appropriate committees.

(The nominations and withdrawal received on April 23, 1986, 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 Ms. Sara Currence Emery, special assistant to the executive clerk of the White House, one of his secretaries.

#### EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer 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.)

#### STRUCTURE AND STRENGTH OF THE DEFENSE ESTABLISHMENT—MESSAGE FROM THE PRESIDENT—PM 138

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States; which was referred to the Committee on Armed Services:

*To the Congress of the United States:*

On February 26, I spoke to the American people of my highest duty as President—to preserve peace and defend the United States. I outlined the objectives on which our defense program has rested. We have been firmly committed to rebuilding America's strength, to meeting new challenges to our security, and to reducing the danger of nuclear war. We have also been dedicated to pursuing and implementing defense reforms wherever necessary for greater efficiency or military effectiveness.

With these objectives in mind, I address the Congress on a subject of central importance to all Americans—the future structure and organization of our defense establishment.

Extensive study by the Armed Services Committees of the Senate and the House of Representatives has produced numerous proposals for far-reaching changes in the structure of

the Department of Defense, including the organization of our senior military leadership. These proposals, sponsored by members with wide knowledge and experience in defense matters, are now pending before the Congress.

In addition, a few weeks ago I endorsed the recommendations of the bipartisan President's Blue Ribbon Commission on Defense Management, chaired by David Packard, for improving overall defense management including the crucial areas of national security planning, organization, and command.

For more effective direction of our national security establishment and better coordination of our Armed Forces, I consider some of these proposals to be highly desirable, and I have recently taken the administrative steps necessary to implement these improvements. In this message, I wish to focus on the essential legislative steps that the Congress must take for these improvements to be fully implemented.

Together, the work of the Packard Commission and the Congress represents certainly the most comprehensive review of the Department of Defense in over a generation. Their work has been the focus of an historic effort to help chart the course we should follow now and into a new century. While we will continue to refine and improve our defense establishment in the future, it will be many years before changes of this scope are again considered. Given these unique circumstances, I concluded that my views as President and Commander in Chief should be laid before the Congress prior to the completion of legislative action.

#### EXECUTIVE AND LEGISLATIVE RESPONSIBILITIES

In forwarding this message, I am cognizant of the important role of the Congress in providing for our national defense. We must work together in this endeavor. However, any changes in statute must not infringe on the constitutionally protected responsibilities of the President as Commander in Chief. Any legislation in which the issues of Legislative and Executive responsibilities are confused would be constitutionally suspect and would not meet with my approval.

My views concerning legislation on defense reorganization now pending in the House and Senate reflect a reasoned and open-minded approach to the issues, while maintaining a close watch on the constitutional responsibilities and prerogatives of the Presidency. While I had considered forwarding a separate bill to the Congress, I concluded that this was not necessary since many of the legislative recommendations of the Packard Commission are already pending in one or more bills. However, additional changes in law are also proposed in

those other bills, and such changes must be carefully weighed.

Certain changes in the law are necessary to accomplish the objectives we seek. Among these are the designation of the Chairman of the Joint Chiefs of Staff as the principal military adviser to the President, the Secretary of Defense, and the National Security Council, and the Chairman's exclusive control over the Joint Staff; the creation of a new Vice Chairman of the Joint Chiefs of Staff; and the creation of a new Level II position of Under Secretary of Defense for Acquisition.

Other proposed changes in law are, in my judgment, not required. It is not necessary to place in law those aspects of defense organization that can be accomplished through executive action. Nevertheless, if such changes are recommended by the Congress, I will carefully consider them, provided they are consistent with current policy and practice and do not infringe upon the authority or reduce the flexibility of the President or the Secretary of Defense.

#### GENERAL PRINCIPLES

The organization of our present-day defense establishment reflects a series of important reforms following World War II. These reforms were based upon the harsh lessons of global war and were hastened by the new military responsibilities and threats facing our Nation. They culminated in 1958 with the reorganization of the Department of Defense under President Eisenhower.

President Eisenhower's experience of high military command has few parallels among Presidents since George Washington. The basic structure for defense that he laid down in 1958 has served the Nation well for over 25 years. The principles that governed his reorganization proposals are few but fundamental. They are of undiminished importance today.

First, the proper functioning of our defense establishment depends upon civilian authority that is unimpaired and capable of strong executive action.

As civilian head of the Department, the Secretary of Defense must have the necessary latitude to shape operational commands, to establish clear command channels, to organize his Office and Department of Defense agencies, and to oversee the administrative, training, logistics, and other functions of the military departments.

Second, if our defense program is to achieve maximum effectiveness, it must be genuinely unified.

A basis theme of defense reorganization efforts since World War II has been to preserve the valuable aspects of our traditional service framework while nonetheless achieving the united effort that is indispensable for our national security. President Eisenhower counseled that separate "service responsibilities and activities must

always be only the branches, not the central trunk of the national security tree."

Unified effort is not only a prerequisite for successful command of military operations during wartime, today, it is also indispensable for strategic planning and for the effective direction of our defense program in peacetime. The organization of our senior military leadership must facilitate this unified effort. The highest quality military advice must be available to the President and the Secretary of Defense on a continuing basis. This must include a clear, single, integrated military point of view. Yet, at the same time, it must not exclude well-reasoned alternatives.

Third, the character of our defenses must keep pace with rapid changes in the military challenges we face.

President Eisenhower observed a revolution taking place in the techniques of warfare. Advancing technology, and the need to maintain a vital deterrent, continually test our ability to introduce new weapons into our armed forces efficiently and economically. It is increasingly critical that our forces be able to respond in a timely way to a wide variety of potential situations. These range across a spectrum from full mobilization and deployment in case of general war, to the discriminating use of force in special operations. To respond successfully to these changing circumstances and requirements, our defense organization must be highly adaptable.

Where the roles and responsibilities of each component of our defense establishment are necessarily placed in law, they must be clear and unambiguous, but not so constrained or detailed as to impair operational flexibility or the common sense of those in positions of responsibility. Laws must not be written in response to the strengths and weaknesses of individuals who now serve. Instead, they should establish sound, fundamental relationships among and between civilian and military authorities, relationships that reflect the proper balance between our traditions and heritage and the practical considerations unique to military matters.

#### SPECIAL RELATIONSHIPS BETWEEN THE PRESIDENT AND CERTAIN SUBORDINATES

I noted earlier that President Eisenhower brought to his Presidency a unique perspective and unprecedented military experience. Few Presidents have come into this office as well prepared as he to assume the responsibilities of Commander in Chief. This fact places a heavy burden on our defense establishment and requires the continued development of key institutions and relationships that constitute the framework of our current organization.

It has been my experience that within this framework there is a special relationship between the President, the Secretary of Defense, and the Combatant Commanders. In providing for the timely and effective use of the armed forces in support of our foreign policy, our entire defense establishment is focused on supporting this special relationship and making it as effective as possible. All other aspects of our defense organization must be subordinate to this purpose.

*The Secretary of Defense.* In particular, the law places broad authority and heavy responsibilities on the Secretary of Defense. The Secretary, in his responsibility as head of the defense establishment and in executing the directives of the Commander in Chief, embodies the concept of civilian control. No one but the President of the United States and the Secretary of Defense is empowered with command authority over the armed forces. In managing the Department of Defense the Secretary must retain the authority and flexibility necessary to fulfill these broad responsibilities.

Thus, where the Congress seeks statutory changes that would affect the Secretary of Defense, I will apply the following criteria:

- I will support efforts to strengthen the authority of the Secretary of Defense if there are areas in the law where his current authority is not sufficiently clear.
- The Secretary's authority should be delegated as he sees fit, and such delegation should never be mandated in the law apart from his concurrence and approval.
- The strengthening of other offices or components of the defense establishment should never be, nor appear to be, at the expense of the authority of the Secretary of Defense.

*The Combatant Commanders.* The Unified and Specified Commanders are the individuals in whom the American people and our defense establishment place warfighting responsibilities. The Secretary and I consult the Combatant Commanders for their joint and operational points of view in determining how our military forces should be used and in determining our military requirements for important geographic and functional areas. Their successes in any future conflict would depend in large measure on how well we plan for their needs in today's defense budgets.

With this in mind, the Secretary initiated regular meetings with the Combatant Commanders and has provided them greater access to the Department's internal budget process. In addition, I am implementing the recommendations of the Packard Commission to improve the channel of communications between the President, the Secretary, and the Combatant

Commanders; to provide broader authority to those Commanders to structure their subordinate commands; to provide options in the organizational structure of Combatant Commands for the shortest possible chains of command consistent with proper supervision and support; and to provide for flexibility where issues or situations overlap the current geographical boundaries of the Combatant Commands.

These changes reflect an evolutionary and positive trend towards strengthening the role of the operational commanders within the defense establishment. While I hope and expect this trend will continue, it is not necessary that these efforts be mandated in the law. If the Congress wishes to elaborate on the current law, there are several important issues that should be considered:

- In organizing our forces to maximize their combat potential under a variety of circumstances, the President and Secretary of Defense must retain the authority for establishing Combatant Commands; for prescribing their force structure; and for oversight of the assignment of forces by the Military Departments. To be effective, this authority requires broad latitude and flexibility and calls for a minimum amount of statutory constraint. Restrictions in the law that prohibit the establishment of certain command arrangements should be repealed. My authority as Commander in Chief is sufficient to deal with any necessary command arrangements or adjustments in the assignment of forces that unforeseen circumstances could require.
- In moving to strengthen the role of the Combatant Commanders we must establish an appropriate balance between enhancing their influence in resource allocation and maintaining their focus on joint training and operational planning. The Combatant Commanders must have sufficient authority and influence to accomplish their mission, within the constraints necessarily established by the Secretary, without being burdened with administrative responsibilities that detract from their primary role as operational commanders.
- Finally, we must not legislate departmental procedures. The changes I have initiated concerning the defense planning and budgeting process provide for the further development of the role of the Combatant Commanders. It is neither necessary nor appropriate for the Department's internal resource allocation process to be defined in law. The establishment and evolution of such procedures

must remain the prerogative of the Secretary of Defense.

*The Chairman of the Joint Chiefs of Staff.* In the relationship between the President, the Secretary of Defense, and the Combatant Commanders, there is a special role for the Chairman of the Joint Chiefs of Staff. The Chairman ranks above all other officers and devotes all of his time to joint issues. I deal with him or his representative on a regular basis and he serves as the primary contact for the Secretary and me on operational military matters. As a matter of practice, the Chairman also functions within the chain of command by transmitting to the Combatant Commanders those orders I give to the Secretary. Under the directive I recently signed to implement the recommendations of the Packard Commission, this practice will be broadened and strengthened.

In this regard, I have concluded that the Chairman's unique position and responsibilities are important enough to be set apart and established in law, and that he should be supported by a military staff responsive to his own needs and those of the President and the Secretary of Defense. In reaching this judgment I have carefully weighed the view that concentration of additional responsibility in the Chairman could limit the range of advice provided to me and the Secretary, or somehow undermine the concept of civilian control. While this concern is understandable, it does not apply to the structural changes I would endorse. Since the Chairman and the Joint Chiefs of Staff will continue to function together as military advisers and the Secretary's military staff, and the Chairman will continue to report directly to the President and the Secretary of Defense, none of the new responsibilities of the Chairman that I propose would diminish the authority or control of the Secretary of Defense. Accordingly, I support legislation that will accomplish the following objectives:

- Designate the Chairman of the Joint Chiefs of Staff as the principal uniformed military adviser to the President, the National Security Council, and the Secretary of Defense;
- Place the Organization of the Joint Chiefs of Staff and the Joint Staff under the exclusive direction of the Chairman, to perform such duties as he prescribes to support the Joint Chiefs of Staff and respond to the President and the Secretary of Defense; and
- Create the new position of Vice Chairman of the Joint Chiefs of Staff and make the Vice Chairman a member of the Joint Chiefs of Staff.

While recognizing and providing for the special role of the Chairman in

the law, the basic structure of the Joint Chiefs of Staff should be retained. The advantages and disadvantages of the current system, in which the Chiefs of the Services provide advice concerning both their military Service and joint issues, have been debated for many years and are well known. I believe that certain disadvantages will be remedied by a stronger Chairman without sacrificing the advantages of the current system. I find that the Chiefs of the Services are highly knowledgeable regarding particular military capabilities. And, just as important, joint military perspectives on both resource allocation and operations, developed under the Chairman's leadership, must be upheld and supported at the highest levels of the Military Departments.

For these reasons, as we take the appropriate steps to strengthen the role of the Chairman, the law must ensure that:

—The Service Chiefs remain members of the Joint Chiefs of Staff; and that, in addition to the views of the Chairman, the President is also provided with the views of other members of the Joint Chiefs of Staff.

—In addition, in creating the new position of Vice Chairman, the law must provide flexibility for the President and Secretary of Defense to determine who shall serve as Acting Chairman in the Chairman's absence.

In our efforts to strengthen the ability of the Chairman and the Joint Chiefs of Staff to be responsive to the civilian leadership, we must also make certain that the military establishment does not become embroiled in political matters. The role of the Chairman and other members of the Joint Chiefs of Staff is strictly advisory in nature and, with the armed forces as a whole, they serve the American people with great fidelity and dedication. In my view, changes in the tenure of the Chairman or other senior officers that are tied to the civilian electoral process would endanger this heritage. I oppose any bill whose provisions would have the effect of politicizing the military establishment.

#### ACQUISITION REFORM

The Packard Commission has pointed out what we all know to be true: that our historic ups and downs in defense spending have cost us dearly over the long term. For many years there has been chronic instability in both top-line funding and individual programs. This has eliminated key economies of scale, stretched out programs, and discouraged defense contractors from making the long-term investments required to improve productivity. To end this costly cycle, we must find ways to provide the stability

that will allow the genius of American ingenuity and productivity to flourish.

We also know that Federal law governing procurement has become overwhelmingly complex. Each new statute adopted by the Congress has spawned more administrative regulation. As laws and regulations have proliferated, defense acquisition has become ever more bureaucratic and encumbered by overstaffed and unproductive layers of management. We must both add and subtract from the body of law that governs Federal procurement, cutting through red tape and replacing it with sound business practices, innovation, and plain common sense.

The procurement reforms I have begun within the Executive branch cannot reach their full potential without the support of the Congress. We must work together in this critical period, where so many agree that our approach to defense procurement in both the Executive and Legislative branches is in need of repair. However, in moving forward to implement needed reforms, I urge the Congress to show restraint in the use of more legislation as a solution to our current problems.

The Commission identified the need for a full-time defense acquisition executive with a solid industrial background. This executive would set overall policy for procurement and research and development, supervise the performance of the entire acquisition system, and establish policy for the oversight of defense contractors. I concur with this recommendation.

—The Congress should create by statute the new Level II position of Under Secretary of Defense for Acquisition through the authorization of an additional Level II appointment in the Office of the Secretary of Defense.

Beyond this initiative, however, further change to the acquisition organization of the Department of Defense should be left to the Executive branch. The procurement reforms I have recently set in motion are fundamental and far-reaching and should be allowed to proceed without the burden of further piecemeal changes. I call on the Congress to demonstrate restraint in two particular areas:

—First, with the exception of changes to procurement of anti-fraud laws I have already endorsed, we should refrain from further action to add new procurement laws to our statutes pending the complete review of all Federal statutes governing procurement that I have recently directed. The vast body of procurement law that now exists must be simplified, consolidated, and made responsive to our national security needs.

—And second, we should take no further action to add new laws that

would restrict the authority of the Secretary of Defense to hire and retain the high quality of personnel needed to administer the Department of Defense's acquisition program.

If citizens from the private sector who participate in the conduct of government are unfairly prohibited from returning to their livelihood, it will not be just their willingness to serve that will suffer. The Nation will suffer as well. I will later report to the Congress on steps I am taking or that I propose the Congress take in these areas. And I will also review and report on the accountability of the defense industry to the Department of Defense, and to the American people. This review will address the ethics of the industry, the Department of Defense's oversight responsibility, and the role of the Department's Inspector General. I urge the Congress not to act in these important areas until it has had an opportunity to review my report.

While the Department of Defense and Executive branch are focused on implementing the details of these reforms, I urge the Congress to focus its attention on the structural and procedural reforms that are also essential for the stability we seek.

Two-year defense budgets are an essential step toward stability. I urge the Congress to develop internal procedures for the authorization and appropriation of defense budgets on a biennial basis, beginning with the FY 1988 budget. My FY 1988 defense budget will be structured with this in mind.

The Congress should encourage the use of multiyear procurement where appropriate on a significantly broader scale. Multiyear procurement is a strong force for stability and efficiency. We have already saved billions of dollars through multiyear procurement and have never broken a contract or suffered a single loss to date. We want to continue and expand our efforts in this important area.

Milestone funding of research and development programs is also a form of multiyear contracting. I will work with the Congress to select appropriate programs to be base-lined in cost over a multiyear period so that these programs can be funded in an orderly and stable fashion. If we know what we want to accomplish, we can set a proper ceiling on costs and manage our program within those costs. I urge the Congress to support milestone funding and the base-lining concept of placing a ceiling on research and development costs.

Finally, there are some forty different committees or subcommittees that claim jurisdiction over some aspect of the defense program. This fragmented oversight process is a source of confusion, and it impedes the cooperation

between the Congress and the Executive branch so necessary to effective defense management. I urge the Congress to return to a more orderly process involving only a few key committees to oversee the defense program. Only with such reform can we achieve the full benefits of those changes now underway within the Department of Defense.

Working together, we have accomplished a great deal over the past five years. Yet there is more to be done. This effort represents a new beginning for our defense establishment. When these reforms have been achieved we will have:

- Developed a rational process for the Congress and the President to reach enduring agreement on national military strategy, the forces to carry it out, and the stable levels of funding that should be provided for defense;
- strengthened the ability of the military establishment to provide timely and integrated military advice to civilian leadership;
- improved the efficiency of the defense procurement system and made it more responsive to future threats and technological needs; and
- reestablished the bipartisan consensus for a strong national defense.

The Packard Commission has charted a three-part course for improving our Nation's defense establishment. I have already directed implementation of its recommendations where that can be accomplished through Executive action. In this message, I ask that the Congress enact certain changes in law that will further improve the organization and operation of the Department of Defense. Now, the remaining requirement for reform lies within the Congress itself.

I began this message by emphasizing the important role of Congress in our defense establishment. In the organizational changes we now address, the Congress should be commended for fulfilling its broad responsibility to make laws to organize and govern the armed forces. However, with respect to the changes we must consider in the areas of budget, resource allocation, and procurement, the future is much less certain. To establish the stability essential for the successful and efficient management of our defense program, the Congress must be more firmly committed to its constitutional obligations to raise and support the armed forces.

Within the limits of my authority as President, I will continue to improve and refine the national security apparatus within the Executive branch. And I will support any further changes in procedures, regulations, or statutes, that would improve the long-

term stability, effectiveness, and efficiency of our defense effort.

In having fully committed ourselves to implementing the Packard Commission's recommendations, this Administration has overcome the difficult bureaucratic terrain that has stood in the path of previous efforts. Now, we face a broad ocean of necessary congressional reforms in which the currents of politics and jurisdiction are equally treacherous. We must not stop at the water's edge.

Only meaningful congressional reform can complete our efforts to strengthen the defense establishment and develop a rational and stable budget process—a process that provides effectively and efficiently for America's security over the long haul.

With a spirit of cooperation and bipartisanship, confident that we can rise to this occasion, I stand ready to work with the Congress and meet the challenge ahead.

RONALD REAGAN.

THE WHITE HOUSE, April 24, 1986.

#### ANNUAL REPORT OF THE ACTION AGENCY—MESSAGE FROM THE PRESIDENT—PM 139

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, transmitting, together with an accompanying report; which was referred to the Committee on Labor and Human Resources:

*To the Congress of the United States:*

In accordance with Section 407 of the Domestic Volunteer Services Act of 1973, as amended (42 U.S.C. 5047), I transmit herewith the Annual Report of the ACTION Agency for Fiscal Year 1985.

RONALD REAGAN.

THE WHITE HOUSE, April 24, 1986.

#### MESSAGES FROM THE HOUSE

At 12:57 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 bills, in which it requests the concurrence of the Senate:

H.R. 1116. An act to implement certain recommendations made pursuant to Public Law 98-360; and

H.R. 4420. An act to amend title 10, United States Code, to revise the retirement system for new members of the uniformed services, and for other purposes.

#### MEASURES REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 4420. An act to amend title 10, United States Code, to revise the retirement system for new members of the uniformed services, and for other purposes; to the Committee on Armed Services.

#### MEASURE HELD AT THE DESK

The following was ordered held at the desk by unanimous consent until the close of business Monday, April 28, 1986:

H.R. 1116. An act to implement certain recommendations made pursuant to Public Law 98-360.

#### 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-3034. A communication from the Chief, Program Liaison Division, Department of the Air Force, transmitting pursuant to law, a report on Experimental, Developmental, and Research Contracts of \$50,000 or more during July 1-December 31, 1985; to the Committee on Armed Services.

EC-3035. A communication from the Principal Assistant Secretary of the Navy transmitting, pursuant to law, a report on a decision to convert the Base Operating Support functions at the Naval Air Facility, El Centro, CA, to performance under contract; to the Committee on Armed Services.

EC-3036. A communication from the Comptroller of the Currency transmitting, pursuant to law, the 1985 Consumer Complaint Processing Activities report; to the Committee on Commerce, Science, and Transportation.

EC-3037. A communication from the Secretary of Energy transmitting, pursuant to law, a report on the progress of discussions on California offshore oil and gas leasing; to the Committee on Energy and Natural Resources.

EC-3038. A communication from the Secretary of Health and Human Resources transmitting, pursuant to law, the annual report on Aid to Families With Dependent Children; to the Committee on Finance.

EC-3039. A communication from the Comptroller General of the United States transmitting, pursuant to law, a report entitled "Medicare-Existing Contract Authority Can Provide for Effective Program Administration"; to the Committee on Finance.

EC-3040. A communication from the Secretary of Health and Human Services transmitting, pursuant to law, a report on the Hill-Burton Uncompensated Services Requirement Related to Nursing Homes and Hospitals; to the Committee on Finance.

EC-3041. A communication from the Secretary of State transmitting, pursuant to law, a report on the Department's activities related to minority recruitment and equal employment efforts; to the Committee on Foreign Relations.

EC-3042. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, copies of international agreements, other than treaties, entered into by the U.S. within the 60 days prior to April 18, 1986; to the Committee on Foreign Relations.

EC-3043. A communication from the Chairman of the D.C. Council transmitting, pursuant to law, a copy of D.C. ACT 6-156; to the Committee on Governmental Affairs.

EC-3044. A communication from the Acting Chairman of the U.S. Merit Systems Protection Board transmitting, pursuant to law, the annual report on the MSPB Ap-

peals Decisions for fiscal year 1985; to the Committee on Governmental Affairs.

EC-3045. A communication from the Chairman of the National Transportation Safety Board transmitting, pursuant to law, the Board's Government in the Sunshine report to the Committee on Governmental Affairs.

EC-3046. A communication from the Chairman of the Interstate Commerce Commission transmitting, pursuant to law, the Commission's Government in the Sunshine report; to the Committee on Governmental Affairs.

EC-3047. A communication from the Vice President of Freddie Mac transmitting, pursuant to law, the 1984 financial statement for Freddie Mac's Employees' Pension Plan; to the Committee on Governmental Affairs.

EC-3048. A communication from the Chairman of the National Transportation Safety Board transmitting, pursuant to law, the 1985 Freedom of Information report; to the Committee on the Judiciary.

EC-3049. A communication from the Controller of the Boys Clubs of America transmitting, pursuant to law, the Boys Clubs audited financial report for 1985; to the Committee on the Judiciary.

EC-3050. A communication from the Executive Director of the Civil Air Patrol transmitting, pursuant to law, the Patrol's 1986 Annual Report; to the Committee on the Judiciary.

EC-3051. A communication from the Secretary of Education transmitting, pursuant to law, a report on Departmental control of paperwork; to the Committee on Labor and Human Resources.

#### REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DANFORTH, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute and an amendment to the title:

S. 1750. A bill to amend the Federal Aviation Act of 1958, as amended, to increase civil penalty limits for safety violations by persons engaged in commercial aircraft operations, and for other purposes (Rept. No. 99-286).

By Mr. CHAFFEE, from the Committee on Environment and Public Works, with an amendment in the nature of a substitute:

S. 1813. A bill to amend and extend the Atlantic Striped Bass Conservation Act, and for other purposes (Rept. No. 99-287).

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and an amended preamble:

H.J. Res. 462. Joint resolution to designate May 25, 1986, as "Hands Across America Day," for the purpose of helping people to help themselves, and commending United States Support of Artists for Africa for their efforts toward combating domestic hunger with a nationwide linkup coast-to-coast human chain 4,000 miles long.

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with an amendment in the nature of a substitute:

S. 1225. A bill to amend the Atomic Energy Act of 1954, as amended, to establish a comprehensive, equitable, reliable, and efficient mechanism for full compensation of the public in the event of an accident resulting from activities undertaken under contract with the Department of Energy or activities undertaken by Nuclear Regulatory Commission licensees involving nuclear materials.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment:

S. 2216. A bill to designate September 17, 1987, the bicentennial of the signing of the Constitution of the United States, as "Constitution Day," and to make such day a legal public holiday.

#### EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

James Larry Edmondson, of Georgia, to be U.S. circuit judge for the 11th Circuit; and

Henry E. Hudson, of Virginia, to be U.S. attorney for the eastern district of Virginia for the term of 4 years.

#### 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. DIXON (for himself and Mr. SIMON):

S. 2363. A bill to amend the Tariff Schedules of the United States to provide for rates of duty on imported speedometers used on exercise equipment consistent with those on bicycle speedometers; to the Committee on Finance.

By Mr. PROXMIER:

S. 2364. A bill to amend the Internal Revenue Code of 1954 to provide that no foreign tax credit, and no deduction, shall be allowed for taxes paid of accrued to Libya during the period any declaration by the President of a national emergency is in effect with respect to Libya and to provide that the exclusion from gross income of earned income of U.S. citizens living abroad shall not apply to income attributable to Libya during such period; to the Committee on Finance.

By Mr. BURDICK:

S. 2365. A bill to amend the Agricultural Act of 1949 to improve procedures for the rotation of grain in the producer reserve program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CRANSTON:

S. 2366. A bill for the relief of Merlene Ottey-Page; to the Committee on the Judiciary.

By Mr. MATSUNAGA (for himself, Mr. INOUE, Mr. CRANSTON and Mr. WILSON):

S. 2367. A bill to provide for the duty-free entry of certain structures and parts for use in the W.M. Keck Observatory Project, and for other purposes; to the Committee on Finance.

By Mr. DOLE (for himself, Mr. DURENBERGER and Mr. BENTSEN):

S. 2368. A bill to amend part B of title XVIII to provide for improved procedures for payment for physicians' services under the medicare program, and for other purposes; to the Committee on Finance.

By Mr. FORD:

S. 2369. A bill to authorize the Interstate Commerce Commission to adjust rail rates to reflect cost decreases due to inflation; to the Committee on Commerce, Science, and Transportation.

By Mr. MURKOWSKI:

S. 2370. A bill to allow the Francis Scott Key Foundation, Inc. to erect a memorial in the District of Columbia; to the Committee on Energy and Natural Resources.

By Mr. ROTH:

S. 2371. A bill to amend the Social Security Act to make administrative improvements in the programs of aid to families with dependent children and child support enforcement, and for other purposes; to the Committee on Finance.

By Mr. GARN (by request):

S. 2372. A bill to preserve the authority of the Federal banking supervisory agencies to arrange interstate acquisitions and mergers for failed and failing banks, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. GORE:

S.J. Res. 330. Joint resolution to designate May 7, 1986, as National Barrier Awareness Day; to the Committee on the Judiciary.

By Mr. HELMS:

S.J. Res. 331. Joint resolution prohibiting the proposed sale of integrated avionics system kits to the People's Republic of China; to the Committee on Foreign Relations.

#### SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ROTH (for himself and Mr. DOLE):

S. Res. 388. Resolution expressing the sense of the Senate that the Congressional Budget Office and the Office of Management and Budget provide updated baseline and current service estimates for fiscal 1987-91; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one committee reports, the other committee has 30 days of continuous session to report or to be discharged.

By Mr. SIMPSON (for Mr. DOLE (for himself and Mr. BYRD):

S. Res. 389. Resolution to authorize testimony of a Senate employee; considered and agreed to.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DIXON (for himself and Mr. SIMON):

S. 2363. A bill to amend the Tariff Schedules of the United States to provide for rates of duty on imported speedometers used on exercise equipment consistent with those on bicycle speedometers; to the Committee on Finance.

#### RATES OF DUTY ON IMPORTED BICYCLE SPEEDOMETER

● Mr. DIXON. Mr. President, today, Senator PAUL SIMON and I are introducing a bill which will address an inequity which has caused major harm to a company in Illinois—Stewart-Warner Corp.

Our bill would amend the tariff schedules so that the duty levied on certain bicycle speedometers imported

for use on exercise equipment would be identical to that which is levied on all other imported bicycle speedometers.

The main use of speedometers, other than on motorized vehicles, are for bicycles or stationary exercise bicycles. The speedometers used on both are essentially identical.

The sole remaining domestic manufacturer of speedometers for bicycles is Stewart-Warner Corp. The speedometer it manufactures has been used on exercise equipment since 1935.

These speedometers have a commonality of major parts. The major cost of a bicycle speedometer is in the speedometer head, which is more than 60 percent of the total cost. That part is the same on all speedometers.

The cable, which is the next most expensive component of a bicycle speedometer, is also identical to that for an exercise bicycle. The only difference is in the length.

The most inexpensive component of a bicycle speedometer is the drive mechanism. There are four types, and all are essentially interchangeable for bicycles and exercycles.

Mr. President, we have a tariff law which currently charges two different rates for essentially the same part, depending on how it is used. That makes no sense at all. The difference is substantial—18.3 percent ad valorem for bicycle speedometers and 0.6 percent ad valorem for exerciser-type speedometers. This is a big disparity for an item which is essentially the same part used on related equipment.

In the past 3 years, Stewart-Warner's share of the bicycle-type speedometer market has declined from 40 percent to 20 percent, and its work force employed in the production of this product has declined by two-thirds.

I urge the Senate Finance Committee to rectify this inequity at its earliest opportunity.●

By Mr. PROXMIRE:

S. 2364. A bill to amend the Internal Revenue Code of 1954 to provide that no foreign tax credit, and no deduction, shall be allowed for taxes paid or accrued to Libya during the period any declaration by the President of a national emergency is in effect with respect to Libya and to provide that the exclusion from gross income of earned income of U.S. citizens living abroad shall not apply to income attributable to Libya during such period; to the Committee on Finance.

LIMITING TAX BREAKS FOR U.S. CORPORATIONS OPERATING IN LIBYA

Mr. PROXMIRE. Mr. President, the American taxpayers are subsidizing Muammar Qadhafi's terrorist regime.

Unbelievable, you say? How could we be subsidizing a regime that attacks U.S. citizens abroad, funds terrorist organizations around the world, and is

considered a hostile foreign power? How could the White House, the Department of Defense, the Department of State allow our country to subsidize a country we just found it necessary to attack with military force?

Well, Mr. President, it is happening right now, today, as five American oil companies continue to operate in Libya alone with two American construction firms—all of them contributing to the Libyan economy by producing or selling oil or working on construction projects and in turn reaping huge tax benefits from our Treasury—benefits from the pockets of every tax paying American.

The five oil companies make large royalty tax payments to Qadhafi—up to 92 cents on the dollar. That means every time they pump a dollars' worth of oil, Colonel Qadhafi earns another 92 cents in income. And the U.S. corporation turns around and takes a tax credit on their income tax forms for operating abroad and it deducts as a business expense the taxes and royalties it pays to Qadhafi. In addition, Americans engaged in operating these oil firms in Libya can take an \$80,000 exclusion on their income taxes.

While U.S. corporations are supposed to be out of Libya under the terms of the President's order, five oil companies sought and were granted an extension of time until June during which they could continue to operate, distribute, and sell oil from Libya while they are theoretically finding a way to sell their assets.

In order to resume oil activities in the aftermath of the President's order, these five oil companies paid, and let me emphasize this point, they paid Qadhafi \$130 million in back taxes. \$130 million to Qadhafi after the President told every American commercial venture in Libya to get out. But then the Treasury Department turned around and said to oil companies—"well it does not apply to you. You have an extension of time. You can continue to operate. You can continue to pay Qadhafi millions in taxes and royalties. You can continue to prop up his regime. You can continue to support him economically. And you can continue to charge the American taxpayer for these activities through the Tax Code."

No wonder, Mr. President, our European allies question our policies under these circumstances. How can we continue to criticize our European allies when United States firms are operating in Libya with the approval of our own Government?

Mr. President, this situation has to stop. Either we are serious about stopping Qadhafi or we are not. If those five oil companies leave Libya, it might cause a loss of assets and it may not mean a drop in oil production if Qadhafi can move in and run them efficiently. But it just as easily might

mean disruptions in their oil operations. It might hurt.

Mr. President, today I am introducing legislation with three purposes: First, to deny tax credits to United States firms operating in Libya; second, to deny the taking of tax and royalties as a business deduction by United States firms operating in Libya; and third, to deny the \$80,000 personal income tax exclusion for United States citizens working in Libya.

Great credit should be given to my Wisconsin congressional colleague [Mr. OBEY] for discovering this situation and moving legislatively to stop it. He has demonstrated great leadership on this matter and every taxpayer owes him a debt.

I urge my colleagues to examine this legislation and join with me in cosponsoring and voting for this bill.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2364

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. DENIAL OF FOREIGN TAX CREDIT, ETC. FOR TAXES PAID OR ACCRUED TO LIBYA WHILE DECLARATION OF NATIONAL EMERGENCY IS IN EFFECT.

Section 901 of the Internal Revenue Code of 1954 (relating to taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (i) as subsection (j) and by inserting after subsection (h) the following new subsection:

"(i) DENIAL OF FOREIGN TAX CREDIT, ETC. FOR TAXES PAID OR ACCRUED TO LIBYA WHILE DECLARATION OF NATIONAL EMERGENCY IS IN EFFECT.—

"(1) IN GENERAL.—Notwithstanding any other provision of this part—

"(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) to Libya during any period during which a declaration described in paragraph (3) is in effect with respect to Libya, and

"(B) income from sources within Libya which is attributable to such period shall not be taken into account as income from sources without the United States under section 904(a).

"(2) DENIAL OF DEDUCTION.—No deduction shall be allowed under this chapter for any taxes for which a credit is not allowable under paragraph (1)(A).

"(3) DECLARATION DESCRIBED.—A declaration is described in this paragraph if it is a declaration by the President of a national emergency under section 202 of the International Emergency Economic Powers Act after a finding that the policies and actions of Libya (or the government thereof) constitute an unusual and extraordinary threat to the national security and foreign policy of the United States."

**SEC. 2. EXCLUSION FROM GROSS INCOME OF EARNED INCOME OF U.S. CITIZENS LIVING ABROAD SHALL NOT APPLY TO INCOME ATTRIBUTABLE TO LIBYA WHILE DECLARATION OF NATIONAL EMERGENCY IS IN EFFECT.**

Subsection (b) of section 911 of the Internal Revenue Code of 1954 (relating to citizens or residents of the United States living abroad) is amended by adding at the end thereof the following new paragraph:

"(3) FOREIGN EARNED INCOME NOT TO INCLUDE INCOME ATTRIBUTABLE TO LIBYA WHILE DECLARATION OF NATIONAL EMERGENCY IS IN EFFECT.—The foreign earned income for an individual shall not include amounts attributable to sources within Libya during any period during which a declaration described in section 901(i)(3) is in effect with respect to Libya. For purposes of the preceding sentence, an amount shall be treated as attributable to a period if the services to which such amount is attributable are performed during such period."

**SEC. 3. EFFECTIVE DATES.**

(a) SECTION 1.—The amendments made by section 1 shall apply to taxes paid or accrued (or deemed paid under section 902 or 960 of the Internal Revenue Code of 1954) after December 31, 1985, in taxable years ending after such date.

(b) SECTION 2.—The amendment made by section 2 shall apply to amounts received after December 31, 1985, in taxable years ending after such date.

By Mr. BURDICK:

S. 2365. A bill to amend the Agricultural Act of 1949 to improve procedures for the rotation of grain in the producer reserve program, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

**ROTATION OF GRAIN IN PRODUCER RESERVE PROGRAM**

Mr. BURDICK. Mr. President, today I am introducing a bill designed to help the farmer weather the credit crisis he currently faces. We all know of the terrible problems many farmers are having obtaining credit to put in their crops and continue their operations.

One-third of all farms with annual sales over \$40,000 face financial difficulties. According to USDA:

This development is especially critical because commercial farms—those with sales between \$50,000 and \$500,000—although only 34 percent of all farms, account for 90 percent of all farm sales.

It can no longer be said that those farmers going out of business are primarily those who were poor managers or who failed to adapt to changing economic trends in agriculture. Low commodity prices and a continuing decline in farmland values are negatively affecting the viability of operations that have lower than a 40-percent debt-to-asset ratio, but that have a negative cash flow.

The vulnerability of farmers at higher debt-to-asset ratios is even greater: 11 percent of all commercial farmers are currently classified as technically insolvent—their debt is larger than the value of the assets they own; 12 percent are classified as very highly leveraged—debt-to-asset

ratios between 70 and 100 percent; and 22 percent are classified as highly leveraged—debt-to-asset ratios between 40 and 70 percent. It is highly likely that producers in these three categories will continue to go out of business at a higher than normal rate.

I want my colleagues to keep in mind that the farm statistics are much worse for certain parts of the country than for others. In my State of North Dakota, farmers have the second highest debt level among farm operators in nine Midwestern States. In January 1986, North Dakota's debt-to-asset ratio was 35 percent—up from 33 percent 1 year earlier. Fifteen percent of North Dakota's farmers and ranchers had ratios of 70 percent or greater.

Our farmers reported that 17.4 percent were delinquent on payments reporting an average debt of \$312,000, an increase of \$44,100 over last year. On the average, debt of a delinquent operator equaled 67 percent of the operator's assets. This is up 11 percent from last year's level of 60 percent.

In view of these sobering statistics, it is no wonder that our farmers are having trouble getting credit at their local bank, the Farm Credit System, or the Farmers Home Administration.

I believe there is something we can do short of giving them a direct loan on which they must pay interest. And that is the purpose of the bill I am introducing today.

Currently, farmers who have grain in the farmer-owned reserve are allowed to rotate their grain stocks in order to keep them fresh. Thirty days prior to harvest, or in some cases 60 days, farmers can remove grain from their reserve bins, market it, and replace the grain after harvest. They are not allowed to have the money from the grain until after the stocks are replaced.

My bill would expand that period to 120 days prior to harvest. This legislation would also allow the farmers to use the money from the grain they market during that 120-day period. Under this change in the law, farmers would be able to obtain cash in the spring to help them service their machinery, buy their seed and fertilizer, and otherwise put in their crop. Then, when harvest is complete, farmers can replace into the reserve the grain that they had earlier taken out.

The effect of the bill is to make operating funds available to the farmers at no interest. Furthermore, there would be no additional cost to the Government.

A number of side benefits would also result. The availability of grain storage is a chronic problem for many farmers. At harvest time, the local elevator fills up, transportation is congested, farmers do not have additional room on their farms, and many end up dumping their grain on the ground. By allowing the early marketing of re-

serve grain, farmers could make room for their harvest. In addition, this grain would be made available to the market at a time of the year when transportation is not as congested as in the harvest season, which would be of tremendous help to country elevators as well as farmers.

I urge my colleagues to support this legislation, and I hope that we can act on it soon in order to benefit the farmers who are so in need of credit relief.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

S. 2365

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. ROTATION OF GRAIN IN PRODUCER RESERVE PROGRAM.**

Section 110(g) of the Agricultural Act of 1949 (7 U.S.C. 1445e(g)) is amended—

(1) by designating the first and second sentences as paragraphs (1) and (2), respectively;

(2) by striking out "The" in paragraph (2) (as so designated) and inserting in lieu thereof "Except as provided in paragraphs (3) and (4), the"; and

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

"(3) A producer may rotate stocks of grain stored under the program authorized by this section at any time within 120 days after approval of the rotation is granted by the Secretary.

"(4) A producer may use funds made available from the rotation of such stocks, before replacement of such stocks, to defray agricultural operating expenses of the producer."

By Mr. MATSUNAGA (for himself, Mr. INOUE, Mr. CRANSTON, and Mr. WILSON):

S. 2367. A bill to provide for the duty-free entry of certain structures and parts for use in the W.M. Keck Observatory project, Mauna Kea, Hawaii; to the Committee on Finance.

**DUTY-FREE ENTRY OF CERTAIN STRUCTURES AND PARTS FOR THE W.M. KECK OBSERVATORY PROJECT**

Mr. MATSUNAGA. Mr. President, I am today introducing, along with my distinguished senior Senator from Hawaii [Mr. INOUE] and equally distinguished colleagues from California [Mr. CRANSTON] and [Mr. WILSON] as cosponsors, a bill, S. 2367, which will provide for the duty-free entry of certain structures and parts to be used in the W.M. Keck Observatory project at Mauna Kea, HI.

Mr. President, this project of the California Association for Research in Astronomy [CARA] will be entirely financed with private funds contributed by the W.M. Keck Foundation and other supporters of astronomy at the California Institute of Technology and the University of California. Once the telescope is installed and the observa-

tory completed in 1992, its operating costs will be assumed by the University of California system, and will be shared between scientists from Cal Tech, the University of California and the University of Hawaii, on whose land this project will be built. This new facility will be twice as large as the 200-inch Hale telescope on Mount Palomar and will enable scientists to peer 12 billion years into the past, three-quarters of the way to the origins of the universe. The telescope will be powerful enough to see a single candle on the Earth's moon or a black hole at the center of the galaxy. The W.M. Keck telescope, which will operate with optical and infrared capability, will assist American scientists in answering some of the most perplexing and difficult astronomical riddles.

Mr. President, the proposed legislation is necessary because the U.S. Customs Service of the Department of the Treasury has denied an application for duty-free entry of mirror blanks for the multiple mirror telescope being erected on Mauna Kea. The Customs Service determined that since the mirror blanks are components as defined by 15 CFR 301.2(k) of the regulations of the Departments of Commerce and Treasury, the imported components may not enter duty free under item 851.60 of the Tariff Schedules of the United States [TSUS]. However, the California Institute of Technology asserts that the mirror blanks are not components but would more aptly be described as instruments and thus eligible for exemption under item 851.60 TSUS.

The legislation which I am introducing today with my three cosponsors would provide that the mirror blanks, which must be imported for finishing from West Germany, and the dome, which must be imported from a specialty steel plant in Canada, shall not be subject to duties. Mr. President, as we have done in similar cases in the past, we should grant duty-free entry of the structures and parts for use in the proposed W.M. Keck Observatory in keeping with our commitment to scientific research and exploration. I urge expeditious and favorable consideration of the measure so that the construction of this extraordinary project may proceed without delay.

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

S. 2367

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Treasury is authorized and directed to admit free of duty the following articles for the use of the California Association for Research in Astronomy in the construction of the optical telescope for the W.M. Keck Observatory Project, Mauna Kea, Hawaii:

(1) The telescope structure.

(2) The observatory domes, produced by Brittain Steel, Ltd., of Vancouver, British Columbia, Canada.

(3) The primary mirror blanks, produced by the Schott Glassworks, Frankfurt, Federal Republic of Germany.

If the liquidation of the entry of any such article has become final, the entry shall be reliquidated and the appropriate refund of duty made.

By Mr. DOLE (for himself, Mr. DURENBERGER, and Mr. BENTSEN):

S. 2368. A bill to amend part B of title XVIII to provide for improve procedures for payment for physicians' services under the Medicare Program, and for other purposes; to the Committee on Finance.

MEDICARE PHYSICIAN PAYMENT REFORM ACT

Mr. DOLE. Mr. President, I am pleased to join my distinguished colleagues Senators DURENBERGER and BENTSEN in introducing a bill that reaffirms our intention to work toward needed reforms in the way we pay physicians in the Medicare Program. While all of us are aware that precipitous changes in this area will not work and could be detrimental to everyone concerned, let us recognize that the present system, referred to as customary, prevailing, and reasonable [CPR], is in terrible shape. Absolutely no one, not Medicare beneficiaries, physicians, the Medicare carriers, the Congress, nor the administration, believes that the current payment mechanism should be preserved. It is unfair, inflationary, and, perhaps worst of all, unintelligible.

For these reasons alone we must agree that the time is right to lay the foundation for alternative payment approaches. My colleagues and I propose to do just that—to begin to establish principles for payment reform. We welcome comments and suggestions on the bill we have introduced.

OBJECTIVES OF PAYMENT REFORM

Our efforts in the area of Medicare physician payment reform must be consistent with our objectives for the Medicare Program in general. It is our job to assure that Medicare beneficiaries continue to maintain access to quality medical services both now and in the future. Access to needed services as well as the quality of those services are certainly paramount concerns in any system reform we may envision. Yet we must not forget that we are also charged with a responsibility to future Medicare beneficiaries. Our information and experience tell us that the future is in jeopardy.

The 1986 annual report of the board of trustees of the Federal Supplemental Medical Insurance [SMI] Trust Fund has recommended that Congress take action to curtail the programs rapid growth. The Congressional Budget Office has warned us that, despite continuation of a freeze in physician payments throughout 1985, the

growth rates for total reimbursements and for reimbursements per Medicare beneficiary doubled from 1984 to 1985 and the rate of growth in real reimbursements per enrollee quadrupled—from 2.7 percent in 1984 to 10.8 percent in 1985.

My colleagues and I believe that reforms in the way Medicare pays physicians will be critical to the continued stability and actuarial soundness of the SMI Trust Fund. And that's also our job—to fulfill our commitment to the future.

PERIOD OF REFORM

The distinguished Senators from Minnesota and Texas, Senators DURENBERGER and BENTSEN, as well as this Senator, would like nothing better than to offer an instant solution to our current dilemma. Let me warn that those who argue for a quick and simplistic solution are at risk of seriously endangering the Medicare Program and those individuals whose very lives may be at stake. Similarly, those who would do nothing fail to recognize the immediacy of the problem. We have an old system that is out of place in today's world. For more than a decade we have locked into place a payment mechanism that is, at best, inconsistent in taking into account legitimate variations in practice costs, that distorts physicians' choices in undesirable ways and fails to foster cost-conscious behavior.

We must move forward. While I agree that, in the short run, will be obliged to take immediate action on some glaring problems under the current customary, prevailing and reasonable system, we cannot stop there. We must continue our efforts to construct a relative value scale that will serve as a basis for construction of a new payment system. At this time I personally view a fee schedule as logical, necessary, and a more equitable basis of payment. Further, regardless of any ultimate goals for the future, a fee schedule will still be an asset. In fact, a well-constructed and well-maintained relative value scale will serve multiple aims, regardless of the future direction of physician payment, whether that future includes capitation, per case payments, or fee schedules. As we indicated in the Consolidated Budget Act of 1985, I expect that we will proceed as rapidly as possible toward that end.

Seminal research on the construction of a relative value scale is being conducted by Doctors William Hsiao and William Stason at Harvard. The results of that study should be available in approximately 2 years. I am looking forward to the results of that major undertaking and feel confident that the researchers and the medical profession will join together to accomplish what needs to be done.

## DEVELOPMENT OF A FEE SCHEDULE

A relative value system does not, in and of itself, solve our physician payment problem. The results must be transferred into dollar values and a simple multiplier will not work. My colleagues and I are seeking the construction of a multiplier or adjuster that will take into account legitimate variations in physician practice costs and one that will put an end to unfair discrimination experienced by those practitioners who locate in areas where services have often been unfairly undervalued.

In particular, we have identified our commitment to develop a payment system that no longer overstates urban/rural differences in cost for physicians. Physicians who practice in rural areas should be fairly reimbursed for their services, as should their urban counterparts. The only way to accomplish equitable reimbursement reform is to eliminate historic imbalances and to be sure that adequate information systems are in place to keep the system current and responsible to regional and local needs.

## SUMMARY OF THE BILL

Our bill consist of four major provisions:

First, we have established parameters for the use of so-called inherently reasonable determinations concerning physician payment. Specifically, we set forth a process that includes requiring public as well as professional review and comment of short-term revisions in the way Medicare pays physicians.

Second, in addition to restating our intent to support the construction of a relative value scale, we require the development of an index that is designed to more accurately account for legitimate variations in the cost of a physician's practice. We seek to minimize the current wide disparity in payment rates particularly the urban/rural differential.

Third, the system used to classify physician services, called the Health Care Financing Administration's Common Procedural Codes [HCPCS], will remain the basis of payment. However, the payment categories, not the codes, shall be collapsed and restructured in order to limit incentives to provide greater volume and intensity of services.

Fourth, the current medical economic index, which has been reestimated to adjust for prior overstatement of the "housing" versus "rental" component of the index, shall be phased for over a 2-year period instead of the single adjustment proposal of the administration.

The Finance Committee will begin hearings on physician payment in the Medicare Program this week. I am looking forward to continuing our work on this important area and,

again, I would like to encourage comments and suggestions from my colleagues as we proceed.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 2368

*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 "Medicare Physician Payment Reform Act of 1986".*

## SEC. 2. PROCEDURES FOR ESTABLISHMENT OF SPECIAL LIMITS ON REASONABLE CHARGES.

(a) FACTORS TAKEN INTO ACCOUNT IN DETERMINING INHERENT REASONABLENESS OF CHARGES.—Section 1842(b)(8) of the Social Security Act (42 U.S.C. 1395u(b)(8)), as added by section 9304(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985, is amended—

(1) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(2) by inserting "(A)" after "(8)"; and

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

"(B)(i) The factors pursuant to subparagraph (A)(1) with respect to payment for physicians' services may include, but shall not be limited to, the following:

"(I) prevailing charges for a service in a particular locality are significantly in excess of or below prevailing charges in other comparable localities;

"(II) the programs established under this title and title XIX are the sole or primary sources of payment for a service;

"(III) the marketplace for a service is not truly competitive because of a limited number of physicians who perform that service;

"(IV) there have been increases in charges for a service that cannot be explained by inflation or technology;

"(V) the charges do not reflect changing technology, increased facility with that technology, or reductions in acquisition or production costs; or

"(VI) the prevailing charges for a service under this part are substantially higher than the payments made for the service by other purchasers in the same locality.

"(ii) The factors considered under subparagraph (A)(i) shall take into account regional differences in fees, unless there is substantial economic justification for a uniform fee or a uniform payment limit. Such substantial economic justification must be explained by the Secretary in the rulemaking process."

(b) PROCEDURES.—Section 1842(b) of the Social Security Act (42 U.S.C. 1395u(b)), as amended by section 9304(a) of the Consolidated Omnibus Budget Reconciliation Act of 1985, is amended by adding at the end thereof the following new paragraph:

"(9)(A) In the case of any physicians' service with respect to which the Secretary—

"(i) determines that the application of this subsection results in the determination of a reasonable charge that, by reason of its grossly excessive or grossly deficient amount, is not inherently reasonable, and

"(ii) proposes to establish a reasonable charge that is realistic and equitable or a methodology for arriving at such a change, the Secretary shall publish notice of such proposal in the Federal Register.

"(B) A notice required by subparagraph (A) shall specify the charge or methodology proposed to be established with respect to a service and shall explain the factors and data that the Secretary took into account in determining the charge or methodology so specified.

"(C) After publication of the notice required by subparagraph (A), the Secretary shall allow not less than 60 days for public comment on the proposal.

"(D) In addition to carrying out its functions under section 1845, the Physician Payment Review Commission (hereafter in this paragraph referred to as the 'Commission') shall comment on any such proposal within the period of comment allowed by the Secretary pursuant to subparagraph (C).

"(E)(i) Taking into consideration the comments made by the Commission and the public, the Secretary shall publish in the Federal Register a final determination with respect to the reasonable charge or methodology to be established with respect to the service.

"(ii) A final determination published pursuant to clause (i) shall explain the factors and data that the Secretary took into consideration in making the final determination, and shall include and respond to the comments made by the Commission pursuant to subparagraph (D)."

(c) EFFECTIVE DATE.—The amendment made by this section shall apply to regulations promulgated as final regulations after April 1, 1986.

## SEC. 3. DEVELOPMENT OF FEE SCHEDULE FOR PHYSICIANS' SERVICES.

(a) RECOMMENDATION.—Section 1845(e) of the Social Security Act, as added by section 9305(b) of the Consolidated Omnibus Budget Reconciliation Act of 1985, is amended by adding at the end thereof the following new paragraph:

"(4)(A) In making recommendations with respect to the application of the relative value scale for purposes of establishing a fee schedule, the Secretary shall—

"(i) develop and assess an appropriate index to be used for making adjustments to reflect justifiable differences in the costs of practice based upon geographic location without exacerbating the geographic maldistribution of physicians; and

"(ii) assess the advisability and feasibility of developing an appropriate adjustment to assist in attracting and retaining physicians in medically underserved areas.

"(B) In carrying out the requirements of subparagraph (A), the Secretary shall take into consideration the recommendations made by the Physician Payment Review Commission.

"(C)(i) The Secretary shall develop an interim index under subparagraph (A)(i) prior to July 1, 1987, based upon the most accurate and recent data that is available with respect to the costs of practice.

"(ii) The Secretary shall collect data with respect to the costs of practice (including, but not limited to, data on nonphysician personnel costs, malpractice insurance costs, and commercial rents) for the purpose of refining the index under subparagraph (A)(i) prior to July 1, 1988, and periodically updating the index thereafter.

"(D) In conjunction with developing an index under subparagraph (A), the Secretary shall conduct a study of the advisability of redefining the pay localities designated by carriers."

(c) DUTIES OF PHYSICIAN PAYMENT REVIEW COMMISSION.—Section 1845(b)(3) of such

Act is amended by inserting "and respecting the index and the adjustment described in subsection (e)(4)(A)" after "subsection (e)".

**SEC. 4. DEVELOPMENT AND USE OF HCFA COMMON PROCEDURE CODING SYSTEM.**

(a) **DEVELOPMENT.**—Not later than July 1, 1987, the Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") shall simplify the payment methodology under the HCFA Common Procedure Coding System to ensure that such methodology minimizes the possibility of overstating the intensity or volume of services provided.

(b) **HOSPITALS.**—Not later than July 1, 1987, each carrier with which the Secretary has entered into a contract under section 1842 of the Social Security Act, and each fiscal intermediary which processes claims under part B of title XVIII of such Act, shall require hospital providers of outpatient services to adopt and utilize the HCFA Common Procedure Coding System for purposes of such part.

(c) **CARRIERS AND INTERMEDIARIES.**—Not later than January 1, 1988, each carrier with which the Secretary has entered into a contract under section 1842 of the Social Security Act, and each fiscal intermediary which processes claims under part B of title XVIII of such Act, shall adopt and utilize the payment methodology based on the HCFA Common Procedure Coding System (as revised by the Secretary in accordance with subsection (a)) for purposes of such part.

**SEC. 5. MEDICARE ECONOMIC INDEX FOR PHYSICIANS' SERVICES.**

(a) **IMPLEMENTATION OF CERTAIN ADJUSTMENT.**—The adjustments to the medicare economic index for physicians' services proposed by the Secretary of Health and Human Services (hereafter in this section referred to as the "Secretary") to take into account the retroactive revision of the data and statistics relating to office space on which earlier adjustments to the index required by section 1842(b)(3) of the Social Security Act were based shall be made in two stages, with one-half of such adjustment to be made to the index to become effective January 1, 1987, and one-half of such adjustment to be made to the index to become effective January 1, 1988.

(b) **NOTIFICATION OF CHANGES.**—The Secretary shall publish notice of any proposed change in the methodology, basis, or elements of the medicare economic index for physicians' services in the Federal Register and shall allow not less than 60 days for public comment on the proposal. Taking into consideration the comments made by the public, the Secretary shall publish in the Federal Register a final determination with respect to such proposal.

Mr. DURENBERGER. Mr. President, today I am proud to introduce, along with my distinguished colleagues, Senators DOLE and BENTSEN, a bill which will reform the way in which Medicare pays physicians—by specifying Medicare policy guidelines for setting "inherently reasonable" physician fees and by laying out a roadmap for further reform of fee-for-service physician payment. The bill itself is short and simple—but the framework it lays out will guide far-reaching future changes in Medicare payments to physicians.

**HEALTH CARE REFORM**

The Medicare Program is undergoing a process of fundamental reform that is far from over. The goal of that process is not budget cutting per se, it is health policy reform. We are changing the incentives that the program provides to hospitals, doctors, and elderly and disabled beneficiaries so that the Medicare Program contributes to a more efficient health care market—a health care system which provides real value for the dollars spent. And we are simplifying the program so that Medicare beneficiaries can know the dollar value of their coverage before they purchase a service and can use that knowledge to their advantage as wise health care consumers.

This Medicare reform is proceeding in several areas: Prospective payment for hospitalization per episode of illness has removed the inflationary incentives that were inherent in the old retrospective, cost-based reimbursement for hospital care. And Medicare beneficiaries now have the freedom to enroll in a HMO or prepaid plan and opt out of the traditional Medicare Program.

I have said repeatedly that beneficiary choice of health plans is the future of Medicare. In time I can foresee Medicare getting out of the insurance business and looking more like the Federal employee health benefits plans where Federal employees are given the choice between alternative coverage plans. Thus, Medicare would continue to pay for insurance coverage, but beneficiaries would get to choose the type of health insurance coverage they prefer.

The HMO option has already been chosen by more than 500,000 beneficiaries. In the future we will expand on the types of plans that are allowed to offer health care packages to Medicare beneficiaries. This process, however, will necessarily be gradual. A shift for the majority of those who participate in Medicare to competitive plans is years away, and will come about slowly as efficient, quality plans become more available and as tastes of Americans change.

Obviously, the process of reform can't wait for competitive health plans to one day spring up in full bloom all over the country. The competitive health care marketplace for plans is growing gradually—as it should. In the meantime, we must continue with prospective payment reform of the traditional Medicare Program. This reform will pay off by simplifying the Medicare Program for the beneficiaries and providing better incentives for high quality efficient delivery of services in the health care marketplace. Therefore, it is important to turn our Medicare reform effort to physician payment, just as the Congress has restructured payment for hospitalization.

When the per episode-of-illness payment scheme—payment by diagnosis related groups [DRG's]—was established in 1983, many of us in Congress envisioned that it would eventually be applied to all of the health care costs related to a given illness. I was an especially vocal adherent of that prospect at the time. I believed it would make the program simpler for beneficiaries, reduce the number of forms they had to contend with, and give all providers positive incentives to give cost effective as well as quality care. But we needed methodologies on how to construct DRG's which would apply to physicians' services and other non-inpatient hospital services.

The research, mandated by the Social Security Amendments of 1983, was carried out and last fall, at a hearing of the Finance Committee's Health Subcommittee, I learned that there are many problems with applying DRG's to both hospitals and doctors for their services through one combined payment, and that the physician DRG for many services may be impractical.

So we must pursue other types of prospective payment reform for physicians—a type of reform that is less revolutionary perhaps but not less important. Therefore, rather than making a quantum leap to a brand new payment method for all physicians' services, we will address—one-by-one—the improper economic incentives which are currently built into Medicare and the complexity with which beneficiaries must struggle.

**MEDICARE PHYSICIAN PAYMENT REFORM**

Medicare beneficiaries, individual physicians, and organized medicine agree that the current "customary, prevailing, and reasonable" charge formula for physician reimbursement under Medicare is complex, unfair, inefficient, and must be changed.

For example, there are tremendous geographic variations in what Medicare considers a "reasonable charge" for a particular service. Some difference in fees across this vast Nation are to be expected, just as the cost of living differs across the country. But there is no reason that Medicare should pay twice as much for by-pass surgery in Manhattan as it pays for the same procedure in Minneapolis and St. Paul. Or that Medicare should pay anywhere from \$30 to \$103.15 for an initial comprehensive office visit. That isn't just variation—it's ludicrous.

Second, the Medicare reimbursement formula contains no procedure for modifying approved charges to reflect changes in medical practice over time. Physicians' allowed charges under Medicare are set high for new procedures. But when efficiency is gained through improvements in technology, or when formerly complicated

or high risk procedures become relatively routine, the change is not reflected in lower fees. Cataract extractions are a prime example of this "downward stickiness" of the Medicare payment formula—the time it takes to perform the procedure has dropped by nearly 50 percent, along with the level of risk to the patient and the frequency with which hospitalization is necessary, yet the price for the physician's service keeps going up.

Third, there is also considerable variation between what Medicare pays general practitioners and what it pays specialists for the same service. Under the current system, Medicare's insurance carriers have the power to decide whether to pay a specialist a higher fee than a generalist. They often do recognize such a difference in fees, which then becomes built into Medicare's reimbursement formula and produces higher and higher payments to specialists in following years—all without a sufficient evaluation over time as to whether or not what a specialist provides is really a different service.

Fourth, Medicare's "reasonable charge" formula locks physicians who began practicing decades ago into their old low fees and allows only limited periodic increases, while new physicians just starting to practice can receive higher "allowed charges" from Medicare because they have no past to bind them. For example, most Blue Shield plans allow new doctors to set their fees at the 80th or 90th percentile of the established customary fees in their locality. This means that new doctors can often get from Medicare the same fees as the most expensive doctors are charging, while experienced doctors providing the same services find their fees controlled more tightly and held to a lower level.

Fifth, physicians performing procedures, such as tests or surgery, are reimbursed at rates that far exceed the approved charges for visits which consist of examining the patient, taking a medical history, or providing medical counsel. I met with a family physician the other day who received less for treating a patient's heart condition over a period of years—over 55 hours of service—than her surgeon received for performing a 4-hour procedure. So in terms of Medicare dollars for physicians, actions speak louder than words—and even louder than diagnosis and conservative medical practice. This is a powerful incentive which may lead some unscrupulous physicians to perform unnecessary tests in order to maximize their income. This unnecessary care represents an additional cost to patients and a risk to their health. And we all know it does occur.

Sixth, the formula for determining what Medicare will pay physicians is

confusing, both to physicians and to beneficiaries. Medicare beneficiaries can't possibly know in advance how much the CPR formula will allow any particular doctor to be paid. Therefore, they can't know before they receive the service and file their claims with Medicare exactly how much of the charge they will be personally liable for. With this lack of information, they can't possibly be wise health care consumer or go shopping for a physician that they are able and willing to afford. They can look for participating physicians in the hope that those physicians will charge the lowest prices, but that ain't necessarily so.

In the current system, then, competition and consumer choice based on economy and quality is all but impossible. Without any advance information about what Medicare will pay, patients can't make independent choices among physicians; and without an informed, powerful consumer population, physicians do not have to compete on price or convenience or quality.

An article by two physician payment experts in HCFA's Office of Research appeared in the June 1985 New England Journal of Medicine and summed up the situation very well:

... the payment system encourages physicians to specialize, to practice in urban and suburban areas, and to perform services in hospital settings—all in the face of stated national policies of encouraging primary care, rural practice, and out-of-hospital services.

Furthermore, the formula which determines how much Medicare will pay for a physician's service inevitably leads to increased charges. Medicare pays the lower of actual, customary, and prevailing charges. So physicians have an incentive to raise their charges to at least the level of prevailing charges in the community. The meaning of this to Medicare patients is even more profound than it is to the Medicare Program—to get a small increase in the amount Medicare will pay, doctors must make big increases in the amounts they ask patients to pay.

What can end this torturous spiral? In the past 2 years, freezes on actual fees have been used to control the growth in Medicare Program costs. But freezes are budget actions that make no health policy sense—they don't adequately differentiate between efficient and inefficient providers of health care. Freezes allow inefficient doctors with high approved charges under Medicare to continue to receive those high charges. And they force doctors who have held their charges down to continue to hold them down even though a new, young doctor down the street can receive 50 percent more for the same service while subject to the same freeze.

Clearly, freezes are inappropriate and unfair, and other avenues for controlling costs as well as reform must be taken.

#### COBRA

The Consolidated Omnibus Budget Reconciliation Act of 1985 sketched out some general guidelines for the Department of Health and Human Services [HHS] to pursue for continued refinement of Medicare physician payment. First, it established a Physician Payment Review Commission, comparable to the Prospective Payment Commission for Medicare, which would advise the HHS Secretary and Congress on future physician payment reform initiatives. Second, it instructed the Secretary, with the Commission's help, to come up with a relative value scale for physicians' services and with recommendations for using that RVS to establish a fee schedule to replace the CPR system for paying physicians. Third, it instructed the Secretary in the meantime to refine CPR by promulgating regulations to specify which fees are currently set so high or so low that they are inherently unreasonable and thus require revision immediately regardless of what the customary, prevailing, or actual billed charge is.

COBRA laid out a broad outline of future policy. It did not contain sufficient specifics regarding the policy concerns that need to be taken into account by the Department or procedural safeguards that should be followed to protect beneficiaries and physicians from the fallout of any fee revisions by the Secretary.

#### THE ADMINISTRATION'S FISCAL YEAR 1987 BUDGET

What has the administration proposed as "physician payment reform" for fiscal year 1987? Frankly, the administration's fiscal year 1987 Medicare budget basically tells Congress "Don't call us, we'll call you." The administration plans to wipe out a Medicare economic index adjustment to physician's fees that is 30 months overdue, to impose new utilization controls on physician practices, and to make the first nationwide reductions in fees that it considers inherently unreasonable—all without sufficient assessment of the ultimate impact on Medicare beneficiaries or a proper day in court for the physicians affected, and all by instructions to insurance carriers who pay the Medicare part B claims or small print notices in the Federal Register.

The bill we are introducing today makes clear that physician payment reform is an act of health policy which requires congressional direction and close public scrutiny—it is not a cover for covert budget savings.

#### S. 2368

COBRA established some guidelines for the future. It instructed the Secre-

tary on a direction for physician payment reform. But, after seeing the administration's fiscal year 1987 budget for Medicare, it is clear that the Congress has to reiterate its message and be even more specific about its intent.

S. 2368 the bill has three major provisions.

First, it lays out the process which the HHS Secretary would have to follow in order to revise what Medicare will pay doctors when the statutory "CPR" formula produces an inherently unreasonable fee. And it stresses Congress' concern about physicians who are actually underpaid for their services.

Second, it spells out specific factors that Congress would like the Secretary and the Physician Payment Review Commission to consider when developing a relative value scale upon which a fee schedule could be based.

This will make sure that the fee schedule that is developed does not exacerbate the current problem of geographic maldistribution of physicians, and does not hamper access for Medicare beneficiaries by allowing fees which don't recognize local costs of practice and therefore drive physicians away from Medicare patients.

Finally, the bill softens the budget-motivated blow that the administration plans to deal to doctors regarding the Medicare Economic Index—or MEI.

The administration has proposed keeping the MEI so low that there would be almost no increase in prevailing charges. The administration claims this is necessary because the increase that was allowed in the past was based on the wrong statistics: The office space component of the MEI, which reflects the cost to a physician of maintaining an office, has been based in the past on the housing cost component of the Consumer Price Index. Last year, the Bureau of Labor Statistics decided to use rental costs rather than mortgage costs as the measure of housing costs for the CPI.

The Bureau of Labor Statistics intends to use these new components from now on. But the administration intends to go back to the first year that the MEI existed, figure out what it would have been had the different component been used, and then subtract from physicians' payments this year the amount that would not have been paid to physicians in the past if the different MEI had been used.

This bill recognizes that it is not fair to repossess 13 years of mistaken payments from doctors all in 1 year. The same kind of statistical adjustment was made to Social Security payments recently but no one suggested that we ask Social Security recipients to give the program any refunds. Nothing in the Medicare law requires that we hit doctors with this all in 1 year either.

Medicare will be called on to contribute to deficit reduction, but this bill would phase in the adjustment so that doctors won't be hit so hard, and won't have as great an incentive to refuse assignment.

More work will need to be done in the future. Beneficiaries still face inappropriate deductibles and copayments. I believe this can be best addressed through restructuring of the Medicare benefit to fit the needs of today's seniors. Our work on catastrophic coverage should provide a means for this restructuring. And I hope the Private/Public Sector Advisory Committee on Catastrophic Health upon which I sit will take a broad view of restructuring. It is needed.

Also, S. 2368, and the direction it sets, focus on fairness of fees, not volume of services. Even a refined Medicare payment scheme still provides incentives to do more, and to upcode. Further work will have to be done to promote quality at a reasonable price. In the long run, capitation—prepaid health care in its various forms—may be the only means to encourage the provision of all the care beneficiaries need rather than all the care for which they and Medicare can be billed.

In the meantime, I am pleased to join my colleagues today to introduce S. 2368. By promoting greater fairness between physician specialties, greater fairness between new and experienced physicians, greater fairness regarding geographic disparity in charges, and greater flexibility in adjusting to change in technology, we can create a physician payment system which will not influence physicians to consider anything but their best medical judgment in delivering services to Medicare patients.

Mr. BENTSEN. Mr. President, I am pleased to join my colleagues from Kansas and Minnesota in introducing S. 2368, the Medicare Physician Payment Reform Act of 1986.

As many of our colleagues are aware, the President's budget proposal for fiscal year 1987 includes numerous provisions designed to save approximately \$1.3 billion in physician reimbursement over the next 3 years. The savings are contingent on the use of an inherent reasonableness standard to implement regulatory changes in the reimbursement rates for certain services and procedures, and on modification of the Medical Economic Index [MEI] by which fee schedules are adjusted.

To carry out these proposals, the administration plans to reduce reimbursement rates for three procedures—coronary bypasses, cataract removal, and implantation of pacemakers—by approximately 10 percent. In addition, the Health Care Financing Administration recommends signifi-

cant curtailment or elimination or reimbursement for assistants at surgery and standby anesthesia. Finally, the MEI would be rebased retroactively to 1973 to account for a change in the housing component of the index. The net effect of the MEI recalculation would be a drop from 2.8 to 0.8 percent in the fee schedule update for 1987, at a cost of \$750 million over 3 years to physicians.

The Medicare Payment Reform Act of 1986 is an effort to revise the administration's recommendations to ensure that, where financing reform could impact the way in which medicine is practiced, physicians are an integral part of the decisionmaking process.

Specifically, S. 2368 requires that, in defining inherent reasonableness, the administration consult with the Physician Payment Assessment Commission to ensure that increases or decreases in the pricing of services are undertaken only after the potential effect on the quality of care is evaluated. To preclude hasty adoption of changes in reimbursement policy, the Secretary of HHS would be required to follow formal rulemaking procedures, including a 60-day public comment interval.

For, while it makes little sense for Medicare to pay vastly different rates for the same procedure performed on similar patients in a given geographic area, there are legitimate circumstances under which physicians may feel it is in the patient's best interest to have present an assistant at surgery or an anesthesiologist on standby status. The professional judgment of physicians is critical to the success of reimbursement policy reform that is in the best interest of Medicare beneficiaries.

With respect to recalibration of the MEI, I believe it is fair to say that the authors of this bill are unanimous in our view that a 0.8 percent increase in the fee screen is tantamount to an extension of the fee freeze for a third year. Though we concur that the Bureau of Labor Statistics methodological argument in favor of a new housing factor is compelling, we believe that rebasing should be phased in over at least 2 years—if not three—in order to permit physicians a reasonable increase in their fees. I should like to stress that we are not alone in our view, and that the American Association of Retired Persons has repeatedly warned that failure to mitigate the effects of these proposals will ultimately result in significant cost shifting to the elderly because fewer and fewer physicians will agree to take claims on assignment.

Finally, Mr. President, S. 2368 calls for a series of changes in the data base used to determine the costs of physician services. The intent of these provisions is to create a uniform standard

of information that will be useful to providers and policy makers in future years. Today, it is exceedingly difficult, if not impossible, to make accurate comparative judgments about the relative costs of health care in different areas of the country. If we are to be prepared to make the best use of the results of the relative value scale study currently underway at Harvard, then it is imperative that we begin to collect and maintain data in a systematic and comparable format. This bill instructs the Secretary of HHS to develop and implement such an information base.

While S. 2368 represents, in my judgment, a significant improvement over the administration's budget recommendations, it is by no means etched in concrete. It is my hope that on April 25, when the Finance Committee's Subcommittee on Health holds its physician reimbursement hearing, interested individuals and groups will take the opportunity to suggest improvements in the legislative language we offer today. In particular, I invite providers familiar with records keeping systems used by small hospitals, to review section 4 of the bill. Although we have tried to ease the transition onto the common coding procedure by postponing the effective date to January 1, 1988, I am concerned that smaller hospitals with limited personnel and financial resources not be unduly penalized by an unrealistic timetable for implementing this change.

We invite our colleagues to join with us in pursuit of a reasonable physician reimbursement reform measure. Enactment of these or similar provisions should generate immediate savings in the Medicare Program and, perhaps more importantly, will establish a systematic process for periodic review of reimbursement rates and policies.

By Mr. FORD:

S. 2369. A bill to authorize the Interstate Commerce Commission to adjust rail rates to reflect cost decreases due to deflations; to the Committee on Commerce, Science, and Transportation.

#### DEFLATION AND RAIL RATES

Mr. FORD. Mr. President, during the 98th Congress, I introduced a bill, S. 1081, relating to rail rates and cost decreases. Recent events at the Interstate Commerce Commission have suggested it is time to take a second look at this issue.

On April 11, 1986, the ICC approved the second quarter 1986 Rail Cost Adjustment Factor [RCAF] submitted by the Association of American Railroads. The second quarter RCAF is 1.023 down from 4.3 percent from the first quarter figure of 1.069. The ICC stated that virtually all of the decline is due to a decrease in the price paid by the railroads for diesel fuel. If

there is a big decrease in the cost of providing the transportation service, then the shipper should benefit. The ICC made no comment on the petition filed on March 12, 1986, by the National Industrial Transportation League to recover the costs of substantially declining fuel prices for the first quarter RCAF.

When the Congress passed the Staggers Rail Act of 1980, Congress sought to help the railroads recover their inflationary costs with minimal regulatory intervention. Automatic increases in the Staggers Act replaced the time-consuming general rate increase proceedings which were characteristic prior to 1980. Section 203 of the act, 49 U.S.C. 10707(a) states that the ICC shall publish a rail cost adjustment factor at least quarterly as a basis for a zone of rail rate flexibility for individual carrier rate changes.

At no time during the drafting of the Staggers Act did the sponsors ever envision a situation where the cost-of-living rate would decrease instead of increase, since the act was drafted during an economic period when inflation was rising steadily. Therefore, section 203 is silent on the issue of rate decreases when there is a reduction in inflationary costs from the previously published rail cost adjustment factor. Today, due to various causes, some railroad costs are actually decreasing.

Pursuant to the mandate of section 203 of the Staggers Act, the Commission adopted a cost recovery index which measures the changes in the average price of goods and services purchased by the railroads in providing transportation services. Ex Parte No. 290 (Sub-No. 2), Railroad Cost Recovery Procedures, 364 I.C.C. 841 (1981). Thereafter, the Commission published an index of costs by which railroads may multiply their rates on a quarterly basis. Rates increased by the cost index are immune from challenge on reasonableness grounds.

The Commission's decision in Ex Parte No. 290 (Sub-No. 2), supra, was affirmed by the U.S. Court of Appeals for the District of Columbia on May 4, 1982. On April 19, 1982, the Commission ordered the proceeding reopened.

In that April 19, 1982, decision, the Commission denied a petition for a declaratory order on decreases in the index. This request was filed by the National Industrial Traffic League. The Commission stated that section 203 of the Staggers Act did not appear to contemplate reductions, nor did the Commission's Ex Parte No. 290 (Sub-No. 2) rules.

When the ICC made the announcement for the second quarter RCAF, it also decided to reconsider its cost escalation factor. The ICC will publish a proposed rulemaking that will propose changing the RCAF rules to require that rates increased through the

RCAF be reduced when the RCAF declines. I take no position on whether the 1982 ruling on this matter is correct. I do believe that passage of this legislation will solve the dilemma once and for all. Should the ICC change the procedure administratively it is certain that the railroads will seek to overturn the rule. Since the ICC said 4 years ago that they cannot do what they are seeking to do now, the issue is certain to end up in the courts.

It is time for Congress to correct this oversight in the Staggers Act. Shippers and eventually consumers should benefit from the reduction of costs to the railroads due to deflation.

By Mr. MURKOWSKI:

S. 2370. A bill to allow the Francis Scott Key Park Foundation, Inc., to erect a memorial in the District of Columbia; to the Committee on Energy and Natural Resources.

#### FRANCIS SCOTT KEY MEMORIAL

● Mr. MURKOWSKI. Mr. President, it is a pleasure for me to introduce today a bill authorizing establishment of a memorial to honor Francis Scott Key.

Generations of Americans have expressed their deepest patriotism while singing the moving verses of our national anthem, but few know much about the man who penned these important words. Key composed this patriotic song during the War of 1812 while on a mission to free an aging physician captured by the British. Even though he succeeded, Key himself was arrested because he knew of the imminent British plans to attack Baltimore. While under guard, he witnessed "the bombs bursting in air" over Fort McHenry. "By the dawn's early light" he saw that "our flag was still there," signaling defeat of the British. The immortal words of our national anthem, written 172 years ago, continue to capture the spirit of our great Nation. The "Star Spangled Banner" is our patriotic hymn, an affirmation of the love of country, and pride in our Nation which all Americans hold for the "land of the free and home of the brave."

To help ensure the significance of his legacy and those fateful early years of our Nation's history, the Francis Scott Key Foundation was formed in 1983 to achieve the goal of building a park in honor of the father of our national anthem. The foundation has embarked on a campaign to raise funds necessary to build the park, and over \$130,000 has been donated to date. The funds have been contributed from individuals, corporations, and foundations. The bill I am introducing today will take advantage of these efforts and will authorize the construction of a memorial to Francis Scott Key at no expense to the taxpayer.

It is only fitting that we memorialize Francis Scott Key, the author of the "Star Spangled Banner." His life provides an inspiration to Americans by symbolizing the potential in each of us to make voluntary and extraordinary contributions to our country. We want to be reminded of his joy and, through it, our unique national heritage of freedom, human rights, and a free government. Mr. President, I urge the Senate to act favorably upon this legislation. ●

By Mr. ROTH:

S. 2371. A bill to amend the Social Security Act to make administrative improvements in the programs of aid to families with dependent children and child support programs, and for other purposes; to the Committee on Finance.

FAMILY ASSISTANCE AND CHILD SUPPORT ENFORCEMENT ADMINISTRATIVE IMPROVEMENTS ACT

● Mr. ROTH. Mr. President, Daniel Webster, while standing on this floor some 140 years ago, said that labor is one of the great elements of society, one that upholds the great fabric of the State. And I can think of no better way than to quote Senator Webster to introduce the Family Assistance and Child Support Enforcement Administrative Improvements Act of 1986.

This legislation accompanies S. 1081, the Social Welfare Amendments of 1985, and in partnership will realize President Reagan's 1987 budget recommendations for the Aid to Families with Dependent Children and the Child Support Enforcement Programs.

As this distinguished body well knows, there is cause for concern about our country's social programs. Financially, the rapid growth in programs such as AFDC and Child Support Enforcement are making it difficult for us to see ourselves out of a deficit-ridden future. Of course, I understand the need for, and I support, strong, well-administered, and productive social services. I understand that we can't do everything for everyone everywhere, but I believe we can do something for someone somewhere. And I believe we must.

With this in mind, I see as our task to turn the support we offer into opportunity—opportunity both for the States with whom we share social responsibility and for the recipients of our services.

Currently, there is a serious discrepancy between various States and their expenditures for AFDC administration. And as current law mandates that the Federal Government match these administrative costs dollar for dollar it's unfair for the taxpayer and unfair for the well-managed, financially responsible States that those with excessive administrative costs are making more money for their inefficiency.

Therefore, I'm introducing this bill to bring equity to the process by reducing AFDC reimbursement for particularly high administrative costs. Under this Family Assistance and Child Support Enforcement Administrative Improvements Act of 1986, State administrative expenditures—based on a per recipient scale—that exceed 175 percent of the median for all States, will be matched by Federal dollars at a lower percentage. Instead of the standard 50 percent, the matching rate will be decreased to 25 percent for costs which exceed the 175 percent threshold.

This strategy was first recommended by the Grace Commission, and I believe it will serve as an effective alternative to the cap on Federal matching that is currently contained in S. 1081.

But this is not all the bill will do. This Administrative Improvements Act will also make the matching rate for statewide development of automatic data processing systems consistent with that of the Food Stamp Program by reducing the AFDC rate from 90 to 75 percent in 1987. There will also be a reduced match for automated data processing in the Child Support Enforcement Program. After giving States 3 years to complete their statewide systems development, the Federal matching will be reduced to the regular 50-percent rate for administrative costs. Additionally, the bill will accelerate the schedule provided for under current law to reduce the matching rate for child support enforcement program administrative costs by 4 percent.

These proposals are part of a broad effort to bring greater consistency in the level of Federal matching for entitlement program data systems development and to hold down administrative costs in a time of tight resources without limiting benefits to the poor. These proposals will result in a net savings of \$56 million.

At this time, Mr. President, I want to urge my colleagues to support the remaining administration proposals contained in S. 1081. The provision I've introduced today only replaces the proposed cap on Federal matching. The bill will still contain the cornerstone of the administration's AFDC reform proposals—the new work programs.

Through its enactment, there will be an expansion in the opportunities for welfare recipients to get involved in work and labor-related activities. The bill will require all employable AFDC applicants and recipients to participate in some degree of activity as a condition of eligibility. Of course, States will design their appropriate work programs with a choice of several optional activities including the Community Work Experience Programs (Workfare), job search, grant

diversion, and training under the Job Training Partnership Act.

In keeping with the State-Federal partnership which the AFDC program represents, all administrative costs associated with implementing and running work programs will be matched at an open-ended 50-percent rate, and work-related expenses will not be subject to the rules governing AFDC administrative costs.

It's clear that work programs for welfare recipients are effective. They offer, for the first time, a positive solution to the problem of long-term welfare dependency. They give welfare recipients the tools and motivation needed to become self-sufficient, and they bolster morale and self-esteem. And the community benefits.

S. 1081 will also benefit the community, the taxpayer, and the recipient by targeting benefits more carefully. First, to give caretakers of older children the incentive to be employed, it's proposed that AFDC benefits be eliminated when the youngest child reaches age 16. Second, in an effort to encourage parental responsibility for AFDC recipients who are still minors, the legislation also requires that minor caretaker relatives live with their parents—with certain exceptions—in order to receive AFDC assistance.

Mr. President, I strongly urge this body to enact the proposals that are contained in S. 1081, and I ask unanimous consent that the bill be printed into the CONGRESSIONAL RECORD.

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

S. 2371

*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 "Family Assistance and Child Support Enforcement Administrative Improvements Act".*

TITLE I—AID TO FAMILIES WITH DEPENDENT CHILDREN

REDUCED FEDERAL MATCHING RATE FOR STATE-WIDE MECHANIZED CLAIMS PROCESSING AND INFORMATION RETRIEVAL SYSTEMS

Sec. 101. (a) Effective October 1, 1986, section 403(a)(3)(B) of the Social Security Act is amended by striking out "during such quarter" and inserting in lieu thereof "during quarters in any fiscal year prior to fiscal year 1987, or 75 per centum in the case of quarters in fiscal year 1987, 1988, or 1989."

(b) Effective October 1, 1989, section 403(a)(3) of the Act is amended—

(1) by striking out all down through subparagraph (C) and inserting in lieu thereof: "(3) in the case of any State, an amount equal to one-half of the total amounts expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan (including as expenditures under this paragraph the value of any services furnished, and the amount of any payments made (to cover expenses incurred by individuals

under a program of employment search), under section 402(a)(35)(B)),"; and

(2) by striking out "(as described in the parenthetical phrase in subparagraph (C))" and inserting in lieu thereof "(as described in the preceding parenthetical phrase)".

**REDUCTIONS IN MATCHING RATE FOR EXCESS ADMINISTRATIVE COSTS**

SEC. 102. (a) Section 403(a)(3)(C) of the Social Security Act (as amended by section 101 of this Act) is further amended—

(1) by inserting "subject to the limitations prescribed below in this paragraph" immediately after "(3)";

(2) by inserting "(i)" immediately after "except that", and

(3) by striking out the semicolon at the end of paragraph (3) and inserting in lieu thereof ", and (ii) in the case of any State other than Puerto Rico, the Virgin Islands and Guam, 25 per centum (rather than one-half) of that portion of the amounts described in subparagraph (C) and expended during any quarter in fiscal years after fiscal year 1986 that constitute a State's excess administrative costs, as determined in accordance with subsection (e); and".

(b) Section 403 of the Act is further amended by adding after and below subsection (d) the following new subsection:

"(e)(1) For purposes of applying the second limitation prescribed in subsection (a)(3), the excess administrative costs of any State to which such limitation applies means that portion of the State's per recipient administrative costs (as defined in paragraph (2)) that exceed 175 per centum of the national median of such costs for all such States.

"(2) As used in this subsection—

"(A) a State's 'per recipient administrative costs' in a fiscal year means the ratio of the amounts expended by such State during quarters in such fiscal year for the proper and efficient operation of the State plan (other than expenditures of the type described in subsection (a)(3)(B), or expenditures directly related to carrying out section 402(a)(19) or (35), section 409, section 414, or to conducting other employment related activities under the State plan), and for which Federal financial participation is claimed and allowed, to the average monthly number of individuals receiving aid under the plan in such year;

"(B) the national median of the per recipient administrative costs of all the States to which the second limitation in subsection (a)(3) applies shall be determined by establishing the median of such costs for the most recent 4-quarter period preceding the fiscal year concerned, adjusted by the change in the GNP deflator (as defined in subparagraph (C)), if the latest quarter in such 4-quarter period is not one of the three quarters immediately preceding the start of such fiscal year, with respect to which the Secretary determines that sufficient data are available to reasonably establish such median, taking into consideration both the States' need for advance notice in order to make fiscal planning decisions, and the benefits to the Federal and State governments of employing the most recent data in order to reflect progress made by other States in reducing per recipient administrative costs; and

"(C) the 'change in the GNP deflator' for any fiscal year concerned in subparagraph (B) means the ratio of (i) the gross national product implicit price deflator, measured for the second quarter of such fiscal year, published by the Bureau of Economic Analysis, Department of Commerce, before

August 31 of such fiscal year, to (ii) such deflator, as so measured, for the 4-quarter period selected for purposes of such subparagraph (B))."

(c) Effective October 1, 1989—

(1) Section 403(a)(3) of the Act (as revised by section 102 of this Act) is amended by striking out "subparagraph (C)" and inserting in lieu thereof "this paragraph", and

(2) Section 403(e)(2)(A) of the Act (as added by subsection (b) of this section) is amended by striking out "expenditures of the type described in subsection (a)(3)(B), or".

(d) The amendments made by subsections (a) and (b) of this section shall be effective October 1, 1986.

**TITLE II—CHILD SUPPORT ENFORCEMENT**

**REDUCTION IN FEDERAL MATCHING RATE FOR AUTOMATIC DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEMS**

SEC. 201. Section 455(a)(1)(B) of the Social Security Act is amended by striking out "90 percent" and inserting in lieu thereof "(i) 90 percent, in the case of quarters in fiscal years prior to 1987, (ii) 85 percent, in the case of quarters in fiscal year 1987, (iii) 75 percent in the case of quarters in fiscal year 1988 or 1989, and (iv) the rate specified in 455(a)(2)(C) for quarters in fiscal year 1990 or any fiscal year thereafter."

**REDUCTION IN FEDERAL MATCHING RATE FOR ADMINISTRATIVE COSTS GENERALLY**

SEC. 202. (a) Section 455(a)(2) is amended—

(1) by striking out "1986, and 1987," from subparagraph (A) and inserting in lieu thereof "and 1986, and",

(2) by amending subparagraph (B) to read "66 percent for fiscal year 1987 and each fiscal year thereafter.", and

(3) by striking out subparagraph (C).

(b) Section 455(a)(1)(B)(iii) of the Act (as amended by section 201 of this Act) is further amended by striking out "455(a)(2)(C)" and inserting in lieu thereof "455(a)(2)(B)".

By Mr. GARN (by request):

S. 2372. A bill to preserve the authority of the Federal banking supervisory agencies to arrange interstate acquisitions and mergers for failed and failing banks, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

**FINANCIAL INSTITUTIONS EMERGENCY ACQUISITIONS AMENDMENTS**

● Mr. GARN. Mr. President, today I am introducing by request amendments to title I of the Garn-St Germain Act. The amendments provide increased flexibility for the Federal bank regulators in minimizing the adverse effects of failing banks. In essence, the bill would lower the threshold size from \$500 million to \$250 million for an institution which could be sold across State lines, expands the approval of interstate acquisition from closed banks only to banks which the regulators believe are in danger of failing, and gives the Federal bank regulators authority to resolve problems with regard to chains of banks in multibank holding company States.

Mr. President, I ask unanimous consent that the text of the bill, a letter

from the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System, and a section-by-section analysis 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. 2372

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SHORT TITLE**

SECTION 1. This Act may be cited as the "Financial Institutions Emergency Acquisitions Amendments of 1986."

**ASSISTED EXTRAORDINARY ACQUISITIONS**

SEC. 2. Section 13(f) of the Federal Deposit Insurance Act (12 U.S.C. 1823(f)) is amended—

(1) by amending paragraph (1) to read as follows:

"(1)(A) Whenever the appropriate Federal banking agency is informed that an out-of-State bank or holding company is considering acquiring, directly, or indirectly, an insured bank with total assets of \$250,000,000 or more that is in danger of closing, such agency shall (A) notify the Corporation of such, (B) consult with the Corporation before taking any action with respect to any such acquisition, and (C) provide the Corporation with notice of any final action taken.

"(B) Except as provided in paragraph (9), the provisions of this subsection shall be used exclusively in connection with any acquisition by or merger with an out-of-State bank or holding company with respect to which the Corporation provides assistance under its powers in subsection (c) and shall not be applicable if the Corporation does not provide such assistance. Nothing contained in this subsection shall be construed to limit the Corporation's powers in subsection (c) to assist a transaction."

(2) by striking out "\$500,000,000" in subparagraph (2)(A) and inserting in lieu thereof "\$250,000,000".

(3) by amending subparagraph (3) to read as follows:

"(3)(A)(i) Whenever the appropriate Federal or State chartering authority has certified in writing that an insured bank with total assets of \$250,000,000 or more (as determined from its most recent report of condition) is in danger of closing, the insured bank may merge with or its assets may be purchased by and its liabilities assumed by another depository institution, including an insured depository institution located in the State where the insured bank is chartered but established by an out-of-State bank or holding company, or its shares may be acquired by an out-of-State bank or holding company.

"(ii) Whenever the appropriate Federal or State chartering authority has certified in writing that one or more insured bank subsidiaries of a holding company are in danger of closing and such bank or banks hold aggregate assets equal to \$250,000,000 or more (as determined from their most recent reports of condition) and such bank or banks represent 33 percent or more of the total assets of all insured bank subsidiaries (as determined from their most recent reports of condition) of such holding company, an out-of-State bank or holding company may (a) purchase the shares of or otherwise acquire the holding company that controls such bank or banks and all of such holding com-

pany's subsidiary banks or (b) purchase the shares or otherwise acquire any such bank or banks in danger of closing and/or establish one or more newly chartered banks located in the State where such banks in danger of closing are chartered for the purpose of merging with or purchasing the assets and assuming the liabilities of such banks, provided the aggregate total assets of such banks that are acquired equal \$250,000,000 or more. Any out-of-State bank or holding company which, pursuant to clause (b), purchases shares of, or establishes a newly chartered bank for the purpose of merging with or acquiring the assets and assuming the liabilities of, such bank or banks in danger of closing may purchase the shares of or otherwise acquire any bank which is affiliated with such bank or banks.

"(iii) The Corporation may assist a merger or acquisition permitted under subparagraph (A) only where the board of directors or trustees of the insured bank has requested in writing that the Corporation assist a merger or a purchase.

"(B) Whenever the Corporation provides assistance, directly or indirectly, under the authority of subsection (c), to an insured bank and such bank was eligible at the time such assistance was given to be acquired by an out-of-State bank or holding company, pursuant to subparagraph (A), the bank shall remain eligible to be acquired, to the same extent that it was eligible when assistance was granted, by an out-of-State bank or holding company so long as the Corporation's assistance remains outstanding. If, at the time such assistance was granted to an insured bank or to affiliated insured banks, such bank's or banks' parent holding company or other affiliated banks were eligible also to be acquired by an out-of-State bank or holding company, pursuant to subparagraph (a)(ii), they shall remain eligible for such acquisition to the same extent as they were when the assistance was granted, so long as such assistance remains outstanding.

"(C) Where otherwise lawfully required, a transaction under this paragraph (3) must be approved by the primary Federal or State supervisor of all parties thereto.

"(D)(i) Before assisting a merger or acquisition permitted under subparagraph (A) or taking final action under subparagraph (B), the Corporation shall consult the State bank supervisor of the State in which the bank in danger of closing is chartered.

"(ii) The State bank supervisor shall be given a reasonable opportunity, and in no event less than forty-eight hours, to object to the use of the provisions of this paragraph.

"(iii) If the State supervisor objects during such period, the Corporation may use the authority of this paragraph only by a unanimous vote of the Board of Directors. The Board of Directors shall provide to the State supervisor, as soon as practicable, a written certification of its determination."

(4) by redesignating subparagraphs (i) through (iii) of paragraph (4) as subparagraphs (A) through (C), respectively.

(5) by amending newly redesignated subparagraph (4)(A) to read as follows:

"(A) Neither section 3(d) of the Bank Holding Company Act of 1956, section 408(e)(3) of the National Housing Act, any provision of State law, nor the constitution of any State, shall bar approval, consummation or retention of an acquisition authorized under paragraph (2) or (3) except that an out-of-State bank may make such an acquisition only if such ownership is otherwise specifically authorized."

(6) by adding new subparagraphs (D) and (E) to paragraph (4) as follows:

"(D) An out-of-State bank holding company that acquires, directly or indirectly, a bank under paragraph (2) or (3) shall thereafter be entitled to acquire additional banks located in the three largest metropolitan or consolidated metropolitan statistical areas or cities in any State in which the acquired bank is located to the same extent as a bank holding company that is principally located (as such term is defined in section 3(d) of the Bank Holding Company Act of 1956) in such State.

"(E) A holding company which, directly or indirectly, acquires control of one or more banks or a holding company under paragraph (2) or (3) shall not, by reason of such acquisition or expansion, be required as the result of the law of any State to divest any other bank or banks or be prevented from acquiring, directly or indirectly, any other banks or holding company."

(7) by striking "to permit" in paragraph (5).

(8) by striking out "closed" the second time it appears and "bank" the sixth time it appears in subparagraph (6)(A).

(9) by redesignating subparagraphs (B) and (C) in paragraph (8) as subparagraphs (D) and (E), respectively, and by inserting after subparagraph (A) the following new subparagraphs:

"(B) a bank is 'in danger of closing' if:

"(i) the bank is not likely to be able to meet the demands of its depositors or pay its obligations in the normal course and there is no reasonable prospect for it to do so without federal assistance; or

"(ii) the bank has incurred or is likely to incur losses that will deplete all or substantially all of its capital and there is no reasonable prospect for replenishment of the bank's capital without federal assistance; or

"(iii) other grounds exist or are likely to exist under applicable State law for closing the bank; and

"(C) banks are 'affiliated' if each is a subsidiary (as defined in section 2(d) of the Bank Holding Company Act of 1956) of the same holding company; and"

(10) by adding a new paragraph (9) to read as follows:

"(9) Nothing in this subsection shall prevent the Corporation, in its sole discretion, from assisting, directly or indirectly, the acquisition of an open or closed insured bank by an out-of-State bank or holding company where such an acquisition is otherwise authorized under applicable State law."

(11) by adding a new paragraph (10) to read as follows:

"(10) In any transaction authorized under this subsection, no assistance by the Corporation shall be provided to a subsidiary of a holding company that is not an insured bank."

#### UNASSISTED EXTRAORDINARY ACQUISITIONS

SEC. 3. Section 3(d) of the Bank Holding Company Act (12 U.S.C. 1842(d)) is amended by designating the first paragraph thereof as paragraph (1) and inserting at the end thereof the following new paragraphs:

"(2) Notwithstanding the provisions of paragraph (1) of this subsection or any provision of state law or the constitution of any state.

"(A) a bank holding company may acquire and retain the shares or assets of—

"(i) a bank located in another state if such bank has total assets of \$250 million or more and is in danger of closing; or

"(ii) Two or more affiliated banks in danger of closing that together hold assets

that total \$250 million or more and that represent 33 percent of the total assets of all affiliated banks;

"(B) a bank holding company that acquires a bank or banks in danger of closing under subparagraph (A) may acquire a bank holding company that controls such bank or banks and/or may acquire the assets or shares of any bank affiliated with such bank or banks, provided in either case that the total assets of such bank or banks in danger of closing represent at least 33 percent of the total assets of all affiliated banks;

"(C) A bank holding company that acquires the assets or shares of a bank in danger of closing under subparagraph (A) or (B) may acquire additional banks located in the three largest metropolitan or consolidated metropolitan statistical areas or cities in any state in which a bank acquired pursuant to this paragraph is located to the same extent as a bank holding company that is principally located (as defined in paragraph (1) hereof) in such state;

"(D) A bank holding company that acquires and retains control of one or more banks pursuant to this paragraph shall not, by reason of such acquisition or retention, be required to divest any other bank or banks or be prevented from acquiring any other banks.

"(3) A bank holding company may not acquire the shares or assets of a bank or bank holding company under paragraph (2) (A) or (B) unless the acquisition has been approved by the board of directors of such bank or of a bank holding company that controls such bank.

"(4)(A) A bank is in danger of closing if the appropriate federal or state chartering authority certifies in writing that:

"(i) the bank is not likely to be able to meet the demands of its depositors or pay its obligations in the normal course and there is no reasonable prospect for it to do so without federal assistance; or

"(ii) the bank has incurred or is likely to incur losses that will deplete all or substantially all of its capital and there is no reasonable prospect for replenishment of the bank's capital without federal assistance; or

"(iii) other grounds exist or are likely to exist under applicable State law for closing the bank.

"(B) A bank is affiliated with another bank if each is a subsidiary of the same bank holding company.

"(C) The assets of a bank shall be determined on the basis of its most recent report of condition.

"(5)(A) No bank in danger of closing or bank holding company that controls such bank shall enter into any discussions relating to the acquisition of such bank under paragraph (2) unless—

"(i) the State bank supervisor for each state in which such bank or its affiliated banks is located has been notified of such proposed discussions; and

"(ii) such bank or bank holding company has attempted to arrange an acquisition that does not require assistance under section 13(c) of the Federal Deposit Insurance Act or use of the interstate provisions of paragraph (2). An application submitted under paragraph (2) (A) or (B) must describe efforts made by such bank or bank holding company to satisfy this requirement and the reasons for the rejection of any proposals submitted.

"(B) Before approving an application pursuant to paragraph (2) involving a bank in danger of closing or its affiliated banks, the

Board shall consult the State bank supervisor of the State or States in which the bank or banks are located.

"(C) The State bank supervisor or supervisors shall be given a reasonable opportunity, and in no event less than forty-eight hours, to object to approval of the application.

"(D) Except as provided in subparagraph (E), the Board shall not approve the application if, during the notice period provided in subparagraph (C), such State bank supervisor certifies to the Board that—

"(i) a person or persons have, prior to the notice period in subparagraph (C), offered or attempted to offer to acquire each of the banks in danger of closing in a transaction that does not require assistance under section 13(c) of the Federal Deposit Insurance Act or use of the interstate provisions of paragraph (2), and

"(ii) such person or persons, in the judgment of such State bank supervisor, are likely to be able to secure all regulatory approvals necessary to consummate such acquisition promptly, and to comply with all applicable financial and managerial and other regulatory requirements, including recapitalizing all such banks in danger of closing without impairing the financial resources of the acquiring person or persons.

"(E) The Board may approve the application if the Board determines that the person or persons certified by the State bank supervisor under subparagraph (D) do not have the financial resources necessary to obtain regulatory approval to acquire such bank, including the resources to recapitalize all such banks in danger of closing without impairing the financial resources of the acquiring person or persons, or that such person or persons do not meet other applicable regulatory requirements.

"(6) If the Board has received a certification from the appropriate federal or state chartering authority pursuant to paragraph (2) or section 13(f) of the Federal Deposit Insurance Act that a bank is in danger of closing, the Board may dispense with the notice and hearing requirements of section 3(b) of this Act with respect to any application received to acquire such bank or its affiliated banks and may reduce the post-approval waiting period of section 11 of this Act to five days or, if the Board finds that immediate action is necessary to prevent the probable failure of any such banks, eliminate such period."

#### WAIVER OF NOTICE REQUIREMENTS

Sec. 4. Section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) is amended by adding a new sentence to the end thereof to read as follows:

"In the event an application is filed under this paragraph in connection with an application by a bank holding company to acquire control of a bank in danger of closing or its affiliated banks pursuant to section 3(d)(2) of this Act or section 13(f) of the Federal Deposit Insurance Act, the Board may dispense with the notice and hearing requirement of this paragraph and the Board may approve or deny the application under this paragraph without notice or hearing."

#### SUNSET PROVISIONS

Sec. 5. (a) Section 141(a) of the Garn-St Germain Depository Institutions Act of 1982 (12 U.S.C. 1464 note) is amended by striking out "April 15, 1986" and inserting in lieu thereof "April 15, 1991".

(b) Effective upon April 15, 1991, the provisions of law amended by this Act shall be amended to read as they would without such amendments.

(c) The repeal or termination by section 5 of any amendment made by this Act shall have no effect on any action taken or authorized while such amendment was in effect.

#### FEDERAL DEPOSIT INSURANCE CORPORATION, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM,

April 23, 1986.

HON. JAKE GARN,  
Chairman, Committee on Banking, Housing, and Urban Affairs, U.S. Senate,  
Washington, DC.

DEAR CHAIRMAN GARN: By letter of April 8, we, together with the Comptroller of the Currency, wrote to you asking that Congress extend and liberalize the emergency acquisition provisions of the Garn-St Germain Depository Institutions Deregulation Act of 1982. Congress has now passed a 90-day extension of that Act.

With respect to liberalizing the emergency acquisition provisions, in that letter we recommended a number of changes designed to strengthen the ability of the regulators to deal with problem situations including authority to permit the out-of-state acquisition of failing banks and the out-of-state acquisition of a bank holding company when the failing bank exceeds the statutory size threshold and represents a sizable part of the holding company system. We also recommended that the asset size of banks eligible to be acquired be reduced from \$500 million to \$250 million.

We are forwarding to you at this time proposed legislation to implement these recommendations. The Comptroller of the Currency has initiated the Administration's formal review of this bill. It is our hope that Congress will be able to consider these matters at the earliest opportunity.

Sincerely,

L. WILLIAM SEIDMAN,  
PAUL A. VOLCKER.

#### SECTION-BY-SECTION ANALYSIS OF THE PROPOSED ASSISTED AND UNASSISTED EXTRAORDINARY ACQUISITION AMENDMENTS

Section 1. This section defines the Act as the "Financial Institutions Emergency Acquisition Amendments of 1986."

Sec. 2. Subsection 13(f) of the Federal Deposit Insurance Act, which was enacted as part of Title I of the Garn-St Germain Act, currently permits interstate acquisitions for banks with assets of \$500 million or more—but only under limited conditions. Stock institutions, including all eligible commercial banks, may be acquired only if they are closed. An eligible mutual savings bank may be acquired prior to closing—but only if its board of trustees and chartering authority specify in writing that it is in danger of closing and request the FDIC to assist an acquisition or merger. If a bank is acquired by an out-of-state bank holding company the bank may branch throughout the State to the same extent as an in-State national bank. Absent specific State authorizing legislation, however, bank holding companies may not be acquired by out-of-State holding companies and an out-of-State holding company that acquires a bank under subsection 13(f) may not expand in the State other than by branching of the newly acquired bank. This means in unit banking States, the out-of-State bank holding company's entry is limited to the existing office site of the bank it acquires.

The amendments to subsection 13(f) will change existing legislation in four crucial areas. First, the amendments will permit qualified stock institutions, as well as

mutual savings banks, to be acquired by out-of-State holding companies before they fail. Second, they lower the threshold measurement for eligibility for both closed and failing banks from \$500,000,000 to \$250,000,000. Third, the amendments permit a holding company to be sold, in whole or in part, to an out-of-State holding company if the in-State holding company has a bank subsidiary or subsidiaries with aggregate banking assets of \$250,000,000 or more in danger of closing and such bank or banks represent 33% or more of the holding company's banking assets. Finally, they allow an acquiring out-of-State bank holding company limited expansion rights in the State of acquisition through the bank holding company structure.

Paragraph (1).—New subparagraph (A) provides for notice and consultation between the appropriate Federal banking agency (if not the FDIC) and the FDIC when such banking agency is informed that an out-of-State bank or holding company is considering acquiring an insured bank with total assets of \$250 million or more that is in danger of closing. This is intended to provide the FDIC with early notice of any possible transactions involving large banks in danger of closing, even if it appears that FDIC assistance will not be required, in the event that FDIC assistance becomes necessary and the FDIC must utilize the procedures of subsection 13(f).

Subparagraph (B) provides that if the FDIC grants assistance pursuant to its powers under subsection 13(c) of the Federal Deposit Insurance Act, the procedures contained in subsection 13(f) shall be followed in any eligible merger or acquisition transaction involving an out-of-State bank or holding company. The FDIC, however, may, in its sole discretion, choose to follow applicable State law rather than the procedures of subsection 13(f) (see paragraph 9). These procedures, including notice to and an opportunity for objection by the state bank supervisor and re-bidding procedures under certain circumstances, are contained in the current law. If the FDIC does not provide assistance under subsection 13(c), subsection 13(f) is not applicable and any eligible transaction will be subject only to the normal approval requirements under State or Federal law.

Paragraph (2).—This paragraph is amended to reduce the \$500 million asset minimum for interstate acquisitions of closed banks to \$250 million. This change is in response to the significant increase in the number of bank failures and the FDIC's increased difficulty in finding in-State purchasers for banks, especially banks whose assets are \$250 million or more. It thereby reduces the demand upon the FDIC's resources and affords banks with assets of \$250 million or more equal treatment with larger banks.

The remainder of paragraph 2 is unchanged. It provides, among other things, that in any interstate transaction involving a closed bank meeting the size requirement: (i) all other applicable approvals must be obtained; (ii) there shall be notice and an opportunity for objection by the State bank supervisor (whether the closed bank has a State or Federal charter); and (iii) if the State bank supervisor objects, the FDIC's Board of Directors may exercise its authority only by unanimous vote.

Paragraph (3).—Subparagraph (A)(i) extends the emergency interstate acquisition provisions to banks with assets of \$250 million or more that, although not closed, have

been determined by their Federal or State chartering authority to be in danger of closing. The subsection parallels subparagraph (2)(A), by allowing out-of-State banks and holding companies to establish a new bank to acquire the bank in danger of closing. It also allows an acquisition to be done directly.

The current law contains a comparable provision for mutual savings banks, but not for other FDIC-insured banks. Experience has demonstrated that by the time a bank has actually been closed, the value of its franchise may have been dissipated if not eliminated. In addition, the process of decline into insolvency can create an adverse effect in the financial community. By permitting an interstate acquisition of a commercial bank in danger of closing, but before it is actually closed, the potential for finding a private solution with a lesser commitment of FDIC funds is substantially improved. Such a process also would help maintain the stability of and confidence in the banking system as a whole.

Subparagraph 3(A)(ii) extends the emergency interstate acquisition provisions to holding companies that have a subsidiary bank or banks with aggregate assets of \$250 million or more in danger of closing and such bank or banks represent 33 percent or more of the total assets of the holding company's banking subsidiaries. If the Federal or State chartering authority has determined that such a bank or banks are in danger of closing, an out-of-State bank or holding company may (a) purchase the stock of or otherwise acquire the holding company that controls such bank(s) as well as all of such holding company's other subsidiary banks or (b) acquire the bank or banks in danger of closing. Before the FDIC can assist a merger or acquisition, the board of directors of the bank in danger of closing must request in writing that FDIC assist a merger or purchase.

An out-of-State bank or holding company that purchases from another holding company a bank or banks in danger of failing with aggregate assets of \$250 million or more under clause (b) would be permitted to acquire other bank subsidiaries of the holding company. Under this subparagraph, more than one out-of-State holding company may acquire portions of a single holding company, providing that each of the out-of-State holding companies purchases a bank or set of banks, each of which is in danger of closing, that has total assets of \$250 million or more, and provided that all subsidiary banks that are in danger of closing account for at least 33% of the assets of all banks subsidiaries of the holding company.

There is no comparable provision in the present law. This provision is, however, essential if the Garn-St Germain extraordinary acquisition provisions are to be effective in States which permit multi-bank holding companies, but do not permit statewide banking. A number of States presently have such a banking structure.

The current Garn-St Germain provisions do not work effectively in such States, particularly where it is the lead bank in the holding company system that is in danger of closing. Potential bidders are deterred because they are limited to a single location and the most troubled part of the banking organization. Even if a bidder can be found for the lead bank, the continued viability of the other banks in the holding company system may be threatened by the loss of the lead bank. This is particularly the case where there are substantial financial rela-

tionships between the lead bank and the other banks in the holding company system. Thus, the adoption of this provision could substantially reduce the financial demands on the FDIC, as well as the adverse effects on the communities served.

Subparagraph (B) provides that if a bank or holding company is eligible to be acquired by an out-of-State bank or holding company under subparagraph (A), but the FDIC provides financial assistance to prevent the closing, so long as FDIC assistance remains outstanding, the bank, its holding company, and its bank affiliates can be sold to an out-of-State bank or holding company to the same extent it could have been when assistance was given. This subparagraph applies only when assistance was granted after April 15, 1986.

Subparagraphs (C) and (D) are essentially unchanged from current law.

Paragraph (4).—Subparagraph (A) has been changed to confirm that a multiple savings and loan holding company can acquire an FDIC-insured Federal savings bank across state lines. Subparagraphs (B) and (C) are unchanged.

New subparagraph (D) provides that an out-of-State holding company that acquires a bank or holding company under subsection 13(f) may, at any time, acquire additional banks located in the three largest metropolitan or consolidated metropolitan statistical areas or cities in each state in which a bank acquired under subsection 13(f) is located to the same extent that a holding company located in each of those states may expand. This amendment complements the flexibility provided under subparagraph 3(A) and is supported by the same policy considerations. It is particularly essential in unit banking States where bidders for troubled institutions are deterred by the lack of further expansion possibilities.

Subparagraph (E) provides that an out-of-State bank or holding company that acquires and retains control, directly or indirectly, of a bank under this subsection shall not be required under State law, as a result of such acquisition, to divest any other bank or be prevented from acquiring any other bank in a different State. This paragraph does not prevent the requirement of divestiture to comply with competitive, antitrust and similar standards imposed under Federal law.

This provision, which is not contained in the current law, is in response to State law developments after passage of Garn-St Germain, and is necessary to enable a number of banks to make acquisitions under Garn-St Germain. The regional interstate banking bills of several States require that all of a bank holding company's subsidiary banks be located within a defined region. Accordingly, an out-of-State holding company which has acquired a bank in such a State would be required to divest that bank if it made an acquisition under Garn-St Germain outside the region. This provision would pre-empt such State laws only with respect to Garn-St Germain acquisitions.

Paragraphs (5), (6), and (7).—These paragraphs contain provisions relating to the solicitation of offers by the FDIC, resolicitation of bids under certain circumstances, and applicable antitrust standards. They are essentially unchanged from current law.

Paragraph (8).—New subparagraph (B) prescribes when a bank is "in danger of closing" and new subparagraph (C) defines when banks are affiliated for purposes of holding company acquisition under subparagraph (3).

Paragraph (9).—This paragraph permits the FDIC, in its sole discretion, to assist an interstate transaction under the authority of state law rather than under this subsection. This provision affords the FDIC additional flexibility where a state has enacted its own interstate acquisition authority, but does not in any way limit the FDIC's authority under subsection 13(f).

Paragraph (10).—This paragraph confirms that FDIC assistance in a transaction authorized under subsection 13(f) shall not be provided to any subsidiary of a holding company which is not an insured bank. This paragraph, however, is not intended to prevent an intermediate holding company from being a conduit for FDIC assistance ultimately intended for an insured bank.

Sec. 3. The Douglas Amendment to the Bank Holding Company Act provides that a bank holding company may not acquire a bank in another State unless that State has specifically authorized the acquisition by statute. This section would amend the Douglas Amendment to permit bank holding companies, under certain circumstances, to acquire banks located in another state where the banks are in danger of closing. This provision would only permit acquisitions of troubled banks that do not involve financial assistance from the FDIC. Acquisitions of troubled banks that involve financial assistance from the FDIC are governed by the preceding sections of this bill. Permitting the Federal Reserve Board to approve acquisitions of banks in danger of closing where the proposed acquisition does not require financial assistance from the FDIC will permit resolution of problems involving banks in serious and identifiable financial difficulties before those problems reach the stage when they require federal financial assistance, thus reducing potential demand on the FDIC's resources.

Subparagraph (2)(A).—This subparagraph would amend the Douglas Amendment to allow a bank holding company to acquire a bank in another State when the bank is in danger of closing and has total assets of at least \$250 million. This paragraph would also permit an out-of-State bank holding company to acquire a group of smaller banks that are subsidiaries of the same bank holding company if (1) each of the banks is in danger of closing, (2) the combined assets of group of banks to be acquired is at least \$250 million, and (3) the banks in danger of closing are owned by a bank holding company and represent at least 33 percent of the total assets of all bank subsidiaries of that holding company.

Subparagraph (2)(B).—This subparagraph provides that a bank holding company that acquires a failing bank under this section may, as part of the transaction in which it acquires the failing bank, also acquire the parent holding company of the failing bank as well as any of the holding company's other subsidiary banks. Wherever located, provided that the banks in danger of closing represent at least 33 percent of the total assets of all of the parent holding company's subsidiary banks. In this regard, the legislation would allow more than one out-of-State bank holding company to acquire portions of a single bank holding company, including healthy bank subsidiaries of the holding company, provided that each of the out-of-State bank holding companies purchases a bank or set of banks, each of which is in danger of closing, that has total assets of \$250 million or more and provided that all subsidiary banks that are in danger of closing together account for at least 33 per-

cent of the assets of all bank subsidiaries of the bank holding company. An out-of-State bank holding company may not acquire a healthy bank or a bank holding company under this provision unless the out-of-State bank holding company simultaneously acquires an affiliated bank or group of banks in danger of closing.

Subparagraph (2)(C).—This subparagraph provides that an out-of-State bank holding company that acquires a failing bank under this legislation may, at any time, acquire additional banks located in the three largest metropolitan or consolidated metropolitan statistical areas or cities in each state in which a bank acquired under this section is located to the same extent that a bank holding company located in each of those states may expand. This places the out-of-State bank holding company on an equal footing with in-State bank holding companies in the three largest metropolitan areas in the state.

Subparagraph (2)(D).—This subparagraph provides that an out-of-State bank holding company that acquires a failing bank under this legislation could not be required under State law to divest other banks that it owns, as may be required under certain of the regional interstate banking compacts in existence today. This subparagraph does not prevent any divestiture that may be required to comply with competitive, antitrust, and similar standards imposed under federal law.

Paragraph (3).—This paragraph provides that out-of-State bank holding companies may make an acquisition under this provision only if the acquisition is approved by the board of directors of each bank to be acquired or by the board of directors of the parent bank holding company of such banks.

Subparagraph (4)(A).—This subparagraph provides that, before the Federal Reserve Board may approve an acquisition under this section, the Comptroller of the Currency in the case of national banks and the State bank supervisor in the case of State banks must certify to the Board that the bank to be acquired is in danger of closing. The bill defines a bank in danger of closing in the same manner as defined above in connection with acquisitions that involve federal financial assistance.

Subparagraph (4)(B).—This subparagraph defines affiliated banks as banks that are subsidiaries of the same bank holding company, as those terms are defined in the Bank Holding Company Act.

Subparagraph (5)(A).—This subparagraph requires that, before a bank in danger of closing or the parent bank holding company of such a bank enters into any discussions with an out-of-State bank holding company relating to the possible interstate acquisition of the bank without federal assistance under the provisions of this bill, the bank or its parent bank holding company must notify the State bank supervisor in each State in which the bank or any of its affiliated banks are located. This provision would permit the State bank supervisor an opportunity to ascertain whether an acceptable in-State or in-region solution exists for the troubled bank that does not require FDIC assistance. The bank in danger of closing or parent bank holding company must also attempt to arrange for an acquisition of the bank in danger of closing by an in-State or in-region bank holding company, an individual, or any other party that does not require use of the provisions of this section in a transaction that does not require federal as-

sistance. Subparagraph (5)(A)(ii) provides that any application submitted by an out-of-State bank holding company to acquire a bank or bank holding company under this provision must describe efforts by the bank in danger of closing or its parent bank holding company to arrange an in-State or in-region acquisition and the reasons for rejection of any proposals submitted.

Subparagraphs (5)(B) and (C).—These subparagraphs require, in addition, that the Federal Reserve Board consult with the State supervisor of the State or States in which each of the banks to be acquired under this section is located, and provides the appropriate State supervisors at least 48 hours to comment on the acquisition. As noted, the State supervisor will have been notified under the preceding subparagraph before the bank or holding company opened discussions with an out-of-State or out-of-region banking holding company.

Subparagraph (5)(D).—This subparagraph prohibits the Federal Reserve Board from approving an interstate acquisition under this paragraph over the objection of the appropriate State supervisor, if the State supervisor certifies that a person or group of persons (1) stands ready to acquire each of the banks in danger of closing without use of the interstate acquisition provisions of this bill and without federal assistance; (2) offered, or attempted to offer, to purchase the banks in danger of closing prior to the time that the out-of-State bank holding company submitted its application under this provision to the Board; and (3) has the financial and managerial resources necessary to receive all required regulatory approvals promptly and to recapitalize all of the banks in danger of closing without impairing the financial resources of the acquiring parties and without federal assistance. This provision permits the relevant State supervisor to exercise a preference for individuals or for bank holding companies located within the State in which the bank in danger of closing is located or in a State from which an interstate acquisition is permitted under state law enacted pursuant to the Douglas Amendment (for example, a bank holding company located in a State that has entered into a regional compact or other interstate arrangement with the State in which the failing bank is located).

Subparagraph (5)(E).—This subparagraph permits the Federal Reserve Board to approve an acquisition by an out-of-state bank holding company in the event that a person or group of persons certified by the State supervisor does not receive all necessary regulatory approvals, or the Federal Reserve Board determines that the person or group of persons does not have the financial or managerial resources necessary to recapitalize the failing banks and, thereafter, to continue to meet all applicable regulatory requirements. Under this provision, the in-state or in-region offer certified by the supervisor does not have to match or exceed the offer by an out-of-state bank holding company. The only limitation on the in-State or in-region offer is that it must result in acquisition of all of the banks in danger of closing without any financial assistance from the Federal Deposit Insurance Corporation.

Paragraph (6).—This paragraph authorizes the Federal Reserve Board to waive the requirements of notice to the appropriate chartering authority and opportunity for hearing ordinarily applicable to the acquisition by a bank holding company of a bank under section 3 of the Bank Holding Com-

pany Act for any acquisition authorized under this section or under the emergency provisions of section 13(f) of the Federal Deposit Insurance Act. This would enable the Board to waive the notice and hearing requirements of the Act in the event an out-of-State bank holding company was acquiring not only the failing bank but also the parent holding company and its other subsidiary banks. As described above, this section provides that the chartering authority be given notice of a proposed acquisition under this section and provides a mechanism for the State supervisor to object to the proposed acquisition.

This paragraph also authorizes the Board to shorten the post-approval waiting period required under section 11 of the Bank Holding Company Act for an acquisition approved under this paragraph, and to waive this period entirely to permit immediate acquisition of any or all of the banks to be acquired where the Board finds that immediate action is necessary to prevent probable failure of any of the banks acquired under this section.

Sec. 4. This section permits the Federal Reserve Board to waive the provisions of section 4(c)(8) of the BHC Act that require notice and opportunity for hearing prior to the acquisition by a bank holding company of a nonbanking company where the proposed acquisition is in connection with an application by a bank holding company to acquire a bank in danger of closing under the provisions of this legislation.

Sec. 5. This section extends for five years the sunset of the emergency provision of Title I of the Garn-St Germain Act and sunsets the provision added by this Act as well in five years.

By Mr. HELMS:

S.J. Res. 331. Joint resolution prohibiting the proposed sale of integrated avionics system kits to the People's Republic of China; to the Committee on Foreign Relations.

PROHIBITING SALE OF ADVANCED AVIONICS KITS TO THE PEOPLE'S REPUBLIC OF CHINA

Mr. HELMS. Mr. President, one of the most perilous issues hanging in the balance is the impending sale of \$550 million of advanced fighter aircraft technology to Communist China.

None of our Asian friends supports this sale. Our major allies in East Asia, the Association of Southeast Asian Nations, South Korea, Japan, and especially Taiwan all oppose arms sales to the People's Republic of China.

In addition to the lack of support by our Asian friends, the purpose of this sale is misguided. The F-8 was designed 20 years ago to counter a high-flying, subsonic Soviet bomber threat. Now, however, with an abundance of SS-20's and Backfire bombers in the region, the Soviet Union is not likely to send slow, high altitude bombers over China. This means that the deterrent capability of the enhanced F-8 is of marginal utility against the Soviet Union, but the improved F-8 can make a big difference in regional conflicts between China and her smaller non-Communist neighbors, such as Taiwan.

It is being said that the avionics package is an end-item sale, and does not involve the transfer of design or production technologies. The most important aspect of this sale to the PRC may not be just the avionics packages, but the technology within the packages and the possibility of integrating that technology with other systems. This sale should be viewed as a building block to substantial improvement in China's air force.

Another adverse effect of the sale would be upsetting of the balance of power in the Taiwan Strait. The Taiwanese fighters—aging F-5E's and F-104's which will soon be obsolete—are already outnumbered 16 to 1 by the PRC. The upgrading of the PRC's F-8 would transfer air superiority to the PRC.

Mr. President, for all of the above-mentioned reasons, I am introducing a joint resolution prohibiting the proposed sale of integrated avionics systems kits to the People's Republic of China. I ask unanimous consent that the resolution be printed in the RECORD at the conclusion of my remarks.

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

S.J. RES. 331

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the issuance of a letter of offer with respect to the proposed sale to the People's Republic of China of integrated avionics system kits (and related defense articles and defense services) described in the certification transmitted to the Speaker of the House of Representatives and the chairman of the Committee on Foreign Relations of the Senate pursuant to section 36(b) of the Arms Export Control Act on April 8, 1986 (Transmittal Numbered 86-27) is hereby prohibited.*

#### ADDITIONAL COSPONSORS

S. 873

At the request of Mr. CHAFEE, the name of the Senator from Utah [Mr. HATCH] was added as a cosponsor of S. 873, a bill to amend title XIX of the Social Security Act to assist severely disabled individuals to attain or maintain their maximum potential for independence and capacity to participate in community and family life.

S. 1060

At the request of Mr. D'AMATO, the name of the Senator from Iowa [Mr. GRASSLEY] was added as a cosponsor of S. 1060, a bill to amend title II of the Social Security Act to protect the benefit levels of individuals becoming eligible for benefits in or after 1979 by eliminating the disparity—resulting from changes made in 1977 in the benefit computation formula—between those levels and the benefit levels of persons who became eligible for benefits before 1979.

S. 1372

At the request of Mr. HEINZ, the name of the Senator from California [Mr. WILSON] was added as a cosponsor of S. 1372, a bill to amend the Internal Revenue Code of 1954 to provide incentives for the establishment of statewide insurance pools to provide health insurance to high-risk individuals.

S. 1494

At the request of Mr. INOUE, his name was withdrawn as cosponsor of S. 1494, a bill to amend title 23, United States Code, to limit outdoor advertising adjacent to Interstate and Federal-aid primary highways.

S. 1546

At the request of Mr. HEINZ, the name of the Senator from North Dakota [Mr. BURDICK] was added as a cosponsor of S. 1546, a bill to amend the Internal Revenue Code of 1954 to allow an individual a credit against income tax for certain expenditures for the purpose of reducing random levels in the principal residence of the individual.

S. 1622

At the request of Mr. MELCHER, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1622, a bill to promote the development of Native American Culture and Art.

S. 1640

At the request of Mr. GRASSLEY, the name of the Senator from Rhode Island [Mr. PELL] was added as a cosponsor of S. 1640, a bill to amend title XVIII of the Social Security Act to provide for coverage under the Medicare Program of services performed by a physician assistant.

S. 1655

At the request of Mr. SPECTER, the name of the Senator from Alabama [Mr. DENTON] was added as a cosponsor of S. 1655, a bill to amend the Unfair Competition Act of 1916 and Clayton Act to provide for private enforcement of the Unfair Competition statute in the event of unfair foreign competition, and to amend title 28 of the United States Code to provide for private enforcement of the Customs fraud statute.

S. 2050

At the request of Mr. METZENBAUM, the names of the Senator from Kentucky [Mr. FORD] and the Senator from Ohio [Mr. GLENN] were added as cosponsors of S. 2050, a bill to notify workers who are at risk of occupational disease in order to establish a system for identifying and preventing illness and death of such workers, and for other purposes.

S. 2087

At the request of Mr. PROXMIRE, the name of the Senator from Minnesota [Mr. DURENBERGER] was added as a cosponsor of S. 2087, a bill to amend part B of title XIX of the Public Health

Service Act to specify the method of determining State allotments.

S. 2168

At the request of Mr. THURMOND, the names of the Senator from Wyoming [Mr. SIMPSON] and the Senator from Oklahoma [Mr. NICKLES] were added as cosponsors of S. 2168, a bill to amend title 38, United States Code, to improve veterans' benefits for former prisoners of war.

S. 2181

At the request of Mr. D'AMATO, the name of the Senator from New Jersey [Mr. LAUTENBERG] was added as a cosponsor of S. 2181, a bill entitled the "Construction Industry Labor Law Amendments of 1986."

At the request of Mr. LEVIN, his name was added as a cosponsor of S. 2181, supra.

S. 2191

At the request of Mr. ROTH, the name of the Senator from Maine [Mr. MITCHELL] was added as a cosponsor of S. 2191, a bill to amend the Federal Aviation Act of 1958 so as to prohibit reprisals against certain officers, employees, or contractors of air carriers.

S. 2261

At the request of Mr. HUMPHREY, the name of the Senator from Texas [Mr. GRAMM] was added as a cosponsor of S. 2261, a bill to amend the Service Contract Act of 1965 to reform the administration of such act, and for other purposes.

S. 2273

At the request of Mr. KASTEN, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 2273, a bill to amend the Internal Revenue Code of 1954 to deny the tax exemption for interest on industrial development bonds used to finance acquisition of farm property by foreign persons.

S. 2274

At the request of Mr. KASTEN, the name of the Senator from Oklahoma [Mr. BOREN] was added as a cosponsor of S. 2274, a bill to provide that certain individuals who are not citizens of the United States and certain persons who are not individuals shall be ineligible to receive financial assistance under the price support and related programs administered by the Secretary of Agriculture.

S. 2280

At the request of Mr. WILSON, the names of the Senator from Nebraska [Mr. ZORINSKY], the Senator from Alabama [Mr. DENTON], the Senator from Montana [Mr. BAUCUS], the Senator from North Dakota [Mr. ANDREWS], and the Senator from Nevada [Mr. HECHT] were added as cosponsors of S. 2280, a bill to amend the Agricultural Act of 1949 to suspend the application of the milk production termination program in order to minimize the

adverse affect of the program on beef, pork, and lamb producers.

S. 2288

At the request of Mr. CHILES, the name of the Senator from Oregon [Mr. HATFIELD] was added as a cosponsor of S. 2288, a bill to amend title XIX of the Social Security Act to permit States the option of providing prenatal, delivery, and postpartum care to low-income pregnant women and of providing medical assistance to low-income infants under 1 year of age.

S. 2294

At the request of Mr. WEICKER, the names of the Senator from Massachusetts [Mr. KENNEDY], and the Senator from Maryland [Mr. SARBANES] were added as cosponsors of S. 2294, a bill to reauthorize certain programs under the Education of the Handicapped Act, to authorize an early intervention program for handicapped infants, and for other purposes.

S. 2295

At the request of Mr. GOLDWATER, the name of the Senator from North Dakota [Mr. ANDREWS], was added as a cosponsor of S. 2295, an original bill to amend title 10, United States Code, to reorganize and strengthen certain elements of the Department of Defense, to improve the military advice provided the President, the National Security Council, and the Secretary of Defense, to enhance the effectiveness of military operation, to increase attention to the formulation of strategy and to contingency planning, to provide for the more efficient use of resources, to strengthen civilian authority in the Department of Defense, and for other purposes.

S. 2335

At the request of Mr. DENTON, the names of the Senator from Oklahoma [Mr. NICKLES], and the Senator from Nevada [Mr. HECHT] were added as cosponsors of S. 2335, a bill to protect U.S. citizens from terrorism.

S. 2348

At the request of Mr. MOYNIHAN, the names of the Senator from Wyoming [Mr. WALLOP], and the Senator from Nebraska [Mr. ZORINSKY] were added as cosponsors of S. 2348, a bill to authorize the procurement and installation of cryptographic equipment at satellite communications facilities within the United States, and for other purposes.

SENATE JOINT RESOLUTION 134

At the request of Mr. BIDEN, the names of the Senator from West Virginia [Mr. BYRD], and the Senator from Georgia [Mr. NUNN] were added as cosponsors of Senate Joint Resolution 134, a joint resolution to designate "National Safety in the Workplace Week."

SENATE JOINT RESOLUTION 274

At the request of Mr. GRASSLEY, the names of the Senator from Georgia

[Mr. NUNN], the Senator from Idaho [Mr. McCLURE], and the Senator from New Hampshire [Mr. HUMPHREY] were added as cosponsors of Senate Joint Resolution 274, a joint resolution to designate the weekend of August 1, 1986, through August 3, 1986, as "National Family Reunion Weekend."

SENATE JOINT RESOLUTION 316

At the request of Mr. CRANSTON, the names of the Senator from Missouri [Mr. EAGLETON], and the Senator from South Dakota [Mr. ABDNOR] were added as cosponsors of Senate Joint Resolution 316, a joint resolution prohibiting the sale to Saudi Arabia of certain defense articles and related defense services.

SENATE JOINT RESOLUTION 318

At the request of Mr. ABDNOR, the names of Senator from Hawaii [Mr. MATSUNAGA], the Senator from Mississippi [Mr. COCHRAN], and the Senator from Indiana [Mr. LUGAR] were added as cosponsors of Senate Joint Resolution 318, a joint resolution designating November 1986 as "National Diabetes Month."

SENATE JOINT RESOLUTION 323

At the request of Mr. D'AMATO, the names of the Senator from New Jersey [Mr. BRADLEY], the Senator from Maine [Mr. MITCHELL], the Senator from Maryland [Mr. SARBANES], the Senator from Maine [Mr. COHEN], and the Senator from New Hampshire [Mr. RUDMAN] were added as cosponsors of Senate Joint Resolution 323, a joint resolution to designate May 21, 1986, as "National Andrei Sakharov Day."

SENATE CONCURRENT RESOLUTION 125

At the request of Mr. HEINZ, the names of the Senator from Oregon [Mr. HATFIELD], the Senator from Maine [Mr. MITCHELL], the Senator from Nevada [Mr. HECHT], the Senator from Arizona [Mr. GOLDWATER], the Senator from Hawaii [Mr. INOUE], and the Senator from Michigan [Mr. RIEGLE] were added as cosponsors of Senate Concurrent Resolution 125, a concurrent resolution recognizing the achievements of the Ireland Fund and its founder, Dr. Anthony J.F. O'Reilly.

SENATE RESOLUTION 206

At the request of Mr. DURENBERGER, the name of the Senator from Illinois [Mr. DIXON] was added as a cosponsor of Senate Resolution 206, a resolution to urge Federal agencies with flood control responsibilities to plan for and execute efficient and effective cooperation and technical assistance to State and local governments to mitigate the consequences of the high water levels on the Great Lakes.

SENATE RESOLUTION 303

At the request of Mr. HEINZ, the name of the Senator from Nevada [Mr. HECHT] was added as a cosponsor of Senate Resolution 303, a resolution to express the sense of the Senate with respect to proposals currently

before the Congress to tax certain employer-paid benefits and other life-support benefits.

AMENDMENT NO. 1800

At the request of Mr. MOYNIHAN, the names of the Senator from Minnesota [Mr. DURENBERGER] and the Senator from Iowa [Mr. HARKIN] were added as cosponsors of amendment No. 1800 proposed to Senate Concurrent Resolution 120, an original concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1987, 1988, and 1989.

SENATE RESOLUTION 388—RELATING TO THE PROVISION OF UPDATED BASELINE AND CURRENT SERVICE ESTIMATES FOR FISCAL YEARS 1987 THROUGH 1991

Mr. ROTH (for himself and Mr. DOLE) submitted the following resolution; which was referred jointly pursuant to the order of August 4, 1977, to the Committee on the Budget and the Committee on International Affairs:

S. Res. 388

Whereas the rate of interest in the CPI has fallen, suggesting the likelihood of cost of living and other outlay savings;

Whereas economic conditions have significantly changed since the current services and baseline budget estimates were prepared;

Whereas long-term interest rates are now approximately 1.5 percentage points lower than forecast by CBO, implying substantial net interest savings;

Whereas oil prices are approximately \$10 per barrel below the level forecast by CBO, directly and indirectly lowering outlays and raising economic growth;

Whereas Congress has enacted the reconciliation and other legislation which further reduces the fiscal 1987 deficit;

Whereas under the Gramm-Rudman-Hollings statute, the Congress requires the most accurate data available pursuant to enactment of a budget that avoids a sequester order: Now, therefore be it

Resolved, That—

(1) the Director of the Congressional Budget Office, in conjunction with the Director of the Office of Management and Budget, shall report to the Congress as soon as possible but no later than May 16th, his revised estimates of total revenues, budget authority, outlays and the deficit for fiscal years 1987-1991; and

(2) that, the report shall contain any additional views or analyses as either director deems necessary.

Mr. ROTH. Mr. President, it's been said that ignorance never settles a question. Plato insisted that before one begins a debate, one best define his terms and check his facts.

I realize these axioms are old, and perhaps a bit banal, but I believe they're most appropriate to keep in mind as we embark on establishing the budget resolution and set the course for our Nation's economic policy over the next 3 years.

Presently, we are preparing to move ahead and base our entire fiscal policy on what many economists believe are outdated assumptions. And I'm concerned about the consequences, I'm concerned that this Congress—and even the White House—cannot get together on the Congressional Budget Office's baseline and current service estimates for fiscal 1987 through 1991.

I believe everyone in Congress would agree that since the Congressional Budget Office made its fiscal projections in February, America's economic condition has dramatically changed. Fortunately, these changes have been beneficial, not only to our constituents, but to the financial foundation of our Government.

As we meet today, oil prices are down 50 percent since the Congressional Budget Office produced its budget baseline only 3 months ago. Interest rates are down 1½ percentage points for long-term Treasury debt, and the projection for our gross national product in the first quarter of this year shows an increase of 3.2 percent without any increase in inflation.

Unfortunately, as we are dashing to meet the demands of Gramm-Rudman-Hollings, we appear unwilling to consider the full impact of these new facts. And while we still cannot be certain that this economic turnaround will have a significant impact on our meeting the \$154 billion Gramm-Rudman target, we are quickly dismissing it before we understand how it affects the bottom line.

And frankly, while I commend my colleagues who have designed respective proposals to help us meet the target, I am concerned by murmurings of a 3-year tax increase, especially when we do not have all the facts—when we do not even know if it is necessary.

And the subject of tax increase brings us another important point. Meeting Gramm-Rudman is not the only factor involved in the budgetary equation. Today we are witnessing one of the greatest economic comebacks since the post-Depression years. Wall Street, this past week, racked up over 60 points, and the analysts are calling the market and the economy Congress-proof. The word is that Washington can do nothing to stifle the present growth, to dramatically increase either inflation or the interest rates—that is we can do nothing except raise taxes. This alone will kill our progress.

Fortunately, Mr. President, the people of America are not crying out for a tax increase. Therefore, it would appear that our duty is easy: Stay the course and do exactly what President Reagan has suggested—allow the improving economy, along with well-directed cuts in Government spending, to take care of the deficit. To do otherwise would be foolish, especially if the deficit is lower than we think.

And frankly, I am encouraged by the overwhelming possibilities once we know where we are. I believe the deficit can eventually be beat without an enormous tax increase—especially if we do what is necessary to promote the present recovery into the future.

But decisions must be made quickly. And we need correct information. Therefore, today I am submitting, together with Senator DOLE, a resolution that calls upon the Congressional Budget Office in conjunction with the Office of Management and Budget to issue revised estimates on the current status of our deficit, unless our decisions are to be made out of ignorance. And frankly, there is nothing more terrible than to see ignorance in action.

#### SENATE RESOLUTION 389—AUTHORIZING TESTIMONY BY A SENATE EMPLOYEE

Mr. SIMPSON (for Mr. DOLE, for himself and Mr. BYRD) submitted the following resolution; which was considered and agreed to:

S. Res. 389

Whereas, in the case of *United States v. Robert Christopher Ingraham*, Criminal No. 85-00051-B, pending in the United States District Court for the District of Maine, the United States Attorney has obtained a subpoena for the testimony of M. Gayle Cory, an employee in Senator Mitchell's Washington office;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that the testimony of an employee of the Senate is needed for use in any court for the promotion of justice, the Senate will take such action thereon as will promote the ends of justice consistent with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That M. Gayle Cory is authorized to appear and to testify in the case of *United States v. Robert Christopher Ingraham*, except concerning matters which may be privileged.

#### AMENDMENTS SUBMITTED

##### FIRST CONCURRENT RESOLUTION ON THE BUDGET

##### METZENBAUM (AND OTHERS) AMENDMENT NO. 1801

Mr. METZENBAUM (for himself) Mr. SARBANES, and Mr. BUMPERS, proposed an amendment to the concurrent resolution (S. Con. Res. 120) setting forth the congressional budget for the U.S. Government for the fiscal years 1987, 1988, and 1989; as follows:

On page 2, increase the amount on line 3 by \$145,000,000.

On page 2, increase the amount on line 4 by \$42,000,000.

On page 2, increase the amount on line 5 by \$10,000,000.

On page 2, increase the amount on line 8 by \$145,000,000.

On page 2, increase the amount on line 9 by \$42,000,000.

On page 2, increase the amount on line 10 by \$10,000,000.

On page 2, increase the amount on line 19 by \$200,000,000.

On page 2, increase the amount on line 24 by \$145,000,000.

On page 2, increase the amount on line 25 by \$42,000,000.

On page 3, increase the amount on line 1 by \$10,000,000.

On page 5, increase the amount on line 5 by \$145,000,000.

On page 5, increase the amount on line 6 by \$42,000,000.

On page 5, increase the amount on line 7 by \$109,000,000.

On page 5, increase the amount on line 10 by \$200,000,000.

On page 5, increase the amount on line 15 by \$145,000,000.

On page 5, increase the amount on line 16 by \$42,000,000.

On page 5, increase the amount on line 17 by \$10,000,000.

On page 17, increase the amount on line 16 by \$125,000,000.

On page 17, increase the amount on line 17 by \$76,000,000.

On page 17, increase the amount on line 25 by \$35,000,000.

On page 18, increase the amount on line 8 by \$10,000,000.

On page 19, increase the amount on line 18 by \$75,000,000.

On page 19, increase the amount on line 19 by \$69,000,000.

On page 20, increase the amount on line 4 by \$7,000,000.

On page 33, increase the amount on line 13 by \$145,000,000.

On page 33, increase the first amount on line 14 by \$42,000,000.

On page 33, increase the second amount on line 14 by \$10,000,000.

On page 44, increase the amount on line 6 by \$145,000,000.

On page 44, increase the first amount on line 7 by \$42,000,000.

On page 44, increase the second amount on line 7 by \$10,000,000.

##### BUMPERS AMENDMENT NO. 1802

Mr. BUMPERS (for himself and Mr. EXON) proposed an amendment to the concurrent resolution (S. Con. Res. 120), supra; as follows:

On page 7, decrease the amount on line 12 by \$25,000,000.

On page 7, decrease the amount on line 13 by \$17,000,000.

On page 7, decrease the amount on line 22 by \$4,000,000.

On page 8, decrease the amount on line 7 by \$3,000,000.

On page 17, decrease the amount on line 16 by \$25,000,000.

On page 17, decrease the amount on line 17 by \$17,000,000.

On page 17, decrease the amount on line 25 by \$4,000,000.

On page 18, decrease the amount on line 8 by \$3,000,000.

DECONCINI (AND OTHERS)  
AMENDMENT NO. 1803

Mr. DECONCINI (for himself, Mr. ABDNOR, Mr. ZORINSKY, Mr. BENTSEN, Mr. WILSON, and Mr. MELCHER) proposed an amendment to the concurrent resolution (S. Con. Res. 120), supra; as follows:

On page 2, decrease the amount on line 19 by \$63,000,000.

On page 5, decrease the amount on line 10 by \$63,000,000.

On page 7, decrease the amount on line 12 by \$163,000,000.

On page 7, decrease the amount on line 13 by \$84,000,000.

On page 23, increase the amount on line 2 by \$200,000,000.

On page 23, increase the amount on line 3 by \$168,000,000.

On page 24, decrease the amount on line 2 by \$100,000,000.

On page 24, decrease the amount on line 3 by \$84,000,000.

GOVERNANCE OF CERTAIN INSULAR AREAS OF THE UNITED STATES

WEICKER AMENDMENT NO. 1804

Mr. SIMPSON (for Mr. WEICKER) proposed an amendment to the bill (H.R. 2478) to amend the Revised Organic Act of the Virgin Islands, the amend the Covenant to Establish a Commonwealth of the Northern Mariana Islands, to amend the Organic Act of Guam, to provide for the governance of the insular areas of the United States, and for other purposes; as follows:

Strike the text of section 2 and add the following new text:

"Sec. 2. A total of up to \$4,000,000 of funds currently reserved for use by the economic development loan fund, as established under subsection (c) of section 702 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, approved by Public Law 94-241, may be expended for capital improvement projects, provided that such funds become available for use by the economic development loan fund and such funds are not obligated for economic development loans".

Strike the text of section 4 and add the following new text:

"Sec. 4. Effective October 1, 1986, there are authorized to be appropriated \$1,500,000 for grants to the College of the Virgin Islands for projects related to the Eastern Caribbean Center, to remain available until expended."

In section 8 delete "669g-1" and insert "669h" in lieu thereof, and at the end of the bill add the following new sections:

"Sec. 9. (a) Section 506 of the Education Amendments of 1972, Public Law 92-318 (86 Stat. 235) is amended by inserting, 'the Northern Marianas College', after 'the College of Micronesia' in subsection (a).

"(b) Section 5 of the Act of August 30, 1980, c. 841, 26 Stat. 417 (the Second Morrill Act), as added by section 506(c) of Public Law 92-318 (86 Stat. 235) is amended by striking out 'and Micronesia, and Guam' and inserting in lieu thereof 'Guam, the

Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)'.  
"(c) Subsection (c) of section 1361 of Public Law 96-374 (94 Stat. 1367) is amended by striking out 'American Samoa and in Micronesia' and inserting in lieu thereof 'American Samoa, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands (other than the Northern Mariana Islands)'.

"(d) Section 22 of the Act of June 29, 1935, c. 388, 49 Stat. 439, as amended (7 U.S.C. 329) is further amended—  
"(1) by striking out 'and Guam' wherever it appears and inserting in lieu thereof 'Guam, and the Northern Mariana Islands';  
"(2) by striking out '\$8,100,000' and inserting in lieu thereof '\$8,250,000'; and  
"(3) by striking out '\$4,360,000' and inserting in lieu thereof '\$4,380,000'.

"(e) The first sentence of section 3(b)(2) of the Act of May 8, 1914, c.79, 38 Stat. 372, as amended (7 U.S.C. 343), is further amended by striking out 'and Guam' and inserting in lieu thereof 'Guam, and the Northern Mariana Islands'.

"(f) Section 10 of the Act of May 8, 1914, c.79, 38 Stat. 372, as added by section 1(i) of Public Law 87-749 (76 Stat. 745) and as amended (7 U.S.C. 349), is further amended to read as follows: 'The term 'State' means the States of the Union, Puerto Rico, the Virgin Islands, Guam and the Northern Mariana Islands'.

"SEC. 10. The Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America approved by Public Law 94-241 (90 Stat. 263) is amended

"(1) in section 703, subsection (a), after the words 'section 702' add the words 'and section 705';

"(2) in section 704, subsection (a), after the words 'section 702' add the words 'and section 705';

"(3) in section 704, delete subsection (c), and redesignate subsection (d) as subsection (c);

"(4) after section 704 add a new section 705, as follows:

"SEC. 705. Enactment of this section by the United States Congress and approval by the President shall constitute a commitment and pledge of the full faith and credit of the United States for the payment of \$228,000,000 at guaranteed annual amounts of direct grant assistance for the Government of the Northern Mariana Islands for an additional period of seven fiscal years after the expiration of the initial seven-year period specified in section 702, which assistance shall be provided according to the agreement of the special representatives on future United States financial assistance for the Government of the Northern Mariana Islands, executed July 10, 1985, between the special representative of the President of the United States and the special representative of the Governor of the Northern Mariana Islands. The islands of Rota and Tinian shall each receive no less than a 1/4 share and the island of Saipan shall receive no less than 1/2 share of annualized capital improvement project funds which shall be no less than 80 percent of the capital development funds identified in the schedule of payments in paragraph 2 of part II of the agreement of the Special representatives."; and

"(5) in section 1003, subsection (b), delete 'Article VII, Sections' and insert in lieu thereof '701-704.'; redesignate subsection (c) as subsection (d); and add a new subsection (c) as follows:

"(c) Section 705 will become effective as of October 1, 1985."

"Sec. 11. Public Law 96-193 is amended by adding the following new section at the end of title III:

"SEC. 306. (a) The Secretary shall provide an exemption from applicable noise standards to permit the operation of any noncomplying aircraft if the operator is flying such aircraft between Honolulu or other nations and points in the United States Pacific territories or the Trust Territory of the Pacific Islands (or successor political entities). No such noncomplying aircraft shall be allowed to operate at any other United States airports.

"(b) Nighttime noise restrictions for aircraft operating pursuant to subsection (a) of this section shall be inapplicable in Honolulu, the United States Pacific territories and the Trust Territory of the Pacific Islands (or successor political entities), provided that the State of Hawaii institutes nighttime noise restrictions for Honolulu International Airport, with equal application to all operators, that are no more restrictive than the existing restrictions."

"Sec. 12. (a) In awarding assistant grants, consolidated under the provisions of title V of the Act entitled 'An act to authorize certain appropriations for the territories of the United States, to amend certain acts related thereto, and for other purposes'. (91 Stat. 1159, as amended), to the Trust Territory of the Pacific Islands, American Samoa, Guam, the Northern Mariana Islands or the Virgin Islands, the Administrator of the Environmental Protection Agency may, in his discretion, adjust or otherwise modify maintenance or level of effort requirements.

"(b) In awarding grants to the Trust Territory of the Pacific Islands, American Samoa, Guam, the Northern Mariana Islands and the Virgin Islands under section 201(g)(1) of the Clean Water Act (33 U.S.C. 1251 et seq.), the Administrator of the Environmental Protection Agency may waive limitations regarding grant eligibility for sewerage facilities and related appurtenances, insofar as such limitations relate to collector sewers, based upon a determination that applying such limitations could hinder the alleviation of threats to public health and water quality. In making such a determination, the Administrator shall take into consideration the public health and water quality benefits to be derived and the availability of alternate funding sources. The Administrator shall not award grants under this section for the operation and maintenance of sewerage facilities, for construction of facilities which are not an essential component of the sewerage facilities, or any other activities or facilities which are not concerned with the management of wastewater to alleviate threats to public health and water quality.

"Sec. 13. Section 29 of the Organic Act of Guam (64 Stat. 392) is amended by adding the following new subsection (c):

"(c) the Government of Guam may establish an Office of Public Prosecutor and an Office of Public Auditor."

"Sec. 14. Section 101(a)(15)(D) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15)(D)) is amended by inserting '(i)' after '(D)' and by adding at the end the following new clause:

"(ii) an alien crewman serving in good faith as such in any capacity required for normal operations and service aboard a fishing vessel having its home port or an operating base in the United States who intends to land temporarily in Guam and solely in pur-

suit of his calling as a crewman and depart from Guam with the vessel on which he arrived. For the purposes of this clause, an alien crewman shall be considered to have departed from Guam after leaving the territorial waters of Guam, without regard to whether the alien arrives in a foreign state before returning to Guam."

"Sec. 15. Subsection 212(1) of the Immigration and Nationality Act (8 U.S.C. 1182) is amended as follows:

"(1)(1) The requirement of paragraph (26)(B) of subsection (a) of this section may be waived by the Attorney General, the Secretary of State, and the Secretary of the Interior, acting jointly, in the case of an alien applying for admission as a nonimmigrant visitor for business or pleasure and solely for entry into and stay on Guam for a period not to exceed fifteen days, if the Attorney General, the Secretary of State, and the Secretary of the Interior, after consultation with the Governor of Guam jointly determined that—

"(A) an adequate arrival and departure control system has been developed on Guam, and that

"(B) such a waiver does not represent a threat to the welfare, safety, or security of the United States, taking into account the conditions prevailing on, and the location of, Guam.

"(2) An alien may not be provided a waiver under this subsection unless the alien has waived any right—

"(A) to review or appeal under this Act of an immigration officer's determination as to the admissibility of the alien at the port of entry into Guam, or

"(B) to contest, other than on the basis of an application for asylum, any action for deportation against the alien.

"(3) Any personnel employed by the Immigration and Naturalization Service in order to implement the provisions of this subsection shall not be counted for the purposes of personnel ceilings or other limitations on the number of employees in either the Immigration and Naturalization Service or the Department of Justice.

"(4) Assignments of employees of the territory of Guam to the Immigration and Naturalization Service under section 3374 of title 5, United States Code, shall not be subject to the time limitation provided for in section 3372(a) of title 5, United States Code.

"(5) The Attorney General is authorized to accept from the Territory of Guam reimbursement for the increased cost of administering the Immigration and Nationality Act resulting from this subsection.

"(6) The Attorney General, after consultation with the Secretary of State, the Secretary of the Interior, and the Governor of Guam, shall issue regulations governing the admission of nonimmigrant aliens pursuant to the visa waiver authorized by this subsection."

#### AUTHORITY FOR COMMITTEES TO MEET

##### SUBCOMMITTEE ON STRATEGIC AND THERATEUR NUCLEAR FORCES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Strategic Subcommittee of the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, April 24, in open and closed session, to consider antitactical

ballistic missiles system development activities.

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

##### SUBCOMMITTEE ON NATURAL RESOURCES DEVELOPMENT AND PRODUCTION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Natural Resources Development and Production of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, April 24, to hold a hearing to consider S. 1322, to amend the Geothermal Steam Act of 1970.

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

##### SUBCOMMITTEE ON RURAL DEVELOPMENT OVERSIGHT, AND INVESTIGATIONS

Mr. SIMPSON. Mr. President, I ask unanimous consent that the Subcommittee on Rural Development Oversight, and Investigations, of the Committee on Agriculture, be authorized to meet during the session of the Senate on Thursday, April 24, 1986, in order to conduct a hearing on S. 1121, a bill to encourage foreign agricultural trade.

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

#### ADDITIONAL STATEMENTS

##### REORGANIZATION OF THE DEPARTMENT OF DEFENSE

Mr. GOLDWATER. Mr. President, within a relatively short time, the Senate will be taking up the matter of reorganization of the Department of Defense, which the Armed Services Committee has been studying and working on for over 3 years.

Many comments about this reorganization and the need for it have come from military people of all ranks. I treasure and look forward to the observations, whether they be critical or supportive, of these men in uniform.

Gen. William C. Westmoreland, who commanded our forces in Vietnam has written a very thoughtful article on the need for changes in the Joint Chiefs of Staff. Although I may not agree with all of General Westmoreland's recommendations, I do think that he has made a valuable contribution to the debate on defense reorganization.

So many people seem to be afraid that any changes in the Joint Chiefs would result in the so-called Prussian Military System. This is absolutely untrue. The Prussian System would never work in America. If Germany, which worked under the Prussian System in World Wars I and II, had any competence or intelligence at the leadership level, those Wars could have well been another story.

As General Westmoreland points out, planning is really the secret of

success in battle. The Joint Chiefs should have a better opportunity and the greatest spectrum of experience available to provide the finest planning possible.

Mr. President, I ask that this article be inserted in the RECORD.

The article follows:

##### OVERHAULING THE JOINT CHIEFS OF STAFF

(By Gen. William C. Westmoreland)

There has been considerable interest recently in proposals for the restructuring of the U.S. military decision-making apparatus and the organization of the Joint Chiefs of Staff in particular. Sens. Barry Goldwater (R-Ariz.) and Sam Nunn (D-Ga.) have supported some specific proposals for such modifications. While change may be necessary, it needs to be approached with due regard and understanding of the complex factors involved in decision-making at the national security level.

In examining the modus operandi for decision-making on national defense matters, it is helpful to outline the responsibilities of the organization as it now stands, detail the problems that would invite a change and then make suggestions for change.

The essential functions involving military readiness are planning, force development and operations/execution. These three apparently simple functions become complex because so many organizations have an input in the military decision of the nation: the military of the Pentagon, civilians in the Department of Defense, the White House, the State Department, the Central Intelligence Agency and congress. While the checks and balances created by this multiple input are essential in an open society and to a democracy, care must be taken that the checks and balances do not bind the system to the point that it cannot effectively function. There have been times when that situation seemed imminent.

In my years working in the Department of Defense, I have never seen a decision made in anything but good faith. It is the mechanisms themselves that can breed less than optimum results. One of the areas in which change could bring improvement is the structure of the congressional committees.

##### REFORM ON THE HILL

Among the mechanisms that are addressed by the proposals of Sens. Goldwater and Nunn suggesting a retooling of the Joint Chiefs of Staff is the role of the congressional committees. At present, two committees—the Armed Services Committee and the Appropriations Committee—exist in each house of congress. Numbers of defense officials and their staffs spend an inordinate amount of time preparing documents and testifying before these four committees. The function of these committees is important, but it is well within reason to streamline the process.

Based on my experience, the problems connected with the congressional committees are these: 1) the committees are not well coordinated among themselves, 2) the committees are too large, 3) they tend to deal too much in politics, 4) a number of members do not do their homework and therefore are not well informed and 5) some members often cannot "see the forest for the trees"—sometimes they seem to concentrate on political nitpicking rather than heeding the reasons for the committees' existence.

To help eliminate the sluggishness of these committees, they should be trimmed down to size, with a membership that is more carefully selected. All members of these committees should take the time to become experts on defense (although many already are) rather than having to depend on the recommendations of their relatively junior staffs whose knowledge based on research is no substitute for mature experience.

To alleviate the redundancies of time-consuming committee hearings, joint committees or joint committee hearings can be very useful, with the Armed Services and Defense Appropriations committees meeting together on occasion. The people who deal with acquisition approval and those who approve the money for the systems could question the same witnesses at the same time, avoiding the necessity of witnesses repeating the same information to separate groups. In addition, joint Senate-House committee sessions might save time and effort. The chairmanship of each of these committees is a powerful position in both the House and Senate, and this proposal would not diminish those positions, but it could encourage a more timely accommodation in views between the two.

#### PLANNING, AN ESSENTIAL FUNCTION

There is a great need to develop an integrated plan addressing and spelling out a feasible strategy compatible with government objectives. Developing objectives and potential military actions is an ongoing task that should be the focus of the Joint Chiefs of Staff. This work has been frustrated because of a far too weak interface among the multiple agencies of government involved, particularly since frequently that interface is confrontational rather than cooperative.

To develop military forces that are consistent with the national objectives is also the responsibility of the JCS. The Joint Staff must develop the requirement for operational forces based on joint operational planning, more specifically, the number of ground divisions, air wings and naval battle groups required by the operational commands. Then the staff must perform the most difficult task of tailoring the force to conform to budgetary constraints and make an assessment of attendant risks.

The armed services must continue to organize, train and equip the basic fighting elements of the force. This is essential since the tactical elements are designed in careful consideration of combat doctrine, the development of which can only be a function of the individual armed forces, of course, in coordination with the other services as appropriate. Worthy fighting "teams" involve the integration of material tactics, technology and highly trained tactical commanders and men. It requires close and continuous interaction between the armed services and defense industry. It requires schools, training grounds and experienced and demanding supervisors. Only the individual armed services can accomplish this function, and in such capacity they must be permitted to deal with congress.

As acquisition and the procurement of materiel and supplies takes place, parochial interests can become a frustrating factor. In the congressional context, procurement involves a relationship between private business and congress. Business interests represent a constituency of individual congressional members, and their success has an impact on the economic life of a member's district.

The military is responsible for making sure that procurement is compatible with force development. This complex function needs greater attention. Under the present system, there is a vagueness as to who is responsible for what functions and why.

The service secretaries are the primary officials to support the details of service procurement before congress and must deal directly with the congressional committees.

#### OPERATIONS AND EXECUTION

Once plans are in place and force development designed to support those objectives is on track, attention turns to preparation for execution of those "blueprints." Under the JCS are the unified commanders. In each geographical region, these work with "service component commanders." It is important that the authority of the unified commanders be increased.

For administrative and logistical purposes, the service component commanders must be able to "ride herd" on their functions. But the unified commander must have the ability to override their decisions. On a practical level, this already exists. The unified commander is not only the responsible leader but has the support of the Joint Chiefs of Staff. However, there will always be ambiguities from time to time in territorial responsibilities and conflicts in service doctrine. The Joint Staff must be alert to these and have them settled promptly by the chairman or the secretary of defense. There were unnecessary delays in deciding such matters in Vietnam. In Vietnam, there was a joint command under a unified commander. Such an arrangement will be required in future situations.

#### THE JCS

The organization of the Joint Chiefs of Staff is the mechanism to implement the three functional areas of planning, force development and operations/execution. It would be a terrible mistake to break up the Joint Chiefs of Staff and put authority for these decisions into a committee of officers who do not have firsthand information and do not bear the responsibility for their respective services. Nothing is quite as sobering, nothing creates such objectivity, as responsibility and knowledge. A remoteness between the facts and a perception of the facts can be dangerous.

The chairman deserves greater authority and operational responsibility. He should have the authority to override the views of a service chief of staff with the proviso that when he takes his recommendations to the secretary of defense, or the president, the dissenting service chief would not only be allowed, but required, to accompany the chairman and present his opposing views. Thus, both authorities will then have the benefit of the minority view.

Rather than having a deputy chairman, the chairman should have, in effect, his own chief of staff—a three- or four-star officer. I agree with the policy of recent chairman Gen. John W. Vessey that the most practical and healthy arrangement is for each service chief to rotate into the position of acting vice chairman for a four-month period each year, rather than have a full-time vice chairman. This rotation would keep the service chiefs more abreast of joint events, as well as provide for a sudden loss of the chairman. In an emergency, a full-time vice chairman would probably be needed and could be appointed.

#### COMMAND AUTHORITY

Once a decision has been made in accordance with the Constitution and by the con-

gress to go to war, the command structure should be streamlined.

The chairman of the Joint Chiefs of Staff should have command authority to execute approved plans through the unified commanders. During time of war, the conduct of the war should be in the hands of the Joint Chiefs of Staff, operating on behalf of the commander in chief, the president.

The secretary of defense should be cut out of the tactical operational chain in time of war, as was done in World War II. The secretary should concentrate on procurement, logistics and administrative functions, while the president and an appointed military chief of staff to the president (as Adm. Leahy in World War II) should deal with the JCS chairman, who would be responsible for the execution of plans. The National Security Council would, of course, continue on as advisers to the president.

During the war in Vietnam, the president had to contend with multiple advisory voices. One problem then was that the Joint Staff did not have the influence that it deserved, primarily because it did not have visibility and recognized competence. This problem needs to be addressed and resolved.

#### THE JOINT STAFF

The time has arrived to have a highly professional, recognized and dedicated Joint Staff. The Joint Staff would consist of about 500 officers who volunteer for such an assignment after 15 years of active service. These officers would have graduated from a senior military service school and be recommended by the college commandant as officers especially qualified and fit for this type of service. They would have already made their mark in their respective services and be considered of exceptional ability. The policy of limiting the tour of an officer serving on the Joint Staff reduces the professionalism and expertise of that important body. The flashback to the German Imperial General Staff as a reason for opposing a stronger and more efficient Joint Staff in the context of the U.S. Constitution is illogical.

The Joint Staff would contain appropriate specialists in appropriate areas and functions. Systems analysts and historians would be included; such specialists can alert planners to pitfalls and imbue decisions with a sense of reality. A highly professional Joint Staff will be sensitive to probable enemy reactions. All factors must be analyzed and presented to civilian authority. Civilian officials, despite their education and brilliance, cannot be expected at the staff level to grapple with the unique problems associated with the commitment of U.S. forces. A highly select, dedicated, competent, professional Joint Staff can and must. An image of competence, thoroughness born of performance, is important for the Joint Staff and would be in the national interest. That image does not now exist.

Officers selected to serve on the Joint Staff would in most cases be stationed with their families in the Washington, D.C., area. This becomes an attractive emolument since most would have children in their teens—when frequent movement of the family tends to become a hardship. The officer would not be denied advancement since all general-officer positions on the Joint Staff—and there would be a number—would be promoted from within the Joint Staff.

The impetus for service on this staff for the remainder of one's military career should come from a combination of motivation and expertise. These officers would be

paid through their respective services but professionally divorced from them. They would don another uniform—civilian clothes. This group would be the staff for the chairman and the military staff for the Defense Department and the president. A number could be authorized on a tour basis for service with a unified commander either in the United States or at overseas posts and as faculty members at the senior service schools of the armed forces.

Officers of the Joint Staff dealing with operational planning would be constantly making trips to troop units and ships to keep abreast of operational capabilities. Building on the experience of their years in the service, these officers will stay current on what is going on at the troop and ship level.

To perform effectively, the chief of each armed service would, of course, retain his own staff commensurate with his function and in consideration of the expanded role of the Joint Staff. Through the chief of the service and by bilateral contact between his staff and members of the Joint Staff, cross-fertilization by the sharing of knowledge and experience would be accomplished. Liaison officers would be exchanged from time to time to facilitate integrated planning and coordination of operations.

To help resolve the problem of insufficient interface between the military and the other segments of the bureaucracy, I would like to see the Joint Staff encourage and institutionalize integrated strategy planning. A team from the State Department, the CIA and other appropriate agencies in residence with strategic planners of the Joint Staff would help realize that goal. This liaison would keep appropriate parties informed during all phases of the development of plans and foster a strategy on an integrated basis in contrast to a unilateral or confrontational development, which frequently occurs.

The lack of an integrated development of strategic plans has been a serious weakness. A strong, professional Joint Staff, with recognized and appreciated expertise, can do a great deal in improving the quality and timeliness of plans and hence should expedite sound decisions at the senior level of government. This would also help eliminate the need for many of the ad hoc task forces that are floating around now. Many of them are formed on the basis of expediency rather than expertise. Often they are created to buy time or for political purposes.

This is not to say that there is no place for additional committees. The JCS has more flexibility than many people realize. If they wanted to, the Joint Chiefs could set up a temporary or permanent advisory board consisting of retired senior officers or even perhaps highly respected senior officers on active duty. This board could be focused on a particular course of action or any measure or project the JCS has in mind.

Strangely, the proposal now before congress will not improve the professionalism of the Joint Staff. It may actually reduce it by institutionalizing the turnover of personnel and by not providing incentives to develop important expertise.

There is initiative in the congress for change. The time is ripe to develop a stronger Joint Staff mechanism that is effective and sustainable. The three necessary steps to a better and more efficient national security are a strategy compatible with the objective of the nation; development of the forces within budgetary constraints to support the strategy, and detailed plans to exe-

cute the necessary operational measures. A group of professionally oriented, specially selected officers, part of an organization dedicated to U.S. national security, would be the best method of developing such a sound and viable program. These officers cannot do it alone. They must have guidance as to the objectives of their country. They must have the cooperation of the State Department and the benefit of intelligence developed by the Central Intelligence Agency and the Defense Intelligence Agency. They need the civilian secretaries to deal with procurement of materiel and manpower and to provide a strong interface with congress. But at the heart of the modus operandi is a professional Joint Staff.●

#### U.S. TRADE DEFICIT

● Mr. ABDNOR. Mr. President, on September 24 of last year I read in an article in the business section of the Washington Post, and I quote, "that a realistic figure on the impact of unfair Japanese trade practices on the United States trade deficit is in the \$6 to \$8 billion range, and that much of this is offset by United States restrictions on steel, textiles, food and other imports." The article contends that last year's \$50 billion United States merchandise trade deficit with Japan was caused by the overvalued dollar, and not by Japanese trade barriers to American products. Frankly, I am not all that convinced by this argument. In 1983, the United States merchandise trade deficit with Japan was just over \$20 billion. In 1985, only 2 years later, that figure soared to over \$50 billion. It strains the imagination just a little bit to think that an increase of 150 percent can be attributed solely to fluctuations in currencies.

American trade policy, since the passage of the Reciprocal Trade Act in 1935, has been founded on the philosophy that free trade is the best promoter of growth both in the United States and within the world economy. Mr. President, I have always been a staunch believer in free trade, and I have not forgotten how the Smoot-Hawley Tariff Act of 1930 helped in aiding and abetting the coming of the Great Depression. However, free trade can only mean one thing: reciprocity. In my State alone, South Dakota, I have seen how unfair trade practices by the EEC have crippled our wheat exports. As with our merchandise trade deficit to Japan, economists tell me it's because the dollar has been overvalued for most of the last 5 years. Well, partially it is because of the dollar, but it is also because our competitors have, in a number of industries, created unfair trade barriers to our products.

Mr. President, in the month of February of this year we imported over \$1 billion worth of automobile parts from Japan. The month before we imported \$857 million in parts. In reality what has happened is that Japan has flooded our markets with their automobile

exports, and then turned around and flooded these same markets with Japanese made replacement parts, ignoring by and large the purchase of American equivalent parts. Meanwhile, when we try to push our telecommunications equipment or our semiconductors, we find these markets are constricted because of Japanese trade barriers. The use of discriminatory standards and investment restrictions are techniques often employed by the Japanese to keep American products out.

I am not, nor do I ever hope to be, a strong proponent of protectionist legislation. On the other hand, I voted last year in favor of a Senate resolution directing the President to take stronger actions against Japan for its closed market policies. I am not fond of threats which usually consist of empty rhetoric, but I would like to suggest to our trading competitors that America can no longer afford trade deficits which run in excess of \$145 billion.●

#### NAUM AND INNA MEIMAN: FRIENDS

● Mr. SIMON. Mr. President, Naum and Inna Meiman are friends of mine. They are a wonderful couple living in the Soviet Union who wish to emigrate to Israel. This wish has caused many problems for the Meimans.

Since Naum applied to emigrate over 10 years ago, he has been harassed. Although he is a respected scientist, Naum has been isolated from the scientific community. Along with this, his phone has been cut off and almost all his mail continues to be confiscated. Inna also suffers at the hands of the Soviet Government. She has cancer, and although the Soviet doctors have told Inna that there is nothing more they can do for her, the Soviets refuse to grant her permission to go to Israel to receive more advanced medical treatment.

No one likes to see their friends mistreated. I am deeply troubled when I am forced to watch my friends, the Meimans, suffer. They deserve the chance to be happy.

I implore the officials in the Soviet Union to let the Meimans emigrate to Israel.●

#### IN SUPPORT OF SOVIET JEWRY

● Mr. D'AMATO. Mr. President, I am pleased to participate in the 1986 Congressional Call to Conscience, an important effort designed to focus attention on Soviet human rights violations. As chairman of the Commission on Security and Cooperation in Europe, I am particularly concerned over the plight of members of the Jewish community in the U.S.S.R., the world's third largest.

In 1975, the Soviet Union joined the United States and Canada as well as 32 other European nations in signing the Helsinki Final Act. Basket 3 of the accords contains crucial provisions pertaining to human rights. Currently, representatives of each of the signatory countries are meeting in Bern, Switzerland, to review compliance with this aspect of the act. On Tuesday, I chaired a hearing of the Commission on East-bloc emigration policies and human contacts. During the course of the hearing a number of experts provided testimony which painted a clear picture of the bleak situation faced by Soviet Jews today.

My concerns regarding Soviet Jewry are twofold: a desire to help those who seek to emigrate from the Soviet Union, and to ensure that the rights of those who remain behind are safeguarded.

Despite assertions by Soviet authorities that those Soviet Jews who wish to emigrate have already done so, 380,000 Soviet Jews have requested letters of invitation from relatives in Israel, the first step in the arduous emigration process. The Final Act clearly states that, "The participating states will deal in a positive and humanitarian spirit with the application of persons who wish to be reunited with members of their family." Nevertheless, the Soviet Union continues to deny this basic right to thousands of Soviet Jews.

Soviet Jewish emigration, which reached a peak in 1979 when 51,000 Soviet Jews were permitted to leave, has fallen off to little more than a trickle. During 1985, 1,140 Soviet Jews received visas enabling them to be reunited with relatives in Israel. Thus far this year, visas have been issued to 79 in January, 84 in February, and 47 in March.

Estimates indicate that at least 20,000 Soviet Jews have been refused permission to emigrate. Of these "refuseniks," as they are come to be called, hundreds have languished for more than 10 years while waiting to join their families.

Those who request permission to emigrate often do so at great personal risk. Many are fired from their jobs, denied access to education and subjected to other forms of harassment by the secret police—the KGB.

The Soviet Union has undertaken a concerted effort to eliminate all forms of Jewish culture. Hebrew teachers are imprisoned for teaching the Hebrew language. Parents are arrested for providing their children with religious instruction. The Soviets have gone so far as to establish an "anti-Zionist committee" which serves to spread propaganda denigrating Jews and rekindling the fires of anti-Semitism in the U.S.S.R.

The cries of human suffering ring out loud and clear despite Soviet at-

tempts to squelch them. It is our responsibility to respond.

As Anatoly Shcharansky recently stated after his release from the Soviet gulag, "It is more necessary than ever now for international public opinion to press the Soviet Union on these matters. It is high time for Moscow to begin complying with the Helsinki agreement signed in 1975."

As chairman of the Helsinki Commission, I urge my colleagues to join me in speaking out in support of Soviet Jewry. ●

#### MAINE LOBSTERMEN'S ASSOCIATION AND ED BLACKMORE

● Mr. COHEN. Mr. President, when one thinks of Maine, perhaps the first image which comes to mind is the Maine lobsterman—a craggy, independent soul who embodies the qualities of independence and hard work which Maine is known for.

For the past 14 years, the lobstermen of Maine have looked to Ed Blackmore of Stonington, ME, for leadership and guidance. Ed, the president of the Maine Lobstermen's Association, has fought and won many battles in behalf of his fellow lobstermen during those 14 years.

I met Ed when I first ran for Congress in 1972, and he has been a strong supporter and good friend ever since. The Boston Globe recently published an article concerning Ed and his work in behalf of the Maine lobstermen, and I ask that the article be included in the RECORD at this time.

The article follows:

[From the Boston Globe, Apr. 20, 1986]

#### LOBSTERMAN TRADES UNDERWATER TRAPS FOR POLITICAL ONES OF MAINE STATE HOUSE

(By Denise Goodman)

NOBLEBORO, MAINE.—In many ways, Ed Blackmore is the quintessential lobsterman. During two years of military service, Blackmore said, he dreamed of "getting home, getting about and dropping some traps . . . of being out there on the water, being your man, making your own decisions."

But over the last 14 years, as president of the 1,000-member Maine Lobsterman's Association, Blackmore gradually traded his traps for a desk and lobbying forays in the State House. Along the way, he began to bridge the gap between the lobstermen and the scientists who study the shellfish they harvest. The 31 years he put in hauling traps summer and winter have given Blackmore a special credibility with the legislators he urges to support lobster conservation measures.

Asked what it's like to represent 1,000 independent lobstermen, Blackmore quickly responds, "You get a lot of phone calls with everyone beating you over the head."

And then: "Once in a while somebody calls and says I did a good job and that makes it worthwhile."

Developing a position on recent legislation to increase the minimum size of legally harvestable lobsters is a case in point. At first, Blackmore said, his 15-member board was split. But because lobstermen are so independent, Blackmore regularly polls them on

legislative issues and on this one, the result showed 74 percent favored the bill.

Every lobster harvesting state has a 3½-inch minimum—from the eye socket to the end of the body shell—for legal "keepers." The Maine bill, adopted earlier this month, would gradually increase that size to 3¾ by 1992 if, and it's a big if, all the other states adopt similar measures and agree to throw back female lobsters that Mainers have "V-notched."

As a conservation measure, Maine fishermen mark every egg-bearing female lobster they catch with a "V" and throw them back. But because other states have no similar practice, Blackmore said, when those lobsters most likely to reproduce migrate to waters off other states' shores, they are usually harvested.

Last year, Blackmore's troops successfully defeated efforts to repeal another unique Maine conservation law, a five-inch maximum, from eye to back of body, for harvestable lobsters.

Scientists estimate that 90 percent of lobsters now caught have no chance to reproduce and say the larger minimum would allow more to bear eggs before they are trapped. But Maine lobstermen put more emphasis on the V-notch and maximum-size provision, Blackmore said, because mature female lobsters will bear up to 60,000 eggs a year, 10 times the number their minimum-sized counterparts will produce.

Born in the Down East fishing village of Stonington where he first lobstered with his grandfather, Blackmore, 58, said Maine lobstermen have a special feeling for their vocation.

#### LOBSTERING "A HERITAGE"

"We're more conservation minded because we don't have the economic options the others have," Blackmore said. "In other states, lobstering is more of an economic thing. Here, it's more of a heritage." If the resource is depleted, Maine fishermen would have little choice but to sell their island or coastal mainland homes and move inland to find work, he explained. "And the more offshore the island is, the more ornery people are about protecting the lobster resource," he added.

Blackmore said he discovered the value of scientific research when he served for three years on the New England Fisheries Management Council. "Whatever I said didn't mean anything because I couldn't document it," he noted.

Convincing his fellow lobstermen was not easy, he said, because too often the fishermen saw scientists as "bureaucrats who protect their backside," often didn't make their findings public and, when they did, "didn't put them in language people could understand."

Blackmore has built the association from 245 to 1,000 members and its annual budget from loose change to nearly \$60,000. Much of his time is taken up keeping a watchful eye on state and federal legislation covering everything from boat taxes to gear conflicts.

Although he hasn't fished for a decade, Blackmore still lives with his family in Stonington. He said he talked his son out of lobstering because "a lobsterman reaches his peak at 40, and then you just work harder and harder to stay where you are . . . I told him, 'Son, if you're smart, you'll stay on the docks and take money from the fishermen when they come in.'" Heeding that advice, his son opened his own marine electronics business.

## A DEEP SENSE OF TRADITION

Even as Blackmore leads Maine lobstermen to a heightened awareness of modern, scientific and political issues, Blackmore retains a deep sense of their traditions, including a self-regulating system that outsiders might consider vigilantism.

"You can't live in Bangor all your life, buy a boat and run down to Stonington and put a bunch of traps out," he warned. "You can put them out, but you may not get them back. You have to get along with your peers." Even as a Stonington native, he explained, he didn't fish some areas because "the bay was divided up among families who traditionally fished certain spots."

Get too close to the line, Blackmore said, "and you may find your trap warp wrapped around the pot buoy spindle, back to. That's just a warning." The next "infraction" could mean losing traps, he added. "It's a good system. I don't say it's right, but it works."●

## THE DEFENSE BUDGET

● Mr. SIMON. Mr. President, the Senate Budget Committee voted wisely when they approved a defense budget giving the Pentagon \$295 billion in spending authority for the 1987 fiscal year. In a letter to the Budget Committee prior to their vote, I advocated adoption of a zero real growth for defense, close to the level the committee eventually voted for.

Defense spending is an emotionally charged issue. I support a strong defense, as do all my colleagues. We differ on how to get there, but we all agree on the end goal. With Gramm-Rudman, we have no alternative but to pass a responsible budget to avoid the automatic cuts. This means that growth in defense spending, which has grown more than any other budget function since President Reagan took office, must be constrained.

The argument is often made that cutting defense, or keeping spending authority level, harms us by encouraging our enemies. Nothing could be farther from the truth. Our adversaries do not focus on how much we spend; they focus on what we get for these expenditures. This point is all too often overlooked.

We have a good example of misplaced priorities in the events of the past few days. In the aftermath of our military strikes against Libya, we have to ask ourselves if the never-ending nuclear arms race in being waged at the expense of the war against terrorism. Even some of our spending on conventional weaponry has to be re-evaluated: Are we buying the right kinds of equipment and conducting adequate training to combat the new threats posed by international terrorism?

When you include our allies in the balance of forces between East and West, the numbers look much less frightening, and in fact start to look encouraging. Our allies spend much more on defense than the Soviet Union's Warsaw Pact allies. NATO-

Europe would be much more politically reliable in the event of external aggression. And our troops in Europe are not policing the local populace, as are many Soviet troops in Eastern Europe.

We too seldom consider that the U.S.S.R. has real vulnerabilities: A weak economy; a long and sometimes hostile frontier with China that requires one-fourth of the Red army's manpower—contrast this with our long and peaceful borders with Canada and Mexico that do not require any real defenses; a draining war in Afghanistan; and economically weak allies, from Cuba to Poland.

These and other good points are made in a recent article in the Baltimore Sun by Jeffrey Record, entitled "Reckoning the Military Balance." We have to start getting more bang for the buck, through defense reorganization, procurement reform, arms control, and a more realistic assessment of the military balance and the real threats facing us today. I commend Mr. Record's article to my colleagues, and ask that it be printed in the RECORD in full.

[From the Baltimore Sun, Apr. 1, 1986]

RECKONING THE MILITARY BALANCE  
(By Jeffrey Record)

WASHINGTON.—During the past weeks the Reagan administration has treated the nation to a plethora of pessimistic assessments of the U.S.-Soviet military balance. The immediate purpose of these assessments, most of which are the truth but far from the whole truth, is clear: to restore eroding public and Congressional support for major real increases in U.S. defense spending.

The administration's argument is twofold. First, that the U.S.-Soviet military balance has continued to deteriorate during the past several years, despite a U.S. military buildup of a magnitude unparalleled in peacetime. Second, and because of the worsening balance, the Defense Department's fiscal 1987 budget, which represents an increase after inflation of 8 percent over last year's budget, ought to be exempted from congressional spending cuts aimed at reducing overall federal budgetary deficits that are also historically unprecedented.

Once again, the administration wants a strong national defense but is unwilling to pay for it. Never mind that the present deficit crisis is attributed in large measure to the Reagan administration's own voodoo economic policies (you can lower taxes, increase outlays, or balance the budget, but you cannot do all three simultaneously). And never mind that declining public confidence in Caspar W. Weinberger's Pentagon stems mainly from the Pentagon's predictable inability to absorb efficiently the mountains of cash thrown so abruptly and indiscriminately at it by an administration that still seems not to have grasped the fact that the U.S. military has become simply another vast government bureaucracy.

The U.S.-Soviet military balance may indeed have deteriorated since 1981, justifying the administration's proposed increase in defense spending. But how is that balance to be measured? Administration assessments, complete with pretty charts and graphs, focus on simple numerical comparisons between U.S. and Soviet forces; raw

numbers of men, tanks, ships, planes, divisions, and so on. And, to be sure, it turns out to no one's surprise that in almost every index of things that can be counted the Soviets have more than the United States. The Soviets have 5.3 million men under arms to our 2.2 million; 55,000 tanks to our 14,000; 289 major surface naval combatants to our 200; 8,000 tactical aircraft to our 5,400; and 209 army divisions to our 27.

But such numerical disparities, while disturbing, hardly tell us much about the outcome of a future war. First of all, to compare only U.S. and Soviet military power is to ignore what is perhaps America's greatest remaining strategic advantage over the Soviet Union—namely, the presence of rich, militarily powerful, and politically reliable allies. For example, in Europe, which remains the principal military focus of both superpowers, a confrontation between the United States and the Soviet Union would automatically engage their respective European allies, and the size and fighting power of America's NATO allies dwarf that of Moscow's Warsaw Pact allies, most of which are, in addition to being a drain on the Soviet treasury, small, poor, and of uncertain political loyalty. The NATO alliance as a whole suffers no pronounced numerical disadvantages in major categories of military forces *vis a vis* the Warsaw Pact.

The balance of respective allies in the Far East is even more favorable to the United States. Leave aside the fact that most Soviet forces in the Far East are deployed against a foreign ally, China. In a war with the United States the Soviet Union could at best hope to count on only North Korea and Vietnam—rather sorry compensation for South Korea, Japan, Australia, and the Philippines. Moreover, the Soviets would face formidable logistical problems in Asia. With the exception of the trans-Siberian railroad, some stretches of which run perilously close to the Chinese border, there is no continuous land line of communication connecting the Soviet Union's military and industrial heartland with her Far Eastern provinces.

Second, much of Soviet power cannot be fairly counted in the U.S.-Soviet military balance because it is allocated to the protection of the Soviet empire from threats other than those "posed" by the United States and its allies. Soviet military problems are far more numerous and quite different than those facing the United States. For example, whereas U.S. forces in Europe are burdened by no internal police functions, many of the 30 Soviet divisions deployed in Eastern Europe are stationed there to enforce that region's political loyalty to Moscow. Additionally, in contrast to the United States, which has no enemies along its borders, the Soviet Union deploys fully one-quarter of its army opposite China. Indeed, it has been said that the Soviet Union is the only country in the world surrounded by hostile communist states. The United States, rich in allies and secure along its own borders, does not need 55,000 tanks and a 209-division army.

Third, and perhaps most important of all, numbers are but one of many indices of military power, and not necessarily the most important. History repeatedly has shown that numerical inferiority can be more than offset by superiority in such crucial intangibles as strategy, tactics, organization, training, leadership, group cohesion, combat experience, and individual morale. If numbers alone were decisive, Alexander the Great would never have made it across the Bospo-

rus; the United States might still be saluting the Union Jack; Anglo-French forces would have defeated Hitler in 1940; Israel would have lost all its wars; the United States would have trounced Vietnam; and the Soviet Union long ago would have eliminated any vestige of resistance to its occupation of Afghanistan.

None of this is to play down the formidable challenges that burgeoning Soviet military poses to the Free World. It is simply to recognize that numbers are but one ingredient of true military effectiveness. It is also to recognize that since the days of Peter the Great, Russia has traditionally enjoyed a significant numerical advantage over her military opponents, but nevertheless has suffered repeated military disasters at the hands of smaller though qualitatively superior enemies. ●

#### THE LITTLE TOWN THAT COULD

● Mr. McCONNELL. Mr. President, I am proud to bring to the attention of the Senate the story of a small community in rural southwestern Kentucky, once a thriving port along the Mississippi River, which is showing the strength of commitment and determination to rise from its own decline.

Hickman, KY, which suffered when the railroad revolution in the latter half of the 19th century brought competition to commerce on the waterways, has now bought its own railroad, the Tennessean Railroad. With its show of commitment to revitalization, it has won an enterprise zone designation from the Commonwealth of Kentucky which has, in turn, spurred new growth in Hickman's economy.

Hickman's resurgence, with the help of Kentucky's Enterprise Zone Program, is another example of the value of this economic development concept. I hope the day is not too distant when Congress will enact Federal Enterprise Zone legislation to augment successes which State-created zones are enjoying.

I ask that the following article, entitled "Hickman—The Little Town That Could," by Hal Greer, be printed in the RECORD. It appeared in the January 1986 issue of the U.S. Department of Housing and Urban Development's publication, "Enterprise Zone Notes."

The article follows:

HICKMAN—THE LITTLE TOWN THAT COULD  
(By Hal Greer)

Hickman is a small rural community of 3,000 located on the Mississippi River in far western Kentucky. It is nearer to five other state capitals than it is to its own. Like many communities on major rivers, Hickman thrived as a boisterous river port early in the 19th century. It was a center of trade and commerce until the railroads revolutionized transportation. Then once lively river towns, like Hickman, became little hamlets almost overwhelmed by progress.

The 1980 census showed that Hickman continued to lose population, particularly its young people, due to the lack of job opportunities in the area. But instead of ignoring the worsening situation, Hickman decided to do something about its plight.

The first application the Kentucky Enterprise Zone Authority received for an Enterprise Zone designation was from Hickman. The state awarded Hickman a zone designation in 1983, not only because of the need existing in the area but also because of the show of community organization and determination. Local commitment to the program led Hickman to offer special natural gas rates for businesses, and to reduce the city's real estate and tangible property ad valorem tax rates to one mill per \$100 of assessment, for qualifying businesses.

Hickman impressed the Kentucky Enterprise Zone Authority with its purchase and restoration of 51.7 miles of railroad track linking the town to the main line in Dyersburg, Tennessee. The rail spur has significant value for Sigri Carbon Company, the city's major industrial employer. The \$2 million project, headed by the Hickman River City Development Corporation, required assistance from the Kentucky Commerce Cabinet (state community development block grants), the state Department of Transportation, and the Tennessee Valley Authority (TVA). The Tennessean Railroad made necessary track improvements before the sale. Now, a year later, Hickman's rail line operates in the black.

Progress in developing a new riverport complex that could handle virtually any type of cargo transported on inland waterways further impressed the Enterprise Zone Authority. Authority members felt that Hickman had taken a positive step by establishing a task force to unite the leadership from all segments of the community—city and county governments, business and industry—to develop a master plan for effective development.

To date, 24 small businesses have expanded or located in the Hickman Enterprise Zone, creating or saving 200 plus jobs. Ash-Tex, a new plant specializing in textile finishing (e.g. washing, pressing, special stitching, and labeling blue jeans) expects to hire 200 employees during the next 18 months. It is well on its way toward the goal with 70 workers already on the job. Mr. Jerry Gurien, the plant owner, says "We are excited by the possibilities of the Enterprise Zone benefits. In fact, it will give us a good start in a new venture that will be very beneficial in the long run. Future development can expect to use the zone tool as leverage for any expansions or growth. We would encourage any businessman or industrialist to look at the area's potential and the local initiative evidenced by the aggressive community cooperation."

James M. Everett, Fulton County Judge/Executive, said, "We are pleased with the tremendous coming together of local initiatives to develop the total economic potential. The Enterprise Zone is a tool of economic development—a very good tool. Local and state incentives, and, hopefully, federal incentives in the future, add new reasons for businesses and industries needing and looking for expansion or new developments."

Hickman has just completed work on a video to market its Enterprise Zone and port facilities. The film is a cooperative effort among the city, the Kentucky Commerce Cabinet, Murray State University, and TVA.

The Hickman Economic Development Task Force is asking about Foreign Trade Zones and their benefits to industry. They may decide they want one. Anyone want to guess what will come next?

#### KENTUCKY ENTERPRISE ZONE INCENTIVES

Exemption from State income tax on the gain from the sale of qualified property.

Exemption from State tax on interest earned from loans to qualified businesses.

Exemption from sales and use tax on building materials, and equipment and machinery which a qualified business purchases for use in the zone.

Exemption from motor vehicle usage tax on vehicles used by qualified businesses in the zone.

State net operating losses may be carried forward by qualified businesses for the life of the zone.

Neighborhood Enterprise Associations with zone residents as members can lease for at least 99 years, at no more than \$1, any State and local property not in use.

#### SURVIVORS OF ABORTION: THE DREADED COMPLICATION

● Mr. HUMPHREY. Mr. President, when tiny infants survive abortion they do not enjoy equality before the law. Premature children will be rushed to neonatal care units, occasionally via ambulances and even helicopters. This is not the case for the survivors of abortions. A child who lives through an abortion in the second or third trimester may be as fully formed as the "preemie," but he or she receives different care.

The article I am submitting today describes in brutal detail two typical "medical procedures" for the treatment of abortion survivors. I urge my colleagues in the Senate to consider the words of nurse Kathleen Malloy. She was ashamed of her profession when this article was published in Florida, back in 1979. We should be ashamed that this sort of behavior even now occurs daily in our Nation.

The article follows:

NURSE TO SENATE: ASHAMED OF PROFESSION

(By Dick Conklin)

#### NURSE'S TESTIMONY

"I'm a housewife and a registered nurse from Jacksonville. I retired from the nursing profession when I became pregnant with my first child and stayed retired until my fourth child was in the sixth grade. I then returned to work in my local hospital in the labor and delivery room. Many things progressed in those years—some things regressed. I learned by seeing with my own eyes that to have an abortion is to rid oneself of a human being.

"I worked the 11 p.m. to 7 a.m. shift, and when we weren't busy I'd go out to help with the newborns. One night when I went to the nursery, I saw a bassinet outside the nursery. There was a baby in this bassinet—a crying, perfectly formed baby—but there was a difference in this child. She had been scalded. She was the child of a saline abortion.

"This little girl looked as if she had been put in a pot of boiling water. No doctor, no nurse, no parent to comfort this hurt, burned child. She was left alone to die in pain. They wouldn't let her inside the nursery—they didn't even bother to cover her.

"I was ashamed of my profession that night! It's hard to believe this can happen in our modern hospital but it does. It happens

all the time. I thought a hospital was a place to heal the sick—not a place to kill.

"I asked a nurse in another hospital what they do with their babies who are aborted by saline. Unlike the hospital where I work, where the baby was left alone struggling for breath, their hospital puts the infant in a bucket and puts the lid on. Suffocation! Death by suffocation!"

"Another nurse said she had to stop helping with abortions. The little severed arms and legs from a suction abortion were just too much for her to look at.

"Gentleman . . . ladies . . . aren't you happy our moms weren't born in this generation. It could have been one of us that ended in that lonely bassinet—or in that ugly bucket. We must respect life. Please, I ask you to support a constitutional convention . . . thanks for listening."●

#### NOTICE PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. RUDMAN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the CONGRESSIONAL RECORD notices of Senate employees who participate in programs, the principal objective of which is educational sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The select committee has received a request for a determination under rule 35, for Mr. Peter D. Lennon, a member of the staff of the Democratic Policy Committee, to participate in a program in Brussels and Norway, sponsored by the NATO Information Service, last October 13-18, 1985.

The committee has determined that participation by Mr. Lennon in the program in Brussels and Norway, at the expense of the NATO Information Service, was in the interest of the Senate and the United States.●

#### TEST BAN

● Mr. SIMMON. Mr. President, Dr. Robert O. Byrd, former faculty member at North Park College in Illinois and now a resident of Ontario, Canada, sent me an editorial from the Toronto Globe and Mail about the test ban.

We should listen when our friends who believe in Western values as much as we do, say we're making a great mistake.

The final line of the editorial is, "It is a sad thing to have to say, but it is Mr. Reagan's 'dynamism,' not Mr. Gorbachev's, that worries the world."

I ask that the editorial be printed in the RECORD, and I urge my colleagues to read it.

The editorial follows:

[From the Toronto Globe and Mail, Apr. 2, 1986]

#### CASE FOR A TEST BAN

The purpose of arms control agreements and nuclear test bans is not to rid the world

of nuclear weapons, which is, unfortunately, unrealistic. It is to increase stability in the military relationship among the major powers. Stability reduces the risk of war on technical and psychological grounds. And stability reduces the cost of deterrence, allowing more devotion to other human needs.

This is why Soviet leader Mikhail Gorbachev's campaign for a comprehensive nuclear test ban treaty (which would include underground explosions) is so immediately attractive. It offers stability at zero level of activity (recalling former prime minister Pierre Trudeau's concept of nuclear "suffocation"), a prospect of unusual clarity in the complex business of arms control. Mr. Gorbachev enhances his proposal by agreeing to on-site verification and adds political force by implying that his attendance at another superpower summit may be conditional on the American response.

The American response is negative. Early explanations for this referred to supposed "testgap" between the Soviets and Americans, or to the existence of more sophisticated U.S. devices in need of regular checking. It is now apparent that the U.S. nuclear test program is also part of the Strategic Defence Initiative which so inspires President Ronald Reagan. The United States is working on nuclear-powered X-ray lasers, a particularly "promising" possibility that would fall to a comprehensive test ban treaty. This helps to explain the vigor of Mr. Gorbachev's very public posture, and the curtness of the American response.

Here is another illustration of how Mr. Reagan's SDI reduces the prospect for stability in arms and nuclear testing, at least in the medium term. The SDI introduces an enormous new dynamic into superpower military relations precisely when the Soviets (and most of the rest of the world) are looking for more predictability.

The SDI is not just another weapons system. It presumes a radically different concept of deterrence—defense instead of mutually assured destruction—that would require decades and huge expenditures to realize (if it proves technically feasible). Perniciously, this forced reversal of military doctrine would create enormous instability as it was implemented, and its outcome would be no different from what we have already achieved—a military checkmate. (No one should doubt that the Soviets would follow America's lead.)

Mr. Reagan's claim that the new balance would be superior because it is non-nuclear ignores the destructive and offensive potential of laser and particle-beam technology (some of which may be nuclear-based), forgets that nuclear weapons will still exist, and discounts the risks and waste of moving from one doctrine to another.

The Soviet Union appears to want affordable stability in its military relations with the United States. Despite this, and even without the SDI, a new agreement on strategic arms and intermediate nuclear weapons reduction would be difficult. (The Soviets are not bear cubs, Lawrence S. Hagan, research director at the Canadian Centre for Arms Control and Disarmament, recently described Soviet arms control proposals at Geneva as "patently one-sided, designed to strike at the heart of U.S. and NATO technology, capability and strategy.") But without the SDI, a comprehensive test ban treaty would be possible (which could be expanded to anti-satellite and strategic defense programs), and the prospect of reducing the very nuclear arms Mr. Reagan hopes

to nullify would be less the chimera it now appears.

It is a sad thing to have to say, but it is Mr. Reagan's "dynamism," not Mr. Gorbachev's, that worries the world.●

#### THE ACCESSION OF SPAIN AND PORTUGAL TO THE EUROPEAN COMMUNITY

● Mr. WILSON. Mr. President, last Thursday, the Senate unanimously agreed to a resolution urging the President to use his full authority to retaliate against the new restrictions on grains and oilseeds in Spain and Portugal, unless the United States receives prompt and complete compensation for any loss of trade resulting from the enlargement of the European Community. It was my hope that this resolution would strengthen the hand of Secretary Lyng and Ambassador Yeutter as they made one final attempt last weekend to resolve this dispute with the Europeans. Unfortunately, early reports of that meeting indicate that the Europeans remain intransigent and refuse to negotiate a reasonable solution to the problem.

By way of background, some of my colleagues may recall the floor remarks I made on the subject of the European Community enlargement 2 months ago, before the new import restrictions on grains and soybeans in Spain and Portugal went into effect March 1.

Subsequently, 20 of my colleagues joined me in a letter to the President to urge him to pursue to the fullest extent the American right to compensation under the rules of international trade by preparing and using a comprehensive list of items for retaliation against the European Community.

I am encouraged that on March 31, the President announced such a list of retaliatory commodities, which includes imports of European wine, cheese, mineral waters, pork and cakes. By announcing these possible measures, the President has elected to demonstrate that the United States will no longer stand idly by and let the American farmer pay the price for the enlargement of the European Community.

Regrettably, in response to our assertion of rights expressly provided for under GATT, the European Community has again targeted many American agricultural commodities for counter-retaliation. This time, many of California's lucrative products, such as wine, prunes, fruit juices, and California's \$185 million worth of almond exports to Europe, are on the European Community's hit list.

Although California producers ask nothing more than a fair market in which to compete, once again, they might be the victims of unfair agricultural trade practices by other governments. And it is California, again,

which might be made to pay the price to defend American grain and soybean exports.

So many of you here today may wonder why I—a Senator from California—feel so strongly about the enlargement of the European Community which, for now, harms our grain and soybean producers. My reasoning is clear and simple.

Ultimately, the enlargement of the European Community will affect all sectors of American agriculture. Thanks to the subsidies of the common agricultural policy, Spain and Portugal may become the "Californias of Europe," producing and exporting abundant supplies of subsidized fruits, nuts, and vegetables. And as those subsidies continue to flow, Spain and Portugal will threaten to strip California exporters of their hard-earned markets in Europe and abroad, in the same way that American grain and soybean exporters are currently losing their European markets.

In my view, all of American agriculture must unite behind this issue, because ultimately it will affect all of American agriculture.

We can no longer afford to divide American agriculture only to let the European Community conquer it. We must look ahead to the 10 years it will take for Spain and Portugal to fully integrate their agriculture with the European Community. Unless American agriculture stands united now, from the outset, to defend the legitimate rights of every American farmer in this process, agricultural producers of numerous other commodities may lose many export markets forever.

Yesterday, the Joint Economic Committee held a timely and informative hearing on this critical issue, during which testimony was received from Government witnesses, including officials from the Department of Agriculture and the U.S. Trade Representative, as well as industry representatives. One such witness, Dwayne Andreas, who is chairman and CEO of Archer Daniels Midland, provided the committee with a very informative and insightful statement about our relationship with the European Community. Indeed, his testimony is among the best explanations of the historical roots of this dilemma, its impact upon our Nation's farmers, and recommended it to all of my colleagues and ask that it be printed in the CONGRESSIONAL RECORD.

The statement follows:

#### EUROPEAN COMMUNITY AGRICULTURAL TRADE PRACTICES

Good morning and thank you for inviting me to appear before you today. My name is Dwayne Andreas. I am Chairman of the Board and Chief Executive Officer of Archer Daniels Midland Company. ADM is a food processing company located in the heart of America's farm country. We have 175,000 farmer shareholders and are partners in global merchandising of farm crops

with cooperatives that represent more than 2 million farmers. ADM is unique in that it is the only public company entirely devoted to processing, marketing, and moving agricultural products. Together with our affiliates and subsidiaries, we market, manage, and move approximately 75 million tons annually around the world.

If we are to understand the effects on U.S. agriculture of the Common Agricultural Policy of the European Economic Community, we should go back in history and examine a little-publicized report dated August 24, 1960. It was in the early 1960's that we negotiated the famous Kennedy Round which set the stage for vast uneconomic ventures in the years to come.

Secretary of Agriculture Ezra Taft Benson, after an extensive trip through several Common Market countries, submitted the following most perceptive recommendations and conclusions:

1. "I am very much concerned about the preponderant support I found for higher rather than lower support levels in some countries. The potential for production increases in the Common Market area is great. If stimulated by high prices, production increases for grains, oil seeds, and livestock products can make the area more self-sufficient and reduce our traditional dollar exports in this part of Europe. It is essential that the United States continue to follow a liberal trade policy. Thus, our moral position in urging greater imports of U.S. farm products into dollar export areas will be sustained. I found this to be so on my trip."

2. "I found that our current export potential in this area was being hampered by protective devices which inhibited trade in agricultural commodities. These current restrictions on our exports, many of them discriminatory in nature, should be removed as rapidly as possible."

3. "If the EEC adopts the protective import program which has been proposed, this could easily result in reduced exports from the United States. This could create serious problems in the development of mutually beneficial and more liberal trade policies."

4. "We must continue to impress the individual members of the Common Market that the U.S. is basing its strong support for the community on the assumption that an outward-looking policy which will contribute to expansion of the multilateral trade on a non-discriminatory basis will be developed. I find it difficult to see how they can develop an outward-looking policy under a system which utilizes, for many agricultural commodities, unlimited variable import levies against the competition of imports."

5. "High price supports would force the Community to implement them by trade-restricting devices which would interfere with normal commercial relations. This could relegate outside countries to the status of residual suppliers. This would do irreparable harm to GATT since one of its primary objectives is to expand total trade, including agriculture. High price supports in the United States would weaken our position in making a strong objection of high supports in other countries."

6. "During the 6 to 9 years transition to the Common Agricultural Policy, the amount of protection should be reduced progressively so that the trade of the EEC with other free countries will expand on a mutually-beneficial basis. We cannot expect sudden policy shifts without disruptions."

7. "Our use of some P.L. 480 funds for market development has achieved consider-

able success in Western Europe. This program, in cooperation with American industry, should be strengthened and enlarged."

Now, 26 years later, we find the following devastating results:

On April, 1, 1986, the U.S. average farm price per bushel of wheat was \$3.17 per bushel. The variable import levy was \$4.24 per bushel on top of that.

For corn, the average price received by U.S. farmers for corn was \$2.31 per bushel. To enter the Common Market, the importer had to pay an additional \$3.49 per bushel.

Our surplus corn is converted into ethanol which costs about \$1.20 a gallon. Spain buys ethanol from its farmers for about \$4.00 a gallon then sells it to a Jamaican company for 40 cents a gallon. The Jamaican company passes it through a pipe to dehydrate it, an operation that could be performed in the U.S. for less than 5 cents a gallon, then calls it a CBI product and brings it in the United States without paying the 60 cents a gallon duty.

When it is used here, it benefits from another 60 cents tax concession which was enacted as a National Security Measure to help us be independent of imports and to help corn growers market their corn, despite the obvious fact that every 100 million gallons replaces 40 million bushels of corn and costs our government more than \$60 million in revenue.

For grain sorghum, the U.S. producer received \$3.68 per cwt., and the import levy was an additional \$3.66 cwt.

For broilers, the import levy is approximately 15 cents per pound. The Common Market's export subsidy on broilers is now 11 cents per pound. They now dominate world broiler trade with subsidies although we are the low-cost producer.

Wheat flour is so heavily subsidized into export that the EEC share of world trade in flour has gone from 20% to 60% while ours has gone from 60% down to 20%, even though the U.S. is by far the lowest-cost producer. This has cost us \$13 billion in flour exports since 1970.

Foreign federal treasuries destroy the law of comparative advantage.

At the time the Benson report was written, the EEC was a much larger grain importer, buying up to 20 million tons of grain per year. Recently, it has been exporting about 5 million tons per year plus more sugar, poultry, eggs, and dairy products than any single country in the world and, except for Argentina, is the greatest beef exporter in the world. Only Canada and the U.S. exceed the EEC in wheat exports.

The ascendancy of the EEC position reflects the full effects of the Common Agricultural Policy's use of expensive and complex devices, such as high price supports and export subsidies. These tactics are buttressed by variable import levies and feed manufacturing requirements to use EEC surplus products. More recently, to reduce protein meal imports, extremely high returns are provided for Common Market producers of soybeans (about \$15 per bushel). Also, rapeseed and sunflower seed are sold to processors at 30% of the price farmers receive. That is part of the EEC effort to drive U.S. soybeans from the marketplace.

With all these expensive economic incentives for production, surpluses are the inevitable result. These surpluses are disposed of by utilizing a device called export restitutions (which we call export subsidies).

Probably the worst case scenario is that of sugar. Sugar is supported at about 27 cents per pound and dumped into the world

market at the raw sugar equivalent—as low as 3 cents per pound. The EEC sugar policy is costing developing countries some \$6.4 billion annually in lost income. It is my judgment that the U.S. would not need a sugar program if the EEC should stop its dumping program.

On a global basis, U.S. agricultural exports are severely depressed from a dollar peak in 1981 of almost \$44 billion to a 1986 USDA estimate of \$28 billion—a drop of more than 35% in 5 years. I do not mean to imply that this reduction in exports is all due to EEC policies. Actually, it is due to several factors, including, but not limited to, recessions and even depressions in several potential importing countries. Additional causes are the International Monetary Fund and related debt constraints of third world countries, and the value of the dollar relative to the currencies of other exporters. (This latter case is being corrected but will not show immediate results.)

Moreover, the relatively high loan rates in the U.S. have been a contributing factor to making us a residual supplier. The 1985 Food Security Act will enable the U.S. to be much more competitive—if the authorities provided therein are implemented wisely.

Nevertheless, USDA and others agree that EEC export and production are costing U.S. farmers the loss of about \$6 billion annually in export markets and about a billion more annually in farm income because of depressed prices.

A recent study by the Australian Bureau of Agricultural Economics reveals that the EEC policies have “depressed world prices of major temperate agricultural products by, on average, some 16 percent.”

Ironically, all this massive subsidizing of EEC production, costing the Common Market over \$14 billion a year, is possible because the U.S. negotiators agreed to it in the Kennedy Round and because the U.S. pays tens of billions of dollars toward EEC countries' defense costs, leaving them with enough tax income to carry out this program.

Fundamentally, the formation of the CAP resulted in an increase in protection against agricultural commodities from non-member countries. Actually, what we see is insulation, with few exceptions, from outside competition and the internal supports well above world price levels. Internal stability, buttressed by the variable levy and other devices, creates external price destabilization, especially when world-wide dumping occurs.

I am certain that U.S. government witnesses will advise this Committee that the Administration policy is strongly against the EEC policies which distort trade and do damage to the concept of comparative advantage. Successive administrations have been saying this for years, so frequently that we are known in Europe as “Paper Tigers”. The U.S. government sends strong notes, and the EEC sends grain and other products.

I understand that Secretary Benson, on his historic trip, was told that the CAP was to be the glue that would hold the EEC together. However, I feel that this objective could have been achieved at much less cost to the non-EEC countries. It will be difficult at this point in history to resolve the basic differences between the EEC and the U.S.—yet settle or ameliorate them we must. There are many within the EEC who recognize that the costs, increasing at a rapid rate, will force a restructuring of the CAP. The new U.S. legislation will increase export subsidy costs to the EEC.

#### RECOMMENDATIONS

1. Last year I chaired the President's Task Force on International Free Enterprises dealing with Trade and Aid. We made several recommendations, some of which have been adopted.

One of the most important recommendations was that we double the P.L. 480 program which has successfully functioned to move food and food products into additional consumption globally.

We should implement that recommendation forthwith and invite the EEC to join with us by contributing an equal amount to parts of the world which otherwise could not afford it. High-level EEC officials have expressed interest in such a coordinated effort. This could be done without legislation or appropriations simply by donating surpluses to the P.L. 480 administration like we do for the BICEP program. Such a program aggressively administered could solve most of the surplus problems by increasing consumption for essential humanitarian reasons. Economic benefits would be enormous.

2. There should be a recognition that the Current General Agreement on Tariffs and Trade (GATT) has had very little effect on agricultural trade. The next round of trade negotiations must resolve this problem—or cease to be a factor in world market disputes. There must be a commitment to improvement of the conduct of all parties involved in agricultural trade.

3. It is both the U.S. and the EEC interests to resolve the problems inherent in the strong competitiveness for export markets. The U.S. has unilaterally made efforts to adjust output and stocks. However, the 1983 PIK program, which resulted in sharp downward production adjustments, was accompanied by increases in non-U.S. production. Therefore, the EEC and the U.S. should meet to agree on production restraint policy. With the long U.S. history of production control efforts, the conferences can be mutually profitable.

4. If the EEC and the U.S. could agree to each reduce sugar and fructose production by about 2 million tons annually, world sugar markets would become market oriented once again. U.S. import quotas could be increased or even eliminated with resulting economic benefits to the CBI and developing countries.

5. Policy changes should become a matter of bilateral discussion with the objective of avoiding injury to the other country and possibly to third countries. The interests of low-income, developing countries must be on the continuing agenda.

6. Our Task Force recommended that at least \$7 billion should be made available for mixed credit through the Export Import Bank to match the mixed credits proliferating from other Western countries.

I applaud the Administration's recent decision to start with \$300 million for that purpose. Twenty times that much is needed to revive exports and to bring the countries who abuse mixed credits to the bargaining table.

I do not mean to imply that the above are a complete list of possible recommendations. None of these suggestions will be easy to accomplish. However, failure to make economic sense through negotiations is unthinkable and much more difficult.

In closing, I would like to comment in another vein on our attitude toward the EEC Commissioners. We must be careful to not be too critical of them. A number of them disagree just as we do with their policies.

But they are obligated to carry out programs and policies which we—our negotiators—contractually agreed to long ago. So we share the responsibility.

I applaud the free-market orientation of this Administration. But we in business often question whether doctrinaire economists in government, most of whom have no practical business experience, realize that very often, when preoccupied with the ideology of free trade practices in a world which has abandoned free trade, they are in fact saying to our people and institutions: “Workers, farmers, cooperatives, corporations, go ahead—compete directly with foreign governments who engage in business using subsidies and state trading. If that means you become unemployed or go broke, so be it. It's part of the system.” This is utter nonsense, and the dire consequences of neglecting trade policy are already evident.●

#### INTERPRETATIVE RULING OF THE SELECT COMMITTEE ON ETHICS

● Mr. RUDMAN. Mr. President, on behalf of the Select Committee on Ethics, I submit for the information of the Senate, an interpretative ruling on the use of Senate letterhead by Members of the Senate in connection with campaign fundraising efforts. This interpretative ruling is issued pursuant to section 206 of Senate Resolution 110, 95th Congress.

This ruling was the subject of a “Dear Colleague” letter which was dated April 14, 1986.

Interpretative rulings by the committee may be relied upon by an individual involved in a specific transaction or activity which is indistinguishable in all its material aspects from the facts on which a ruling has been rendered. The committee encourages written requests for rulings on specific situations not clearly covered by the Code of Official Conduct. The committee will continue to respond to written requests for interpretations, treat such requests confidentially, and publish its rulings with appropriate deletions to protect the privacy of individuals who seek committee guidance.

I ask that the ruling be printed in the RECORD.

The ruling on the use of Senate letterhead is as follows:

#### INTERPRETATIVE RULING No. 409

##### QUESTION CONSIDERED

Is the advisory Opinion of the Select Committee, issued on August 14, 1978, regarding the use of letterhead and/or envelopes which utilize the words “United States Senate” and “Official Business” or any combination thereof, applicable to a Senator's funds or support for a campaign for election or reelection to any Federal, State, or local office?

##### ADVISORY OPINION

“It is the opinion of the Select Committee that it is improper conduct which reflects upon the Senate for a Senator to authorize or allow a non-Senate individual, group, or organization to use the words ‘United States Senate’ and ‘Official Business,’ or any com-

bination thereof, on any letterhead or envelope. The use of a Senator's name followed by the words, "United States Senate", is not hereby deemed improper."

## FACTS

In an invitation which was written on official Senate letterhead which includes the words "United States Senate, Washington, D.C., 20510", a Senator invited individuals to a dinner which was directly connected to the raising of funds for his campaign for reelection. The letter of invitation was prepared by the Senator himself and was sent from his office.

## DISCUSSION

The Select Committee's Advisory Opinion of August 14, 1978 on the use of the words "United States Senate" on letterhead and envelopes was prompted by the receipt of a substantial amount of correspondence from the public concerning the use by non-Senate groups and organizations of facsimiles of United States Senate letterhead in their fundraising appeals. Typically, prior to August 14, 1978, a Senator would agree to write a fundraising letter on behalf of a non-Senate group or organization and allow that organization to include the Senator's letter in a fundraising appeal to be sent by that group or organization. In most instances, the Senator's letter was written on a facsimile of official United States Senate letterhead and in many instances was mailed in envelopes which bore the return address of the United States Senate. The concern expressed by the public was that they were misled into believing that the mailing was from the Senator whose letterhead was used when, in fact, it was really from a private group. As a result, the Committee developed an Advisory Opinion, pursuant to its authority under S. Res. 110 and S. Res. 338, to issue Advisory Opinions on actions which might tend to reflect discredit upon the Senate. The Advisory Opinion concluded that it was improper for a Member of the Senate to allow a non-Senate organization or group to use letterhead or envelopes which contained the words "United States Senate" and/or "Official Business." During the development of the Advisory Opinion, concern was expressed by some Members of the Committee that while the Advisory Opinion should restrict the use of Senate letterhead by non-Senate groups or organizations, such as campaign committees, the Advisory Opinion should not preclude a Senator's personal use of his letterhead for whatever correspondence the Senator thought appropriate. As a result, the Advisory Opinion included, as a last sentence, a proviso that "the use by a Senator of his or her own name followed by the words 'United States Senate' is not hereby deemed improper."

Since the adoption of this Advisory Opinion, the Committee has been asked by Senators on several occasions about the application of the Advisory Opinion to various types of mailings in which the Senator was interested. In these Interpretative Rulings, the Committee has taken the position that while it is improper and a violation of the Advisory Opinion for a Senator to allow a campaign committee or any other non-Senate organization to prepare a mailing which uses letterhead that contains the words "United States Senate" on the masthead of the letter (see, IR #169 and #254), the Advisory Opinion would not preclude a Member from writing a personal letter on Senate letterhead from his own office (see, IR #264, #270, and #365).

Because of a concern that the last sentence of the Advisory Opinion was being interpreted too broadly by Members and staff, the Committee reviewed the previous interpretations of the application of the Advisory Opinion and concluded that the Advisory Opinion does preclude a Senator from using letterhead and/or envelopes containing the words "United States Senate" and/or "Official Business", or any combination thereof, for any correspondence, even that prepared personally by the Senator, which solicits a financial contribution or other form of assistance for any campaign for election or reelection to any Federal, State, or local office. Where a Senator desires to correspond with members of the public about a campaign-related matter, such correspondence should be prepared on letterhead which has been paid for by the Senator's personal funds or funds derived from his campaign committee and which does not employ the words "United States Senate" and/or "Official Business."

## RULING

The Select Committee's Advisory Opinion of August 14, 1978 on the use of official letterhead does apply to and therefore restricts a Senator's personal use of letterhead and/or envelopes which utilize the words "United States Senate" and/or "Official Business" or any combination thereof, where the correspondence involves a request for a financial contribution or other form of assistance for any campaign for election or reelection to any Federal, State, or local office. Additionally, this ruling would preclude the use of such official letterhead by a Senator to write "thank-you" letters to contributors or campaign workers.

Lastly, through previous Interpretative Rulings, the Select Committee has approved the use of letterhead, by a Senator, which uses the Senator's name followed by "United States Senator." This latter form of letterhead could be used to address correspondence which involved campaign-related topics, including "thank-you" notes for participation in a campaign.●

## DAYLIGHT SAVING TIME

● Mr. GORTON. Mr. President, many of my colleagues are probably aware that this Sunday, April 27, marks the beginning of this year's 6-month observance of daylight saving time. Many also know that I have proposed a bill and more recently an amendment which would extend daylight saving time by changing the starting date from the last Sunday of April to the first Sunday of April.

Daylight saving time is something which many of us take for granted. We turn our clocks forward every spring and backward each fall without considering the potential effects of changing the duration of daylight saving time. We all know that daylight saving time causes sunrise and sunset to occur an hour later in the day, but many of the effects of this change are not at all obvious. Consequently, when Congress considers legislation to extend daylight saving time, the debate is characterized by recitation of sunrise and sunset times and analysis of statistics relating to traffic safety, crime, and energy consumption.

Through all of this, it is not easy to grasp the facts.

I would like to suggest to my colleagues that one simple way to understand this issue is to get up Saturday morning and watch the earliest sunrise of the year. If you are here in Washington, the sunrise tomorrow will be at 5:17 a.m. Of course, it will begin to get light about 30 minutes earlier, so if you want to see the crack of dawn, by its official definition, you will have to get up at, or stay up until, about 4:47 a.m.

Many of us will be in our home States tomorrow and will have the opportunity to see first-hand how my amendment would affect their States. I will be in Seattle, where sunrise tomorrow will occur at 5:01 a.m., and the first daylight will be visible at about 4:31 a.m.

The purpose of my amendment, and of daylight saving time, is to make the sunrises and sunsets coincide with the way we live. Under current law, the earliest sunrises of the year occur in April. This year in Washington, DC, the 18 earliest sunrises of the year are those from April 9-26. This period coincides almost exactly with the period of time—April 6-26—which would have been affected this year by my amendment. Tomorrow's sunrise in Washington will be 26 minutes earlier than sunrise on June 21, the day with the most daylight of the year. This year, daylight saving time begins 55 days before this "longest day of the year" and ends 127 days afterward. Clearly, our present system is imbalanced, and much of our April daylight is wasted.

Along with the distinguished Senators from Maine, Senator MITCHELL, California, Senators CRANSTON and MITCHELL, and Rhode Island, Senator PELL, I have sent my colleagues a letter describing the amendment and a chart showing sunrise and sunset times for towns in Senators' home States. I hope that these materials will convince our colleagues that daylight saving time in April will enable us to make better use of our daylight hours. I urge those who are skeptical to get up early Saturday morning, watch the earliest sunrise of the year, and think about how useful an hour of sunlight would be early Saturday evening.●

## AMBASSADOR ROSENNE'S THOUGHTS ON TERRORISM

● Mr. LEVIN. Mr. President, I would like to commend to my colleagues a recent speech given by Israel's Ambassador to the United States, Meir Rosenne. The occasion was the annual policy conference of the Americans Israel Public Affairs Committee, and the subject of Ambassador Rosenne's address was the problem of terrorism.

Besides giving us the perspective of a country which is perhaps more experi-

enced than any other in dealing with terrorism, Ambassador Rosenne has achieved in this speech a unique blend of the emotional and the rational. He evokes the searing images of terrorism, images that sicken and sadden us: the brutal slayings of innocent civilians and the glorification of those who carry out these terrorist acts as freedom fighters. But he also provides a carefully reasoned analysis of the problem of terrorism and what we can do about it. Ambassador Rosenne tells us who bears responsibility for the persistence of terrorism; he sets out the basic principles we should follow when acting against terrorists; and he identifies some of the approaches we can take to combat terrorism in the long run.

Ambassador Rosenne has made an extremely useful contribution to the debate over how best to deal with terrorism, and I hope that my colleagues will take the time to read his speech.

I ask that the text of Ambassador Rosenne's speech be printed in the RECORD.

The speech follows:

[AIPAC Conference, April 6, 1986]

ADDRESS BY AMBASSADOR MEIR ROSENNE—  
TERRORISM: WHO IS RESPONSIBLE, WHAT  
CAN BE DONE

I will speak today on the problem of terrorism—who is responsible for it, and what can be done to combat it.

Whenever I address the problem of terrorism, my mind is assailed by searing images which I cannot escape:

The slaughter of the Israeli athletes at the 1972 Munich Olympics.

The execution of Leon Klinghoffer, shot and pushed into the sea.

The killing of the 11-year old daughter of the American journalist at Rome airport.

The standing ovation given to Yasser Arafat by the United Nations in 1974, when Secretary General Waldheim greeted him, and he sat with his gun in the chair reserved for Presidents.

The standing ovation at the 1980 World Conference on Women in Copenhagen, afforded to the PLO terrorist Lella Haled, who hijacked a plane.

The terrorist holding his hand over the mouth of the pilot of TWA Flight 874 at Beirut airport last year.

The decapitated body of a five-year-old girl in Nahariya, in 1981.

The body of the American (woman) photographer on the beach at Herzlia, when Arafat's men killed a bus-load of 80 Israelis on the road to Haifa.

The freeing of the Entebbe hostages by the Israeli commandos in 1976.

These are the images. Those were the victims. Anyone sitting in this room could have been one of those victims. We have short memories, but the survivors—the sons and daughters, husbands and wives and parents—will live with the trauma for the rest of their lives.

We have become so used to terrorism that we tend to forget that anyone under 20 doesn't even know that there were times when you could board a plane without X-ray screening. Life will soon become unbearable unless we decide immediately to take

the steps necessary to put an end to this disease.

Two things are required—political wisdom and moral will.

First comes a proper understanding of terrorism. Then it is a question of the will to act. So we must ask two questions: Who is responsible for the persistence of terrorism, and what can be done to combat it?

(1) The responsibility lies with those democratic states that thought that Israel would be the only victim. Now they see their own innocent citizens victimized.

(2) The responsibility lies with those who make a distinction between terrorists, saying that Abu Nidal is a "bad" terrorist but Arafat is a "good" terrorist.

My friends, there is no such thing as a good terrorist, and anyone who makes such a distinction in effect condones and encourages terrorism. Indeed, such distinctions inevitably paralyze action whenever terrorism rears its ugly head.

(3) The responsibility lies with the West European states of the European Economic Community that, because of oil, adopted a resolution in November 1973, following the invasion of Israel by Syria and Egypt, condemning the victims rather than the aggressors.

(4) The responsibility lies with those who for years refused the extradition of terrorists, but instead let them go free.

I shall never forget that, when I served as Legal Advisor to Israel's Foreign Ministry, Israel requested, jointly with West Germany and in conformity with our extradition treaty, the extradition of Abu Daoud, the terrorist conspirator who organized the Munich killings; he was set free because there was fear of retaliation by the PLO and Arafat.

(5) The responsibility lies with all those Western states that have accorded virtual diplomatic status to the PLO and have permitted PLO offices to function, with respectability and legitimacy, as bases from which to launch their terrorist murder.

(6) The responsibility lies with all those states, in all corners of the world, whose ambassadors accorded a standing ovation to Arafat after he addressed the UN General Assembly.

Let's face it: The hands that applauded there were condoning the atrocities committed by the terrorists before and after that dark day in 1974.

(7) The responsibility lies with those states that regard the terrorist gangs as comradely anti-Western and anti-democratic forces, and permit them to be trained on their territories, and provide them with weapons and ammunition, funds, diplomatic, political, economic, and intelligence and moral support.

It has long since been amply demonstrated—especially in the vast amount of PLO documents captured in the 1982 Lebanon war—that the Soviet Union is at the heart of this enterprise, in league with its East German and other allies. These states are accomplices in the commission of terrorist atrocities.

(8) The responsibility lies with the United Nations which only this year, for the first time in its history, adopted a resolution, in the Security Council, condemning terrorism. But this ignoble, decades-long delay should come as no surprise: This was the same UN that refused to condemn anti-semitism in 1964, and that equated Zionism with Nazism in 1975.

(9) The responsibility lies with states like Syria, Libya, Iraq, Iran, that organize, direct

and support proxy terrorist forces, and provide every kind of practical assistance to the terrorists. These are lawless states engaged in lawless actions—they are guilty of state terrorism.

(10) The responsibility lies with those who seek the "root causes" of terrorism, and who seek to "explain" or "understand" the terrorists and their motivations and aspirations. Such explanations function in effect to justify terrorist acts.

This fashionable "understanding" is a form of moral confusion. All over the world there are all sorts of groups with all sorts of grievances. If "understanding" were to be extended to their "root causes," they would have carte blanche to murder, in order to gain "redress". Should they be permitted to run amok with their Kalashnikovs?

Mass murder is mass murder, and no grievance can justify it, nor will "understanding" avert or eliminate terrorism.

(11) The responsibility lies with the countries that condemned Israel for having taken action, at great risk to itself, against PLO headquarters outside Tunis. The UN Security Council resolution condemning the raid was an encouragement to even more terrorism. Instead of punishing the aggressor, the victim was indicted. And now the PLO fighters boast publicly of being back in Beirut, in force.

(12) The responsibility lies with the oil-producing states that exploited their extortionate "oil weapon" to try to impose solutions that would have brought about the end of the State of Israel. And it was a sad moment in European history to see how democratic states were ready to accept the *diktat* of hoodlums in place of the principles of enlightened diplomacy.

Even though this problem no longer exists, it is worth remembering, for the future . . .

What can be done?

First, we have to realize that terrorism did not begin with the problem of the Palestinian Arabs, and it will not end if and when that problem is resolved.

Terrorism is rooted in the culture of violence in some countries. Internecine Arab terrorism for example, is a natural part of Mideast politics, and this atmosphere is hospitable to the extension of terrorism beyond the Arab world itself—against Israel, against France, against Britain, etc. It is in the context of that traditional culture of violence that the terrorism perpetrated against Israel by the Arab world is to be understood.

Second, we have to realize that there is no appealing terrorists, who threaten not only Israel but Western democratic society. Those nations, especially in Western Europe, that have appeased the PLO should have learned from their own bitter historical experience that appeasement only inspires contempt, scorn, and further aggression.

Acting on these basic principles, democratic states have an array of weapons to use against terrorism.

(1) There are enough legal tools available—international conventions against terrorism, hijacking, extradition. Unfortunately, these legal instruments are rarely if ever enforced. All civilized nations must adhere to and implement them.

(2) All offices of terrorist organizations, such as those of the PLO, should be closed and their operations banned.

(3) It should be made clear by the political decisions of democratic governments that there can be no bonus for terrorism. No one should try to pacify a terrorist organization

such as the PLO by granting it the privilege of being a party to any political or diplomatic negotiation. Any attempt to compromise, in any shape, manner or form, with terrorist gangs will only encourage terrorism.

(4) There must be a total ban on landing rights in the democratic countries for the airplanes of states—like Libya, Syria, Iran, Iraq—that encourage terrorism.

(5) No commercial exchanges, no economic relations, should be established with countries that provide assistance to terrorist organizations, and sanctions should be taken against such states.

We do not think there is any justification for considering Saudi Arabia a peace-loving country so long as it provides—as it has been doing for years—\$250 million a year to the PLO—funds that are used for killing Americans, Israelis, and other innocents.

(6) There must be closer cooperation in the exchange of intelligence information among democratic governments. Fortunately, the framework for a system for such exchange already exists; it should be broadened and strengthened.

(7) The role of the mass media, especially television, in providing instant, intense and wide-ranging attention to acts of international terrorism must be very carefully evaluated. On the one hand, there are the fundamental freedoms of press and speech to be zealously protected. On the other hand, we must recognize that those very freedoms are abused and exploited by the terrorists—for what they seek, above all, is publicity.

The tension between freedom and the requirements of security is not new, nor is it restricted to the area of terrorism. Very possibly, this is a tension that will never be fully resolved, and will always remain a dilemma for democratic societies to grapple with, especially in emergency situation. But in doing so, we should always be keenly aware of the dangers to our freedoms posed by those who would curtail or destroy them.

(8) Finally, a profoundly important moral/intellectual dimension. All too often, people in democratic societies praise, or at least condone, so-called national liberation movements for using terrorist means to gain their ends.

A legitimate movement of freedom fighters for national liberation does not, like the PLO, use violence as a first resort—does not target innocent civilians—does not, like the PLO, aim to annihilate its adversary.

Acceptance of such behavior reflects not only a debasement of language, but a deep moral and intellectual confusion, which must be rigorously clarified and rejected if we are to be able to act decisively against terrorism.

It has become fashionable to include something on terrorism at every conference on the Middle East. But I did not come here this afternoon to add my bit to this fad.

I came to express my solidarity, and the solidarity of the State of Israel—and, if I may say so, of the Jewish people—with all the victims of terrorism and their families:

With all those who lost their dear ones at airports in Paris, Vienna, Rome, Munich . . . .

With the members of the various diplomatic corps still held in captivity . . . .

With the American Ambassador to the Sudan who was murdered by Arafat's men in 1972 . . . .

With Bar Simantov, my Counselor of the Embassy in Paris, who was shot down on Saturday, April 3, 1982, in front of his wife and his eight-year-old daughter . . . .

With the innocent civilian patrons of department stores and cafes in Rome and Paris . . . .

With my dear friend and close colleague of 30 years—Shlomo Argov—a man of great humanity and a diplomat of unequalled talent and skill who in the 1960s and 1970s served Israel in this city of Washington with distinction, devotion and pride—and subsequently our Ambassador in England, who was gunned down in the streets of London four years ago—and who, now paralyzed, is doomed to spend the rest of his life in a wheel chair in Jerusalem.

We who meet here, in an AIPAC conference, have a solemn moral obligation to remember the fate of Shlomo Argov and all the other victims, to let that memory and those images spur us on to determined and vigorous efforts to battle terrorism to the end.

Thank you very much. ●

#### THE 1986 CONGRESSIONAL CALL TO CONSCIENCE

● Mr. CHAFEE. Mr. President, I would like to take a few minutes on this first day of Passover to join once again in the congressional call to conscience for Soviet Jewry.

As Jews all over the United States gather to observe Passover traditions, let us not forget that the Jews of the Soviet Union are not so lucky. While in this country Jews are free to express their religious and cultural heritage freely and without fear of persecution, Soviet Jews face a daily struggle with a government which oppresses them simply for being Jewish. I have spoken with Jewish leaders from Rhode Island about the situation of Soviet Jews, and I have read newspaper and magazine reports. By all accounts, there is no evidence to indicate that the latest Soviet crackdown on Jewish activities, which began in 1984, is letting up.

As is well known, Soviet authorities have long persecuted Jews, but since 1984 we have seen a particularly virulent wave of anti-Semitism issuing from the Kremlin. Hebrew teaching and other Jewish cultural activities are viewed as antistate activities. Soviet citizens who insist on retaining their Jewish identity—by, for example, observing the feast of Passover—place themselves in great danger. The odds are that they will be harassed, stripped of professional positions and titles, rejected by universities, and in general treated as nonpersons. The personal stories of Soviet Jews today read like chapters from Orwell's "1984" replete with false arrests and accusations, trumped-up charges, and psychological terrorism.

I recently heard from Rabbi Chaim Casper, director of the B'nai B'rith Hillel Foundation at the University of Rhode Island, that authorities in Soviet Georgia plan to demolish one of only two synagogues left in the capital city of Tbilisi. Twenty thousand Jews live in this city, and they are understandably opposed to this, yet another

Soviet attempt to stamp out Judaism. I have written to the Soviet Ambassador here, expressing my opposition to the destruction of Tbilisi's Ashkenazi Synagogue, but I do not expect to receive a response.

That is perhaps the most frustrating aspect of our efforts to fight repression of Soviet Jews: the thick, unresponsive wall of the Soviet bureaucracy. We in Congress join the President and other American leaders in making frequent calls to Soviet leaders to stop the oppression of Soviet Jews. But our requests that the Soviets reopen the doors of emigration which were, in effect, closed tightly in 1984, seem to go unheeded; usually, the only response is silence.

I am here today to remind my colleagues that our efforts are worth it. Jewish emigration totals have plummeted from more than 50,000 in 1979 to just 1,138 last year. The stories of refuseniks trampled upon by Soviet authorities for their desire to emigrate continue to reach the West. These facts give us all the more reason to redouble our efforts on behalf of Soviet Jews. The example of Anatoly Shcharansky, who languished in prison for 8 years until his sudden release a few months ago, should inspire us to continue our pressure on Soviet authorities. They must not be let to think that the release of Shcharansky was enough. President Reagan's efforts on behalf of Shcharansky paid off, and now we must work to obtain similar results for the thousands of refuseniks who may not be as famous as Shcharansky, but whose stories are no less tragic.

One such story is that of Boris Agarkov, a 48-year-old computer scientist from Leningrad. Although Soviet authorities allowed Boris to visit Israel in 1966 as part of an official delegation, he and his family were later refused permission to emigrate there. Both Boris and his wife GERALINA lost their jobs as a result of their applications for exit visas, and have since faced serious financial problems. Despite his training in computers, Boris now works as a garage attendant. Boris' son, Dimitri, has also suffered for being a member of a refusenik family. He was expelled from school in 1985, officially because he was a backward student; actually it was because he married an American. He too has applied for an exit visa, which was denied, and his wife has been denied entry to visit him.

The Agarkov family's tragic story could be repeated over and over again, with different names and cities but the same pattern of persecution. I hope all of my colleagues will join me in continuing to press the Soviet Government for an end to this persecution. Soviet policy denies Jews some of the most basic human rights—the

right to think and believe as one chooses, and to preserve one's cultural heritage. During this feast of Passover, when Jews the world over celebrate their rich traditions, let us hope that our plea is heard by Soviet leaders, and that they grant those basic rights to their Jewish citizens, or let them move to countries where they can live freely and openly as Jews.●

#### PROGRAM

Mr. SIMPSON. Mr. President, I have just shared with the Democratic leader the following recap for Monday, April 28, 1986, in connection with our duties.

The Senate will convene at 11 a.m., following adjournment.

Under the standing order, the two leaders will be recognized for 10 minutes each.

There will be special order in favor of the following Senators, for not to exceed 5 minutes each: Senators HAWKINS, CRANSTON, and PROXMIER.

There will be routine morning business not to extend beyond the hour of 12 noon, with statements therein limited to 5 minutes each.

Following morning business, the Senate will resume consideration of the unfinished business, Senate Concurrent Resolution 120, the budget resolution. Time will be running against the resolution but no votes will occur prior to 11 a.m. on Tuesday, April 29.

Mr. President, I thank the Democratic leader for his assistance throughout the day in arriving at this particular schedule.

Mr. BYRD. Mr. President, I thank the distinguished acting Republican leader, who is always most cooperative and courteous and considerate.

Mr. SIMPSON. I thank the Democratic leader.

#### ADJOURNMENT UNTIL MONDAY, APRIL 28, 1986 AT 11 A.M.

Mr. SIMPSON. Mr. President, I move, in accordance with the previous order, that the Senate stand in adjournment until 11 a.m. on Monday, April 28.

The motion was agreed to and, at 6:45 p.m., the Senate adjourned until Monday, April 28, 1986, at 11 a.m.

#### NOMINATIONS

Executive nominations received by the Secretary of the Senate April 23, 1986, under authority of the order of the Senate of January 3, 1985:

##### EXPORT-IMPORT BANK OF THE UNITED STATES

William F. Ryan, of New Jersey, to be first vice president of the Export-Import Bank of the United States for the remainder of the term expiring January 20, 1989, vice John A. Bohn, Jr.

#### IN THE AIR FORCE

The following Air National Guard of the United States Officers for promotion in the Reserve of the Air Force under the provisions of sections 593 and 8379, title 10 of the United States Code. Promotions made under section 8379 and confirmed by the Senate under section 593 shall bear an effective date established in accordance with section 8374, title 10 of the United States Code, effective date in parenthesis.

#### LINE OF THE AIR FORCE

##### To be Lieutenant colonel

Maj. Archie D. Barnes, (11/22/85).  
Maj. Gerald E. Barron, (11/3/85).  
Maj. Archie J. Berberian II, (12/6/85).  
Maj. Russell T. Birmingham Jr., (10/1/85).  
Maj. James P. Bresnahan, (12/5/85).  
Maj. William A. Buckley, (12/8/85).  
Maj. Gary R. Cazier, (12/18/85).  
Maj. Edwin E. Chunghoon, (6/20/85).  
Maj. Geoffrey L. Collins, (1/3/86).  
Maj. George W. Dewey, (12/7/85).  
Maj. Richard A. Doering, (11/17/85).  
Maj. Edward F. Farwell, Jr., (11/2/85).  
Maj. Michael J. Fisher, (10/20/85).  
Maj. John R. Glover, (11/16/85).  
Maj. Robert D. Green, (12/18/85).  
Maj. Robert E. Grisnik, (5/5/85).  
Maj. Wesley E. Hallowell, (11/2/85).  
Maj. Linville L. Holley, Jr., (11/1/85).  
Maj. William C. Kearney, (12/8/85).  
Maj. Roy A. Keyt, (10/10/85).  
Maj. James A. McDevitt, (12/11/85).  
Maj. Samuel J. McDowell, (10/20/85).  
Maj. Charles B. Meeks, (12/16/85).  
Maj. David L. Midgley, (11/16/85).  
Maj. Mark F. Miller, (12/17/85).  
Maj. Thomas O. Monberg, (11/3/85).  
Maj. Frank A. Moseley, (10/5/85).  
Maj. James L. Overholt, (12/7/85).  
Maj. Alan L. Paige, (11/2/85).  
Maj. William F. Parker, (12/6/85).  
Maj. Jack E. Pendleton, (10/15/85).  
Maj. David L. Petersen, (11/15/85).  
Maj. Albert P. Richards, Jr., (11/17/85).  
Maj. Michael G. Roehr, (10/20/85).  
Maj. William F. Rothert, (11/27/85).

Maj. George F. Scoggins, Jr., (12/8/85).  
Maj. Robert E. Sellers, (11/14/85).  
Maj. Franklin Standifer, (9/30/85).  
Maj. Nelson F. Tejada, (10/29/85).  
Maj. Richard D. Trebesch, (10/15/85).  
Maj. Joseph A. Vernon, (11/7/85).  
Maj. William D. Whittaker, (11/15/85).  
Maj. Shelby A. Wilson II, (12/5/85).

#### CHAPLAIN

##### To be lieutenant colonel

Maj. John D. Vail, (11/17/85).

#### MEDICAL CORPS

##### To be lieutenant colonel

Maj. John T. Diegel, (12/7/85).  
Maj. John C. Hisley, (10/19/85).

#### DENTAL CORPS

##### To be lieutenant colonel

Maj. Robin R. Neil, (10/19/85).  
Maj. Paul Rebek, (11/3/85).

#### IN THE ARMY

The following-named Reserve Officers' Training Corps cadets for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of title 10, United States Code, section 531, 532, 533:

Abraham, Brian S.,  
Acevedo, David P.,  
Adams, William J.,  
Ahn, Jason J.,  
Albrecht, Wendy K.,  
Allison, Kellie M.,  
Alston, Oran L.,  
Anderson, Curtis A., Jr.,  
Anderson, Kurt B.,  
Anderson, Tammy L.,  
Appenfelder, Rebecca M.,  
Applebaum, Kevin J.,  
Arends, William J.,  
Armstrong, David A.,  
Armstrong, Jeffrey A.,  
Armstrong, Kevin R.,  
Artero, Matthew J.,  
Austensen, Scott D.,  
Avants, Cammie L.,  
Avila, Robert A.,  
Ayersman, David J.,  
Babbitt, Jeffrey J.,  
Bagley, Brian J.,  
Bailey, Mamie M.,  
Baker, Teresa J.,  
Ball, Daniel R.,  
Ballard, Christopher S.,  
Balog, Timothy G.,  
Balough, Kenneth S.,  
Baltich, John F.,  
Banks, Marvin J.,  
Barber, John H.,  
Barnes, Tony W.,  
Barrett, William V.,  
Barron, Laurie A.,  
Bartlett, Michael W., Jr.,  
Bartolett, Karin E.,  
Barton, Robert R.,  
Bartoo, David J.,  
Batista, Vincent N.,  
Battle, Felicia Y.,  
Batzer, Stephen A.,  
Bau, Suzanne C.,

Beane, Thomas C., xxx-xx-xxxx  
 Beard, Jonathan D., xxx-xx-xxxx  
 Beattie, Donald, xxx-xx-xxxx  
 Becker, Bradley A., xxx-xx-xxxx  
 Beckham, Clarence L., III, xxx-xx-xxxx  
 Benson, Christopher L., xxx-xx-xxxx  
 Bentz, Julie A., xxx-xx-xxxx  
 Bergin, Jane F., xxx-xx-xxxx  
 Berglund, Raymond A., xxx-xx-xxxx  
 Bernard, Robyn E., xxx-xx-xxxx  
 Bernardi, Leah R., xxx-xx-xxxx  
 Bernier, Raymond J., xxx-xx-xxxx  
 Berry, Thomas H., xxx-xx-xxxx  
 Beuckens, John K., xxx-xx-xxxx  
 Bice, James K., xxx-xx-xxxx  
 Bigger, Clinton R., xxx-xx-xxxx  
 Birdwell, Barry N., xxx-xx-xxxx  
 Bishop, Donald N., xxx-xx-xxxx  
 Bishop, James J., xxx-xx-xxxx  
 Bittinger, Douglas E., xxx-xx-xxxx  
 Blankenhorn, James A., xxx-xx-xxxx  
 Blass, Audrey L., xxx-xx-xxxx  
 Boehm, Scott A., xxx-xx-xxxx  
 Bognanno, Nicholas M., xxx-xx-xxxx  
 Bolin, Timothy W., xxx-xx-xxxx  
 Bolton, Alan K., xxx-xx-xxxx  
 Boobar, Jeffrey R., xxx-xx-xxxx  
 Boock, Brett A., xxx-xx-xxxx  
 Bosse, Scott P., xxx-xx-xxxx  
 Bost, Marianne T., xxx-xx-xxxx  
 Bourdeaux, Antoine D., xxx-xx-xxxx  
 Bowden, Robert A., xxx-xx-xxxx  
 Bowman, Gregory A., xxx-xx-xxxx  
 Bowman, Teri J., xxx-xx-xxxx  
 Bowser, Pamela A., xxx-xx-xxxx  
 Boyce, Bryan S., xxx-xx-xxxx  
 Bozada, Thomas A., xxx-xx-xxxx  
 Bozeman, Anthony C., xxx-xx-xxxx  
 Brackett, Arthur L., xxx-xx-xxxx  
 Branciforte, Jack V., xxx-xx-xxxx  
 Bravo, Efen D., xxx-xx-xxxx  
 Brawand, Robin L., xxx-xx-xxxx  
 Brewer, Howard K., xxx-xx-xxxx  
 Briggs, Carolyn J., xxx-xx-xxxx  
 Briggs, Clarence E., III, xxx-xx-xxxx  
 Briney, John F., xxx-xx-xxxx  
 Brodbeck, Mathew, xxx-xx-xxxx  
 Broderick, Michael A., xxx-xx-xxxx  
 Brooks, William M., xxx-xx-xxxx  
 Brown, Bozidar W., xxx-xx-xxxx  
 Brown, George C., xxx-xx-xxxx  
 Brown, Kevin E., xxx-xx-xxxx  
 Brown, Mark W., xxx-xx-xxxx  
 Brown, Marvin L., xxx-xx-xxxx  
 Brown, Stephen M., xxx-xx-xxxx  
 Browne, Kevin F., xxx-xx-xxxx  
 Bryant, Anthony T., xxx-xx-xxxx  
 Buchanan, Karl J., xxx-xx-xxxx  
 Budinger, David P., xxx-xx-xxxx  
 Buehler, Wendolynn S., xxx-xx-xxxx  
 Burney, Leroy, III, xxx-xx-xxxx  
 Burns, Gary W., xxx-xx-xxxx  
 Burrell, Jeffrey S., xxx-xx-xxxx  
 Burress, Teresa A., xxx-xx-xxxx  
 Burton, Gregory C., xxx-xx-xxxx  
 Burton, Jefferson S., xxx-xx-xxxx  
 Buse, Joseph W., xxx-xx-xxxx  
 Bushey, Douglas B., xxx-xx-xxxx  
 Bushey, Robert J., xxx-xx-xxxx  
 Byrd, Robert K., xxx-xx-xxxx  
 Caesar, John A., xxx-xx-xxxx  
 Cain, Carla W., xxx-xx-xxxx  
 Calderwood, Elaine E., xxx-xx-xxxx  
 Calvin, Sharon L., xxx-xx-xxxx  
 Campbell, Brent J., xxx-xx-xxxx  
 Campbell, John T., xxx-xx-xxxx  
 Campbell, Regina A., xxx-xx-xxxx  
 Campbell, Robert I., xxx-xx-xxxx  
 Campbell, Robert M., Jr., xxx-xx-xxxx  
 Caouette, Marc L., xxx-xx-xxxx  
 Carag, Vincent D., Jr., xxx-xx-xxxx  
 Carlson, Cameron D., xxx-xx-xxxx  
 Carlson, James W., xxx-xx-xxxx  
 Carnes, Christopher S., xxx-xx-xxxx

Carnevale, Cristina A., xxx-xx-xxxx  
 Carracher, Irene F., xxx-xx-xxxx  
 Carter, Michelle M., xxx-xx-xxxx  
 Caruso, Jennifer A., xxx-xx-xxxx  
 Castle, Angela E., xxx-xx-xxxx  
 Castles, John G., II, xxx-xx-xxxx  
 Cate, Charles H., Jr., xxx-xx-xxxx  
 Cate, Gerald R., xxx-xx-xxxx  
 Catrett, Gerald T., xxx-xx-xxxx  
 Cavallero, Michael A., xxx-xx-xxxx  
 Cecil, Donna K., xxx-xx-xxxx  
 Cejka, Robert J., Jr., xxx-xx-xxxx  
 Chamberlain, Mark R., xxx-xx-xxxx  
 Chambers, Robert G., Jr., xxx-xx-xxxx  
 Champion, Van A., xxx-xx-xxxx  
 Chance, Terry L., xxx-xx-xxxx  
 Chapman, James A., xxx-xx-xxxx  
 Chase, Walter B., xxx-xx-xxxx  
 Chavous, Valerie, xxx-xx-xxxx  
 Cheeseborough, Randall K., xxx-xx-xxxx  
 Cheseman, Jacqueline M., xxx-xx-xxxx  
 Childers, Michael R., xxx-xx-xxxx  
 Chiles, Todhunter J., xxx-xx-xxxx  
 Chisholm, Shelley A., xxx-xx-xxxx  
 Chmielewski, Marc J., xxx-xx-xxxx  
 Christensen, Thomas V., xxx-xx-xxxx  
 Christman, Conrad D., xxx-xx-xxxx  
 Clark, William J., Jr., xxx-xx-xxxx  
 Clayborn, Lisa M., xxx-xx-xxxx  
 Cleary, Gregory A., xxx-xx-xxxx  
 Clemens, Sandra J., xxx-xx-xxxx  
 Clermont, Christopher M., xxx-xx-xxxx  
 Cobb, Clayton W., xxx-xx-xxxx  
 Coffindaffer, Mary E., xxx-xx-xxxx  
 Cogdall, Thomas E., III, xxx-xx-xxxx  
 Cole, Darryl L., xxx-xx-xxxx  
 Collier, Robert D., xxx-xx-xxxx  
 Collins, Mark W., xxx-xx-xxxx  
 Collins, Thomas W., xxx-xx-xxxx  
 Combs, James D., xxx-xx-xxxx  
 Conley, Stephen F., xxx-xx-xxxx  
 Connolly, Robert E., xxx-xx-xxxx  
 Constantine, Beshara J., Jr., xxx-xx-xxxx  
 Constantine, David M., xxx-xx-xxxx  
 Converse, Julie L., xxx-xx-xxxx  
 Cook, Christopher T., xxx-xx-xxxx  
 Cook, Stephen B., xxx-xx-xxxx  
 Cornelius, Kevin R., xxx-xx-xxxx  
 Cornell, Sydney J., xxx-xx-xxxx  
 Cornwell, Michael C., xxx-xx-xxxx  
 Correa, Luis R., xxx-xx-xxxx  
 Coutteau, Lori J., xxx-xx-xxxx  
 Cox, Mark E., xxx-xx-xxxx  
 Cozzocrea, Jeanne M., xxx-xx-xxxx  
 Crabtree, David W., xxx-xx-xxxx  
 Cronauer, Carol A., xxx-xx-xxxx  
 Cruz, Lillian, xxx-xx-xxxx  
 Cruz, Luz N., xxx-xx-xxxx  
 Cullinan, Mark A., xxx-xx-xxxx  
 Cumming, Kurt A., xxx-xx-xxxx  
 Currie, Alan R., xxx-xx-xxxx  
 Cy, Mark A., xxx-xx-xxxx  
 Daconta, Michael C., xxx-xx-xxxx  
 Dale, Robert S., xxx-xx-xxxx  
 Daley, Bevan R., xxx-xx-xxxx  
 Dalton, Dermot P., xxx-xx-xxxx  
 Daniel, James P., Jr., xxx-xx-xxxx  
 Daniels, Mark S., xxx-xx-xxxx  
 Danzi, Laura A., xxx-xx-xxxx  
 Dapkiewicz, Robert P., xxx-xx-xxxx  
 David, Elizabeth L., xxx-xx-xxxx  
 Davis, Donald J., Jr., xxx-xx-xxxx  
 Davis, John E., xxx-xx-xxxx  
 Davis, Kenneth A., xxx-xx-xxxx  
 Davis, Paul J., xxx-xx-xxxx  
 Dawson, Lisa M., xxx-xx-xxxx  
 Day, Carlton L., xxx-xx-xxxx  
 Day, Dennis J., xxx-xx-xxxx  
 Degnan, Kevin J., xxx-xx-xxxx  
 Degonda, Patricia J., xxx-xx-xxxx  
 Deiter, Marc A., xxx-xx-xxxx  
 Delgadillo, Catherine F., xxx-xx-xxxx  
 Delgado, Jose L., xxx-xx-xxxx  
 Demons, Joyce M., xxx-xx-xxxx

Dixon, Robert E., xxx-xx-xxxx  
 Dolbeare, James R., xxx-xx-xxxx  
 Dollar, John R., xxx-xx-xxxx  
 Donahue, Robert J., xxx-xx-xxxx  
 Donaldson, Kathy M., xxx-xx-xxxx  
 Dorsey, David A., xxx-xx-xxxx  
 Dowdy, William C., xxx-xx-xxxx  
 Dowis, Katrina K., xxx-xx-xxxx  
 Duck, Mary M., xxx-xx-xxxx  
 Dugal, Wayne F., xxx-xx-xxxx  
 Duke, Randolph J., xxx-xx-xxxx  
 Dunn, Lorraine D., xxx-xx-xxxx  
 Dyer, Kenneth C., xxx-xx-xxxx  
 Dykes, David A., xxx-xx-xxxx  
 Eassa, Charles N., xxx-xx-xxxx  
 Eastman, Mark A., xxx-xx-xxxx  
 Eaton, Martha L., xxx-xx-xxxx  
 Eaton, Paul M., xxx-xx-xxxx  
 Eberle, Brian K., xxx-xx-xxxx  
 Ed, Stuart C., xxx-xx-xxxx  
 Eddy, Thomas A., xxx-xx-xxxx  
 Edwards, Mary B., xxx-xx-xxxx  
 Edwards, Michele, C., xxx-xx-xxxx  
 Edwards, Monte R., Jr., xxx-xx-xxxx  
 Egger, Joseph M., Jr., xxx-xx-xxxx  
 Eigel, Andrea S., xxx-xx-xxxx  
 Elliott, Ronald J., xxx-xx-xxxx  
 Elrod, Ronald P., xxx-xx-xxxx  
 Emsley, Thomas, xxx-xx-xxxx  
 Enslin, Alan J., xxx-xx-xxxx  
 Ermis, Elaine A., xxx-xx-xxxx  
 Espey, Heidi, xxx-xx-xxxx  
 Espinosa, Manuel V., xxx-xx-xxxx  
 Espy, Susan E., xxx-xx-xxxx  
 Evans, Michael A., xxx-xx-xxxx  
 Evans, San L., xxx-xx-xxxx  
 Fahey, Michael J., xxx-xx-xxxx  
 Falk, Todd A., xxx-xx-xxxx  
 Falso, Michael J., xxx-xx-xxxx  
 Faris, Michael F., xxx-xx-xxxx  
 Faruqui, Michael A., xxx-xx-xxxx  
 Feliciano, Luis A., xxx-xx-xxxx  
 Fenrick, Pierre L., xxx-xx-xxxx  
 Fey, Michael D., xxx-xx-xxxx  
 Fichtner, Fred E., xxx-xx-xxxx  
 Figueroa, Ivette, xxx-xx-xxxx  
 Fitchett, Jeffrey S., xxx-xx-xxxx  
 Flanagan, Gary W., xxx-xx-xxxx  
 Fletcher, Ronald L., xxx-xx-xxxx  
 Fletcher, Scott N., xxx-xx-xxxx  
 Flint, Amy B., xxx-xx-xxxx  
 Flowers, James C., xxx-xx-xxxx  
 Fonseca, Edelmiro, xxx-xx-xxxx  
 Forest, Gerald A., xxx-xx-xxxx  
 Fortezzo, Alfred L., III, xxx-xx-xxxx  
 Fortier, Tyler L., xxx-xx-xxxx  
 Foster, Jay D., xxx-xx-xxxx  
 Foster, Kevin D., xxx-xx-xxxx  
 Fowler, Christopher J., xxx-xx-xxxx  
 Fox, Eddie, Jr., xxx-xx-xxxx  
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 Yukevich, Stanley M., xxx-xx-xxxx  
 Zavarelli, John V., xxx-xx-xxxx  
 Zurschmit, Scott W., xxx-xx-xxxx  
 Zweigiz, Linda B., xxx-xx-xxxx

## IN THE NAVY

The following-named lieutenant commanders in the line of the Navy for promotion to the permanent grade of commander, pursuant to title 10, United States Code, section 624, subject to qualifications therefor as provided by law:

## UNRESTRICTED LINE OFFICER (11XX/13XX)

Adams, Mary Raftery  
 Ahearn, James Vincent Jr.  
 Akins, Glendon Leo, Jr.  
 Allen, Andrew J.  
 Allen, Harry Eugene  
 Allin, Robert Wesley  
 Allison, George Boardman  
 Alston, Robert William  
 Anderson, Robert Alton  
 Andre, Duane Alan  
 Angelo, James Warren  
 Aoki, Anne Louise  
 Architzel, David  
 Ardan, Nicholas Ivan, III  
 Armistead, Reginald Gray, Jr.  
 Arnold, Robert Bruce  
 Arnold, William Glenn  
 Ashbridge, George, IV  
 Aten, John Joseph  
 Aukland, Bruce Michael  
 Ault, Jon Franklin  
 Averill, Robert Cameron  
 Axelrod, William Harold  
 Baas, Daniel Louis

Babbitt, James Charlton, Jr.  
 Babcock, Rowland Alvin, Jr.  
 Bagley, Edward Garland, III  
 Bailey, Claudia Lynn  
 Baker, Thomas Allan  
 Barnhill, Arizona Wendell  
 Behringer, Stephen Edward  
 Belcher, John Charles  
 Benedict, William Lance  
 Benn, Charles Michael  
 Bennett, Robert Wesley, Jr.  
 Berger, Janellyn Lu  
 Berry, George Zellner  
 Besal, Robert Eugene  
 Betancourt, Jose Luis, Jr.  
 Bixler, Charles Harley  
 Blackwell, Theodore I., Jr.  
 Blakey, Blake Victor, Jr.  
 Blanchard, Robert Kevin  
 Blomeke, High Douglas  
 Bolan, Gregory Edward  
 Boniface, William Scott  
 Boose, Marion Sanford, Jr.  
 Booth, James Elliott  
 Boroff, Jeffrey Lee  
 Bostaph, Joseph Timothy  
 Boughton, Phillip Gary  
 Bowlin, James Allen  
 Boyington, John Edward, Jr.  
 Boyle, Jerome Pillow  
 Branson, James Lee  
 Brattland, Michael Gordon  
 Brewer, Craig Walter  
 Brick, James Michael  
 Brinkac, Michael Joseph  
 Brown, David Kearney  
 Brown, David Nelson, III  
 Brown, Frank Hyatt  
 Brown, Nellie Ruth  
 Buford, Gaston Reedy, Jr.  
 Bullough, Bruce Lynn  
 Burdett, Peter Scott  
 Burdette, Allen Leamon, II  
 Buschmann, Roger Louis  
 Butler, James Paul  
 Byrd, John Thomas  
 Cahoon, David Clinton  
 Calcaterra, Frank Sal  
 Caldwell, Warren Lee, Jr.  
 Canavan, Michael Patrick  
 Candalar, Michael Bruno  
 Cantfil, Scott Thomas  
 Caplinger, Lanny Wade  
 Carlin, James Joseph, Jr.  
 Carlson, Dennis John  
 Carlson, Donald John  
 Carmichael, John Scott  
 Carr, Margrette  
 Carrier, Guy Joseph  
 Carter, Larry James  
 Carter, Leslie Roy  
 Carter, William Lee  
 Casper, David Carl  
 Civiello, Constance Emily  
 Clements, Susanlee Porter  
 Cochrane, Michael Jon  
 Coggins, Andrew Oscar, Jr.  
 Collier, Dewey Russell  
 Condon, Robert W.  
 Condon, Thomas John  
 Conner, Hilton Leroy, Jr.  
 Conroy, James Leo  
 Cook, Larry Earl  
 Cook, Robert Bartlett, Jr.  
 Cook, William Eckford, Jr.  
 Cooke, Wilbur Orlean, Jr.  
 Coon, Ralph Herbert, Jr.  
 Coonan, Robert Paul  
 Cooper, Michael Robert  
 Cooper, Thomas Charles  
 Corcoran, Thomas Charles  
 Cosgrove, Patrick Eugene  
 Cottrel, William Russell  
 Coulter, Daley Thomas

Coyle, Gary Leonard  
 Craig, Michael Christopher  
 Cramer, Mark Jay  
 Crawford, Mary Perri  
 Crim, Mark Adren  
 Crocker, David Mark  
 Cross, James Kilpatrick  
 Crouch, Orren Rayburn  
 Crowell, Charles Davis  
 Curtsinger, Delbert Anthony  
 Cutter, Duane Starr  
 Darcy, Thomas Francis  
 Darling, Sherrill Thompson  
 Darwin, George Robert  
 Davidson, Michael Arthur  
 Davidsson, Jeffrey John  
 Davis, Dean Omega, Jr.  
 Davis, Richard Earle, Jr.  
 Davis, Rodney Michael  
 Day, James Copeland  
 Day, Sharon Parrish  
 Deal, Rocklun Allen  
 Dean, Dennis Ross  
 Demasi, Francis Dominick  
 Demeo, Michael Joseph  
 Denham, Stanley Alvin  
 Dennis, Ronald Wayne  
 Devlin, John Charles  
 Dick, Lawrence Lee  
 Dilgren, Glen Alaric  
 Disy, Edward George, Jr.  
 Dohse, John Frederick  
 Donaldson, William S.  
 Donihi, Burleson Mills  
 Donlon, Stephen Edward  
 Doyle, Patrick Robert  
 Drews, Robert Adam  
 Driscoll, Joseph Francis  
 Dudek, David Paul  
 Duffy, Michael Edward  
 Duguid, Roger Alan  
 Dundas, Geoffrey Winn  
 Dunscombe, Bruce E.  
 Dussman, Thomas Raymond, Jr.  
 Edwards, Mark Jackson  
 Elder, Alfred  
 Elles, Christopher Jacob  
 Ellis, Jimmy Lee  
 Ellis, Robert Boyce  
 Emmert, Mark Albert  
 Engelhardt, Bruce Bidwell  
 Ensley, Lee Michael  
 Erwin, Troy James  
 Etter, Alan Yancy  
 Eubanks, Richard Marcus  
 Evans, Gary Glen  
 Evans, James Marvin  
 Evers, William Barton  
 Fahy, Dorothy Ellen  
 Falkey, Mark Steven  
 Fargo, Dennis Kenneth  
 Farmer, Linwood Earl, Jr.  
 Feldman, Brian Darrell  
 Fennessey, Donald Brian  
 Ferguson, Kevin James  
 Ferree, William Daniel  
 Ferris, Judith Boyle  
 Filanowicz, Robert Walter  
 Finch, Marnee Lee  
 Finkelstein, Mark Arnold  
 Finney, Robert Dean  
 Fischbeck, Jeffrey Allen  
 Fisher, Calvin  
 Fisher, John Walker  
 Fisher, Joseph Timothy  
 Fitzsimmons, Michael Joseph  
 Fleming, Richard Peter, Jr.  
 Flenniken, Michael Elmo  
 Flood, John Thomas, Jr.  
 Flynt, David Byron  
 Ford, John Fielding  
 Foster, Thomas Wayne  
 Foster, Willie Ronald  
 Foti, Stephen Gino

Fournier, Dean Norman  
 Fowler, John Darwin  
 Fowler, Larry Richard  
 Fox, Donald Clyde  
 Frahler, Donald Andrew  
 Frank, Richard Roger  
 Franklin, Roland Michael  
 Franze, Charles Raymond  
 Fraser, Powell Alexander, Jr.  
 Frederick, Stephen Edmund  
 Frump, David Arthur  
 Fullerton, John Alan  
 Gaines, James Egelston, Jr.  
 Garden, George Carrington, Jr.  
 Gardner, Grant Everett  
 Garrett, Patrick Martin  
 Gaskins, James Yost  
 Gavett, Wallace Leonard, Jr.  
 Gear, Bud Stanwood  
 Geel, Richard Alan  
 Geiger, Donald Gene  
 Geiger, Edward Charles  
 Geist, Gregory David  
 Geister, Joel Albert, Jr.  
 Gerard, Gregory Lawrence  
 Gerken, William John  
 Giannotti, Bruce Bennett  
 Giarra, Paul Severin  
 Gibney, William James  
 Gibson, William Lewis  
 Givens, Joel Dennis  
 Glass, Joseph William  
 Glick, Dean F.  
 Glover, Ronald Burton  
 Goddard, James Reed, Jr.  
 Goessling, James R.  
 Golden, Mary Frances Sidor  
 Gooding, Brent Baker  
 Goodwin, Thomas John  
 Gordon, Douglas Thomas  
 Gorris, Frederick David  
 Gray, Richard John  
 Greaser, Donald Charles  
 Griffin, Paul Michael  
 Grissom, Mark Patterson  
 Grosel, Joseph Jeffery  
 Grover, James C.  
 Guest, Frank Benjamin, III  
 Gutierrez, Kathleen Connor  
 Hagy, Michael Richard  
 Hahn, Keith Dennis  
 Haizlip, John Threlkeld  
 Hall, Gary Michael  
 Hammond, Gary Richard  
 Hancock, William Allen  
 Hare, Robert Lee  
 Harkness, Mary Anne  
 Harrington, Carol Ann  
 Harris, James Daniel  
 Harrisonbrown, Dorothy S.  
 Harrop, John Kaenel  
 Hart, David Thomas, Jr.  
 Hartrick, Thomas Frederick  
 Hartzog, Mary Pauline  
 Hathway, Clifford Newton, Jr.  
 Hawkins, Jeffrey Alan  
 Hayes, Allison Curtis  
 Hearing, David Warren  
 Heatley, Charles James, III  
 Hebdon, David Eugene  
 Hederstrom, Paul H.  
 Hedrick, Michael Keith  
 Heimgartner, Kenneth Floyd  
 Hennessy, Paul Barrett  
 Henry, Christopher Ryan  
 Hergenroeder, James  
 Hessdoerfer, Ronald Carl  
 Higgins, Paul Michael  
 Hill, Clarence Ebbert  
 Hill, Martin Ray  
 Hively, Howard D.  
 Hobbs, Philip Gary  
 Hobgood, Gordon Benjamin, Jr.  
 Hodson, Brian Jay

Holden, Timothy Aloysius  
 Holdredge, Robert Leslie  
 Holland, James Edward  
 Hollingsworth, Arnold Gilmor  
 Holloway, James Curtis  
 Holmes, Thomas Robert  
 Holzmann, Kenneth Ralph  
 Homier, Paul Anthony, Jr.  
 Honey, Ronald Dudley  
 Hopkins, Hubert Denning, Jr.  
 Hopper, William Frank  
 Hopping, Robert D.  
 Horne, Charles Henry, Jr.  
 Howe, Robert Henry  
 Howell, Wayne Morris  
 Hrenko, John, Jr.  
 Hufford, Harriett Mary  
 Hughes, Ronald Alan  
 Hughes, Thomas Frederick  
 Hugill, Joseph Ray  
 Husser, Louis, Andrew, Jr.  
 Indorf, John William, Jr.  
 Ingalsbe, Stephen Ramage  
 English, Gary Kent  
 Irlam, Ross Edward  
 Jackson, Andrew Hugh  
 Jackson, David Leon  
 Jackson, Jimmie Ray  
 Jackson, John Edward, Jr.  
 Jackson, William Pierce, Jr.  
 James, Robert Boe  
 James, Ronald Boynton  
 Jankura, Edwin Stephen, Jr.  
 Jarrett, Stephen McAllister  
 Jaskunas, Thomas Michael  
 Jewell, Keith Alan  
 Jobe, Terry Lynn  
 Johns, Stephen Bunnell  
 Johnson, Charles Scott  
 Johnson, Garland Russell, Jr.  
 Johnson, Herman Raymond  
 Johnson, Michael Dean  
 Jordan, Timothy Gaius  
 Jorvig, Daniel Alden  
 Joslin, William Daniel, Jr.  
 Kallin, Peter Lindel  
 Kalstad, Kendall William  
 Kaye, Theodore Lawrence  
 Keefe, Daniel Stanton  
 Keith, Douglas Wayne  
 Keithly, Thomas Morken  
 Kelly, John Michael  
 Kelso, Jesse Johnston  
 Kennedy, Kristopher Morris  
 Kern, Dennis James  
 Kessler, Paul Kenderson, Jr.  
 Kester, Lawrence Verne  
 Kindel, George Finley  
 King, Kendall James  
 Kirk, Bruce Reed  
 Klein, Terry Owens  
 Klinker, Patrick Joseph  
 Kluever, Patrick Robert  
 Konya, Bruce Richard  
 Kopacz, Anthony Joseph  
 Koss, Andrew James  
 Kren, John Joseph  
 Kryske, Lawrence Michael  
 Kubovchik, John Francis, Jr.  
 Kujat, Edward Joseph  
 Kysar, Billy Dean  
 Lambert, Robert Bradley  
 Landers, Coleman Arthur  
 Larsen, Christopher Stephen  
 Larsen, Thomas Carl  
 Lauderdale, Donnie Aubrey  
 Laughter, Selwyn Shuford  
 Lawler, John Clinton  
 Lee, Richard Patrick  
 Lee, Thomas Early  
 Leib, Robert Conard  
 Lentz, Linda Mary  
 Leonard, Raymond Earle, III  
 Leverette, Glen

Lewandowski, Lawrence Anthony  
 Liggett, Robert David  
 Lillard, William Ashby, III  
 Littleton, Joseph Sharp, III  
 Littleton, Leland Kron, Jr.  
 Livelsberger, Francis Stephen  
 Lobue, James Joseph  
 Logue, Stephen John  
 Long, Robert Henry  
 Lukaszewicz, Joseph Thomas  
 Lulu, Michael Joseph  
 Lutkenhouse, Michael Anthony  
 Lynch, Vincent Joseph  
 Mack, Stanley John  
 MacLuskie, John Robert  
 Maggi, Robert William  
 Main, Glenn Allan  
 Mallon, Paul Joseph  
 Mannel, Robert Paul  
 Manning, Walter William  
 Manning, William Beverly, III  
 Marion, Kenneth Thomas  
 Marra, Kenneth Joseph  
 Marshall, William James  
 Martello, Keith Wallace  
 Martin, Colin Leslie  
 Maskew, Rodney Max  
 Mason, Charles Manning, Jr.  
 Mason, Lee Charles, II  
 Mathis, Don Wade  
 Mayhew, Lance Harrison  
 McAfee, William Taylor  
 McAllister, James Paul  
 McCarthy, Morton Everest, Jr.  
 McCarty, James Douglas  
 McCarville, Patrick Anthony  
 McClung, Doyle Curtis  
 McCort, Daniel Ralph  
 McElraft, Ronald Dean  
 McElroy, Daniel Wallace  
 McGalliard, Gene Richard  
 McGinn, Leo Francis, Jr.  
 McGraw, William Lloyd  
 McLane, Robert Lewis  
 McQueeney, Michael Edward  
 McWilliams, Hugh Newton  
 Mears, George Henry  
 Meeley, William Anthony, Jr.  
 Mercurio, Stephen Francis  
 Meyer, Daniel Harry  
 Meyer, John Gregory  
 Meyer, Thomas Leslie  
 Meyers, John Earl  
 Meyers, William Arthur  
 Miller, David Ross  
 Miller, Dennis Wayne, Jr.  
 Mills, Phillip Horne  
 Milner, Daniel Dewitt  
 Mitchell, Alfred Warren  
 Mitchell, Monika Ursula  
 Molloy, William Earl, Jr.  
 Moody, Richard Alan  
 Moore, Richard Bruce  
 Morgan, John Cabe, Jr.  
 Morin, James Brendon, Jr.  
 Morral, Dennis Gilbert  
 Morreale, Bruce Vincent  
 Morris, William Denton  
 Morrison, Thomas Robert  
 Mulder, Keith Paul  
 Mullarky, John Walter  
 Muncie, John Clifton  
 Munns, Charles Lyndsey  
 Murphy, George Joseph, III  
 Myers, David Edward  
 Myers, Ronald Louis  
 Neihart, Charles William, Jr.  
 Nelson, David James  
 Nelson, Jeffrey Robert  
 Nelson, Robert Charles  
 Nelson, Robert Edward  
 Nelson, William Hardage  
 Nemecek, Johnnie Frank  
 Nesbitt, Allan Preston, III

Nestor, Don Alan  
 Newton, Danny Ray  
 Nibbs, Alan McLeod, Jr.  
 Nichols, David Charles, Jr.  
 Noland, James Terry, Jr.  
 Norman, Richard Michael  
 Norrbom, Timothy John  
 Nottke, Bruce Alden  
 O'Brien, Paul Edward, Jr.  
 Offerie, Robert Anthony  
 O'Keefe, James George  
 O'Leary, Joseph Lennon  
 O'Rbann, Carl Theodore, III  
 Otto, David Thomas  
 Pacentrilli, Larry Anthony  
 Palmatier, Phillip Frank, Jr.  
 Papineau, Larry Regan  
 Parker, Lutrelle Fleming, Jr.  
 Parker, Robin M.  
 Parlet, Robert Dale  
 Peck, James Eugene  
 Penix, Larry Ellis  
 Perry, James Walter  
 Perry, Robert Paul  
 Peters, Donald Eugene  
 Peters, Kenneth Warren  
 Petersen, Richard Merle  
 Pfeiffer, Frank Gaines  
 Phillips, Donald Wayne  
 Phillips, James Glenn, III  
 Pickett, Russell Ames  
 Piecuch, John Leon  
 Pilcher, Ray C., Jr.  
 Pine, John Steven  
 Plautz, Dennis Hoyt  
 Pledger, James Edgar  
 Poe, Deen Owen  
 Poorman, Kenneth Alan  
 Powell, Frank Russell  
 Prendergast, Timothy Edwin  
 Preston, Randall Dills  
 Prevatte, Carolyn Virginia  
 Ptacek, John Wayne  
 Puccini, Bruce Anthony Josep  
 Pyles, Steve  
 Quadri, Anto Stefan  
 Quigley, Thomas King  
 Rankin, Robert Howell  
 Ratcliff, Ronald Everett  
 Reed, William Keeler  
 Reeve, Edward Joseph  
 Reeves, Jerry David  
 Reeves, Wayne Ronald  
 Reisinger, Allen Eugene  
 Remshak, Christopher Jon  
 Repicky, John Joseph, Jr.  
 Resing, David Claude  
 Resser, Stephen F.  
 Rhiddlehoover, Suzanne  
 Richardson, James Dana  
 Riess, Robert Eugene  
 Rigot, William Laswell, Jr.  
 Roberts, John David Frederic  
 Roberts, Paul Edward  
 Robison, Richard Alan  
 Rogers, James Ernest  
 Rogers, William Armstard, Jr.  
 Rollins, David Campbell  
 Ross, Jim Allison  
 Ross, Nicklous James  
 Ross, Robert Richard  
 Roughhead, Gary  
 Roulstone, Douglas Robert  
 Rutherford, Lindell Gene  
 Sack, Alvin Lee  
 Sackett, Craig Pinard  
 Salemi, Edward Michael  
 Santapaola, Donald Jack  
 Sarraino, Michael  
 Schaffter, Alan Bruce  
 Schmidt, Charles Richard  
 Schmidt, Jonathan Blake  
 Schmidt, Wesley Henry, Jr.  
 Schork, John Forrest

Schubert, Jerry Lee  
 Schwallier, Charles Dale, II  
 Schwiering, David Alan  
 Scott, Bruce Bob  
 Scott, James Robert  
 Scott, Robert John  
 Scudder, Stephen Vincent  
 Sedivy, Dean Gordon  
 Seeley, James Robert  
 Shalles, Siegfried Lee  
 Shaver, Eric Bruce  
 Shaw, John Damon  
 Shay, Jon Vincent  
 Sheehy, Hugh Francis  
 Shekem, Murat  
 Shemella, Paul  
 Sheppard, William Lester, Jr.  
 Sherrard, Martin Victor  
 Shery, Kevin J.  
 Sherwood, Roger Raymond  
 Shields, Robert Bishop  
 Shon, Michael David  
 Shurtleff, William Hall, IV  
 Sieve, Glennon Lambert  
 Silverio, Stephen Ralph  
 Sipe, Charles Regis, Jr.  
 Skurski, Paul Roy  
 Smart, Mary Grace Heagney  
 Smith, Frederic D.  
 Smith, Gene Arnold  
 Smith, Janvier King  
 Smith, Robert Edward  
 Smith, Wayne Edward  
 Snead, Leonard Alexander, III  
 Snodgrass, Dale Oglesby  
 Snyder, Thomas Edward  
 Snyder, William Lester  
 Sohl, John Herman, III  
 Sonntag, Steven Jay  
 Spencer, Charles Henry, Jr.  
 Squires, Monte Arthur  
 Standridge, Elmer Lawrence J.  
 Stanton, Donald Clifford  
 Stanton, Ronald Andrew  
 Stark, Terry Michael  
 Steele, Scott Leslie  
 Stephens, Robert Carroll  
 Stephenson, Walter Wade  
 Stettler, Gerald Allen  
 Stevens, Gene Allen  
 Steward, Daniel Nicholas  
 Stewart, James Robert  
 Stine, Jeffrey Lawson  
 Stites, Lloyd Thomas, Jr.  
 Stoddard, David Victor  
 Stoddard, Larry Charles  
 Stoehr, Dale Erwin  
 Stone, Jeffrey Morris  
 Stoner, Donald Winston  
 Storm, Bradley Douglas  
 Strickland, Peter Benham  
 Strickler, Richard Wayne  
 Stricklin, Ted Alan  
 Stringer, Richard Howard  
 Stuckert, Bruce Taylor  
 Swanberg, Geoffrey Merritt  
 Swift, Lloyd Francis Knapp  
 Szoka, Michael Allen  
 Taber, James Charles  
 Talbot, Gerald Lloyd, Jr.  
 Tate, Russell Eric  
 Taylor, Lee Bradford  
 Taylor, Paul Edwin  
 Tepy, John Frederick  
 Tetlow, Phillip Christopher  
 Thomas, Joseph Walter  
 Thomas, Michael Glenn  
 Thomas, Scott Shingle  
 Thomson, Alan Douglas  
 Thomson, Timothy  
 Thorne, Silas Owens, III  
 Thornton, James Terry  
 Thorpe, James William, Jr.  
 Tilley, John Alvyn, Jr.

Tindall, Norman Joe  
 Tindle, John Richard  
 Tipsword, William Harold, Jr.  
 Tomaszkeski, Steven John  
 Toney, James H.  
 Tornatore, Gary Paul  
 Trabona, Robert Joseph  
 Traverso, Timothy Joseph  
 Tussey, David Alan  
 Tuttle, Larry Jerome  
 Uebelherr, Michael Frederick  
 Ulrich, Edward Dewayne  
 Uricoli, Eugene Francis  
 Vatikiotis, Darlene Weidler  
 Vaughn, David Roy  
 Veldstra, Daniel Roy  
 Venable, Ted Jeffrey  
 Vickers, Sammy Lee  
 Vogan, Charles Scott, Jr.  
 Vogt, Michael Carl  
 Volpe, Joseph Michael, Jr.  
 Voros, Charles Douglas  
 Voss, Cary Van  
 Voter, James Conant  
 Wallace, Edward Charles  
 Walmsley, Stephen Robert  
 Ward, John Joseph, Jr.  
 Wardrobe, James Eugene  
 Ware, Jerry Steven  
 Warr, Paul Melbourne  
 Warren, Floyd Dewey, Jr.  
 Watt, Alexander Young, Jr.  
 Watwood, William Britt  
 Weatherspoon, Stephen Salve  
 Wedding, Gregory Louis  
 Westover, Steven Bruce  
 Wheeler, Dennis Ralph  
 Wheeler, William Gary  
 White, Joseph Wheeler  
 White, Phillip Joseph  
 Whitney, John Douglas  
 Wiley, Ronald Allen  
 Wilfong, Dallas George, III  
 Wilhelmy, Mark Desloge  
 Wilkinson, Joseph Brooks, Jr.  
 Willard, Robert Frederick  
 Willburn, Alan Bruce  
 Williams, Robert Edward, Jr.  
 Williams, Russell Lee  
 Williams, Thomas Richard, Jr.  
 Willis, Leland Stanf, III  
 Wingo, Theodore Oscar  
 Winney, Justin William, Jr.  
 Withers, Thomas Roy  
 Wood, Charles Andrew  
 Worthington, John Reid  
 Wright, Oliver Lee, III  
 Wright, Richard Francis  
 Wright, Richard Lee  
 Wylie, George Joseph  
 Young, Charles Selden Backus  
 Young, Gordon Allen  
 Zeller, Chester Arthur, Jr.  
 Zimmerman, Kenneth Ronald  
 Zito, Hugh John

## ENGINEERING DUTY OFFICER (14XX)

Ainsley, William Lowther, III  
 Baugh, Dale Eric  
 Blanton, Gerald Bertram  
 Boyd, William Kirk, Jr.  
 Brady, Edward Daniel  
 Bruner, Todd Thornton Whitne  
 Clayton, Irving Brodribb, III  
 Cummings, Jon Richard  
 Cuzzocrea, John Leo  
 Daley, Michael John  
 Dunn, James Patrick, Jr.  
 Dwyer, Dennis Michael  
 Endicott, David Carlisle  
 Goldsby, Richard Earl  
 Guiles, Richard Howland  
 Haberlandt, Frederick Robert  
 Haddock, James Max

Halwachs, James Edward  
 Harvey, Gerald Alan  
 Hatcher, William Lloyd, III  
 Hill, James Allan  
 Hogen, David John  
 Holland, Howard Michael  
 Hopper, James Harris, III  
 Jenkins, Jerry McKinley  
 Jorgensen, Paul C.  
 Joseph, Alfred Michael  
 Kasdorf, Roy Edward  
 Langston, Marvin J.  
 Loser, David A.  
 Mahle, Gary George  
 Maixner, Michael Rex  
 Manvel, John Talbot, Jr.  
 Mayes, Larry Leroy  
 Mead, Gregory Gower  
 Mellor, Martin Warren  
 Meyett, Robert Stephen  
 Moranville, Mark Sheridan  
 Mortenson, Victor Adelbert J.  
 Mullican, James Neal  
 Needham, William Donald  
 Nickodem, Peter Webb  
 Olechnovich, Paul Jerome Vic  
 Ott, Andrew Anthony  
 Patton, James Wesley  
 Pence, Derry Thomas  
 Poland, Marc Maier  
 Preisel, John Henry, Jr.  
 Ransbotham, James Irvine, Jr.  
 Roberts, Warren Leigh  
 Rockwell, Richard Thornton  
 Rubel, William Richard  
 Sanford, Gregory Benson  
 Schaubel, Raymond Charles  
 Schiesser, William Andrew  
 Smith, Douglas Edwin  
 Sontheimer, Richard Francis  
 Strawbridge, Carl Neilson  
 Watterson, Kent Braden  
 Wyse, Frederick Calhoun

AERONAUTICAL ENGINEERING DUTY OFFICER  
 (AERONAUTICAL ENGINEERING) (151X)

Almquist, Thomas Victor  
 Bal, Eugene, III  
 Blake, Jimmie Oliver  
 Burnett, Joseph Lawrence  
 Duke, Boyce Wayne  
 Ferrell, Dennis Richard  
 Grafton, Thomas Albert, III  
 Gregory, Erik Stuart  
 Hargrave, Douglas Francis, Jr.  
 Hill, William John  
 Jimenez, Jose Salvador  
 Kenney, Paul Stephen  
 Knolhoff, Larry Edward  
 Koorey, Alfred Joseph, Jr.  
 Mills, Donald Max  
 Morandi, Theodore Raymond  
 Mugg, William Allan  
 Neel, David L.  
 Panos, Christopher William  
 Posnett, William Lenard, III  
 Reightler, Kenneth Stanley, J.  
 Ruputz, Philip Nmn  
 Russell, Robert Wayne  
 Seckinger, David Neil  
 Smith, Stephen Wayne  
 Zajicek, Richard Gene

AERONAUTICAL ENGINEERING DUTY OFFICER  
 (AVIATION MAINTENANCE) (152X)

Bachmann, Michael Charles  
 Banek, Edward Adam, Jr.  
 Barnett, Eben Edgar, II  
 Edwards, Kenneth Paul  
 Elliott, Margaret Louise  
 Hobbs, Dennis Albert  
 Myette, Kevin Milton  
 Orton, Frederick Charles  
 Schwartz, Michael Norman  
 Stahler, William Donald

Walsh, Daniel Patrick  
 Youngman, Kenneth Ray, Jr.  
 SPECIAL DUTY OFFICER (CRYPTOLOGY) (161X)

Bohannon, Gary William  
 Chin, Francis Wai Liang  
 Cranshaw, William Raymond  
 Crowley, Thomas Noble  
 Daly, Joseph Thomas, III  
 Eichel, Laurence Alan  
 Engh, Robert Harald  
 Grant, Francis Joseph, Jr.  
 Gravell, William  
 Hardaway, James Hollowell  
 Harrison, John Joseph  
 Heuer, Edward David  
 Ingalls, Bryan William  
 Kellogg, Robert Lea  
 Ketron, Michael Gordon  
 Kuehne, Kenneth Wesley  
 Laino, Karen Ann  
 Mast, Peter A.  
 Meyers, William Joseph  
 Nickelson, Bobby Lynn  
 O'Neill, Richard Patrick  
 Pistochini, Mark David  
 Rucker, Steven Warren  
 Ryder, Curtis Myles  
 Sare, Michael Joseph  
 Sheppard, Dennis Dean  
 Snell, Stephen Farnham  
 Streiff, Edward James  
 Sueirro, Allen Michael  
 Tamburello, Charles  
 Whitehead, Oliver Windell

SPECIAL DUTY OFFICER (INTELLIGENCE) (163X)

Allison, John Simmons, Jr.  
 Barkell, Richard Colin  
 Beavers, Michael Cornelius  
 Carrington, David Richard  
 Chambers, Regan Scott  
 Danforth, Lawrence Wayne  
 Fisher, Richard John  
 Hirst, William Clarence, Jr.  
 Jacobson, Jim Harold  
 Lewis, Paul Scott  
 Marshall, Robert Edwin, Jr.  
 Meek, Terry Lynn  
 Murray, John Joseph  
 Oleszko, Lawrence Anthony  
 Olsen, Alfred James  
 Pflueger, Michael Patrick  
 Posey, Kelly Gene  
 Roark, Louis Keith  
 Robinson, Evan Dahlstrom  
 Rosenthal, Mark Louis  
 Seigel, Thomas Gary  
 Shankles, Jackie Wayne  
 Smith, Richard Thomas  
 Tzavellas, Theodore Elefther  
 Ustick, Robert Woodbridge, II  
 Wakefield, Stanley Irvin  
 Watson, Joseph Adrian  
 Zeigler, Howell Conway

SPECIAL DUTY OFFICER (PUBLIC AFFAIRS)  
 (165X)

Clawson, Stephen Harvey  
 Haney, Connie L.  
 Harlow, William Robert, Jr.  
 Humphries, Authur Allen  
 Keefer, Joel David  
 Neuhart, Mark Dickens  
 Rable, William John  
 Stull, Mark Judson

SPECIAL DUTY OFFICER (OCEANOGRAPHY)  
 (180X)

Barbor, Kenneth Eicher  
 Booker, Robert William  
 Corbin, James Harold  
 Foster, Michael Stephen  
 Johnson, William Fawver  
 Kelly, Patrick Robert  
 Mason, James Robert

Quinn, Paul Francis  
 Schnoor, Robert Timothy  
 Schwenke, George William  
 Smith, Bradley Phillip  
 Whitford, Dennis James

LIMITED DUTY OFFICER (61XX/64XX)

Anderson, Edward William  
 Bassett, William Thomas  
 Bates, William Arthur, Jr.  
 Beck, Donald Dean  
 Bence, Ronald Paul  
 Bledsoe, John Richard  
 Boyar, John Anthony  
 Brown, Tommy Albert  
 Carroll, Charles Earl  
 Christensen, Erick Thomas  
 Dalton, Merrill Albert  
 Delong, Richard Clair  
 Deneen, Brian Michael  
 Earnest, William Grover  
 Godfrey, Thomas James  
 Gordon, Harry Jay, III  
 Gracia, Javier  
 Gustin, Bruce Albert, III  
 Holcomb, William Kenneth  
 Hull, Roger Leroy  
 Hurley, Lawrence Edward  
 James, Richard Holland  
 Jones, Preston Leon  
 Kilmer, Harold Bruce, Jr.  
 Landick, Richard Earl, Jr.  
 Lutes, Jack  
 Martin, Kenneth Ronald  
 McCollum, James Wayne  
 Parsons, Walter Paschall  
 Petty, William Milton  
 Pierce, Billie Joe  
 Power, Jerry Ruel  
 Rhine, Russell L.  
 Ruth, Jack LeRoy  
 Seal, Warren George  
 Sheehan, LeRoy Edmund  
 Shipley, Thomas Edward  
 Spangler, Ralph Graham  
 Stegeman, Ronald Adam  
 Stolarz, Robert Michael  
 Ventgen, Robert John  
 Wollam, Neil Robert

IN THE ARMY

The following-named cadets, graduating class of 1986, U.S. Military Academy, for appointment in the Regular Army of the United States, in the grade of second lieutenant, under the provisions of title 10, United States Code, sections 531, 532, 533, and 4353:

Adams, Eric D., xxx-xx-xxxx  
 Adsit, Rhys K., xxx-xx-xxxx  
 Albino, Robert A., Jr., xxx-xx-xxxx  
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 Alexander, David R., III, xxx-xx-xxxx  
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Executive nominations received by the Senate April 24, 1986:

DEPARTMENT OF AGRICULTURE

Christopher Hicks, of Maryland, to be general counsel of the Department of Agriculture, vice Daniel Oliver.

IN THE MARINE CORPS

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. Frank E. Petersen, Jr., xxx-xx-x...  
 U.S. Marine Corps.

The following-named officer, under the provisions of title 10, United States Code, section 601, to be assigned to a position of importance and responsibility designated by

the President under title 10, United States Code, section 601:

*To be lieutenant general*

Maj. Gen. John Phillips, xxx-xx-xxxx U.S. Marine Corps.

**THE JUDICIARY**

Evelyn E. Crawford Queen, of the District of Columbia, to be an associate judge of the Superior Court of the District of Columbia for a term of 15 years, vice George H. Revercomb.

**CONFIRMATION**

Executive nomination confirmed by the Senate April 24, 1986:

**THE JUDICIARY**

Robert J. Bryan, of Washington, to be U.S. district judge for the western district of Washington.

**WITHDRAWAL**

Executive nomination withdrawn from the Senate April 23, 1986:

Kenneth John Hill, of Virginia, to be a member of the National Transportation Safety Board for the remainder of the term expiring December 31, 1986, vice Donald D. Engen, resigned, which was sent to the Senate on January 22, 1986.