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[H.A.S.C. No. 96-19]

GOVERNMENT
Storage

FULL COMMITTEE CONSIDERATION
OF
H.R. 3384, H.R. 3385, H.R. 5163, H.R. 5025,
H.R. 4627, H.R. 3407, and H.R. 5168

HEARING
BEFORE THE
COMMITTEE ON ARMED SERVICES
HOUSE OF REPRESENTATIVES
NINETY-SIXTH CONGRESS
FIRST SESSION

SEPTEMBER 11, 1979

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COMMITTEE ON ARMED SERVICES

NINETY-SIXTH CONGRESS, FIRST SESSION

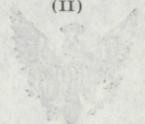
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[H.A.S.C. No. 96-19]

**FULL COMMITTEE CONSIDERATION OF H.R. 3384, H.R. 3385,
H.R. 5163, H.R. 5025, H.R. 4627, H.R. 3407, AND H.R. 5168**

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., Tuesday, September 11, 1979.

The full committee met, pursuant to notice, at 10:05 a.m., in room 2118, Rayburn House Office Building, Hon. Melvin Price (chairman of the committee) presiding.

The CHAIRMAN. The committee will be in order.

The first order of business will be a report from the Seapower and Strategic and Critical Materials Subcommittee. We will hear from Mr. Bennett.

**REPORT OF HON. CHARLES E. BENNETT, A REPRESENTATIVE FROM
FLORIDA, CHAIRMAN, SEAPOWER AND STRATEGIC AND CRITI-
CAL MATERIALS SUBCOMMITTEE**

Mr. BENNETT. Thank you, Mr. Chairman.

Mr. Chairman, I call up for consideration two stockpile disposal bills, H.R. 3384, a bill to authorize the disposal of 1.5 million carats of industrial diamond stones; and H.R. 3385, a bill to authorize the disposal of 15 million ounces of silver.

The subcommittee held 1 day of hearings on July 25, at which time members of industry, the administration, and Congress presented testimony with respect to these disposals. The subcommittee voted unanimously to favorably refer H.R. 3384 and by a vote of 5 to 4, to favorably refer H.R. 3385.

I will limit my discussion to the bills as approved and discuss industrial diamond stones first.

[H.R. 3384 is as follows:]

(1)

96TH CONGRESS
1ST SESSION

H. R. 3384

To authorize the disposal of industrial diamond stones from the national stockpile and the supplemental stockpile.

IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 1979

Mr. PRICE (for himself and Mr. BOB WILSON) (by request) introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To authorize the disposal of industrial diamond stones from the national stockpile and the supplemental stockpile.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Administrator of General Services is hereby author-
4 ized to dispose of, by negotiation or otherwise, approximately
5 one million five hundred thousand carats of industrial dia-
6 mond stones now held in the national stockpile established
7 pursuant to the Strategic and Critical Materials Stock Piling
8 Act (50 U.S.C. 98—98h-1) and the supplemental stockpile
9 established pursuant to section 104(b) of the Agricultural

- 1 Trade Development and Assistance Act of 1954 (as in effect
- 2 from September 21, 1959, through December 31, 1966).
- 3 Such disposition may be made without regard to the require-
- 4 ments of section 3 of the Strategic and Critical Materials
- 5 Stock Piling Act. The time and method of any disposal under
- 6 this Act shall be fixed with due regard to the protection of
- 7 the United States against avoidable loss and the protection of
- 8 producers, processors, and consumers against avoidable dis-
- 9 ruption of their usual markets.

Mr. BENNETT. According to the General Services Administration [GSA] witness, the present industrial diamond stones inventory of 20 million carats is more than adequate to meet the stockpile goal of 5,559,000 carats. The disposal of 1.5 million carats represents only 9 percent of free-world production and is not expected to have an adverse impact on the market. The estimated receipts from the sale of these diamond stones is approximately \$26 million. The United States is totally dependent on imports for industrial diamonds, and the Republic of South Africa is the primary source.

The principal uses for industrial diamond stones are in the manufacture of drilling bits and rearming shells, diamond tools, saws, and wire-drawing dies. Although substitute materials for many applications are available, they are not generally efficient or as adaptable as industrial diamond stones.

According to the GSA witness, under the most cautious available estimates of defense requirements in time of war, we would only need to stock approximately 5.5 million carats of industrial diamond stones. This would be our requirement over a period of 3 years and would cover the DOD requirements, the essential civilian requirements, and the general civilian requirements.

It appears, based on testimony received from the GSA witness, that under the most conservative estimates there is clearly an excess of industrial diamond stones.

Mr. Chairman, the next bill for consideration is H.R. 3385.

[H.R. 3385 is as follows:]

96TH CONGRESS
1ST SESSION

H. R. 3385

To authorize the disposal of silver from the national stockpile.

IN THE HOUSE OF REPRESENTATIVES

APRIL 2, 1979

Mr. PRICE (for himself and Mr. BOB WILSON) (by request) introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To authorize the disposal of silver from the national stockpile.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Administrator of General Services is hereby author-
4 ized to dispose of, by negotiation or otherwise, approximately
5 fifteen million troy ounces of silver now held in the national
6 stockpile established pursuant to the Strategic and Critical
7 Materials Stock Piling Act (50 U.S.C. 98—98h-1). Such dis-
8 position may be made without regard to the requirements of
9 section 3 of the Strategic and Critical Materials Stock Piling
10 Act. The time and method of any disposal under this Act
1 shall be fixed with due regard to the protection of the United
2 States against avoidable loss and the protection of producers,
3 processors, and consumers against avoidable disruption of
4 their usual markets.

Mr. BENNETT. This bill authorizes the disposal of 15 million ounces of silver from the stockpile. The entire inventory of silver, 139.9 million ounces, is excess to our requirements according to the GSA witness.

However, this bill provides only for 15 million ounces to be disposed of so that the market will be not be disrupted, leaving 124.5 million ounces over the goal, thereby constituting an additional hedge for national security requirements.

The stockpile goal for silver is zero. However, this does not mean the wartime requirement is zero. This requirement for the 3-year mobilization period, 1980 to 1982, is 141 million ounces.

The goal represents the difference between requirement and supply for the 3-year period. The United States produces, during peacetime, about 85 million ounces of silver annually, of which 35 million ounces are from primary production. The 3-year primary and secondary wartime silver supply from domestic sources is estimated to be in excess of 250 million ounces.

In addition to this supply, there are several other feasible sources of silver which can be drawn on, if required, in a national emergency. These added sources are not considered in supply projections and include about 39 million ounces now held in the treasury for coinage, 7 million ounces in DOD stocks for contracts with government-furnished material provisions, 118 million ounces in the Commodity Exchange and Chicago Board of Trade warehouses, and 20 million ounces held by industry.

Therefore, if necessary, sizable quantities could be diverted for defense uses in emergencies.

It is also to be noted that the U.S. General Accounting Office recently concluded a study requested by the chairman of the Senate Armed Services Subcommittee on Military Construction and Stockpiles concerning the national defense requirements for a silver stockpile. It was the GAO opinion that 139.5 million ounces of silver presently in the stockpile are not required because the probable wartime supply exceeds projected U.S. requirements. Both of these bills are administration-sponsored bills.

The receipts from the sale of the silver, approximately \$135 million, and the diamond stones, approximately \$26 million, combined will total approximately \$161 million and will be used to acquire needed strategic materials in the future.

Mr. Chairman, I strongly support the subcommittee's position and move that the full committee approve H.R. 3384 and H.R. 3385.

The first bill is H.R. 3384. I move this be approved at this time.

Mr. DAVIS. Mr. Chairman?

The CHAIRMAN. Mr. Davis?

Mr. DAVIS. Mr. Chairman, I have a simple amendment. It is on line five. Strike out the first word "one". Insert in its place the word "five".

The strategic stockpile currently has an inventory of 20 million carats of industrial diamond stones. As stated by Chairman Bennett, our current inventory goal is some 5.6 million carats. Therefore, this leaves an excess in the stockpile in excess of 14.4 million carats.

The bill, H.R. 3384, provides for the disposal of 1.5 million carats out of the 14.4 million. My amendment would increase the disposal authority from 1.5 million to 5.5 million.

Mr. Chairman, the purpose of my amendment is to provide the GSA the disposal authority necessary to consider the standing request by the Government of Israel to purchase 4 million carats from our industrial diamond stone stockpile for their domestic diamond industry.

As the members of the committee will recall, GSA is now required, under the current statute, to report any intended sale of stockpile assets to foreign interests to this committee prior to the consummation of any agreement for such sale. Thus, this committee could have the opportunity to review the terms and conditions of any sale to any foreign government, including the Government of Israel, prior to the actual transfer taking place.

The Congress, in its foreign aid bill, recently voted billions in aid and military credits to Israel. However, it makes little sense, Mr. Chairman, to recognize the economic development needs of Israel to such aid programs on the one hand while refusing to sell vital raw materials which are excess to our stockpile needs, as testified to by GSA, and not let them have these inventories on the other hand.

Israel's economy is partially and particularly dependent on imported diamond stones. In 1977 this represented 39 percent of the total exports of that country, amounting to \$1 billion. In 1978 that figure increased to \$1.32 billion [U.S. dollars], representing 40 percent of the total industrial exports.

Moreover, the industry contributes significantly to the country's adverse balance of trade, and it employs close to 20,000 skilled individuals.

Israel has no diamond mines itself. It is totally dependent on foreign sources to supply its raw, uncut stones. Mr. Chairman, there are only two sources of these stones in large quantities. There is the South African De Beers cartel and the GSA stockpile. Israel is subjected to monopoly pricing policies of the cartel if we are unwilling or unable to sell stones directly to the Israeli Government.

Mr. Chairman, this amendment does not say that the stones will go directly to Israel. However, it provides the U.S. Government with the option to consider the sale of the industrial diamonds to Israel pursuant to such terms and conditions as are necessary to insure a fair price and to avoid any domestic market disruption. Once again, before any sale between the U.S. Government and Israel could be consummated, there is a possibility that this committee could have the opportunity to review its terms and conditions at the time.

Mr. Chairman, at this time I move for the adoption of my amendment.

Mr. BENNETT. Mr. Chairman.

Mr. DAVIS. Go ahead.

The CHAIRMAN. Mr. Bennett may speak.

Mr. BENNETT. Mr. Chairman, I'd like to respond at this time.

The CHAIRMAN. Yes.

Mr. BENNETT. Thank you, Mr. Chairman.

The subcommittee, when it met, had before it an amendment by Mr. Lehman from Florida. During his testimony he suggested amend-

ing the disposal from 1.5 million to 4 million carats. According to Mr. Lehman, this was for the purpose of granting the request by the Government of Israel to purchase 3 million carats by negotiating procedures. There was no motion by any member of the subcommittee to amend the bills to increase the amount of disposal. The subcommittee did not act favorably on that idea. Therefore, it was not done. The bill appears before you as reported out of the subcommittee. I must say that there has been some discussion in the press as to whether or not the previous arrangements with Israel were proper. There was an agreement at one time to sell diamonds to Israel and I am told that the stones were generally large and of higher quality than those offered and sold in comparable sealed bids. There was some criticism of this sale.

Mr. Chairman, I am advised by the General Services Administration that the operating agreement with Israel does not expire until May 1980. It contains no obligation on the part of the United States to enter into any new negotiation with Israel for the sale of industrial diamonds in the stockpile. Commissioner Markon of the Federal Property Resources Service, reiterated that an obligation to conduct a negotiated sale of diamonds to Israel does not exist and that GSA plans to sell, on a competitive basis, the stockpiled diamond stones that would be authorized for disposal by H.R. 3384.

As chairman of the subcommittee, I present the bill to the full committee, as reported out of the subcommittee, with no changes.

Mr. Chairman, the testimony before the subcommittee was, first of all, whether there was an excess of diamonds. There obviously is an excess of diamonds in the stockpile.

Second, whether the disposal would disrupt the market. That related to the amount of diamonds that were being disposed of by this bill. It did not relate as to whether there would be a disruption in the market if you had a large amount.

I feel it is an orderly procedure to respond to the administration's request, absent some strong proposal in the subcommittee, with the actual testimony to be able to back it up, Mr. Chairman, showing there would be no disruption of the market and this would be a proper thing. We have years in the future to dispose of more diamonds if we want to. I think the orderly thing to do to respond to the administration's request is to act on it in the committee and listen to people that have ideas. They were turned down and the request not accepted. I feel the bill comes out of the subcommittee as a proper bill and that this should be approved without any amendment.

The CHAIRMAN. Are there other comments?

Mr. DICKINSON. Mr. Chairman?

The CHAIRMAN. Mr. Dickinson?

Mr. DICKINSON. Mr. Chairman, at this time I want to ask a couple of questions about the bill or about the amendment, if I may.

The CHAIRMAN. Yes.

Mr. DICKINSON. I didn't understand why this procedure was necessary or why Israel or anyone else wouldn't have the same right to bid against the GSA releases. I don't know why, Mr. Chairman.

Mr. DAVIS. Will you yield?

Mr. DICKINSON. Yes.

The CHAIRMAN. Mr. Davis?

Mr. DAVIS. The only purpose of the amendment is to increase the quantity where you could bid on possibly more, because of the large imports as to the Israeli economy involved here. It is this, plus the fact that they have to depend on our suppliers. It is just one of these things where, if you're selling cars, you'd much rather sell 200 if you get them from General Motors than 25. That is the purpose of the amendment. It is to offer them the opportunity to be able to bid on a greater amount rather than the other. It is not a guaranteed thing that they would be low bidder.

This committee, under the current statute, has the opportunity to review the contract.

Mr. DICKINSON. Will you yield?

Mr. DAVIS. Yes.

Mr. DICKINSON. I don't want to knit-pick. The reason we have released items from the stockpile in the past in limited quantities is not to destabilize the world market or the national market.

Evidently the administration, or whoever makes these decisions, or some organization under GSA, actually makes the decision that this is the correct amount that they can absorb without destabilizing the market.

If you are going to increase it three times more, who makes the judgment as to whether or not it depresses the world market or that it destabilizes the market in general? I don't know.

That is all I have at this time, Mr. Chairman.

Mr. STRATTON. Mr. Chairman?

The CHAIRMAN. Go ahead, Mr. Chairman.

Mr. STRATTON. Thank you, Mr. Chairman.

As a member of the subcommittee, I would like to support the Davis amendment.

The chairman of the subcommittee perhaps has forgotten that we had a rather lengthy discussion of the whole aspect of Israel's relationship with some of these commodities at the time that we approved the basic legislation. We talked about disposal legislation between the distinguished chairman of the subcommittee and myself. We finally agreed on a wording that would say that these products were to be sold not only to the highest bidder strictly for purposes as set forth in the legislation, but they should also be sold to any country with which we had a particular agreement.

I don't have the actual wording of the legislation in front of me now, but the purpose of that was to insure that when it came to a question of industrial diamonds, Israel, which had a long history of purchasing certain surplus industrial diamonds, as such, from the United States, would not be squeezed out of the market.

I think that Mr. Davis has made a very important point. Since we are getting into the field of industrial diamonds and, since in the field of industrial diamonds we have got them coming out of our ears, it would make good sense for us, in believing what we put into our basic legislation, that we authorize enough diamonds to meet the requirements of the state of Israel at this time.

Thank you, Mr. Chairman.

Mr. BENNETT. Mr. Chairman, at this time may I please respond?

The CHAIRMAN. Mr. Bennett?

Mr. BENNETT. There was a finding by GSA internal auditors about the last sale. It said the quality mix of the stones sold to Israel was much higher than the mix of normal sealed bid sales, and was contrary to the GSA policy of maintaining the inventory at the highest quality level. It recommended the quality mix of disposal to be in accordance with established policy.

It pointed out that to avoid market disruption, that contract controls should be more effective in the future.

So, Mr. Chairman, in the context of that, plus the statement, the one that is clear and unequivocal in the hearing, and one backed up by letters, that there is no contract agreement with Israel to buy diamond stones.

I think that the facts here are clear. I do remember the final result of the discussion. That was, there was no contract with Israel to buy the diamonds. Therefore, if there was a treaty, or if there was an agreement, it is nullified by the fact that there is no such treaty or agreement now.

There were such agreements relative to the stones that were sold previously, but there are none with regard to this disposal. GSA has already said that it will handle this by competitive bidding.

Mr. DICKINSON. Will you yield?

Mr. BENNETT. Yes.

Mr. DICKINSON. Is there any prohibition on a foreign government bidding for these, with GSA to handle the transaction as opposed to an individual or international cartel handling this?

Mr. BENNETT. Under the current statute if the sale isn't on a competitive basis, the Committee on Armed Services must be notified and provided with a justification.

Mr. DICKINSON. Thank you.

Mr. DAVIS. Will you yield?

Mr. BENNETT. Yes.

The CHAIRMAN. Mr. Davis?

Mr. DAVIS. You're talking about negotiating this or that. Maybe 1975 was negotiated. The only thing that I'm asking in my amendment, and I stated it in my argument, is to merely provide the U.S. Government with the option to consider a sale of industrial diamonds to Israel. That is all it does. It does not mandate it. It does not go to any previous standing contract. It just gives the opportunity for our Government to consider the sale if the request is then made. That is all it is. It just makes them available. If we don't have them available out of the stockpile, the Government cannot even consider a request for sale.

Thank you, Mr. Chairman.

Mr. BENNETT. Will the gentleman yield?

Mr. DAVIS. Yes.

The CHAIRMAN. Mr. Bennett?

Mr. BENNETT. The Government has said it does want to keep the market stable. There is no testimony that the market would be adequately protected if you had a larger amount. The committee did act on it. The committee put it in as 1.5 million carats, which was the administration's request.

Therefore, I feel compelled to carry out the subcommittee's action after it had heard all the testimony.

Mr. McDONALD. Mr. Chairman.

The CHAIRMAN. Mr. McDonald?

Mr. McDONALD. Thank you.

Mr. Chairman, I support the gentleman's amendment. I feel this is coming at a time when so many items are critically needed in our stockpile and where so many areas of deficiency exists. An item such as diamonds, where we have demonstrated a surplus, I think time has long since past that these things should be removed from the stockpile and those strategic items that we need for the stockpile be purchased.

I think it is also going to require coming before the Appropriations Committee and getting funding to appropriate some of the things that cannot be purchased by the sale of some of the surplus items.

I strongly support the gentleman's amendment. I feel it is time we got serious about the stockpile.

I would also like to speak after this vote on the matter of the silver sale, because I think we have, in that instance, the effort by the administration to sell off a very vital strategic item, one which is skyrocketing in value because the world is running out of it at the traditional low price. That is simply a matter of selling off something at a relatively low price, something that we will have to buy back later at a much higher price. That situation does not exist with regard to the diamonds.

Mr. Chairman, I support the gentleman's amendment at this time.

Mr. DAVIS. Thank you.

The CHAIRMAN. Have you finished?

Mr. DAVIS. Yes.

The CHAIRMAN. The question is on the Davis amendment. Those in favor of the amendment will vote aye. Those opposed to the Davis amendment will vote no.

The ayes appear to have it.

Mr. BENNETT. I ask for a rollcall at this time, Mr. Chairman.

The CHAIRMAN. A rollcall is requested. The clerk will call the roll.

Mr. BENNETT. Thank you.

The CHAIRMAN. Call the roll.

[Rollcall taken.]

Mr. FORD. Mr. Chairman, on this vote there are 29 ayes and 4 nays.

The CHAIRMAN. Thank you. The question now occurs on the subcommittee reports. Those in favor—

Mr. STRATTON. Mr. Chairman, there are two bills. This is in regard to the first bill?

The CHAIRMAN. Yes.

Mr. STRATTON. All right.

Mr. CHAIRMAN. Mr. McDonald?

Mr. McDONALD. Mr. Chairman, at this time I have a parliamentary inquiry.

The CHAIRMAN. The committee wants a separate consideration of H.R. 3384 and H.R. 3385.

Mr. McDONALD. Absolutely.

The CHAIRMAN. You say that is what the committee wants, Mr. McDonald?

Mr. McDONALD. Yes.

The CHAIRMAN. The question is on H.R. 3384.

Mr. McDONALD. As amended.

The CHAIRMAN. Yes. Those in favor of this bill, as amended will vote aye. Those opposed will vote no.

The ayes appear to have it. The bill is therefore agreed to.

Mr. BENNETT. Mr. Chairman, I ask unanimous consent that the staff make the technical changes as necessary in H.R. 3384 so the language in the bill will conform with the changes in Public Law 96-41, which was signed into law on July 30, 1979, subsequent to the time this bill was reported out of the subcommittee.

This bill, as introduced, contains reference to the Administrator of GSA as the person authorized to dispose of materials from the stockpile. The new statute authorizes the President.

Mr. Chairman, H.R. 3384 also refers to the national stockpile. The new statute combines all stockpiles into one and is referred to as the "National defense stockpile." These changes are necessary so that the language referred to previously corresponds to that in the current statute.

The CHAIRMAN. Without objection, it is so ordered at this time.

Mr. BENNETT. Thank you.

I move H.R. 3385 be approved.

Mr. McDONALD. I might speak to that at this time, Mr. Chairman.

The CHAIRMAN. Mr. McDonald?

Mr. McDONALD. Thank you, Mr. Chairman.

I testified before the subcommittee against this bill. I served 4 years on the subcommittee in the 94th and the 95th Congress. I came to testify against this bill because I am the sponsor of a bill to purchase approximately 50 million ounces, which is roughly one-sixth of what we need to add to our strategic stockpile.

With me, we have about 72 cosponsors in the House to purchase silver. I feel at a time when we, Mr. Chairman, frankly need to be adding silver to the strategic stockpile, that it is the height of folly to be selling the dwindling amount we have.

As to the members of the committee, if you will simply let me say this—silver is a very unique substance. It is different from the others in the sense that it is absolutely essential for X-rays due to the photo-sensitive aspects of silver. The same can be said for photography. There are few exotic means of new photography coming out, perhaps 5 percent, that do not use silver. But overwhelmingly, photography requires silver. There is no substitute. Eastman Kodak has spent millions of dollars, as have others, trying to find substitutes for silver. Also, high quality electronics require silver because of the constant conductive properties of silver oxide or the silver sulfide.

Now, the same cannot be said for copper.

In World War II we used approximately 800 to 900 million ounces of silver. In all fairness, roughly one-half of that was used for the Manhattan project on a crash program or for electrical bars or circuits. We have absolutely no guarantee that we would not face a crash program requiring large amounts of silver, say, for charged particle beam weaponry, or for some other type of immediate emergency needs.

By comparison, during the Vietnam war, we used approximately 1.2 billion ounces of silver for the national needs at the time.

In short, you're dealing with a substance that cannot be replaced. The fact is that silver is the first strategic metal the world is running out of at traditional prices. That puts it in an entirely different category.

Silver is a unique substance, and the demand remains the same regardless of the price. It is pretty much unchanged because you only use a very small amount of silver, costwise, for photographic film or X-rays. You have to have this regardless of the price of it. It does not run up the overall cost of the X-ray or the photographic film that much.

Finally, the supply will not last. About 80 percent of the new silver does not come from silver mines. It comes as a byproduct of copper, lead, and zinc mining. The price can double and you will not have a great expansion of mining capacity. The overwhelming majority comes as a byproduct of other mining. You are not going to expand copper or lead mining to get the small byproduct of silver.

We have moved from a position of massive dominance in silver production to where we are now 50 percent dependent on foreign imports, most coming from Mexico, Peru, and Canada.

The events of this summer make it very clear that dependence to the south on the Mexican or Central American countries has become quite shaky, say, with the changes in Nicaragua. The importance of that to other countries, including Mexico and Peru is noted. As I remind the members, Peru is the second country in the Western Hemisphere to be receiving large amounts of Soviet equipment. They are receiving SAM missiles and T-54 and T-55 tanks, and so forth. I think at this time that we have a very shaky foreign source, or that we will have in the out years. We are going to have to consider this.

We're dealing with a substance, and our own Bureau of Mines study recently showed our shortfall in minerals. From 1976 to the year 2000, there is one message that stands out in the study. That is that the world will face an approximately 6-billion ounce shortage of silver, a shortfall in the silver supply versus the needs.

This might have been a legitimate point maybe 2 or 3 months ago, and then maybe it was debatable. But the market action for the past 6 weeks makes, in my opinion, this bill not even a debatable point. The price of silver has jumped approximately \$3 an ounce on the market. The world is rapidly coming to the realization that here is an item that the world is running out of.

The idea that we have so many ounces of silver in the commodity stores is a joke. The silver stores are being bought up. It is in a position where the market can—well, we can sell the 50-million ounces and then later we will wind up buying it at twice or three times the price. We can sell it, but the big money that has come into the silver market in the last 6 weeks, here, the OPEC countries will gobble it up in 2 or 3 days. They will smile and they will then say, "Give us more." It's the height of folly to sell something of such tremendous value for paper dollars that are eroding in value, because it has already gone up since we considered the bill. It has gone up \$3 an ounce. That is unprecedented.

Business Week magazine in July pointed out the serious situation that we are facing with the national metal supply and the other metals

that we need like cobalt. We are finding replacements like a new nickel process to replace cobalt, but we do not have replacements for silver.

Mr. Chairman, I urge my colleagues to strongly reject this. To me it is the height of folly. I'm surprised the administration has not requested it be removed from the calendar. Thank you.

Mr. BOB WILSON. Will you yield?

Mr. McDONALD. Yes.

Mr. BOB WILSON. I think that the gentleman from Georgia makes a great deal of sense. I've been watching the silver prices and the futures. It is obvious that this is an asset. For us to trade this away now would be a stupid error in judgment. I support his position in voting against the bill at this time.

Mr. McDONALD. Thank you.

Mr. STRATTON. Mr. Chairman?

The CHAIRMAN. Mr. Stratton?

Mr. STRATTON. It isn't often that I differ with my chairman of the subcommittee. But I do support the motion of the gentleman from Georgia to oppose this legislation. Also, I express my views very strongly, that is, I have expressed them very strongly in the subcommittee.

The basic philosophy that we have been governed by in operating the stockpiles is to dispose of the excess commodities we have so that we can get more cash. The trouble with our policy and the trouble with the various bills is that nobody has apparently been following the economic news of the past few months. We are in an inflationary situation. Disposing of silver is about as intelligent as disposing of gold. Gold goes up not only \$3 an ounce but it is up to something like \$320 an ounce. Obviously, if we had any gold, we would be insane to get rid of it. The same thing is happening with silver. It is not going up quite as rapidly. But for us to dispose of silver today in order to get a few of the Susan Anthony dollars to spend on some social program is, I think, complete fiscal insanity.

If we have got anything rising in price under the control of the United States, then we ought to hang onto it at this time.

As Mr. McDonald said, it will probably be twice as valuable in another couple of years.

The fact of the matter is that the administration's position is that our stockpile requirement of silver is zero. We've been told by the geniuses over at GSA and the Defense Department that we don't need any silver. We have all that we now want, all that we can use. Our situation in silver is exactly like our situation in oil. We have to import more than half of the silver that we need every year on a commercial basis. This is for X-rays, protography, and for many of the other purposes, such as high-level communications that Mr. McDonald has just referred to.

For us to say a commodity in which we have only one-half of a supply annually to meet our needs, to say that this should be disposed of, I think is very foolish. I think the committee ought to vote the bill down very resoundingly.

Thank you, Mr. Chairman.

Mr. LLOYD. Will you yield?

Mr. STRATTON. Yes.

The CHAIRMAN. Mr. Lloyd?

Mr. LLOYD. Thank you very much, Mr. Chairman.

I concur with the remarks made. I point out to my colleagues that there is no overwhelming requirement to sell this off. I think the question that has to be asked is would we, in any way, debilitate our defense posture and the economic posture of the United States were we to sell this off. I think that the answer is "No." I think the answer, as my colleague, Mr. McDonald, and others have mentioned here, is what are the economic drivers at the present moment? What are the pressures? The answer here is that we'd be better off keeping it.

I, therefore, recommend Mr. Chairman, we go ahead and support Mr. McDonald's recommendation.

The CHAIRMAN. Mr. Dickinson.

Mr. DICKINSON. I would like to ask a question at this time, if I may.

The CHAIRMAN. Yes.

Mr. DICKINSON. I will ask this question of Mr. McDonald.

Mr. McDONALD. Yes.

Mr. DICKINSON. What organizations or outfit is it in Massachusetts that is so anxious to get this sold? That is my question.

Mr. McDONALD. That's very easy to answer. Among the silver users who are located, I think, principally in Pennsylvania and Massachusetts and New York, they are very anxious to be able to buy the remaining last bits of relatively cheap silver which is above ground. They can see the futures market just as well as anyone else. The futures market is acting as it has never done in the history of the world. In fact, I checked yesterday. It went up 45 cents in 1 day, yesterday.

The silver users understandably want to buy cheap silver to use in their industry. I am sympathetic to industry and to their needs. That does not mean that we should be crucifying our defense needs for the future simply to satisfy the silver users in Massachusetts or in one or two isolated areas. This is a very critical area involving our national defense.

Mr. DICKINSON. Will you yield?

Mr. McDONALD. Yes.

Mr. DICKINSON. Mr. McDonald, regarding Massachusetts, is that where they make more?

Mr. McDONALD. You have a lot of silver users and silversmiths in Massachusetts.

Mr. DICKINSON. Thank you.

Mr. BENNETT. Mr. Chairman?

The CHAIRMAN. Mr. Bennett?

Mr. BENNETT. I will respond to that briefly.

There is no way to obtain the silver relatively cheaply. This is competitive bidding. This is the recommendation of the administration.

As the gentleman from Georgia so eloquently pointed out in his discussion as to the diamond bill, if we don't get funds to buy other really critical materials, we will be in a bad way. The administration could recommend, or we could act without recommendation, to authorize the acquisition and the funding of other commodities other than the trust fund that has been set up by the Congress for the sale of things that we don't strategically need and that we don't therefore have an adequate quantity of.

So, it is just down to that. In other words, it should not be colored by the idea that cheap silver will be, or any cheap arrangement will be made to sell silver. This will be by competitive bidding. We will get the best price we can at the time. The money will then go into a stockpile fund from which we will buy other things that we need much more than silver, such as chromium, titanium, and things like that.

Mr. Chairman, that is the issue that is before the committee. It was a 5 to 4 vote in the subcommittee. I was one of the five. It seemed to be logical to sell the silver to get the things that we desperately need from the standpoint of real national defense, rather than silver that we can get in adequate quantities without the stockpile.

Now, that is the issue. Whatever the committee does, like Mr. Stratton says—well, I want to be very kind and try to be happy. Whatever you do is all right with me.

The CHAIRMAN. The question at this time is on the recommendation of the committee. Those in favor of H.R. 3385 vote aye. Those opposed vote no. The noes appear to have it.

At this time do you have an additional report to make, Mr. Bennett?

Mr. BENNETT. Mr. Chairman, I have one on the ships. I hope that I do better on this than on the other one.

H.R. 5163

Mr. BENNETT. Now, Mr. Chairman, the purpose of H.R. 5163 is to permit the sale of 14 older naval vessels to several allied and friendly countries. This legislation is necessary as the Congress must approve the sale of a naval vessel which displaces in excess of 3,000 ton or is less than 20 years old. All 14 vessels considered in this legislation are over 20 years old, and each displaces more than 3,000 tons.

[H.R. 5163 is as follows:]

96TH CONGRESS
1ST SESSION

H. R. 5163

To authorize the sale to certain foreign nations of certain excess naval vessels.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 5, 1979

Mr. BENNETT introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To authorize the sale to certain foreign nations of certain excess naval vessels.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That in accordance with section 7307 of title 10, United
4 States Code, the Congress approves the sale of fourteen ves-
5 sels of the United States Navy as follows:

6 (1) One tank landing ship of the Suffolk County
7 class, one auxiliary repair drydock of the ARD-12
8 class, and one small auxiliary floating drydock of the
9 AFDL-35 class, to the Government of Brazil.

1 (2) One auxiliary repair drydock of the ARD-12
2 class, to the Government of Colombia.

3 (3) One auxiliary repair drydock of the ARD-12
4 class, to the Government of Ecuador.

5 (4) One dock landing ship of the Cabildo class, to
6 the Government of Greece.

7 (5) One destroyer tender of the Shenandoah class,
8 to the Government of Indonesia.

9 (6) One auxiliary repair drydock of the ARD-12
10 class, to the Government of the Republic of Korea.

11 (7) One auxiliary repair drydock of the ARD-12
12 class, to the Government of Mexico.

13 (8) One auxiliary repair drydock of the ARD-12
14 class, to the Government of Peru.

15 (9) One cargo ship of the Kukui class and one
16 small auxiliary floating drydock of the AFDL-35 class,
17 to the Government of the Republic of the Philippines.

18 (10) Two amphibious transports of the Paul
19 Revere class, to the Government of Spain.

20 SEC. 2. (a) Any sale of a vessel under the first section of
21 this Act shall be subject to such terms and conditions as the
22 President may require and shall be for a price not less than
23 the value in United States dollars of the vessel involved.

1 (b) Any expense of the United States in connection with
2 the transfer of a vessel sold under the first section of this Act
3 shall be charged to the Government involved.

4 SEC. 3. The approval of the Congress under the first
5 section of this Act shall expire at the end of the two-year
6 period beginning on the date of the enactment of this Act.

Mr. BENNETT. In the past we have greatly aided our allies' navies by transferring to them our older ships. Since many of them have become sufficiently strong, ship transfers to them have tapered off. The 94th Congress most recently enacted similar legislation authorizing the sale of 49 vessels to 13 foreign countries.

These 14 vessels consist of 8 auxiliary repair drydocks, 1 destroyer tender, 1 dock landing ship, 1 tank landing ship, 1 cargo ship, and 2 amphibious transports.

The details of each vessel and recipient country are provided with the copy of the bill. In each case the Chief of Naval Operations has stated these vessels are excess to the Navy's force requirement and can be transferred with no detrimental effect on our military capability.

Each of these vessels, with the exception of the two amphibious transports, is now either on lease to the recipient nation or in an inactivation status. The sale prices for these vessels are based on their market appraisal value or obtained from the Defense Property Disposal Ship Sales Office and are based on recent experience in sales of the same or similar type ships.

The transfer of the amphibious transports to Spain deserves special note.

Now, these ships, which have been declared excess to our needs, are being transferred to satisfy commitments of the United States undertaken in two bilateral agreements: the agreement of friendship and cooperation entered into in 1970, and the treaty of friendship and cooperation ratified by the Senate in 1976. Agreement was recently reached between the U.S. Navy and the Spanish Navy that the transfer of these two transports would fulfill the remaining ship transfer obligations of both the agreement and the treaty. We can now effect an orderly transfer of the ships as they are phased out of U.S. Navy service.

Mr. Chairman, the time has come to sell the ships on lease, and the orderly transfer of the amphibious transports to Spain makes enactment of this legislation a matter of some urgency.

Prompt authorization of these transfers will enable the U.S. Navy to avoid unnecessary costs and undesirable personnel actions which would be caused by a delay.

Mr. Chairman, I urge my colleagues on the committee to support this ship transfer legislation.

The CHAIRMAN. The question is on the adoption of the recommendations of the subcommittee. Those that are in favor of this vote aye. Those opposed vote no. The ayes have it. The subcommittee action is approved.

Mr. BENNETT. Thank you.

The CHAIRMAN. Is Mr. White here?

Mr. WHITE. Yes, Mr. Chairman.

The CHAIRMAN. Mr. White?

Mr. WHITE. On behalf of the Military Personnel Subcommittee I would like to report three bills and ask for their approval by the committee.

The CHAIRMAN. You may proceed.

Mr. WHITE. Thank you, Mr. Chairman.

I will first ask for the approval of H.R. 5025 to amend title 10, United States Code, to provide that any person eligible for medical care of the uniformed services, CHAMPUS, who is a veteran with a service-connected—

The CHAIRMAN. Please use the microphone.

REPORT OF HON. RICHARD C. WHITE, A REPRESENTATIVE FROM TEXAS, CHAIRMAN OF THE MILITARY PERSONNEL SUBCOMMITTEE

Mr. WHITE. I ask for approval of H.R. 5025 to amend title 10, United States Code, to provide that any person eligible for medical care under the Civilian Health and Medical Program of the Uniformed Services, CHAMPUS, who is a veteran with a service-connected disability may not be denied care and treatment for such disability under CHAMPUS solely because such person is eligible for care and treatment for such disability in Veterans' Administration facilities.

96TH CONGRESS
1ST SESSION

H. R. 5025

To amend title 10, United States Code, to provide that any person eligible for medical care under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) who is a veteran with a service-connected disability may not be denied care and treatment for such disability under CHAMPUS solely because such person is eligible for care and treatment for such disability in Veterans' Administration facilities.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 1979

Mr. NICHOLS introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To amend title 10, United States Code, to provide that any person eligible for medical care under the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) who is a veteran with a service-connected disability may not be denied care and treatment for such disability under CHAMPUS solely because such person is eligible for care and treatment for such disability in Veterans' Administration facilities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 That section 1086 of title 10, United States Code, is
2 amended by adding at the end thereof the following new
3 subsection:

4 “(g) Notwithstanding subsection (d) or any other provi-
5 sion of this chapter, no person eligible for health benefits
6 under this section may be denied benefits under this section
7 with respect to care or treatment for any service-connected
8 disability which is compensable under chapter 11 of title 38
9 solely on the basis that such person is entitled to care or
10 treatment for such disability in Veterans’ Administration
11 facilities.”.

12 SEC. 2. The amendment made by the first section of this
13 Act shall take effect on October 1, 1979.

Mr. WHITE. H.R. 5025 is a clean bill reported by the subcommittee that corrects some technical deficiencies in H.R. 1430.

H.R. 5025 will insure that retired veterans with service-connected disabilities, otherwise eligible for care under the CHAMPUS program, are not denied care or treatment under CHAMPUS solely because such care or treatment would be available at a Veterans’ Administration medical facility.

Veterans retired with pay are, of course, eligible for care under the CHAMPUS program, and presently also are covered by the CHAMPUS program for care related to a service-connected disability.

However, the Department of Defense has determined recently that section 1086(d) of title 10, United States Code, prohibits CHAMPUS coverage for CHAMPUS beneficiaries if they are eligible for care under another health program provided by law. Because retired veterans with service-connected disabilities are eligible for care related to the service-connected disability from the Veterans’ Administration, these individuals will soon be forced to seek treatment related to their disability from the Veterans’ Administration. For all other care, the veteran must then return to his personal physician.

Such a situation makes no sense. H.R. 5025 will clarify the retired veteran’s access to all necessary medical care under the CHAMPUS program.

The sponsor of this legislation is our colleague, Mr. Nichols.

Hearings were held on similar legislation in the 95th Congress, but no action was taken because of our intention to look at the CHAMPUS program in general.

The Department of Defense does not object to the passage of this legislation. The costs are estimated to be approximately \$480,000 in the first year.

On behalf of the Military Personnel Subcommittee, I move approval of H.R. 5025, without amendment.

Mr. BENNETT [presiding]. Do you have any figure on the subsequent out years or the—well—the first year is indicative, but go ahead.

Mr. WHITE. I will ask counsel if they have that particular information.

Mr. BENNETT. Thank you.

Mr. WINCUP. Yes, sir. In the second year it is \$529,000; in 1982 it is \$580,000; 1983, \$637,000.

Mr. BENNETT. It does not increase at a rapid rate. Does anyone else have a question?

[No response.]

Mr. BENNETT. We can put the question on this bill before the committee.

All those in favor of this let me know at this time by saying aye. Those opposed say no. The ayes have it. Please read the next bill.

H.R. 4627

Mr. WHITE. Mr. Chairman, it is H.R. 4627. It is to permit citizens of the Northern Mariana Islands to enlist in the Armed Forces of the United States before becoming citizens of the United States upon the establishment of the Commonwealth of the Northern Mariana Islands.

H.R. 4627 will permit citizens of the Northern Mariana Islands to enlist in the Armed Forces of the United States.

The sponsor of this legislation is our colleague, Mr. Won Pat.

96TH CONGRESS
1ST SESSION

H. R. 4627

To permit citizens of the Northern Mariana Islands to enlist in the Armed Forces of the United States before becoming citizens of the United States upon the establishment of the Commonwealth of the Northern Mariana Islands.

IN THE HOUSE OF REPRESENTATIVES

JUNE 26, 1979

Mr. WON PAT introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To permit citizens of the Northern Mariana Islands to enlist in the Armed Forces of the United States before becoming citizens of the United States upon the establishment of the Commonwealth of the Northern Mariana Islands.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That any individual—

4 (1) who is a citizen of the Northern Mariana Is-
5 lands within the meaning of the Covenant to Establish
6 a Commonwealth of the Northern Mariana Islands in
7 Political Union With the United States of America (ap-

1 proved on March 24, 1976, by Public Law 94-241);

2 and

3 (2) who under section 304 of such Covenant is

4 entitled to all privileges and immunities of citizens in

5 the several States of the United States;

6 is entitled, if otherwise qualified therefor, to enlist in any of

7 the Armed Forces of the United States without regard to the

8 citizenship of such individual.

9 SEC. 2. This Act shall expire upon the establishment of
10 the Commonwealth of the Northern Mariana Islands.

Mr. WHITE. Since the passage of Public Law 94-241, the joint resolution approving the covenant establishing the Commonwealth of the Northern Mariana Islands and the plebiscite in the Northern Marianas on June 17, 1975, it is only a matter of time until the citizens of the Northern Mariana Islands become citizens or nationals of the United States.

In this interim period, however, an unexpected situation has arisen in that, while citizens of the Northern Marianas are not yet actually considered U.S. citizens, the Immigration and Naturalization Service has determined that citizens of the Northern Marianas should be treated generally as American citizens and permitted the privileges of entering, traveling, and residing in the United States without being accorded the status of aliens admitted for permanent residence.

Unfortunately, under the enlistment statutes for the military, only those who are citizens are those who are admitted for permanent residence are eligible for enlistment. Because of this anomaly, citizens of the Northern Marianas are no longer permitted to enlist in the Armed Forces today.

H. R. 4627 will simply correct the anomaly and authorize the enlistment of citizens of the Northern Marianas during the interim period before the President proclaims the termination of the trusteeship.

The Departments of Defense and State support the legislation and the subcommittee heard testimony from members of the Committee on Interior and Insular Affairs in support of the legislation. The subcommittee also received testimony from the elected representatives of the Commonwealth of the Northern Marianas to the United States who strongly urged passage of the legislation.

Mr. Chairman, I move approval of H.R. 4627, without amendment.

Mr. BENNETT. Is there any discussion?

[No response.]

Mr. BENNETT. All those in favor of its adoption say aye. Those opposed say no. The ayes have it.

Mr. WHITE. Thank you.

Mr. BENNETT. Go ahead and read the next one, please, Mr. White.

Mr. WHITE. Thank you, Mr. Chairman.

H.R. 3407

Now, H.R. 3407 is a bill—that is, as amended—is a bill to waive the time limitation on the award of certain military decorations to members of the intelligence and reconnaissance platoon of the 394th Infantry Regiment, 99th Infantry Division, for acts of valor performed during the Battle of the Bulge.

H.R. 3407 was reported favorably by the subcommittee with an amendment in the nature of a substitute for the original text.

A BILL

Authorizing the President to award a Medal of Honor

posthumously to WILLIAM JAMES TACKERMAN

Enacted by the Senate and House of Representatives

of the United States of America in Congress assembled

That the following sections (1717 and 2153) of title

16 of United States Code, the President is authorized to

in the name of the Congress award a Medal of Honor

to WILLIAM JAMES TACKERMAN for valor and conspicuous

service of his life above and beyond the call of duty

in the service of the United States during the

World War I, and to present such Medal to his

family.

96TH CONGRESS
1ST SESSION

H. R. 3407

Authorizing the President to award a Medal of Honor posthumously to William James Tsakanikas.

IN THE HOUSE OF REPRESENTATIVES

APRIL 3, 1979

Mr. OTTINGER (for himself, Mr. BAFALIS, Mr. BLANCHARD, Mr. CORRADA, Mr. DOUGHERTY, Mr. HANCE, Mr. LAGOMARSINO, Mr. MATHIS, Mr. MAVROULES, Mr. REUSS, Mr. RICHMOND, Mr. STOKES, Mr. VENTO, Mr. WEISS, Mr. WHITTAKER, and Mr. YATRON) introduced the following bill; which was referred to the Committee on Armed Services

A BILL

Authorizing the President to award a Medal of Honor posthumously to William James Tsakanikas.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That, notwithstanding sections 3744(b) and 3752(a) of title
4 10, United States Code, the President is authorized to award
5 in the name of the Congress a Medal of Honor posthumously
6 to William James Tsakanikas for various acts performed at
7 the risk of his life above and beyond the call of duty while
1 serving as a private first class in the United States Army
2 during World War II, and to present such medal to his
3 family.

Mr. WHITE. In its original form, H.R. 3407 would have authorized the President to award a Medal of Honor posthumously to Mr. William James Tsakanikas for his actions on December 16, 1944, during the Battle of the Bulge.

Mr. Chairman, the subcommittee has generally tried to refrain from acting on legislative recommendations for military awards because it is President's responsibility to make such awards and not the Congress.

However, there are in existence statutory time limitations on the period within which certain awards must be made that restrict the President's authority to make the awards.

In this case, after hearing evidence of the courageous actions of the 18 members of the intelligence and reconnaissance platoon of the 394th Infantry Regiment, 99th Infantry Division, who substantially delayed the progress of a major German attack force during a critical point in the Battle of the Bulge, it appears that special consideration is warranted.

Although the actions of this unit were unquestionably heroic, only one member of the platoon was decorated. The evidence suggests that the unusual circumstances under which the surviving members of the platoon were captured by the enemy and liberated, only to find their division had been deactivated, contributed to the possibility that the normal procedures for determining appropriate military awards may have disadvantaged the members of this unit.

Because of the unique circumstances of the unit's capture and liberation and because it appeared that all members of the platoon acted in a gallant manner, the subcommittee amended the legislation to remove the statutory time limitations on the military awards for the whole unit to permit the President to make awards as he considers appropriate.

It may be that, upon evaluating the evidence, the Department of the Army, acting for the President, will determine that no awards are appropriate, and that is their responsibility. But at this time it appeared to the subcommittee that there was sufficient evidence to warrant waiving the time limitations of the statute.

Mr. Chairman, I would like to reiterate that it is not the subcommittee's judgment that the award of a medal is appropriate at this time because that is not our responsibility. Rather, it was our judgment that the statute might prevent the President from making such an award after reexamination of these unusual facts and we considered some relief appropriate.

Mr. Chairman, I move that H.R. 3407, as amended, be approved by the committee.

Mr. BENNETT. Thank you, Mr. White.

Mr. WHITE. I would be happy to answer any specific questions.

Mr. BENNETT. Mr. Montgomery?

Mr. MONTGOMERY. I served on the subcommittee. I want to point out to the members that on the committee agenda H. R. 3407, as to this, this is listed as authorizing the President to award a Medal of Honor and so forth. That title is wrong. It has been amended. Is that now correct? I am told that it is. All right.

Mr. WHITE. Yes, it has.

Mr. MONTGOMERY. Thank you.

The second point is what the chairman said. The subcommittee's judgment is not suggesting the Medal of Honor is appropriate at this time. We don't think that is our actual responsibility. That should be up to the Defense Department. I would like to make that very clear that we are not recommending anyone receive the Congressional Medal of Honor. We have extended the time. In fact, in our subcommittee hearings, we found that others might be entitled to some type of recognition, that is, those that served in this platoon.

It should be pointed out this subcommittee and the committee should not be recommending anybody receive the Congressional Medal of Honor. That should be left up to the President and to the Defense Department. Now, that is clear in the language?

Mr. BENNETT. That is clear from the language, as amended here.

Mr. MONTGOMERY. Thank you.

Mr. McDONALD. Will you yield?

Mr. MONTGOMERY. Yes.

Mr. BENNETT. Mr. McDonald?

Mr. McDONALD. I have great respect for the gentlemen from Texas and Mississippi. I do appreciate that clarification on this particular bill.

However, I must say that I would move with extreme reluctance in this area with 30 or 40 years of hindsight to try to open issues that are very cloudy and very difficult. Once we head down this road, I am afraid we are going to be deluged with requests to make exceptions here and there. In many cases the exceptions may be completely justified. We are being pressed to restore a Medal of Honor to a woman doctor who fought on the Union side in the Civil War. It may be that this is absolutely warranted, but it seems to be tied in more with the women's lib movement than the national defense concept.

Now, I think if we allow the various medals of this country to be used as propaganda moves, that we are opening up a Pandora's box and that is no limit.

The reason that I take exception on this is that, not too many months ago, there was a major article in Parade magazine on Sunday regarding this particular individual, that is, promoting this individual, William James Tsakanikas. It may be that this gentleman was absolutely one of the greatest heroes of all time. Certainly, from the write-up in Parade, that appeared to be the case.

I spoke to the American Legion in New York. His son came to the speech and urged me to do everything I could on behalf of his father. He died, I think, of natural causes a few years ago. The only reason why I am questioning even considering this incident now is that the article was promoted or it was written by Jack Anderson. In my opinion, I don't think there is any more scurrilous writer on the American scene than Jack Anderson.

During the Eagleton affair he finally, on national TV, said he lied. He was caught redhanded bugging a person's room, something that he later said was very bad for other people to do. His staff has been caught with stolen Government documents. The Bureau of Indian Affairs, which when they were caught with them, they said, "Oh, they were in the process of bringing them back to the Government. They discovered them and were returning them." This is when they were caught with them. I don't think there is a more disreputable member

on the entire American so-called journalistic scene than Jack Anderson. I'd hate for this committee to be following the pied piper in this case of a cause that was highly promoted by Jack Anderson. I think if this had been written by anyone else, it wouldn't matter, but I would hate for us to be adding fuel to a fire where Jack Anderson could come back and say on his AM radio or on his TV program, "This is what I did for such and such a family." I think if this man deserves it, he deserves it on his own merit. I am sure I know who is going to try to claim credit for this.

Mr. WHITE. Could I respond?

Mr. BENNETT. Mr. White?

Mr. WHITE. I understand what the gentleman is saying. I wouldn't want the committee to feel the bill is stigmatized because an individual supports it, or didn't.

The evidence before the committee at the time we had the hearings was that this individual did perform some brave acts. There were others that also performed brave acts.

Now, this particular platoon was positioned so it did stem a column that was critical to the timetable of the Germans at the time of the Battle of the Bulge. The platoon of 18 persons halted the columns, killed something like 500 Germans, and it wounded a number of others. It held them up for something like 18 hours, if I'm not mistaken, which really entirely threw off their timetable. The platoon was overrun and it was captured. Nothing was known of the fate of this platoon for sometime afterward. At a later time, some years later, I think in 1965, the lieutenant who was the platoon leader, received through the mail a silver star. That was the first time that anyone had been given any credit through or to the platoon except Maj. John Eisenhower, who had written his book, and I can't remember the title, but it did state that this platoon was really principally responsible for holding up this particular portion of the German drive. It was, therefore, highly contributive toward the victory of the Battle of the Bulge.

When Jack Anderson's staff calls my office, my office has a standing rule. It is that we don't talk to him because we don't consider him part of the journalistic procession. I think that is very sound.

I would like to see this committee not be led by any major articles in Parade magazine. I think that we are opening up a Pandora's box, even though this platoon may have been one of the most heroic of all time. I think we are opening up a Pandora's box if 20, 30, or 40 years behind time, after the statute of limitations has run out, that if we suddenly start rewriting this or looking deeper into it. Then there is no end to it. Then every group will come out with their particular hero. I think it is a bad precedent.

I presume that they said they had not been given their full credit. The committee did not feel that we should single out any individual. The unit itself did not receive a unit citation which I felt it certainly deserved. This bill would also open the door, if the statute applies to it, to a unit citation as well as for the individuals. It doesn't mean the individuals are going to receive any particular award. That was the thinking of the committee at the time. We left it up to the President. We merely removed, as we had done in one other case, such as last year, when we did remove the statute of limitation for an individual that fought in the battle of Guadalcanal. This was so considera-

tion could be made. I think he was later given the Navy Cross. He had been offered it earlier. He felt that he deserved the Congressional Medal of Honor. Time had gone by. Later he accepted the Navy Cross.

In any event, that's all we are attempting to do, to remove the statute of limitations for a time so that the DOD can look at this particular platoon and determine if any award to the individuals or unit should be granted.

Mr. BENNETT. Will you yield?

Mr. WHITE. Yes.

Mr. BENNETT. I am curious what the position of the Department of Defense is.

Mr. WHITE. I think the Department of Defense witness came out, or the witnesses, and they opposed the bill. They did not like the bill. It was for the reason that they felt it might be opening up the door—that is, they felt the time had gone by.

Mr. BENNETT. Is there any other discussion at this time on this?

[No response.]

Mr. WHITE. Nothing further.

Mr. BENNETT. We will put the matter to a vote. All those in favor say aye. Those opposed to this say no. Go ahead, Mr. White.

Mr. WHITE. Could we have a show of hands?

Mr. BENNETT. All in favor raise your hands. All those opposed raise your hands.

Mr. FORD. The vote is 24 for and 6 against, Mr. Chairman, on this.

Mr. NICHOLS. As a result of the National Emergencies Act of 1976 and Public Law 95-377, on September 30, 1979, certain powers and authorities of the President to act under a period of national emergency terminate. Severe problems will arise if action is not taken to extend some of these authorities. Most of the required actions will be addressed during consideration of the Defense Officer Personnel Management Act, DOPMA. However, it appears that complete action on DOPMA will be delayed beyond September 30, 1979.

A periodic problem that the Congress has faced in the past is the temporary extension of authority for the Air Force to exceed the grade limitations imposed under title 10, U.S. Code, section 8202.

The Officer Grade Limitations Act of 1954 established ceilings on the number of Air Force lieutenant colonels and colonels significantly below their cohorts in the other services. This was done at that time recognizing that the Air Force was a young service and required fewer senior officers. Of course, as the Air Force matured, the Congress has passed temporary relief from these grade limitations.

Mr. BENNETT. Are there any other reports on bills at this time by any other members?

Mr. Nichols?

H.R. 5168

Mr. NICHOLS. Mr. Chairman, I move that the rule requiring intervention of 3 calendar days between the time the subcommittee reports a bill and its consideration before the full committee be waived. This would allow me to report on H.R. 5168, a bill to extend certain expiring provisions of law relating to personnel temporary grade ceilings expires on September 30, 1979. The 95th Congress and the Senate did not get around to acting on the DOPMA legislation.

96TH CONGRESS
1ST SESSION

H. R. 5168

To extend certain expiring provisions of law relating to personnel management of the Armed Forces.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 5, 1979

Mr. NICHOLS introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To extend certain expiring provisions of law relating to personnel management of the Armed Forces.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That Public Law 93-397 (10 U.S.C. 8202 note), is amended
4 by striking out "beginning with October 1, 1974, through
5 September 30, 1979" and inserting in lieu thereof "through
6 September 30, 1980".

7 SEC. 2. Sections 2(a), 2(b), 3, and 10(b) of Public Law
8 95-377 (92 Stat. 719) are amended by striking out "Septem-

ber 30, 1979" and inserting in lieu thereof "September 30, 1980".

SEC. 3. Sections 1201(3)(B)(iv), 1203(4)(A)(iii), 1203(4)(C)(iii), 5787c(b)(2), and 5787d(g) of title 10, United States Code, are amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1980".

Mr. WHITE. In addition, severe problems will arise, particularly in the Navy, if action to extend some other expiring authorities is not taken.

In short, the bill would extend authorities, including waiver of the 2-year sea duty requirement for promotion of certain naval officers to lieutenant commander and above. This would be reinstated if we failed to pass the extension.

Below the zone selection for regular Navy and Marine Corps officers would be made inconsistent with the other services.

Time in grade requirements for establishing promotion eligibility for Navy and Marine Corps officers would be reinstated.

The spot promotions for Navy lieutenants serving in critical lieutenant commander engineering billets would be terminated.

Membership on Marine Corps major general selection boards would be restricted to require that each major general serve on the board every other year.

This bill will provide sufficient time for an orderly consideration of DOPMA in this Congress. I might add that DOPMA has been reported out of Senator Nunn's subcommittee on the Senate side and is presently before the full committee.

I move that H.R. 5168, to extend for 1 year the provisions of the current personnel management system, be reported favorably.

Mr. BENNETT. Are there any questions.

Mr. MITCHELL. I join with the chairman of our Military Compensation Subcommittee, and I strongly urge favorable action. The bill is urgently needed in order to preclude an adverse impact on certain members of the armed services as described by the subcommittee chairman. The bill is a simple extension. It merely preserves for 1 year laws that have been in effect for many years in the past. The only reason that it is needed is that the Senate has failed to pass DOPMA. We passed it twice. We hope that they will do better this year.

The administration testified before the subcommittee yesterday in support of it. The annual cost of this is approximately \$5 million.

Mr. BENNETT. All those in favor of this legislation say "aye." All those opposed say "no." The ayes have it.

[At this point the committee proceeded with other legislative business.]

