

OFFICIAL TRANSCRIPT

*Book*

COMMITTEE ON FINANCE

UNITED STATES SENATE

EXECUTIVE SESSION

*Morrison*

Wednesday, August 20, 1980

Washington, D. C.

ALDERSON



REPORTING

400 Virginia Ave., S.W. Washington, D. C. 20024

EXECUTIVE SESSION

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

- - -  
- - -

WEDNESDAY, AUGUST 20, 1980

United States Senate,  
Committee on Finance,  
Washington, D. C.

The committee met, pursuant to recess, at 11:00 a.m., in room 2221 Dirksen Senate Office Building, the Hon. Russell B. Long (chairman of the committee) presiding.

Present: Senators Long, Ribicoff, Byrd, Nelson, Bentsen, Moynihan, Baucus, Boren, Bradley, Dole, Packwood, Roth, Danforth, Heinz, Wallop, and Durenberger.

The Chairman. Let me ask the members to take their seat, as we are now in a position to do business.

We are going to vote in this morning session on the amendment offered by Senator Bentsen. Let me call on Senator Bentsen to discuss his amendment.

Senator Bentsen. Mr. Chairman, what we have offered in 2-4-7-10 is the objective of trying to get tax neutrality, where you will have the same kind of a return on the investment and asset before taxes and after taxes. You have substantial distortions under the present law. You would have major distortions under 10-5-3.

We have come pretty close to achieving the objective.

1 There would be no asset that would not have an improvement  
2 in depreciation of at least 40 percent under this particular  
3 proposal.

4 We have further tried to increase the front end  
5 expenditure for equipment by not having it phased in, by  
6 putting it in full effect immediately. The problem with the  
7 phase in, as we have seen under some of the other proposals,  
8 is that you will have people delay the purchase of equipment  
9 waiting for the next phase in some situations, depending on  
10 their particular economic situation.

11 So we have done away with that, and we have come in  
12 with a cost that gets it between \$4 and \$5 billion the first  
13 year, and gets it out in 1985 to approximately \$18 billion.  
14 We do not have the incredible increase in costs in the out  
15 years.

16 Some would say, well, you have not gone far enough. If  
17 that is all we were looking at in this bill, one could argue  
18 that. But we are talking about other things, too. We are  
19 talking seriously about doing something here for R&D, which  
20 I strongly support, and I think most of the members of this  
21 committee support that.

22 I know Senator Dole and I, and others on this  
23 committee, have worked very hard on trying to encourage  
24 savings, and we are talking about something on LIRA. So  
25 there are many other proposals involved in trying to work

1 out a package that increases productivity in this country.

2 We have also done a major breakthrough in  
3 simplification for the taxpayer, and cutting back on his  
4 accounting costs, because we have developed four classes  
5 here on equipment. And, we have gone to open-end  
6 accounting. This means that you do not have to track that  
7 asset on until the time that it is disposed of. That means  
8 that it goes into, let us say, the seven-year  
9 classification, and then you can take up to 200 percent on  
10 the declining balance depreciation on that classification of  
11 assets.

12 When you sell that piece of equipment out of that  
13 classification -- let's say you had \$100,000 worth of  
14 equipment, and some kind of equipment went in at \$20,000 and  
15 it was sold out after it was depreciated some, after it had  
16 gone down in value, at \$1,500, there would be no tax as it  
17 goes out, but the way it works is that you have reduced the  
18 base of that classification so the depreciation next year is  
19 on a lower base. That is the way you catch up on the  
20 situation. It is a great simplification.

21 Then, we have done this for the "Mom and Pop"  
22 operations. We have said that on the first \$25,000 worth of  
23 equipment purchased, and this is particularly applicable to  
24 small business -- over three-quarters of the sole  
25 proprietorship of the "Mom and Pop" operations in this

1 country spend less than \$15,000 a year for new equipment --  
2 less than \$15,000 a year for new equipment.

3 We have said that for the first \$25,000, you write it  
4 off. You don't have to trace that asset or that piece of  
5 equipment, that typewriter or that calculator, from now on.  
6 It is written off. So this obviously is going to be a major  
7 saving in paperwork and accounting costs for small  
8 business.

9 I strongly support the proposal. I would urge very  
10 much its adoption. I think that it will go a long way  
11 toward helping to increase productivity in this country.

12 The Chairman. Is there any further discussion?

13 Senator Nelson. I wonder if Senator Bentsen would  
14 clarify something.

15 You are talking of equipment in 7-4-2. Is that correct?

16 Senator Bentsen. That is correct.

17 Senator Nelson. Do you have a breakdown of what useful  
18 life equipment fits in what category?

19 Senator Bentsen. Yes.

20 Mr. Shapiro. Senator Nelson, we have that prepared,  
21 and it is on the blackboard. It will be turned around right  
22 now. This is a sample of the types of property that would  
23 be covered.

24 Senator Nelson. What is the formula?

25 Senator Bentsen. The formula would be, if you take 60

1 percent of the useful life under ADR, it will drop into the  
2 classification just below that. For example, if 60 percent  
3 of the useful life was 4.2 years, it would drop into the  
4 four-year classification.

5 Senator Nelson. Where would it have to go to move up  
6 to seven.

7 Senator Bentsen. It would be 60 percent above 16  
8 years. Anything between 11 and 16 years would drop into  
9 seven years.

10 Mr. Shapiro. Mike is putting on the blackboard,  
11 Senator Bentsen, exactly what you are saying.

12 Senator Bentsen. Fine.

13 Senator Nelson. I wonder if I could raise a question,  
14 and maybe the staff could answer this.

15 I understand that in the auto industry a very large  
16 percentage of their equipment is now at a three-year  
17 depreciation. Is that correct?

18 Mr. Shapiro. That is correct, Senator.

19 Senator Nelson. What percentage, do you know?

20 Mr. Shapiro. Are you talking about what it would come  
21 down to?

22 Senator Nelson. How much.

23 Mr. Shapiro. About half of their depreciation.

24 Senator Nelson. About half of their depreciation that  
25 they take is now in tools and equipment that they have a

1 three-year depreciation on.

2 Mr. Shapiro. As we understand it, that is correct.

3 Senator Nelson. What I want to ask Senator Bentsen or  
4 the staff is, does that three years that is there now for  
5 the auto industry now drop to two years?

6 Senator Bentsen. That is correct. It drops to two,  
7 and that is an improvement for the auto industry. It  
8 improves that by a third.

9 Senator Byrd. Could I ask a question in that regard?

10 The parenthetical figure to the right indicates the  
11 number of years that the equipment is written off at the  
12 present time, especially tools, 2.5 to 6.5.

13 Mr. Stern. Two and a half to six and a half.

14 Senator Byrd. It means that it is written in two and a  
15 half to six and a half years.

16 Mr. McConaghy. The present ADR guideline for those  
17 special tools is now between two and a half and six and a  
18 half depending on the special tools. Now the tools would go  
19 down to two.

20 Senator Byrd. Thank you.

21 Senator Ribicoff. How thick or how large are the rules  
22 and regulations?

23 Mr. Shapiro. It would eliminate the ADR regulations  
24 completely, and it would significantly simplify the  
25 depreciation forms and the depreciation rules and

1 regulations.

2 Senator Ribicoff. Considerably?

3 Mr. Shapiro. Yes, considerably. Senator Ribicoff,  
4 today there are over 30 pages of regulations just on ADR  
5 alone, and those regulations are in very small print and  
6 several columns on the page.

7 Senator Ribicoff. How many pages do you have under  
8 this?

9 Mr. Shapiro. It would significantly reduce it. I  
10 don't know exactly once you start on the regulations, but  
11 you don't need any of the rules to the extent that they are  
12 explained with regard to ADR. This would vastly simplify  
13 the system.

14 Senator Roth. One question that I would like to ask,  
15 Lloyd, has any study been made to see how this compares with  
16 the situation of our world competitors. I know that is a  
17 difficult question, but both you and I, I think, agree that  
18 we are in a world market, and I just wonder where this would  
19 put us in relation to some of our principal competitors.

20 Senator Bentsen. The problem there, Senator Roth, and  
21 you are very familiar with it, we get a variance with the  
22 Japanese, the Canadians, and the English. The English would  
23 be doing more on the depreciation side.

24 We are turning around, though, and we are talking about  
25 doing some additional things here to this. We are talking



1 about probably a corporate rate cut of two percent, which is  
2 one of those things being considered. We are talking about  
3 the small businessman writing off \$25,000. So you get all  
4 kinds of variables that make it very difficult to get apples  
5 to apples in the comparison.

6 Mr. Shapiro. Senator Roth, let me add one other thing.

7 What you have in a number of other countries is that  
8 they may have better depreciation, for example. Some  
9 countries, such as Great Britain and Canada, have all  
10 current expensing. However, they do not have investment tax  
11 credits.

12 When you look at these rules with the investment tax  
13 credit, and convert it to a present value system, you will  
14 find that some of the classes have greater than 100 percent  
15 write off when you the present value of the investment tax  
16 credit, and the rest are very close to expensing. The 10  
17 years is down a little bit, but the four and the seven year  
18 are very close to the same present value terms as total  
19 expensing when you add the investment tax credit with it.

20 It is difficult to compare with the other countries  
21 because so many of them do not have investment tax credit,  
22 which is a very important additional element of the capital  
23 formation/productivity program.

24 Senator Wallop. Mr. Chairman, I spoke with Senator  
25 Bentsen about the placed in service rule, and he has agreed,

1 I think, to work out something on the long lead time  
2 proposition, such as synthetic fuel plants, or steel mills,  
3 the kinds of things that take six, eight or ten years to  
4 construct, and there might be a change in governmental  
5 attitude as to whether they can go in service at a given  
6 time any time within that.

7 He has agreed, and if it is all right with the Chair,  
8 we will have some kind of an arrangement on that.

9 The Chairman. As I said before, there will be some  
10 suggestions for some specific amendments that would affect  
11 the various situations. For example, I suggested, and I  
12 will not insist on offering it at this time, that the  
13 advantage given to ships ought to go to ships made in the  
14 United States, and it should not be for the foreign made  
15 ships.

16 That is something that I think we could decide.  
17 Basically, I think the view on that is that if it does not  
18 violate the general agreement on tariff and trade, we would  
19 be inclined to favor it. But we want to look into that  
20 before we move on that matter, and try to be sure that it  
21 does not violate the GATT.

22 I am sure that others will have some particular  
23 provisions, some perfecting amendments to offer later on  
24 that would not occur to people at this point. So I think  
25 that we can understand that this, of course, is subject to

1 further amendments, and that there would be further  
2 amendments to take care of some minute points that will  
3 arise.

4       However, if you like the amendment, and what it does, I  
5 think that we ought to vote on it.

6       Is there any further discussion?

7       Senator Dole. Mr. Chairman, I apologize. We have been  
8 working on the grain embargo without success, so I have not  
9 had a chance to meet a number of senator, I guess, who met  
10 with Senator Bentsen in trying to figure out some way to  
11 reach a consensus. I understand that we are near, but not  
12 quite there. We have a couple on our side who are not  
13 totally satisfied with the effort, although Senator  
14 Danforth, I understand, is.

15       I am just wondering, since I have been at the Banking  
16 Committee since 9:30, if it would satisfactory with the  
17 Senator from Texas and the chairman if the Republicans could  
18 have another chance to meet on this, and still vote on it at  
19 one o'clock or whenever, so that I could try to get some  
20 speed on it.

21       The Chairman. If you insist.

22       Senator Dole. I would like to have a consensus on the  
23 vote.

24       The Chairman. I would hope that we could vote on this,  
25 and then if you want to amend it, amend it.

1           Senator Dole. I don't want to hold it up. It was my  
2 suggestion that we do something finally Friday by noon, so I  
3 am not trying to drag my feet. I had to go up and testify,  
4 on the grain embargo for the Kansas farmers.

5           Senator Ribicoff. Excuse me, but I wonder if the  
6 chairman would be willing to accommodate. The caucus is at  
7 2:30, could we make it at 2:00. We could meet on this at  
8 2:30 so that we would finish it by 3:00. Then at 3:00  
9 o'clock, we would go to the original thought of going to  
10 individual tax cuts. Could we accelerate it by a half-hour  
11 to accommodate the Senator.

12          The Chairman. Do you want to meet at 2:00 o'clock to  
13 talk about it?

14          Senator Dole. I would just like to meet with the  
15 Republicans between now and noon, and then if we can agree  
16 there will not be any need for an amendment. If not, we  
17 will meet and offer the amendment.

18          Senator Bentsen. Let me ask you this. They have been  
19 meeting for quite some time. What you all took 30 minutes  
20 on it, and then came right back here and did it. Could you  
21 do that?

22          Is that all right, Mr. Chairman?

23          The Chairman. That is all right.

24          (Recess.)

25          The Chairman. Let's come to order. I call on the

1 senators to resume their seat.

2 Senator Dole.

3 Senator Dole. Mr. Chairman, I think Senator Heinz  
4 wants to discuss one provision with Senator Bentsen. While  
5 he is coming, I might just say, yes, we have had a chance to  
6 discuss this further among Republicans, and we certainly  
7 share the chairman's view and others' that we probably can  
8 reach a consensus on almost everything.

9 I think Senator Heinz has a question he wants to raise,  
10 and then maybe Senator Chafee, I am not certain. I would  
11 like to make one point. And then we are ready to do  
12 business.

13 Senator Heinz. Mr. Chairman, I am deeply concerned  
14 about two aspects of the 2-4-7 proposal. One as it relates  
15 to owner-occupied structures, and I would hope in order to  
16 accelerate what we might term the "reindustrialization," we  
17 might be able to move towards a somewhat more favorable  
18 situation there. We have discussed the possibility of 15  
19 years and 150 percent declining balance depreciation as a  
20 means of addressing the problem of owner-occupied  
21 structures. Second, the placed in service provisions of the  
22 2-4-7-10 that Senator Bentsen proposed.

23 As currently written, the placed in service rules would  
24 result in substantial delay, particularly in the case of  
25 energy projects in the realization of any benefits from the

1 accelerated depreciation proposed.

2       What I would suggest to my colleagues, and to the  
3 Senator from Texas, if he could accept it, is to adopt the  
4 same placed in service rules as he has in his original  
5 10-5-3 proposal.

6       Senator Bentsen. I would say to my friend from  
7 Pennsylvania, I think he ought to be looking at the whole  
8 package. I feel strongly that we have brought about, as  
9 closely as we can, tax neutrality in the categories of  
10 2-4-7-10. I would like to feel that we have had an  
11 acceptance of that as we consider these others.

12       Senator Heinz. I think that that would be easy to  
13 achieve, I say to my friend, advisedly.

14       Senator Bentsen. It is the Senator from Kansas that I  
15 would like to hear from.

16       (Laughter.)

17       Senator Dole. I don't speak for everyone here, but I  
18 think that we are in fair agreement. I think we are willing  
19 to proceed on the basis outlined earlier when I was not  
20 there. If we can resolve this question of Senator Heinz, as  
21 he has some concern, I think almost everyone else believes  
22 that it is a giant step in the right direction.

23       I think that this is one area where I want to make one  
24 reservation, which I may never offer, at least not today.

25       Senator Bentsen. I will say that it is one small step

1 for Bentsen, but "one big step for mankind."

2 (Laughter.)

3 Senator Heinz. Mr. Chairman, in all modesty, I would  
4 say to the Senator from Texas, you can still reverse the  
5 order.

6 (Laughter.)

7 Senator Bentsen. I will be delighted to support that  
8 package.

9 Senator Heinz. May I say that I believe the Senator  
10 from Texas has provided the basis for a general agreement.  
11 Certainly all of us could have a favorite proposal that we  
12 would like to have. Some of us may feel that there should  
13 be more emphasis on one area and less on another. But the  
14 Senator from Texas has given us what I believe is a very  
15 thoughtful proposal, and it does meet many tests of equity  
16 and fairness, and balance among investment categories. I  
17 have examined it very carefully in that regard.

18 Also, I think that it is very important that this  
19 committee produce a piece of serious work, a piece of work  
20 that we can all be proud of, and that will help this  
21 country. Whether what the Senator from Texas has proposed  
22 has significant or large, or by anybody's standards  
23 something that they wish was a little different, bigger, or  
24 whatever, it will help this country.

25 So I want to work with the Senator from Texas to get a

1 proposal that we can all, with a good conscience support. I  
2 say to my friend from Texas that with the two specifics that  
3 I have mentioned, I think that, from my point of view and I  
4 think I can speak for almost all my colleagues over here, we  
5 would be at that point.

6 Senator Bentsen. I would be delighted to agree as long  
7 as we have the 2-4-7-10. I want to thank the Senator from  
8 Pennsylvania. I particularly want to thank Senator  
9 Danforth, who has been a major contributor to this.

10 The Chairman. Let me make this much clear. All of  
11 this will be subject to amendment. It can be subject to  
12 amendment both before we call the bill up, and it can be  
13 subject to amendment after we call the bill up. There is  
14 nothing immutable about this. This just gets us off  
15 dead-center.

16 So, let's call the roll on the Bentsen amendment.

17 Senator Bentsen. As amended by my friends.

18 Senator Heinz. As I understand it, we would take the  
19 placed in service rules in the original 10-5-3.

20 Senator Bentsen. That is right.

21 Senator Heinz. We would go to 15 years, 150 percent  
22 only on owner-occupied --

23 Senator Bentsen. -- subject to recapture on 1245 on  
24 excess depreciation.

25 Mr. Stern. Also, Senator Bentsen, that would be a



1 \$25,000 limit on the one-year write off, rather than the  
2 \$50,000.

3 Senator Bentsen. That is correct.

4 Mr. Shapiro. Senator Heinz, let me ask you a question  
5 on your progress payments, to make sure I understand, on  
6 placed in service. There is a rule in present law right now  
7 that only applies to investment credit which says that you  
8 get progress payments to the extent that you have a life of  
9 more than seven years, that it takes two years to  
10 construct. In those cases, you get to have investment tax  
11 credit as you make payments. That rule does not apply to  
12 depreciation.

13 Are you saying that you want the same rule that applies  
14 for investment tax credit for depreciation, or any time you  
15 make a payment that that particular payment goes into  
16 depreciation.

17 Senator Bentsen. While they are conferring, there is  
18 another minor one that Treasury brought to my attention, and  
19 it is minor. It is on used assets that they would not drop  
20 to the shorter classification on sale because of the concern  
21 that there would, in effect, be churning there. I totally  
22 agree, and I think that they have made a good point.

23 Senator Heinz. My understanding is that the original  
24 10-5-3 proposal allows you to take the progress payments  
25 from five years and up on assets with a useful life of five

1 years.

2 Mr. Shapiro. I had the impression that it was  
3 anything.

4 Senator Heinz. Anything, then I will take it because  
5 that is what it was. I would like to have people take  
6 advantage of their depreciation as they make expenditures.  
7 I don't see any reason to penalize them. That is the policy  
8 that I am trying to arrive at as nearly as possible.

9 Mr. Shapiro. What the Congress did in the past, the  
10 argument came that when you had a long lead-time property  
11 you had to make progress payments. It was unfair for them  
12 to make the payments and not get the benefit of the  
13 investment tax credit, which is a front-year subsidy.

14 When the Congress worked the investment tax credit,  
15 when it was increased from seven to 10 percent a couple of  
16 years back, one change that Congress did was to accommodate  
17 that concern and said, when you have a long lead-time  
18 property, that is a property that requires more than two  
19 years to construct and a life of more than seven years which  
20 typically requires progress payments, you would allow them  
21 to take the investment tax credit according to their  
22 progress payments.

23 It was not extended generally in the investment tax  
24 credit, and it was not adopted in the depreciation. The  
25 question is, the 10-5-3, as I understand it, allows you to

1 have progress payments whenever you make a payment. The  
2 purpose of the "placed in service" rule for depreciation is  
3 that it was a rule that applied that when you placed in  
4 service, you got the full depreciation at that particular  
5 time. The unfairness of the rule for the investment tax  
6 credit made that change.

7 Senator Heinz. So the issue, as I understand it, is at  
8 what rate do we want people to claim the investment tax  
9 credit. The issue is not at what point do we want to claim  
10 depreciation.

11 Mr. Shapiro. You can combine it or keep it separate.

12 Senator Heinz. I understand that. I don't think that  
13 there is any disagreement.

14 Why don't we do it this way. Why don't we have a rule  
15 that says that anything that requires more than two years to  
16 construct can get these.

17 Mr. Shapiro. That seems to be consistent.

18 Senator Heinz. At least two years.

19 Senator Bentsen. I think that would be a reasonable  
20 limitation on it.

21 The Chairman. Mr. Lubick, do you want to comment on  
22 this?

23 Mr. Shapiro. I think that to be consistent, you would  
24 probably want the same rule as for investment tax credit.  
25 So you would have the same for both investment and

1 depreciation.

2 Senator Heinz. Yes.

3 The Chairman. Let's hear from Mr. Lubick.

4 Mr. Lubick. The point we want to make, Mr. Chairman,  
5 is that essentially you have a concept here that we are  
6 trying to match expenses against income. If you go to a  
7 rule that puts you essentially on a cash method of  
8 accounting, you would open yourself up to a great amount of  
9 tax sheltering.

10 We think the rule ought to be same rule that you have  
11 adopted in the extraordinary situation on investment  
12 credit.

13 The Chairman. That is what it is that we will be  
14 voting on. Is that right?

15 Senator Heinz. Yes.

16 The Chairman. Senator Dole.

17 Senator Dole. I just want to make the one point that  
18 this is certainly not final action, but it is a big step  
19 forward. I just have not had an opportunity yet to study  
20 this carefully. Senator Danforth has. We have only had it  
21 before us for a couple of days whereas 10-5-3 has been  
22 around for 18 months.

23 There may be, I assume, a clamor from some, when they  
24 look it over and see that they are getting a little less  
25 than others, to change it. One would be to merge the four

1 and seven categories into one five-year category, and give  
2 them an eight percent investment tax credit.

3 I am looking particularly at cattle breeding, dairy,  
4 and others that live in states such as Oklahoma, Texas,  
5 Kansas, Minnesota, to name a few. So I am not going to  
6 offer the amendment at this time, but I reserve that right,  
7 as everyone does on everything that has been done, to offer  
8 that amendment on the floor. Maybe it could be a Dole-Boren  
9 amendment, or a Baucus-Dole amendment.

10 (Laughter.)

11 Senator Heinz. Senator Dole, you left out all the New  
12 Jersey dairy farms, I am surprised at that.

13 Mr. Lubick. We don't understand whether the rule is  
14 the same as the investment credit rule, or whether Senator  
15 Heinz's rule is more liberal. We think that it probably  
16 ought to be the same rule because we don't quite see the  
17 necessity in your two and four year categories, where you  
18 are not dealing with the very serious progress payment  
19 situation that you had in the investment credit that you  
20 were dealing with for very long-lived property.

21 I think what Senator Wallop had in mind, you had  
22 originally sponsored that type of amendment on the  
23 investment credit. It does present a very distinguishable  
24 situation for moving more liberally to a cash accounting  
25 concept.

1 Senator Bentsen has asked that Senator Danforth be  
2 added as a co-sponsor of the amendment.

3 Let's call the roll on the amendment.

4 Mr. Stern. This is on the depreciation proposal as  
5 proposed by Senator Bentsen, modified with regard to the  
6 owner-occupied structures, placed-in-service rule, and the  
7 \$25,000 limitation on the one-year write off.

8 Senator Heinz. And without the seven-year life.

9 The Chairman. Let's call the roll on the  
10 Bentsen-Danforth amendment, then.

11 Mr. Stern. Mr. Talmadge.

12 The Chairman. Aye by proxy.

13 Mr. Stern. Mr. Ribicoff.

14 Senator Ribicoff. Aye.

15 Mr. Stern. Mr. Byrd.

16 Senator Byrd. Aye.

17 Mr. Stern. Mr. Nelson.

18 (No response.)

19 Mr. Stern. Mr. Gravel.

20 (No response.)

21 Mr. Stern. Mr. Bentsen.

22 Senator Bentsen. Aye.

23 Mr. Stern. Mr. Matsunaga.

24 (No response.)

25 Mr. Stern. Mr. Moynihan.

1 (No response.)  
2 Mr. Stern. Mr. Baucus.  
3 Senator Baucus. Aye.  
4 Mr. Stern. Mr. Boren.  
5 Senator Boren. Aye.  
6 Mr. Stern. Mr. Bradley.  
7 Senator Bradley. Aye.  
8 Mr. Stern. Mr. Dole.  
9 Senator Dole. Aye.  
10 Mr. Stern. Mr. Packwood.  
11 Senator Packwood. Aye.  
12 Mr. Stern. Mr. Roth.  
13 Senator Roth. Aye.  
14 Senator Bentsen. Mr. Nelson by proxy, and Mr. Moynihan  
15 by proxy vote aye.  
16 Mr. Stern. Mr. Danforth.  
17 Senator Danforth. Aye.  
18 Mr. Stern. Mr. Chafee.  
19 Senator Chafee. Aye.  
20 Mr. Stern. Mr. Heinz.  
21 Senator Heinz. Aye.  
22 Mr. Stern. Mr. Wallop.  
23 Senator Wallop. Aye.  
24 Mr. Stern. Mr. Durenberger.  
25 Senator Durenberger. Aye.

1 Mr. Stern. Mr. Chairman.

2 The Chairman. Aye. Mr. Gravel, by proxy, aye.

3 The Chairman. The ayes are 19, and the nays are zero.

4 We will hear from Mr. Matsunaga before the day is out. I  
5 assume that it will be unanimous on that amendment.

6 Thank you very much, gentlemen, and we will meet at  
7 3:00 in this room.

8 (Whereupon, at 12:00 a.m., the committee recessed, to  
9 reconvene at 3:00 p.m., the same day.)

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25



