SENATE—*Thursday, September 10, 1981*

(Legislative day of Wednesday, September 9, 1981)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

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

Let us pray a prayer of praise and gratitude in the words of the psalmist:

"Praise the Lord!
Praise the Lord, O my soul!
I will praise the Lord as long as I live;
I will sing praises to my God while I have being.

"Put not your trust in princes, in a son of man, in whom there is no help.
When his breath departs he returns to his Earth; on that very day his plans perish.

"Happy is he whose help is the God of Jacob, whose hope is in the Lord his God,
Who made Heaven and Earth, the sea, and all that is in them;
Who keeps faith forever; who executes justice for the oppressed; who gives food to the hungry.

"The Lord sets the prisoners free; the Lord opens the eyes of the blind.
The Lord lifts up those who are bowed down; the Lord loves the righteous.
The Lord watches over the sojourners, He upholds the widow and the fatherless; but the way of the wicked He brings to ruin.

"The Lord will reign forever, thy God, O Zion, to all generations.
Praise the Lord!"—Psalms 146 (RSV).
Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

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

THE JOURNAL

Mr. STEVENS. Mr. President, I ask unanimous consent that the Journal of the proceedings of the Senate to date be approved.

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

ORDER FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that, following the time allocated to the two leaders under the standing order, there be a period for the transaction of routine morning business not to extend beyond the hour of 10:30 this morning, during which time Senators may speak therein for not to exceed 3 minutes.

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

EXODUS OF SENIOR LEVEL EXECUTIVES FROM FEDERAL EMPLOYMENT

NOTICE OF HEARING

Mr. STEVENS. Mr. President, I have announced this morning that the Senate Governmental Affairs Subcommittee on Civil Service, Post Office and General Services, of which I am chairman, will hold a hearing on Monday morning at 9:30 a.m. concerning the exodus of senior level executives from the Federal Government's employment.

The reason I am holding this hearing is that it seems obvious to me that we have experienced a very massive exodus of the most experienced and senior Government managers in recent years. In my opinion, the pay cap on senior executives has been the major cause of this exodus, and this will be the focus of much of the testimony.

The so-called Government brain drain has brought about a loss of expertise at the senior management level that now reaches a crisis situation.

I have asked many Federal agencies to detail the experiences of their own agencies in the area of the exodus of senior civil servants. Every agency that has responded has indicated that it was having a serious problem recruiting and retaining senior executives.

We expect to have testimony from the Departments of Treasury and Defense, the FBI, and the Office of Personnel Management. I have also requested Congressman VIC FAZIO of the Federal Service Task Force, Congressman EDWARD DERWINSKI of the House of Representatives Committee on Post Office and Civil Service, and representatives of the Senior Executive Association, and of the AFL–CIO government employees organizations to appear at this hearing.

It is to me a most important hearing.

I mention it here because I hope the Members of the Senate will be aware that we are going to document the impact of the pay cap on the management of our Federal Government, and I will be bringing that issue to the floor sometime during this Congress.

Mr. President, I reserve the remainder of our time.

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. MURKOWSKI). The Senator from West Virginia is recognized.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may reserve my time under the standing order and combine it with the 15-minute order.

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

Mr. STEVENS. Mr. President, I ask unanimous consent that the remainder of the leadership time on this side be reserved until following the special orders that have been entered today.

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

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for morning business.

COMMODORE JOHN BARRY

Mr. MATHIAS. Mr. President, Senate Joint Resolution 87, recently enacted by Congress, designates September 13, 1981, as "Commodore John Barry Day." John Barry was born on September 13, 1745, and this is a fitting tribute to the father of the U.S. Navy whose exploits during the Revolutionary War and thereafter made him a national hero.

As we honor Commodore Barry, his nautical adventures and his bravery will be the subject of countless speeches. His contributions to the U.S. Navy will be reviewed as well and well they should be. But there is a less-well-known aspect of Commodore Barry's life that also deserves attention and that is his "devotion to the purpose of enabling America to live her own life."

Those words were used by President Woodrow Wilson in a speech delivered on May 16, 1914, at the unveiling in Lafayette Square of the statue to the memory of John Barry, commissioned by the Congress in 1906. On that memorable occasion, Woodrow Wilson examined the nature of the patriot, as exemplified by Commodore Barry, and, in the process, he illuminated the subject of patriotism for Americans in all times and all circumstances.

I can think of no more appropriate, timely, or fitting tribute to Commodore Barry this day than to submit the text of President Wilson's tribute for the RECORD. I ask unanimous consent that his address, entitled "Men Who Think First of Themselves Not True Americans," be printed in the RECORD.

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

"MEN WHO THINK FIRST OF THEMSELVES NOT TRUE AMERICANS"

(By Woodrow Wilson)

(Address delivered at the unveiling of the statue to the memory of Commodore John Barry, Washington, May 16, 1914. From the White House files.)

I esteem it a privilege to be present on this interesting occasion, and I am very much tempted to anticipate some part of

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

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what the orators of the day will say about the character of the great man whose memory we celebrate. If I were to attempt to make an historical address, I might, however, be led too far afield. I am going to take the liberty, therefore, of drawing a few inferences from the significance of this occasion.

I think that we can never be present at a ceremony of this kind, which carries our thought back to the great Revolution, by means of which our Government was set up, without feeling that it is an occasion of reminder, of renewal, of refreshment, when we turn our thoughts again to the great issues which were presented to the little Nation which then asserted its independence to the world; to which it spoke both in eloquent representations of its cause and in the sound of arms, and ask ourselves what it was that these men fought for. No one can turn to the career of Commodore Barry without feeling a touch of the enthusiasm with which he devoted an originating mind to the great cause which he intended to serve, and it behooves us, living in this age when no man can question the power of the Nation, when no man would dare to doubt its right and its determination to act for itself, to ask what it was that filled the hearts of these men when they set the Nation up.

For patriotism, ladies and gentlemen, is in my mind not merely a sentiment. There is a certain effervescence, I suppose, which ought to be permitted to those who allow their hearts to speak in the celebration of the glory and majesty of their country, but the country can have no glory and no majesty unless there be a deep principle and conviction back of the enthusiasm. Patriotism is a principle, not a mere sentiment. No man can be a true patriot who does not feel himself shot through and through with a deep ardor for what his country stands for, what its existence means, what its purpose is declared to be in its history and in its policy. I recall those solemn lines of the poet Tennyson in which he tries to give voice to his conception of what it is that stirs within a nation: "Some sense of duty, something of a faith, some reverence for the laws ourselves have made, some patient force to change them when we will, some civic manhood firm against the crowd"; steadfastness, clearness of purpose, courage, persistency, and that uprightness which comes from the clear thinking of men who wish to serve not themselves but their fellow men.

What does the United States stand for, then, that our hearts should be stirred by the memory of the men who set her Constitution up? John Barry fought, like every other man in the Revolution, in order that America might be free to make her own life without interruption or disturbance from any other quarter. You can sum the whole thing up in that, that America had a right to her own self-determined life; and what are our corollaries from that? You do not have to go back to stir your thoughts again with the issues of the Revolution. Some of the issues of the Revolution were not the cause of it, but merely the occasion for it. There are just as vital things stirring now that concern the existence of the Nation as were stirring then, and every man who worthily stands in this presence should examine himself and see whether he has the full conception of what it means that America should live her own life. Washington saw it when he wrote his farewell address. It was not merely because of passing and transient circumstances that Washington said that we must keep free from entangling alliances. It was because he saw that no country had yet set its face in the same direction in which America had set her face. We can not form alliances with those who are not going our way; and in our might and majesty and in the confidence and definiteness of our own purpose we need not and we should not form alliances with any nation in the world. Those who are right, those who study their consciences in determining their policies, those who hold their honor higher than their advantage, do not need alliances. You need alliances when you are not strong, and you are weak only when you are not true to yourself. You are weak only when you are in the wrong; you are weak only when you are afraid to do the right; you are weak only when you doubt your cause and the majesty of a nation's might asserted.

There is another corollary. John Barry was an Irishman, but his heart crossed the Atlantic with him. He did not leave it in Ireland. And the test of all of us—for all of us had our origins on the other side of the sea—is whether we will assist in enabling America to live her separate and independent life, retaining our ancient affections, indeed, but determining everything that we do by the interests that exist on this side of the sea. Some Americans need hyphens in their names, because only part of them has come over; but when the whole man has come over, heart and thought and all, the hyphen drops of its own weight out of his name. This man was not an Irish-American; he was an Irishman who became an American. I venture to say if he voted he voted with regard to the questions as they looked on this side of the water and not as they affected the other side; and that is my infallible test of a genuine American, that when he votes or when he acts or when he fights his heart and his thought are centered nowhere but in the emotions and the purposes and the policies of the United States.

This man illustrates for me all the splendid strength which we brought into this country by the magnet of freedom. Men have been drawn to this country by the same thing that has made us love this country—by the opportunity to live their own lives and to think their own thoughts and to let their whole natures expand with the expansion of a free and mighty Nation. We have brought out of the stocks of all the world all the best impulses and have appropriated them and Americanized them and translated them into the glory and majesty of a great country.

So, ladies and gentlemen, when we go out from this presence we ought to take this idea with us that we, too, are devoted to the purpose of enabling America to live her own life, to be the justest, the most progressive, the most honorable, the most enlightened Nation in the world. Any man that touches our honor is our enemy. Any man who stands in the way of the kind of progress which makes for human freedom can not call himself our friend. Any man who does not feel behind him the whole push and rush and compulsion that filled men's hearts in the time of the Revolution is no American. No man who thinks first of himself and afterwards of his country can call himself an American. America must be enriched by us. We must not live upon her; she must live by means of us.

I, for one, come to this shrine to renew the impulses of American democracy. I would be ashamed of myself if I went away from this place without realizing again that every bit of selfishness must be purged from our policy, that every bit of self-seeking must be purged from our individual consciences, and that we must be great, if we would be great at all, in the light and illumination of the example of men who gave everything that they were and everything that they had to the glory and honor of America.

PETE DOMENICI

Mr. DOLE. Mr. President, once again we will be looking at the Federal budget for fiscal year 1982 and the years to follow. At times it may seem as though the budget problem will never go away, but this is no time to shy away from difficulties. We should not forget that more progress has been made in getting the budget under control this year than in any year since the budget process was instituted.

That we have come so far is, of course, largely due to the conviction of the President of the United States that Federal spending must be restrained. But our success in dealing with the budget could not possibly have been achieved without the diligent, evenhanded, and persistent efforts of the distinguished chairman of the Budget Committee, Senator PETE DOMENICI of New Mexico.

Mr. President, PETE DOMENICI has proved to be an outstanding chairman of the Budget Committee and a most persuasive advocate for the budget reforms set forth by the President. His achievements are no accident: He has prepared for them by years of hard work and by extraordinary concentration on the tasks at hand. Those of us who knew and admired PETE DOMENICI when our party was in the minority are not surprised at his success in a leadership role. I believe the Members on both sides of the aisle appreciate the fair but firm manner in which Chairman DOMENICI guided the budget debate this year. It is a task he will have to assume again this fall, and I look forward to working with him to finish work on the 1982 budget.

It is apparent that admiration for PETE DOMENICI is not confined to his colleagues in the Senate. In the Washington Post for Wednesday, September 9, Helen Dewar reported on Chairman DOMENICI's rise to prominence, and I believe her report makes clear why Senator DOMENICI has so many friends in and out of the Senate. I ask unanimous consent that Ms. Dewar's article be printed in the RECORD.

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

WITH BUDGET VICTORIES, IMMIGRANTS' SON BECOMES A SENATE STAR

(By Helen Dewar)

ALBUQUERQUE, N.M.—A sandy-haired Italian from a state where ethnic politics is spoken with a Hispanic accent, a Sun Belt conservative with a penchant for rumpled attire, bland oratory and conciliatory politics, he did such strange things as saying good morning to elevator operators when he arrived in Washington nine years ago.

Back then, Pete V. Domenici's main claim to fame was that he was the first Republican elected to the Senate from New Mexico in 42 years. He came with a solid record as a progressive, activist mayor of Albuquerque. But he was basically a dim flicker in the galaxy of Senate "stars," an ordinary human being among those who tend to consider themselves extraordinary.

Domenici (pronounced Doe-MEN-a-chee) still finds his name regularly mispronounced (Doe-men-EE-chee), and his mother was so moved by his less-than-elegant appearance on television earlier this year that she arranged for him to get a new suit.

But, by virtue of once-underestimated or perhaps late-blooming talents, the 49-year-old New Mexican has emerged as one of the most prominent and influential members of the 97th Congress.

"I've never seen a man grow as much as Domenici has," Senate Majority Leader Howard H. Baker, Jr. (R-Tenn.) volunteered to a reporter last month after Baker, teamed with Domenici in his role as chairman of the Senate Budget Committee, pushed President Reagan's nuge package of spending cuts over its final legislative hurdle.

By the end of the five-month budget-cutting ordeal, Domenici knew so much about the government and its financing that "if you touched him, he'd drip," said Baker. Praising Domenici's "extraordinary restraint, skill and understanding," Baker added, "I cannot tell you how much I admire that man."

Domenici's leap to prominence stemmed from the GOP's unexpected capture of the Senate in the 1980 elections, which, with the retirement of Henry Bellmon of Oklahoma as ranking minority member, catapulted Domenici to the chairmanship of the Budget Committee. With the House still in Democratic hands. Domenici's position made him point man for President Reagan's budget-cutting crusade.

Domenici was among the first—perhaps the first—to suggest that Congress use the legislative shortcut of "reconciliation" for packaging and expediting Reagan's spending cuts. Jumping the gun on the House, his committee acted within days of Reagan's budget proposal in mid-March to produce a set of spending-cut instructions that was almost tailor-made for Reagan's own program.

Democrats complained of the "forced-march" nature of the committee's deliberations and some committee Republicans, led by Sen. William L. Armstrong (Colo.), staged a brief revolt in an attempt to extract firmer guarantees of cuts sufficient to produce a balanced budget by 1984. But, while most public attention focused on Reagan's series of coups in the nominally Democratic House, the final product of $130.6 billion in cuts over the next three years bore a strong resemblance to what Domenici, reflecting Reagan's priorities, initially recommended.

"If it bears the imprint of anyone up here, it's Pete's," said Sen. Ernest F. Hollings (S.C.), ranking Democrat on the Budget Committee, who worked closely, although often in disagreement, with Domenici during the whole wrenching process.

True-believers among supply-side economists suspected Domenici of less than total commitment to their theories, and he crossed swords on more than one occasion with Budget Director David A. Stockman, including the time that Stockman tried unsuccessfully to get the Senate to swallow the House version of Reagan's budget cuts out of fear that the whole thing could unravel in a House-Senate conference.

But Domenici comes across as basically a Republican loyalist, and those who fault him generally do so on grounds that he doesn't stick his neck out far enough—a complaint heard from both right and left as they shoot at the administration from opposite ideological perspectives.

"He's a nice guy, and that's one of his problems," said a conservative critic, who confesses, however, to liking him.

A 49-year-old second-generation American, father of eight, who works hard and is proud of it, Domenici is a solid if unpretentious achiever who inspires rather more affection and confidence than reverence and awe.

He was born Pietro Vichi Domenici, one of five children of immigrants from impoverished farming country in northern Italy. Nicknamed "Bocci" because he reminded his father of an Italian bowling ball, he and his four sisters grew up in a close family, the ties of which still bind although both parents are dead.

His father, who had come to Albuquerque as a 14-year-old with an uncle who had already established a grocery store there, gradually built up a flourishing wholesale grocery business that extended 100 miles around Albuquerque. The younger Domenici grew up among working-class Hispanic families, helping his father with deliveries and other chores, and winding up with a degree from the University of New Mexico that produced a job teaching math in a local high school. He was hired because "I was a super baseball player, and they wanted a free baseball coach," he recalls.

A friend talked him into the University of Denver law school and then, after eight years of practice in Albuquerque, friends talked him into running for the city commission, which led to the job of chairman, tantamount to mayor.

"I was a real complainer about government, not much different than I am now," says Domenici. "They told me to run or quit bitching. I was an easy push, even though I had six of my eight children by then and should have known better."

As mayor in the late 1960s, he spearheaded revival of the city's downtown core and, as he puts it, "took the government to the barrios," by setting up shop periodically in churches and storefronts in Hispanic neighborhoods. "We even invented CETA," he notes with irony, referring to the Comprehensive Education and Training Act program that was a major target of this year's budget cuts. The Albuquerque program, Domenici says, was a prototype of the national effort.

His administration was reformist, marked Domenici and his friends claim, by tenacious efforts to find common ground among community and business leaders. "He's always had an ability to look at a problem and solve it better than anyone I've ever known," said Harry Kinney, a former commission chairman who is running for mayor this year.

Again pushed by friends, he tried for the governorship in 1970. His father had been a Republican, his mother a Democrat, and he was a registered Republican although his political career had been based in nonpartisan politics. Although he lost, he activated a coterie of friends, many from the state's small Italian-American community, into a loyal Domenici boosters club that crisscrosses old party lines in some cases.

In 1972, Domenici again tried for statewide office and, riding both President Nixon's coattails and his own popularity as mayor a few years before, won the Senate seat that was opened through the retirement of Clinton P. Anderson. He won reelection over a popular challenger in 1978.

As a onetime local government activist, as the child of immigrants who prospered in their new home by way of hard work and an entrepreneurial spirit, Domenici is less ideological than some of his New Right colleagues from the Western mountains and deserts. He would continue some social welfare programs at the local level, for instance, and wants to see private industry move more aggressively into creating jobs for the poor and minorities.

Domenici's brand of pragmatic conservatism even allows for a few doubts now and then, coupled with an occasional celebration of the wonders of the federal purse.

One such celebration came as Domenici, returning home for the August congressional recess after his budget-cutting triumph, flew up to the mountain town of Raton in northeastern New Mexico. As the plane bearing Domenici, a couple of aides and a reporter touched down on the landing strip, a dozen of the town's leading citizens turned out to welcome him. "Senator, you're a real hero; you're super-duper," exclaimed Bob Gurule, Raton's city manager, with admiring nods from everyone else.

But the folks of Raton had not turned out on the tarmac to toast austerity. Instead, with a symbolic glass of water, as precious as fine wine in these parched parts, they had come to thank their senior senator for hauling home a $6 million loan from the Farmers Home Administration to help bring a new source of water to the thirsty town.

Later, as the plane headed back toward Albuquerque, Domenici brushed lightly, and uncomfortably, over the irony. "Sure, but I never said the federal government should get out of everything. It's just got to be a lot more selective, and if there's only so much money to go around New Mexico, this is where it should go," said Domenici, noting that the whole project would have fallen apart without a timely federal loan.

At a backyard barbeque in the Hispanic community, where he gets a friendly reception if not always a lot of votes, Domenici extolled the virtues of the budget cuts but fretted over whether business and state and local government would pick up the slack.

"Local government said it could do it better, and now we'll see whether they will," he told the somewhat skeptical crowd. Moreover, a way has to be found to assure that an expected surge of new private-sector jobs in the Albuquerque area gets channeled into lower-income Hispanic neighborhoods. "We haven't found a way yet, but we'll be trying," he added. "It just has to be done," he commented later, wearing a worried frown.

The crowd at the barbeque, arranged for Domenici by an Hispanic friend who noted with a grin that most of the people there were Democrats, included officials of many of the agencies whose budgets are being cut. Most spoke well of Domenici, if not of everything he's been doing.

"He's been very helpful to us, very supportive," said Eugene Schiess, executive director of the Albuquerque area's anti-poverty agency, noting that Domenici helped get a one-year funding reprieve for the community action program. "And if he doesn't agree with you, he's the first to tell you."

On another occasion, as Domenici was driving through downtown Albuquerque, an aide told him that her son was all for Reagan but worried about whether the president's budget cuts would hurt the poor.

So, conceded Domenici were some of his children. "But they believe their father that this won't happen," he said, adding with a faint smile, "I think he's right; I hope he's right."

HIGH INTEREST RATES

Mr. BOREN. Mr. President, the August recess has been a most revealing one to the Members of the Congress in general and to me in particular. As many of my colleagues did, I spent a good deal of the recess talking to the people of my State. Those discussions included a cross section of the people of Oklahoma and it reaffirmed my belief that the most pressing problem facing this country today is high interest rates.

The August recess reinforced my belief that the economic condition created by continuing high interest rates are every bit as bad as I said they were prior to the recess. I have found on my return to Washington, however, that the President and his advisers and a good many of my colleagues have at long last recognized the damage being done to the economic recovery program by these high interest rates.

One only has to look at the morning paper and listen to this morning's newscast to hear the cries of alarm. The House minority leader, ROBERT MICHEL, saying that something has to be done soon, or the Congress may start moving toward credit controls, greater regulation of financial institutions and a reorganization of the Federal Reserve System.

The distinguished majority leader said yesterday that something must be done to relieve the high interest rate burden not months from now, or even weeks from now, but in days from now.

Mr. President, I wholeheartedly agree and I renew now the call I made before the August recess began, that the President and his advisers should sit down with the Federal Reserve Board, and other financial leaders around the country and impress upon them the need for voluntary restraint and the need to bring interest rates down.

If the President does not receive voluntary cooperation and immediate action, the results of which should be seen by the general public immediately, then he should prepare an emergency plan to reduce interest rates and submit that plan to Congress for approval.

Mr. President, during my daily speeches on this subject prior to the recess, I said again and again that all of the budget cutting and all of the tax cutting that we were doing, was no good and would have no effect as long as interest rates remain at record high levels. I said that the greatest danger to the Reagan economic program was high interest rates and that those interest rates would sink the program before it ever began.

Time has proven those statements to be correct and this same alarm is now being sounded throughout the administration to the point that one television newscast this morning labeled high interest rates as public enemy No. 1.

It is being said that Wall Street has no confidence that the President can reduce the deficit and meet his target of a balanced budget by 1984. This lack of confidence is cited as the main reason for the continuation of high interest rates.

Mr. President, I believe that additional spending cuts will be made and must be made, and I will support them. The deficit must be reduced and a balanced budget must be achieved.

Reducing deficits and balancing the budget are long-term solutions that can and will be pursued, but as I have said many times before, a long-term solution is no good if the patient dies in the emergency room—and the U.S. economy is now in the emergency room. We must have immediate action, we must have a reduction in interest rates now—as the majority leader said, in a matter of days, not weeks or months or years.

AMERICA'S NEW FOREIGN POLICY

Mr. PELL. Mr. President, Frank Church, our former colleague and chairman of the Foreign Relations Committee, recently expressed his views about the Reagan administration's approach to foreign policy in the New York Times magazine of August 23, 1981. He argues that the administration's rigid anti-Soviet ideology puts it on a collision course with political reality. He points out that the administration's failure to distinguish between idealistic Soviet goals and actual capabilities causes a rift between the United States and other nations, including our allies in Europe.

He clearly delineates the spiraling difficulties facing the United States if we once again seek to become the gendarme of the world, protecting nations that do not feel the need for protection. He notes that the administration is ready to protect vital American interests anywhere in the world. Yet, in his view, the administration has no clear idea of what those vital interests are. Frank Church has written a succinct and thoughful piece, and I recommend it to my colleagues. Mr. President, I ask unanimous consent that full text of Senator Church's article be printed in the RECORD.

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

AMERICA'S NEW FOREIGN POLICY

(By Frank Church)

At his first White House press conference, Ronald Reagan lambasted the Soviet Union. He said the Russian leadership reserved "the right to commit any crime, to lie, to cheat," in order to attain their goal of a one-world Communist state. His words, in one sense, were right on target. He understood that most Americans would welcome his indictment as reassurance that their tough-talking new President had no intention of letting the Russians push him around.

Like every other down-home American, I also distrust the Soviet Union. I too am convinced that members of the Politburo, meeting at the Kremlin, dream of a Communist world held firmly in their grasp. But a sensible American policy cannot rest upon Russian dreams; it must rest, instead, upon the real world in which we live. The first six months of the Reagan Administration have been marked by a collision between this real world and the single-minded anti-Soviet ideology of the President and his principal advisers.

The Administration's view of the Soviet Union fails to distinguish between the Russian leaders' more fanciful aspirations and their actual capabilities. The attempt to translate this flawed analysis into foreign policy puts the United States at odds with a diverse collection of stubbornly independent nations, including our principal European allies, that are far les mesmerized by the Kremlin than our present White House team.

In El Salvador, for example, the conflict between armed guerrillas and Government forces is portrayed by the Reaganites as a "textbook case" of Soviet-inspired insurgency, but Mexico, Venezuela and Western Europe disagree, viewing the conflict as rooted in the intolerable condition of life in that beleaguered land.

In the Middle East, the heralded journey by the Secretary of State, Alexander M. Haig, Jr., failed to elicit from Egypt, Israel, Jordan and Saudi Arabia a "consensus of strategic concerns" directed at the Soviet Union. The Saudis said they regarded Israel, not Russia, as their principal enemy; they were happy that the Reagan Administration had agreed to supply them with airborne radar planes (Awacas), but they reserved the right to use the aircraft against Israel. In two aerial attacks—against a reactor near Baghdad potentially capable of supplying Iraq with nuclear weapons, and against a Palestinian guerrilla headquarters in the center of Beirut—Israel showed it had different ideas from Washington as to what constituted the greatest danger to its security.

In South Asia, we seem determined to repeat the mistake of 20 years ago, when we armed the Pakistanis against the Soviet Union, only to see them turn the weapons against India. Each of the combatants in the Indian-Pakistani war blamed the United States for arming the other, while the Russians benefited in the role of peacemaker. Now, because of the presence of Soviet forces in Afghanistan, Mr. Reagan has approved a new $2-billion military aid package for Pakistan, although there is every likelihood that most of the weapons will be deployed by the Pakistanis, not along their Afghan, but along their Indian border.

In Africa, the Organization of African Unity has condemned the Reagan Administration's view of the independence movement in Namibia as an insurgency of Soviet origin. Black African governments regard the movement as a legitimate indigenous force, and they see South Africa, not the Soviet Union, as their real foe.

In Europe, leaders of the Western alliance had to caution Mr. Reagan against adhering to the position that he would not negotiate with Moscow on nuclear arms limitations until the United States had rearmed. They warned that an American failure to open talks with the Russians on curbing deployment of intermediate-range missiles in Europe would undermine such public support as remains for accepting these missiles at all. Reluctantly, the President had to agree to commence the negotiations by the end of the year.

This experience illustrates President Reagan's fundamental foreign-policy dilemma: How can the perceptions of so many other countries, including our closest allies, be reconciled with his own preconceptions?

For example, if the Japanese believed that the Russians were pounding at their gates, would it be necessary for us to arm-twist them into making token additions to their military budget? Or take venerable Great Britain, now governed by Prime Minister Margaret Thatcher, Mr. Reagan's ideological twin. If these two see the Russian threat in the same light, the actions of the Tory Government belie its words. The United States Navy is being expanded on a crash basis; the Royal Navy is retiring about a third of its largest ships. Ironically, within the Western alliance, the United States alone has embarked upon a massive rearmament program.

Faced with such inertia, it is small wonder that Mr. Haig carried with him to Peking the keys to the American arsenal. He must have felt much relieved to confer, at last, with leaders of an important government, albeit Communist, who shared his apocalyptic view of the Soviet menace. Doubtlessly, Foreign Minister Huang Hua relished hearing him use Chinese terminology when speaking of Soviet "hegemonism" as the source of the world's woes. And when Mr. Haig played the "China card," offering to sell China lethal weapons, his hosts were pleased to accept a status the United States has conferred on few Communist governments.

But the game played out in Peking was one of symbolism, not substance. Despite its fierce talk, the People's Republic is not fixing to fight the U.S.S.R. Over the past two years, Peking's military budget has been cut a full 20 percent. Chinese rhetoric is one thing; China's intentions, another. The notion that China can be enlisted in the ranks of our Pacific allies, forming part of a giant phalanx thrust up against the Soviet Union,

is a dream wrapped in a dogma that bears no relation to reality.

There is the same lack of realism in the Reagan Administration's alignment with right-wing regimes, no matter how brutish, with the aim of bolstering them as bastions of anti-Communism. The courtship of the Argentine military dictatorship is taking place at the very time the Government there stands discredited with its own people, driven by economic distress either to seek a political exit or revert to a bloodletting, savage even by Argentine standards.

Mr. Reagan has sought to justify his embrace of right-wing governments by drawing a strange distinction between abuse of human rights by totalitarian regimes, such as the Soviet one, and similar violations by merely authoritarian rules, such as those in Argentina. What this amounts to, in plain English, is a deliberate downgrading of human rights. Yet ethical considerations have always played a part in American foreign policy. As Vietnam and Chile demonstrated, a policy that runs against the grain of American ideals will not be supported indefinitely at home.

Admittedly, there is a certain appeal in dealing with regimes like those in Argentina, Chile or Guatemala—as there was in dealing with Somoza's Nicaragua or the Shah's Iran. Authority is concentrated in one man or a small group: It is unnecessary to put up with the messiness of democratic government; agreements are easily arrived at, and the bilateral business relations are usually cordial. But the appearance of stability is often illusory. The harsh reality is that people in poorer countries are not satisfied or resigned to their lot. A people ripe for revolution will rise to the call without Leonid Brezhnev or Fidel Castro—though neither, when an opportunity presents itself, is above lending a hand. And, as we should have learned from our bitter experience in Iran, the danger to us, when an American-supported dictatorship falls, is that the United States becomes the scapegoat, equated in the eyes of the people with the hated regime they have overthrown.

It is to President Carter's credit that he tried to portray the United States as a country with sufficient self-respect to avoid courting the worst of the rightwing police states. The Reagan Administration, on the other hand, bids fair to confirming the darkest suspicions of foreign peoples striving to achieve some improvement in their lives—that we prefer the apparent tranquility of "friendly" authoritarian governments. If each of the upheavals that are certain to continue occurring in the poorer countries is interpreted as an externally inspired subversion of an otherwise acceptable social and economic system, the new Administration will be tempted into virtually unlimited interventions in civil conflicts abroad.

A swarm of such temptations may soon confront us in Central America and the Caribbean. If we panic, by treating them as so many battlefields on which the Soviet Union has chosen to wage war against us in our very own neighborhood, then we are sure to revert to the discredited "gunboat diplomacy" of the past, hustling in the Marines to suppress each local uprising. In the end, such aggressive use of American power will rekindle throughout Latin America the smoldering hatred of "Yankee imperialism" so largely assuaged by the Panama Canal Treaties. How much better off we would be to adopt the attitude of our democratic neighbors Mexico and Venezuela, whose policy is to influence the direction of the inevitable changes in Central America rather than engage in a futile, self-defeating attempt to stamp them out.

There is something schizophrenic about the Reagan Administration's obsession with the Soviet Union. On the one hand, we are led to believe that the Russians are out to dominate the world. On the other hand, in an American version of historical inevitability, Mr. Reagan assures us that we are seeing not only in Poland but in "the reports that are beginning to come out of Russia itself . . . an indication that Communism is an aberration . . . the beginning of the end." In short, the Russian Empire is cracking up. Mr. Haig endorses the President's verdict: "I think we are witnessing a historic unraveling of Marxist-Leninism on the Soviet model."

If this is the case, then why all the anxiety? I suggest it has less to do with an overblown fear that the Soviet Union will ever dominate the world than with a gnawing worry that the Russians, desperate to hold their crumbling empire together, will lash out with their immense military machine.

For 30 years, we and the Russians have confronted each other across a nuclear no man's land; each nation has squandered over a trillion dollars perfecting and enlarging its stockpile of nuclear weapons. Both nations acted out of fear that one might somehow gain an advantage with which it could wipe the other off the map. But once the stockpiles reached a level of overkill so large as to guarantee the obliteration of both sides, no matter who possessed the greater number of weapons, these dragon's teeth of doomsday became an irrational compulsion. In their frenzied search for "national security," the two nations managed to make themselves not the safest but the most endangered in the world.

Our predicament is even worse than that of "two tarantulas locked in a bottle," for we are not alike, and the great differences between the two societies antedate the 1917 Russian Revolution. Alexis de Tocqueville, in his classic work, "Democracy in America," foretold the 20th-century conflict between an open and democratic America and an autocratic, brooding, brutal Russia. This real and continuing difference will not end soon. Nor is Russia likely to give up its historic national ambitions for warm-water outlets, strategic depth on its western frontiers and resistance to China's claims for territorial adjustments. Neither can an aging Kremlin leadership of doctrinaire Communists abandon its commitment to the "historic inevitability" of revolutions elsewhere without losing its reason for being. And, given the internal strife in the poorer countries of the world, there is plentiful opportunity for meddling.

To state the above is merely to acknowledge a condition with which we have been living for many years. Suddenly, however, without any major reversal or precipitous shift in the balance of power between East and West, Mr. Reagan proposes the largest peacetime arms buildup in American history. Military outlays are projected to double over the next five years, rising from $159 billion to $343 billion. Budgetary estimates show that, between fiscal 1982 and 1986, defense expenditures will rise an average of 11.1 percent per year (after adjustment for inflation), outstripping both the 6 percent real-growth rate proposed by President Carter and the 10 percent annual increase that took place during the Vietnam War.

These big spending figures make clear that the object of the Reagan Administration is not necessarily to reduce the size of government. Rather, it is to shift resources from the civilian budget—aid to handicapped children, food stamps, loans to students to finance their education, legal services for the poor, and a variety of other civilian programs—to military expenditures. Indeed, the rearmament program seems certain to defeat Reagan's pledge to balance the budget, and it may, when combined with the tax cuts he proposes, eliminate any chance for significantly reducing inflation.

What is the rationale for this huge arms buildup? What events in the world have occurred to impart such a sense of urgency to the rearmament program? What impels us to bring antique battleships out of mothballs to perform missions even the Navy can't convincingly define? What leads us to reconsider building an obsolescent B–1 bomber, each one of which will cost a staggering $200 million and still lack the punch to penetrate new Russian radar defenses? Why must we construct still more multi-billion-dollar aircraft carriers, whose six-acre decks can't be missed by Russian missiles, when we already have 13 of these behemoths, compared with only two in the Soviet Navy? Admittedly, Moscow's continuing large military expenditures make it necessary for the United States to prudently increase its own procurement of advanced conventional weapons. But why this cornucopia for the munition makers, this heedless spending?

President Reagan has given us no clue. He has made no foreign-policy speech delineating his thinking on the major issues of the day. And, aside from such bromides as "Moscow is the greatest source of international insecurity," his Secretary of State is equally unenlightening. Perhaps, in an Administration so oriented toward the military, we must look to the Secretary of Defense for an explanation—and that explanation, to say the least, is mind-boggling.

During the 1950's and early 1960's our Government based its defense planning on a "two and a half wars" policy: The United States might have to fight the Soviet Union, China and some smaller country (the "half war") simultaneously. As we slowly came to accept the reality of the Sino-Soviet split, this doctrine was acknowledged implausible. American strategic thinking changed to a "one and a half wars" doctrine: The United States might have to fight, at the same time, the Soviet Union in Europe and a lesser adversary elsewhere.

In a recent speech, the Secretary of Defense, Caspar Weinberger, seems to be returning to the two-and-a-half wars doctrine—and more. The Soviet invasion of Afghanistan, according to the Secretary, shows that the United States must be prepared to fight protracted conventional wars in many places simultaneously. "We have to be prepared," says Mr. Weinberger, "to launch counter-offensives in other regions and to exploit the aggressor's weaknesses wherever we might find them. . . . We must be prepared for waging a conventional war that may extend to many parts of the globe." In other words, 40 years after the fact, the Reagan Administration is getting the country ready for the Second World War.

But Afghanistan is a dubious example from which to draw such sweeping conclusions. Afghanistan borders on the Soviet Union. It has a Moslem population that has proved susceptible to the fundamentalist ferment sweeping the Moslem world. The Soviet puppet government in Kabul appeared incapable of dealing with the religious forces that toppled the Shah in Iran, and for many of the same reasons.

It may be that the Russian invasion of Afghanistan is the first move in a long-range Soviet plan to invade the oil-producing states of the Persian Gulf. It is far more likely, though, that what the Soviet invasion of Afghanistan proves is that the U.S.S.R. is still prepared to crush any force on its border it considers a danger to its own security. That President Reagan himself sees Afghanistan in less than cataclysmic terms is evidenced by his lifting of the grain embargo imposed by his predecessor in the aftermath of the Russian invasion.

Afghanistan alone cannot explain the new strategic doctrine. The doctrine seems rather to be based on the belief, reached independently of Afghanistan, that the United States must be prepared to intervene anywhere and everywhere to protect its "vital interests." What those interests are is left vague. Are they American business investments abroad? Are they the oilfields along the Persian Gulf? There is no evidence that the Reagan people have worked out a set of priorities, so that we would have enough military power to defend our truly vital interests around the world but would not be drawn into repeated interventions in situations in which our security is not really threatened.

The conclusion seems inescapable that the Reagan Administration has no rationale for resurrecting the two-and-one-half-war doctrine. What is more, the doctrine is inherently incredible. In order to take it seriously, one has to assume (1) that in a non-nuclear land war in Europe, the United States and our European allies would contain the Russian onslaught; (2) that the Russian, American and Western European leaders, along with their military staffs, would be content to slug it out in conventional fashion, without resorting to tactical nuclear weapons; (3) that even if the war turned nuclear, it could be kept "limited," so that there would be victor and vanquished at the end, and (4) that if nuclear war could not be so limited, there would still be something worth having afterward. To state these assumptions is to reveal their absurdity.

According to current projections of the strategic forces of both sides, the Soviet Union by 1985 will outnumber us in land-based intercontinental ballistic missiles by 1,398 to 1,054, and their warheads on these missiles will outnumber ours by 6,654 to 2,154. The United States, however, will be vastly ahead of the Soviet Union in submarine-launched missile warheads (6,560 to 1,500), and, with land-based launchers becoming more vulnerable, our undersea force should be wholly offsetting. (American and Soviet strategic bombers would be roughly equal in number if the medium-range Soviet bomber Backfire is included in the strategic balance.)

After presiding over the Senate Foreign Relations Committee's hearings on the strategic-arms-limitation treaty signed in 1979, I concluded that imbalances in strategic weapons in individual categories were acceptable, so long as the overall strategic balance was maintained. Other Senators differed with this assessment, believing it was necessary to maintain a balance in each category of strategic weapons. The important point is that there was a consensus in the committee—reflecting a consensus in Congress and the nation—that the objective of our nuclear-arms-limitation strategy was equivalence or balance with the Soivet Union, and that the issue for debate was how that balance could best be maintained.

Mr. Weinberger, however, complains that we have allowed our "strategic superiority to be eroded." If the Secretary's words are to be taken at face value, the national consensus is to be scraped; the objective is no longer equivalence but superiority. Yet there has been no exposition of the Administration's thinking on this critical issue. How is superiority to be achieved? What weapons systems will assure superiority for what period of time? What, indeed, is the meaning of "superiority," when the Soviet Union will retain the power to strike back with sufficient force to devastate the United States? Does it really matter how many times the rubble bounces? Besides, what reason is there to think that the Russians will not catch up with us, as they always have before?

We in the United States have been fortunate in the past to be protected by distance and ocean waters from invasion, strategic bombing and the ravages of war. In the era of strategic nuclear weapons, there is no such protection. There is no place to hide. Official estimates are that between 70 million and 160 million Americans would die in a full-scale nuclear exchange—and 20 million to 30 million more if the Soviet Union's targeters really tried to kill people per se. Thus, 30 percent to 70 percent of us would die promptly. Tens of millions more would die from fallout sickness, unchecked disease, freezing temperatures and starvation induced by the collapse of agriculture and food distribution.

Meanwhile, perhaps because they cannot contemplate their own irrelevance, the war-game players on both sides, that peculiar priesthood engaged in refining nuclear strategems, continue to pursue their exotic mental exercise in self-contained plastic bubbles. McGeorge Bundy said it best: "Think-tank analysts can set levels of 'acceptable damage' well up in the hundreds of millions of lives. . . . They are in an unreal world. In the real world of real political leaders—whether here or in the Soviet Union—a decision that would bring even one hydrogen bomb on one city of one's own country would be recognized in advance as a catastrophic blunder; 10 bombs on 10 cities would be a disaster beyond history; and 100 bombs on 100 cities are unthinkable."

Could it be that we now have a political leadership that is thinking the unthinkable but does not have the political courage to level with the American people? A national consensus arrived at more than 15 years ago as to the deterrence value of nuclear weapons should not be reversed by stealth. It is not enough for Mr. Reagan to resort to euphemisms like "margin of safety" if what he really means is nuclear "superiority." The President should say what he means and put his case, if there is one, on the table for public debate.

In fairness, President Reagan has also said that he wishes to achieve real reductions in nuclear arms by negotiations with the Russians. Although he has criticized both strategic-arms-limitation treaties, he voluntarily observes their terms. The first treaty, signed in 1972, has expired; the second was never ratified; still, the President says he will abide by the provisions of each so long as the Soviet Union does likewise, thus invoking the treaties in all but name.

Let us hope—and pray—that the Administration's rigidly anti-Soviet ideology, including its futile quest for an unobtainable nuclear "superiority," gives way to the urgent need for mutual strategic-arms reductions. In the thermonuclear age, there is really only one reality: There can be no "winner" in a nuclear war. In George Kennan's passionate words, "For the love of God, of your children and of the civilization to which you belong, cease this madness."

ARTS AND HUMANITIES FUNDING

Mr. PELL. Mr. President, during the August recess, an especially perceptive column by Martin E. Segal appeared in Newsweek magazine detailing in the clearest and most persuasive manner why the budgets for the National Endowments for the Arts and Humanities should not be reduced. It is an important article, which in fact makes a most cogent argument for increasing the amounts that are appropriated to our National Endowments.

The writer, currently chairman of Lincoln Center for the Performing Arts in New York City, knows from many years of leadership of and personal involvement with cultural institutions just how critical the federal dollar is in maintaining the vitality of the arts and humanities.

I strongly urge my colleagues to carefully consider this column which was thoughtfully written by one of the most committed and articulate leaders in the arts in our country today. It appeared in Newsweek during the week of August 10, 1981, and I ask unanimous consent that it be printed in the RECORD.

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

DON'T CUT THE ARTS

(By Martin E. Segal)

Most Americans favor the stated purposes of the President's domestic program—lower taxes, a balanced Federal budget, reduced inflation, a stronger economy with fuller employment and more savings—all of which will, it is hoped, result in a generally better life for all.

The Administration is entitled to the fullest opportunity to demonstrate that its recommended legislation and appropriations will indeed achieve these goals. However, the proposal for cutting appropriations for the arts and humanities via the National Endowments (NEA and NEH) may not meet the Administration's intentions:

Lower taxes for individuals and estates indirectly hurt the arts and humanities, as well as other nonprofit organizations, and will be a disincentive to individuals to increase contributions. Ticket income from concerts, ballet, opera and other nonprofit arts covers, on the average, 65 per cent of the cost. Admission contributions at museums cover close to 40 per cent of the cost. To enable ticket prices to remain at reasonable levels, the difference is made up by voluntary contributions from individuals, corporations and foundations; from government appropriations—Federal, state and city—and from endowment income and bequests.

Most of the money contributed to arts and humanities organizations comes from individuals; the cost of a $1,000 contribution to a person in a 50 per cent tax bracket is only $500 net, and the cost of that same contribution to a person in a 70 per cent tax bracket is $300 net. When tax rates are reduced, there will be little incentive to pass on some of the savings to nonprofit arts and other organizations.

At present, an estate may be taxable if it amounts to more than $175,000. Charitable contributions are deductible from the taxable estate. If the first $600,000 of an estate is exempt from taxes, any charitable/arts contribution from estates less than $600,000—and 99 per cent of estates are in this category—would give the individual no estate-tax advantage.

Business cannot make up what the Federal government cuts. It is true that many businesses do not now contribute anything to the arts and should be encouraged to do so. What isn't generally known is that contributions from business have grown most impressively during the past decade. This is due not only to the recognition of the ueful role of the arts in our society, but also because inflation has hit the arts particularly hard and government support has not been nearly enough. Business has often taken the lead from government, matching government grants in the arts and humanities either on a one-to-one basis or, in the case of the successful Challenge Grant program, on a three-to-one basis. But business support is and should be voluntary. After all, business already pays taxes to help support government activities.

The healthy state of the arts in this country is due largely to a partnership of business, individuals and government. It isn't wise for one partner—government—to declare unilaterally to the others, "You should do more, so as to relieve me—even though I know that will not really help me achieve the other things I want to do."

The proposed cuts will have a meaningless effect on the balancing of the budget. The gross Federal budget in 1981 is $661 billion. The appropriation for the NEA is $157.6 million, or 24/1,000 of 1 per cent of the total budget. The appropriation for the NEH is $154 million, or 23/1,000 of 1 per cent. Thus, the combined budgets for NEA and NEH are 47/1,000 of 1 per cent. So, cuts here are not significant. Say some, if everybody is being cut, so should the arts and humanities. But everybody isn't being cut. The Administration is even proposing increases in appropriations where it believes these necessary or desirable.

Cuts for the arts and humanities will increase unemployment and will adversely affect the economy of many important sections of the nation. Reductions in Federal support will be of grave concern to millions of Americans for whom music, theater, dance and museums are vital ingredients of a better and happier life. The arts and humanities are labor-intensive. Cuts in government support will result in unemployment. Active and interesting cultural activities are prime attractions for tourists to many cities, and tourism is directly related to hotels, restaurants, department stores and other busnesses vital to a thriving economy.

Many cities mention cultural activities in their promotional literature to encourage tourists to visit or businesses to come and settle there. Impairing or eliminating cultural activities will have an adverse effect on the entire economy.

If cuts in the appropriations for the National Endowments for the Arts and Humanities can have no real effect on the balancing of the Federal budget; if the proposed tax cuts are disincentives for contributions by individuals; if it's unreasonable to expect business to make up for government cuts; if the arts are economically beneficial, both in and of themselves and in promoting tourism and other industries—returning as they do an estimated $7 for each dollar spent; if the American people want the arts, as demonstrated by ever-increasing attendance at theaters, museums, concerts, opera and ballet; if business and individuals have in fact been increasing their direct contributions to meet inflationary costs that have not been met by government—if all of these, what should be done? I have two direct and, I believe, constructive recommendations. First, the Federal Government should increase its appropriations for the arts and humanities. Second, when the proposed tax cuts are enacted, amendments to the tax laws should be introduced and passed that would treat charitable contributions in such a way so as not to diminish the present net results for the deductibility of such contributions.

Our nation will be all the more healthy and vigorous, economically and otherwise, if support for the arts and humanities is increased rather than diminished.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If there is no further morning business, morning business is closed.

RECOGNITION OF SENATOR PRYOR

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

DOLLARS AND DEFENSE—II

Mr. PRYOR. Mr. President, on July 31, I expressed concern over what I considered to be one of the major issues facing the taxpayer and the Congress, and that is the wise versus the wasteful expenditure of dollars on critical areas of national defense for this country. Today, Mr. President, I rise to continue voicing that same concern.

National defense is usually perceived by the average taxpayer in this country as an alien landscape of strange and exotic dimensions. But this is only half the truth. The fact is that contractors, who control so much of our defense posture, know exactly what is going on. They know because they are involved not only in producing weapons but also in policy, planning, and programing of those weapons and the procurement of those weapons.

Procurement dollars in defense have grown over the last 20 years so that single contracts today might be worth hundreds of millions of dollars. During this time, defense contractors have come to realize the importance of their Washington offices. Over 500 defense-related corporations now have Washington bureaus, representing a fivefold increase in just 10 years.

The purpose of the Washington offices has also undergone dramatic changes. While 20 years ago their major function was to provide information and monitor procurement developments and legislative activity, today's office centers upon one activity and one alone: pressure. It may be defined as "Government relations," or "public affairs," but this activity is the key to a contractor's success. Unfortunately, Mr. President, in too many instances, these offices and bureaus and the expenses thereof are charged to the taxpayer.

Pressure is aimed at both the Congress and the executive branch of the Government. Designed to follow issues of importance to the contractor, it seeks to shape legislation, procurement, and appropriations decisions. Pressure also involves political "strategy" ranging from grassroots efforts and campaign contributions to direct contact with the key figures in the Nation's Capital.

In 1976 and 1977, the Defense Contract Audit Agency (DCAA), which reviews contractor claims for costs incurred on defense contract work, undertook a series of special audits of 10 defense contractors in Washington. Among those audited for 1974 and 1975 were Boeing, General Dynamics, Grumman, Lockheed, and Rockwell International.

In both the preliminary and final audits, DCAA found that a substantial part of the expenditures was for "lobbying activities." Much of this expense was charged against existing Government contracts and was subsidized by Federal dollars. DCAA does not assert that the contractors had no right to lobby. It simply questioned whether such expenses ought to be charged to Government contracts and agreements.

For the 2 years involved in these audits—1974 and 1975—the questioned expenditures amounted to over $11 million for five of the contractors' Washington offices. In plain English, what is happening is that taxpayers are footing the bill for defense contractors to exert their influence to benefit themselves.

The blame must be placed on both the contractors, the Department of Defense, and yes, the Congress. At the time of the audits, DOD had no specific regulation prohibiting contractors from charging lobbying expenses against contracts. DCAA questioned such contract expenditures on the basis of "reasonableness" and "appropriateness" and must be commended for the stand they took.

DOD reacted in what I consider to be common fashion. To address the lobbying costs, the Pentagon spent several years trying to define "lobbying" expenses so that such costs would not be charged to the Government. But in 1980—just a year ago—the effort was abandoned because officials claimed that it was impossible to define what the term "lobbying" means. Once again, the taxpayer took it on the chin—or, I should say, took it in the pocketbook.

The interdependence between defense contractors, Congress, and the executive branch brings contractors so close to Government that they both implement military policy and often create it. Once molded, this relationship is set with an iron rigidity that keeps them isolated and protected from outside points of view. In time, they become unwitting victims of their own isolation.

The Department of Defense is not an island unto itself, but instead is a part of the entire Government. It, too, must play by the rules. When a constituent urges our support on legislative matters, the expense of that effort is important to both of us. And the fact that defense contractors attempt to use similar influence—but at Government rather than private expense—is also significant. This unfairness must be addressed.

As the Pentagon has indicated, there is a problem in defining what "lobbying" means. The only solution I can see is legislation that would put the issue to rest. I expect to introduce shortly a measure that will both define the term and more important, restrict defense contractors from charging their lobbying expenses to the American taxpayer. The Department of Defense must be examined and the examination cannot wait. It must be very thorough. Too many of our taxpayers' dollars are at stake. I plan, further, to continue pressing into DOD spending, procurement, and related areas—and, where possible, to offer solutions.

Dr. Gordon Adams recently outlined

the configurations of the relationship between contractors, Congress, and the executive branch in his book, "The Iron Triangle." And my distinguished colleague from Wisconsin, Senator PROXMIRE, has been pointing to its effect since at least 1977, when he raised pertinent questions concerning the Condor missile program.

Mr. President, I want to call attention this morning to an article in the August issue of Common Cause entitled "The High and the Mighty." Written by Florence Graves, editor of the magazine, the article outlines the full dimensions of lobbying by defense contractors and the further wrong of charging these expenses to the taxpayer. Ms. Graves writes:

There is enough favoritism and behind-the-scenes influence on large defense contracts without the added insult of having the taxpayer pay for the bill.

I agree entirely and ask unanimous consent that this article be printed in the RECORD.

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

THE HIGH AND THE MIGHTY

(By Florence Graves)

Can you imagine the U.S. government picking up the costs incurred by political activist Jane Fonda and her husband Tom Hayden for trips to Washington to lobby against the B–1 bomber, the MX missile or the F–14?

Can you imagine the U.S. government picking up all or part of the tab for you or a member of your family to travel to Washington to encourage your congressman to vote against or even for selling AWACS to Saudia Arabia?

Now try to figure out why the government was expected to pick up the salary of the Martin Marietta Co's director of Washington relations whose job functions, according to audits released recently to Common Cause, "relate to liaison with congressman and their staff aides. He builds rapport with Congressmen—from 35 states in which Martin Marietta has divisions and solicits Martin Marietta employees for campaign contributions."

Try to figure out why the government was expected to shoulder the retainer fees paid to Gen. W. W. Quinn, USA (Ret.), also a lobbyist for Martin Marietta.

Or the salary of Sperry Univac's public relations and sales promotion manager who, in effect, was a lobbyist?

The government has footed untold millions of dollars of defense contractors' lobbying expenses because the Defense Department has no definition of "lobbying" and therefore no regulation that specifically prevents lobbying costs from being charged against government contracts.

Sen. William Proxmire (D-Wis.) is incredulous. "Every citizen has the right to communicate with his elected representatives. However, no citizen has the right to ask the government to reimburse the costs of these communications and, to my knowledge, no segment of society other than government contractors has had the temerity to make such a request."

A fascinating but incomplete picture of the millions of dollars in lobbying expenses charged against government contracts by defense contractors emerges in the audits of 10 major defense contractors' Washington offices released to Common Cause four years after the Air Force denied a Freedom of Information Act (FOIA) request.

After CC's FOIA request was refused, Common Cause went to court to win the release of the audits which were conducted in 1976 and 1977 and cover the years 1974 and 1975.

The audits include those of the Washington offices of the Boeing Company, Rockwell International, Lockheed Aircraft, Raytheon, Hughes Aircraft, General Dynamics, Martin Marietta, Collins Radio Group, Sperry Univac and Sperry Rand Corp.

The exact extent to which the taxpayers are footing contractors' lobbying costs is not known. But these audits reveal a total of more than $2 million in lobbying-related costs questioned by auditors during 1974 and 1975 for these ten contractors. There are hundreds of defense contractors. Of the top 100, 67 have Washington offices. So simple mathematical calculations indicate the grand total could be many millions.

Despite the fact that Defense Department auditors strongly oppose contractors' charging of lobbying costs to taxpayers, it is unlikely the practice will be discontinued because the powerful defense contractors have vigorously opposed any attempts to prohibit this practice.

The audits were kicked off by the highly publicized revelations in 1975 that some defense contractors, Rockwell and Northrop Corp., in particular, had entertained military and congressional personnel with parties at hunting lodges on the Maryland shore, goose hunts, rides on corporate jets and yachts, and football tickets.

During hearings held in 1976 by Proxmire's aggressive Committee on Joint Defense Production, the Defense Department announced it was auditing the Washington offices of several contractors to determine if the costs of any of this lavish entertainment were being charged to the taxpayers. And that's the last the public heard of the audits until their release to Common Cause.

CLASSIC WASTE

If the Marx Brothers, themselves, had decided to make a film about defense contractors, they probably wouldn't have come up with more classic examples of waste than those found by the contract auditors.

Raytheon claimed the costs of lodging, meals, and guides for goosehunts in the Maryland area for company employees and unidentified guests.

General Dynamics wanted the taxpayers to foot the bill for F–16 tie tacs.

Hughes Aircraft claimed some costs for a condominium in the Shoreham (an exclusive Washington apartment house). The costs represented depreciation, garage maintenance, maid service and other expenses related to the condominium purchased in 1972. Also claimed were entertainment supplies and services which included silverware, linens, bartender, reception and limousine services as well as decorations and furnishings for a "sky suite" at the Capital Center (a sports arena).

Lockheed Aircraft charged off travel expenses to the Farnborough and Paris Air shows, including first class air fare and wives' travel costs.

Rockwell Corp. claimed the bill for 100 prints of the film, "The Threat, What Can One Do?" The auditors felt the film "furthers the image of the B–1 bomber programs. It appears the films are being shown to the public and Members of Congress. We question the costs because they represent effort designed to influence legislation. The contractor does not concur. It maintains this is public relations effort."

("Public relations" costs, it should be noted, are considered legitimate expenses to charge to government contracts.)

The Defense Contract Audit Agency, which plays an advisory role in negotiating contracts, allocating costs, and seeing that terms of contracts have been met, questioned the legitimacy of not only more than $2 million in lobbying-related costs but more than $2.5 million in entertainment expenses as well. These totals do not include the more than $2 million which the contractors originally charged, but voluntarily deleted, during the audit negotiations. Furthermore, all of the totals are probably much higher, but auditors repeatedly said that most of the contractors refused to let them see the proper records to verify costs.

A Pentagon official, John Kendig, deputy director for cost, pricing and finance, says "it is reasonable to assume" that not all of these costs were eventually paid by the government. As part of the overhead, he says, some of these costs may have been eventually allocated to a company's commercial divisions as well.

However, Christopher Paine, a staff assistant for arms control at the Federation of American Scientists, maintains that defense contractors try to put as many of their total expenses as they can into government overhead. "They all do it. They think, if you can get the government to pay for it, why not?"

While the government explicitly forbids federal employees from using taxpayers' money to engage in lobbying, there is no specific regulation prohibiting contractors from charging lobbying expenses against contracts. (There are, however, specific regulations prohibiting contractors from charging entertainment and some advertising expenses.[1])

However, in lieu of a specific lobbying cost principle, the auditors could question the costs on such bases as "reasonableness" or appropriateness and aggressively did so, touching off a several-year debate in the defense community about the validity of contractors charging such expenses to their overhead.

In response to these audits, the Pentagon tightened its conflict of interest standards and most observers agree the lavish entertainment has been kept to a minimum. To address the lobbying costs, the Pentagon spent several years trying to come up with a definition of lobbying which would outlaw such costs being charged to the government.

The effort was abandoned, however, in June 1980 because officials say it was too hard to define lobbying.

The audits, which give an exclusive, inside glimpse of the kinds of costs contractors expected the government to bear, also give an indication of the magnitude of the lobbying effort being made in the Washington offices, the nerve center of contractors' selling efforts. The audits also reveal:

Defense contractors are spending large sums of money to lobby for their weapons and are reporting only a fraction of these costs under the loophole-ridden 1946 Federal Regulation of Lobbying Act. In 1974–75, for example, the DCAA questioned more than $2 million as possible lobbying expenses.

This total does not include those amounts which the contractors voluntarily did not charge to the government, so the actual amounts spent on lobbying are not known. In those same years, only three of those 10 companies had registered lobbyists and they reported spending only $89,251.20.

The auditors' inquiries met a consistent pattern of stonewalling. In audit after audit, the auditors noted, as in the case of Martin Marietta, "The scope of our review was severely restricted. . . . This prevented the full application of generally-accepted auditing standards and tests of accounting records which would ordinarily be done."

In the audit of Hughes Aircraft, the auditor wrote: "The contractor imposed rigid conditions under which we were allowed to interview its personnel. It required the corporate marketing vice president to be present at each interview and a contractor stenographer to record the entire interview. The

[1] An official says that when contractors were questioned about expenses they charged which were clearly related to entertainment, they would just say they'd made a "mistake."

contractor refused to answer any questions on details or activities relating to unclaimed costs.

"It also would not permit questions relating to an apartment which the contractor owns and maintains in the Washington area. We advised the vice president that the cost of this apartment had been claimed by the contractor in its 1972, 1973, and 1974 overhead claims.

"Nevertheless, the contractor requested that the auditor not ask any further questions about it since most of the employees were not even aware of its existence. . . ." Moreover, "the lack of time or activity records, denial of access to documentation, and restrictions imposed by the contractor during our review prevented us from reaching an unqualified opinion on the allowability of costs not otherwise specifically questioned."

While theoretically, the auditors should have access to all necessary records, audit officials say the contractors vehemently dispute what records are really "necessary." An intransigent contractor can keep such disputes in the courts for years.

The interdependent relationship between defense contractors, Congress and the executive branch brings contractors "so close to government that they not only carry out military policy, but often create it," says Gordon Adams of the Council on Economic Priorities (a public interest group based in New York City) who just released an investigation of the politics of defense contracting, The Iron Triangle.

This "triangle" is formed, Adams says, "by the powerful flow of people and money" moving "between the defense contractors, the executive branch and Congress."

Explains Adams, "Once molded, the triangle sets with the rigidity of iron. The three participants exert strenuous efforts to keep isolated and protected from outside points of view. In time, they become unwitting victims of their own isolation, convinced that they are acting not only in their own but in the public interest."

Contributing to this is a practice frequently called the "revolving door."

For example, Dale Babione, former director of contracts and system acquisition at the Department of Defense, joined the Boeing Company as the director of government business relations in 1979 during the attempt to define a lobbying principle.

The flow of personnel among the points on the triangle "creates a community of shared assumptions about policy issues and developments," Gordon Adams concludes.

THE WASHINGTON OFFICES

For a number of defense contractors, the U.S. government is one of their largest clients. It's the job of their Washington offices to grease the connections and ease the way for the multibillion dollar sales.

"Our business base is sustained in Washington," Richard Cook, a deputy assistant for congressional relations to Richard Nixon who now heads the Washington office of Lockheed Aircraft Corp. told the National Journal. (In the early 70s, Lockheed, the Chrysler of the defense industry, got a federal loan guarantee to keep it afloat.)

To sustain the business base, contractors "must succeed in the influence business," says Adams.

Contractors do not consider the efforts of most of those in their Washington offices "lobbying," although most would probably agree that some of what they do is "lobbying," which is perfectly legal. Some of the remaining activities they consider to be "legislative liaison" which means providing information to Congress and to the executive rather than exerting pressure. Most apparently consider both of these activities legitimate overhead expenses which are routinely passed onto government contracts.

But during these audits, the Defense Contract Audit Agency made a distinction between the two. They felt many of the Washington office employees were engaged in "lobbying" ("influencing legislation"), activities they felt should not be charged against government contracts. They therefore questioned whether more than $2 million charged against government contracts should be allowed, emphasizing the totals could be much higher but the contractors refused to give them the documentation they needed to make the determination.

In questioning lobbying-related costs, the auditors usually included this notation, "We found no recognizable benefit to government contracts since the Department of Defense and other executive agencies make determinations of policy and program needs, and justify their own requirements for appropriations.

"Attempts by contractors to influence legislation favoring procurement of their products can be inimical to DOD policies as well as requirement determinations."

One company, Martin Marietta (one of only two contractors who would answer any questions for this story) maintains that the company does not lobby and therefore does not have any lobbying expenses.

But the DCAA did not concur: it questioned a total of approximately $300,000 in lobbying expenses for Martin Marietta, including salaries of several staff members. For example, the DCAA found that K. K. Bigelow, the director of Washington Relations, maintains contacts with government personnel to solve problems and makes appointments for company officials to meet with government representatives.

"Mr. Bigelow follows issues in Congress that affect the company in the areas of tax reform, energy, and pollution control. He builds rapport with congressmen from the 35 states in which Martin has divisions and solicits Martin Marietta employees for campaign contributions. In our opinion, these activities are concerned with influencing legislation and are unallowable . . ."

Moreover, "a review of Mr. Bigelow's travel expense reports indicate extensive entertainment at home, the Congressional Country Club, Kennedy Center, and numerous Washington restaurants. In most cases there is no record of who participated in this entertainment. We have questioned Mr. Bigelow's salary, his secretary's salary, the cost of the chauffeur's support, fringe benefits, travel and related expenses."

It is clear from reading the audits that the DCAA does not believe the taxpayers should be picking up lobbying costs. Fred Newman, then head of the DCAA, now with a private firm, says he does not think such costs are legitimate expenses; the current head, Charles Starrett, agrees. But the DCAA has only an advisory role; the contracting officers make the final decisions. (A contracting officer is the person at the Pentagon who has overall responsibility for an individual contract. This person monitors the defense contractor's performance and makes final determinations about costs.)

So in this case, what the DCAA thinks does not count.

No one has come right out and said it, but the Defense Contract Audit Agency must have really put the Pentagon brass on the spot by boldly questioning what appeared to the auditors to be lobbying expenses.

After the audits were completed, the Pentagon, apparently displeased with the first audits, handed the DCAA a set of guidelines to follow in questioning which costs were valid and told them to do the audits over again.

Not surprisingly, the amounts of costs questioned were significantly reduced. (As part of the documents released to Common Cause, the Air Force sent several but not all final audits which showed significant reductions in "costs questioned." However, an exact analysis is not possible because significant portions of the final audits are whited out.)

In fact, it seems clear from a memo, obtained by Common Cause, which Charles Starrett, then deputy director of the DCAA (now director) wrote to the deputy assistant secretary of defense (acquisition), that the Pentagon knew full well that some glaring costs would not be questioned as a result of their "guidance."

Starrett used examples from the audits of Rockwell's Washington office as well as an audit of Rockwell's B–1 division (which was not provided to CC).

These are some of the expenses charged by Rockwell to its overhead account which Starrett said the auditors probably would not be able to question as a result of the Pentagon's new instructions about which costs the auditors could question:

$10,000 paid a subcontractor for a study on the impact of the B–1 program on the U.S. economy. The study was used in preparing white papers designed to influence B–1 legislation.

The total costs of a military relations function in which the director provided material to editors, publishers and reporters in several states to elicit articles favorable to the B–1 and made presentations to government and contractor personnel throughout the country.

The development of a speakers' bureau on behalf of the B–1.

Several films prepared to develop positive support for the B–1 and other defense programs.

TRYING TO DEFINE "LOBBYING"

While the contractors' Washington office audits were never publicly released, Proxmire and his staff apparently got a peek and he took to the Senate floor in 1977, demanding that lobbying costs not be charged against government contracts.

Said Proxmire, "The current practice sets up a vicious circle. Contractors get generous allotments from the government to produce weapons systems. But rather than using all of it for production of these weapons systems, they siphon some of it off to lobby for even more money . . .

"There is enough favoritism and behind-the-scenes influence on large defense contracts without the added insult of having the taxpayer pay for the bill."

In an apparent attempt to pacify Proxmire, the procurement officials asked the DAR (Defense Acquisition Regulations) Council, which writes the regulations used in defense contracting, to try to come up with a lobbying cost principle. They did so, defining lobbying this way: "Lobbying is defined as any activity or communication which is intended or designed to directly influence members, their staffs or committee staffs of any federal, state, local or foreign government legislative body to favor or oppose pending, proposed or existing legislation. Lobbying activity includes but is not limited to personal discussions or conferences, advertisements, telegrams, telephone communications, letters and the like, and the directly associated costs related thereto."

"Legislative liaison" activities such as attendance at committee hearings or meetings with congressional representatives at their invitation and gathering information regarding pending legislation were not included in the definition.

The definition was circulated for comment throughout the industry and other government agencies (the government does not

have a lobbying principle for other agencies' contractors either and was proposing to use the one the Defense Department wrote).

An inch-thick stack of paperwork was generated. Common Cause obtained this correspondence too, under a Freedom of Information Act request. Most government agencies which responded enthusiastically supported a lobbying cost principle, agreeing that it was inappropriate for the government to foot such costs. Several emphasized that the contractors should be required to maintain the documentation to prove the validity of their claims.

A number of industry representatives, however, vehemently opposed the principle. None of the contractors directly involved in the audits responded but another contractor, United Technologies, said the principle would, among other things, impose burdensome paperwork.

The chairman of the American Bar Association's section of Public Contract Law, contended the "lobbying principle would inhibit commercial organizations from exercising their First Amendment constitutional rights," an argument frequently made by the defense community.

Counters Proxmire, "They're perfectly free to speak all they want. They can lobby to their heart's content. But to charge the cost of all that to the taxpayer is really adding insult to injury. It's a real loser for the taxpayer; there's no way the taxpayer can win."

But after Proxmire's spotlight had faded and three and a half years had passed, Dale Church, then deputy undersecretary of defense for acquisition policy, made the decision in June 1980 to reject the proposed lobbying principle.

John Kendig, now deputy director for cost, pricing and finance at the Pentagon, says the Pentagon dropped the proposed lobbying principle because "we really couldn't get a consensus on what constituted lobbying . . . It's very difficult. What is lobbying? Is a contractor lobbying if he goes over and speaks to a congressman? He may or may not be."

But Proxmire scoffs at that explanation. "That's absurd. It's easy to find a definition for lobbying. It would be hard to find any definition that's acceptable to everyone. You can't find a definition of 'cat' that's acceptable to everyone."

Kendig, who had a say, although not the final say, in the attempt to develop a lobbying cost principle, personally thinks lobbying should be considered a normal business expense that the government should absorb, although he concedes that the government has declared other "normal business expenses" such as entertainment and advertising unallowable.

The DAC council disagreed with Kendig. According to a memorandum obtained by Common Cause, the council concluded that "most defense contract dollars are on contracts under which contractors are able to recover costs. Expenditures for lobbying would therefore be passed through to the government.

"By contrast firms in the private sector are usually operating in a competitive market. In this situation, any expenditure for lobbying would reduce profit. We believe defense companies should be put on the same footing."

Gordon Adams says even if lobbying were a routine business expense reflected in the cost of products such as shoes or cars, lobbying expenses spent to sell weapons should not be included in the costs of those weapons. "The taxpayer, who is the ultimate consumer, is not really in a position to vote with his wallet the way he can on an automobile. It's very hard for the taxpayer not to buy and it's very hard for the taxpayer to make the argument that counters the impact of the lobbying in Washington that leads to the decision to buy . . ."

Fred Newman, the former head of the DCAA, says the proposed principle was dropped because the "procurement people felt the keeping of records was too onerous and too costly for the contractor." But Newman says if the contractors think such a principle would be "too administratively costly, then maybe they shouldn't pass on any of the costs."

Newman says "undoubtedly" there was "considerable pressure" placed on Pentagon officials by the contractors.

Proxmire attributes the failure to the "revolving door." "The difficulty is that both the Congress and especially the executive are very, very heavily lobbied. There are people in the executive who are dealing with the military and the contractors who, in many cases, are going back to work for the same contractors they dealt with.

"And then they may come down and work in the Defense Department as a civilian procurement official. Therefore, you have an atmosphere in which these people serve their continuing conflict of interest. That's why I think the regulation has not been promulgated . . ."

When it became clear the Defense Department was not going to establish a lobbying cost principle, Proxmire turned to the Office of Federal Procurement Policy [OFPP] in the White House Office of Management and Budget. He suggested such a cost principle be incorporated into governmentwide procurement regulations. Again a stone wall. Karen Hastie Williams, administrator of OFPP under Carter, wrote that she was "inclined to agree with the Department of Defense's view that its present cost principles and audit guidelines are adequate to preclude the reimbursement of costs specifically identifiable with lobbying activities."

But some DCAA officials say that without a specific principle, it is very unlikely that many of the lobbying costs they question will be upheld in negotiations when contractors and Pentagon contracting officers discuss the bills.

Williams suggested that if Proxmire wanted a principle so badly, he should legislate one.

"Why doesn't he (Proxmire) pass legislation?" asks Dale Babione, the former director of contracts and systems acquisition at the Department of Defense, who is now director of government business relations for the Boeing Company. Babione, by the way, was involved in the discussion over developing a lobbying cost principle.

Concludes Babione, "Because he can't get anyone to agree with him. The fact that somebody feels strongly about something doesn't make it so. It just means he feels strongly about it. This is a democratic country, and if everyone feels the law should be changed, then why don't they change it?"

THE LOOPHOLE-RIDDEN LAW

While there may have been no attempt to pass legislation outlawing lobbying costs charged to government contracts, there have been a number of unsuccessful attempts to strengthen the 1946 lobby disclosure law.

Both contractors and government officials have said that they base their definition of lobbying on the 1946 law which they interpret as saying a person or company does not have to register unless their "principal purpose" is to lobby.

Apparently applying that rule of thumb in 1974–75, only three of the companies had any registered lobbyists or expenditures: Boeing ($33,640.85), Lockheed ($53,765); Rockwell ($1,745.25). Yet DCAA auditors questioned many times more than those amounts as probable lobbying costs. (A spot check of 1980 disclosure forms by these companies show no significant improvement in reporting.)

During the Boeing audit, the DCAA questioned the salaries and benefits of five corporate employees whom the auditors felt were involved in lobbying. In fact, the auditors said two of the employees told them that "100 percent of their work is spent on lobbying, either talking directly to congressmen or their staffs or obtaining information to support company positions."

Boeing, however, vigorously disagreed. Peter Bush, a spokesman for Boeing, says the two employees say they couldn't possibly have told the auditors they spent most of their time lobbying.

As evidence, Bush says, the lobbying reports these employees filed with Congress under the 1946 lobbying law "show only 5 to 10 percent of their time" was spent lobbying.

"Look at their lobbying reports?" says Gordon Adams in astonishment. "That's an answer? You've got to be kidding.

"Sure, given a statute that is riddled like swiss cheese, it's very easy for someone to waltz down there and say that they spent five percent of their time lobbying. Who's going to follow that up? Who audits that claim? Nobody."

The defense industry, of course, is not the only one which interprets the lobby disclosure law narrowly. Because there are numerous loopholes, and no enforcement of the law, thousands of lobbyists are not registered and hundreds of millions of dollars spent on lobbying are not reported.

In his analysis of the politics of defense contracting, Adams not surprisingly concludes that one of the steps that needs to be taken to "pry open the iron triangle of defense policy and weapons procurement" is reforming the loophole-ridden lobby disclosure act. Common Cause has worked for years for a more comprehensive law.

Why is a stronger law needed? What difference does it make to the public whether the defense or any other industry spends $5 or $5 million lobbying? After all, lobbying is perfectly legal. What difference does it make whether an individual spends all of his time or part of his time lobbying?

Says Adams, "I think the most convincing argument for revision is that the public has no idea of the magnitude of the activities of special interests in Washington. And current disclosure and reporting requirements give them no way to even begin to guess at the magnitude of the effort. The closest we can get are those DCAA audits.

"My hunch is that corporations and trade associations related to industry have massive resources that they can bring to bear (on the political process) which far outweigh those of smaller special interests or those of the public at large to present their cases. Until we have that data, what do we do? Throw up our hands and say it doesn't make a difference? It obviously makes a difference."

AUDIT FOLLOW UP

Were any of the millions of dollars of lobbying, entertainment and other costs questioned by the Defense Contract Audit Agency [DCAA] eventually paid by the contractors?

We don't know. The DCAA acts only as a financial advisor to Defense Department contracting officers who sit down with the contractors to determine which of the questioned costs will be allowed. The DCAA's audit findings are in no way binding. And, of course, the results of the negotiations between the contractors and the contracting officers are not made public.

But a study of the DCAA by the General Accounting Office [GAO], the government's watchdog, gives a clue as to what may have happened. The GAO pointed out that the

contracting officers do not always use the findings of the DCAA and that disagreements between DCAA and contracting officers are rarely reported to higher officials. The contracting officer has the final say.

Moreover, contracting officers rarely report the rules of their negotiations to the auditors, GAO found. Elmer Staats, former comptroller general of the U.S., told a House committee hearing that "morale is low at DCAA. They need assurance their findings will have an impact."

The failure of agencies throughout government to follow up and resolve audit findings is, in the words of one GAO official, "a national scandal."

After much pressure, the Defense Department came up with a process for tracking the results of audits, but did not include DCAA audit findings in that process. After pressure from Rep. Jack Brooks (D-Tex.), the Department of Defense (DOD) came up with a proposed plan to follow up findings at DCAA. Deputy Secretary of Defense Frank C. Carlucci told a subcommittee of the House Committee on Government Operations in July that the Defense Department had drafted a process for monitoring follow-up action on contract audit reports, including a provision for resolving significant differences between auditors and contracting officers. Carlucci said a final directive should be issued by the end of August.

Critics say there should be some check on the enormous power of the contracting officers who make final decisions, because some feel contracting officers can become advocates of the weapons they are responsible for and, therefore, not as objective as they might be when negotiating contract cost differences.

John Kendig, deputy director for cost, pricing and finance at the Pentagon, says such a generalization is wrong and makes him "sick."

Other critics feel the effectiveness of the DCAA could be strengthened if the DOD had an Inspector General (IG) as most other agencies do.

DOD was left out of the Inspector General Act of 1978 because of their strong objections to being included. One Capitol Hill aide says DOD was not included because the sponsors of the bill feared DOD's anticipated heavy lobbying against the act would have killed the entire act.

But Rep. Brooks does not give up easily. His bill to institute an IG at Defense (and four other agencies not covered by the 1978 act) has passed the House and is pending in the Senate.

The Defense Department opposed the House bill because, DOD General Counsel William H. Taft IV testified, an autonomous Inspector General "is completely inconsistent with the hierarchical commander/subordinate relationship that is at the heart of any military organization and embodied in the chain of command. These provisions do not encourage the individual to work with the secretary on his team."

Asked how strenuously the Defense Department had lobbied against the House bill, a Capitol Hill aide replied, "They have been spending only slightly more time on this than they are on the Russians. If they are as aggressive about the Russians as they are about this, then I guess we can sleep nights."

In Senate hearings, Taft said the Department of Defense really wants an Inspector General, but they want the secretary of defense to have the power to veto "any review process or investigation that the Inspector General may initiate which could jeopardize national security." The secretary would have to report the reasons for any veto to Congress. The House bill does not provide such "veto power."

The Defense Department also opposes including the DCAA under the aegis of an IG because, Taft says, DCAA's "principal mission is an advisory role in the acquisition process, not oversight of DOD operations."

On this point the GAO agrees with Defense. But the bill which passed the House includes the DCAA within the purview of the IG because some sponsors felt it would give the DCAA more clout.

To deflect some of the heavy criticism about the potential for finding waste in DOD, the Defense Department recently created the position of assistant to the secretary of defense for review and oversight. This office is supposed to advise the secretary of ways to combat waste, fraud and abuse, but unlike the IG proposed by the House, this position is not independent of the secretary.

CC WINS DOCUMENTS AFTER COURT BATTLE

The audits of the 10 defense contractors' Washington offices which form the basis of this story, were obtained by Common Cause under the Freedom of Information Act (FOIA). After the Air Force refused Common Cause's 1977 request for the audits, CC went to court. The audits were awarded to CC in January of this year.

In court, the Air Force maintained that release of the audits would cause competitive injury to the companies—in other words, rival contractors would be able to learn about the staffing and funding of the companies' Washington offices and somehow use this information to their own advantage. But testimony revealed most of the companies already knew about the workings of their rivals' Washington offices.

Another claim made was that the alleged "mislabeling" of certain contractor expenses as lobbying and entertainment costs by the Defense Contract Auditing Agency (DCAA) would harm the companies in the public's eye and would thus diminish their overall sales, because adverse public opinion would cause Congress to refuse to appropriate funds for defense contracts awarded to these companies.

To support their claims, the Air Force submitted affidavits from high-level officials from each of the 10 companies. "Since these officials were based all around the country, it would have proven difficult and very costly for our staff attorneys to cross examine them," says Ellen Block, Common Cause associate general counsel.

"Instead," says Block, "we drew upon the services of volunteer lawyers in California, St Louis, Seattle and Minneapolis to take the depositions of the companies' witnesses. These depositions were key to winning the case because the testimony brought out on cross examination clearly contradicted the claims made by the Air Force."

In making the case, the Air Force relied on a provision of the Freedom of Information Act which allows the government to withhold business data only if its release would be likely to cause substantial competitive injury to the business which supplied the data.

During recent hearings on a proposed revision of the FOIA, this section was attacked by the business community. Opponents want to revise the law to prohibit the government from releasing any document that a company would not be willing to release.

Mr. PRYOR. Mr. President, I yield back the remainder of my time.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

RECOGNITION OF SENATOR PROXMIRE

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

S. 1604—COST OVERRUN REQUIREMENTS IN NONDEFENSE PROGRAMS

Mr. PROXMIRE. Mr. President, today I introduce a bill to stop cost overruns on Government projects. This bill provides that each project that incurs a cost overrun of 25 percent automatically would be cut off from further funding unless and until Congress held hearings and passed a special bill allowing it to go ahead.

Getting a handle on Government cost overrun is one of the toughest jobs in Washington. There are many projects in trouble. Each has its political and economic special interest support.

At the present time there are 854 non-DOD projects funded by the Federal Government either in development or under construction. These projects were expected to cost $133.4 billion when first estimated to Congress. After initial refiguring, the new baseline costs rose to $165 billion. At the present time the costs are estimated at $340.5 billion, an increase overall of $175.5 billion or 106 percent over the baseline estimate.

Seventy-seven programs have a cost overrun of 100 percent or larger. Only 54 percent of this can be attributable to inflation.

Mr. President, let me repeat that. Only about half of this can be attributable to inflation.

The Environmental Protection Agency has the greatest number of projects with overruns at 300, while the Federal Highway Administration ranks highest on the cost scale with a $100 billion overrun on the Federal highway program.

My bill would force the Congress to come to grips with the awesome epidemic of overruns. It would do so by automatically stopping the expenditures on any project that experiences a cost growth, exclusive of inflation, of 25 percent or more.

Mr. President, I am talking about constant dollars, a genuine cost overrun, not a cost overrun caused, of course, by the increased cost of inflation which nobody can prevent or predict. This would have to be in excess of the inflation cost, 25 percent or more.

The Comptroller General would be responsible for accumulating the statistics, as he does now on each project, and for spot checking them for accuracy. When any project runs over the 25 percent limit the Comptroller General would be empowered to notify Congress and the agency responsible. From that point on, no further funds could be spent unless the Congress passed a special law allowing it to go forward.

This will have the effect of keeping the pressure on the Government agencies responsible for the overruns as well as on the Congress which so often does not do a good job of oversight. Since a

provision dealing with cost overruns in the Defense Department has been made a part of the Department of Defense authorization bill, my bill deals only with nondefense programs.

There is no guarantee that any bill will absolutely stop cost overruns. There are loopholes in any legislation. But this proposal is simple in design and drastic in its required action. Its purpose is to restore discipline to Federal spending.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

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

S. 1604

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this Act—

(1) The term "major civil acquisition" means any construction, acquisition, or procurement financed in whole or in part with Federal funds (not including any funds allocated to a State under a revenue sharing program), the estimated cost of which, including research, development, testing, and evaluation costs, in terms of Federal funds, exceeds $200,000,000, or any such construction, acquisition, or procurement with respect to which the research, development, testing and evaluation costs are estimated to be in excess of $50,000,000.

(2) The term "baseline cost" means a planning or development cost as established by the Comptroller General of the United States.

(3) The term "Comptroller General" means the Comptroller General of the United States.

SEC. 2. (a) The Comptroller General shall be responsible for determining the cost growth statistics on all major civil acquisitions. Such statistics shall be determined on the basis of data furnished to him by the appropriate departments and agencies of the Government and on the basis of independent audits and reviews conducted by him under authority of law. All departments and agencies of the government are hereby required to furnish the Comptroller General with any data or information he might determine to be required for compiling cost growth statistics.

(b) Whenever the Comptroller General determines in the case of any major civil acquisition that the actual cost or estimated projected cost of such acquisition has resulted or will result in a cost growth of 25 percent or more compared to an established baseline cost he shall promptly notify the Congress and the head of the department or agency concerned of his finding. In determining the cost growth with respect to any major civil acquisition the Comptroller General shall exclude any amount from such cost growth attributable to inflation.

(c) After the date on which the head of a department or agency receives a notice from the Comptroller General described in subsection (b) relating to any major civil acquisition, no additional funds may be obligated or expended with respect to such acquisition unless authorizing legislation as described in subsection (d) is enacted by the Congress after date of such notice.

(d) Legislation referred to in subsection (c) means a bill or joint resolution which (1) pertains only to the continuation of the authority to obligate and expend funds for a major civil acquisition with respect to which the authority to obligate and expend funds has been terminated as the result of a notice issued by the Comptroller General under subsection (b), and (2) continues for a period of not more than one year from the date of enactment of such bill or joint resolution the authority to obligate and expand funds for such acquisition.

SEC. 3. The provisions of this Act shall not apply to any major civil acquisition for which funds have been appropriated prior to the date of enactment of this Act.

SHAKY RECOVERY FOR CAMBODIA

Mr. PROXMIRE. Mr. President, I would like to call my colleagues' attention to the first of a series of articles by William Branigin on Cambodia which began Sunday, August 9, 1981, in the Washington Post. The focus of Mr. Branigin's series is what he calls Cambodia's "fragile convalescence from years of war and destruction."

After reading the first article entitled "Nation Ravished by War Struggles as Client State," I would like to share some thoughts with you. Perhaps with greater magnitude than any other country in this decade, Cambodia has suffered the loss of hundreds of thousands of its people.

From 1971 to 1975, the Khmer Rouge conducted merciless campaigns of forced relocation and mass murder. As William Branigin describes in his article, the Cambodians under a Vietnamese-installed government, are struggling to rebuild their lives and their economy.

Whether or not the brutal killings under the Khmer Rouge regime in Cambodia constituted genocide, the loss of human lives is real enough. The pain and devastation, the hunger, and the problems which accompany the atrocities committed in Cambodia persist long after the fall of Pol Pot's brutal Khmer Rouge rule.

Mr. Branigin's article reminds us of the serious never-ending ramifications of the Khmer Rouge rule. Some Cambodians, including high-ranking officials and educated residents, are fleeing the country. They want to leave because they fear a Khmer Rouge return, yearn for a better life, or lack confidence in the newly established government. Mr. Branigin points out that even now the Khmer Rouge is leading a guerrilla war against the government.

According to Mr. Branigin, the government still holds between 3,000 to 10,000 political prisoners in prisons which they refuse to let the International Committee of the Red Cross inspect. Cambodians must attend what are called the government's "political education courses." Flagrant violations of human rights occur everywhere.

Reminders of Cambodia renew the urgency to ratify the Genocide Treaty. After seeing the horrendous personal loss and destruction, the consequences of which can never be erased, we must make every effort to speak out against such heinous crimes as those which were committed in Cambodia.

What we, as Members of the U.S. Senate, can do is to ratify the Genocide Treaty without any further delay.

Mr. President, I yield back the remainder of my time and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

ORDER FOR RECOGNITION OF SENATOR BOSCHWITZ

Mr. STEVENS. Mr. President, I ask unanimous consent that following the special order time of the distinguished Senator from West Virginia, the distinguished Senator from Minnesota (Mr. BOSCHWITZ) be recognized for not to exceed 10 minutes.

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

Does the Senator wish the 10:30 deadline on the military pay bill to be extended?

Mr. STEVENS. If the time goes beyond the 10:30 deadline, Mr. President—I have discussed this with the majority leader—we are prepared to hold up the bill for such time as is necessary.

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

RECOGNITION OF SENATOR ROBERT C. BYRD

The PRESIDING OFFICER. The Senator from West Virginia is recognized.

SOVIET PROPAGANDA ON AFGHANISTAN

Mr. ROBERT C. BYRD. Mr. President, it has now been 21 months since the Soviets invaded Afghanistan. Yet, today, they are further away from victory than when the invasion was first launched. At least, that appears to be the case. As I stated in a speech before this body in July, the tenacity of the Afghan freedom fighters deserves the admiration of all the world's people. Some 85,000 Soviet troops and the most modern equipment in the Russian army and air force cannot subdue this fiercely proud people.

Apparently, Soviet military planners are coming to the same conclusion. Last month, the Atlanta Journal and Constitution carried a story from the London Daily Telegram entitled: "Soviets Frankly Admit Afghans Tough."

As a result, the Soviet propaganda machinery is now preparing the Russian people for a long stay in Afghanistan. The propaganda twists in justifying the continued occupation of Afghanistan, however, must even stretch the imagination of the average Russian citizen.

As the article pointed out:

> Recent reports (in the Soviet press) seem designed to underline the continuing need for Soviet military involvement and also to reassure people worried about their sons or relatives serving in Afghanistan.

Even the Soviet military paper, Red Star, has given up contending that Afghanistan is returning to normal. However, the Red Star characterizes the Afghan freedom fighters as bandits who continue to make furious attacks on villages, often killing villagers and local officials.

Unfortunately, the only bandits in Afghanistan are Soviet troops whose indiscriminate use of helicopter gunships and massive artillery barrages has taken an immense toll in civilian casualties.

The outrageous nature of official Soviet propaganda can be found in the description of a Tass report on the fighting in Afghanistan.

As the article stated:

A recent Tass report described an attack by 700 guerrillas on a government outpost held by only 43 Afghan frontier guards. The fighting lasted for four days until the rebels fled into Pakistan, Tass said, leaving behind quantities of American, Chinese and British weapons.

Reports coming out of Afghanistan prove the contrary. The bulk of the arms being used by the rebels in Afghanistan have been those captured either from the Soviets or fleeing Afghan army units.

In sum, for all the Soviet propaganda being used to prepare the Russian people for a long stay in Afghanistan, the Red Army still faces a massive insurrection in that small, Moslem country which will never be subdued. While attempting to fool the Russian people, Soviet leaders and military planners are only fooling themselves if they believe in the propaganda they are feeding their own people.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

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

[From the Atlanta Journal and Constitution, Aug. 16, 1981]

SOVIETS FRANKLY ADMIT AFGHANS TOUGH—HOME FRONT APPARENTLY BEING READIED FOR LONG STAY FOR ARMY

Moscow.—The Soviet press is being unusually frank about the level of activity and military strength of guerrillas fighting Soviet troops in Afghanistan.

Moscow may intend to make Soviets realize that the Soviet army, which entered Afghanistan in December 1979, will be engaged there for some time to come.

Recent reports seem designed to underline the continuing need for Soviet military involvement and also to reassure people worried about their sons or relatives serving in Afghanistan.

Red Star, the Soviet army paper, has given up contending that Afghanistan is "returning to normal" after the Soviet intervention 20 months ago. Friday's issue described in some detail the threatening level of rebel operations.

"Bandits," as the paper calls the guerrillas, were making "furious" attacks on villages, often killing villagers and local officials.

One unit of Afghan government troops had recently had to carry out more than 100 anti-guerrilla operations near the Pakistan border, the paper said. Afghanistan could always rely on "the selfless assistance" of the Soviet bloc and the guerrillas were doomed to defeat.

A recent Tass report described an attack by 700 guerrillas on a government outpost held by only 43 Afghan frontier guards. The fighting lasted for four days until the rebels fled into Pakistan, Tass said, leaving behind quantities of American, Chinese and British weapons.

While Soviet casualties are hardly ever mentioned, some of the latest reports indicate that the Soviet Union is, after all, having to take domestic opinion into account when considering its future role in Afghanistan.

Komsomolskaya Pravda, the paper for young Russians, carried a letter from the mother of a Soviet soldier serving in Afghanistan who wrote, "I am very worried about him. In his letters there is not one word about his duties. He only writes that everything is fine. But I can get no rest."

The paper's Kabul correspondent reported that she could be proud of her son, a recruit with only six months' military experience.

"I understand your concern," the reporter wrote, "but I would like to remind you that Sasha, having put on the uniform of a Soviet soldier, defends the most precious ideals both for himself and for us—world peace and happiness and the peace of our motherland." The Kabul correspondent acknowledged that "it is difficult to serve in Afghanistan" and concluded that it was only "our Soviet way of life" which "helps our 18-year-old boys to endure difficult burdens."

Their spirit was also sustained "by the understanding that their help is very much needed in Afghanistan."

"Soldiers mature very quickly in Afghanistan" the correspondent added. "The severe everyday life of a soldier demands that the young lads be responsible, well-composed and able to make quick decisions on which the lives of many other people may depend."

The correspondent described the heroism of a young Soviet tank driver escorting a convoy of Soviet trucks carrying bread. His tank fell into a 10-foot trap dug by rebels but the driver and his crew remained in the hole until the convoy had driven over them to safety.

A U.S. State Department assessment issued last week said Soviet and Afghan government forces seemed to be losing ground to the rebels, who were "maintaining impressive momentum." But the State Department saw no sign that Moscow was ready to abandon its stand in Afghanistan.

ORDER OF BUSINESS

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

The PRESIDING OFFICER. The Senator from West Virginia has 16 minutes remaining.

Mr. ROBERT C. BYRD. I thank the Chair.

Mr. President, I ask unanimous consent that I may reserve the remainder of my time and that following the statement by Mr. BOSCHWITZ, Mr. BRADLEY may utilize up to 5 minutes or more of my time if he needs it.

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

The Senator from Minnesota.

THE AGRICULTURE BILL

Mr. BOSCHWITZ. Mr. President, we appear to be getting near consideration of a bill which will affect the agriculture scene for 4 years, the 1981 agriculture bill.

In the Agriculture Committee, we held 24 or 25 sessions, of an average length of 4 hours each. Finally, together with the administration, we came up with an agricultural bill that was not particularly pleasing to any of us; but, on the whole, one we thought was fair. On the whole, it has been accepted by the agriculture community—not without some trepidation, not without some reservation—but nevertheless it has been accepted.

Now the administration comes to us and announces that, within a very few days, when the agriculture bill comes to the floor, we should work out our differences and proceed. What the administration proposes is markely different than what was passed in committee. What they propose in no way conforms to the reconciliation instructions that were issued earlier in the year.

Worst of all, Mr. President, even though we worked out a bill, went home with that bill, talked to our constituents about the bill, and had our constituents participate in the passage of the bill, changes simply cannot occur with only 3 or 4 days' notice.

Nevertheless, the administration now wishes to change the rules, to change entirely the agriculture bill that we will have before us. It is very unclear in my mind that the Senate will agree to that type of practice.

This administration and the last administration, through its use and continuation of embargoes, have upset the markets in this country drastically. That, combined with the loss of crops, is really the cause of a disastrous agricultural crisis.

I feel this particularly in my State of Minnesota. Our prices are perhaps among the lower ones in this country, because transportation costs are so high in bringing products to market.

We simply cannot exist with corn at $2.31 or $2.40, wheat somewhere between $3.50 and $3.60. The Government will have very large deficiency payments, particularly on wheat.

We cannot live with the dairy supports the administration now wishes to offer us.

During our consideration of the agriculture bill, we were told we had to conform to a budget reconciliation instruction of $2.135 billion. That was the total amount of money. Through a great deal of deliberation, we worked out to virtually that amount, within a few million dollars. Now the Department of Agriculture reestimates what we did. It is no longer $2.2 billion. It is now $4.2 billion, and what the administration suggests is going to cost $3.9 billion.

What has happened to the reconciliations instructions? Did the Budget Committee, on which I also serve, just go through an excise during the spring of this year?

Are the people on Wall Street, who have some qualms about what is happening in this body, correct when they say that we are not serious, that we are not going to abide by the budget targets, that we are not going to abide by the reconciliation instructions? I think they may be right, because what I see in the agriculture bill is that we are going to be spending not $2.23 billion but $3.9 billion. Not only that, but also, the figures that the administration gives us change with remarkable rapidity.

Last Friday, the dairy aspect of the bill was estimated at $997 million. That is the administration plan. The Senate bill, S. 884, was thought to be $1.167 billion. This week, there are different figures

again, the administration's plan being approximately $1.058 billion and the Senate's plan $1.228 billion. All the figures have changed. They have changed with great rapidity.

The Secretary wants discretion to establish a 70-percent parity base and then not give increases as inflation works its will upon the farm community of this Nation. I simply cannot agree to that. I simply will not agree to that.

The most disturbing aspect of the entire situation is that I thought we had worked out an arrangement, a deal—call it what you will—that we had worked out, between myself and a high member of the administration, an arrangement on which way dairy was going to go.

The same member of the administration now tells me that we did not work out a deal at all. There I was in my office, sitting and listening and talking and agreeing, and he agreed with me. Now he says he did not agree at all. Well, in that case, I am going to take the interests of the farmer and not take the interests of the administration.

I was a businessman before I came to the Senate, and by us, a deal is a deal. In the Halls of the Senate and Congress, very often businessmen are excoriated; very often businessmen are thought to operate on principles that are not very nice.

I have made many deals in my life, and we stuck by them, as we do in business, as the Presiding Officer (Mr. MURKOWSKI) knows from his background. Some deals do not work out very well, and you have to make adjustments, and sometimes you have to renegotiate them. But, by and large, a deal is a deal, and with me that is the way it operates. If this administration is not going to operate in this way, then they will not get the cooperation of the Senator from Minnesota as they have tried to pass this agriculture bill.

Mr. President, 70 percent of parity is a figure that has never existed in this country. Since the parity system has begun, 70 percent of parity is a figure we have never had to revert to in order to get a balance between production and consumption.

Production this year is going to be about 132 billion or 133 billion pounds, on a fluid basis. in the milk industry. Last year, it was 127 billion pounds. That is indeed a raise. I fully understand that in a commodity such as milk or any other commodity.

My business career had to do with commodities; and when production goes up approximately 4 or 5 percent and consumption does not go up, there is great pressure on the prices.

But nevertheless it should be a manageable situation.

For the last 10 years parity has not gone below 78 percent. As a matter of fact, in 1974 the average percentage of parity for that year was 78 percent.

The PRESIDING OFFICER. The time of the Senator from Minnesota has expired.

Mr. BOSCHWITZ. Mr. President, may I yield myself an additional 3 or 4 minutes?

The PRESIDING OFFICER. It will take unanimous consent.

Mr. BRADLEY. Mr. President, how much time remains on the side of the minority?

The PRESIDING OFFICER. Sixteen minutes.

Mr. BRADLEY. Mr. President, I am pleased to yield 4 additional minutes to the Senator from Minnesota from the minority side.

Mr. BOSCHWITZ. Four minutes will be sufficient.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 4 additional minutes.

Mr. BOSCHWITZ. Mr. President, thank you very much.

Mr. President, in any case commodities indeed do move around in price a great deal when production goes up.

I might say that one of the great problems that we have not only in dairy but in the other commodities is a low price of the commodity, the fact that it is more profitable to feed a milk cow than it is to sell corn on the marketplace, and as a result we are getting more production.

But this administration, as the administration before it, bears some blame for the low prices of agricultural products and that, of course, is because of the embargo. This administration will not make clear to us what its position is going to be on the embargo provisions of S. 884, whether or not it will support the embargo provisions of S. 884. If it will not, the administration certainly will run into trouble from this Senator and from a number of other Senators as well.

Mr. President, when we take a customer as large as the Russians were out of the marketplace for a year and a half, and then we have additional continuing high production, there is no question that commodities are going to vacillate in price.

My experience is that when production goes down 2 percent, the price will probably go up 12, 14, 18 percent, and vice versa. When there is overproduction by a few percentage points it has a correspondingly far greater impact on the price. So that 2, 3, or 4 percent overproduction, at least in the commodities that I have been familiar with in my life, can reduce those prices by 20 percent.

I spoke to this administration before the embargo was lifted, that before it takes away all its leverage it should begin negotiations with the Russians. I am a businessman, as I mentioned. If someone comes to me and says, "You cannot buy my product, I am going to embargo it to you," and then a year and a half later comes to me and says, "Well, the embargo is off," I know exactly what my reaction would be, and I know exactly why we are having difficulty in making arrangements with the Russians and the fact that we did not exercise what leverage the embargo gave us but just lifted it unilaterally without making a new deal with the Russians is in my judgment not exactly the way, as I say, a businessman would have gone about it.

Mr. President, the farmers of this country are having a difficult time indeed. People think that there are giveaway programs for the farmers. There are not giveaway programs for the farmers.

We are going to fight this farm bill if we have to in order to see that the farms of this country survive.

I see in the chamber my colleague from Iowa, who I know is so interested in soil conservation. As long as we have prices that are so low and as long as the farmers have to plant fence row to fence row there will not be such a thing as conservation.

Mr. President, I wish to go on record as being opposed to what I see coming down from the administration, and I wish to tell, in this public way, the members of the administration that I intend to vigorously oppose their positions as they develop them, if they develop them in the manner I have seen.

I yield the floor.

RECOGNITION OF SENATOR BRADLEY

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

HIGH INTEREST RATES

Mr. BRADLEY. Mr. President, I rise today to make a few comments about the state of the economy and in particular to call to the attention of Senators an article in today's Wall Street Journal, since many of my colleagues are mentioned in the article.

Mr. President, I ask unanimous consent that the article be printed in the RECORD.

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

GOP, UPSET BY HIGH INTEREST FEES, RETURNS TO CONGRESS WITH TALK OF CREDIT CONTROLS

(By Albert R. Hunt and Dennis Farney)

WASHINGTON.—Congressional Republicans, who went home only a month ago euphoric over President Reagan's budget and tax victories, returned here in a state of political panic over high interest rates, with some even suggesting such radical solutions as controls.

On Wall Street, bond prices surged on talk of credit controls.

"I have not witnessed the sort of anger and indignation I'm seeing today in a long time," Senate Majority Leader Howard Baker said in an interview. "On the floor, people are talking about credit controls, reorganizing the Federal Reserve, a windfall profits tax on interest income, and wage and price controls," noted the Tennessee Republican, adding with some astonishment: "Some of this is coming from Republicans."

Similarly, House Republican Leader Robert Michel of Illinois suggested a jittery Congress might resort to credit controls or tougher regulations of financial institutions or might attack the Federal Reserve System unless "something gives" in the next 90 days. "We can't live with a 20 percent prime rate," Rep. Michell said. "I'm a political animal. And for our political fortunes, there's got to be some movement."

It still seems unlikely there's any serious prospect of such drastic legislative actions, although analysts attributed yesterday's bond market rally to the speculation of pos-

sible credit controls. Sen. Baker and Rep. Michel, for example, oppose all suggestions of any controls.

But this political climate is apt to make it much tougher to enact a further round of spending cuts that the Reagan administration feels is necessary to calm the money markets. "This makes it very difficult to get a second round of budget cuts," acknowledged Sen. Baker. "Already Senators are saying to me, 'What the hell difference does it make. If we cut another $10 billion to $15 billion, they (the financial community) will just come back and ask for another $15 billion cut.' "

The most likely vehicle for seeking further spending reductions for fiscal 1982—only a month after Congress approved a $35 billion cutback in that budget—will be to give President Reagan unprecedented authority to impound, or withhold, congressionally appropriated funds. Sen. Baker said he is still attracted to that idea and believes that safeguards, including prescriptions on what can be impounded and allowing Congress to veto such actions, could be included.

Sen. Baker said that if he moves on this proposal it probably would be attached to the legislation to increase the debt ceiling, which must be approved by the end of this month. And yesterday President Reagan termed the impoundment proposal a "very interesting" idea that would be "very helpful" in curbing spending.

But an important part of the 1974 legislation creating the congressional budget process was to explicitly outlaw White House impounding of funds. Democratic leaders, including House Speaker Thomas O'Neill of Massachusetts and Senate Minority Leader Robert Byrd of West Virginia, underscored that point yesterday. "This proposal sounds to me like a bailout for Republicans so they won't have to vote on any tough specific cuts," charged House Budget Committee Chairman James Jones (D., Okla.).

Even some conservative Democrats, such as Texas Rep. Charles Stenholm, who have provided the critical support for Ronald Reagan's economic victories this year, were negative to proposals allowing the President to impound funds. "I've got problems with that," Rep. Stenholm said. "I would much rather Congress maintain and exercise its prerogatives here."

Still, most lawmakers say President Reagan remains as popular as ever with most voters. Thus apart from the battle over impounding, they think he might be able to persuade Congress to approve some further budget cuts, though this may necessitate some presidential vetoes.

But, as even many Republicans emphasize, these cuts will have to include defense as well as domestic social programs. "It can't be 80 percent social programs and 20 percent defense," predicted Sen. Bob Packwood (R., Oreg.).

Sen. Packwood spent much of August in his home state. When asked what were the three major concerns of voters, he replied: "Interest rates, interest rates and interest rates." Yet so far, he noted, people aren't blaming Ronald Reagan. "There is almost a William Jennings Bryan feeling (among his constituents) that the Eastern bankers are doing us in. We're being manipulated by the Federal Reserve and the Wall Street boys, and it's not Reagan's fault."

Likewise, Rep. Delbert Latta (R., Ohio) said, "No matter who you talked to back home, Republican or Democrat, that's all you heard: Interest rates." And yesterday Sen. John Stennis (D., Miss.), one of the most senior members of the Senate, introduced a bill that would establish a commission to find a way to lower interest rates, while calling for Senate hearings for "temporary emergency actions" to lower interest rates.

All of this is very frustrating to some of the architects of the President's budget and tax cut initiatives on Capitol Hill. "I find it incredible that people up here already are asking why the Reagan economic plan isn't working," said Rep. Barber Conable (R., N.Y.), the top Republican on the House Ways and Means Committee. "For God's sake, it doesn't even take effect until Oct. 1."

Rep. Jack Kemp (R., N.Y.), the political godfather of the President's "supply side" economics, said, "I think a lot of us (Republicans) want to focus attention on monetary reform now. The No. 1 objective has to be to get the central bank of the U.S. back to the conduct of a credible monetary policy." That is Rep. Kemp's shorthand way of advocating a return to the gold standard, which, following the negative market reaction to the huge tax cut, is what many supply-siders now say is all that's needed.

House Speaker O'Neill said that the administration's supply side economics was a "house of cards" and that, during August, "the wind blew it down." As a result, suggested House Democratic whip Thomas Foley (D., Wash.), Congress will be more skeptical of subsequent White House economic proposals.

Whatever the case, it now is clear that the economic issue, which dominated this congressional session before the August recess, will continue to do so for the foreseeable future. But there are several other important issues on the congressional platter during the rest of this year. And many of them are divisive, too, including extensions of the Clean Air and Voting Rights Acts, a farm bill, a bitter partisan battle over Social Security, a big communications bill and a revision of federal regulatory practices.

But one of the toughest battles, in the Senate, will be over the administration's proposal to sell sophisticated radar planes to Saudi Arabia. Although Presidents rarely lose major foreign policy initiatives, especially early in their terms, this one has generated strong opposition from Israel and on Capitol Hill.

Mr. BRADLEY. Mr. President, the headline of this article says:

GOP, upset by high interest fees, returns to Congress with talk of credit controls.

The article goes on to say that a number of Senators and Congressmen have said that because of the high interest rates we will need credit control. There is also talk of reorganizing the Federal Reserve, talk of a windfall profit tax on interest income, and talk of wage and price controls.

Mr. President, I must say that I would read the news of such proposals with a certain degree of amusement if the high interest rates were not so painfully damaging the expectations of Americans about our economic future.

This article, I think, reflects what Members of Congress, Senators and Congressmen, heard over the August recess as they traveled across their States sounding out the public's reaction to the Reagan economic program and its assessment of the economic prospects for individual citizens in each State.

Mr. President, the Reagan program was enacted during the first week in August. He got everything he wanted. He got his tax cuts. He got budget cuts. But since that time there have been a few ominous developments. Within a month of the enactment of the Reagan economic program, the stock market dropped 100 points as soon as its implications had sunk in. The fact is that there is no bond market at the present moment.

Yesterday, I had a conversation with one of the leading financiers in my State who said that if a municipality wanted to get money in today's climate, it would have to offer a tax-free interest rate of close to 12 to 15 percent. Incredible.

Mr. President, evidently someone is not buying the rosy future that this administration put forth to the American public. They are not buying the rosy future that it was said would inevitably result from the President's economic program.

In fact, if this morning's Wall Street Journal article is any gage, I would say that panic has set in. One month after Congress has enacted this economic miracle program, people, including Republicans mind you, are scurrying around and talking about a windfall profit tax on interest income.

Mr. President, I cannot believe my eyes when I read this. Last year, through hours of debate on a windfall profit tax on oil, Senators on the other side of the aisle endlessly extolled free markets. They said, "Do not impede the marketplace." Now, by imposing a burdensome windfall profit tax income, are they talking about a windfall profit tax on interest or about wage and price controls? Now I realize that the last wage and price controls were applied by a Republican administration in 1971. I realize that. And I realize that when a program looks doomed and inflation is running at a 15.2 percent annualized rate as it was in July, there is a tendency to say, "Well, let us have some controls; the Government has to step in."

Is this what the supply-side economic miracle will bring us? A new panic-driven round of economic controls?

It is astonishing to hear that Senators and Congressmen, returning to the Congress after hearing the horrors of high interest rates, say they want a windfall profit tax on interest income, wages and price controls, a reorganization of the Federal Reserve? Mr. President, the reaction of financial markets are sending people into panic, for if I have ever heard panic, this is it.

I would call attention to what one Senator said that he felt when he talked to people in his State. It was a Western State. "There is almost a William Jennings Bryan feeling—among his constituents—that the Eastern bankers are doing us in. We are being manipulated by the Federal Reserve and by the Wall Street boys, and it is not Reagan's fault." Not Reagan's fault, but the fault of Eastern bankers?

Well, Mr. President, I know in past years there has been a lot of snake oil sold in a lot of carnivals across this country, but if you believe that this economic situation is caused by some financial conspiracy instead of by the underlying weaknesses of the economic program anticipated by the market, you will believe in fairy tales. But this perhaps is what the administration and his supporters want us to believe?

I see that the Senator from Nebraska (Mr. EXON), who has spoken often and

long about the dangers of this economic program, is on the floor now.

Well, Mr. President, it is very clear the reaction of Wall Street to the President's program is not a mystery. If you are in the business of making money by selling money, it is the same as if you are in the business of making money by selling cars or selling oil. And those in the business of selling money clearly see that the President's program is designed to drive up the price of their product. People on Wall Street may have voted one way at the ballot, but they are voting quite a different way with their dollars. This is not because they are rash or evil, but because they are prudent. They have projected the economic future that will result from this economic policy.

The reason interest rates are 20 percent today, with little prospect that they are going to come down in the next couple of months, is that there is no sound fiscal policy in place. As we said on this floor at least 15 times through the debate in the last part of July, there are two major ways to create a budget deficit. One way is to spend ourselves into a frenzy, and the other way is to enact excessive tax cuts that will totally unbalance the budget. The latter is precisely what the financial markets know will happen.

Since the President introduced his economic policy it has been this side of the aisle, including the Senator from Nebraska and me along with many others, who have said, "You cannot increase defense spending to the level the administration has proposed, and cut taxes to the level that they have achieved, and offer the budget cuts they have offered, and still not expect something close to an economic crisis, because the resulting imbalance of fiscal stimulus over reduced spending over the next 3 years is more than $100 billion."

So, Mr. President, I rise today certainly not with any glee about our economic circumstance, but with some degree of ironic amusement that supporters of the President's program may now be panicked at its consequence, to the extent of suggesting a windfall profit tax on interest income, or wage and price controls, or credit controls, or reorganization of the Federal Reserve. And some of them believe that it is all necessary because of some kind of Eastern banker conspiracy. Instead, they should simply get out their budget books, as the Senator from Nebraska has done and is doing, look at what the budget cuts are, look at the size of the tax cuts and the increases in defense, and then tell me whether interest rates are at 20 percent because of a conspiracy or because of irresponsible fiscal policy? The answer is that it is irresponsible fiscal policy.

There are many Senators in this body who had a tough vote on budget cuts. I voted for the budget cuts in the final analysis, as did the Senator from Nebraska. That was not an easy vote, but we made that vote because we felt inflation was the major problem in this country, and that getting the budget under control was essential.

But what did this body do after we went through all that pain and suffering and bit the bullet? We gave it all away. We gave it all away because of the belief in the miracle of supply-side economics.

Well, we are seeing what is happening now. The supply-side economists in this country, confronted with 20-percent interest rates, are saying what? Maybe we should reconsider? No, they are saying let us go to the gold standard, the gold standard is going to come in and save this economy from 20-percent interest rates.

These fairy tales are multiplying at such speed that I think we are going to have to write a book. Instead of "Grimm's Fairy Tales" it will be "Supply-Side Fairy Tales." But it will not be pleasant reading, because our economy is the victim.

So, Mr. President, I rise today simply to say that we cannot panic; we have to address the problem rationally, and that means taking some dramatic action to correct the fiscal imbalance.

The administration is talking about cutting proposed defense spending, which is probably a good idea; they also are talking about some additional cuts in nondefense areas. That would be very difficult, but it may be possible. But none of those things is going to solve the rising deficit and rising interest rate problem, and certainly not within the next 6 months to a year. One way we might consider if we were going to try to put this budget back into balance now is to defer some of the goodies that were passed out in the recent tax legislation. Why? For the best possible reason. To get our economy back into shape, to move the Federal budget toward balance into balance, so that those interest rates come down, and we can conduct some healthy debate here about the future economic growth potential of the economy.

So, Mr. President, I urge some prudence and careful think, I urge a rational approach to the problem, looking again at both the spending and the tax side. Then hopefully, we will be able to get the economy back on the stable path of growth.

The PRESIDING OFFICER. The time of the Senator from New Jersey has expired.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I would like to make inquiry of the Chair as to the time allocation, advising the Chair that I would seek 5 minutes to make remarks addressed to the comments that have just been made by my distinguished colleague from New Jersey. Is there time that could be allotted to me with what stands before the Senate at this moment?

The PRESIDING OFFICER. It would take unanimous consent to accommodate the Senator.

Mr. EXON. Mr. President, I ask unanimous consent to allow me to speak for up to 5 minutes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. EXON. I thank the Chair.

Mr. President, I want to congratulate my friend and colleague from New Jersey for the remarks he just made.

As I came on the floor he was mentioning a very prominent Nebraskan by the name of William Jennings Bryan, who has been a favorite of mine for some time. Generally I have shared the thoughts of William Jennings Bryan regarding Wall Street. Maybe my friend from New Jersey does not, but I think basically William Jennings Bryan hit the nail on the head. So I stand here not to defend Wall Street but to compliment the Senator from New Jersey for the statements he has just made.

I think it is rather interesting, Mr. President, that there is nearly total agreement on the reasons for the difficulties this Nation currently faces between the Senator from New Jersey and this Senator from Nebraska. It need not be said, but I think it should be said at this juncture.

Generally speaking, from a philosophical standpoint and using the normal guidelines of the U.S. Senate, I think there would be little argument with the thought that the Senator from New Jersey may fall on the liberal side of general policy and the Senator from Nebraska on the conservative side. I think it is rather interesting, therefore, that we seem to almost totally agree on the very fundamental problem of what is causing the greatest difficulty with the economy of the United States today, and it is simply the unrealistic approach of the Reagan administration that many of us stood on this floor and stated time and time again. Although I have not discussed this with my friend from New Jersey, I hope that he will join with me once again in introducing once again the amendment that was unfortunately defeated on the floor of this Senate the last part of July, which was the only amendment that addressed the key problem facing our economy today, and that is the ruinous high interest rates. It was shunted aside. I said during that debate, Mr. President, that I suspected that those on the other side of the aisle would march like lemmings to the sea once again to oppose that amendment which was the only chance that we had to make the President's economic program work.

Why is it not working? The Senator from New Jersey explained it very well. Yes; we went through blood, sweat, and tears and we supported and voted for a $34.4 billion cut in social programs for fiscal year 1982. And yet, while we were doing that, Mr. President, because of the unrealistic projections by the administration, saying back in March that the average cost of the borrowings of the Federal Government would be 8.9 percent for the rest of 1981 and all of 1982. They were wrong. They finally 'fessed up to it and faced reality in July, just before we left, and they said that increase would be not 8.9 but up to 10.5. That does not sound like very much, Mr. President, but that is the equivalent of a $17.1 billion increase in cost to the taxpayer and to the budget of just carrying the cost of Federal borrowing. I think that is too low. If you will look at

the CBO estimates that were released yesterday and if you will look at the futures market you will see that rather than 10.5 percent the cost of the Federal borrowings are likely to be for the same period somewhere between 12 and 13 percent, if not higher.

So, Mr. President, if you will do simple arithmetic you will see that while we went through blood, sweat, and tears to knock $34 billion to $35 billion out of the social programs, we gave away $17.1 billion in increased costs, and I suspect that the real cost will be much higher than that. So in the end you will see that we did the glorious thing here of cutting $34 to $35 billion out of social programs and at the same time give it away in increased interest costs.

There is no way that the President's economic program is going to work—and I hope it does work. It is not going to work with the high interest rate policies of this administration in tandem with the Federal Reserve System.

The PRESIDING OFFICER. The Senator's 5 minutes has expired.

Mr. EXON. I ask unanimous consent just for 1 additional minute.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. EXON. I suspect that the overall problems are not anyone's fault in particular but all of our faults by not being realistic on fiscal policy. Mr. President, 2 and 2 still make 4, and 2 and 2 do not make 3 regardless of who does the figuring or if we put it through computers.

I think if we are ever going to solve our problems, we are going to have to stop the wishful thinking, be honest with the American people and get with it. I thank the Chair.

UNIFORMED SERVICES PAY AND BENEFITS ACT OF 1981

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1181, which the clerk will state by title.

The assistant legislative clerk read as follows:

A bill (S. 1181) to amend titles 10 and 37, United States Code, to increase the pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Armed Services with an amendment to strike out all after the enacting clause, and insert the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Uniformed Services Pay and Benefits Act of 1981".

INCREASE IN BASIC PAY AND ALLOWANCES

SEC. 2. (a) In this section "uniformed services" has the same meaning given to that term by section 101(3) of title 37, United States Code.

(b) Any adjustment required under the provisions of section 1009 of title 37, United States Code, relating to adjustments in the compensation of members of the uniformed services, that would otherwise first become effective beginning with any pay period in fiscal year 1982 shall not become effective. Effective with the first pay period beginning after September 30, 1981, the rates for each element of compensation specified in section 1009(a) of such title shall be as provided in subsection (c) of this section.

(c)(1) The monthly basic pay authorized members of the uniformed services, based on years of service computed under section 205 of title 37, United States Code, shall be as follows:

"COMMISSIONED OFFICERS[1]

"Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
O-10[2]	$4,416.00	$4,571.40	$4,571.40	$4,571.40	$4,571.40	$4,746.90	$4,746.00	$5,110.20	$5,110.20	$5,475.00	$5,475.00	$5,842.20	$5,842.20	$6,206.70	$6,206.70
O-9	3,913.80	4,016.40	4,101.90	4,101.90	4,101.90	4,206.00	4,206.00	4,381.20	4,381.20	4,746.00	4,746.00	5,110.20	5,110.20	5,475.00	4,475.00
O-8	3,544.80	3,671.00	3,737.70	3,737.70	3,737.70	4,016.40	4,016.40	4,206.00	4,206.00	4,381.20	4,571.40	4,746.00	4,936.80	4,936.80	4,936.80
O-7	2,945.40	3,146.10	3,146.10	3,146.10	3,286.80	3,286.80	3,477.00	3,477.00	3,477.00	3,651.00	4,016.40	4,292.40	4,292.40	4,292.40	4,292.40
O-6	2,184.00	2,399.10	2,555.70	2,555.70	2,555.70	2,555.70	2,555.70	2,555.70	2,555.70	2,760.00	3,060.00	3,217.20	3,286.80	3,477.00	3,771.00
O-5	1,761.00	2,068.80	2,211.60	2,211.60	2,211.69	2,211.60	2,329.50	2,411.70	2,573.10	2,765.70	2,924.70	3,013.20	3,118.20	3,118.20	3,118.20
O-4	1,485.00	1,807.80	1,929.00	1,929.00	2,025.00	2,115.00	2,239.80	2,355.00	2,463.00	2,526.00	2,573.40	2,573.40	2,573.40	2,573.40	2,573.40
O-3[3]	1,380.00	1,542.00	1,649.10	1,841.10	1,928.70	1,998.60	2,106.00	2,191.20	2,225.40	2,265.00	2,292.00	2,320.80	2,320.80	2,320.80	2,320.80
O-2[3]	1,160.40	1,267.80	1,522.80	1,602.90	1,636.50	1,636.50	1,636.50	1,636.50	1,636.50	1,636.50	1,636.50	1,636.50	1,636.50	1,636.50	1,636.50
O-1[3]	1,007.40	1,048.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50

"[1] Basic pay is limited to the rate of basic pay payable for level V of the Executive Schedule.
"[2] While serving as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, basic pay for this grade is $6,848.10 regardless of cumulative years of service computed under section 205 of title 37 of the United States Code.
"[3] Does not apply to commissioned officers who have been credited with over 4 years active service as enlisted members or warrant officers.

"COMMISSIONED OFFICERS WHO HAVE BEEN CREDITED WITH OVER 4 YEARS ACTIVE SERVICE AS ENLISTED MEMBER OR WARRANT OFFICERS

"Pay grade	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 25	Over 30
O-3	$1,829.70	$1,917.00	$1,986.00	$2,093.10	$2,197.20	$2,285.10	$2,325.00	$2,353.80	$2,379.00	$2,379.00	$2,379.00	$2,379.00
O-2	1,603.20	1,636.50	1,723.20	1,812.00	1,882.50	1,934.10	1,934.10	1,934.10	1,934.10	1,934.10	1,934.10	1,934.10
O-1	1,267.50	1,379.10	1,459.50	1,512.00	1,564.80	1,636.20	1,636.20	1,636.20	1,636.20	1,636.20	1,636.20	1,636.20

"WARRANT OFFICERS

"Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
W-4	$1,409.40	$1,512.00	$1,512.00	$1,546.80	$1,617.00	$1,688.70	$1,759.20	$1,882.20	$1,969.50	$2,039.10	$2,093.10	$2,161.50	$2,233.80	$2,407.50	$2,407.50
W-3	1,281.00	1,389.00	1,389.00	1,407.00	1,424.10	1,528.20	1,617.00	1,670.40	1,723.20	1,774.80	1,829.70	1,900.50	1,969.50	2,039.10	2,039.10
W-2	1,079.70	1,167.00	1,167.00	1,223.70	1,290.90	1,389.00	1,442.10	1,495.20	1,546.80	1,600.80	1,653.00	1,706.10	1,775.10	1,775.10	1,775.10
W-1	899.40	1,031.10	1,031.10	1,137.00	1,189.20	1,266.00	1,317.00	1,372.20	1,424.10	1,476.00	1,528.20	1,528.20	1,582.80	1,582.80	1,582.80

"ENLISTED MEMBERS

"Pay Grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 26	Over 28	Over 30
E-9[1]							$1,682.40	$1,720.50	$1,759.50	$1,800.00	$1,840.20	$1,875.90	$1,974.60	$2,025.00	$2,166.30	$2,221.50	$2,221.50
E-8						$1,410.00	1,455.90	1,494.60	1,533.60	1,573.80	1,615.20	1,664.10	1,746.60	1,785.00	1,941.60	1,941.60	1,941.60
E-7	$977.10	$1,054.50	$1,093.80	$1,149.90	$1,180.20	1,217.40	1,256.70	1,297.80	1,354.50	1,394.70	1,436.70	1,479.90	1,547.70	1,587.60	1,740.00	1,740.00	1,740.00
E-6	843.90	920.10	958.50	1,009.50	1,047.60	1,086.00	1,125.60	1,183.50	1,221.00	1,260.30	1,279.20	1,279.20	1,279.20	1,279.20	1,279.20	1,279.20	1,279.20
E-5	734.70	799.50	838.20	885.00	952.80	987.30	1,020.30	1,046.10	1,050.90	1,050.90	1,050.90	1,050.90	1,050.90	1,050.90	1,050.90	1,050.90	1,050.90
E-4	663.90	726.90	769.20	821.70	854.10	854.10	854.10	854.10	854.10	854.10	854.10	854.10	854.10	854.10	854.10	854.10	854.10
E-3	632.70	667.50	694.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20
E-2	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30
E-1	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40

"[1] While serving as Sergeant Major of the Army, Master Chief Petty Officer of the Navy or Coast Guard, Chief Master Sergeant of the Air Force, or Sergeant Major of the Marine Corps, basic pay for this grade is $2,633.10 regardless of cumulative years of service computed under section 205 of title 37 of the United States Code.".

(2) The basic allowance for subsistence authorized members of the uniformed services shall be as follows:

	Per month
"Officers	$94.39
"Enlisted members:	Per day
"When on leave or authorized to mess separately	4.50
"When rations in-kind are not available	5.09
"When assigned to duty under emergency conditions where no messing facilities of the United States are available	6.73".

(3) The monthly basic allowance for quarters authorized members of the uniformed services shall be as follows:

"Pay grade	Without dependents: Full rate	Without dependents: Partial rate [1]	With dependents
"Commissioned officers:			
O-10	$489.00	$50.70	$611.70
O-9	489.00	50.70	611.70
O-8	489.00	50.70	611.70
O-7	489.00	50.70	611.70
O-6	438.90	39.60	355.50
O-5	404.70	33.00	487.20
O-4	360.30	26.70	434.70
O-3	316.80	22.20	390.90
O-2	275.10	17.70	348.00
O-1	214.80	13.20	279.60
"Warrant officers:			
W-4	374.10	25.20	419.10
W-3	309.60	20.70	381.60
W-2	269.10	15.90	342.60
W-1	243.00	13.80	314.70
"Enlisted members:			
E-9	268.20	18.60	377.40
E-8	247.20	15.30	348.60
E-7	210.30	12.00	324.30
E-6	191.10	9.90	298.20
E-5	183.60	8.70	274.20
E-4	158.10	8.10	235.50
E-3	141.30	7.80	205.50
E-2	124.80	7.20	205.50
E-1	117.90	6.90	205.50

"[1] Payable to a member without dependents who, under section 403(b) or (c) of title 37, United States Code, is not entitled to receive a basic allowance for quarters."

"ENLISTED MEMBERS

"Pay grade	Years of service computed under section 205: 2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 22	Over 26	Over 30
E-9	$131	$131	$131	$131	$131	$131	$131	$131	$131	$131	$131	$131	$131	$131
E-8	131	131	131	131	131	131	131	131	131	131	131	131	131	131
E-7	100	106	106	106	113	119	131	131	131	131	131	131	131	131
E-6	88	94	94	100	106	113	119	119	125	125	125	125	125	125
E-5	83	88	88	100	100	106	113	119	119	119	119	119	119	119
E-4	83	83	83	88	94	100	100	100	100	100	100	100	100	100
E-3	83	83	83	83	83	83	83	83	83	83	83	83	83	83
E-2	83	83	83	83	83	83	83	83	83	83	83	83	83	83
E-1	83	83	83	83	83	83	83	83	83	83	83	83	83	83".
E-4 under 4 months	83													
Aviation cadets	83													

(c) Section 301(c) of such title is amended—

(1) by striking out "or (10)," and inserting in lieu thereof "(10), (11), or (12),"; and

(2) by striking out "$55" and inserting in lieu thereof "$83".

AVIATION CAREER INCENTIVE PAY

SEC. 5. (a) Paragraph 5 of section 301a(a) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: "If the entitlement to continuous monthly incentive pay ceases in the case of an officer in a pay grade below O-7 upon completion of 25 years of officer service, such officer shall be entitled to monthly incentive pay for the performance of subsequent operational flying duty in the amount set forth in the table in subsection (b) of this section for an officer with over 25 years of officer service.".

(b)(1) The tables in clause (1) of section 301a(b) of such title are amended to read as follows:

"PHASE I

"Years of aviation service (including flight training) as an officer:	Monthly rate
2 or less	$125
Over 2	156
Over 3	188
Over 4	206
Over 6	400

"PHASE II

"Years of service as an officer as computed under section 205:	
Over 18	$370
Over 20	340
Over 22	310
Over 24	280
Over 25	250".

(2) The table in clause (2) of section 301a(b) of such title is amended to read as follows:

"Years of aviation service as an officer:	Monthly rate
2 or less	$125
Over 2	156
Over 3	188
Over 4	206
Over 6	400".

YEARS OF SERVICE COMPUTATION FOR SUBMARINE DUTY INCENTIVE PAY

SEC. 6. Paragraphs (3) and (4) of section 301c(a) of title 37, United States Code, are amended by inserting ", not including, in the case of an officer, periods as an enlisted member prior to initial appointment as an officer" after "title", each place it appears.

SPECIAL PAY FOR DIVING DUTY

SEC. 7. Section 304 of title 37, United States Code, is amended to read as follows:

"§ 304. Special pay: diving duty

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is entitled to basic pay is entitled to special pay, in the amount set forth in subsection (b) of this section, for periods during which such member—

"(1) is assigned by orders to the duty of diving;

"(2) is required to maintain proficiency as a diver by frequent and regular dives; and

"(3) actually performs diving duty.

"(b) Special pay payable under subsection (a) of this section shall be paid at the rate of not more than $200 a month, in the case of an officer, and at the rate of not more than $300 a month, in the case of an enlisted member.

"(c) A member may be paid special pay under this section and incentive pay under section 301 of this title for the same period of service only if that member is assigned by orders to a hazardous duty described in section 301(a) of this title in addition to a duty described in subsection (a) of this section. However, if a member is paid special pay under this section, that member is not entitled to more than one payment of incentive pay under section 301 of this title.".

MONTHLY PAY OF CADETS AND MIDSHIPMEN

SEC. 3. Section 203(c)(1) of title 37, United States Code, is amended by striking out "$313.20" and inserting in lieu thereof "$448.80".

SPECIAL PAY FOR CERTAIN HAZARDOUS DUTY

SEC. 4. (a) Section 301(a) of title 37, United States Code, is amended—

(1) by striking out "or" at the end of clause (9); and

(2) by striking out clause (10) and inserting in lieu thereof the following:

"(10) involving frequent and regular participation in flight operations on the deck of an aircraft carrier or on a ship other than an aircraft carrier from which aircraft are launched;

"(11) involving frequent and regular exposure to highly toxic pesticides or involving laboratory work which utilizes live dangerous viruses or bacteria; or

"(12) involving the servicing of aircraft or missiles with highly toxic fuels or propellants.".

(b) The table contained in section 301(b) of such title is amended to read as follows:

ENLISTMENT BONUSES

SEC. 8. (a) Section 308a(a) of title 37, United States Code, is amended—

(1) by striking out "$5,000" and inserting in lieu thereof "$7,500"; and

(2) by striking out the second sentence and inserting in lieu thereof the following: "The bonus shall be paid in periodic installments, as determined by the appropriate Secretary, except that the first installment may not exceed $4,000 and the remainder shall be paid in equal periodic installments which may not be paid less frequently than once every 3 months.".

(b)(1) Chapter 5 of title 37, United States Code, is amended by inserting after section 308e the following new section:

"§ 308f. Special pay: bonus for enlistment in the Army

"(a) Under regulations prescribed by the Secretary of the Army, a person—

"(1) who is a high school graduate or has been awarded high school education equivalency credentials;

"(2) whose score on the Armed Forces Qualification Test is at or above the fiftieth percentile; and

"(3) who enlists in the Army for a period of at least 3 years in a skill designated as critical,

may be paid a bonus in an amount prescribed by the Secretary of the Army, but not more

than $3,000. The bonus may be paid in a lump sum or in equal periodic installments, as determined by the Secretary of the Army.

"(b)(1) Under regulations prescribed by the Secretary of the Army, a person who voluntarily, or because of his misconduct, does not complete the term of enlistment for which a bonus was paid to him under this section or a person who is not technically qualified in the skill for which a bonus was paid to him under this section (other than a person who is not qualified because of injury, illness, or other impairment not the result of his own misconduct) shall refund to the United States that percentage of the bonus that the unexpired part of his enlistment is of the total enlistment period for which the bonus was paid.

"(2) An obligation to reimburse the United States imposed under paragraph (1) of this subsection is for all purposes a debt owed to the United States.

"(3) A discharge in bankruptcy under title 11 that is entered less than 5 years after the termination of an agreement under this section does not discharge the member signing such agreement from a debt arising under such agreement or under paragraph (1) of this subsection. This paragraph applies to any case commenced under title 11 after September 30, 1981.

"(c) No bonus may be paid under this section with respect to any enlistment in the Army made after September 30, 1982.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 308e the following new item:

"308f. Special pay: bonus for enlistment in the Army.".

(c) The amendments made by this section shall apply to enlistments or reenlistments made after September 30, 1981.

ACTIVE-SERVICE AGREEMENTS FOR NUCLEAR QUALIFIED OFFICERS

SEC. 9. Notwithstanding subsections (a) and (b) of section 312 of title 37, United States Code, and under regulations prescribed by the Secretary of the Navy, the Secretary may permit an officer of the naval service who is performing obligated service as the result of an active service agreement executed under such section before January 1, 1981, to cancel that active-service agreement effective on the day before any anniversary of the day on which that agreement was executed and execute a new active-service agreement under such section for one period of not more than four years. Any such cancellation of an existing agreement and execution of a new agreement may be effective on the day before an anniversary date occurring on or after January 1, 1981.

TRAVEL AND TRANSPORTATION ALLOWANCES

SEC. 10. (a)(1) Section 404 of title 37, United States Code, is amended by striking out "Under regulations prescribed by the Secretaries concerned" in subsection (a) and inserting in lieu thereof "Except as provided in subsection (f) of this section and under regulations prescribed by the Secretaries concerned".

(2) Subsection (c) of such section is amended—

(A) by inserting "(1)" after "(c)";

(B) by redesignating clauses (1) and (2) as (A) and (B), respectively;

(C) by inserting "and as provided in paragraph (2)" before ", select his home"; and

(D) by adding at the end thereof the following new paragraph:

"(2) A member described in paragraph (1) of this subsection may select as his home—

"(A) any place within the United States;

"(B) the place outside the United States from which such member was called or ordered to active duty to his first duty station; or

"(C) any other place.

However, if a member selects as his home a place described in clause (C) of the preceding sentence, the travel and transportation allowances authorized by subsection (a) of this section may not exceed the allowances which would be payable if the place selected as his home were in the United States (other than Hawaii or Alaska).".

(3) Subsection (f) of such section is amended to read as follows:

"(f)(1) The travel and transportation allowances authorized under this section may be paid or provided to a member upon his separation from the service or release from active duty for travel which is actually performed and only if—

"(A) the member, on the date of his separation from the service or release from active duty, has served on active duty for a period of time equal to at least 90 percent of the period of time for which the member initially enlisted or otherwise initially agreed to serve; and

"(B) the member's separation from the service or release from active duty is under honorable conditions, as determined by the Secretary concerned.

"(2) Clauses (A) and (B) of paragraph (1) of this subsection shall not apply to any member—

"(A) described in subsection (c)(1) of this section;

"(B) discharged under section 1173 of title 10; or

"(C) separated from the service or released from active duty under unusual circumstances, as determined by the Secretary concerned.".

(b)(1) Subsection (a) of section 406 of tile 37, United States Code, is amended—

(A) by inserting "(1)" after "(a)";

(B) by inserting "paragraph (2) of this subsection and" before "subsection (i) of this section"; and

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

"(2) The transportation and allowances authorized under paragraph (1) of this subsection may be paid or provided to a member upon his separation from the service or release from active duty only if—

"(A) the member, on the date of his separation from the service or release from active duty, has served on active duty for a period of time which is equal to at least 90 percent of the period of time for which the member initially enlisted or otherwise initially agreed to serve; and

"(B) the member's separation from the service or release from active duty is under honorable conditions, as determined by the Secretary concerned.

The requirements of this paragraph shall not apply to any member (i) described in subsection (g)(1) of this section, (ii) discharged under section 1173 of title 10, or (iii) separated from the service or released from active duty under unusual circumstances, as determined by the Secretary concerned.

"(3) The allowances authorized under this subsection may be paid in advance.".

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

(A) by inserting "(1)" after "(b)";

(B) by striking out "In" and inserting in lieu thereof "Except as provided in paragraph (2) of this subsection, in";

(C) by adding at the end of paragraph (1), as designated by clause (A) of this paragraph, the following new sentences: "Temporary storage in excess of 180 days may be authorized. In those cases of permanent change of station in which the Secretary concerned has authorized transportation under section 2634 of title 10 of one motor vehicle owned by the member or his dependents and for the personal use of the member or his dependents, the member is entitled to transportation of that motor vehicle to the point at which transportation authorized under section 2634 of title 10 commences and from the point at which transportation authorized under such section terminates, or to reimbursement therefor."; and

(D) by adding at the end thereof the following new paragraph:

"(2)(A) The transportation and allowances authorized under paragraph (1) of this subsection may be paid or provided to a member upon his separation from the service or release from active duty only if—

"(i) the transportation (including the packing, crating, drayage, temporary storage, and unpacking) is commenced not later than 90 days after the date of such separation from the service or release from active duty;

"(ii) the member, on the date of his separation from the service or release from active duty, has served on active duty for a period of time which is equal to at least 90 percent of the period of time for which the member initially enlisted or otherwise initially agreed to serve, and

"(iii) the member's separation from the service or release from active duty is under honorable conditions, as determined by the Secretary concerned.

The requirements of this paragraph shall not apply to any member (i) described in subsection (g)(1) of this section, (ii) discharged under section 1173 of title 10, or (iii) separated from the service or released from active duty under unusual circumstances, as determined by the Secretary concerned.

"(B) If nontemporary storage is authorized under subsection (d) of this section for a member to whom subparagraph (A) of this paragraph applies, the 90-day period provided for in clause (i) of such subparagraph shall not begin until such authorization for nontemporary storage expires.".

(3) Subsection (g) of such section is amended—

(A) by inserting "(1) after "(g)";

(B) by redesignating clauses (1) and (2) as (A) and (B), respectively; and

(C) by striking out all after the second sentence and inserting in lieu thereof the following new paragraphs:

"(2) If a shipment is made to a home described in section 404(c)(2)(C) of this title or to a location other than the home selected by the member and the cost of such shipment is in excess of that which would have been incurred if the shipment had been made to a location in the United States (other than Hawaii or Alaska), the member shall pay that excess cost.

"(3) If a member authorized to select a home under section 404(c) of this title accrues that right or any entitlement under this subsection but dies before he exercises it, that right or entitlement accrues to and may be exercised by his surviving dependents, or his baggage and household effects may be shipped to the home of the person legally entitled thereto if there are no surviving dependents. However, if a shipment is made under circumstances described in paragraph (2) of this subsection in which the member would have been required to pay the excess cost of such shipment, the surviving dependents or the person legally entitled to the baggage and household effects, as the case may be, shall pay that excess cost.

"(4) Subsection (h) of such section is amended by striking out "and for this or his dependent's personal use" in clause (2) and inserting in lieu thereof "or his dependents and for the personal use of the member or his dependents.".

(c)(1) Except as provided in paragraph (2), (3), and (4) of this subsection, all amendments made by this section shall take effect on October 1, 1981, and shall apply to members who are separated from the service

or released from active duty on or after October 1, 1981.

(2) The amendments made by subsection (b)(1)(C) which add a new paragraph (3) to section 406(a) of title 37, United States Code, shall take effect on the date of enactment of this Act.

(3) The amendments made by subsection (a)(2) and subsection (b)(3) of this section shall take effect on October 1, 1981, and shall apply to members who are retired, placed on the temporary disability retired list, discharged, or involuntarily released on or after October 1, 1981, except that such amendments shall not apply to any member who before October 1, 1981, had completed eighteen years of active service.

(4) The amendments made by subsection (b)(2)(C) of this section shall take effect on the date of enactment of this Act.

TEMPORARY LODGING EXPENSES

SEC. 11. (a)(1) Chapter 7 of title 37, United States Code, is amended by inserting after section 404 the following new section:

"§ 404a. Travel and transportation allowances: temporary lodging expenses

"(a) Under regulations prescribed by the Secretaries concerned, a member of a uniformed service who is ordered to make a change of permanent station from any duty station to a duty station in the United States (other than Hawaii or Alaska) may be paid or reimbursed for subsistence expenses actually incurred by the member and the member's dependents during a period not exceeding four days while occupying temporary quarters incident to that change of permanent station.

"(b) Regulations prescribed under subsection (a) of this section shall prescribe average daily subsistence rates for purposes of this section for the member and for each dependent. Such rates may not exceed the maximum per diem rates prescribed by or under section 404(d) of this title for the area where the temporary quarters are located. However, a member may not be paid or reimbursed more than $110 a day under this section.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 404 the following new item:

"404a. Travel and transportation allowances: temporary lodging expenses.".

(b) Section 411(a) of such title is amended by inserting "404a," after "(d)–(f),".

ADVANCE PAYMENT OF EVACUATION ALLOWANCES

SEC. 12. Section 405a(a) of title 37, United States Code, is amended by inserting after the second sentence the following new sentence: "Such allowances may be paid in advance.".

ADVANCE PAYMENT OF DISLOCATION ALLOWANCE

SEC. 13. Section 407(a) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: "An allowance payable under this section may be paid in advance.".

TRAVEL AND TRANSPORTATION FOR MEMBERS SERVING CONSECUTIVE ASSIGNMENTS OVERSEAS

SEC. 14. Section 411b(a) of title 37, United States Code, is amended—

(1) by inserting "(1)" after "(a)";

(2) by inserting "who is ordered to a consecutive tour of duty at the same duty station or" after "District of Columbia" the first time it appears; and

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

"(2) If, because of military necessity, a member authorized travel and transportation allowances under this subsection is denied leave between the two tours of duty overseas, the member shall be authorized to use such travel and transportation allowances from his current duty station at the first time the member is granted leave.".

ENVIRONMENTAL AND EMERGENCY TRAVEL

SEC. 15. (a) Chapter 7 of title 37, United States Code, is amended by inserting after section 411b the following new sections:

"§ 411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries

"(a) Under uniform regulations prescribed by the Secretaries concerned, a member of a uniformed service, while serving at a duty station outside the United States in an area specifically designated for purposes of this section by the Secretary concerned, and each dependent of such member authorized to reside at his duty station, may be paid for or provided transportation—

"(1) to another location outside the United States having different social, climatic, or environmental conditions than those at the duty station at which the member is serving; or

"(2) to a location in the United States.

"(b) The transportation authorized by this section is limited to transportation of the member and each dependent of the member for one roundtrip during any continuous two-year tour and two roundtrips during any continuous three-year tour.

"§ 411d. Travel and transportation allowances: transportation incident to certain emergencies for members stationed abroad

"(o) Under uniform regulations prescribed by the Secretaries concerned, transportation for a member of a uniformed service stationed outside the United States (other than Hawaii and Alaska) may be provided from the area of the member's duty station to the United States, Puerto Rico, the Virgin Islands, or the possessions of the United States, incident to a personal emergency of the member.

"(b) Transportation under this section may be authorized only upon a determination that Government transportation is not reasonably available, considering the nature of the personal emergency involved. The cost of transportation authorized under this section may not exceed the cost of Government-procured commercial air travel from the international airport nearest the location of the member at the time notification of the personal emergency is received or the international airport nearest the member's duty station—

"(1) to the international airport within the United States (other than Hawaii and Alaska) closest to the international airport from which the member departed; or

"(2) to an airport in Alaska, Hawaii, Puerto Rico, the Virgin Islands, or the possessions of the United States, as determined by the Secretary concerned,

and return to either the international airport from which the member departed or to the international airport nearest the duty station of the member.

"(c) In this section, 'personal emergency of the member' means the death, serious injury, or serious illness of—

"(1) the spouse of the member;

"(2) a child of the member (including a stepchild, an adopted child, or an illegitimate child whose alleged member-parent has been judicially decreed to be the parent of the child or judicially ordered to contribute to the child's support, or whose parentage has been admitted in writing by the member);

"(3) a parent of the member (including a stepparent, parent by adoption, or any person, including a former stepparent, who has stood in loco parentis to the member at any time for a continuous period of at least five years before the member became 21 years of age); or

"(4) a brother or sister of the member (including a stepbrother or stepsister, a half brother or half sister, or a brother or sister through adoption).

"§ 411e. Travel and transportation allowances: transportation incident to certain emergencies for members performing temporary duty.

"(a) Under uniform regulations prescribed by the Secretaries concerned, a member of a uniformed service who is performing temporary duty away from his permanent duty station or is assigned to a ship or unit operating away from its home port may be provided transportation in kind, reimbursement therefore, or a monetary allowance at the rate prescribed in such regulations, from his place of temporary duty or his ship or unit to his permanent duty station, the home port of the ship or unit, or any other location, and return (if applicable), incident to a personal emergency of the member.

"(b) Transportation under this section may be authorized only upon a determination that Government transportation is not reasonably available, considering the nature of the personal emergency involved. The cost of transportation authorized under this section may not exceed the cost of Government-procured commercial air travel from the member's place of temporary duty or ship or unit to the member's permanent duty station or the home port of the ship or unit, and return (if applicable).

"(c) In this section, 'personal emergency of the member' means the death, serious injury, or serious illness of a dependent of the member.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 411b the following new items:

"411c. Travel and transportation allowances: travel performed in connection with leave from certain stations in foreign countries.

"411d. Travel and transportation allowances: transportation incident to certain emergencies for members stationed abroad.

"411e. Travel and transportation allowances: transportation incident to certain emergencies for members performing temporary duty.".

UNIFORM ALLOWANCES AND ADVANCE PAY FOR MEMBERS OF THE ARMED FORCES HEALTH PROFESSIONS SCHOLARSHIP PROGRAM

SEC. 16. (a) Subsection (a) of section 415 of title 37, United States Code, is amended—

(1) by striking out "or" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; or"; and

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

"(4) upon reporting for the first period of active duty required by section 2121(c) of title 10 as a member of the Armed Forces Health Professions Scholarship program.".

(b) Section 1006 of such title is amended by adding at the end thereof the following new subsection:

"(i) Under regulations prescribed by the Secretary concerned, not more than one month's pay may be paid in advance to a member of the Armed Forces Health Professions Scholarship program upon reporting for a period of active duty required by section 2121(c) of title 10.".

MILITARY JUSTICE AMENDMENTS

SEC. 17. (a) Chapter 40 of title 10, United States Code, is amended—

(1) in section 701(a)—

(A) by striking out "and" at the end of clause (2);

(B) by striking out the period at the end of clause (3) and inserting in lieu thereof "; and"; and

(C) by adding after clause (3) the following new clause:

"(4) involuntary leave required to be taken under section 706 of this title.";

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

"§ 706. Involuntary leave: appellate review of certain court-martial convictions

"(a) Under regulations prescribed by the Secretary concerned, a member of an armed force who has been sentenced by court-martial may be required to take leave pending completion of action under subchapter IX of chapter 47 of this title if the sentence, as approved by the officer exercising general court-martial jurisdiction under section 864 or 865 of this title, includes an unsuspended dismissal or dishonorable or bad-conduct discharge. The member may be required to begin such involuntary leave at any time on or after the date on which such sentence is approved by the officer exercising general court-martial jurisdiction. Such leave may be continued until any time on or before the date on which action is completed under subchapter IX of chapter 47 of this title.

"(b) Any period of leave required to be taken under this section shall be charged first against any accrued leave to the member's credit on the day before the day such involuntary leave begins, unless the member elects to be paid for such accrued leave under subsection (c). If a member does not elect to be paid for such accrued leave under subsection (c) or does not have sufficient accrued leave to his credit to cover the total period of involuntary leave, the leave not covered by accrued leave shall be charged as excess leave. If a member elects to be paid for accrued leave under subsection (c), the total period of involuntary leave shall be charged as excess leave.

"(c)(1) A member who is required to take leave under this section and who has accrued leave to his credit on the day before the day such leave begins may elect to be paid for such accrued leave on the basis of the basic pay to which he was entitled on the day before the day such involuntary leave begins or, if he does not so elect, is entitled to pay and allowances during any period of such accrued leave required to be taken under this section.

"(2) Except as provided in paragraph (1) and in section 707 of this title, a member shall not accrue or receive any pay or allowances during any period of involuntary leave required to be taken under this section.

"(d) No member required to take leave under this section shall become entitled to any right or benefit under section 2021 of title 38, United States Code, solely because of any employment during such leave.

"(e) The provisions of section 974 of this title shall not apply to any member required to take involuntary leave under this section during any period of such involuntary leave.

"§ 707. Payment for excess leave: disapproval of certain court-martial sentences

"(a) A member—

"(1) who is required to take involuntary leave under section 706 of this title, any period of which is charged as excess leave; and

"(2) whose sentence by court-martial to dismissal or dishonorable or bad-conduct discharge is set aside or disapproved by a Court of Military Review under section 866 of this title or by the United States Court of Military Appeals under section 867 of this title,

shall be paid, as provided in subsection (b), for the period of leave charged as excess leave, unless a rehearing or new trial is ordered and a dismissal or dishonorable or bad-conduct discharge is included in the result of the rehearing or new trial and such dismissal or discharge is later executed.

"(b) A member entitled to be paid under this section shall be deemed, for purposes of this section, to have accrued pay and allowances on each day of involuntary leave charged as excess leave (except days of accrued leave for which the member has been paid under section 706(c)(1) of this title and which have been charged as excess leave). Such pay and allowances shall be deemed to have accrued in the lower of the pay grade held by the member on the day before the date his court-martial sentence was approved by the convening authority or any lower pay grade to which the member was reduced as a result of the court-martial sentence (including any reduction under section 858a of this title) if such reduction has not been set aside, disapproved, or otherwise vacated. Such a member shall be paid the amount of pay and allowance which he is deemed to have accrued, reduced by the total amount of his gross earnings from wages, salaries, tips, other personal service income, or unemployment or other public assistance benefits from any government agency during the period such member is deemed to have accrued pay and allowances under this subsection. Except as provided in the following sentence, when a member's sentence by court-martial to dismissal or dishonorable or bad-conduct discharge has been ordered set aside or disapproved—

"(1) payment shall be made within two months from the date of such order if no rehearing or new trial has been ordered;

"(2) payment shall be made within six months from the date of such order if a rehearing or new trial has been ordered but charges have not been referred to a rehearing or new trial within four months from the date of such order;

"(3) if a rehearing or new trial has been ordered and a dismissal or dishonorable or bad-conduct discharge is not included in the result of such rehearing or new trial, payment shall be made within two months of the announcement of the result of such rehearing or new trial; or

"(4) if a rehearing or new trial has been ordered and a dismissal or dishonorable or bad-conduct discharge is included in the result of such rehearing or new trial, but such dismissal or discharge is not later executed, payment shall be made within two months of the order which set aside, disapproved, or otherwise vacated such dismissal or discharge.

If a member is entitled to be paid under this section but fails to provide sufficient information in a timely manner regarding his gross earnings received from wages, salaries, tips, other personal service income, and unemployment or other public assistance benefits from any government agency when such information is requested under regulations prescribed under subsection (c) the periods of time established in the preceding sentence shall be extended until one month after the member provides such requested information.

"(c) This section shall be administered under uniform regulations prescribed by the Secretaries concerned. Such regulations may provide for the method of determining a member's gross earnings during any period such member is deemed to have accrued pay and allowances, including a requirement that the member provide income tax returns and other documentation to verify the amount of his earnings."; and

(3) by adding in the table of sections at the beginning of such chapter after the item relating to section 705 the following new items:

"706. Involuntary leave: appellate review of certain court-martial convictions.

"707. Payment for excess leave: disapproval of certain court-martial sentences.".

(b) Section 813 (article 13) of such title is amended—

(1) by striking out "Subject to section 857 of this title (article 57), no" and inserting in lieu theerof "No"; and

(2) by striking out "or the result of trial".

(c) Section 832(b) (article 32(b)) of such title is amended by striking out the second sentence and inserting in lieu thereof "The accused has the right to be represented at that investigation as provided in section 838 of this title (article 38) and in regulations prescribed under that section.".

(d) Section 838(b) (article 38(b)) of such title is amended to read as follows:

"(b) The accused has the right to be represented in his defense before a general or special court-martial or at an investigation under section 832 of this title (article 32) as follows:

"(1) The accused may be represented by civilian counsel if provided by him.

"(2) Subject to paragraphs (3) through (6), the accused may be represented by—

"(A) military counsel detailed under section 827 of this title (article 27); or

"(B) military counsel of his own selection if that military counsel is reasonably available.

"(3) When the accused is represented by civilian counsel, military counsel detailed or selected under paragraph (2) shall act as associate counsel unless excused at the request of the accused.

"(4) When the accused is represented by military counsel of his own selection under paragraph (2)(B), any military counsel detailed under paragraph (2)(A) shall, subject to paragraph (5), be excused.

"(5) An accused is not entitled to be represented in his defense by more than one military counsel. However, a convening authority may, in his sole discretion—

"(A) detail additional military counsel as assistant defense counsel; and

"(B) approve a request from the accused that military counsel detailed under paragraph (2)(A) act as associate defense counsel when the accused is represented by military counsel of his own selection.

"(6) The Secretary concerned may, by regulations, define 'reasonably available' and may, under such regulations, establish procedures for determining whether military counsel selected by an accused under paragraph (2)(B) is reasonably available. Such regulations shall establish uniform policies to the fullest extent practicable, recognizing the differences in the circumstances and needs of the armed forces and shall be reported to the Committees on Armed Services of both Houses of the Congress.".

(e) Subsection (c) of section 867 (article 67(c)) of such title is amended to read as follows:

"(c) The accused may petition the Court of Military Appeals for review of a decision of a Court of Military Review within 60 days from the earlier of—

"(1) the date on which the accused is notified of such decision of a Court of Military Review; or

"(2) the date on which a copy of such decision of a Court of Military Review, after being served on appellate counsel of record for the accused (if any), is deposited in the United States mails for delivery by first class certified mail to the accused at an address provided by the accused or, if no such address has been provided by the accused, at the latest address listed for the accused in the accused's official service record.

The Court of Military Appeals shall act upon

such a petition promptly in accordance with the rules of the court.".

(f) Section 869 (article 69) of such title is amended by adding at the end thereof the following new sentence: "When such a case is considered upon application of the accused, the application must be filed in the Office of the Judge Advocate General by the accused—

"(1) on or before October 1, 1983; or

"(2) within two years after the date the sentence is approved by the convening authority or, in a special court-martial case which requires action under section 865(b) of this title (article 65(b)), the officer exercising general court-martial jurisdiction, whichever is later, unless the accused establishes good cause for failure to file within that time.".

(g)(1) The amendments made by this section shall become effective 60 days after the date of enactment of this Act.

(2)(A) The amendments made by subsection (a) shall apply to members whose sentences by court-martial are approved by the officer exercising general court-martial jurisdiction under section 864 or 865 (article 64 or 65) of title 10, United States Code, on or after the effective date of this section.

(B) The amendments made by subsection (b) shall apply to all persons held as the result of a court-martial sentence announced on or after the effective date of this section.

(C) The amendments made by subsection (c) shall apply to investigations under section 832 (article 32) of title 10, United States Code, which commence on or after the effective date of this section.

(D) The amendments made by subsection (d) shall apply to trials by courts-martial in which all charges are referred to trial on or after the effective date of this section.

(E) The amendments made by subsection (e) shall apply to any accused with respect to a Court of Military Review decision which is dated on or after the effective date of this section.

(F) The amendments made by subsection (f) shall apply to applications received in the Office of the Judge Advocate General on or after the effective date of this section.

MILITARY RECRUITING INFORMATION

SEC. 18. (a) The Congress finds and declares that in order for the Congress to carry out effectively its constitutional authority to raise and support armies, it is essential—

(1) that the Secretary of Defense obtain and compile directory information pertaining to students enrolled in secondary schools throughout the United States; and

(2) that such directory information be used only for military recruiting purposes and be retained in the case of each person with respect to whom such information is obtained and compiled for a limited period of time.

(b) Section 503 of title 10, United States Code, relating to enlistments, is amended—

(1) by inserting "(a)" before "The Secretary"; and

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

"(b)(1) The Secretary of Defense is authorized to collect and compile directory information pertaining to each student who is seventeen years of age or older, or who is in the eleventh grade (or its equivalent) or higher regardless of age, and who is enrolled in a secondary school in the United States, its territories, possessions, or the Commonwealth of Puerto Rico.

"(2) Directory information collected and compiled by the Secretary of Defense under this subsection may be made available to the armed forces for military recruiting purposes only.

"(3) Directory information pertaining to any person may not be maintained for more than three years after the date the information pertaining to such person is first collected and compiled by the Secretary of Defense under this subsection.

"(4) Directory information collected and compiled under this subsection shall be confidential and no person who has had access to such information may disclose such information except for the purposes described in paragraph (2).

"(5) The Secretary of Defense shall prescribe regulations necessary to carry out the provisions of this subsection and may authorize each Secretary concerned to issue further implementing regulations necessary to administer the program established under this subsection. Any regulations issued pursuant to this section shall be reported to the Committees on Armed Services of both Houses of the Congress. Any regulations issued by the Secretaries concerned shall be as uniform as practicable.

"(6) In this subsection, 'directory information' means, with respect to a student, the student's name, address, telephone listing, date and place of birth, level of education, degrees received, academic grades and class standing, and the most recent previous educational agency or institution attended by the student.".

(c)(1) The heading of section 503 of such title is amended to read as follows:

"§ 503. Enlistments: recruiting campaigns; compilation of directory information"

(2) The item in the table of sections at the beginning of chapter 31 of such title relating to section 503 is amended to read as follows:

"503. Enlistments: recruiting campaigns; compilation of directory information.".

(d)(1) Chapter 31 of title 10, United States Code, relating to enlistments, is amended by adding at the end thereof the following new section:

"§ 520. Criminal history information for military recruiting purposes

"(a) Each State and each unit of general local government of a State is requested to make available upon request, to the Secretary concerned any criminal history information maintained by or available to such State or unit of general local government which pertains to (1) any person who, within 90 days before the date on which such information was requested, has made application for enlistment in the armed forces, or (2) any person who, within 90 days before the date on which such information was requested, has in connection with an application for enlistment also has made application for participation in a program of the armed forces which requires a determination of trustworthiness of persons who participate in such program.

"(b) In this section, 'criminal history information' means the following information with respect to any juvenile or adult arrest, charge, citation, or conviction of any person referred to in subsection (a): (1) offense; (2) date; (3) place; (4) age; (5) disposition; and (6) court.

"(c) Criminal history information received under this section shall be confidential and no person who has had access to any information received under this section may disclose such information except to facilitate military recruiting.

"(d) The Secretaries concerned shall prescribe regulations necessary to carry out the provisions of this section, which shall be as uniform as practicable. Any regulations issued pursuant to this section shall be reported to the Committees on Armed Services of both Houses of the Congress.".

(2) The table of sections at the beginning of such chapter is amended by adding at the end thereof the following new item:

"520. Criminal history information for military recruiting purposes.".

COMPUTING AUTHORIZED DAILY AVERAGE NUMBER OF ENLISTED MEMBERS IN PAY GRADES E–8 AND E–9

SEC. 19. Section 517(a) of title 10, United States Code is amended—

(1) by inserting "the combined" before "pay grades"; and

(2) by striking out "2 percent and 1 percent, respectively," and inserting in lieu thereof "3 percent, but not to exceed 1 percent in pay grade E–9,".

INCREASE IN RESERVE OFFICERS' TRAINING CORPS SCHOLARSHIPS

SEC. 20. Section 2107(h) of title 10, United States Code, is amended by striking out "6,000" and "6,500" and inserting in lieu thereof "8,000" and "9,500", respectively.

CLARIFICATION OF AUTHORITY TO TRANSPORT CERTAIN MOTOR VEHICLES

SEC. 21. Section 2634(a) of title 10, United States Code, is amended—

(1) by striking out "and for his personal use or the use of his dependents" in the first sentence and inserting in lieu thereof "or his dependents and for the personal use of the member or his dependents"; and

(2) by inserting "or his dependents" in the second sentence after "motor vehicle of the member".

NOMINATIONS BY THE SUPERINTENDENTS OF THE SERVICE ACADEMIES

SEC. 22. (a) Section 4342 of title 10, United States Code, is amended by striking out subsection (d) and inserting in lieu thereof the following:

"(d)(1) Subject to paragraph (2), the Superintendent may nominate persons for appointment as cadets at the Academy. Nominations by the Superintendent may be made at any time, but not more than 50 such nominations may be made for appointment in any year.

"(2) Appointments of persons nominated under paragraph (1) may not displace any appointment authorized under clauses (2)–(7), (9), or (10) of subsection (a) and may not cause the total strength of the Corps of Cadets to exceed that authorized by subsections (a) and (b).".

(b)(1) Chapter 403 of such title, relating to the Military Academy, is amended by inserting after section 4341 the following new section:

"§ 4341a. Cadets: appointment by the President

"Cadets at the Academy shall be appointed by the President alone. An appointment is conditional until the cadet is admitted.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 4341 the following new item:

"4341a. Cadets: appointment by the President.".

(c)(1) Section 6953 of title 10, United States Code, relating to appointment of midshipmen at the United States Naval Academy, is amended by adding at the end thereof the following new sentence: "An appointment is conditional until a midshipman is admitted.".

(2) Section 6954 of title 10, United States Code, relating to appointment of midshipmen at the United States Naval Academy, is amended—

(A) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(B) by inserting after subsection (c) the following new subsection:

"(d)(1) Subject to paragraph (2), the Superintendent of the Naval Academy may nominate persons for appointment as midshipmen at the Naval Academy. Nominations by the Superintendent may be made at any time, but not more than 50 such nominations may be made for appointment in any year.

"(2) Appointments of persons nominated under paragraph (1) may not displace any appointment authorized under clauses (2)–(7), (9), or (10) of subsection (a) and may not cause the total strength of midshipmen at the Naval Academy to exceed that authorized by subsections (a) and (b)."; and

(c) by striking out "Effective beginning with nominations for appointment to the Academy in the calendar year 1964, the" in subsection (f) (as redesignated by clause (1)) and by inserting in lieu thereof "The".

(d) Section 9342 of title 10, United States Code, relating to the appointment of cadets at the United States Air Force Academy, is amended by striking out subsection (d) and inserting in lieu thereof the following:

"(d)(1) Subject to paragraph (2), the Superintendent may nominate persons for appointment as cadets at the Academy. Nominations by the Superintendent may be made at any time, but not more than 50 such nominations may be made for appointment in any year.

"(2) Appointments of persons nominated under paragraph (1) may not displace any appointment authorized under clauses (2)–(7), (9), or (10) of subsection (a) and may not cause the total strength of the Air Force cadets to exceed that authorized by subsections (a) and (b).".

(e)(1) Chapter 403 of such title, relating to the Air Force Academy, is amended by inserting after section 9341 the following new section:

"§ 9341a. Cadets: appointment by the President

"Cadets at the Academy shall be appointed by the President alone. An appointment is conditional until the cadet is admitted.".

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 9341 the following new item:

"9341a. Cadets: appointment by the President.".

(f) The amendments made by this section shall apply to nominations for appointment to the first class admitted to each Academy after the date of enactment of this Act.

COMPANY COMMANDERS AT THE UNITED STATES MILITARY ACADEMY

SEC. 23. Section 4349(a) of title 10, United States Code, is amended by inserting ", Navy, Air Force, or Marine Corps" after "Army".

AUTHORITY OF THE SECRETARY OF THE NAVY TO ISSUE REGULATIONS

SEC. 24. (a)(1) Section 5031 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d) The Secretary of the Navy may prescribe regulations to carry out his functions, powers, and duties under this title. The authority of the Secretary under the preceding sentence is in addition to the authority of the Secretary under section 6011 of this title.".

(2) Section 6011 of such title is amended by striking out "with the approval of the President".

(b) United States Navy regulations issued under section 6011 of such title before the effective date of this section shall remain in effect in accordance with their terms until amended or revoked by the Secretary of the Navy.

PER DIEM FOR MEMBERS OF THE NAVAL RESEARCH ADVISORY COMMITTEE

SEC. 25. Section 5153 of title 10, United States Code, is amended by striking out subsection (c) and redesignating subsection (d) as subsection (c).

ELIMINATING DATE FOR NOMINATIONS TO THE NAVAL ACADEMY

SEC. 26. Section 6956 of title 10, United States Code, is amended by striking out subsections (b) and (c) and redesignating subsections (d), (e), and (f) as (b), (c), and (d), respectively.

REIMBURSEMENT FOR ACCOMMODATIONS IN PLACE OF QUARTERS FOR MEMBERS ON SEA DUTY

SEC. 27. (a) Section 3 of Public Law 96–357 (94 Stat. 1182; 10 U.S.C. 7572 note) is amended by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982".

(b) Section 7572(b) of title 10, United States Code, as amended by section 3 of Public Law 96–357 (94 Stat. 1182; 10 U.S.C. 7572 note) is amended to read as follows:

"(b) Under such regulations as the Secretary prescribes, any member of a uniformed service on sea duty who is deprived of quarters on board ship because of repairs or because of other conditions that make the member's quarters uninhabitable and for whom it is impracticable to furnish accommodations under subsection (a), may be reimbursed for expenses incurred in obtaining quarters in an amount not more than the total of—

"(1) the basic allowance for quarters of a member of the same pay grade without dependents; and

"(2) a variable housing allowance which could be paid to a member of the same pay grade under section 403 of title 37 at the location where the member is deprived of quarters on board ship.

A member entitled to receipt of basic allowance for quarters may not be reimbursed for expenses under this subsection when deprived of quarters on board ship at a location at which the member can reside with such member's dependents. The total amount of such reimbursement may not exceed $9,000,000 for the fiscal year ending September 30, 1981, and may not exceed $6,300,000 for the fiscal year ending September 30, 1982.".

AMENDMENTS TO THE MILITARY SELECTIVE SERVICE ACT TO ASSIST ENFORCEMENT OF REGISTRATION REQUIREMENT

SEC. 28. (a) Section 3 of the Military Selective Service Act (50 U.S.C. App. 453) is amended by inserting after the first sentence the following new sentence: "Each person required to present himself for registration under this Act shall furnish at such time and in such manner as the Director shall prescribe the social security account number of such person.".

(b) Section 10 of such Act (10 U.S.C. App. 460) is amended by adding at the end thereof the following new subsection:

"(i) The Director shall have access, in accordance with regulations prescribed by the President, to information contained in the records of any other department or agency of the Federal Government pertaining to the names, ages, and addresses of persons required to present themselves for registration under this Act. Such information may be used by the Director only for the purpose of insuring that all persons required to present themselves for registration under this Act comply with the registration requirements of this Act.".

LIMITATIONS ON AMOUNTS PAYABLE TO AVIATION CAREER OFFICERS

SEC. 29. (a)(1) An officer who receives special pay for any period under an agreement executed and accepted under section 301b of title 37, United States Code, shall not be entitled to aviation career incentive pay under section 301a of such title during such period at a rate which exceeds the rate in effect on the day before the effective date of the increase in the rate of aviation career incentive pay provided for by section 5 of this Act.

(2) From the date of enactment of this Act until September 30, 1982, only agreements executed by officers of the Navy or Marine Corps under such section 301b may be accepted.

(b) Section 301b of title 37, United States Code, is amended by adding at the end thereof the following new subsection:

"(e) Special pay may be paid under this section only for agreements accepted before October 1, 1982.".

(c) This section shall become effective on the date of enactment of this Act.

EFFECTIVE DATES

SEC. 30. (a) Except as provided in subsection (b) and otherwise in this Act, the amendments made by this Act shall take effect on October 1, 1981.

(b)(1) The amendments made by section 11 shall take effect on April 1, 1982.

(2) The amendments made by sections 6, 9, 12, 13, 14, 16, 19, 21, 22, 23, 24, and 28 shall take effect on the date of enactment of this Act.

Mr. BAKER. Mr. President, is there a companion budget waiver? I call the Chair's attention to Calendar Order No. 205, Senate Resolution 168, in respect to this measure.

The PRESIDING OFFICER. That resolution is on the calendar.

WAIVING THE CONGRESSIONAL BUDGET ACT

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate turn to the immediate consideration of that measure.

The PRESIDING OFFICER. Without objection, the clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 168) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1181.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, according to the calendar on this side, there is no objection to the immediate consideration of this item and to its passage.

Mr. ROBERT C. BYRD. There is no objection on this side.

There being no objection, the Senate proceeded to consider the resolution.

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

The resolution (S. Res. 168) was agreed to, as follows:

S. RES. 168

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to the consideration of S. 1181, a bill to amend titles 10 and 37, United States Code, to increase the pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes.

Such a waiver is necessary because section 402(a) of the Congressional Budget Act of 1974 provides that it shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution which, directly or indirectly, authorizes the

enactment of new budget authority for a fiscal year, unless that bill or resolution is reported in the House or the Senate, as the case may be, on or before May 15 preceding the beginning of such fiscal year.

For the foregoing reasons, pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are waived with respect to S. 1181, as reported by the Committee on Armed Services.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UNIFORMED SERVICES PAY AND BENEFITS ACT OF 1981

The Senate resumed consideration of the bill.

Mr. BAKER. Mr. President, is there a time agreement in respect to the consideration of the military pay bill?

The PRESIDING OFFICER. There is not a limitation on the time agreement.

Mr. BAKER. Is there a provision for the control of time?

The PRESIDING OFFICER. There is 2 hours to be controlled by the Senator from Iowa (Mr. JEPSEN) and the Senator from Nebraska (Mr. EXON), with 30 minutes on the amendments. There is a provision for an amendment to be considered tomorrow which will have 3 hours, that being the Matsunaga-Hatfield amendment.

Mr. BAKER. I thank the Chair.

I might say, in view of the agreement the Chair has just recited, that it will not be possible to finish this bill today.

It will be necessary for it to go over until tomorrow.

I hope that Members will avail themselves, however, of the time today to dispose of every issue except that amendment and that we can proceed promptly to the disposition of the bill or third reading and final passage as early as possible on tomorrow.

It is possible, Mr. President, that some time today we may proceed to other matters that are available for disposition by unanimous consent, or perhaps to other matters that may be available on the calendar for general action.

I remind Members that at 2 o'clock today there will be a vote on cloture pursuant to the provisions of rule XXII in respect to the Johnston amendment to the Department of Justice authorization bill.

Mr. President, I yield the floor.

Mr. JEPSEN. Mr. President, during the past 8 months, the Senate Armed Services Manpower and Personnel Subcommittee has conducted a lengthy series of hearings on the most important element of our national defense—military manpower. We can spend billions of dollars on sophisticated weaponry, but in the final analysis, it will be the soldier, the sailor, and the pilot to whom our Nation will turn to win on the battlefield.

In 1980, Congress responded to the Armed Forces' alarming manpower problems by significantly improving compensation and various quality-of-life areas. Those initiatives have clearly revived recruiting and retention from the dangerously low levels to which they had sunk.

If Congress hopes to maintain the momentum that began to gather last year, it simply cannot afford not to be imaginative in its approach to military compensation. At a time when the American people and their Government are struggling to live within their means, Congress cannot justify spending billions of dollars on indiscriminate across-the-board pay raises that amount to little more than "throwing money at the problem."

Mr. President, the bill under consideration today, S. 1181, the Uniformed Services Pay and Benefits Act, offers Congress an innovative and cost-effective opportunity to ease our pressing manpower problems. S. 1181 substantially raises the pay of all military personnel but it targets the highest pay raises to those ranks and experience levels that are in desperate shortage—middle and senior enlisted personnel and mid-career officers. These are the skilled men and women who, on the one hand, are praised as the backbone of the Armed Forces but who, on the other hand, are taken for granted as sure to stay for at least 20 years. Mr. President, we can no longer afford to ignore these people. The Chief of Naval Operations, Adm. Thomas Hayward, has warned that "if we are concerned about the readiness of our forces worldwide today—and we surely are—nothing is more essential than to stem the exodus of our trained professionals." It is the absence in the ranks of the sergeant major with 22 years of service, the master sergeant with 18 years, and the staff sergeant with 8 years that has prompted Gen. Edward Meyer, the Army Chief of Staff, to characterize his force as "hollow."

S. 1181 will begin to fill those empty ranks by giving middle and senior enlisted personnel higher raises than those given servicemen still in their first terms. The targeted pay raises will finally relieve the compression of pay that has discouraged enlisted personnel from striving for promotion. The pay tables in S. 1181 will also offer raises to senior enlisted servicemen with 24 and 28 years of service to encourage them to remain longer in the military. Previously, personnel with more than 20 years were eligible for additional pay raises only upon reaching 22 and 26 years of service. In addition, the bill will provide large pay raises to outstanding midcareer officers who are making the crucial decision on whether or not to make military service a career.

The Army Chief of Staff wholeheartedly supports the targeting of pay raises to middle and senior enlisted personnel because this approach addresses his top priority—the rebuilding of his "hollow" Army with a revitalized corps of noncommissioned officers. General Meyer has responded directly to criticism that 7 percent, 8 percent, and 9 percent raises in junior enlisted pay will hinder recruiting efforts. He has pointed out that the small difference in recruit pay between S. 1181 and the 14.3 percent across-the-board raise proposed by the House Armed Services Committee will simply not affect a young person's decision on whether or not to join the Army.

The Congressional Budget Office and the recruiting Chiefs of the Army and Navy have carefully reviewed S. 1181 and reached the same conclusion as the Army Chief of Staff—the bill will not adversely affect recruiting. In fact, it will actually make recruiting easier by improving retention so much that the services will require fewer recruits. The close link between recruiting and retention was dramatically illustrated by the Chief of Naval Operations when he stated: "If I retained 4,000 more midgrade petty officers" each year, "that's 20,000 new recruits who would not have to be trained to take their place." Mr. President, S. 1181 will help the CNO and the other service chiefs to realize just that kind of rich yield of experience.

The targeted pay raises contained in S. 1181 are complimented by a package of 37 additional manpower initiatives. These items further enhance recruiting tools, improve travel reimbursement, and redress various special pay inequities. I would like to briefly highlight 10 of the more important provisions:

First. Increases of a maximum of 14.3 percent in the basic allowances for quarters and subsistence;

Second. Increases in enlisted hazardous duty pay, enlisted aircrew flight pay, and special pay for diving duty;

Third. An increase in flight pay for officers not receiving aviation continuation bonuses and with more than 6 years of aviation service;

Fourth. An increase in flight pay for warrant officers to the same rate paid commissioned officers.

Fifth. An increase in the maximum enlistment bonus for recruits enlisting in critical skills for 4-year terms from $5,000 to $7,500;

Sixth. Authority for a 1-year Army test of an enlistment bonus of no more than $3,000 for high-quality recruits enlisting in critical skills for 3-year terms;

Seventh. Increases in the reimbursement paid to military personnel for permanent change-of-station moves, including a temporary lodging allowance;

Eighth. Significant improvements in the military justice system that will promote discipline;

Ninth. Authority for the Defense Department to collect high school directory information and criminal history information for confidential use by military recruiters; and

Tenth. Increases in the number of Navy and Air Force senior ROTC scholarships.

Combined with targeted pay raises, these and the other manpower items in S. 1181 will begin to correct the Armed Forces' retention problems. Improving retention, in turn, will make recruiting easier. Congress can achieve both of these objectives, however, only if it replaces the unimaginative practice of "business as usual" with the innovative and cost-effective approach offered by the bill under consideration today. Mr. President, I urge my colleagues to support S. 1181

as reported by the Armed Services Committee.

Mr. President, I now yield to the most distinguished ranking minority member of the Manpower Personnel Subcommittee of the Senate Armed Services Committee, Senator EXON, who has been a leader in developing this entire pay schedule and the total benefit program. I yield the floor to the distinguished Senator from Nebraska (Senator EXON).

(Mr. DURENBERGER assumed the chair.)

Mr. EXON. Mr. President. I thank my friend from Iowa. I thank the Chair.

Mr. President, in its consideration of S. 1181, the Uniformed Services Pay and Benefits Act of 1981, the Senate is about to make an important decision on perhaps the most critical area of our defense capability. The military services are facing serious manpower problems, and this bill represents a consensus of the Armed Services Committee on how best to tackle some of those problems.

I have stated many times that all of the sophisticated weapons systems which even an unlimited amount of money could buy would be useless without adequate numbers of qualified and dedicated people to operate them. The greatest wartime commanders throughout world history all believed that the quality and morale of their fighting men—as well as the strategy and tactics they devise and use—were the keys to victory. Our own military leaders today believe in this principle, too, as well they should.

The chairman of the Subcommittee on Manpower and Personnel (Mr. JEPSEN) has already provided a summary of what this bill includes.

This bill includes a lot of work and time and effort. I think that he has done such an able job that it is not necessary for me to repeat what he has already said. But I would like to highlight what I consider to be the major features of this bill.

Last year, Congress provided an 11.7 percent across-the-board pay raise for all military personnel. This year, the Armed Services Committee has carefully designed a bill that allocates a sufficient portion of the pay raise to all military personnel to continue the current momentum in recruiting and then targets the remaining portion to our career officers and enlisted personnel. For the enlisted force, increases in basic pay range from 7 percent for a recruit to 14 percent for a sergeant at the point of his first reenlistment, to 22 percent for some senior NCO's. Officer basic pay will increase by 9 percent for first lieutenants and up to 17 percent for some career officers. The most senior officers, of course, receive little or no increase in basic pay because of the Government-wide ceiling on executive salaries.

This bill will increase the basic allowance for quarters by 17 percent for the enlisted career force—E–5 to E–9—with officers and the remainder of the enlisted force receiving a 14.3 percent increase. The basic allowance for subsistence is increased by 14.3 for all military personnel.

Mr. President, the decision to target this pay raise was strongly supported within the Armed Services Committee. The committee's perception of the severity of the manpower problems in the military services has had a large impact on the final shape of this bill which we are now recommending to the Senate. Careful deliberation has gone into the size of the pay raise for each grade and the corresponding years of service that a military member has served in that grade.

Last year, Congress became very concerned over the quality of people that the services were recruiting. As a result of that concern, we set limits in law on the numbers of nonhigh school graduates and category IV enlistees that the services could accept. The recruiting results so far this year are a big improvement over the last several years, but there is still concern for the future.

In addition to the recruiting problem facing the military. There is a critical need to increase the senior experience level of the enlisted ranks; that is, those persons with over 10 years of service. First-term retention is high, but it is among second- and third-term personnel where increased retention is sorely needed. These career NCO's are the backbone and muscle of our Armed Forces.

The most serious example of the retention problem is the Navy, where there is a shortage of 22,000 petty officers. Last year the Navy was forced to "tie up" a ship for lack of trained manpower. To avoid repeating this, the Navy is doing something that may be just as damaging to our readiness in the long run—"cannibalizing or cross-decking" some of its most experienced petty officers. When a ship returns from a long deployment, key petty officers are asked to walk across the deck to another ship ready to deploy, which could not sail without their level of training and experience. Obviously, back-to-back tours of sea duty are a disincentive for retention and, in the long run, can only worsen the problem.

The Army also has a shortage of career noncommissioned officers in many critical skill categories. The Air Force is experiencing losses in some officer categories and there are, for the first time in memory, unfavorable signs regarding future NCO retention in certain skills in that service. Only the Marine Corps is doing well in this area and that is a function of both its special calling and small force size.

Mr. President, there is a broad consensus within the armed services that another military manpower management problem goes hand-in-hand with this problem of poor retention of NCO's, and that is the problem of so-called pay compression. The front-loading of first term pay over the past several years has resulted in severe pay compression in the enlisted ranks. Today, there is only $20 per month difference in basic pay between an E–4 and an E–5, which is usually the dividing line between the first term and the career force. The ratio difference in pay between an E–9, the highest enlisted grade, and an E–1 recruit used to be approximately 7 to 1. Today it is down to 3 to 1.

I recognized this "pay compression" problem early on. In addition to simply studying the pay tables and compensation trends of the past few years, I have spoken with many of our service men and women and discussed this matter with the senior enlisted person of each service. The recurring theme is that the rewards of military life are not what they used to be and that "pay compression" was a major factor.

For this reason, I introduced my own compensation initiative, S. 1129, in May of this year. The bill we are considering today retains the best features of my original legislation and is the product of careful consideration and compromise with the Manpower Subcommittee chairman and the rest of the Armed Services Committee.

It is absolutely essential that we restore some sense of proportion to the military pay scales. Today, as I mentioned, if someone decides to stay in the military service as a noncommissioned officer, he must do so without the substantial increases in pay which were once provided.

It is clear from the retention problems that we are having among our career enlisted force that we cannot expect these dedicated and talented individuals to assume the additional responsibilities of higher grades without the significant pay and privileges that need to be associated with the NCO ranks.

The proposal before the Senate in this bill is a clear sign to our NCO's and petty officers that Congress recognizes and appreciates the sacrifices which we ask them to make. This bill represents the first attempt by the Congress to address this problem of pay compression and with it the serious problem of retention, while, at the same time, providing an adequate raise for new recruits.

Last year, Congress took steps to alleviate some of these problems, highlighted by the 11.7 percent pay raise and the Nunn-Warner legislation. These were useful steps and, by all accounts, are showing the desired results. But more needs to be done in the way of making military life a rewarding way of life. Of course, military life cannot and should not be rewarding in a monetary sense only.

There are many other ingredients to the formula as well—such as pride, discipline, leadership, a good working environment, advanced yet maintainable equipment, and good men and women with whom to work. Congress can pass laws to improve some of these areas—others are matters of the head and the heart and the spirit.

The Jepsen-Exon bill being considered today gives Congress the opportunity to act and influence one area where we can help to make a difference.

Mr. President, most of my colleagues are aware that the Department of Defense supports the House Armed Services Committee version of the pay raise bill which has a 14.3 percent across-the-board pay raise, with authority to reallocate up to 25 percent of the raise among different grades. I am disappointed at the Defense Department's position, but I am not surprised.

The leadership in the Pentagon has consistently chosen the path of least resistance on the tough decisions regarding

personnel issues. The retention and pay compression problems have been growing more serious over the past several years, but DOD still opts for large, across-the-board pay raises for all personnel, regardless of skill category or experience level. This type of attitude is not much better than a "lowest common denominator" solution to our problems. The Congress can certainly do better, even if the Pentagon cannot.

Last year, for example, Congress gave the Secretary of Defense authority to reallocate up to 25 percent of last year's 11.7 percent pay raise. However, not one dime was reallocated. Congress expected the Secretary of Defense to identify the specific pay problems, but he did not. The excuse given by the Pentagon for not targeting pay raises always seems to be that "it's a good idea, but let's do it in the future."

Mr. President, the problems of pay compression and retention of our NCO's are only getting worse. The future is now, and the Senate is tired of waiting.

I said earlier that the Pentagon opposes this bill. But let us take a minute to see what some of the leaders of the Services—both military and civilian—say.

Senator JEPSEN referred a few moments ago to the position of General Meyer. I believe it is so important that I would like to amplify it a little.

General Meyer, the Army Chief of Staff, says that he wholeheartedly supports this bill because it addresses his biggest personnel problems—the rebuilding of the NCO Corps and relief from pay compression. The House Armed Services Committee, and others who have voiced objections to this bill, cite the Army's perceived, future recruiting difficulties as their primary concern. General Meyer believes that the small difference in recruit pay between the House and the Senate Armed Services Committee bills can hardly make a difference in a young person's decision on whether or not to join the Army. In effect, the Army's Chief of Staff has said, "rest easy."

The Secretary of the Air Force, just days before he signed a letter supporting the Secretary of Defense's view, sat in my office and told me he had no problem with the pay tables in the bill we are considering.

Lieutenant General Iosue, the Air Force Deputy Chief of Staff for Manpower and Personnel, said in a recent interview that military pay lacks the increases necessary to motivate people to go from the first to the second to the third term of service. He said the current $20 difference in pay between a sergeant and a staff sergeant was "ridiculous." As I said earlier, this bill begins to correct that problem.

With regard to the Navy, which has the most acute petty officer shortages, that service should be delighted with this legislation, and my inquiries show that to be the case.

The Congressional Budget Office, in a special study, predicts that the Army will have a good chance of meeting the 65-percent high school graduate target in fiscal year 1982 under our approach. As a hedge against any unforeseen difficulty in achieving this goal, however, this bill also raises the maximum enlistment bonus for critical skills to $7,500—up from the current $5,000 and last year's figure of $3,000. If there is a problem in 1983 or beyond, we will address it at that time. But for now, our most important military manpower difficulties should be addressed while we have the opportunity.

CBO also estimates that under this legislation, the type of NCO retention we so bady need will increase dramatically over the next 5 years—more so than under any other proposal.

If history repeats itself, I suspect that there may be opposition to this bill on the grounds that it will be "pro-draft" or "anti-All-Volunteer Force" legislation—or that it is intended to undermine the AVF and help bring back the draft. A "Dear Colleague" letter to this effect has been circulated.

Mr. President, just the opposite is true. It is time that we in Congress and the leadership in the Pentagon wake up and realize that, whether the source of manpower for our Armed Forces is the voluntary approach or conscription, we need trained, highly qualified personnel for our Army, Navy, Air Force, and Marine Corps. For too long, some have insisted on meeting our manpower requirements with numbers alone.

But what we really need are experienced, motivated people to serve as a cadre for whatever original source of manpower this Nation chooses. This cadre is lacking today and is necessary whether we operate under an All Volunteer Force or conscription. In short, if the AVF will not work under S. 1181, it will not work at all.

We cannot continue to indiscriminately throw money at our personnel difficulties. If recent events in this body have taught us anything, it is that the American people do not support throwing money at problems either. By targeting the fiscal year 1982 pay raise to those areas which need and deserve it the most, the Senate bill will also achieve the additional objective of enhancing the pride of service and rank to which I referred earlier.

In closing Mr. President, I urge my colleagues to support this legislation. It is a balanced approach which addresses the recruiting and retention problems facing the services today. Our military people are the key to our national security. We must show them now that we understand that fact, and we have the opportunity today to do just that, by passage of this bill.

Mr. JEPSEN. Mr. President, I thank the distinguished Senator from Nebraska for that excellent commentary on the whole military career pay benefit program.

I now yield to the distinguished Senator from Mississippi (Mr. STENNIS).

Mr. STENNIS. I thank the Senator from Iowa for the 10 minutes he has yielded to me. I also thank the Senator from Texas for yielding to me. I am speaking out of order.

Mr. President, we have here what I consider a good, solid bill which, to a degree, meets the most serious problem we have in the entire military structure—one, however, that I believe will not really be solved until we go back to a modified, greatly improved Selective Service Act that will give fairness and equality to all those who might be called. This act will give the services the chance they do not have now to select what they need in the way of talent and ability of special kinds from a larger force of men and women than they can obtain under present inducements. I believe this is necessary.

For years, I have been through a good deal of experience and concern on this subject. I am not blaming any President, and I certainly am not blaming President Reagan. However, I do not believe we will get a selective service bill until some President is convinced and stands up before the American people, including Congress, and says that we need legislation of this type. "Need" is the key word. When he says that, I believe that the people will understand it and will line up behind it, as will Congress.

And I would not be telling all the truth if I spoke on this bill without bringing out that point.

So, moving on now to the realities as they are today, the two Senators on our Armed Services Committee, who have given special attention to this bill, are unusually well qualified in this field and other fields concerning the military, and they have already spoken and explained the bill. I lean greatly toward them in my conclusions and opinion. The Senate owes them a debt of gratitude for the real hard, effective work that they have done on this matter.

Mr. President, this bill is in lieu of an increase in pay that would automatically come into effect in October, I believe it is, for a considerably less amount. Because the bill is in lieu of that automatic increase is one reason why I can support it.

I think the contribution they have made in the distinction between the various groups that are serving has been a great improvement in the situation and time will prove it.

I note, though, Mr. President, that there is evidence of what a hard time Congress has in trying to use the All Volunteer Forces, and at the same time strike a balance that they think, as laymen, is necessary. We have to write into the hard law certain minimum requirements that must be met by these volunteers.

In all deference to everyone, it seems to me that these would be standards the military should prescribe themselves, and be so rigid in the application of those standards that there would be no question involved as to their need and worth. Congress would not have any hesitancy in letting them do all of that. Rather we must legislate on this quality question proving the efficacy of what I have advocated.

I wish to mention we have to spend a lot of money in the military program. We have to. It is expensive and becoming more so to purchase planes, ships, missiles, everything, including manpower.

I think we have to give more attention to our reserves and give them more tools of the trade, not just a few planes and

big-ticket items, but the little things, the hand weapons, the radios for the field, other things that they need in their training. This equipment gives them pride and allows more effective training.

I would give the Reserve more duties. I find a great deal of talent scattered around through all communities in men who have had military training and have loved it to a degree. They do not make the military a career for various reasons. But we find some of the best military men we have scattered through those units.

I spoke in Jackson, Miss., 2 weeks ago to one of the finest audiences I have ever had, the National Guard Noncommissioned Officers Association, at their annual meeting. I visited with them before and after, and with their wives, and had just a delightful experience, with the talent that was portrayed there, the personal resources, the intense patriotism—they meant what they were saying and doing—and with the dedication to their units. It just cannot be surpassed. And I am not comparing them now at the expense of the regulars. We have a lot of that in the regular services. But I came away from those meetings with a more solid feeling and encouragement for anything of this kind that I have had in some time.

Giving the Reserves more duties, money, and responsibilities, is one way to avoid some of the enormous growing expense of our military program in its large scale.

Many of the personnel in the regular services are splendid. My remarks just must not be interpreted in any other way, but I do know where the soft spots are. Those who handled this bill have tried mighty hard to address those problems and have made such a contribution that I can support this bill with satisfaction, where at one time I frankly was quite doubtful as to whether or not I could actually support it, in view of the need for competing dollars, particularly in our budget affairs.

The warning flags are flying on our military manpower situation today. Nobody should believe that this bill will solve the underlying inadequacies of U.S. military preparedness that result from our reliance on an unreliable source of military manpower. Instead, this bill will be like a small stone dropped in the ocean—there will be a brief ripple of happiness among the people who get the additional money, amidst the waves and storms of larger problems.

I will support passage of this bill, but I do so with some hesitation and even reluctance. There are three basic reasons for voting for this bill:

First, that it substitutes for the annual, automatic across-the-board pay raises that would occur under the current law that would be suspended by the bill, and is not additive to those automatic pay raises.

Second, the bill will correct some of the distortions that have been caused by the volunteer force concept between a sergeant's pay and private's pay. It is important for good discipline and for the effectiveness of noncommissioned officers that their pay be noticeably higher than that of privates. To quote George Washington—our first Commander in Chief—on pay:

> A proper difference should be made between the Non-Commissioned Officer (sergeants particularly) and Privates, to give them that pride and consequence which is necessary to Command.

Finally, I believe that the expectations of military personnel have been raised—perhaps too high by the statements and debates made on military pay during the last year. Nevertheless, because these expectations for pay have been raised, and there have been no practical steps to substitute a new type of selective service, it might be harmful to the military services to deny this raise at this time. I hope that the military and civilian leaders of the country will not repeat the promises and statements which lead to unrealistically high expectations for pay among military personnel.

My concern and reluctant support of this bill arises from several major facts:

First, this bill will not solve our military manpower problems, many of which stem from our reliance on an unreliable source of manpower—the volunteer force.

Second, the bill will cost $4.5 billion in fiscal year 1982. Over a 5-year period, this one bill will add some $26 billion to the Department of Defense budget. This is about two-thirds of the cost estimated for this entire MX system (some $40 billion) for the 5-year period.

Third, there are no firm standards for setting military pay, despite last year's request by the Congress for such standards to be developed.

Finally, at a time where people throughout the country are being called upon to tighten their belts for the sake of the economy, I am concerned that a backlash and public outcry will develop against the military if military pay rises more rapidly than the rest of the economy.

WHAT THE BILL DOES

S. 1181 provides for a 14.55-percent average pay raise for all military personnel. It is targeted toward the more experienced sergeants who would get about an 18-percent raise. Officers would get 10 to 13 percent; junior enlisted personnel would get 8 to 10 percent; and generals would get 3 percent, largely due to the pay cap which applies to Government executives as a whole.

In addition, the bill would raise the enlistment bonus from the current $5,000 to the $7,500—I call this the new automobile money—the Pentagon says is needed to attract people into the military. The bill also provides needed updating of moving expenses when military personnel are ordered to new duty stations. Flight pay, hazardous duty pay, and various smaller items are also increased. Finally, there is some needed reform in separation pay costs which will save the Government some money. Overall there are some 20 separate provisions of law affecting military compensation in the bill.

MILITARY PAY BACKGROUND

This pay raise must be seen against the background of military pay in the last 10 years. Since the beginning of the volunteer force concept 10 years ago, Congress has provided 12 general raises in military pay. These raises, which affect basic pay and allowances for quarters and subsistence, have cumulatively cost $99 billion. These pay raises have increased military pay 166 percent since 1971, while general inflation has gone up 124 percent and civilian pay has increased 123 percent.

In addition to these general pay raises, 84 separate provisions of law have been enacted which have increased 33 different kinds of special pays, bonuses, allowances, and benefits. These special items cumulatively cost an additional $5.7 billion. It would seem that there has been a great deal of money and effort spent on "making the volunteer force work" and yet the problems go on and on.

WHERE WILL MILITARY PAY STAND AFTER PASSAGE OF THIS BILL

The military pay and benefits system is not well understood, even by military people. Basic pay is only a small part of military compensation. In some cases, basic pay is only 50 percent or less of the direct compensation military personnel receive. If benefits such as health care, commissaries and exchange, and retirement are added, basic pay may represent as little as one-third of the total pay and benefits some military personnel receive. The complicated nature of military pay makes it hard for the public or even the military individual—to express the amount of compensation military personnel receive or to compare it with civilian compensation.

Another factor affecting military pay is rapid promotion rates. Promotions now come early so that the average Army enlisted man now goes from E–1 recruit to E–5 sergeant in 3½ years. Similarly, the average Army officer goes from O–1 second lieutenant to O–3 captain within 3½ years. Excepting the Air Force, the other services are similar. This means military people get the pay of higher grades early in their career.

The following figures indicate the annual amounts of regular military compensation that would be received by ordinary "due course" enlisted and officer personnel after enactment of this bill. "Due course" means personnel without any special skill or circumstance entitling them to extra pay who are promoted along with their average contemporaries.

Typical annual regular military compensation	Due course enlisted (grade)	Due course officer (grade)
Pay upon joining (age 18 for enlisted, 22 for officer).	$10,337 (E–1, recruit)	$17,330 (O–1, 2d lieutenant).
Pay after 3 yr service	$15,715 (E–5, sergeant)	$27,639 (O–3, captain).
Pay after 10 yr service	$19,846 (E–6, sergeant)	$36,315 (O–4, major).
Pay after 20 yr service	$27,641 (E–8, master sergeant)	$48,055 (O–5, lieutenant colonel).
Pay for general/flag officers	N/A	$67,924 (O–8, major general).

In addition to the above mentioned regular military compensation (which includes only basic pay and the untaxed allowances for housing and food) military personnel are entitled to a wide variety of special pays and bonuses which add substantially to their income. These special pays and bonuses amount to about an additional 13 percent of overall military personnel compensation costs but are allocated by grade, skill, or duty assignment. The following illustrate the range of annual income and the percentage of personnel receiving it for some of the major special pays and bonuses:

Type of Bonus/Special Pay and Additional Income Per Individual	
Officer:	
Flight pay	$1,500–$3,600
Sea pay/submarine pay	1,800–5,000
Doctor's pay	14,000–29,500
Overseas cost of living	400–2,000
Overseas housing allow.	800–7,800
Jump pay	1,300
Enlisted:	
Enlistment bonus	650
Reenlistment bonus	2,040
Sea pay/submarine pay	1,000–3,200
Jump pay	660
Overseas housing allow.	1,000–2,900

In addition to the above pays, military personnel and their dependents are entitled to a number of benefits such as medical care, commissary and exchange purchases, and other services difficult to put a value on but worth something to the individuals who receive them. These personnel support items have been estimated to average $1,200–$3,000 per individual.

Finally, military personnel receive the benefit of retirement at a young age—after 20 years of service. The typical enlisted man retires at age 41 and—after this pay raise—will receive an annual retired pay of $10,800 for the rest of his life—increased each year for the rise in the cost-of-living index. The typical officer retires at age 45 and will receive an annual retired pay of $22,800, also indexed against inflation.

In addition, military personnel are covered under social security and receive those benefits when they become eligible. Retired military personnel and their dependents are also entitled to military medical care, commissary and exchange purchases, and other fringe benefits.

PAY WILL NOT SOLVE THE MANPOWER PROBLEM

Despite the need to pay our military personnel adequately and to insure that military pay enhances the good order and discipline of the service, military pay is no answer to the fundamental flaws in our present manpower system.

No amount of pay is going to provide an adequate mobilization capacity. All of the testimony through 10 years of the All-Volunteer Force is that the United States cannot fight a war with an All-Volunteer Force. Nobody disputes that fact. Yet, the purpose of our military is to be prepared to deter and, if necessary, fight.

No amount of military pay is going to convince the Russians we have a strong military manpower preparedness. Nobody knows better than the Russians that this pay bill is not the answer to America's military problems.

No amount of military pay is going to convince our allies, many of whom already have selective service, to shoulder more of the burden of defense. Our allies know that our mobilization and reenforcement capacity to help them in time of emergency is inadequate as long as America has an All-Volunteer Force.

No amount of military pay is going to instill tough discipline, dedication to duty, and the old military values of sacrifice. Our people know that military service should not be just another job.

No amount of military pay is going to get adequate quality and representativeness in our military forces. The mothers and fathers of our middle and upper class boys feel that enlisting in the All-Volunteer Force is just not the thing to do in today's situation.

In summary, the flaws of the All-Volunteer Force are far beyond the scope of any military pay bill. We must return to some fair form of selective service to provide a sure and steady source for manpower for our country.

IMPROVING MILITARY PREPAREDNESS

President Reagan is to be commended for making a drive to improve our military preparedness. So far he has proposed substantial increases to the defense budget which I believe will be supported by Congress. But there can be no buildup in real military strength without a buildup in military manpower.

According to reports, the Army wants to add to its divisions; the Navy wants to add to its ships, the Air Force wants to add to its wings. It will take plenty of additional manpower for this. The recently reported possible budget reductions may make these steps less certain, but there will be requests for additional military manpower, and these requests will be substantial, if we are to have a substantial strengthening of military capacity.

In May, I spoke on how little increase in real military capacity the substantial budget increase for fiscal year 1982 seems to be buying. At that time, I urged more frugality, and I continue to urge that course. However, frugality alone will not meet this manpower situation. If we are going to add to our military forces, the additional manpower needs will force us to confront two major questions:

First, how is the additional manpower to be paid for?

Second, even with this pay raise, can additional manpower be recruited with adequate quality standards in time to man the additional forces?

I have serious doubt that a positive answer is possible for either of those questions. There may be a way, however, to strengthen America within the available budget. I believe we must look to the National Guard and Reserve components for the major part of any buildup in military forces. There are many fine Guard and Reserve units today—dedicated people who want to be associated with the military but not on active duty. Many of these units are not well equipped and this should be remedied. I believe many more good units could and should be formed. Under the volunteer concept, Reserve strengths have dwindled down and that must be reversed. There are new missions which could be assigned to the Reserves and this must be vigorously pursued.

In short, we must make real our concept of relying on the Reserve forces. This is not a substitute for a new and fair form of Selective Service System, but I believe goes hand in hand with it. I intend to continue to speak on this subject another time, but for now, I will conclude by saying that without a new and fair form of selective service and without a far greater buildup and real reliance on our Reserve components, there may not be much chance to get the needed buildup in American military strength that the current world situation demands.

So I thank the Senator again for yielding me this time.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. JEPSEN. I yield time for brief remarks to the chairman, Senator TOWER from Texas.

Mr. TOWER. Mr. President, I rise in support of S. 1181, the Uniformed Services Pay and Benefits Act of 1981. Maintaining a viable All-Volunteer Force means not only attracting qualified young men and women into uniform, but more importantly, retaining them once they have become trained and experienced in critical skills.

Today, the services are seriously short of skilled personnel. The Navy must juggle crew members in order to send ships to sea. Some Army divisions have been rated "not combat ready" because of manpower shortfalls. The Air Force has grounded aircraft due to the shortage of technicians to repair them.

Evidence indicates that military pay has a far greater impact on the decision of skilled and experienced service members to make the military a career than on the decision of young people to enlist in the service. Therefore, given our limited resources, it makes sense to concentrate the largest pay increases for fiscal year 1982 on the middle and senior enlisted grades. In so doing we can begin to resolve some of our most pressing manpower problems—retaining the skilled and experienced petty officers and NCO's.

Under the military pay bill formulated by the Armed Services Committee, pay increases would range from 7 percent for the new recruit to 19 percent for the typical noncommissioned officer to a high of 22 percent for those NCO's who elect to remain on active duty beyond the 24- to 26-year points. These are very important people. There is a great deal of experience and background lodged in these people and some of them, of course, have experience in combat. I think that they are the backbone of our noncommissioned officer corps.

This will provide greater incentives for promotion, career advancement and retention, as well as greatly encourage longer service among senior enlisted personnel. Equally important, within the

institutional framework of the military pay structure, all personnel are compensated commensurate with the sacrifices endured through their years of service. Under the current pay tables there is little or no incentive to remain in the service or to strive for promotion. An NCO in pay grade E–6 with 10 years of service receives $943 per month. A sergeant first class in pay grade E–7 with 20 years of service has a base pay of $1,219 per month. Where is the motivation for the mid-career service member to remain with the service and endure its hardships if they will only realize $276 more each month after an additional 10 years of military life?

In the past, the services have attempted to solve shortages of skilled enlisted personnel with selective reenlistment bonuses. These bonuses were designed to be targeted to critical skills and intended to solve short-term retention problems. Today, however, they are used to remedy deficiencies in the basic pay tables. In fiscal year 1982, reenlistment bonuses will cost $620 million and will be paid to a large percentage of reenlistees. The Navy alone pays 80 percent of its reenlistees a bonus. The Air Force has jumped from 10 to 41 percent in 2 years. The number of Army reenlistees receiving a bonus has doubled since 1980.

We cannot allow this situation to grow unchecked. A short-term and cost-efficient fix has become a permanent and costly program. It is therefore essential that we provide a new pay table that will encourage career service and reduce our dependency on bonuses. S. 1181 begins this long overdue process.

In order to fund higher increases for this portion of the force, a limit on the amount of the annual adjustment of entry-level pay must be made. Entry-level salary will still increase by 7 percent in base pay and by 9.1 percent when regular military compensation is included.

Additionally, significant increases in enlistment bonuses and other benefits have been proposed to assist the recruiting effort. The Congressional Budget Office, the Chief of Staff of the Army, and the recruiting chiefs of the Army and the Navy have all stated that S. 1181 will still allow the services to recruit virtually the same number of quality personnel over the next 5 years. Today, recruiting is better than ever with each of the services meeting their accession goals not only in terms of quantity but more importantly in quality.

Entry-level pay is simply not a factor in a young person's decision on whether or not to enlist in the service. Educational and training opportunities, career advancement and challenge and patriotism play a much greater role in his decision.

S. 1181 will yield, however, 19,000 additional trained and experienced leaders in the career force.

For these reasons I urge my colleagues to support this bill and not push for support of any amendments that are designed to alter the thrust of this extremely enormously important piece of legislation.

Mr. President, I spent the last month traveling around the military establishments. I have talked to a number of noncommissioned officers in all the services, and I know they universally view this bill as a big step toward answering a number of their problems.

It has the wholehearted support of the the noncommissioned officer corps of the three services. These are the men with experience, these are the men who know what is required to retain the skilled people whom we need.

I hope the Senate will act on this bill without any crippling amendments, without any amendments that change the thrust, and take us back into the old situation of pay compression which has been disadvantageous to us in terms of incentives and retention.

Mr. THURMOND. Mr. President, I rise in support of S. 1181, the Uniformed Services Pay and Benefits Act of 1981.

This legislation provides for targeted pay raises to take effect on October 1, and includes various special pay and benefits for service personnel in certain categories.

Mr. President, we must halt the serious loss in the military services of trained personnel whose skill is essential to the efficient operation of the various units which provide for our national defense.

An important step in this direction was taken in the 96th Congress when increases in compensation were approved for military personnel, including an 11.7-percent across-the-board pay hike and other special pay improvements.

However, the Senate Armed Services Committee believes substantial further improvements are needed in fiscal year 1982. Therefore, the committee has provided a new pay table for military personnel with basic pay increases from 7 to 22 percent. These increases are targeted to meet our most serious attrition problems and to move the military to a more comparable pay status with civilians.

Mr. President, I urge that the Senate approve this bill. In so doing we will take a major step toward ending the serious loss of highly qualified personnel from the military forces.

Mr. JEPSEN. Mr. President, I now yield to the very distinguished Senator from Arizona (Mr. GOLDWATER).

Mr. GOLDWATER. I thank my friend from Iowa.

The PRESIDING OFFICER. The Senator from Arizona.

UP AMENDMENT NO. 347

Mr. GOLDWATER. Mr. President, I call up an amendment I submitted at the desk earlier today and ask unanimous consent that it not be read. I will try to explain it.

The PRESIDING OFFICER. The clerk will report the amendment for the RECORD, and without objection the reading of the amendment will be dispensed with.

The legislative clerk read as follows:

The Senator from Arizona (Mr. GOLDWATER) proposes an unprinted amendment numbered 347.

The amendment is as follows:

(1) On page 42, line 8 and line 10, redesignate clauses (1) and (2) of section 4(a) as clauses (2) and (3), respectively;

(2) On page 42, after line 7, insert the following new clause:

"(1) by inserting in clause (2) 'or clause (13)' after 'clause (1)';";

(3) On page 42, line 18, strike out "or";

(4) On page 43, line 2, strike out "propellants."." and insert in lieu thereof "propellants; or"

(5) On page 43 following line 2 insert the following:

"(13) involving frequent and regular participation in aerial flight by an officer in pay grade O–1 through O–10 while serving as an air weapons controller crew member, as defined by the Secretary concerned, aboard airborne warning and control system aircraft, as designated by such Secretary, when such officer is not entitled to incentive pay under section 301a of this title.".

(6) On page 43, strike out lines 5–9 and insert in lieu thereof the following:

"(c) Section 301(c) of such title is amended—

"(1) by striking out 'or (10),' and inserting in lieu thereof '(10), (11), or (12)';

"(2) by striking out '$55' and inserting in lieu thereof '$83';

"(3) by inserting '(1)' before 'For the performance'; and

"(4) by adding at the end thereof the following new paragraph:

'(2) For the performance of the hazardous duty described in clause (13) of subsection (a) of this section, an officer in pay grade O–1 through O–10 is entitled to monthly incentive pay as follows:

Pay grade	Years of service as an officer as computed under sec. 205— 2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10
O–7 and above	$200	$200	$200	$200	$200	$200	$200
O–6	225	250	300	350	400	400	400
O–5	200	250	300	350	400	400	400
O–4	175	225	275	335	400	400	400
O–3	125	156	188	206	400	400	400
O–2	125	156	188	206	250	300	300
O–1	125	156	188	206	250	250	250

Pay grade	Years of service as an officer as computed under sec. 205— Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 24	Over 25
O–7 and above	$200	$200	$200	$200	$200	$200	$200	$110
O–6	400	400	400	370	340	310	280	250
O–5	400	400	400	370	340	310	280	250
O–4	400	400	400	370	340	310	280	250
O–3	400	400	400	350	300	300	275	250
O–2	300	300	300	300	300	300	275	220
O–1	250	250	250	250	250	250	250	200 '.".

Mr. GOLDWATER. Mr. President, I want to join with my other colleagues who have recognized the importance of this bill, and I want to add my congratulations and thanks to the Senator from Iowa and the Senator from Nebraska for the long hours they have put on this piece of legislation which I consider to be as important a piece of business as we will discuss in this Congress relative to the defense of our country.

Mr. President, I offer this amendment because it is more or less in the nature of an emergency. The Air Force was not aware of the criticality when this bill was considered in the Committee on Armed Services. The amendment applies to increased pay for members of the AWACS, the aircraft warning and control system, that we are hearing so much about.

There is a shortage of experienced AWACS controllers, which is now severe and which will worsen. We are 24 percent short of captain through lieutenant colonel supervisory personnel, and with the expected increase in AWACS mission requirements we find these truths, that duty is very demanding. These men average 150 days a year on temporary duty, and, mind you, this is not temporary duty of the sort where you are transferred to an overseas location where you might take your wife and family. These men depart Oklahoma City, where the AWACS are stationed, and travel all over the world. In fact, Mr. President, in the last 3 years AWACS have been deployed to Iceland, Japan, Korea, Egypt, Saudi Arabia, and West Germany.

This is a very important thing to remember: When a man is transferred overseas and his family is allowed to go with him it removes most of the morale problem. But when a man is called on for temporary duty and he is not allowed to see his family this makes for problems for the man, problems at home, and eventually results in the man or woman leaving the service.

There has been inadequate money incentive for controllers. They receive only hazardous duty incentive pay, and in 1955 that exceeded 25 percent of basic pay. Today hazardous duty pay is less than 6 percent of the pay.

I feel it is necessary to submit this amendment even though I apologize again for the lateness. I did not have time until just a few moments ago to inform the authors of the bill that I was going to submit this amendment.

We need to increase hazardous duty incentive pay rates for weapons controllers or AWACS personnel. For example, we are required to have about 379 supervisory personnel. That is down to 288. We are required to have about 32 field grade officers, we are down to 12; and we are going to need a total of 900 by 1985 if we can keep this up.

I might add for the information of my colleagues that we now have 25 AWACS aircraft, and for those who may not know what I am talking about, the AWACS is a Boeing 707 basically, the same type of aircraft that many of us fly in across the country weekend after weekend.

In the Air Force it is known as a KC–135; the C–135. The "K" is a tanker, the "C" is a carrier that has been used. We have over 600 tankers in service in the Air Force.

This aircraft is marked by a very large antenna located a little more than halfway past the center of the fuselage, rising above it about 20 feet. The dish itself is probably 30 to 35 feet in diameter.

There are three flight crew officers in the cockpit; six officers in the aft den, who are called controllers. On each aircraft there are eight enlisted personnel.

We have no way of knowing as yet the number of ground personnel who are required to travel with this airplane. They are all stationed at Tinker Air Force Base in Oklahoma, and they have not determined the ground personnel requirement that would be necessary to travel with this very highly sophisticated aircraft, but I would make a guess it would be at least 50.

We are talking about something, Mr. President, with which we have never been confronted before, an aircraft of such high sophistication that we find all through the services, no matter where we look, a great shortage of enlisted and officer personnel of people in these specific electronics fields, and they are getting more and more difficult to find because as the Air Force, the Navy, the Marines, and the Army train these personnel, the electronics people are waiting right outside the school building with their hands to grab them at one, two, and three times the pay they would have received if they stayed in the service. Thank God we get enough dedicated men so that we are now able to man these aircraft. But if we continue without this type of amendment, it may become a little more difficult.

Just a few more facts, Mr. President, then I will be finished. The shortage of experienced AWACS controllers is now severe and, as I said, it will get worse. We were 24 percent short in the O3–O5 supervisory personnel and mission commanders. I mentioned the figure before, and that we are short quite a bit in that field. The increasing AWACS mission requirements and decreasing volunteers will exacerbate the problem. Field grade volunteers are almost nonexistent despite aggressive leadership efforts. In fiscal 1980 there were 12 field grade volunteers for 32 positions; in fiscal year 1981 there are 5 volunteers for 46 positions.

Further, AWACS requirements are increasing: from 27 in 1976, to 412 today, to over 900 by 1985.

Let me remind my colleagues that AWACS duty is arduous, perceived by weapons controllers as having very few rewards. I mentioned the number of countries they have been to.

Mr. President, when the present proposal to sell these AWACS to the Arabian Government comes on this floor, I hope to offer a substitute that will, instead of selling the aircraft, allow the U.S. Air Force to station the aircraft on fields in Saudi Arabia that are available and which the Arabians would agree to our using, because, frankly, and with all respect to the Saudi Arabians, I think it would take too long to train the rear-end people, the controllers, in this highly, highly complicated field in electronics, in addition to having to check their pilots, copilots, and engineers out, which, in itself, would be a rather demanding job. But that is another subject that continues with this problem we are having now.

There is an inadequate montary incentive. Existing HDIP is $110 a month, fixed in 1955. Since then, the CPI has tripled basic pay up 240 percent.

In 1955, the HDIP for an O–3 exceeded 25 percent of basic pay. Today it is less than 6 percent of basic pay. And there is the flight pay disparity, rated and nonrated, caused by the Aviation Carrier Incentive Act in 1974. Prior to 1974, all fliers received the same flight pay, about $100 to $245 a month. With ACIA, rated officer flight pay is restructured at existing rates but nonrated fliers, such as weapons controllers, are relegated to an HDIP of $110 a month, which was a pay cut for many. And many of us who flew in World War II can remember when this type of pay was 50 percent of your base pay, regardless of whether you were a second lieutenant, whether you were a sergeant, or whether you were a general. And it was added on to your total pay. Today it is set at a certain amount, which has also created a problem. I am not speaking to that today.

There are less desirable alternatives, but one which we may be forced to consider is to rate the 17XX's as observers and entitle them to continuous ACIP. The service Secretary has legal authority to rate. However, it is more costly: an additional $4.9 million versus $1.3 million, which assumes rating all of the 17XX's at existing manning level versus increasing HDIP to ACIP levels for only those who fly.

Mr. President, this is pretty much the story that I have to tell about this amendment. Again, I repeat that I am sorry that the Air Force did not realize that this problem existed at the time my two friends from Iowa and Nebraska were conducting their lengthy and thorough hearings or it would have been offered at that time. I know it is an imposition to come on the floor at this late date and ask that the chairman and the ranking minority member of this committee consider this amendment, consider taking it to the conference to see if something might not be done in order to alleviate a problem which, frankly, did not exist to the extent it exists today and which will continue to grow. It is an unusual request, I know.

As I say, I apologize, because I want to support this bill. I will support this bill to the fullest, even if the amendment is not accepted. But I did want the authors of the bill to know that this little additional problem has come up. I would hope that they would find it within their generous hearts to accept the amendment and see what we might do with it in the conference.

Mr. President, that is all I have to say on the subject. I yield the floor.

Mr. JEPSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, does the Senator have an estimate of the cost of this?

Mr. GOLDWATER. Yes. I am sorry. It would cost about $1.3 million.

Mr. JEPSEN. Each year

Mr. GOLDWATER. Each year, yes.

Mr. JEPSEN. And I understand that is based on about 400 of these slots at this time?

Mr. GOLDWATER. Well, it is based ultimately by 1985 on a total of about 900. Right now it is about 450.

Mr. JEPSEN. Is the $1.3 million based on what it is ultimately going to be or is it based on the 400 we have now?

Mr. GOLDWATER. The $1.3 million is based on what we have now and it would increase——

Mr. JEPSEN. To about $2.6 million, a little more than double?

Mr. GOLDWATER. Well, that is a good guess. Two times $1.3 million comes out exactly to $2.6 million.

Mr. JEPSEN. Mr. President, the Senator from Nebraska has some questions.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I thank my friend and colleague from Arizona for bringing this up. It may well be that something has been overlooked here. It was not done intentionally, certainly, on the part of the Manpower Subcommittee. As the Senator from Arizona said, this just came up. It came up in the last couple of days, as I understand it.

Checking with staff, I understand that when the Air Force first brought this up they had suggested wording so broad that we would have covered military people other than just the officers in the back of the AWACS aircraft that I understood would be addressed by the amendment offered by the Senator. I would like to ask the Senator from Arizona whether or not the enlisted personnel sitting next to that officer in the back of the aircraft would be compensated under his amendment?

Mr. GOLDWATER. Yes. Under the amendment, the enlisted personnel would receive actually a little bigger percentage of increase than would the officers. Many of the cockpit officers are now receiving flight pay or hazardous duty pay, while those enlisted men—there is a total of 17 in each aircraft. Eight of them wonld be enlisted personnel. They are not receiving hazardous duty pay, as we think of it. But they would receive this additional benefit by being a member of the AWACS crew called on for almost constant temporary duty.

If we are not successful in selling the aircraft to Saudi Arabia and end up having them stationed there with our personnel, at the rate of retention and repair we would probably have 20 of the 25 aircraft constantly someplace in the world.

I want to stand corrected. My assistant tells me that enlisted men are not included in this amendment. But the way I read it, they are.

Mr. EXON. If the Senator would yield, I am sure the Senator from Arizona has been through this on many, many occasions. It seems to me that he has brought up something that needs attention. Whether or not we have all the facts on this at the present time gives me some concern. It is the old situation that the reason we have committees and subcommittees is to take the time to look into these matters in great detail.

I am wondering if the Senator from Arizona has any information from his sources as to whether or not this matter is being discussed on the House side and whether or not an amendment like this might be offered and be a part of the House bill and that if that would happen it might be addressed in conference.

Mr. GOLDWATER. I am told that the House is considering it and the House is inclined to act favorably on this amendment. With learning that the enlisted man is not specifically involved, I would insist that the enlisted man be involved and should be.

Mr. EXON. I was just thinking out loud in offering a possible compromise on this. Since we know very little about it here, and since the staff has not studied it out, I am wondering if the Senator from Arizona would consider a compromise. Rather than putting it into our bill, if we could assume that it will be included in the House bill that would give us a chance to look into it in more detail and work it out in the conference committee.

Mr. GOLDWATER. I think the Senator makes a very sensible suggestion. I have to admit that I did not know of the existence of this problem as a problem until about 2½ hours ago. I think it is another typical example of the Pentagon screwing around until it is too late. This is so important I felt it my duty to bring it on the floor because I feel a great responsibility to the men who fly, whether they handle the aircraft or whether they are in the back seat twirling dials. I would accept the Senator's suggestion.

I would hope that during the course of any meeting with the House my two friends would bring it up and say, "What about our friends in the AWACS?"

Mr. EXON. I certainly appreciate that the Senator brought this up. I think it is a very important matter. Once again it is one of those situations that I am not sure we know enough about. I would be concerned about the fact that if we put it in our bill and if they put it in the House bill we would be sort of hamstringing the conference from making changes.

Does the chairman of the Manpower Subcommittee have any feelings on this?

Mr. JEPSEN. It is my understanding that both the staff and the Senator from Arizona have also stated that the House has declined to accept this and that they will not include it in their bill. Is that correct?

Well, staff further advises me at this point that the House has said that only if it is in our bill. They will not put it in our bill. However, if it is not in our bill, the House has indicated that they will put it in their bill.

On that basis, it seems to me, with that knowledge, since we have not had any time—and the distinguished Senator from Arizona only 2½ hours ago was advised of this—the logical thing to do would be to have the House go ahead and work it into their bill and then we would have a lot more time with our staffs to go into this matter and everybody in the conference would know what we were doing.

Mr. GOLDWATER. I am in agreement with the Senator. I thank both of my friends for their suggestion. I thank both Senators for allowing me to have the privilege of the floor to discuss this. It is a matter of record now. The House can read the RECORD and get our feelings on it. I would pray that they would go ahead with it. I see this as a very serious problem down the road. Again, I thank both my colleagues.

Mr. JEPSEN. I thank the distinguished Senator from Arizona. Let the RECORD show that this Senator feels it is a very important and serious matter and is worthy of further study and research. On that basis, we will proceed.

Mr. THURMOND. Mr. President, I rise in support of the pending amendment to enhance flying pay for aircrew duties aboard Air Force airborne warning and control system (AWACS) aircraft.

Mr. President, I think it worthwhile to view the current problem from a historical perspective. Since the early 1900's our military aviators have received flight pay of some type to compensate them for the hazards of flying and the irregular duty schedule, but primarily, to keep them in uniform. In many cases, the training and skills of flying crewmembers are readily transferrable to civilian jobs. Then in about 1950 we went to a system in which the man's flying pay increased with his rank and experience—to about $250 a month extra.

In 1974, Congress reevaluated the whole system of flying pay. We wanted to pay the most money to the pilots at the point in their career when they were deciding whether to stay or get out. We made a separate flight pay for them and pay for air weapons controllers performing aircrew duties aboard airborne warning and control system aircraft was reduced to $110 per month.

Congress did not realize that we needed to pay aircrew members more than that to get them to fly. At that time we could not imagine the technologically complex systems of today and the increasing requirement for highly skilled and trained air weapons controllers. However, we know today that these people have learned skills that are as transferrable to civilian jobs as those of the pilot. Simply stated we are now losing these technicians. The $110 a month is not enough to overcome the draw of civilian jobs coupled with the undesirable aspects of aircrew duty such as long periods of family separation and the inability to plan with certainty one's off-duty time.

Mr. President, if we expect to attract and keep the weapons controllers in flying duty, we must increase their flying pay to levels comparable with other crewmembers. Therefore, I urge support of this amendment.

Mr. EXON. Mr. President, I am won-

dering if the Senator from Arizona is prepared to withdraw his amendment.

Mr. GOLDWATER. Mr. President, I ask unanimous consent to withdraw the amendment I have offered.

The PRESIDING OFFICER. The Senator has the right to withdraw his amendment. The amendment is withdrawn.

Mr. EXON. Mr. President, I very much appreciate the fact that the Senator from Arizona brought up this matter. I think the discussion will lead to a resolution of this problem.

The PRESIDING OFFICER (Mr. KASTEN). The Senator from Iowa.

Mr. JEPSEN. Mr. President, I yield to the very distinguished Senator from Maine.

I thank the Senator for yielding.

Mr. COHEN. I thank the Senator for yielding.

Mr. President, the men and women serving in the Armed Forces of the United States badly need the military pay raise we are considering today.

The pay of military personnel continues to trail that of their civilian counterparts. Despite the initiatives taken by Congress last year—ones which provided increases not only in pay, but in a range of other compensation items as well—many young men and women in uniform are forced to make real sacrifices in return for the honor of serving their Nation.

The young people who are serving in the Nation's defense can rightfully take pride in the contribution they are making. They are responsible for defending our democratic ideals, and we should all give them the recognition—and the compensation—they deserve for the sacrifices they make.

As a member of the Senate Armed Services Committee and its Manpower Subcommittee, I have been especially aware of the problems faced by our military personnel. Repeatedly over the past 3 years, we have heard of the deep personal hardships they live with daily.

The subcommittee developed, and the full committee endorsed, the approach embodied in the bill we are considering today. It provides a targeted, rather than an across-the-board, pay increase. The level of increase is greater at key decision points for those considering reenlisting, and the problem of pay compression is eased by the graduated approach taken in the bill.

I think that this bill responds to our manpower needs better than does the across-the-board plan proposed by the administration. An across-the-board raise does nothing to deal with the compression problem, it does nothing to encourage retention of qualified personnel, and, I believe, it does not do that much to enhance recruiting.

Those joining the service deserve to be paid fairly. We do not want a repeat of the situation where entry-level pay rose only $3—from $75 to $78 per month—from 1946 to 1964. Still, I do not believe that the pay a recruit receives while in basic training is a driving factor in his or her decision to enlist, nor should it be. The services should emphasize what an individual could receive following completion of training if he or she is a good trainee and shows a positive aptitude for military service.

Today, the typical soldier or sailor has little to look forward to after years of dedicated, honorable service. An E–6 with 10 years of service—a typical soldier holding the rank of staff sergeant and having significant supervisory responsibility—receives only $943.50 per month. This NCO, the heart of our defense forces, makes only about $11,000 a year. That is unconscionable.

Under the Senate bill, that NCO would receive $1,125.60 per month. That means an annual salary of $13,507.20, still a pretty humble sum for a 30-year-old professional with a family who is probably working about 60 hours a week on behalf of his Nation.

A letter I received recently from a constituent placed into clear relief just how serious the problems facing our military personnel are. I would like to read excerpts of that letter to my colleagues at this time. He eloquently outlines the challenges he faces, and I believe they are typical of so many thousands of others.

> During my six-plus years in the Navy, I have watched various perks and benefits steadily disappear that have always been associated with the service . . .
>
> I have watched my pay, which was set up to give service people rough equality with civilian jobs, be the political football to be kicked around and be the subject to pay raise "caps" in a token to cut spending. Meanwhile welfare and other social programs have mushroomed. The net result has been a 20 percent pay cut. I work 70 to 80 hours a week for the Navy because of personnel shortages, yet several national magazines have suggested that I moonlight jobs. How can I? Why should I have to? I refuse to have my son effectively raised by babysitters so my wife can work (and pay the babysitter), but this is apparently what the government is telling me. The result of this policy was that last year the average Petty Officer Second Class (E–5) family of three was eligible for rent subsidies, fuel subsidies, a local nutritional program involving free dairy products for the needy, and food stamps. This is an E–5 with wife and child! An E–5 is in the middle of the enlisted pay structure and is used as a supervisor. I know, I was one of them. Many of these families were too proud to apply for these programs until encouraged by the command.
>
> When my submarine was ordered to Portsmouth Naval Shipyard in Maine for overhaul, everyone had to relocate in the area from Charleston, S.C. Taking myself as an example, I was given one month's quarters allowance and 7¢ a mile for my wife to defray moving expenses. My one-year-old son who needed baby food and formula on the road would not receive an allowance until he was three. At the time service members got 10¢ a mile to relocate. My shipmates and I were not allowed this dime per mile because "we were to ride the boat to the yards," implying that there was no cost in moving married sailors on the boat.
>
> The end result of this was sailing the boat to the yards, flying home to pack up and collect our families, and then driving from Charleston, S.C. to Maine for a total reimbursement of $285. It didn't even buy the airline ticket. Personally, it wiped out our savings account. For many others, it forced them further into debt. None of us have any hope of compensation.
>
> When we arrived no government housing was available, as is always the case. A short waiting list is considered less than one year. We have to live "on the economy" with our quarters allowance coming to about one-half of what we had to pay in rent and utilities.
>
> I wish to stress that this is not an isolated case, but that it happens constantly. Most servicemen and their families have borne these hardships and humiliations as a consequence of service life, hoping for the day it will once again be honorable to serve your country, and that the government will realize what it is doing and move to correct it.

That is the end of that particular letter which, I think, rather dramatically and eloquently states this individual's plight.

Finally, Mr. President, I commend the chairman of the Manpower Subcommittee, Mr. JEPSEN, and the ranking Democrat. Mr. EXON, for all their efforts to bring this pay raise bill before the Senate. Their thoughtfulness and attention to detail are, I believe, reflected in the targeted approach that the committee has taken.

Senator JEPSEN recently had an article in the Washington Star which reflects some of the concerns which he took into account in putting together this bill. The article, "Volunteer Military Can Work," touches on some of the criticisms made of the All-Volunteer Force and corrects some of the distortions of the manpower picture which have been made. It also makes an effective argument for the pay bill. I agree with his conclusion that "enhanced pay rates for middle and senior enlisted grades should provide a greater incentive for promotion, career advancement, and retention."

Mr. President, this bill is a good one. I hope it will receive the overwhelming endorsement of the Members of this body. I think it is important that we send a clear, positive signal to those in uniform. Their service to the Nation is invaluable. They deserve a fair living wage.

Mr. President, I wish to add just a few brief comments to some of the things I heard on the floor this morning—questions like, do we have enough national pride; is there a sense of real patriotism in our forces as they are currently structured?

During the August recess, I had an opportunity to take a brief trip out and spend some time on the U.S.S. *Eisenhower*. Frankly, I want to tell people who are here that I saw a unit—they had a light crew on that 2-day period, only 3,000 or 3,500 sailors aboard. I saw a great deal of patriotism, a great deal of pride, and I also saw a great deal of competence. That is the one thing we keep hearing over and over again, that this Nation has been unable for the past few years to attract sufficient numbers of qualified recruits. You read it, hear speeches about it, and those reports, I am suggesting to the Senate, that suggested the All-Volunteer Force is a failure, are a bit premature.

The All-Volunteer Force is having a robust year. As the New York Times reported in its Monday, September 7, edition, great strides have been made in

both recruiting and readiness. The Army, in particular, has made a dramatic improvement over last year's performance.

As of July, 69 percent of the Army's recruits were high school graduates, compared to 40 percent a year ago. Fully 72 percent of the Army's new volunteers were in the top three mental categories as shown by the enlistment test scores, as against 51 percent a year ago. Retention of critically needed career noncommissioned officers is also up.

The Times reports that the Army's state of readiness has been markedly upgraded. A year ago, the Army acknowledged that 6 of 10 divisions in the United States were unfit for combat, largely because of shortages of experienced sergeants. Today, Army officials say that 9 of the 10 are combat ready, though some deficiencies remain.

Army teams have done remarkably well in international competitions. Last month, Army helicopter pilots captured a competition which included precision flying, navigation, and similar skills. Army tank crews took third place in two competitions held in Europe this summer.

The bottom line is that the Army is doing very well. The pay increases and the other benefits in the measure passed by Congress last year have played a significant role in the strong reversal from the problems of the past few years. With continued congressional support and strong administration policies, the AVF can provide the capable, professional force we need for the Nation's defense.

Mr. President, I did want to add that because I think too often, we are too quick to criticize the quality, the sense of pride, and the competence of the members of our Armed Forces. We do them a great injustice when we make statements to that effect. So, contrary to the notion that has been advanced that we are somehow less patriotic today, I think it is a question of let us look back at the quality of life, let us look back at the constituent who wrote to me and saw the kind of conditions he and his family would have to endure before we start to point the finger of criticism at those individuals.

I have heard some rumors to the effect that the administration perhaps might give consideration to delaying or deferring this particular pay raise in an effort to cut down on the budget deficit. Let me simply say that in my judgment, Mr. President, there could be no bigger mistake. We delayed a partial pay raise in July. If we delay it further, we are going to send exactly the wrong signal to the very people we want and we need.

Mr. President, I ask unanimous consent that the New York Times article of September 7, 1981, be printed at this point in the RECORD.

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

[From the New York Times, Sept. 7, 1981]

ARMY REPORTING KEY GAINS IN RECRUITING AND READINESS

(By Richard Halloran)

WASHINGTON.—A year after being called "hollow," the Army is reporting significant gains in attracting recruits and in the readiness of its trained forces.

Recruiting of new soldiers is up, officials say, more high school graduates are enlisting, retention of skilled sergeants and specialists has increased, helicopter crews won an international competition that included Russian rivals, tank units have placed well in other international competitions, and combat divisions within the continental United States have become better prepared to fight.

Gen. Edward C. Meyer, the Army Chief of Staff, said in a recent interview that his first priority was "to fix the things that are broken." Senior officers here asserted that the various accomplishments over the summer had moved the Army in that direction, although no one was ready to proclaim victory yet.

A little more than a year ago, General Meyer said in Congressional testimony that he commanded "a hollow army" that had been weakened by shortages of personnel, training, weapons and maintenance.

98 PERCENT OF RECRUITING GOAL

In the last few months, however, recruiting figures have shown that the Army had filled 98 percent of its quota for the first half of the fiscal year, bringing in 96,300 men and women, including 15,500 who had served before. The Army had poor recruiting years in 1978 and 1979 but the situation improved in 1980.

More important than the numbers, in the eyes of critics of the Army, better qualified young men and women have been signing up in enough numbers to meet standards set by the Congress. As of July, 69 percent of the Army's recruits were high school graduates, who, experience shows, usually make better soldiers than those who dropped out. A year ago, only 40 percent of the recruits were high school graduates.

Similarly, 72 percent of the Army's newest members were in the top three mental categories as shown by the enlistment test scores, as against 51 percent a year ago.

A year ago, Army officers acknowledged that six of 10 divisions in the United States were unfit for combat, largely because of shortages of experienced sergeants. Today, Army officers say that nine of the 10 are combat ready, although they acknowledge that some deficiencies remain.

The officers said that the turnaround had come about as a result of General Meyer's order last year that 6,000 senior sergeants come home from Europe to serve with divisions here. The increased retention of other sergeants has also helped, the officers said.

A recent report on enlistments showed that the percentage of blacks joining the Army dropped from 28 percent of new recruits in the first half of the fiscal year 1980 to 25 percent in the same period this year. The other services have experienced a similar trend.

In its efforts to retain experienced sergeants and specialists, the Army has seen modest but noticeable achievements. Nearly 60 percent of those eligible this year to reenlist for the first time have done so, as against 55 percent last year.

Among "mid-termers," men and women who have re-enlisted once but served less than 10 years, the Army is close to achieving 100 percent of its objective.

REASONS FOR GAINS

Army officers and civilian manpower officials have attributed that to better pay and the promise of further increases in compensation, to high unemployment in the civilian economy and to General Meyer's efforts to bring more cohesion and stability to Army life.

A year ago, the Army was often criticized because soldiers did not score well on various proficiency tests or in international competitions.

Last month, helicopter pilots from the 101st Airborne Division, posted at Fort Campbell, Ky., came from behind in a four-day competition in Poland to beat the West Germans by two points, the Poles by 20 points and the Russians by 138 points. The competition included precision flying, navigation and similar skills.

In May, a tank unit from the 11th Armored Cavalry Regiment, stationed in West Germany, came in third in a competition of 20 teams from West Germany, the Netherlands, Canada, France, Britain, Belgium, and Italy. Two West German teams, often considered to have the world's best tank units, placed first and second. A second American team came in seventh.

In a simulated battle competition in June, another tank team posted in West Germany took third place behind German and Belgian crews but ahead of Canadian, British and Dutch teams that were vying for the 1981 Canadian Cup.

Mr. EXON. Mr. President, I thank my distinguished colleague from Maine for his thoughtful remarks, well said and well done. I think they add a great deal to the record.

If I may, at this time, I yield 3 minutes to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I thank the Senator from Nebraska. I am delighted to have had a chance to hear the remarks of the Senator from Maine. I support his remarks. I think there is no question that any organization's strength depends primarily on the quality of the people who are in that organization. The Army, Navy, and Air Force are no exception to that. The kind of people we have does depend, of course, in large part on the kind of pay they get. You get what you pay for. So I am very happy that the committee has brought before the Senate this improvement in pay. I am certainly enthusiastic about it and will vote for it. I feel that we should continue to pay our people in the military much better than we have in the past.

STUDENT LOAN REPAYMENT AMENDMENT

Mr. President, I had expected to offer an amendment to this bill today which would have granted a 2-year extension to a test program the Department of Defense is conducting in which enlistees have their Federal student loans paid off in return for military service.

This program is a useful recruiting and retention incentive for the Pentagon—especially the Selected Reserves. It will help provide our military forces with the type of personnel so desperately needed—those with a college education.

I understand, however, Mr. President, that this same matter has been considered in the ongoing conference on the Department of Defense authorization bill. It was included in the House version of that bill but was not considered on the Senate side. I have heard that the conferees have discussed this issue in conference and have decided to include a 2-year extension in the final conference report.

If that fact can be confirmed by the acting manager of the bill, the distinguished Senator from Iowa (Mr. JEPSEN), I shall certainly withdraw this amendment and support the conference report when it comes back to the Senate. Is it possible for the distinguished manager of the bill to confirm or deny the report on this matter?

Mr. JEPSEN. Mr. President, it is my understanding, and I have been advised and have the same information the Senator does, that it was put on and accepted by both the House and the conference committee. So that is where it stands. It is in the bill.

Mr. PROXMIRE. Mr. President, I thank my good friend from Iowa for his confirmation.

Mr. President, the student loan repayment program is a 1-year program that was included in last year's defense authorization. It was supposed to begin on October 1, 1980, but because of delays in funding and implementation, the Defense Department did not get the program started until this past March.

The loan repayment program is scheduled to end on September 30 of this year, which does not give the Defense Department much test time to tell whether it worked.

Extending the program would give the services more time to determine the effectiveness of pinpointing enlistment incentives to people with some college training behind them.

It is hard to see how we can go wrong with this test program. Even if it fails and does not attract any applicants, it will cost DOD very little, since the Department would pay out few benefits.

Under this program, a person enlisting in critical military occupational specialties in the active forces can have up to one-third of his student loan paid off each year by the Defense Department. This is a student loan the person incurred before he or she enlisted.

A person enisting in the selected Reserve can have up to 15 percent of his student loan paid off each year. What is more, the Reserves are permitted to offer an additional benefit of paying off a soldier's student loan incurred during enlistment, if the soldier reenlists.

In each case, the soldier gets the repayment after each year of completed service in a DOD designated critical military skill.

Only service members with a high school diploma who have attended a college or post-secondary institution and who obtained a loan under the guaranteed student loans, Federal insured student loans or national defense student loans can qualify for the repayment. The maximum amount that can be repaid is $7,500, which is the maximum amount loaned under these Federal programs.

The active forces expect about 3,000 persons to sign up for the program before it presently is scheduled to end on September 30. The selected Reserves have no figures on how many people they expect to participate; however, the Reserves have identified more than 15,000 weekend warriors who would be eligible for the program.

Indeed, the Reserves are particularly enthusiastic about the loan forgiveness program. They see it as just the right recruiting incentive for a student who is presently going to college on a student loan. That person could still attend college, while picking up extra cash at a weekend drill once a month and having his student loan repaid by the military in the process.

For both the Reserves and the active forces, the loan repayment program also offers a retention incentive. A person who enlists under the program—remember, this is a person with not only a high school diploma, but also college training—has an incentive to remain on active duty or in the Reserves until his entire student loan is paid off.

In other words, this is an incentive to stay in the service to receive educational benefits, rather than an incentive to get out in order to obtain an education.

Mr. President, I ask unanimous consent that a copy of my amendment be printed in the RECORD at this point.

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

On page , line , insert the following:

At the appropriate place in the bill insert the following new section:

Section 902(g) of the Department of Defense Authorization Act, 1981 (Public Law 96-342; 94 Stat. 1115), is amended by striking out "October 1, 1981" and inserting in lieu thereof "October 1, 1983".

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

UP AMENDMENT NO. 348

(Purpose: To delete from the bill provisions pertaining to Selective Service System draft enforcement)

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

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. EXON), for himself and Mr. JEPSEN, proposes an unprinted amendment numbered 348.

Mr. EXON. I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 85, beginning with line 7, strike out all down through line 3 on page 86.

On page 86, line 6, strike out "Sec. 29" and insert in lieu thereof "Sec. 28."

On page 87, line 2, strike out "Sec. 30" and insert in lieu thereof "Sec. 28."

On page 87, line 8, strike out the words and figures "24 and 28" and insert in lieu thereof "and 24."

Mr. EXON. Mr. President, Senator JEPSEN and I are jointly sponsoring this amendment to delete from S. 1181 a provision enhancing enforcement of selective service draft registration.

We are jointly taking this action because a similar provision to accomplish the same purpose will be included in the fiscal year 1982 defense authorization conference report and there is, therefore, no need to keep it as a provision of this bill.

Mr. JEPSEN. Mr. President, that is my understanding. If there is no objection to the Senator from Nebraska's proceeding to unanimous consent to have his amendment adopted, I am willing.

The PRESIDING OFFICER. Do Senators yield back their time on the amendment?

Mr. EXON. The time on this side is yielded back.

Mr. JEPSEN. The time on this side is yielded back.

The PRESIDING OFFICER. All time have been yielded back, the question is on agreeing to the amendment.

The amendment (UP No. 348) was agreed to.

Mr. EXON. Mr. President, I move to reconsider the vote by which UP amendment No. 348 was agreed to.

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

The motion to lay on the table was agreed to.

Mr. ARMSTRONG addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Colorado?

Mr. JEPSEN. I yield to the distinguished Senator from Colorado such time as he may desire.

Mr. ARMSTRONG. I thank the Senator.

Mr. President, I enthusiastically endorse S. 1181, the Uniformed Services Pay and Benefits Act of 1981. I join my colleagues in congratulating the distinguished chairman of the Manpower Subcommittee, my friend from Iowa, Senator JEPSEN, for the leadership and foresight he has given to this issue, and I congratulate the distinguished minority manager of this bill and the Armed Services Committee itself.

While S. 1181 does not do everything that I believe should be done, it is, in my opinion, an extraordinarily good piece of legislation and undoubtedly is the best bill that could have been produced in the reasonable amount of time available to the committee. It makes the best use of the money we can afford to spend on military compensation. That is the critical issue.

It would be very easy for me or for other Senators to say that we should do more, that we should give more in certain areas, that we should give greater incentives. However, we have to keep our eye on the time we have available and the amount of money we can devote to this purpose.

I believe that the Armed Services Committee has done an extraordinarily thoughtful and responsible job.

The healthy raises provided to career personnel in S. 1181 should greatly alleviate the critical problem of retention, to the extent to which that problem can be attributed to inadequate compensation.

Furthermore, the differentiation among pay grades in the sizes of the raises provided should do much to relieve the problem of pay compression, which itself has become a major contributor to the retention problem.

A further virtue of S. 1181 is the extent to which it brings into harmony the views of those who, like myself, support our historic tradition of a volunteer military in peacetime, and the views of those who believe our military manpower problems ultimately cannot be resolved without a return to the draft.

But valuable as it will be, S. 1181, by itself, is not enough. It is only half a

solution to the military manpower problem. The other half is enactment of a new GI bill.

I have long believed. Mr. President, that the principal cause of our military manpower problems has been the 8 years of pay caps, pay redistributions, and neglect of the needs of our service men and women by previous Congresses and previous administrations. I think the belief I have long held is shared by most members of the committee and, I trust, by a majority of the Members of Congress. I feel vindicated in that belief by the increase in reenlistment rates we have seen since enactment of the 11.7-percent pay increase Congress voted last year, the first year in many years in which our service men received a full cost-of-living wage. S. 1181 is certain to bring forth even happier results in the area of retention.

Therefore, I should like to take a few minutes to discuss the other half of this problem, the increasingly serious issue of recruitment. We must not delude ourselves into thinking that higher pay and benefits would be an effective solution to this problem, because recruitment is more than a problem of numbers; it is a problem of policy. We have volunteers enough to man the All-Volunteer Force at peacetime strengths. The difficulty is that too many of those volunteering possess neither the aptitude nor the attitude required to successfully perform their military jobs.

Whereas the retention problem can be traced directly to inadequate pay and benefits for career military personnel, the recruitment problem stems more from a tragic mistake in philosophy that was made at the time the All-Volunteer Force was created.

Many of the architects of the All-Volunteer Force were academicians and economists who meant well, but who understood little about soldiers, and less about soldiering. They assumed, incorrectly, that military service was a "job like any other job," and that the ranks could be filled by young men and women responding to "marketplace incentives"—chiefly, to cash payments.

But service in the Armed Forces is not a job like any other job. It is a job like no other job. "Marketplace incentives" are among the weakest of incentives for military service, and have their greatest appeal to those least qualified for military service.

Young men and women contemplating enlistment into the Armed Forces can be grouped into three categories:

First, there is that relative handful of youngsters who know at age 18 or 19 that they wish to make the military their career. Higher pay and benefits for the career force, of which they intend to become a part, will have as much or more appeal to them as "cash up front."

Second, there are those upwardly mobile young men and women who have no intention of making the military their career, but who out of a combination of motives—patriotism, a search for adventure, a desire to prove or improve themselves—will consent to serve in the Armed Forces for a single enlistment. There is, at present, no realistic incentive for these young people to enter the Armed Forces. The Armed Forces desperately need a large infusion of this kind of upwardly mobile young men and women.

Third, there are those young people who have no particular interest in either military service or in self-improvement, but cannot find a job anywhere else. I regret to say that it is to these young people that the so-called marketplace incentives have their greatest appeal.

The GI bill concept, which I favor, has been endorsed by a great many Members of this body. I am pleased to report that the measure I have introduced as the GI bill has been sponsored by more than twoscore Members of the Senate and is also under serious consideration by a large number of our colleagues in the other body. By contrast, that concept would appeal directly to the forgotten citizen-soldiers, the upward mobile young people I described a moment ago, the men and women we need so badly but are increasingly difficult to attract to the armed services.

S. 1181, coupled with enactment of a new GI bill of rights, will be a far more effective, and cost-effective solution to the military manpower problem than continued reliance on marketplace incentives alone.

S. 1181 will cost about $400 million a year less than the administration's across-the-board pay proposal, but will do more to solve the problem of retention, since more of the money would be channeled into the pay grades where shortages are most acute.

A new GI bill will be much more effective in providing volunteers in the number and quality the Armed Forces require than the extra $20 a month or so they would receive from an across-the-board pay raise, but will cost taxpayers nothing at all for at least 2 years—and I stress this—and will generate countervailing savings in the Department of Defense that will make the GI bill a money-making proposition for the taxpayer for at least 3, and for possibly as many as 5, fiscal years.

I am convinced that the targeted pay increase provided in S. 1181, aimed at retention, and enactment of a new GI bill, aimed at recruitment, will solve our military manpower problems without the need for conscription.

But while a new GI bill would, in my judgment, obviate the need for a draft, it is by no means inconsistent with the draft concept. In fact, the argument for a new GI bill becomes stronger if we must return to conscription. If GI bill education benefits are a just and proper reward for young people who voluntarily set aside their career plans for the 2, 3, or 4 years necessary to serve their country, it is an essential compensation for those we forcibly deflect from their career paths.

When we enact the Uniformed Services Pay and Benefits Act, we will have done half of what we need to do to solve our military manpower problem and to preserve the All-Volunteer Force. We can be proud of that accomplishment.

But I just wish to direct the attention of the Senate to what I think is the equally important second half of our task, and that is the enactment as companion legislation to this bill of a new GI bill of rights.

Mr. President, on that note, I yield the floor, again expressing my admiration and compliments to those who have brought this very important and very worthy and meritorious legislation before the Senate.

Mr. JEPSEN. Mr. President, I thank the distinguished Senator from Colorado. He is recognized as the leader in this field, and we are all in debt to him for his leadership and his past service and all the things that he plans for the future. He has had my support and will continue to have my support in all these efforts.

Mr. President, I now yield time to the distinguished Senator from Texas for whatever time he needs for his proposed amendments.

Mr. TOWER. Mr. President, I thank my distinguished colleague from Iowa. I will seek recognition of my own time for the purpose of offering amendments. I understand there is controlled time on amendments. These amendments have been discussed with the managers of the bill, the distinguished Senators from Iowa and Nebraska. I believe at this point they are noncontroversial. I recognize that they are not in the House bill and may be subject to conference. But I think they are matters that should be given very serious consideration because they are addressed to a couple of rather pressing problems we have.

UP AMENDMENT NO. 349

(Purpose: To provide for an initial upfront $3,000 accession bonus for officer volunteers for the Surface Naval Nuclear Program)

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

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from Texas (Mr. TOWER), proposes an unprinted amendment numbered 349.

Mr. TOWER. Mr. President. I ask unanimous consent reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 86, line 25, insert the following: $3000 Accession Bonus for Surface Nuclear Power Applicants.

SEC. 30. Section 312b of title 37, United States Code, as amended by the Uniformed Services Pay and Allowances Benefits Act of 1980, is amended—

(a) by striking out "submarine" in paragraph (a)(1).

On page 87, line 2, strike out "SEC. 30" and insert in lieu thereof "SEC. 31".

On page 87, line 8, strike out "and 28" and insert in lieu thereof "28, and 30".

Mr. TOWER. Mr. President, the purpose of this amendment is to add funding to the fiscal year 1982 Defense Authorization Act for an initial up front $3,000 accession bonus for officer volunteers for the surface naval nuclear power program. This bonus was authorized for volunteers for submarine officer nuclear

power training in the Military Pay and Allowances Benefits Act of 1980.

Legislation enacted prior to 1980 authorized a $3,000 bonus to be paid to all junior officer graduates of naval nuclear power training. This bonus is payable to junior officers upon completion of training regardless of whether they were surface or submarine designated. This bonus remains in effect. The up front bonus authorized last year provides an additional $3,000 to be paid to junior officer submarine volunteers for nuclear power training upon their acceptance into the program. This up front bonus provides a tremendous incentive for the 20-year-old midshipman to choose submarine instead of surface nuclear power training.

The effects of this incentive were very apparent in the Naval Academy and NROTC graduating class of 1981. Only 14 Naval Academy and 30 NROTC graduates chose surface nuclear power, while 205 Naval Academy and 162 NROTC graduates chose submarine nuclear power. The nuclear submarine community achieved 76 percent of its accession goal while the nuclear surface community achieved only 55 percent of its accession goal. Although the submarine force did not achieve their total accession goal, they did better than anytime in recent history. On the other hand, the 55 percent of the surface nuclear goal obtained in 1981 is the worst in history.

Many officers from the class of 1981, who declined to volunteer for nuclear power training, have indicated they would have reconsidered had the $3,000 up front bonus been available for nuclear surface volunteers. As many as 25 additional qualified volunteers may have been obtained. It is reasonable to assume that at least this number could be obtained from the class of 1982 if this amendment is enacted.

The surface nuclear Navy expanded from 4 ships in 1970 to 13 ships in 1980. This congressionally directed expansion was accomplished at great expense to the surface nuclear trained officer community. Inability to fully predict the rapid expansion, coupled with low retention of nuclear trained officers in the 1970's, resulted in repetitive shipboard engineering tours for those officers who remained. These repetitive engineering tours deprived surface nuclear trained officers of opportunities to achieve other career goals normally expected to be accomplished in the career pattern for surface warfare officers. This fact, combined with family pressures caused by longer than expected sea duty assignments resulted in additional surface nuclear trained officers leaving the service.

Extensive use of lateral transfers of middle-grade officers into nuclear power training and increased recruiting of new accessions has nearly brought this small community of dedicated officers back to the point where they can look forward to a predictable career pattern and normal sea/shore rotation. Availability of the $3,000 up front bonus will attract the additional officers to the surface nuclear power program necessary to maintain the officer strength at this acceptable level. Failure to enact this bonus will lead to a repeat of the officer shortages of the past.

Mr. President, the Secretary of the Navy has testified before Congress that the Navy needs 15 battle groups to effectively carry out national policy and the defense of our Nation. There are now three nuclear powered aircraft carriers and nine nuclear powered cruisers operational with another nuclear powered aircraft carrier scheduled for delivery in early 1982. Congress has fully authorized funding for an additional nuclear powered aircraft carrier which will begin construction this year and must be manned in late 1984. There is high probability of two other nuclear aircraft carriers being funded for delivery in the late 1980's. There is little doubt that these nuclear powered aircraft carriers with their nuclear powered cruiser escorts will form a significant portion of the 15 battle groups. We must provide the incentive now so as to have sufficient middle grade nuclear trained officers available in the latter half of this decade to man these nuclear powered surface ships.

The rationale for this amendment is that there is strong incentive for those who seek a career in the Navy as nuclear officers to go into submarine service, and there is not a comparable incentive to become surface nuclear officers. As a result, we are suffering serious shortages and accession into the officer ranks for surface nuclear vessels for this nuclear specialty, and these officers are very much in demand, and we have to recognize in addition to nuclear submarines we have nuclear carriers and nuclear cruisers, all requiring men with these nuclear skills.

This amendment is designed to provide an added incentive for the nuclear officer surface force.

I have discussed the amendment with both Senators JEPSEN and EXON, and it is my understanding they are prepared to accept the amendment.

Mr. EXON. Mr. President, I agree with the chairman of the Armed Services Committee, my friend, Senator TOWER.

The matters that he has brought up here need discussion and will be discussed.

I am prepared to accept the amendment.

Mr. JEPSEN. Mr. President, I also agree with the remarks and the intent of this amendment by the Senator from Texas, the distinguished chairman of the Armed Services Committee.

Mr. TOWER. I thank my distinguished friend from Iowa.

Mr. President, I yield back the remainder of my time.

Mr. EXON. Mr. President, time is yielded back on this side.

The PRESIDING OFFICER. Does the Senator from Iowa yield back time on the amendment?

Mr. JEPSEN. Yes. I think the Senator is in control of all the time on his amendment. We will all yield back time and then we are ready to act on the amendment.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Texas.

The amendment (UP No. 349) was agreed to.

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

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

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 350

(Purpose: Sea pay to members of two-crew vessels)

Mr. TOWER. Mr. President, I send to the desk an amendment on sea pay to members of two-crew SSBN vessels and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an unprinted amendment numbered 350.

The Senator from Texas (Mr. TOWER) proposes an unprinted amendment numbered 350.

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

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 86, line 25, insert the following:

Sea Pay to Members of Two-Crew Vessels.

SEC. 30. Section 305a of title 37, United States Code, relating to career sea pay, as amended by the Military Pay and Allowances Benefits Act of 1980, is amended by inserting "such service to include periods as a member of the off crew of a two-crewed submarine" after "underway" "in paragraph (d)(1).

On page 87, line 2, strike out "SEC. 30" and insert in lieu thereof "SEC. 31".

On page 87, line 8, strike out "and 28" and insert in lieu thereof "28, and 30".

Mr. TOWER. Mr. President, the purpose of this amendment is to authorize payment of career sea pay to personnel on two-crewed vessels such as fleet ballistic missile submarines while they are in an off-crew status.

The Military Pay and Allowances Benefits Act of 1980 significantly increased sea pay entitlements and extended payment for the first time to officers. It did not, however, recognize the unique manning of our country's seagoing strategic deterrent forces. To take advantage of the ballistic missile submarines' ability to remain at sea longer than the people who man them, the Navy operates these ships with two crews.

As a consequence, the Navy is able to gain far more target coverage for the same capital investment. Maximizing the amount of time that our ballistic missile submarines are submerged on station, even with two crews, requires the officers and men who sail in them to be at sea about the same amount of time and deployed a greater amount of time than the crews of other Navy ships.

Because of the current wording in the sea pay law, however, they are paid sea pay only when they are embarked in the submarine. As a consequence, these men are paid only about half the amount of

sea pay that their contemporaries in the rest of the Navy receive for the same amount of time at sea. To penalize these sailors, who spend over 50 percent of their time away from home manning the Nation's sea-based strategic deterrent force by denying them their total due sea pay is a serious inequity.

An important part of the sea pay authorization is the $100 per month premium paid to personnel with greater than 3 consecutive years at sea. Because the law requires members to be in sea going vessels to draw sea pay, Navy policy also allows accumulation of sea time and credit for the consecutive sea time premium only when attached to a ship. Thus the sea time "clock" goes to neutral during SSBN off-crew periods. This precludes eligibility for the sea pay premium for SSBN crew members in virtually all cases.

Additionally, since officers must serve at sea 3 years in order to establish initial sea pay eligibility, junior officers cannot receive any sea pay until late in their second or, in some cases, their third sea tour. Eligibility for sea pay, before an officer completes his minimum obligated service will certainly be a positive factor in slowing the exodus of our junior officers and make sea pay the retention incentive it was intended.

With over 8,800 personnel affected by the proposed amendment, the cost is estimated at $7.2 million. This is, indeed, small in comparison with the expenditure for SSBN submarines we did not have to make due to the unique two-crew concept.

Mr. President, because the Navy is concerned with righting this inequity imposed on its personnel through no fault of their own, it is prepared to absorb the cost of the implementation year within its total obligational authority. Additionally, the Navy warfare specialty commanders in the aviation, submarine and surface communities agree that this unique situation merits singular consideration and assure me that this amendment is not a forerunner of other special case considerations. This unanimity reflects the concern the Navy attaches to this request.

This is to correct what we believe to be a deficiency and is designed to be an incentive and a compensation to these crews for our SSBN vessels that do have to remain on station for a prolonged period of time.

I have discussed the issue with both the chairman of the subcommittee, Mr. JEPSEN, and the ranking minority member, Mr. EXON.

It is my understanding they are agreeable to this amendment, and I am prepared to yield back the remainder of my time.

Mr. EXON. Mr. President, I am prepared to accept this amendment offered by the chairman of the Armed Services Committee, and since there is no further request for time on this side, I am agreeable to yielding back our time.

Mr. JEPSEN. Mr. President. I agree and accept the amendment by the Senator from Texas and yield back our time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Texas.

The amendment (UP No. 350) was agreed to.

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

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

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 351

(Purpose: Technical amendment to section 5(a) pertaining to payment of aviation career incentive pay)

Mr. JEPSEN. Mr. President, I am proposing a technical amendment to section 5(a) of this bill, and I now send this amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Iowa (Mr. JEPSEN) proposes an unprinted amendment numbered 351.

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

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

The amendment is as follows:

On page 44, strike out lines 2–10 and insert in lieu thereof the following:

"SEC. 5. (a) Paragraph 5 of section 301a(a) of title 37, United States Code, is amended by adding at the end thereof the following new sentence: 'All entitlement to continuous monthly incentive pay ceases for officers in pay grades O–1 through O–10 upon completion of 25 years of officer service, but officers in pay grades O–1 through O–6 remain entitled to monthly incentive pay in the amount set forth in subsection (b)(1) of this section for an officer with over 25 years of officer service for the performance of subsequent operational flying duty.'.".

Mr. JEPSEN. Mr. President, I am offering a technical amendment to section 5(a) of the bill, which deals with payment of aviation career incentive pay. The intent of section 5(a) of the bill as reported was to permit the payment of aviation incentive pay to officers below the grade of O–7 in each month in which those officers actually perform operational flying duty after their entitlement of continuous monthly incentive pay expires at 25 years of officer service. However, section 5(a) of the bill will not achieve this result. My amendment will insure that the bill accomplishes the purpose intended by the Committee on Armed Services. I request unanimous consent that this purely technical amendment be accepted.

Mr. EXON. Mr. President, the technical amendment offered by the Senator from Iowa is certainly in order and I thank him for bringing this matter to the attention of the Senate.

I am prepared to accept the amendment and yield back any time on this side.

Mr. JEPSEN. Mr. President, I yield back the time and ask that the amendment be agreed to.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Iowa.

The amendment (UP No. 351) was agreed to.

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

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. JEPSEN. Mr. President, I ask unanimous consent that the following be added as cosponsors to S. 1181: Senator DENNIS DECONCINI, Senator JOHN TOWER, and Senator ROBERT W. KASTEN.

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

Mr. JEPSEN. Mr. President, I ask unanimous consent that I may be able to suggest the absence of a quorum without that time being charged to the time allotted to the bill.

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

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

UP AMENDMENT NO. 352

(Purpose: To amend the Military Selective Service Act to permit persons over 65 years of age and retired military personnel to serve on local boards of the Selective Service System)

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

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Minnesota (Mr. BOSCHWITZ) proposes an unprinted amendment numbered 352.

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

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

The amendment is as follows:

On page 86, after line 24, add the following new section: Amendments to the Military Selective Service Act to permit persons over 65 years of age and retired military personnel to serve on local draft boards.

SEC. 30. Section 10(b)(3) of the Military Selective Service Act (50 U.S.C. App. 460(b)(3)) is amended—

(1) by striking out "who has attained the age of 65 or" in the sixth complete sentence thereof; and

(2) by striking out "No member of any local board shall be a member of the Armed Forces of the United States, but each member of any local board shall be a civilian who is" in the tenth complete sentence and in-

serting in lieu thereof the following: "No member of the Armed Forces, other than a retired member, may serve as a member of a local board or appeal board. Each member of a local board shall be".

On page 87, line 2, strike out "Sec. 30" and insert in lieu thereof "Sec. 31".

On page 87, line 8, strike out "and 28" and insert in lieu thereof "28, and 30".

Mr. BOSCHWITZ. Mr. President, my amendment seeks to rectify a clear case of discrimination against two groups of American citizens. I'm speaking about the current prohibition against those over 65 years old and retired military personnel serving on local Selective Service Boards. These boards now exist on a stand-by basis, since we no longer have a draft. However, the boards stand ready to go in cases of an emergency.

My amendment would amend the Military Selective Service Act to allow those people over 65 and retired military personnel to serve on the Board. It is my understanding that the committee is willing to accept the first portion of my amendment, but not the second. We will engage in a short colloquy about that in a moment.

The prohibition against those over 65 serving on draft boards was enacted during the Vietnam era to remove the perception that "old men were sending young boys off to war." Mr. President, this provision was perhaps understandable at that moment, when a long and controversial war nearly ripped the social fabric of our country apart and pitted young against old in what some called the "generation gap." But I believe times have changed and we have all calmed down enough to realize that senior citizens are by no means insensitive to the needs of young people.

I am convinced that a person over 65 can and does understand the outlook of sincere conscientious objectors, for example.

Further, since State Selective Service directors and Governors actually nominate board members, lifting the over 65 ban would not mean all the members of a board would be over 65.

Retired military personnel have been prohibited from serving on draft boards because of the feeling that once a person is in the military, he is always in the military. Since retired military personnel receive pensions, it has been thought that they would have a "conflict of interest" if they serve on draft boards. But again, Mr. President, this logic rests on a false assumption; namely, that military retirees are somehow biased toward individuals who apply for exemptions. This is not the case; who better than a military man knows that a sincere conscientious objector does not belong in a combat unit? There is simply no reason to assume bias on the part of retired military people.

Mr. President, I firmly believe that we should not discriminate against these two groups of people. At this time, I would like to yield to the Senator from Iowa for his comments on this matter.

Mr. JEPSEN. Mr. President, we very much thank the distinguished Senator from Minnesota for the first half of his amendment and we recommend that it be added to this bill. The fact that we have an awful lot of know-how and knowledge in this country has been rather obvious with our great technological advances, with the quality of life and the space shuttles we have had. We have a lot of knowledge without wisdom and I think the wisdom comes from the experience. And the experience of years certainly is welcomed and needed when we get into the Selective Service boards. I think the amendment to include or to make people eligible over 65 is just a stroke of genius, I say to the Senator. I thank him for it.

Mr. BOSCHWITZ. I understand that the chairman's subcommittee would like to delay the second part of the amendment, which would allow retired military personnel to also serve on these boards, inasmuch as retired military personnel could be recalled to active duty. Because of that he would not accept the second part but will hold hearings on this issue later on, probably in October.

Mr. JEPSEN. Mr. President, I assure the distinguished Senator that we will hold hearings and/or get additional information and research to the distinguished Senator and to the committee on the subject. There is a problem, as has been voiced to the Senator, with regard to members of the board staying on the board that in fact would be classifying and calling people into service when, in fact, they would have a service obligation and a retired status that would mandate them to go if called without selective service action. We want to check that more thoroughly.

Mr. BOSCHWITZ. Fine, I am willing to, therefore, delete the second part of my amendment, which is numbered (2) on the amendment that I submitted to the desk. I think that, inasmuch as hearings are going to be held quite shortly and there may be some ramifications to the matter that are not readily apparent, I would be very happy to withdraw that part of the amendment and I do so at this time.

The PRESIDING OFFICER. The Senator has a right to modify the amendment. The amendment is modified.

The amendment, as modified, is as follows:

On page 86, after line 24, add the following new section: Amendments to the Military Selective Service Act to permit persons over 65 years of age to serve on local draft boards.

SEC. 31. Section 10(b)(3) of the Military Selective Service Act (50 U.S.C. App. 460(b)(3)) is amended—

(1) by striking out "who has attained the age of 65 or" in the sixth complete sentence thereof.

On page 87, line 2, strike out "Sec. 3" and insert in lieu thereof "Sec. 32".

On page 87, line 8, strike out "and 30" and insert in lieu thereof "30, and 31".

Mr. EXON. Mr. President, I think the amendment, as it now stands before the Senate, as offered by the Senator from Minnesota is a good one. I enthusiastically accept it on this side. I yield back the remainder of our time.

The PRESIDING OFFICER. Does the Senator from Minnesota yield back the remainder of his time?

Mr. BOSCHWITZ. The Senator from Minnesota did not know he had any time, but I yield it back.

Mr. JEPSEN. Does the Senator from Minnesota yield back the time on his amendment?

Mr. BOSCHWITZ. Yes.

Mr. JEPSEN. Mr. President, I yield back any time remaining on the manager's side. I ask that the amendment, as modified, be agreed to.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment, as modified.

The amendment (UP amendment No. 352) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. JEPSEN. Mr. President, I yield to the distinguished Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank the distinguished Senator from Iowa, the manager of the bill, and the ranking member, the Senator from Nebraska. I believe the Armed Services Committee really reported out a splendid bill. They modulated the President's request with across-the-board 14.-some percent, the 7-percent range on up to 22 percent, targeting those areas of need. I think they have done an outstanding job and deserve full support of the Senate.

Mr. President, I fully support the military pay bill reported by the Armed Services Committee. The importance of this bill cannot be overstated since it recognizes and addresses two major flaws that exist in current pay and benefits procedures that have led to serious manpower problems for our military. These problems concern the level of adequate pay for those Americans performing military service and the inability to retain adequate numbers of enlisted and officer personnel possessing critical skills and leadership abilities.

The bill provides for pay increases of 7 percent for first-term enlistees to 22 percent for the top career enlisted levels. Officers, warrant officers, and other junior enlisted personnel would receive varying raises within the 7- to 22-percent range. In short, the raises are targeted to those personnel levels where the armed services are experiencing considerable difficulty in retaining much-needed middle management career and skill capabilities.

In addition to the targeting aspect of the bill, it also provides increased special pay incentives for such skills as diving duty, submarine duty, hazardous duty, and aviation career duty. The services are hard-pressed to meet their manning requirements in these special skill areas and the proposed bonuses along with the targeted pay, should definitely alleviate the problems.

Mr. President, I think that the approach to the military pay problems contained in this bill, coupled with a return of the draft, is the right way to solve the manpower deficiencies the military serv-

ices have been experiencing since the creation of the All-Volunteer Force. I believe the Congress should soon address the draft issue so we can close the loop on our military personnel problems.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER (Mr. DANFORTH). The majority leader.

RECESS UNTIL 1:45 P.M.

Mr. BAKER. Mr. President, it does not appear that another amendment is to be offered at this time. Since we have controlled time, I do not see any particular purpose to be served by remaining in session for general debate at this moment. There are two lunches today, one about to begin and one already in progress, involving distinguished guests from abroad. Many Senators will wish to attend.

Mr. President, I ask unanimous consent that the Senate now stand in recess until the hour of 1:45 p.m.

There being no objection, the Senate, at 12:59 p.m., recessed until 1:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. DANFORTH).

The PRESIDING OFFICER. The Senator from Alaska is recognized.

ORDER OF BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that the vote scheduled to commence at 2 p.m. start at 2:10 p.m.

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

Mr. STEVENS. Mr. President, I withdraw that request.

The PRESIDING OFFICER. The request is withdrawn.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. STEVENS. Mr. President, I ask unanimous consent that the Senator from New York (Mr. MOYNIHAN) be recognized, as if in morning business, for not to exceed 7 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from New York.

Mr. MOYNIHAN. I thank the Chair and I thank the majority whip.

Mr. President, I have the honor to yield to my distinguished friend from Vermont, the senior Senator and chairman of the Committee on Environment and Public Works, and among the most diligent Members of this body in the affairs of the Interparliamentary Union, an organization which we hold in the highest regard, as we do our leader in that matter.

Mr. President, as the distinguished Senator from Vermont knows, we shall have an important vote in this body in approximately 20 minutes. It may be that we shall have the good fortune of having our guests from abroad, our friends, in the distinguished visitor's gallery, when that time comes, and they will see the body making an important choice.

VISIT TO THE SENATE OF DELEGATES TO THE INTERPARLIAMENTARY UNION

Mr. STAFFORD. Mr. President, I deeply appreciate the words of the distinguished Senator from New York.

I simply want to call to the attention of the Chair and my colleagues on the floor that a few minutes ago the representatives of 18 nations, delegates to the next meeting of the Interparliamentary Union, did visit the floor of the Chamber. They continue to be in the building. I thank the Senator very much for yielding.

Mr. MOYNIHAN. I am happy to have yielded.

DEPARTMENT OF JUSTICE AUTHORIZATIONS, 1982

Mr. MOYNIHAN. Mr. President, we are approaching the vote at 2 o'clock or at 2:10 on cloture on the matter which has been before us for several months now, and I should simply like to restate my strong sense that the Senate should not agree to the amendment before us. This is one of the large issues that come before this body. It is a constitutional issue. It is an issue that goes to the structure of the American Government and not to the policy of one administration or the events of one decade.

It is agreed, I believe, by scholars, by legal scholars, that Congress does under article III have the power to establish the jurisdictions of the U.S. courts. As to inferior courts, I would say this is a settled matter. As to the appellate jurisdiction of the Supreme Court, the case of ex parte McCardle, a Civil War decision or one settled during the aftermath of events that arose during the war, and having to do with the question of habeas corpus, would seem to control though there is still considerable scholarly dispute.

On the other hand, a century and a quarter has passed and no effort has successfully been made, none seriously undertaken, to assert this constitutional power, for any purpose other than organizing the judiciary, which I would argue was the most probable purpose of the language when it was inserted in the Constitution. I do not for a minute suppose the language was inserted for the purpose of impairing rights granted under the Constitution.

Mr. President, this is the first time that Congress has sought to use this power to impair those rights.

Mr. President, the present occupant of the chair, a distinguished former attorney general from the great State of Missouri, would be the first to agree that there is a common legal rubric that holds that there can be no right without a remedy and thus by passing a bill restricting the remedy that a court might issue to vindicate a right, the Congress would be seeking to restrict and impair that right itself.

We have some judgment which rights are at issue today. We can have no notion of what might be at issue tomorrow in the next decade and the centuries after that, because ours is not a new body. We were Constitution-formed in the 18th century. We are not far from two centuries of endurance. Never have we taken from the courts, the Supreme Court, the lower courts the power to interpret rights given citizens, persons, under the Constitution. This opens that possibility.

It ought to offend the very constitutional sense of this body. It ought to be rejected as an alien intrusion into the separation of powers and the enshrinement of liberty which is the purpose of our Constitution and the duty and obligation of the U.S. Senate to defend and to advance.

Mr. President, I thank the Chair for his courteous attention. I express my deepest hope that we will not proceed to invoke cloture as some desire this afternoon, not with regard to the specifics in issue but to the general principle of the separation of powers and the inviolable responsibility of the courts to interpret the rights given individuals under the Constitution. I thank the Chair.

Mr. STEVENS. Mr. President, I ask unanimous consent that the time between now and the vote be equally divided between the Senator from Louisiana and the Senator from Connecticut.

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

ORDER FOR THE VOTE ON CLOTURE TO OCCUR AT 2:10 P.M. TODAY

Mr. STEVENS. Mr. President, I ask unanimous consent that the vote take place at 2:10 p.m. instead of 2 p.m.

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

The Senator from Louisiana.

Mr. JOHNSTON. Mr. President, I will not debate the substance of this matter at any length, except to say that just yesterday I got a call from Mr. Ray Alberson, the superintendent of schools in East Baton Rouge Parish who reports that, in the few short weeks since busing has been ordered by the district court there, they have lost some 5,000 to 7,000 pupils out of a school population of some 57,000. He predicts—well, I will not say what he predicts for the future because I think it would be unfair to quote the superintendent on that kind of prediction with his own school system. But it is bad enough already, Mr. President, with 5,000 to 7,000 gone. This, on top of Rapides Parish, where children are bused 30 to 40 miles in one direction and in East Baton Rouge first- and second-graders are bused an hour-and-a-half in one direction. In Natchitoches Parish, the busing order looms. It has not yet been ordered implemented but is expected soon. Why we continue to do this to ourselves in this country, Mr. President, I do not know.

No one defends, or almost no one defends, forced busing per se as working. No one contends that it promotes integration. Almost no one contends that it promotes sound education. But here we are caught on this treadmill, riding this

tiger that we cannot get off, and searching for the solution.

Well, Mr. President, the solution is in this legislation. Let me say, Mr. President, that I do not expect to get cloture today. That is because at least seven of our committed votes on this matter are not present today. I hoped that after this long recess we would have good attendance today. We do not. I do not know how many votes on the other side are absent, but at least seven of ours are absent. And when you have to have 60 votes, to lose 7 of your votes makes it virtually impossible to win.

The Senate knows that on the last consideration of this cloture matter, 59 Senators voted "Yea." Two Senators who were committed to the yea position, Senators GOLDWATER and MELCHER, did not vote even though they were present in the Senate that day. Senator GOLDWATER was in the CIA hearings, the Casey CIA hearings; Senator MELCHER had an attack of asthma and was unable to move, as a matter of fact.

So, in effect, we had 61 votes when 60 were required last time. Since that time, at least three Senators have indicated that they voted no last time and they would vote yes this time. So we have, assuming we keep the votes we had last time, Mr. President, we have at least 64 Senators who are ready to vote yes. Unfortunately, they are not all here today and for that reason I do not expect to win. But we expect to bring the matter up for another cloture vote, I would hope, on Wednesday. I think a unanimous-consent request is presently pending to have another cloture vote on Wednesday. I hope it is cleared. I see the majority leader in the Senate Chamber at this point. Has there been any clearance on that unanimous-consent request, I ask the majority leader?

Mr. BAKER. Mr. President, if the Senator would yield to me, I am told that a revision of the request that I put on yesterday, which was not granted, is in the clearance process today. We do not have the final word on that, but I expect to have an announcement to make prior to the vote which will now occur at 2:10.

Mr. JOHNSTON. I thank the majority leader.

Mr. President. I yield the floor.

(Mr. ANDREWS assumed the Chair.)

Mr. WEICKER. Mr. President, in a few minutes the Senate will vote on the matter of the Department of Justice authorization bill that has been before this body for several months now, more particularly on cloture on the Johnston-Helms amendment.

I think it important to reemphasize the issue before us. It is not a matter of busing. Indeed, I think my colleagues have read the newspaper accounts of the various actions taken by this administration over the past several months, and know that administration has made it abundantly clear that they do not intend to pursue, through the means available to them, busing as a remedy to end discrimination in our school systems.

So the policy is well established. Busing will not be a principal tool of this administration to achieve desegregation in America's school systems. Therefore, it cannot be used as an excuse by any one of my colleagues in the sense of saying, "Well, because the executive branch of Government will not act, we are going to act, albeit with certain constitutional reservations."

That excuse is no longer available because, as a matter of policy, the administration has committed itself to what my colleague from Louisiana and my colleague from North Carolina are attempting to achieve through legislation.

So it brings us down to the real issue, and that is strictly a constitutional one: Whether or not the legislative branch of Government is going to violate the traditional concept of checks and balances insofar as dictating to the executive, for example, the Justice Department, or the judicial branch of Government what it is they can or cannot do.

There are very few of my colleagues on this floor who would not admit privately that this is the issue. But politically, any association at all with the word or the deed called busing is deemed to be a liability, and it is the fear of that association rather than a dedication to the Constitution that motivates the vote on this floor.

I would hope that the cloture motion would once again be rejected for all the reasons I have enumerated over the months past. Now my interpretation and evaluation of what is before us has been reaffirmed by the House of Delegates of the American Bar Association at their annual convention.

Several months ago during the course of the debate, I read letters from the executive director of the American Bar Association, and those letters were questioned as not being representative of the feelings of the entire bar association. Now I stand before you on September 10, with a letter dated August 24, from the president of the bar association, in which he states that the House of Delegates of the American Bar Association overwhelmingly approved a resolution opposing congressional curtailment of the jurisdiction of the Supreme Court or the inferior Federal courts for the purpose of effecting changes in constitutional law.

So no longer is there any inference to be drawn in the body of the whole from the statements of its executive director. The body as a whole has spoken. The legal basis for my opposition, the constitutional basis for my opposition, has never been more valid than it is today.

Underlying all of this is that there must be one thing that cannot change in a political, in a governmental, structure that more so than any other represents the will of the people. There still has to be a cornerstone to which all can relate. Majorities may change, philosophies, whether left, right, middle of the road, parties, Republican, Democrat, all these change, but one aspect of our political and governmental life must remain constant, and that is the Constitution of the United States, so that it will be available to those who have effectuated change or those who are being oppressed by it.

In the final analysis, I do not think there is anyone in this Chamber, or any citizen of this country, who wants a Senator of the United States looking over the shoulder of the judge when his or her time comes before that judge, before that court. That is the issue.

Are you going to philosophize justice? Are you going to make a partisan issue out of justice? Are you going to take away from the justice the independence which has been the final guarantee of all of our rights, of all our beliefs, of all our politics?

The PRESIDING OFFICER. The Senator's time has expired.

Mr. WEICKER. Mr. President, I ask that the cloture motion be rejected.

The PRESIDING OFFICER. The Senator from Louisiana has 1 minute and 47 seconds remaining.

Mr. BAKER. Mr. President, will the Senator yield 15 seconds to me?

Mr. JOHNSTON. I yield.

Mr. BAKER. I had hoped that I would have an announcement to make regarding the unanimous-consent request. I have not been able to reach Senators who are otherwise involved at this moment. During the rollcall vote I will continue to try to obtain agreement to that unanimous-consent request. I must say in all candor, however, that if I cannot get that unanimous-consent request, it is very likely that I will find it necessary to try to move to some other item of legislation.

Mr. JOHNSTON. Mr. President, in the remaining seconds, let me reply to one statement of my distinguished colleague from Connecticut. He said that this administration is no longer interested in pursuing busing, that it was no longer making it a priority.

May I tell my distinguished colleagues that whether or not the administration does continue to pursue busing, and they have pursued it since the election in East Baton Rouge Parish, in Caddo Parish, in Nachitoches Parish, and in other places in Louisiana, the courts are continuing to order it.

The PRESIDING OFFICER. The Senator's time has expired.

CLOTURE MOTION

The PRESIDING OFFICER. The hour of 2:10 p.m. having arrived, under the previous order, the clerk will state the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on Amendment Number 96 (As Modified) to S. 951, the Department of Justice Authorization Bill.

Mr. Randolph, Mr. Bentsen, Mr. Johnston, Mr. Nickles, Mr. DeConcini, Mr. Stennis, Mr. Long, Mr. Boren, Mr. Chiles, Mr. Zorinsky, Mr. Symms, Mr. Exon, Mr. Kasten, Mr. Huddleston, Mr. Nunn, and Mr. Grassley.

VOTE

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate should be brought to a close on amendment No. 96 (as modified). The

yeas and nays are mandatory under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. ABDNOR), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Idaho (Mr. SYMMS) would vote yea.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Connecticut (Mr. DODD), the Senator from Missouri (Mr. EAGLETON), the Senator from Tennessee (Mr. SASSER), and the Senator from Nebraska (Mr. ZORINSKY) are necessarily absent.

On this vote, the Senator from Nevada (Mr. CANNON) is paired with the Senator from California (Mr. CRANSTON).

If present and voting, the Senator from Nevada would vote "yea" and the Senator from California would vote "nay."

I further announce that, if present and voting, the Senator from Tennessee (Mr. SASSER) would vote "yea."

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 57, nays 33, as follows:

[Rollcall Vote No. 252 Leg.]

YEAS—57

Andrews	Garn	McClure
Armstrong	Goldwater	Melcher
Baker	Grassley	Murkowski
Biden	Hatch	Nickles
Boren	Hawkins	Nunn
Byrd, Harry F., Jr.	Hayakawa	Pell
Byrd, Robert C.	Heflin	Percy
Chiles	Helms	Proxmire
Cochran	Hollings	Pryor
D'Amato	Huddleston	Quayle
Danforth	Humphrey	Randolph
DeConcini	Jackson	Roth
Denton	Jepsen	Schmitt
Dixon	Johnston	Stennis
Dole	Kassebaum	Thurmond
Domenici	Kasten	Tower
East	Laxalt	Wallop
Exon	Long	Warner
Ford	Lugar	
	Mattingly	

NAYS—33

Baucus	Hatfield	Packwood
Boschwitz	Heinz	Pressler
Bradley	Inouye	Riegle
Bumpers	Kennedy	Rudman
Burdick	Leahy	Sarbanes
Chafee	Levin	Specter
Cohen	Mathias	Stafford
Durenberger	Matsunaga	Stevens
Glenn	Metzenbaum	Tsongas
Gorton	Mitchell	Weicker
Hart	Moynihan	Williams

NOT VOTING—10

Abdnor	Dodd	Symms
Bentsen	Eagleton	Zorinsky
Cannon	Sasser	
Cranston	Simpson	

The PRESIDING OFFICER. On this vote, the yeas are 57, the nays are 33. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is not agreed to.

Mr. BAKER. Mr. President, I hope that I can make an announcement in a very few moments on how we will proceed further with this measure.

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Tennessee.

Mr. BAKER. Mr. President, I hope to be able to make a further announcement on the proceedings of the Senate on the Department of Justice authorization bill and on the military pay matter.

Mr. RANDOLPH. Mr. President, let us have order in this Chamber. I have been earnest but I will never be angry.

The PRESIDING OFFICER. The Senator's point is well taken.

Mr. RANDOLPH. Here is the majority leader speaking. The majority leader and the minority leader are standing here. We need to give attention to the subject matter.

Mr. BAKER. Mr. President, I thank my friend from West Virginia who is so correct in saying that the Senate was not in order, and I will do my best to earn his confidence on the remainder of his statement about the importance of what I am about to utter.

Mr. President, I now have clearance to make a unanimous-consent request in respect to the further disposition of the Johnston amendment.

I may say, by the way, that the request I have now before me has gone through extensive and tedious clearance processes and I believe is the best manner in which to handle this subject.

Mr. President, I understand now that my optimistic statement or the preamble of my optimistic statement may have been premature so while there is a further consultation with Members on the other side of the aisle for the moment I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BAKER. Mr. President, in a few seconds I am going to ask unanimous consent for a period for the transaction of routine morning business, and the reason for it is we are still in negotiations on a method of disposition of the Department of Justice bill and the amendments to it. I think we are within shouting distance of getting that done. I believe it is worth the investment of time to continue to try.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent now that there be a brief period for the transaction of routine morning business to extend not past 3:15 p.m. in which Senators may speak for not more than 5 minutes each.

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

U.S. INTERNATIONAL AIR CARRIERS—A CRITICAL JUNCTURE

Mr. PRESSLER. Mr. President, I wish to bring to the Senate's attention the plight of our country's international air transportation system. As chairman of the Business, Trade and Tourism Subcommittee, I am certainly aware of the importance of international tourism in our international trade balance.

I have most recently become acquainted with the particular financial difficulties of Pan Am Airlines and TWA. However, this is definitely an industry-wide problem. All of the long haul U.S. international carriers suffered hardship in 1980, as indicated by the following Civil Aeronautics Board (CAB) figures:

International operating profit (loss)

[Calendar year 1980]

Carrier:	
Braniff	($63,518,000)
Continental	(14,579,000)
Delta	(6,975,000)
Flying Tigers	(3,692,000)
Northwest	(46,130,000)
Pan Am	(44,641,000)
TWA	5,504,000
Western	(12,867,000)
Total	(186,868,000)

The five major carriers alone suffered over $150 million in operating losses on their international routes during the past year.

The seriousness of these problems stretch far beyond the individual air carriers. While the carriers employ tens of thousands of personnel, there are also aircraft manufacturers and other vendors of aviation-related supplies and services affected by this problem. Currently, U.S. carriers account for less than 10 percent of the total intercontinental wide-body aircraft on order.

We must also remind ourselves that the balance of trade is being adversely affected. Every percentage point of United States-Europe traffic, for example, is worth approximately $47 million in revenue, and each percentage point of trans-Pacific market share is worth approximately $24 million in revenue. However, in recent years the U.S. carriers' share of the international markets has been declining, with adverse consequences to the U.S. balance of payments.

While fuel costs and the state of the economy must be cited as part of the cause of these international aviation problems, the problem is really compounded by Government actions in past years. Perhaps we need to better understand the nature of international air transportation and recognize the differences between domestic and international marketplaces.

In understanding the critical differences between domestic and international markets, we must address the "open skies" policy initiated in the past 4 years. While the "open skies" policy is an attempt to certificate the maximum number of carriers and promote free competition, we must make sure that we are not overlooking the specific problems of our U.S. carriers. Foreign government support of their own carriers and denial of market access to U.S. carriers often make it difficult for the U.S. carriers to compete. The "pooling" agreements for the joint operation of services and allocation of revenue is also a competitive advantage for the foreign airlines.

Another issue of great concern to U.S.-flag international carriers is the

exorbitant landing fees our carriers must endure at international airports. The landing fee for a 747 air carrier at the London Heathrow Airport is currently set at $8,000 during a peak hour. In comparison, the average landing fee at a U.S. airport is currently $400.

In addition, the international carriers are also faced with en route charges or navigation charges. Pan Am Airlines reports that such fees average $35 million annually and have been increasing on an average of 25 percent per year.

Mr. President, I believe that the U.S.-flag carriers are at a critical juncture. The Federal Government must be more responsive to the problems faced by these carriers. As the Senate debates the sunset of the Civil Aeronautics Board, the National Tourism Policy Act, the airport development aid program, and other legislation affecting the balance of trade and air transportation, I suggest that we recognize the problems of international carriers. While these carriers are not seeking a bailout, they do expect us to understand the complexity of the international environment. U.S. international carriers need our support in order that they may return to a position of competitive strength.

THE STATE OF PREPAREDNESS OF U.S. MILITARY FORCES IN EUROPE: OR IS IT UNPREPAREDNESS?

Mr. PRESSLER. Mr. President, as a former military man myself, I have been watching with considerable interest and concern for some time developments in U.S. military preparedness in general, and in particular the condition of U.S. military units in Europe.

In America today there is a consensus both in Congress and among the American people that we need to do more in the area of national defense, in fact, that we cannot afford not to. The national defense debate that preceded this consensus has, however, concentrated all too often on the material dimensions of the security challenges confronting the United States and NATO today, and to a lesser extent on the legitimate need for a significant, real qualitative increase in allied defense spending and readiness to match the unabated massive Soviet military buildup of the last 15 years. How many more missiles, ships, or divisions has been the major focus of attention.

The crucial issue of U.S. and allied military manpower capability, troop morale, competence, and readiness has been neglected in favor of a concentration on resources, which, although of vital importance, are not the only element in the equation. "It doesn't matter how good your equipment or technology is if your men cannot operate it" is a legitimate concern.

In the global context, here are some of the basic facts concerning the present Soviet-American balance of power that we must keep in mind:

First, since the late 1960's Soviet military strength has increased dramatically in both nuclear and conventional terms. Since the early 1970's the Soviets at the strategic level have achieved virtual parity in central systems (ICBM's, et cetera). Soviet equipment in both their conventional and nuclear arsenals is for the most part newer than the equipment of the United States and its allies.

Second, the total Armed Forces of the United States amounts to approximately 2,050,000 military personnel (including 150,000 women), who serve on a voluntary basis. The total Armed Forces personnel figure for the Soviet Union amounts to some 3,658,000, excluding some 500,000 internal security troops, railroad and construction troops, who all serve on an obligatory conscript basis from 2 to 3 years at a time.

Third, U.S. forces overseas, as of September 1980, amounted to some 488,726 military personnel, with approximately 331,705 in Europe, 16,878 in the Western Hemisphere, 114,845 in the Pacific and Far East, and a much smaller number in other areas. The following table gives a further breakdown of these distributions:

U.S. FORCES OVERSEAS—AS OF SEPT. 30, 1980

Location [1]	1980	1979	Change
Total in foreign countries	488,726	458,424	+30,302
IN EUROPE			
Total	331,705	325,240	+6,465
West Germany	244,320	239,248	+5,072
Britain	24,312	23,015	+1,297
Italy	11,903	11,732	+171
Spain	8,974	8,714	+260
Turkey	5,263	4,918	+345
Greece	4,445	3,328	+1,117
Iceland	2,868	2,859	+9
Belgium	2,114	2,034	+80
Netherlands	2,630	2,220	+410
Portugal	1,367	1,404	−37
6th Fleet	22,313	25,001	−2,688
IN THE WESTERN HEMISPHERE			
Total	16,878	16,693	+185
Bermuda	1,350	1,286	+64
Canada	691	660	+31
Cuba (Guantanamo)	2,150	2,117	+33
Panama	9,146	9,443	−297
Puerto Rico	3,707	3,532	+175
IN THE PACIFIC AND FAR EAST			
Total	114,845	122,227	−7,382
Japan and Okinawa	46,004	46,207	−203
South Korea	38,780	39,018	−238
Philippines	13,387	14,101	−714
Guam	9,053	8,756	+297
Australia	644	653	−9
Midway Island	498	472	+26
Afloat	15,515	21,910	−6,395
IN OTHER AREAS			
Egypt	495	100	+395
Diego Garcia	1,373	1,053	+320
Eastern Europe	178	173	+5
Morocco	40	37	+3
Saudi Arabia	502	419	+83
Afloat—Africa, Mid East, South Asia	18,559	(2)	

[1] Major concentrations only.
[2] New category for this report.

Source: U.S. Department of Defense.

The Soviet Union maintains some 30 motor rifle and tank divisions in Eastern Europe, some 67 divisions in the European U.S.S.R. military districts, 6 divisions in the central U.S.S.R., 24 divisions in the southern U.S.S.R., some 46 divisions along the Sino-Soviet border, and 6 or so divisions in Afghanistan. The Soviet divisions in Eastern Europe are considered to be between three-quarters and full strength with complete equipment, and about half of those in the European U.S.S.R. and the Far East are considered to be in that category or between half and three-quarters strength, complete with fighting vehicles.

Fourth, Soviet military personnel abroad consist of approximately 85,000 in Afghanistan, 7,500 in Cuba, 1,200 in Ethiopia, 1,000 in Iraq, 1,000 in Libya, 1,000 in Mali, 20 in Mauritania, 4,000 in Vietnam, 2,500 in Syria, and 1,500 in South Yemen.

The facts and figures of the immense Soviet buildup and comparative United States and allied deficiencies in defense preparedness vis-a-vis the Soviet Union are both illuminating and seriously alarming. At the end of my text I have attached a number of charts which graphically point out this imbalance.

Instead of pursuing them in detail here, I would like to point out a number of concerns I have with regard to the central topic I seek to address today—an examination of the present serious imbalance between NATO and the Warsaw Pact forces in Europe.

The combined ground forces of NATO in the NATO guidelines area total only 732,000, while those of the Warsaw Pact total some 935,000, that is, over 200,000 more. The Warsaw Pact presently maintains a numerical advantage of approximately 2 to 1 in theater-based tactical aircraft; 2.3 to 1 in divisions; 2.5 to 1 in theater deployed tanks; 3 to 1 in artillery pieces; better than 3 to 1 advantage in the maritime area in the Baltic, and is catching up with NATO's advantage in the Mediterranean.

The Soviet Union has committed for more than a decade 12 to 13 percent of their GNP to military expenditures geared toward the improvement of all categories of warfighting capability, especially the eradication of their inferiority in strategic nuclear and theater nuclear forces.

The Soviets have made impressive and alarming gains in the last decade, and now possess a high-technology military arsenal, which equals and in some cases exceeds the capabilities of the West. This arsenal includes the mobile, extremely accurate multiple nuclear warhead SS-20 ballistic missile; a new and more sophisticated generation of armored fighting vehicles; over 10,000 modern T-64/T-72 tanks (the even more advanced T-80 tanks will soon be operationally deployed); the first KIROV-class cruiser (which carries a high-speed, antiship cruise missile with a range of up to 250 miles); longer range attack aircraft which carry twice the payload of those replaced; three times as many heavily armed attack helicopters as NATO (from none in 1970); and the new ALFA-class submarine—to mention only a few new, enhanced, and technologically high-quality weapon systems capabilities.

To meet its responsibilities, the United States (which has 16 Army ground divisions and three Marine divisions) stations on the central front in Europe (West Germany) the equivalent of five Army divisions. Another five presently in the United States are theoretically supposed to arrive there within 10 days

after mobilization. The Soviet Union alone, on the other side, has no fewer than 50 combat ready (although slightly smaller in size) divisions prepared to engage in a land battle in Europe.

The very real possibility that the Soviet Union could use the Warsaw Pact's military superiority to its political advantage in Europe should in itself be a cause of grave concern to NATO, and be an urgent impetus to rectify the growing and dangerous military imbalance.

Let us not forget that the Soviet Union has dramatically demonstrated both its capability and willingness to utilize its military muscle abroad for political purposes: East Berlin in 1953, Hungary in 1956, Czechoslovakia in 1968, Afghanistan in 1979, and the present massing of Soviet forces on Poland's borders. It is evident that NATO's unilateral restraint has not worked in the past.

Given a changed global strategic environment, with increasing threats to our vital collection and material interests outside of NATO's boundaries (Afghanistan and the Persian Gulf area), demonstrated political will and unity of purpose are essential for NATO to rebuild and enhance the credibility of its deterrent strategy of flexible response, which has been seriously reduced.

The present military imbalance between NATO and Warsaw Pact countries is virtually all-encompassing. Except for the airborne units of the Polish and Czech armies, Warsaw Pact forces are fully mechanized. NATO forces still consist of large formations of regular infantry. The Warsaw Pact countries are significantly ahead of NATO forces in infantry fighting vehicles and multiple rocket launchers (Pact equal 3,300 multiple rocket launchers; NATO equal 200). While many NATO aircraft have a dual air defense/ground support role, Pact air forces have over 2,000 pure interceptor aircraft.

The charts and figures at the end of my text give a picture of the dramatic imbalance between NATO forces and those of the Warsaw Pact countries. It must be remembered, however, that numbers do not tell the whole story. The state of readiness of United States and NATO ground forces in Europe, as well as maintenance of equipment and troop capabilities, is hardly a match for the Warsaw Pact countries in conventional terms.

Nearly 25 percent of NATO frontline forces in Europe are not considered combat ready. Nearly half of the 30 Air Force squadrons in Europe are not combat ready, and the U.S. Army in Europe has a backlog of over $1 billion in needed repairs and maintenance. The United States/NATO naval situation is not much better.

While the United States and its NATO partners are making an attempt to catch up with the Soviet Union, the Soviets are plowing ahead. The United States and its NATO allies cannot afford an ill-prepared, ill-equipped and undermanned military establishment and still hope to keep the Soviets in check and let them know that it is in their interest to conduct themselves as a proper member of the international community, or face reprisals for their expansionism and aggression in Europe or elsewhere. The future viability of NATO and Western democracy is on the line, and with it prospects for peace.

Obsolescence and the introduction of new Soviet systems, especially the SS–20's (175 of which are targeted on Europe, and which have a much greater accuracy and speed as well as warhead capability) have, at the TNF level, seriously reduced NATO's nuclear deterrence capability and the possibility of allied flexible response, and NATO's past advantage in battlefield weapons. This Soviet buildup was directly responsible for the NATO dual track decision of December 1979—modernization of our TNF and arms control. NATO's strategy of "flexible response" has also been seriously undermined by the massive Soviet buildup.

Although the European share in total NATO expenditure rose from 22.7 percent in 1969 to 41.6 percent in 1979, and this is commendable, given present conditions there is an urgent need for joint cooperation and equal participation on both sides. We must, however, at the same time remind the Europeans that to underestimate the Soviet threat—vividly evidenced in Afghanistan and now encircling Poland, as well as Soviet aggression and expansionism in other areas of the Third World—would be a most serious mistake.

One of the principal lessons to be learned from the past 10 years is that in order to deal with the Soviets in a meaningful way with regard to arms control, the United States and the West must have first and foremost a satisfactory and adequate security policy, and that the effectiveness of allied nuclear deterrence remains absolutely crucial for the maintenance of peace.

The basic question we are faced with in Europe is a fundamentally critical one: Are U.S. forces in Europe capable of competently and effectively engaging the enemy in case of an attack?

Unfortunately, it is my belief, having recently returned from an investigative factfinding trip to our frontline troops in West Germany, that the presently composed U.S. ground forces in Europe may not be as capable as they could or should be of competently and effectively engaging the enemy.

While on a factfinding mission for the Senate Foreign Relations Committee in Germany, I visited our frontline units and met with a variety of individuals responsible for our defensive posture on the central front. These individuals included U.S. Ambassador to the Federal Republic of Germany, Arthur Burns; General Lynn, Chief of Staff, U.S. Army, Europe; Major General Benedict, past commander of the Berlin Brigade; Mr. David Anderson, U.S. Minister to Berlin; the U.S. consuls general in Munich and Hamburg; the Director and representatives of Radio Free Europe in Munich; and a number of combat unit commanders.

Although we have a number of fine U.S. military men in Germany and other parts of Europe, and I say this from first-hand experience, there are a number of serious problems that NATO as a whole faces. These include critical shortages in military transport equipment; the difficulty involved in sustaining conventional combat operations; shortage of prepositioned war reserves; the difficulty of resupplying forces; and the lack of political will to increase real defense spending on the part of many NATO countries, because of economic conditions.

Let me first list a few of the reasons for this lack of preparedness in general, then focus on the European front in particular, and finally attempt an answer as to what needs to be done to correct the very serious situation we face today.

With the advent of the Volunteer Army, a change has taken place in the state of U.S. military preparedness. Some military men have expressed to me their concern that the concept of military service has been transformed from that of a patriotic profession for the defense of the Nation to a job training corps, with the fundamental purpose of a military establishment becoming more and more clouded. Defense Department statistics indicate that U.S. Army recruits today are coming largely from the unemployed and economically disadvantaged.

According to Defense Department figures, only 28 percent of those drafted into the Army in 1965 were high school dropouts; in the Army today, high school dropouts make up approximately 46 percent of the Army. Personnel costs are going up significantly to compete with the private sector, and yet reenlistment rates remain extremely low; according to Defense Department statistics, approximately 35 out of every 100 recruits today leave the Army before the end of their 3-year enlistments. The energy and talent of middle-class America is largely absent from the armed services.

Military equipment modernization and maintenance is also a problem. In short, the readiness of U.S. Armed Forces in terms of discipline, education, morale, capabilities, and purpose has been to a significant degree eroded, along with our military reputation overseas.

Since Vietnam, the Army has found it much more difficult to retain skilled combat officers, and according to Army statistics the ratio of officers to total Army strength has dropped in the last few years from 17 percent to approximately 11 percent. As George Wilson pointed out in his article in the Washington Star, one of every six Army colonels handpicked this year—1981—to command troops has turned down the honor. A U.S. Marine captain with whom I spoke explained that the rigors of command, the difficulty of instilling discipline and spirit, the turnover in manpower, and the lack of promotion possibilities in unit combat command positions had all led him to opt out of the military. This was a career officer with extensive frontline combat command experience and a profound dedication and sense of service to his country; but like the Army colonels, he refused to accept the honor of troop command.

Wilson went on to say that:

No number of $2 million M–1 tanks, $1.2 billion Trident submarines, or $35 billion

MX missile systems will add up to military might unless the United States has people who know how to use them.

Simply spending more money is not going to solve this Nation's major defense problems. Unless we have a very thorough and extensive quality control and utility examination of our defense spending increases, and unless we see to it that we have a military that is truly a citizen's army, and restore the dignity of the warrior's ethic and sense of service to country, we will find ourselves less and less able to defend our democracy, with all that that implies.

The situation of U.S. forces in Europe, particularly in West Germany, has been partially described by what I have already said about the state of our troops in general. There are mounting problems in Europe with U.S. troop morale, competence, and readiness. The Europeans, especially the Germans, measure their defense contributions in terms of the skill of their armies and the size and readiness of their reserves. In both of these areas, the U.S. Army Corps stationed in Germany—some 215,000 soldiers—are often lacking in comparison to their NATO partners.

The Pentagon's own "Human Readiness Report No. 5" vividly indicates that U.S. forces in Europe may be significantly unprepared in some areas for combat. The report points out severe manpower, morale, and management problems. For example, only 39 percent of junior enlisted men in Europe, according to the study, thought their units would do well in combat. The report also noted widespread concern by the officer corps over what they perceive as the declining competence of their corporals and younger sergeants. Unit cohesion, or the ability to stick together under fire, was also viewed as being seriously weak. With 35.2 percent of new soldiers now leaving the Army before their first 3-year terms have ended, the problem of troop unity and discipline, as well as the command task of the officer corps, was viewed as becoming more and more difficult.

The intelligence and education levels of enlisted troops also raises problems as far as motivation, discipline, and morale are concerned, not to mention troop capability and performance. Defense Department figures indicate that only 58 percent of this year's enlistees have high school diplomas—a drop from 68 percent the year before—those with any college experience are down to 3.2 percent, and the dropout rate among nonhigh school graduates during their first enlistment term is twice as high as for diploma holders.

The No. 1 mission of U.S. troops in West Germany in conjunction with our allies is to stop a Soviet invasion across the German border and other land invasion routes. I do not mean to sound overly negative about the prospects of our forces stopping a land invasion, but I am concerned about their capabilities and preparedness levels as far as discipline, motivation, competence, spare parts, equipment, and so forth.

On the one hand, we have a large number of very motivated, capable and fine people in the U.S. Army and other branches of the service, in Germany and Europe; on the other hand, we also have some serious problems that I have already indicated.

In a number of competitions over the past few years designed to simulate armored warfare on the plains of Europe with our NATO partners, U.S. military performances for various reasons have been seen recently in the press as less than adequate.

The American 2d Armored Division, normally based in Texas, was flown over to West Germany as part of the annual American reinforcement exercise, and took part in the large NATO army exercise Crusader in September 1980. The division's performance was criticized on a number of counts in an article in Foreign Report, a newsletter published by the Economist of London. The NATO exercise invloved tank mobility and coordination, utilizability of prepositioned equipment, artillery coordination, maneuverability, counterattack capability and organization, which were judged by allied umpires. The Economist article and criticism from allied sources focused on the following areas:

American armor tended to advance without sufficient artillery preparation and failed to take enough cover against hostile air attack when not on the move.

Inadequate leadership by NCO's and junior officers; junior officers pay too little attention to personal leadership, and noncommissioned officers are often inexperienced in field operations.

Camouflage was often not used or misused, and American units lacked discipline in the positioning and organized mobility of their tank units, at times disrupting the competitions.

The comments of Gen. Sir Peter Leng, commander of the British First Corps in West Germany, who participated with his unit in the exercises with the 2d Armored Division, pointed out that there were some difficulties; but he highly praised the operation of the American forces.

The handpicked 3,500-man U.S. Brigade in West Berlin—which is part of the regular U.S. Army, but whose expenses are paid by the West German Government—seems to have a very high performance level. One of the three U.S. battalions recently scored 22 hits out of 24 shots with the TOW antitank missile during annual live-fire training.

Bonn provides about twice as much money for operations, maintenance, and target practice for the U.S. unit than the United States provides for other American units. The West German Government pays the expenses for all three Allied installations, that is, the United States, British, and French garrisons who defend the city (the West German Government is not permitted to station its own troops in Berlin, under an agreement signed at the end of World War II). The U.S. Army pays the salaries of the troops and provides their major weapons. The total Allied force in West Berlin amounts to some 9,000 troops, which face approximately 350,000 Soviet and 150,000 East German troops in East Germany.

Outside of Berlin, many commanders have complained that they are not allocated enough practice munitions to enhance the combat skills of their troops. One problem of troop readiness seems to lie in the availability of such munitions and training. The tank battalion in West Berlin was allocated 24 shots for practice, when other vital infantry battalions are normally allotted only 18 of the $4,000-a-copy wire guided missiles for use in training each year. Battalions in the United States receive only about four missiles a year for training purposes.

Another noteworthy NATO competition which occurred this year was the 1981 Canadian Army Trophy Competition. The competition has been conducted biennially since 1963 at a West German tank range. The United States finished last in initial participation in 1977 and next to last in 1979. In 1981, the United States hosted the competition at a newly constructed tank range in Grafenwoehr, West Germany, between June 15 and 19, 1981. Fifteen tanks (five platoons of three tanks each) represented each country. 1st Bn., 32d Armor, 3d AD, U.S. competing unit (M–60A3 with laser rangefinder). Participating countries were: Canada and Belgium (both with laser rangefinders Leopards), Germany and Netherlands (both with steroscopic rangefinders Leopards), and United Kingdom (Chieftain with laser rangefinder).

Four of the five platoons from each country were randomly drawn to compete for record. The fifth platoon fired, but not for record, and was used for equipment and personnel support, as required, for the other platoons. The high three scoring platoons per country determined the final results.

Each platoon was issued 30 rounds of main gun and 750 rounds of MG ammunition. Each platoon, while negotiating several barriers over a 950-meter battle run, at a minimum 10-miles-per-hour speed, engaged two targets. An additional 16 main-gun target—two to five exposed at a time—were fired while stationary. Each target was exposed for up to 40 seconds. Range to targets while moving was 1,200 meters or less. Range to stationary targets was 2,000 meters or more. The MG targets consisted of 60 infantry silhouettes. Maximum 500 points/main target, on a sliding scale, was based on target hit and time required. Bonus was given for hitting all 18 main-gun targets and for ammunition conservation. Twenty-five points were awarded for each infantry silhouette hit.

The scoring consisted of a possible 21,200 maximum points per platoon, broken down as follows:

First, 18 main-gun targets (500 point/hit) equal 9,000 points;

Second, sliding time scale (1–40 seconds) equal 9,000 points (main gun hit 1 second after target exposure was worth 500 points; 40 seconds after, worth zero points);

Third, bonus for hitting all 18 targets equal 500 points;

Fourth, ammo bonus equal 1,200 points (100 points/round for all rounds remaining after 18 targets hit);

Fifth, 60 infantry silhouette (25 points/hit) equal 1,500 points; for a total of 21,200 possible points.

The final standings were as follows: Federal Republic of Germany (41,770); Belgium (36,577); United States (35,187); Canada (34,990); United Kingdom (34,840); and Netherlands (30,724). The U.S. results were encouraging and represented a significant improvement over previous Canadian Cup competitions.

U.S. results in NATO competitions are dependent to a large extent upon equipment and training as well as unit cohesion and time spent working together. In a "shooting and maneuvering contest," the Leopard I used by Germany, Belgium, the Netherlands, and Canada might well have had the advantage over the U.S. M60–A3 in maneuverability and reliability. The U.S. crew did well to come in ahead of the British, Canadians, and Dutch.

The fact to be kept in mind is not that the United States performed poorly because it did not win the contest, but rather that our European allies also have some good equipment and excellent training and that working together we can successfully deter the Soviets.

The main question I would like to pose today is what can we do to increase the level of capability of our U.S. military forces, reduce friction between U.S forces in Germany and the German population, and shore up in a concrete fashion the defense of Western Europe.

Perhaps the answer may be in better training and equipping of our Armed Forces, which could be done to a significant degree here at home. An increase in the level of Reserve Forces could also be part of the answer. A qualitative and quantitative increase in Allied defense spending is also essential.

If our mission in West Germany is to make the Germans more of a bulwark against the Soviets, we may be failing if we maintain an inadequately prepared force in the area at its present level, with its present composition. We are and need to be as supportive as possible of our German allies in a steadfast defense of the West. In order to do this, we must realize that the future of the Armed Forces, especially the problems the United States faces with the All-Volunteer Army, need to be addressed as soon as possible, and that the decisions we make now—to further instill pride and patriotism in the U.S. military; to share responsible burdens with our NATO allies; and to shore up our own military ranks—will be critical to United States-European relations and the safety and defense of the West.

Although the United States and Europe presently face substantial economic difficulties in terms of inflation, unemployment, high energy cost, and so forth, we must move in a unified and coherent fashion to implement both tracks of the December 1979, NATO decision to modernize our tactical nuclear forces; and proceed with meaningful and realistic arms control talks with the Soviets. It must be emphasized that this latter track can be pursued successfully only from a position of Allied strength and unity. Expectations concerning arms control talks should not be viewed overoptimistically when the Soviets view Allied strength as inferior to their own and feel they have nothing to gain.

We cannot hesitate in taking the necessary steps in consultation with our allies for the formation of a more unified and capable defensive establishment and strategy, with an emphasis on preparedness and quality. The difficult decisions that confront us cannot be postponed.

OLDER AMERICANS EMPLOYMENT OPPORTUNITY WEEK

Mr. HEINZ. Mr. President, last July the Senate approved a resolution designating this week as "Older Americans Employment Opportunity Week." In connection with this week, there are special activities taking place across the Nation which are designed to promote the hiring and retention of older workers. As we in Congress confront the complex issues involved in social security and other retirement programs, we must not neglect the laudable aspirations of older persons who wish to work beyond retirement age.

In this connection I would like to call the attention of my colleagues to a special report prepared by the staff of the Special Committee on Aging entitled "Toward a National Older Worker Policy." This report will be a valuable guide to both Congress and to private industry as the need for more affirmative policies to attract and retrain older, experienced, and skilled workers becomes more pronounced in the coming decade. The report explores present retirement policies which tend to push older workers out of the labor force, and it identifies personnel practices which tend to favor younger workers and discriminate against older workers on the basis of their age—and not on the basis of their ability.

The report then goes on to make specific and wide-ranging recommendations to implement expanded employment opportunities for older workers. For example, the report urges the complete abolition of mandatory retirement. It also recommends that the current social security earnings limitation be raised from $5,000 to $12,000. It also urges an increase in the scheduled retirement deferment credit from 3 percent to 9 percent per year for each year worked beyond age 65—which would make the credit a true incentive for older workers to stay on the job.

Specific recommendations for private employers include in-house reviews of age-biased personnel practices, the development of retraining programs, the use of part-time and flexitime work schedules, and liberalizing pension and employee benefit programs to encourage older workers to continue a productive role beyond the traditional retirement age.

Labor unions are urged to reassess bargaining strategies to assure that benefits gained for workers are not at the expense of older workers. Provision for part-time work in collectively bargained contracts is also recommended.

I want to make clear that these recommendations do not necessarily represent, in whole or in part the views of any member of the committee. Individual members may agree or disagree with some or all of the proposals. Nonetheless we believe this report is of value in confronting what may prove to be one of the major challenges of the decade.

No one argues that keeping older workers on the job will, of itself, save the social security system or the economy. But I do believe that promoting employment choices for older, productive Americans benefits our overall economy. Older persons who choose to remain working contribute their skills and experience to the economy. They also pay taxes—including FICA. This policy study describes new ways in which employers can deal with older workers—ways to retain their skills, and reward their contributions in an equitable manner. It also notes that the time for developing a thorough older worker policy is close at hand. Demographics and the changing profiles of the labor force simply do not allow us the luxury of delay. We will need older workers to help keep our economy running in a relatively short period of time. This comprehensive report offers a solid building block for a national older worker policy. I recommend it, without reservation, for consideration by all my distinguished colleagues in the Senate and for all employers and labor unions.

I ask unanimous consent to have printed in the RECORD the executive summary of the report for the benefit of my colleagues.

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

TOWARD A NATIONAL OLDER WORKER POLICY

EXECUTIVE SUMMARY

Age discrimination in employment continues to play a pernicious role in limiting employment opportunities for older workers, as manifested by the increasing number and scope of complaints reaching the Equal Employment Opportunity Commission (EEOC) and litigation pending in the Federal courts. The Age Discrimination in Employment Act (ADEA) provides basic civil rights protection for older workers and for older persons seeking to reenter the labor force. But recent developments and cases suggest that there are weaknesses in the law which should be corrected.

Older worker employment programs in the United States have varied greatly in design, funding levels, and emphasis over the past years.

Although the Comprehensive Employment and Training Act (CETA) represented the Nation's basic manpower policy, older workers participated minimally in this program. Title V of the Older Americans Act, as amended, provides part-time work for older persons who meet certain Office of Management and Budget (OMB) poverty criteria The program serves more than 54,000 older individuals. The larger, more expensive training and employment programs, however, appear to be directed at disadvantaged youth. The smaller, part-time work program is directed at older workers. There are certain values and policy implications involved in this dichotomy which deserve careful scrutiny.

Current employment programs sponsored by the U.S. Government can be changed to provide more equitable services to older

workers. And there are many new policy and program initiatives which can and must be explored over the coming decade if the Nation is to develop a policy recognizing the older workers as a valuable human resource.

For example, an affirmative action program for workers between the ages of 40 and 70 might assure that these individuals (including older women and minorities) gain ready access to jobs made available through Federal contracts to major employers in the United States.

Congress could design and legislate special unemployment insurance and job retraining programs for middle-aged and older workers to enable them to remain in—or reenter—the labor force when external economic pressures would otherwise force them into premature labor force withdrawal.

Congress should also explore alternative employment programs which would provide older workers with incentives to defer retirement; provide employers with motivation and incentives to develop retention programs for older employees; and promote part-time employment opportunities for retired individuals seeking limited work opportunity.

Further, officials from the Departments of Commerce and Labor, along with representatives from the Administration on Aging, could assess and develop economic impact programs which can lead to job opportunities for older workers along with the other age groups in the labor force.

Current retirement policies should also be reconsidered. Various experts and observers have pointed out that continuing our present level of retirement income support is largely dependent on a combination of economic and demographic factors. If, for example, double-digit inflation abates over the coming years and if the economy as a whole does not slide into serious recession and the U.S. labor force achieves reasonable levels of productivity, then we may be able to afford current benefit levels. And older persons most likely will continue to retire at the expected early or normal retirement age.

But if economic conditions are more severe, then the support of an additional 5 million older persons in "full' retirement at the end of the decade, and millions more in subsequent decades, raises many questions. Will the retirement income, from whatever combination of sources, be adequate? Will able, older retirees be forced to engage in some sort of employment activity to make ends meet? Much has been written about how inflation has eroded the incomes of older persons who retired 10 or more years ago on what then seemed to be an adequate retirement income. Retirement policies should focus on removing the disincentives which tend to push, or lure, older workers into retirement. A policy objective is to provide options within the retirement system which would allow for continued, part-time work, periodic callback to the workplace, and provisions for hiring new older workers.

Employment as an alternative to retirement should be thoroughly examined as one means to alleviate financial stress on the public and private pension systems as the Nation's older population expands over the coming decades. But, once again, new knowledge and tools are needed if employment and retention options are to become practical realities for older workers and prospective employers.

If a national older worker policy is to take hold, a major effort at organizing and disseminating present research and knowledge on age, work, and retirement must be made. The employer community at large and, specifically, personnel administrators and human resource managers need to know how to utilize older workers; and they need the tools and methods to do so. Furthermore, new knowledge is needed about older workers in new and effective ways. The gradual aging of our population makes this knowledge all the more necessary.

Schools of gerontology, business administration, and industrial relations need to collaborate and share their experience as it applies to the aging process and the adjustment of work and retirement systems to accommodate this process in the workplace. Schools of medicine with established programs in geriatrics also need to cooperate in generating research and information which can help in the development of flexible employment-retirement systems. The specific recommendations made by the Federal Council on the Aging are contained in appendix A.

TRIBUTE TO ROY WILKINS

Mr. GLENN. Mr. President, I want to pay tribute to one of the most dedicated, capable, and effective civil rights leaders of our time, the late Roy Wilkins. Born at the turn of the century in St. Louis, Mo., Roy Wilkins' life was an inspiration to all Americans who truly believe in the American creed of liberty and justice for all. Although often persecuted—and sometimes prosecuted—for his ideals, Mr. Wilkins waged a tireless and a lifelong fight against the evils of bigotry, hatred, and racial discrimination. When he passed from among us at age 80 last Tuesday, he left the country he loved a distinguished legacy of solid progress and proud achievement. Indeed, by continually striving to make his country better, Roy Wilkins demonstrated himself to be a patriot in the truest and noblest sense.

Though perhaps not as visible or as media-oriented as some of his colleagues, Mr. Wilkins' behind-the-scenes efforts were indispensable in winning many of the major civil rights battles. One of the earliest of those battles—unbelievable as it now may seem—concerned the enactment of the antilynching laws—a task to which Mr. Wilkins devoted a decade of his life after joining the NAACP in 1931. In 1954, as the executive director of the NAACP—a position he held for 22 years—Roy Wilkins was an influential figure in the landmark Supreme Court case of Brown against Board of Education. By mandating an end to separate and unequal public education in this country, the Court sought to open the doors of opportunity to every American without regard to the color of their skin. Among Roy Wilkins' other achievements was his work in organizing the 1963 march on Washington—an event at which his friend Martin Luther King, Jr., so eloquently spoke of his majestic dream for America. Through his close association with former President Johnson, Mr. Wilkins played a key role in urging the President to press for passage of the 1964 Civil Rights Act, the Voting Rights Act of 1965 and other important civil rights legislation.

Mr. President, Roy Wilkins' contributions to the quality of American life are as legion as they are legendary. His life made a difference. Hopefully, his death will not. In 1968, Mr. Wilkins spoke about the tragic assassination of Dr. Martin Luther King. He put it this way:

It will not stay the civil rights movement; it will instead spur it to greater activity. It is to be hoped that this . . . will help move the American people to prompt actions to expunge racism from our national life. If such action is taken forthwith, the sacrifice of this great and good man will not have been in vain.

Mr. President, because those words are equally and clearly applicable to the life and death of Roy Wilkins himself, let us in Congress resolve to do whatever is necessary to insure that the struggle is not lost—and that the many sacrifices of Roy Wilkins were likewise not made in vain.

DR. MICHAEL LEWIS MATTEO

Mr. GLENN. Mr. President, it is often said that a community can become nothing more than what people put into it. For all the benefits produced by government and other institutions, the health of a community and the welfare of its citizens ultimately depend upon individual initiative. Recently, the city of Wickliffe, Ohio, set aside a special day to honor a man who early in life embraced the philosophy of community service, and who has spent the intervening years devoting his skills, talents, and energies to making Wickliffe a better place to live. That man is Dr. Michael Lewis Matteo.

Dr. Matteo is a native son of Wickliffe, a product of its school system and a man who departed the city only long enough to obtain a medical education and to serve in the Armed Forces, where he rose to the rank of lieutenant colonel before being honorably discharged.

After the war, Dr. Matteo returned to Wickliffe with his bride, the former Jane French Pugh, and quickly established a pattern of freely and selflessly offering his time to church and secular organizations of widely varying persuasions. He served without pay as the sports physician for the Wickliffe city schools, and tended to the medical needs of the local police and fire departments. And he worked tirelessly to build up the Blue Coats of Lake County Fund, which is used to assist the families of police officers and firefighters who are killed or injured in the line of duty.

Mr. President, the list of organizations Dr. Matteo has served and the number of awards he has received from his grateful community are too numerous to mention. After 70 years of service, the people of Wickliffe decided that nothing short of setting aside an entire day in his honor would suffice. And so it was done, with a parade, a testimonial dinner and a dance all being part of the celebration.

I bring this to the attention of the Senate because too often we forget that people, as individuals, are the building blocks of our communities. Too often we forget that voluntary, individual effort can do the job and do it well. Fortunately, people like Dr. Matteo are there to remind us, and I am confident that the entire Senate joins me in paying tribute to him today.

TRIBUTE TO MRS. MORROW COFFEY GRAHAM OF CHARLOTTE, N.C.

Mr. THURMOND. Mr. President, I take this opportunity to pay tribute to

the late Mrs. Morrow Coffey Graham, mother of evangelist Dr. Billy Graham, who passed away on August 14, 1981, at the age of 89.

To her devoted children, family, and friends, I offer my deepest sympathy.

Mrs. Graham played a significant role in the lives of many people. Her relationship to God had a great effect on her son, and he, in turn, had a tremendous impact on the world. His accomplishments can, in part, be attributed to a fine upbringing by his mother and father. Indeed, it has been said that few people have influenced Dr. Graham's faith more than his mother.

Though I never met Mrs. Graham, I know that she was a woman of uncompromising character who was loved by all who knew her. Her godly life has been an inspiration to many persons, both friends and family alike. Truly, her life is worthy of emulation, and the life of her son is testimony to that fact.

Appropriate words at a time like this are hard to come by, but I feel that remarks made by Dr. Graham at his mother's memorial service may best express the gentle greatness of this wonderful woman.

In addition to these words by Dr. Graham, an article which appeared in the August 15, 1981 edition of the Charlotte Observer provides information about the life of Mrs. Graham as a devoted wife, dedicated mother, and caring friend.

Mr. President, though these brief words cannot completely depict the life of this outstanding woman, I wish to share them with my colleagues, and I ask unanimous consent that these thoughts be printed in the RECORD.

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

EXCERPTS FROM MEMORIAL SERVICE FOR MORROW COFFEY GRAHAM

(By Billy Graham)

It says here that "In Memory." I could take several hours in memory and each of my sisters and brother could even give more because they have lived here closer in recent years, but I suppose, being the oldest, I have some memories too of her.

And one Scripture I would like to take in the beginning is Psalm 118:23 and 24. I was looking through her Bible which is so marked up, and I had given her that particular Bible about twenty-five years ago. And she had this one: "This is the Lord's doing; it is marvelous in our eyes. This is the day which the Lord hath made; we will rejoice and be glad in it."

And I like the emphasis that has already been made that this is a time of rejoicing. One of her great-grandchildren who is ten years of age said, when we visited Mother Graham a few days ago, "We looked down on her and she was so weak and so helpless. Now, she's looking down on us and we're so weak and so helpless." And that is exactly true. She's the one that is rejoicing and happy.

I'm glad that she lingered as long as she did. She always hoped she wouldn't linger, but she did, because the statements she made in the last two or three months have been—a book wouldn't contain all the things that she has said to pass on. In fact, she grabbed one of my sisters and said, "Pass it on." And that's what she wanted done.

But there are several things as I was coming down on the plane yesterday, and I was trying to write down a few little things to pass on to you about her. As has already been mentioned, she was a women of the Word. Psalm 119:16: "I will delight myself in thy statutes: I will not forget thy word." So I was reading that Psalm to her and those of you that know the Bible know that it's the longest Psalm—it's as long as twenty other Psalms in the Bible, and I was reading it to her. This was about six weeks ago. And she started repeating it. She told me an interesting thing. She said, "You know I memorized that Psalm before I was twelve years old." I could hardly believe it.

I remember she made me memorize the Shorter Catechism and that was the hardest thing I ever did, and one of the reasons I wanted to leave home. She had memorized it.

I've often wondered how her faith came. I think part of it came from her father who was a soldier; wounded at Gettysburg, he had his leg shot off and while he was sitting there shrapnel came and took out his eye; and he came home and married, and had a mule and a little farm, but he taught the Word of God in the home. His three wonderful daughters were women of God.

And then she was a woman who worked with her hands. You know, the day I was born she picked beans all morning, and I was born about four o'clock in the afternoon. In Proverbs 31 it says, "She . . . worketh willingly with her hands." In those early years and during the depression years she worked out on the farm as well as keeping the books and answering the phone because my father and his brother, Clyde, had a little dairy. People would call up and say, "You forgot to leave us a quart of milk," or whatever, and I remember when milk went down to five cents a quart how worried they were as to whether they could make it or not. She was right there, working hard from morning till night. Breakfast was ready every morning at five-thirty, and that was after we'd milked the cows.

And then she was a woman of love. She loved God supremely with all her heart and mind and soul. She loved her family—the children, the in-laws, the grandchildren, the great-grandchildren. She loved them all, and before she died she wrote every one of them a letter, sort of saying goodbye to them. Some of them were in her own hand, as it would shake along, and some she typed out, and some she had Rose to type for her.

And then she loved the church. When I was a boy we went to Chalmers Memorial ARP Church on East Boulevard. She sang in the choir, taught a Sunday School class along with her sister, and her brother-in-law was the one that kept the church going—Uncle Bo. I'll never forget because he'd be there on Saturday cleaning it up and fixing it for the next morning. Then she was a charter member, I believe, of this church. My father certainly was a charter elder of this church.

And fourthly, she was a woman of generosity. The Scripture says, "take heed that ye do not your alms before men to be seen of them. Otherwise ye have no reward of your Father which is in heaven." I don't think anyone will ever know the little bits of money she sent to hundreds of people—missionaries on the foreign field, organizations she couldn't give very much to but she gave what she could, and she didn't want people to know about it. It was amazing. That story alone is something that is a thrilling thing for us to remember.

And fifthly, she had a ministry of letter writing. Paul said, "Ye see how large a letter I have written unto you with mine own hand." She wrote hundreds and thousands of letters to missionaries, to people who were suffering or persecuted or bereaved or were needing spiritual counsel, and last year, or year before last (she was eighty-seven years of age) she wrote 537 letters in that year alone. She had a ministry of letter writing that most people never knew.

Rose Adams told us so many wonderful things. Rose called the family Saturday morning to say this: "I've been calling in my report on how Mother Graham is every morning. (She'd call the family every morning.) Today I want to give my final report. Your mother is alive and well, and walking in the streets of Glory. She had the best night she's ever had. And she's satisfied because she has awakened in the likeness of the Lord. She told me so many times, in the last few weeks, 'Rose, I'm not going to be satisfied here any more.'"

And so to our beloved mother we don't say goodbye. It won't be long till we'll see her again.

[From The Charlotte Observer, Aug. 15, 1981]

MOTHER OF BILLY GRAHAM DIES AT 89

It happened pretty much as she would have chosen it, in the privacy of her home with her family around her—except that her oldest son, Billy, was away in Minneapolis.

Morrow Graham, mother of evangelist Billy Graham, died Friday evening after a summer of failing health. She was 89.

She was surrounded in her last days by members of her family—two daughters and a son who live in Charlotte.

Death came in the handsome brick house where she had raised her children. The house, which once stood on the edge of her husband's dairy farm, is nestled in a grove of trees a few blocks south of Charlotte's Park Road Shopping Center.

It is surrounded now by the flickering neon of nearby restaurants—the Great Wall of China, the Ole Smokehouse, a Steak 'n' Eggs. Next door is an IBM office building, with a plaque in front bearing this inscription:

"Birthplace of Dr. Billy Graham, world-renowned evangelist, author, and educator and preacher of the gospel of Christ to more people than any other man in history. . . ."

Few people influenced Graham's faith more than his mother. She was a woman of devout and old-fashioned piety, the demure and handsome daughter of a Confederate veteran of the Civil War, a quiet farmer named Benjamin Coffey who lost a leg and an eye in the battle of Gettysburg.

In 1910, she met her husband-to-be, Franklin Graham, who died 19 years ago. They courted for six years, then knelt together on their wedding night and prayed that God would see fit to bless their marriage.

A year later, Mrs. Graham had a daughter, Helen Elizabeth, who died as an infant. On Nov. 7, 1918, Billy was born. He grew up happily as a favorite of his mother. His sister, Catherine McElroy, affirms without rancor:

"After we were all grown, I only lived a few blocks away. I was always there every day. Mother probably got tired of seeing me. But when Billy would come home, he was the light of her life."

During this summer, as Mrs. Graham's health began to decline—first from heart failure, then five weeks ago, a stroke—Billy traveled to Charlotte several times. He would drive down from his mountaintop home in Montreat, and he and his mother would often sit alone talking.

"I would just sit beside her and hold her hand, and talk with her when she would awaken," Graham said. "In the last two or three weeks, I would have to lean down so I could hear her whispering. Mostly it was Bible verses, or how much she looked forward to going to heaven, or how much we had meant to her.

"And of course we told her the same—how much we loved her, and how much her strength had meant to us. The last time I saw her was Saturday."

Graham was called away this week to a board meeting in Minneapolis, headquarters for his massive organization, the Billy Graham Evangelistic Association.

But Mrs. McElroy and Mrs. Graham's other two children—son, Melvin, and daughter, Jean Ford, wife of evangelist Leighton Ford—were almost constantly at her side.

Another frequent visitor was the Rev. Ross Rhoads, pastor of Charlotte's Calvary Church, where Mrs. Graham was a charter member.

"Watching her die was a lesson for me," said Rhoads. "She didn't give up. She had a will to do all she could until the end. She knew it was near, and yet there was not a shred of dread or panic.

"She did not want to die in the hospital," Rhoads added. "She was a very strong believer in the privacy of the home."

Mrs. McElroy recalls one of the first times she ever saw her mother cry was about 15 years ago, when the Graham children persuaded her to move into a Charlotte apartment complex.

She moved without complaint. But about six weeks later, when Mrs. McElroy asked her if she would like to move back to her house, Mrs. Graham began weeping softly. She moved back to her house and has lived there ever since.

Although it was uncharacteristic for Mrs. Graham to cry, her son-in-law Leighton Ford said, she began to let her feelings show more clearly—at least in the company of her family.

She would occasionally weep from nostalgia as she thought about the past. And, says Ford, "Her sense of humor, which was always there, became more apparent as well."

Friends from her later years describe her as gracious and impressive in her serenity and charm. But Ford says she also had a temper—particularly during her younger days, when the pressure of hard work was a major fact of her life.

She cooked breakfast every morning at 5:30, and served a midday meal for the hired hands on the farm. She kept the farm's financial records—sometimes an unpleasant task during the Depression.

But if hard times occasionally induced displays of anger, they seem never to have created any bitterness or regret.

"She believed," said Rhoads, "that God had a plan for everything. She was not one to ask, 'What if. . . .?' "

Mrs. Graham generally shunned the public spotlight. During the last days of her life, as she slipped in and out of a semicoma, she asked her family for reassurance: "The newspapers are not writing about me, are they?"

And yet for all her privacy, she was a prolific letter-writer and entertained a steady stream of visitors to her home, including reporters who asked about Billy. She would peer at her guests through thick bifocals, still a handsome woman with twinkling eyes and curling ringlets of soft white hair.

"This may surprise you," she told one reporter in 1979, "but I don't exactly feel proud of Billy. I don't think pride has any place in a Christian family. I would say I'm grateful—thankful that the Lord has blessed him as he has."

Told that quote Friday, Graham chuckled softly. "Yes," he said, "that sounds rather typical of her. In her Christian walk, she gave the credit to God."

The funeral will be at 3 p.m. Sunday at Calvary Church. Burial will be at the Steele Creek Presbyterian Church cemetery. Harry & Bryant is in charge.

TRIBUTE TO LOWELL THOMAS

Mr. THURMOND. Mr. President, Lowell Thomas, world renowned commentator, writer, and explorer, was an inspiration to millions of people during his lifetime. His death on August 30, at the age of 89, saddened people everywhere who not only knew him personally but knew him through the good works of his outstanding career of more than 50 years.

He was a historian and political analyst of keen insight who had attended Presidential nominating conventions since 1912. The richness of his voice and the depths of his thoughts about people, events and places captivated radio audiences for two generations.

Lowell Thomas was an eminent American who will be missed, and I want to add my own words of tribute to those being voiced around the world.

A United Press International dispatch, which appeared in the Columbia, S.C., State newspaper on August 30, underscores why we should remember him as a distinguished man of accomplishment.

Mr. President, in order to share this excellent news story with my colleagues, I ask unanimous consent that it be printed in the RECORD.

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

"BROADCAST PIONEER LOWELL THOMAS DIES"

PAWLING, N.Y.—Lowell Thomas, the dean of the world's radio news broadcasters whose pioneer feats through more than five decades form one of the most extraordinary chapters in media history, died Saturday. He was 89.

His secretary, Electra Nix, said Thomas died of a heart attack in his sleep at his upstate New York home in Pawling.

He was the first man to broadcast from a ship, from an airplane, from a coal mine and from a submarine. His reporting work took him to both poles and almost everywhere in between.

As a noted columnist wrote in 1958, "The day will come when a compact man, with piercing blue eyes, wavy salt-and-pepper hair, a thin mustache and a voice like an organ will stride brisky toward the pearly gates. The guardian angel will recognize him at once. 'Here comes Lowell Thomas,' he will say. 'He's been everywhere else.' "

The longest continually operating voice in radio belonged to the indefatigable Ohioan, who first went behind the microphone in 1925 and began daily broadcasts on a Monday through Friday basis in 1930. His last daily broadcast for CBS radio was in May of 1976, at the age of 84. He continued intermittent broadcasts after that time.

"He had been well, and there was no indication of such a tragedy at all," Ms. Nix said.

"When I talked with him last night, we discussed working on correspondence," Ms. Nix said. "I worked with him yesterday until a few minutes past 5. He was in good spirits."

Thomas's second wife, Marianna, was with him at the time of his death. His first wife died in 1975.

Thomas had been working on a series of vignettes on what people accomplished in their later years—what he called "the best years." It was being used as a syndicated radio spot feature sponsored by Mutual of Omaha.

He once explained the secret of his success. "I try to make news somewhat entertaining," he said. "It seems to me that the day-by-day exploits and adventures are fantastic, fabulous. Why shouldn't they be entertaining? And why shouldn't you tell them in a way that brings it out in that fashion? I've always tried to do that."

Thomas knew personally every president from William Howard Taft to Gerald Ford. He respected each of them and called them all "giants."

Vice President George Bush said he was "deeply saddened to learn of the death of my close friend and one of our nation's finest citizens."

"As one of our legendary journalists and goodwill ambassadors, he combined decency, integrity, and great professionalism with a true spirit of adventure," Bush said in a statement, adding that he and his wife were grateful to Thomas "for all of his kindnesses over many years."

The commentator was born in Woodington, Ohio on April 6, 1892, "around the corner from the world's most famous lady sharpshooter, Annie Oakley."

His father, a doctor, headed west shortly after his son's birth, and set up practice in the mining town of Cripple Creek, Colo. Thomas grew up peddling papers in saloons, packing a pistol and walking to Sunday School through the town's red-light district, hand in hand with a young woman who later became speakeasy queen Texas Guinan.

Thomas landed his first reporting job at the age of 18 with the Cripple Creek Times. Shortly afterward, he became editor of the Victor (Colo.) Daily Record. He saved enough money for college and earned his B.A. and M.A. degrees at the University of Denver. He then studied law at night at Kent College in Chicago, working in the daytime on the Chicago Journal.

Thomas studied constitutional law at Princeton University, supporting himself by instructing other students in public speaking.

He also gave illustrated talks before various civic groups, which were based on a film-making expedition he had made earlier in the Yukon.

He had been thinking of becoming a teacher, but found he could make more money in two or three days lecturing than he could earn as a college teacher in a month.

His reputation as a public speaker led President Woodrow Wilson to commission him in 1917 to tour the Allied war fronts and tell the American people what he saw. The purpose was to bolster morale on the home front.

Before taking off, he married Frances Ryan, whom he had met at the University of Denver. They journeyed to Europe together, he to the various war zones, including Palestine, and she to assignments with the Red Cross.

Thomas met Commander (later Field Marshal) Edmund Allenby in Palestine, and also got to know T. E. Lawrence.

He witnessed Allenby's capture of Jerusalem from the Turks. And he was the only correspondent to cover Lawrence's Arabian campaign.

After the war, Thomas devised an illustrated lecture entitled "With Allenby in Palestine and Lawrence in Arabia." The show, as he preferred to call it, opened in New York and then went to England.

It was instantly successful, made Thomas rich and enabled him to buy a luxurious 500-acre estate in Dutchess County, 60 miles north of New York City. It was from his home that he made many of his CBS broadcasts.

Thomas's initial broadcast in 1925 was over Station KDKA in Pittsburgh. He became a regular broadcaster in 1930 at the behest of the man who was then president of CBS, William Paley.

Paley persuaded him to audition for a news program sponsored by the Literary Di-

gest. Floyd Gibbons, who had been doing the program on NBC, had been fired. Paley hoped he could get the program for CBS if the sponsor liked Thomas. The rest is broadcast history.

DEATH OF MRS. RUTH D. THOMAS OF COLUMBIA, S.C.

Mr. THURMOND. Mr. President, I was deeply saddened to learn of the death of Mrs. Ruth D. Thomas in my home State of South Carolina. She was a fine, patriotic, public-spirited woman who made outstanding contributions in the field of education during her long and productive career. Her knowledge of South Carolina was immense, especially her knowledge of history of the Palmetto State which she taught to so many students.

Her daughter and son-in-law, Mr. and Mrs. William D. Workman, Jr., of Columbia, S.C., can be justifiably proud of Mrs. Thomas and her career. I express my regrets to them, as well as to the entire family. A recent editorial in the Columbia, S.C., State expresses my sentiments about the passing of this wonderful lady.

Mr. President, in order to share these comments with my colleagues, I ask unanimous consent that this editorial be printed in the RECORD.

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

[From The State, July 8, 1981]

RUTH D. THOMAS

In these days of heightened awareness of equal rights and opportunities for women, Mrs. Ruth Dorrill Thomas may have seemed to the feminists an anachronism.

Mrs. Thomas, who died Sunday at the age of 90, spent her entire adult life as a teacher. She started teaching in the days when that was the career expected of many young women, and when it was also expected that they would become wives and mothers.

Mrs. Thomas was an outstanding teacher, and she set an example as an achiever for pupils and students for more than 40 years. Her career spanned a broad range—from a one-classroom school to the studios of S.C. Educational Television, where she taught statewide the subject she knew best, S.C. history.

Mrs. Thomas reached her profession's heights, serving as president of the S.C. Education Association, and the Classroom Teachers Association of S.C. She was influential in the National Education Association.

Mrs. Thomas was proudest of having organized the first Future Teachers Club of America in Walterboro, where she has spent most of her working life. The organization is now nationwide.

A friendly and lovely lady, Mrs. Thomas relished her professional and personal life, and she lived her last years in a contentment to which many today should aspire.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

DEPARTMENT OF JUSTICE AUTHORIZATIONS, 1982

UNANIMOUS CONSENT AGREEMENT

Mr. BAKER. Mr. President, I believe we are now in a position to present the unanimous-consent request with respect to another vote on the Johnston amendment to the Department of Justice authorization bill. I propound now the following request:

Mr. President, I ask unanimous consent that it may be in order for the Senator from Louisiana (Mr. JOHNSTON) to file a cloture motion today with respect to amendment No. 96 to S. 951, the Department of Justice authorization bill, and that a vote on the motion be deferred until the hour of 2 p.m., on Wednesday, September 16.

Further, I ask unanimous consent that S. 951 not be made the pending business before the Senate unless and until cloture is invoked on amendment No. 96, on Wednesday, September 16; and, further, that if cloture is not invoked on Wednesday, September 16, S. 951 return to the calendar and, notwithstanding its status as the unfinished business, be brought before the Senate again only on motion.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, I shall not object. Will the majority leader include in that the request that someone may file a cloture motion on behalf of Mr. JOHNSTON?

Mr. BAKER. Yes, Mr. President. I ask unanimous consent that the distinguished minority leader, as well, may file a cloture motion on behalf of the Senator from Louisiana.

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

Is there objection to the unanimous-consent request? The Chair hears none. Without objection, it is so ordered.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. JOHNSTON, I send the cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on amendment number 96 (as modified) to S. 951, the Department of Justice authorization bill.

Mr. Johnston, Mr. Bentsen, Mr. Randolph, Mr. Stennis, Mr. Long, Mr. DeConcini, Mr. Exon, Mr. Chiles, Mr. Grassley, Mr. Huddleston, Mr Nickles, Mr. Mattingly, Mr. Proxmire, Mr. Boren, Mr. Kasten, and Mr. Heflin.

RECESS UNTIL 3:45 P.M. TODAY

Mr. WEICKER assumed the chair.

Mr. BAKER. Mr. President, there is one item of business that we may be able to transact on the legislative calendar today. The clearance process is still continuing. I hope that it may be possible to turn to consideration of Calendar Order No. 225, S. 859. We are not prepared, however, to proceed with that at this moment. In order to accommodate other requirements, Mr. President, I ask unanimous consent that the Senate now stand in recess until the hour of 3:45 p.m.

There being no objection, the Senate, at 3:17 p.m., recessed until 3:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. STEVENS).

Mr. BAKER. Mr. President, there is one matter, as I indicated earlier, that we may be able to do on the legislative calendar. I understand that the distinguished minority leader is on his way to the floor, so while we await his arrival I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business be extended until not later than 4:30, under the same terms and conditions of the previous order.

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

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

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

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

SPECIAL MESSAGE FROM THE PRESIDENT REPORTING ON THE DEFERRAL OF CERTAIN BUDGET AUTHORITY—PM 76

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying documents; which pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Foreign Relations, the Committee on Finance, the Committee on Commerce, Science, and Transportation, and the Committee on Energy and Natural Resources:

To the Congress of the United States:

In accordance with the Impoundment Control Act of 1974, I herewith report two new deferrals totaling $6.7 million and revisions to three previously reported deferrals.

The deferrals affect programs in International Development Assistance, the Department of Health and Human Services, the Department of Transportation, the Pennsylvania Avenue Development Corporation, and the Motor Carrier Ratemaking Study Commission.

The details of each deferral are contained in the attached reports.

RONALD REAGAN.

THE WHITE HOUSE, *September 10, 1981.*

MESSAGE FROM THE HOUSE

At 10:48 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House disagrees to the amendments of the Senate to the bill (H.R. 4034) making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1982, agrees to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and has appointed Mr. BOLAND, Mr. TRAXLER, Mr. STOKES, Mrs. BOGGS, Mr. SABO, Mr. WHITTEN, Mr. GREEN, Mr. COUGHLIN, Mr. YOUNG of Florida, and Mr. CONTE as managers of the conference on the part of the House.

The message also announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4416. An act to enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and contagious or infectious animal and poultry diseases.

At 2 p.m. a message from the House of Representatives, delivered by Mr. Gregory, one of its clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4169. An act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1982, and for other purposes.

HOUSE BILL REFERRED

The following bill was read twice by unanimous consent, and referred as indicated:

H.R. 4169. An act making appropriations for the Departments of Commerce, Justice, and State, the Judiciary, and related agencies for the fiscal year ending September 30, 1982, and for other purposes; to the Committee on Appropriations.

HOUSE BILL HELD AT THE DESK

The following bill was ordered held at the desk by unanimous consent:

H.R. 4416. An act to enable the Secretary of Agriculture to assist, on an emergency basis, in the eradication of plant pests and contagious or infectious animal and poultry diseases.

EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–1878. A communication from the Acting Chairman of the Federal Trade Commission, transmitting, pursuant to law, a Trade Regulation Rule concerning the sale of used motor vehicles; to the Committee on Commerce, Science, and Transportation.

PETITIONS AND MEMORIALS

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

POM–378. A resolution adopted by the House of Representatives of the State of South Carolina; to the Committee on Agriculture, Nutrition, and Forestry:

"A HOUSE RESOLUTION

"Whereas, there is now pending in the Congress legislation sponsored by Senator Mark Hatfield of Oregon and Congressman Thomas Petri of Wisconsin aimed at the destruction of the historically successful and cost effective tobacco loan and acreage allotment programs, coupled with a substantial retail tax on cigarettes and perhaps other tobacco products; and

"Whereas, the purpose of the loan program is to stablize the tobacco economy which has worked extremely well for forty years to insure adequate prices to enable farmers to stay in business and provide an adequate supply of tobacco in bad crop years for domestic and foreign markets; and

"Whereas, the acreage allotment program has further contributed to this stability by avoiding overproduction and requiring a quality product from the tobacco farmer who wishes to compete successfully in the marketplace; and

"Whereas, the tobacco farmer and the tobacco industry rather than being subsidized return a substantial profit to government producing at least six billion dollars of revenue in return for the relatively modest costs of administering the above programs; and

"Whereas, tobacco is the nation's fifth leading money crop and first in South Carolina where sixty thousand people find employment on the farm and in the industry and the importance of maintaining such an industry in a stable condition is obvious; and

"Whereas, the well-intended comment of the sponsors of this destructive legislation which implies that the "deregulation" of tobacco would work an advantage to farmers was certainly not based on consultation with those farmers whose principal income is based on continued operation of the present system; and

"Whereas, the tobacco farmers, industry and various local and national groups associated with the industry have worked diligently and effectively to "keep their house in order" and have substantially reduced their reliance on federal regulation and assistance; and

"Whereas, it would indeed be tragic to destroy a program that has worked so well and so economically when such destruction would result in no benefit to and even possible chaos in the tobacco industry.

"Now, therefore, be it resolved by the House of Representatives of the State of South Carolina:

"That by this resolution the Congress of the United States is memorialized to oppose pending legislation to destroy the federal tobacco loan and acreage allotment programs and the retail tax increase proposed as part of such legislation.

"Be it further resolved that copies of this resolution be forwarded to the President of the United States, the Vice-President, Speaker of the House of Representatives, the Chairman of the House and Senate Agriculture Committees, the Chairman of the Tobacco Advisory Commission and the members of the South Carolina Congressional Delegation, all in Washington, D.C."

POM–379. A petition from a citizen of Summerland Key, Fla., urging congressional cooperation with the President in strengthening U.S. Armed Forces; to the Committee on Armed Services.

POM–380. A petition from the citizens of Yelm, Wash., urging congressional cooperation with the President in strengthening U.S. Armed Forces; to the Committee on Armed Services.

POM–381. A petition from a citizen of Houston, Tex., urging congressional cooperation with the President in strengthening U.S. Armed Forces; to the Committee on Armed Services.

POM–382. A resolution adopted by the House of Representatives of the State of Texas; to the Committee on Banking, Housing, and Urban Affairs:

"RESOLUTION

"Whereas, The Securities Exchange Act of 1934 specifies margin requirements for the purpose of preventing the excessive use of credit for the purchase or carrying of securities; and

"Whereas, The purpose of such margins is to prevent speculation on credit from draining a disproportionate share of the nation's credit resources into the stock market; and

"Whereas, H.R. 4145 was introduced in Congress to amend the Securities Exchange Act of 1934 to provide uniform margin requirements in transactions involving the acquisition of securities of certain United States corporations by foreign persons where such acquisition is financed by a foreign lender; and

"Whereas, H.R. 4186 was introduced in Congress to impose a moratorium on foreign purchase of five percent or more interest in mineral interests in lands of the United States; now, therefore, be it

"Resolved, That the House of Representatives of the 67th Texas Legislature, 1st Called Session, hereby request the United States Congress to enact H.R. 4145, by Congressman Jim Collins, and H.R. 4186, by Congressmen Emerson and Santini; and, be it further

"Resolved, That official copies of this resolution be prepared for the President of the Senate and the Speaker of the House of Representatives of the United States Congress, and all members of the Texas delegation to the Congress with the request that this resolution be officially entered into the Congressional Record as a memorial to the Congress of the United States of America."

POM–383. A resolution from the Bay Area Center for Law and the Deaf, Oakland, Calif., supporting H.R. 375 and S. 604; to the Committee on Commerce, Science, and Transportation.

POM–384. A resolution adopted by the Trustees of the U.S. Travel Data Center making certain recommendations to the U.S. Bureau of the Census relative to the 1982 National Travel Survey; to the Committee on Commerce, Science, and Transportation.

POM–385. A petition from the city of Chisholm, Minn., opposing the bill S. 898; to the Committee on Commerce, Science, and Transportation.

POM–386. A resolution adopted by the Consumers Organization for the Hearing Impaired, Inc., Laurel, Md., favoring passage of bills H.R. 375 and S. 604; to the Committee on Commerce, Science, and Transportation.

OM–387. A petition from citizens of several towns and cities in the State of Georgia urging legislation establishing a fee for citizens' band radio licenses and recommendations for uses of such fees; to the Committee on Commerce, Science, and Transportation

POM–388. A petition from certain citizens of Brownwood, Tex., urging legislation establishing a fee for citizens' band radio licenses, and recommending uses for such funds; to the Committee on Commerce, Science, and Transportation.

POM–389. A resolution adopted by the board of directors of Operation Threshold, Black Hawk and Buchanan Counties, Iowa, opposing the immediate decontrol of natural gas prices; to the Committee on Energy and Natural Resources.

POM–390. A resolution adopted by the board of trustees of City Public Services, San Antonio, Tex., opposing immediate decontrol of natural gas prices; to the Committee on Energy and Natural Resources.

POM–391. A petition signed by certain citizens of Troy, N.Y., opposing the raising of the debt ceiling to permit a trillion dollar debt; to the Committee on Finance.

POM–392. A resolution adopted by the Assembly of the State of California; to the Committee on Environment and Public Works:

"HOUSE RESOLUTION No. 32

"Whereas, Clean water is essential to the public health and safety; and

"Whereas, It is of paramount importance that the limited water resources of the state and nation be protected from pollution, conserved, and reclaimed wherever possible to ensure continued economic and social growth; and

"Whereas, The federal Clean Water Act sets standards for preserving water quality in our nation's rivers, streams, lakes and oceans, and provides for federal participation in construction of facilities to clean up water pollution; and

"Whereas, Rising costs of construction and technological changes have pushed the cost of constructing treatment facilities beyond the reach of local and state agencies alone; and

"Whereas, For the last 10 years, the federal government has joined in partnership with state and local governments by providing 75 percent of funding for construction of treatment facilities so that municipal sewage discharges meet federal water quality standards; and

"Whereas, The State of California provides 12½ percent of the funding, leaving 12½ percent as the local share; and

"Whereas, The President and Congress have expressed an intent to eliminate all funding for the clean water program in the 1981–82 fiscal year while changes to the federal Clean Water Act are worked out; and

"Whereas, Because water knows no political boundaries, it is desirable for the federal government to continue contributing to construction of these facilities in order to meet its obligations to protect and promote the health, safety, and welfare of its people; now, therefore, be it

"Resolved by the Assembly of the State of California, That it is the Assembly's intent to protect California's waters from the ravages of pollution; and be it further

"Resolved, That the Assembly of the State of California respectfully memoralizes the President and the Congress of the United States to restore funding for the clean water program in the coming fiscal year in order to save taxpayers $114 million in inflationary costs which will be incurred in this state if the program is delayed; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–393. A joint resolution adopted by the Legislature of the State of California; to the Committee on Foreign Relations:

"ASSEMBLY JOINT RESOLUTION No. 40

"Whereas, The nation of Greece and its people have been long time and loyal allies of the United States; and

"Whereas, The bonds between the Greek and American peoples have remained strong through their mutual struggle together in two World Wars and through their on-going alliance; and

Whereas, The Greek nation was the cradle of Western democracy and its people have continued to hold high the ideals of democracy; and

"Whereas, Like the Greek people, Americans value their freedom and independence and support the hopes of those who yearn to be free; and

"Whereas, Many of the Greek people on the island of Cyprus have now lived for seven years under the illegal occupation of Turkish forces, an occupation which has been condemned by international bodies, including the United Nations, and many more have been made homeless by the Turkish invasion and occupation; and

"Whereas, The United States government through the lifting of its arms embargo against Turkey has relieved the pressures on that nation to end its occupation: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California strongly urges the President and the Congress of the United States to adopt a foreign policy which recognizes not only the strategic importance of Greece but also the need to support a nation which has so loyally stood by our country and which values its democratic institutions; and be it further

"Resolved, That the Legislature of the State of California urges the President and the Congress of the United States to bring pressure to bear on Turkey to end the occupation of Cyprus so that Greek and Turkish Cypriots may live in peace and freedom; and be it further

"Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, and to each Senator and Representative from California in the Congress of the United States."

POM–394. A resolution adopted by the Political Action Committee of the Congress of Filipino American Citizens, Jersey City, N.J., urging the appointment of the National Chairman of the Congress of Filipino American Citizens as U.S. Ambassador to the Philippines; to the Committee on Foreign Relations.

POM–395. A petition from certain citizens of Washington, D.C., urging congressional disapproval of D.C. Act 4–69, D.C. Sexual Assault Reform Act of 1981; to the Committee on Governmental Affairs.

POM–396. A resolution adopted by the Council of the city of Long Beach, Calif., urging remedies for those of Japanese ancestry interned in the United States during World War II; to the Committee on the Judiciary.

POM–397. A printed document of the Giles-Everingham VFW Post No. 9507, Madison Heights, Mich., transmitted by Herbert Stevens, relative to National POW–MIA Recognition Day, July 17, 1981; to the Committee on the Judiciary.

POM–398. A concurrent resolution adopted by the Legislature of the State of Louisiana; to the Committee on the Judiciary:

"A CONCURRENT RESOLUTION

"Whereas, the Voting Rights Act of 1965 has been hailed by many as the most effective civil rights legislation ever passed; and

"Whereas, this statute is aimed at ensuring that all qualified electors can register and vote by providing swift administrative relief to any such citizen who is denied that right; and

"Whereas, in 1975, the 94th Congress in its first session adopted a seven year extension of the Voting Rights Act of 1965; and

"Whereas, this landmark act is due to expire in August of next year unless Congress further extends it; and

"Whereas, the Voting Rights Act stands as the embodiment of the basic democratic principles of this nation: the equality of all of its citizens and the preservation of their right to vote.

"Therefore, be it resolved by the House of Representatives of the Legislature of Louisiana, the Senate thereof concurring, that the Louisiana Legislature hereby memorializes the Congress of the United States and urges the Louisiana congressional delegation to approve an extension of the Voting Rights Act, if and only if the scope of the Voting Rights Act is expanded to include each and every state, district, and territory of the United States.

"Be it further resolved that a copy of this Resolution be transmitted to the clerk of the United States House of Representatives and the secretary of the United States Senate and to each member of the Louisiana Congressional delegation."

POM–399. A resolution adopted by the House of Delegates of the American Bar Association, urging the individual States to ensure adequate funding for legal assistance to the indigent; to the Committee on the Judiciary.

POM–400. A resolution adopted by the American Library Association Council, urging continued free public access to Federal information; to the Committee on the Judiciary.

POM–401. A resolution adopted by the National Association of the Physically Handicapped, Inc., requesting an explanation from the President and Congress as to how the elimination of programs for the disabled can affect the goals of the physically handicapped; to the Committee on Labor and Human Resources.

POM–402. A resolution adopted by the Senate of the Commonwealth of Massachusetts; ordered to lie on the table:

"RESOLUTIONS MEMORIALIZING CONGRESS TO ADOPT A NATIONAL STRATEGY OF PEACE THROUGH STRENGTH

"Whereas, the Soviet Union has exploited United States peace initiatives to build up its strategic and conventional warfare capabilities; and

"Whereas, this has given the Soviet Union the means to support increasingly bolder world-wide aggression; and

"Whereas, there is basis for concern that the Soviets may next use these forces in Pakistan, Iran, and Yugoslavia; and

"Whereas, the Soviet Union has demonstrated an unwillingness to live by international law; and

"Whereas, the United States is the one world power that can stop the Soviet expansionism; now therefore, be it

"Resolved, (A) That the Massachusetts Senate respectfully urges the Congress of the United States to adopt a national strategy of peace through strength, the general principles of which would be:

(1) To inspire, focus and unite the national will and determination to achieve this goal of peace through freedom;

(2) To achieve overall military and technological superiority over the Soviet Union;

(3) To create a strategic defense and a civil defense which would protect United States citizens against nuclear war at least as well as the Soviets defend their citizens;

(4) To accept no arms control agreement which in any way jeopardizes the security of the United States or its allies, or locks the United States into a position of military inferiority;

(5) To re-establish effective security and intelligence capabilities;

(6) To pursue positive non-military means to roll back the growth of Communism;

(7) To help our allies and other non-Communist countries defend themselves against Communist aggression; and

(8) To maintain a strong economy and protect our overseas sources of energy and other vital raw materials.

(B) That the Massachusetts Senate acknowledge that it will take the combined efforts of hundreds of organizations to achieve the adoption of a national strategy of peace through strength; and be it further

"*Resolved*, that copies of these resolutions be transmitted by the Clerk of the Senate to the Presiding Officer of each branch of Congress and to the Members thereof from this commonwealth."

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. McCLURE, from the Committee on Energy and Natural Resources:

Robert A. G. Monks, of Maine, to be a Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 3 years;

Victor M. Thompson, Jr., of Oklahoma, to be a Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 4 years;

C. Howard Wilkins, of Kansas, to be a Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 5 years; and

Victor A. Schroeder, of Georgia, to be a Member of the Board of Directors of the U.S. Synthetic Fuels Corporation for a term of 6 years.

The above nominations were reported from the Committee on Energy and Natural Resources with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. PROXMIRE:

S. 1604. A bill to require the enactment of special legislation to continue the expenditure or obligation funds on any major civil acquisition whenever the cost of such acquisition has increased or, on the basis of estimates, will increase by 25 percent or more; to the Committee on Governmental Affairs.

By Mr. JOHNSTON:

S. 1605. A bill to provide for the reinstatement and validation of U.S. oil and gas lease No. E.S. 20644; to the Committee on Energy and Natural Resources.

By Mr. HEINZ:

S. 1606. A bill to establish a supplemental insurance fund administered by the Secretary of Energy to pay the costs of necessary remedial action following damage to nuclear powerplants, including certain remedial action at the Three Mile Island facilities in Pennsylvania, to require participation in such fund by the licensees of nuclear powerplants as a condition for the licensing and continued operation of such powerplants, and for other purposes; to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works, jointly, pursuant to the order of September 9, 1981.

By Mr. D'AMATO (for himself, Mrs. HAWKINS, Mr. DURENBERGER, Mr. SPECTER, Mr. BRADLEY, Mr. MITCHELL, Mr. COCHRAN, Mr. HELMS, and Mr. HEINZ):

S. 1607. A bill to amend the Internal Revenue Code of 1954 to provide a minimum interest and dividend exclusion of $200 for each individual; to the Commitee on Finance.

By Mr. INOUYE:

S. 1608. A bill to authorize contracts for custodial care for mentally retarded or physically handicapped spouses and children of members of the uniformed services; to the Committee on Armed Services.

By Mr. PRESSLER (for himself, Mr. MELCHER, Mr. ANDREWS, and Mr. BAUCUS):

S. 1609. A bill to amend the Federal Reserve Act to revise provisions relating to the Board of Governors of the Federal Reserve System, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. DANFORTH:

S. 1610. A bill to increase the excise tax on cigarettes and to transfer the revenues from such tax to the Federal hospital insurance trust fund; to the Commitee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 1604. A bill to require the enactment of special legislation to continue the expenditure or obligation of funds on any major civil acquisition whenever the cost of such acquisition has increased or, on the basis of estimates, will increase by 25 percent or more; to the Committee on Governmental Affairs.

(The remarks of Mr. PROXMIRE on this legislation appear earlier in today's RECORD.)

By Mr. HEINZ:

S. 1606. A bill to establish a supplemental insurance fund administered by the Secretary of Energy to pay the costs of necessary remedial action following damage to nuclear powerplants, including certain remedial action at the Three Mile Island facilities in Pennsylvania, to require participation in such fund by the licensees of nuclear powerplants as a condition for the licensing and continued operation of such plants, and for other purposes; pursuant to the order of September 9, 1981, referred, jointly, to the Committee on Energy and Natural Resources and the Committee on Environment and Public Works.

NUCLEAR PROPERTY INSURANCE ACT OF 1981

Mr. HEINZ. Mr. President, I rise to introduce the Nuclear Property Insurance Act of 1981, which addresses the problem of inadequate insurance for nuclear powerplant property, including the funding available for cleanup at Three Mile Island (TMI), near Harrisburg, Pa.

Since the accident at Three Mile Island on March 29, 1979, there has been some progress in cleanup of the contaminated TMI–2 unit. Krypton has been vented from the containment building and some radioactively contaminated water has been removed from an auxiliary building and successfully treated. We have a completed environmental impact statement, and recently the owner of the plant, General Public Utilities, has installed a water treatment system to decontaminate the 700,000 gallons of radioactive water which remain at TMI–2.

But as this effort proceeds, we must face the fact that cleaning up the facility will require another 5 to 9 years, at an estimated total cost of between $900 million and $1.3 billion, and that the original $300 million of insurance is likely to be exhausted next year. It is estimated that what remains of that insurance money, approximately $90 million, will be sufficient for removal and cleanup of the radioactive water. However, there will not be sufficient funds to cover the next essential steps in this process: decontamination of the interior surfaces of the reactor containment building and removal and disposal of the damaged core force of the reactor vessel.

We cannot halt the cleanup progress we have made to date without endangering health and safety in the area. As the Nuclear Regulatory Commission's environmental impact statement pointed out—

> Until TMI–2 is largely decontaminated, there is a small probability (which increases with time) of uncontrolled releases of radioactivity to the environment. Decontamination of the plant and disposal of the wastes will eliminate this possibility for potential harm to the public and workers at TMI. . . . The staff therefore concludes that the full cleanup of the facility must proceed as expeditiously as is reasonably feasible, consistent with ensuring public health and safety and protecting the environment.

And unless we deal now with the larger question of creating an adequate level of property insurance for all nuclear powerplants, we face this same financial problem again if there were to be another major nuclear accident. In addition, until we have such an insurance plan in place, we are not really in a position to decide among the various current options for generating electricity on a large scale—coal, oil, gas, and nuclear—since we are not representing one of the true costs of using the nuclear option.

For all of those reasons—the need to protect the health and safety of the people in the Three Mile Island service area, the need to prevent a recurrence of this financial problem should a future accident occur, and the need to accurately reflect the true costs of all electricity-generating options—we must proceed expeditiously with both the TMI cleanup and the creation of additional nuclear property insurance for future accidents.

It seems clear to me that both of these tasks will require a collective effort. No single party bears all the responsibility,

or has, as a practical matter, the realistic chance of paying for either the cleanup or the insurance for future accidents.

The owner of the utility is in desperate financial shape. Since the accident, both the undamaged TMI unit and the damaged TMI unit 2 have been removed from GPU's rate base, so that the company has had to find another source to cover its fixed costs and interest costs on the $1.1 billion invested in those two units. It has found that funding by suspending all common stock dividends, at a cost of $200 million to its stockholders.

GPU has also had to seek additional funding to provide power to its customers previously served by TMI–1 and TMI–2. In order to get the necessary short-term loans to do so, it has mortgaged all of its assets to a consortium of banks. Financial experts have considered the possibility of bankruptcy as means of solving the problem, but their analysis has shown that bankruptcy would simply increase the litigation costs and financing costs of the cleanup; increase the cost of financing for all electric utilities by causing investors to demand a higher risk premium for utility stocks and bonds; and increase the public health and safety hazard by delaying the cleanup.

The ratepayers have also been stretched very thin in an effort to solve this problem. GPU's customers served by Three Mile Island have seen their electric bills increase by 50 percent to pay the costs of replacement power, at a time when they were already paying a larger percentage of their incomes for power than ratepayers in many other parts of the country.

During the 27 months which have passed since the accident, these and other difficulties have led to an impasse over funding the cleanup costs. Recently several significant steps have been taken which may aid in resolving that impasse:

First. The Edison Electric Institute, an association of utilities companies. has adopted a motion which recognizes that cleaning up TMI–2 is in the best interests of the EEI companies and their customers and that, therefore. the utilities should make some significant contribution toward that goal; and

Second. On July 9, Gov. Richard Thornburgh of Pennsylvania outlined a plan for a national sharing of the costs of the cleanup.

While both of these steps are helpful, neither provides the mechanism to finally resolve the cleanup impasse or to resolve the larger question of adequate nuclear property insurance for utilities. And every day of further delay in resolving these problems increases the risk to the health and safety of the people of Pennsylvania, increases the ultimate cost of cleanup, and continues the danger of inadequate coverage for all citizens served by nuclear utilities.

The bill I am introducing today will provide a mechanism to resolve both of these problems by providing for a nuclear property damage insurance fund to be administered by the Department of Energy. The fund would be created through a system of insurance premiums to be paid by all electric utilities which own nuclear powerplants, and insurance coverage under this plan would be required as a condition of receiving and maintaining an operating license from the Nuclear Regulatory Commission.

The fund would only be used when cleanup and rehabilitation costs from a nuclear accident exceeded the amount of commercially available insurance by $50 million, up to a maximum of $2 billion. Given the $300 million of commercial insurance coverage available today, that would mean that none of the new funding proposed in my bill would be expended until after the first $350 million of accident costs had been covered by insurance and the affected utility. And because the cost of the insurance would become a part of the cost of generating electricity by nuclear energy, this bill would provide a further step toward assuring that the price set for nuclear energy more accurately reflects the true costs of using this option, an important consideration as we as a country continue to compare the relative advantages of different ways of generating electric power.

The bill I am introducing today would also provide funds for the cleanup of TMI–2 by providing 75 percent of the funding for the uninsured cleanup costs incurred after the date of the bill's enactment. GPU would have to repay one-half of any moneys received from the fund, over a period of time to be determined by the DOE. Thus, based on one current cost estimate, the total cleanup at TMI–2 would require $900 million. GPU had $300 million of insurance on the unit, leaving a total of $600 million in unfunded costs under this estimate. My bill would cover 75 percent of those unfunded costs, with the remaining $150 million to be provided by GPU. In addition, subject to terms to be set by DOE, GPU would repay 50 percent of that estimated $450 million to the insurance fund over an extended period.

In conclusion, Mr. President, there are a number of key facts which we must not forget in considering this situation:

First. Public health and safety continues to be jeopardized at TMI while we prolong the cleanup effort;

Second. Energy ratepayers in this Nation will suffer higher electric bills as a result of the reaction of capital markets in some external funding mechanism to provide for the rapid cleanup of TMI–2 is not found; and

Third. Every utility which owns a portion of a nuclear powerplant is exposed to serious financial problems, including bankruptcy, and every ratepayer of those utilities is exposed to the threat of skyrocketing electric power costs, as a result of today's grossly inadequate levels of property insurance and the failure of our society to cleanup the accident at Three Mile Island.

These problems are national problems, and we must deal with them on a national basis. We have an opportunity to provide assurance to the people of the United States that customers served by utilities with nuclear powerplants will have adequate financial safeguards in case of a nuclear accident. I urge my colleagues to seize this opportunity and to join with me in supporting passage of this bill.

By Mr. D'AMATO (for himself, Mrs. HAWKINS, Mr. DURENBERGER, Mr. SPECTER, Mr. BRADLEY, Mr. MITCHELL, Mr. COCHRAN, Mr. HELMS, and Mr. HEINZ):

S. 1607. A bill to amend the Internal Revenue Code of 1954 to provide a minimum interest and dividend exclusion of $200 for each individual; to the Committee on Finance.

INTEREST AND DIVIDEND EXCLUSION

● Mr. D'AMATO. Mr. President, the recent enactment of the Economic Recovery Tax Act of 1981 will long be remembered as a remarkable congressional achievement. Among the numerous tax reductions included in this landmark legislation were cuts in individual income taxes, corporate taxes, small business taxes, estate and gift taxes, and capital gains taxes.

This legislation, however, contains one glaring exception to its own basic philosophy. Taxes on savings are increased by this act. Section 302(b) repeals the current $200 ($400 in the case of a joint return) exclusion of dividends and interest from taxable income. This deduction is replaced with a much less generous provision allowing only a $100 ($200 in the case of a joint return) exclusion applied solely to dividend income. Beginning in 1982 there will be no generalized exclusion of interest earned on savings from taxable income.

Not only will section 302(b) discourage savings at a time when increased capital formation is so necessary to America's economic recovery, but it will also result in a tax increase on every American saver. Moreover, the small saver will be hit proportionately harder than the wealthy investor.

This unwarranted tax increase will fall most heavily upon the elderly living on fixed, retirement incomes supplemented only by the interest they earn on their life savings. This tax increase will also have a severe and adverse impact on lower and middle income working families struggling to make ends meet in spite of inflation. It was simply wrong to eliminate this exclusion which provides a needed incentive for the average American taxpayer to save. We should encourage, rather than discourage, these individuals to put money aside for the education of their children, for a downpayment on a home, or for other worthwhile purposes.

Except for that minority of taxpayers with incomes high enough to place them above the 30 percent marginal tax bracket, that is, those individuals for whom it makes financial sense to purchase an All Savers Certificate, every dollar of interest income will now be taxed, beginning from the very first dollar. By including section 302(b) in the Economic Recovery Tax Act the Congress has sent an unmistakable message to taxpayers with moderate incomes: "We do not care if you save. The small

amounts you set aside may be important to you, but in the grand scheme of things they mean very little. It is the wealthy who can save enough to make a difference; it is the wealthy who must therefore be encouraged to save."

Thus, to lessen the revenue loss, the Congress decided to eliminate the exclusion that benefits primarily the small saver and replace it with a new type of tax free investment benefiting only the well-to-do.

These are three major reasons for restoring the $200–$400 all inclusive exclusion for dividend and interest income. First, and most important, it represents fair treatment for taxpayers of all income classes. We should not be creating new tax exemptions for the wealthy, while simultaneously denying equal treatment to the middle class and to the retired.

When the average voter finds out what the Congress has done, he or she will be justifiably outraged. By repealing the $200–$400 exclusion and replacing it with the All Savers Certificate the Congress has violated the values of simple equity upon which the Internal Revenue Code should be based.

The second reason for restoring the $200–$400 exclusion is to encourage savings. Some may argue that this provision does not encourage savings since the affected individuals would save anyway. In return I ask: "How do they know?" The exclusion has been in existence for only 8 months. As of yet, no firm statistics based on actual data have been collected. It is, therefore, too early to be certain. At the very least, however, we can be certain that the $200–$400 exclusion does not discourage savings.

To those who maintain that the middle class and the retired will save anyway, but that the more well-to-do will not and thus need the encouragement of the All Savers Certificate, I reply that the wealthy are less, not more, likely to use all of their income for immediate consumption. Thus, they would be more likely to save and invest even without any Government encouragement. To those who believe that the All Savers Certificate will generate more new savings than the all inclusive $200–$400 exclusion and that only one such savings incentive can be afforded at this time, I reply that we cannot finance additional tax breaks for the wealthy by increasing taxes on the "little guy."

A third important reason for restoring this partial exclusion on interest income is that America's economic recovery is dependent on tax decreases, not on tax increases. More capital formation will result from tax reductions than will result from tax increases. Except for the closing of certain loopholes, we should not be increasing anyone's Federal taxes at this time. America is an overtaxed society and this Congress has dedicated itself to returning hard-earned income to the American public. Thus, we should not now be imposing new taxes through the back door by eliminating the partial exclusion of interest earnings from taxable income.

For all of these reasons I have today introduced legislation to restore the $200–$400 partial exclusion for dividend and interest income. I think it is necessary that we put this legislation on a fast track so that this exclusion is not allowed to lapse at the end of 1981.

My bill in no way affects the all-savers certificate. It in no way compromises the excellent provision included as part of the Economic Recovery Tax Act to provide a 15-percent exclusion on net interest income beginning in 1985. When this percentage exclusion becomes operative the $200–$400 partial exclusion will apply as a base amount. Taxpayers will be allowed to exclude from taxable income 100 percent of their interest income up to $200 ($400 in the case of a joint return) and 15 percent of any additional net interest income up to a total exclusion of $450 ($900 in the case of a joint return). These upper limits for the total exclusion are the same as those specified in the Economic Recovery Tax Act.

The revenue loss for this legislation may sound high—over $2 billion a year for the first 3 years—but it is really quite low when you consider that the Congress has already enacted this provision in 1979. We have already promised this small amount of tax relief to the American saver, and now it has been summarily taken away. We must reverse this unwarranted action.●

By Mr. INOUYE:

S. 1608. A bill to authorize contracts for custodial care for mentally retarded or physically handicapped spouses and children of members of the uniformed services; to the Committee on Armed Services.

CONTRACTS FOR CARE OF CERTAIN DEPENDENTS OF MILITARY PERSONNEL

● Mr. INOUYE. Mr. President, today, I am introducing legislation to provide for the care of mentally retarded or physically and emotionally handicapped spouses and children of members of the uniformed services. This bill would amend the Department of Defense CHAMPUS program, specifically the handicapped children's section to authorize payment for the custodial care of dependents of active duty personnel.

My proposal is aimed at enhancing the quality of life for military families through additional health benefits. Families in our military services are not unlike most American families. They are beset by rising costs of basic needs such as food, energy, housing, and health care. I believe that through proposals which provide better health benefits for active duty personnel, the morale, preparedness, and retention of our highly trained military personnel will be considerably enhanced. Indirectly, our recruitment efforts may also be benefited.

It is my understanding that the lack of custodial care under CHAMPUS has created major financial drains on the resources of some families. The problem has become increasingly acute because of growing emphasis on professional review of long-term hospitalization. As a result of these professional reviews of health care services financed under the CHAMPUS basic program, benefits are increasingly being terminated when care has been determined to be merely custodial. Although such a determination is appropriate, in many cases, the terminations involve dependents of active duty personnel who, because of the lesser severity of their mental or physical disorder, are not now eligible for the CHAMPUS program for the handicapped. Since most of our active duty personnel do not have alternative third party payment resources, they are experiencing great financial burdens for the care of their dependents who need custodial care.

This legislation could result in a substantial reduction of the financial burden now carried by many active duty personnel. Furthermore, since the program for the handicapped provides services to patients who are trainable and whose condition can be improved, it is possible that long-term governmental cost would be reduced through intervention.

The exact number of individuals who would be covered by this proposal and the exact costs are not known at this time. However, due to increased governmental contribution under the program for the handicapped (from $350 to $1,000 per person per month) and the professional review of care under the basic program, a certain number of beneficiaries and costs will be shifted and will not represent new costs. The fiscal year 1979 cost of the program for the handicapped has decreased substantially. In fiscal year 1975, the cost was $9.4 million and in fiscal year 1979, the cost was $2.3 million.

Mr. President, I request unanimous consent that the text of this bill be printed in the RECORD.

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

S. 1608

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1077(b) of title 10, United States Code, is amended by—

(1) striking out "or custodial care" in clause (1);

(2) redesignating clause (2) as clause (3); and

(3) inserting after clause (1) the following new clause:

"(2) Custodial care for emotional or physical disabilities, except to the extent provided in section 1079(d) of this title.";

SEC. 2. Section 1079(d) of title 10, United States Code, is amended by adding at the end thereof the following new clause:

"(5) Custodial care for emotional or physical disabilities.".●

By Mr. PRESSLER (for himself, Mr. MELCHER, Mr. BAUCUS, and Mr. ANDREWS):

S. 1609. A bill to amend the Federal Reserve Act to revise provisions relating to the Board of Governors of the Federal Reserve System, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

AMENDMENT OF FEDERAL RESERVE ACT

Mr. PRESSLER. Mr. President, today I am introducing a bill on behalf of myself and Senator MELCHER which amends the Federal Reserve Act to make the Federal Reserve more accountable to the

American people. I do this because of my concern for the high interest rates our country is suffering from and my contention that current Federal Reserve officials are not in touch with the problems of those sectors of our economy that depend on credit for their business operations.

In the past month, protest over unreasonable interest rates has reached a level that even insulated Washington officialdom is beginning to notice. We have been aware of the housing crunch for some time now and made some efforts to alleviate the tight mortgage money by passing the all-savers bill. However, the problem and effects of high interest rates have spread to every area of the country and every small business person and farmer is fighting for their economic life right now. No matter how hard these people work and, ironically, no matter how successful their operations have been in the past, the money needed to maintain and expand their enterprises is not available at a reasonable price.

The agriculture sector of our economy has experienced incredible costs in the past decade. But, whereas these fertilizer, seed, and machinery costs have increased almost 200 percent from 1967 to 1979, interest rates have increased 401 percent per acre in that time period and are estimated to have increased 200 percent more from 1979 to 1980. This means that in 1 year, interest rate costs per acre equal or exceed any of the other cost increases farmers have experienced in the past decade.

Something must be done now to insure that the voice of the American people is heard where policy decisions on interest rates are made. And that is why I am introducing these amendments to the Federal Reserve Act.

The Federal Reserve was created in 1913 and has been dominated by those persons involved in the world of high finance. Unfortunately, it is sometimes difficult for former presidents of some of our Nation's largest banks to maintain a clear view of the effects their policies are having on small business persons and farmers. My bill is designed to give those parts of our economy which are the backbone of our Nation a voice in Federal Reserve policy. It does this by requiring that at least one member serving on the Federal Reserve Board have demonstrable experience in agriculture and one in small business.

Other provisions of my bill are a change in the current 14-year term for Federal Reserve Board Governors. My legislation reduces this term to 7 years in a belief that long terms only serve to isolate Reserve Governors from the effects of their economic policies.

The other two changes I am suggesting are that Members of Congress serve as ex officio members of the Federal Reserve and that the Board maintain statistics on loans made by size category of business in order that data may be accumulated with regard to interest rates and their effect on various categories of business by size.

I have pledged to continue working on this severe problem until relief is secured. I urge my colleagues to join with me in supporting these amendments to the Federal Reserve Act and in responding to the voices of our constituents that are drowning in a sea of high interest rates.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1609

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 10 of the Federal Reserve Act (12 U.S.C. 241) is amended by—

(1) striking "fourteen years" and substituting "seven years",

(2) inserting immediately before the last sentence the following: "At least one member serving on the Board shall have demonstrable experience in small business and one in agriculture." and

(3) by adding at the end thereof the following new sentence: "The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each appoint a person to serve as ex-officio members of the Board for terms not to exceed two years.".

(b) Section 11(a) of such Act (12 U.S.C. 248) is amended by adding the following new sentence at the end thereof: "The Board shall maintain statistics on loans made by size category of business in order that data may be accumulated with regard to interest rates and their effect on various categories of business by size.".

By Mr. DANFORTH:

S. 1610. A bill to increase the excise tax on cigarettes and to transfer the revenues from such tax to the Federal Hospital Insurance Trust Fund; to the Committee on Finance.

EXCISE TAX ON CIGARETTES

● Mr. DANFORTH. Mr. President, today I am introducing a bill which would raise excise taxes on a pack of cigarettes by 10 cents. At present the excise tax is 8 cents a pack, a rate established in 1951, over a quarter of a century ago.

The revenues generated by this measure would be paid directly into the medicare program of health care for the elderly. Adding this 10-cent tax would generate close to $3 billion annually, a sum which would prove a real shot in the arm for the ailing condition of the social security program.

An increase in cigarette excise tax program will go a long way toward making those who choose to smoke responsible for the tremendous health care costs now borne for them by the Federal Government. The sums spent by medicare and medicaid each year to treat persons suffering from smoking-related diseases is a staggering $3.8 billion, an estimate from the National Center for Health Statistics within the Department of Health and Human Services. It strikes me as eminently fair to ask those doing the smoking to increase their share of the costs which their habits generate.

Three important things have happened since the cigarette tax was set at 8 cents a pack in 1951. First, we have had tremendous inflation, 8 cents in 1951 would be the equivalent of 25 cents today. In 1951, the Federal excise tax represented about one-third of the average cost of a pack of cigarettes. Today, the Federal tax represents only one-eighth of the cost.

The second thing that has happened since 1951 is the Surgeon General's report. We now have indisputable evidence linking cigarette smoking with a whole range of catastrophic illnesses—lung cancer, strokes, emphysema and so on, and it is now the pronounced public policy of our Nation to discourage smoking.

Third, since 1951, the Government has established the medicare, medicaid, disability insurance and supplemental security income programs. As a result, the American people—nonsmokers as well as smokers—are subsidizing through their taxes the real costs associated with cigarette smoking. An estimated 6 percent of the expenditures of the medicare and medicaid programs go to the treatment of illnesses caused by smoking. In 1980, that amounted to about $3.8 billion spent by medicare and medicaid for smoking-related diseases—a figure which would be significantly offset if a 10-cents-a-pack tax increase were enacted.

The additional $3 billion would also make a major contribution toward solving the current financial crisis facing the social security system. Experts believe an additional $50 to $75 billion is needed to keep the system healthy over the next 5 years. This proposal would generate $15 billion during that period—a sizeable portion of the system's projected short fall.

No one likes to propose tax increases, but this is a case which is altogether logical, fair, and timely. It makes the smoker pay a larger share of smoking's cost to society. It also brings needed financial help to a troubled social security system and helps to avoid harsher solutions to that problem.

I invite each of my colleagues to study my proposal and join me as a cosponsor.●

ADDITIONAL COSPONSORS

S. 131

At the request of Mr. INOUYE, the Senator from Arizona (Mr. GOLDWATER), and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. 131, a bill to incorporate the Pearl Harbor Survivors Association.

S. 672

At the request of Mr. PELL, the Senator from Illinois (Mr. DIXON) was added as a cosponsor of S. 672, a bill to require the Secretary of Transportation to administer a national driver register to assist State driver licensing officials in electronically exchanging information regarding the motor vehicle driving records of certain individuals.

S. 1053

At the request of Mr. MELCHER, the Senator from Montana (Mr. BAUCUS), the Senator from California (Mr. CRANSTON), the Senator from New York (Mr. MOYNIHAN), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Washington (Mr. GORTON) were added as cosponsors of S. 1053, a bill to amend the Federal Meat Inspection Act to authorize the Secretary of Agriculture

to regulate the transportation in commerce of horses intended for slaughter, and for other purposes.

S. 1131

At the request of Mr. DANFORTH, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 1131, a bill to require the Federal Government to pay interest on overdue payments and to take early payment discounts only when payment is timely made, and for other purposes.

S. 1181

At the request of Mr. JEPSEN, the Senator from Texas (Mr. TOWER), the Senator from Wisconsin (Mr. KASTEN), and the Senator from Arizona (Mr. DECONCINI) were added as cosponsors of S. 1181, a bill to amend titles 10 and 37, United States Code, to increase the pay and allowances and benefits of members of the uniformed services and certain dependents, and for other purposes.

S. 1342

At the request of Mr. MELCHER, the Senator from Tennessee (Mr. SASSER) was added as a cosponsor of S. 1342, a bill to define the circumstances under which construction workers may deduct travel and transportation expenses in computing their taxable incomes for purposes of the Federal income tax.

S. 1406

At the request of Mr. LUGAR, the Senator from Massachusetts (Mr. TSONGAS) was added as a cosponsor of S. 1406, a bill to amend the Depository Institution Deregulation and Monetary Control Act of 1980.

S. 1448

At the request of Mr. MATHIAS, the Senator from Idaho (Mr. SYMMS), the Senator from Delaware (Mr. ROTH), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Missouri (Mr. DANFORTH), and the Senator from Maryland (Mr. SARBANES) were added as cosponsors of S. 1448, a bill to provide for the issuance of a postage stamp to commemorate the 70th anniversary of the founding of the Girl Scouts of the United States of America.

S. 1524

At the request of Mr. METZENBAUM, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 1524, a bill to amend the National Labor Relations Act to provide that the duty to bargain collectively includes bargaining with respect to retirement benefits for retired employees.

SENATE JOINT RESOLUTION 67

At the request of Mr. INOUYE, the Senator from Maryland (Mr. MATHIAS) and the Senator from Wisconsin (Mr. KASTEN) were added as cosponsors of Senate Joint Resolution 67, a joint resolution to establish "National Nurse-Midwifery Week."

SENATE JOINT RESOLUTION 76

At the request of Mr. RANDOLPH, the Senator from Mississippi (Mr. STENNIS) was added as a cosponsor of Senate Joint Resolution 76, a joint resolution providing for the commemoration of the 100th anniversary of the birth of Franklin Delano Roosevelt.

SENATE RESOLUTION 175

At the request of Mr. BOREN, the Senator from New Mexico (Mr. SCHMITT), the Senator from Alabama (Mr. HEFLIN), the Senator from Tennessee (Mr. SASSER), the Senator from North Carolina (Mr. EAST), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Nevada (Mr. LAXALT), the Senator from Massachusetts (Mr. KENNEDY), the Senator from North Dakota (Mr. BURDICK), the Senator from California (Mr. CRANSTON), the Senator from Idaho (Mr. SYMMS), the Senator from Delaware (Mr. ROTH), the Senator from Alabama (Mr. DENTON), the Senator from New Jersey (Mr. BRADLEY), the Senator from Louisiana (Mr. LONG), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Utah (Mr. HATCH), the Senator from Illinois (Mr. PERCY), the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Washington (Mr. JACKSON), the Senator from New York (Mr. MOYNIHAN), the Senator from Indiana (Mr. LUGAR), the Senator from Alaska (Mr. STEVENS), the Senator from New York (Mr. D'AMATO), the Senator from Texas (Mr. BENTSEN), the Senator from Maryland (Mr. SARBANES), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Montana (Mr. MELCHER), the Senator from South Dakota (Mr. ABDNOR), the Senator from Alaska (Mr. MURKOWSKI), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of Senate Resolution 175, a resolution to congratulate the State of Oklahoma on the celebration of its "Diamond Jubilee."

SENATE CONCURRENT RESOLUTION 32 — CONCURRENT RESOLUTION AUTHORIZING A BUST OR STATUE OF DR. MARTIN LUTHER KING, JR. TO BE PLACED IN THE CAPITOL

Mr. MATHIAS submitted the following concurrent resolution; which was referred to the Committee on Rules and Administration:

S. CON. RES. 32

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on the Library is authorized and directed to procure a bust or statue of Dr. Martin Luther King, Junior, and to cause such sculpture to be placed in a suitable location in the Capitol as determined by the Joint Committee on the Library.

SEC. 2. Expenses incurred by the Joint Committee on the Library in carrying out this concurrent resolution, which shall not exceed $25,000, shall be paid out of the contingent fund of the Senate on vouchers approved by the chairman of the joint committee.

A STATUE OF DR. KING FOR THE CAPITOL

● Mr. MATHIAS. Mr. President, many outstanding Americans and their individual accomplishments have been acclaimed in these Halls. Few have done more to change America than Martin Luther King, Jr., a man of vision who for many Americans came to symbolize the equality of all Americans.

Today I send to the desk a resolution to authorize placing a statue or bust of Martin Luther King, Jr., in the Halls of the Capitol. Dr. King had a profound influence in these Halls. It is reflected in historic legislation affecting civil rights and the right to vote. In fact, one of the major tasks now before Congress is the extension of the 1965 Voting Rights Act, the legislative result of the great crusade for voting rights spearheaded by Dr. King.

Placing a statue or bust of Martin Luther King, Jr., in the Capitol will not add to the luster of his life. That needs no confirmation by the Congress. But, Dr. King has earned his place among our Nation's heroes. We ought to affirm that place visibly in the Halls of the Capitol Building.●

ORDER FOR STAR PRINT

Mr. BAKER. Mr. President, I ask unanimous consent that the resolution (S. Res. 190) be star printed to state that the resolution was reported without amendment and without recommendation. I send the correction to the desk.

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

ORDER FOR STAR PRINT

Mr. BAKER. Mr. President, I ask unanimous consent that there be a star print of Senate Resolution 192, to state that the resolution was reported without amendment, and I send the correction to the desk.

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

NOTICES OF HEARINGS

COMMITTEE ON THE BUDGET

Mr. DOMENICI. Mr. President, the Senate Budget Committee will meet for a series of hearings on September 15, 16, and 17 to consider matters relating to the second concurrent budget resolution for fiscal year 1982. Witnesses are as follows: Tuesday, September 15 at 10:30 a.m., Dr. Alice Rivlin, Director of the Congressional Budget Office; Wednesday, September 16 at 10 a.m., the Honorable Paul Volcker, Chairman of the Federal Reserve System; Wednesday, September 16 at 2 p.m., Dr. Ronald I. McKinnon, professor, Stanford University; Dr. Allan H. Meltzer, professor, Carnegie Mellon University; Dr. James Tobin, professor, Yale University; September 17 at 10 a.m., David Stockman, Director, Office of Management and Budget; and September 17 at 2 p.m., Dr. Jerry Jordan, member, Council of Economic Advisers; Mr. Larry Kudlow, Assistant Director of Economic Policy, Office of Management and Budget; Mr. Beryl Sprinkel, Under Secretary for Monetary Affairs, Department of the Treasury.

All hearings will be held in room 6202 of the Dirksen Senate Office Building. For further information, contact Lynn Pearson of the Senate Budget Committee staff at 224-0544.

ADDITIONAL STATEMENTS

MEDIATED NEGOTIATIONS IN EL SALVADOR

● Mr. KENNEDY. Mr. President, on August 28, two countries close to the United States in friendship and alliance issued an important declaration concerning the continuing civil strife in El Salvador. France and Mexico have recognized that the Frente Farabunda Marti Para La Liberacion Nacional and the Frente Democratico Revolucionario are a "representative political force" in El Salvador which should be able to participate in seeking a negotiated political solution to the crisis. In issuing this declaration, Foreign Ministers Cheysson and Castaneda also appealed to the international community to facilitate a "rapprochement between representatives of the warring Salvadoran political forces."

The Mexican-French declaration was met with both support and criticism internationally—support for its recognition that negotiations are necessary with the main adversary to the junta before conditions for truly free elections can be established; and criticism for supposed intervention in the internal affairs of El Salvador. These developments heighten the importance of urgently exploring every avenue to halt the killing in El Salvador, to seek a political solution and to prevent further military escalation of this senseless and tragic conflict.

The Mexican-French initiative provides a rare opportunity to break the stalemate in El Salvador. The United States should urge all sides to take immediate advantage of one or more of the offers outstanding for mediation of the dispute. There is abundant precedent for proceeding in this fashion, not the least example being the successful resolution of the conflict in Zimbabwe, following mediated negotiation among all parties, and after the failure of premature elections in a misguided attempt to impose an "internal" settlement without the consent of key political forces in that country.

It is plain that the administration's policy in El Salvador is not working. It is plain that valuable time has been and is being lost, and that more and more innocent lives are being expended in a senseless convulsion of a society too long denied the most basic rights and opportunities for all but a few of its people. It is plain that the junta remains incapable of assuring its population that it can govern justly and can bring its own security forces and the rightwing death squads under control, or even see justice done in the case of thousands of murders, including those of American women missionaries and American labor representatives.

It is plain, in short, that negotiations, involving outside mediation, are needed now. And when the fighting and the killing and all outside military intervention have ceased, and when the opposing factions have agreed to reasonable approaches to resolving the issues that divide them, only then will there be a real opportunity for fair and impartial elections which will be trusted and accepted by all the people of El Salvador.

Mr. President, I ask that the joint Mexican-French declaration be printed in the RECORD, together with a cogent editorial in the New York Times on September 8 urging that mediated negotiations be tried in El Salvador.

The material follows:

FRANCO-MEXICAN DECLARATION ON EL SALVADOR

The Minister for External Relations, M. Claude Cheysson, and the Mexican Minister of Foreign Affairs, Mr. Jorge Castaneia, have exchanged views on the situation in Central America.

The two Ministers wish to voice jointly their Governments' grave concern over the suffering of the people of El Salvador in the present situation, a source of potential danger for stability and peace throughout the region in view of the risks of internationalization of the crisis, they accordingly hereby make the following declaration;

Being convinced that it is for the Salvadoran people and for them alone to find a fair and lasting solution to the deep-seated crisis affecting that country, thus putting an end to the tragedy suffered by the population;

Conscious of their responsibility as members of the international community, and taking guidance from the goals and principles of the United Nations Charter;

Considering the extreme gravity of the present situation and the need for fundamental social, economic and political changes;

Recognize that the alliance of the Frente Farabundo Marti Para La Liberacion Nacional and the Frente Democratico Revolucionario constitutes a representative political force ready to take on the attendant responsibilities and exercise the attendant rights. Consequently, it is legitimate that the alliance should participate in establishing the mechanisms of conciliation and negotiation needed for the political solution of the crisis;

Recall that it is for the people of El Salvador to set in train a process designed to bring about a global political solution whereby a new internal order will be established, the Armed Forces restructured and conditions created that will ensure respect for the popular will, as expressed through genuinely free elections and other mechanisms forming part of a democratic system: and

Appeal to the international community to provide, more especially in the United Nations framework, for the protection of the civilian population in accordance with the applicable international norms and warring Salvadoran political forces, with a view to restoring harmony in that country and in order that all interference in El Salvador's domestic affairs may be avoided.

THE TAINTED BALLOT IN EL SALVADOR

Political solution: that is everyone's answer to the merciless civil war that has claimed as many as 20,000 lives in El Salvador. Even the Reagan Administration has muted its January call to arms and now talks about a political settlement of a conflict that it correctly describes as "Salvadoran in nature." Then why is it so annoyed with France and Mexico for opening a new path to that very end?

The French and the Mexicans outline an approach requiring negotiations between the American-supported junta and the diffuse opposition coalition known as the Democratic Revolutionary Front. That is by no means an extreme idea. Everyone knows there are genuine democrats and certifiable zealots on both sides of the Salvadoran divide. There could be real promise in a deal uniting the fragmented center while isolating the totalitarian extremes.

By recognizing the opposition front as a "representative political force," Mexico and France think they can hasten a cease-fire and an acceptable compromise. The Administration thinks otherwise, and so do Venezuela, Colombia and Argentina, which have rallied to its side.

Possibly, as the Administration insists, the French-Mexican initiative is unrealistic, a mere sop to left-wing opinion in both countries. But how realistic is Washington's notion of a political solution? The idea looks fine: let all Salvadorans go to the polls next March and elect a constituent assembly as the first step to founding a democratic system. The trouble is that there have been "elections" for 50 years in El Salvadore, and all have been tainted. As long as unregenerate security forces are in charge, democrats in the opposition will boycott the vote.

Their price for participation is a restructuring of the military, giving younger officers genuine authority. This is an option that the Reagan Administration has ruled out; it fears that leaning on the military would weaken the anti-guerrilla campaign. So it sends advisers and helicopters to El Salvadore, asking too little in return on all counts—moral, political and military.

It has been conventional wisdom in this poignant civil war that those who might negotiate a settlement do not control the contending armies. Up to a point, that is true. But the battle is deadlocked, and Washington no longer talks of quick and easy victory. The guerrillas, for their part, realize that should the tide seem to turn to their advantage they risk massive American involvement. These are circumstances that strengthen the democratic-minded leaders in both camps.

If France and Mexico are willing to assume the risks of promoting a political settlement, why not let them try?●

ACTUARIAL EXPERIENCE OF SOCIAL SECURITY TRUST FUNDS

● Mr. ARMSTRONG. Mr. President, I would like to call the attention of my colleagues to the following memo in which the Office of the Actuary, Social Security Administration, compares the actual economic experience and assumptions and the trustees reports of 1971–80. As you will note, this comparison points out that the reports are rather consistently optimistic.

This is particularly significant in view of pending proposals to strengthen the financial underpinnings of the social security system. It is a clear warning against over optimism in the future. I ask that the memorandum be printed in the RECORD.

The memorandum follows:

COMPARISON OF ACTUAL ECONOMIC EXPERIENCE AND ASSUMPTIONS IN TRUSTEES REPORTS, 1971–80

(By Joseph A. Applebaum, F.S.A. Office of the Actuary)

This note compares the actual economic experience with the assumptions contained in the 1971 through 1980 reports of the Board of Trustees of the Federal Old-Age and Sur-

vivors Insurance and Disability Insurance Trust Funds. Because income and outgo are, to a major extent, affected by automatic indexing procedures, the financial stability of the OASDI system is linked to the nation's economy. In projecting its financial operations, assumptions must be made as to price inflation, wage growth, and the size of the work force. It is inherent in making projections of economic assumptions that actual experience will not correspond to that assumed, and such "errors" should not necessarily be taken to imply mistakes or oversights.

The accompanying table shows, for each calendar year from 1971 through 1980, actual values for: average unemployment rate, year-to-year percentage increase in the CPI, year-to-year percentage increase in average covered wages, and annual real wage increase—the difference between the increases in wages and in prices. Also shown are the value that were given for each of these measures of economic activity under the intermediate set of assumptions in various OASDI Trustees Reports.[1]

A brief inspection of the table reveals one important fact. The values assumed in the reports were rather consistently optimistic, particularly with respect to price inflation and real wage growth, in comparison with what actually occurred. Thus, the reports projected more robust financial pictures for OASDI than what, in fact, occurred. A forthcoming actuarial note will analyze in greater detail the effects and implications of differences between actual and assumed economic experience.

The actual experience on real wage increases (which is probably the most important economic element from a cost standpoint), for each of the years from 1971 through 1980, was less favorable than the estimates made in the Trustees Report for the fourth preceding year. Further, this situation was also generally so for the reports for the third and second preceding years as well. For example, for 1980, the 1976–78 reports assumed real wage increases of about 2.4 percent, but the actual experience was a real wage decrease of 5.0 percent.

The foregoing analysis makes it clear that decisions about the short-range financing of the OASDI program should take into consideration the possibility that actual experience with respect to the economic assumptions will be less favorable than "best guess" estimates. This is especially so at the present time, when the level of the trust funds is so low.

[1] It should be noted that, for any particular year, data are shown for the estimated assumptions in the Trustees Report for the following year, which as to the increases in covered wages and the real wage increase generally differ from the actual experience for that year (although not by much). The reason for this is that the Trustees Report is prepared in the early part of the year, before actual data on increases in wages for the previous year are available (although actual CPI and unemployment data are obtainable).

COMPARISON OF ESTIMATES FROM VARIOUS TRUSTEES REPORTS WITH ACTUAL EXPERIENCE

[In percent]

Trustees report	Average unemployment rate	Increase in CPI	Increase in average covered wages	Real wage increase
For 1971:				
1971 report	5.2	4.3	6.0	1.7
1972 report	6.0	4.3	5.5	1.2
Actual experience	5.9	4.3	4.9	.6
For 1972:				
1971 report	4.4	3.5	8.2	4.7
1972 report	5.5	3.1	6.0	2.9
1973 report	5.6	3.3	6.8	3.5
Actual experience	5.6	3.3	7.3	4.0
For 1973:				
1971 report	4.0	3.1	6.1	3.0
1972 report	5.0	2.9	5.8	2.9
1973 report	4.7	4.5	7.1	2.6
1974 report	4.9	6.2	7.5	1.3
Actual experience	4.9	6.2	6.9	.7
For 1974:				
1971 report	4.0	2.8	5.5	2.7
1972 report	4.2	2.8	6.0	3.2
1973 report	4.5	3.0	6.9	3.9
1974 report	5.8	9.1	7.9	−1.2
1975 report	5.6	11.0	6.5	−4.5
Actual experience	5.6	11.0	7.4	−3.6
For 1975:				
1971 report	4.0	2.8	5.2	2.4
1972 report	4.0	2.7	5.5	2.8
1973 report	4.5	2.8	6.3	3.5
1974 report	5.8	5.7	8.5	3.3
1975 report	8.8	9.0	7.2	−1.8
1976 report	8.5	9.1	6.8	−2.3
Actual experience	8.5	9.1	6.6	−2.5
For 1976:				
1972 report	4.0	2.7	5.1	2.4
1973 report	4.5	2.8	5.2	2.4
1974 report	4.8	4.5	8.0	3.5
1975 report	8.0	6.6	9.0	2.4
1976 report	7.7	6.3	7.7	1.4
1977 report	7.7	5.7	7.5	1.8
Actual experience	7.7	5.8	7.9	2.1
For 1977:				
1973 report	4.5	2.8	5.2	2.4
1974 report	4.5	3.2	7.6	4.4
1975 report	7.0	6.5	11.0	4.5
1976 report	6.9	6.0	8.5	2.5
1977 report	7.1	6.0	8.4	2.4
1978 report	7.0	6.5	7.7	1.2
Actual experience	7.0	6.5	7.3	.8
For 1978:				
1974 report	4.5	3.0	5.5	2.5
1975 report	6.2	5.7	8.8	3.1
1976 report	6.6	6.0	9.4	3.4
1977 report	6.3	5.4	8.1	2.7
1978 report	6.3	6.1	7.2	1.1
1979 report	6.0	7.6	8.5	.9
Actual experience	6.0	7.6	8.0	.4
For 1979:				
1975 report	5.4	4.6	7.7	3.1
1976 report	6.2	5.5	8.5	3.0
1977 report	5.7	5.3	7.8	2.5
1978 report	5.9	6.1	7.9	1.8
1979 report	6.0	9.4	8.3	−1.1
1980 report	5.8	11.5	8.4	−3.1
Actual experience	5.8	11.3	9.3	−2.0
For 1980:				
1976 report	5.7	5.0	7.7	2.7
1977 report	5.2	4.7	7.1	2.4
1978 report	5.4	5.7	7.9	2.2
1979 report	6.2	7.4	8.0	.6
1980 report	7.2	14.2	9.6	−4.6
Actual experience	7.2	13.5	8.5	−5.0

THE HMONG PEOPLE OF LAOS

● Mr. CHAFEE. Mr. President, more than a decade ago, during the height of the Vietnam war, the Hmong people of Laos supported U.S. interests by waging a bitter counter-guerilla war against Communist infiltration into South Vietnam. It is not known how many American lives were saved because of the gallant sacrifice of Hmong highlanders who fought the so-called secret war in Laos. But, we do know that when the United States withdrew its forces from the region in mid-1975, the Hmong, like many other indigenous allies, were left to fend for themselves.

The result has been disastrous. Many thousand Hmongs have been killed in skirmishes with Vietnamese and Pathet Lao forces, others have been driven from their traditional homelands. More recently, we have reports of chemical weapons being used against this basically peaceful highland people.

Mr. President, I am appalled at stories I have read that the chemical agent trichothecene toxin, known as T2, has been used against the Hmong people in Laos. This mycotoxin which has been developed by Soviet scientists causes a particularly trocious and painful death where a person breathing it suffers severe stomach craps before vomiting massive amounts of blood. Death comes within 15 to 30 minutes.

In my judgment, this is a tragic situation where a people who once fought bravely for U.S. interests in America's least popular war have now been decimated by brutish warfare that borders on genocide.

It is not enough for the United States to open her doors to Hmong refugees, and we are proud that almost 3,000 have chosen Rhode Island as a place of recidence. I believe that some effort must be made to address the circumstances which have driven these people from Laos, as well as to look into the unique health problems they suffer as a result of their ordeal. Finally, we must make a better effort to understand the history and culture of these people. In this regard, I am proud to say that on the 12th of this

month, the Roger Williams Park Museum of Natural History in Providence, R.I., will open a Center for Hmong Lore.

Mr. President, I ask that three articles on the Hmong people and their ordeal be printed in the RECORD.

The articles follow:

[From Time, Sept. 14, 1981]

YELLOW RAIN—SOVIET CHEMICAL WARFARE

American intelligence experts have long suspected that chemical poisons developed in the Soviet Union have been used in military operations in Afghanistan, Laos, and Cambodia. Eyewitnesses in all three countries have reported seeing "yellow rain" fall from the skies. Shortly afterward, victims on the ground have suffered burning sensations, convulsions and massive internal bleeding. Many have died painful deaths. Still, there had never been scientific evidence that the poison came from the Soviet Union. So the U.S. has withheld any official accusation of Soviet violations of a 56-year-old international agreement banning chemical weapons.

Time has learned that in at least one instance, the use of a Soviet chemical agent has been proved beyond any scientific doubt. The site of the offense, by Vietnamese troops, was in Cambodia. Military patrols from Thailand gathered samples of foliage, soil and water from Cambodia and sent them to the U.S. for analysis. The State Department, in turn, sent the samples to private American laboratories without revealing the source of the evidence or why it was to be examined. The civilian scientists found that the samples contained the chemical agent trichothecene toxin, known as T_2. Soviet scientists have published articles on how to mass produce T_2, which occurs naturally in grain molds common in the Soviet Union.

The T_2 connection was first made by Writer Sterling Seagrave, who presents a persuasive circumstantial case of the Soviet violations in his forthcoming book "Yellow Rain." Seagrave interviewed victims of chemical attacks in Southeast Asia, Yemen and Afghanistan, as well as the doctors who treated them. In Afghanistan soldiers fighting the Soviet invaders told him about being attacked by rockets fired from helicopters. The rockets released a "yellowish-brown" cloud that caused victims to "die quickly, vomiting blood and fouling their clothes."

The State Department is still reluctant to level public accusations at the Soviet Union. Some officials would like to do so on the humane grounds that public disclosure might prevent further use of the poison and avoid more such deaths in both Southeast Asia and Afghanistan. More cautious U.S. officials prefer to await similar verification that the chemical has been used in both Laos and Afghanistan.

That may not be long in coming. At least three more samples of the yellow powder produced by the "yellow rain" are under study in private U.S. laboratories. If those tests lead to the same conclusions, the State Department presumably will make the details public and then make more formal charges against the Soviet Union.

[From the Reader's Digest, September 1981]

TRAGIC LEGACY FROM LAOS

(By Jane Hamilton-Merritt)

Last October, in "Gas Warfare in Laos: Communism's Drive to Annihilate a People," Reader's Digest told a horrifying story of modern-day genocide. Jane Hamilton-Merritt, a reporter-photographer and Ph. D. in Asian studies, disclosed the extermination by poison gas of thousands of H'mong, a fiercely independent tribal minority in Laos—people who had formed the backbone of a U.S.-supported guerrilla resistance against communist forces during the Vietnam war. In the following article she describes what has happened since. And what—tragically—has not.

No longer can the gassing of the H'mong be considered a faraway problem in Southeast Asia. Now the problem is here, on our own doorstep, among the H'mong refugees who have settled throughout the United States.

In the five years I reported on refugees in northern Thailand, I heard countless detailed accounts of poison-gas attacks by the Soviet-backed Lao-Vietnamese regime on H'mong villages—and of the deadly results. In 1960, there were an estimated 500,000 H'mong in Laos.* Today, some 100,000 are either in Thai refugee camps or resettled in Western countries, including about 40,000 who have come to the United States since 1976. A number of refugee experts fear that fewer than 100,000 are alive in Laos. Many died of starvation, but thousands were killed by gas attacks, which still continue.

I crisscrossed America recently, interviewing H'mong refugees, and I discovered a new dimension to their story of terror.

One H'mong leader estimates that of those who have arrived here, about 20,000 may have been exposed to the "poisonous rains" of chemical warfare. Many are chronically ill—because of the gassings, they believe. They complain of pulmonary problems, constant headaches, painful muscles and joints, eye and hearing disorders. Medical and public-health personnel who have worked with the H'mong are persuaded that their infant-mortality rate is high and that a large percentage suffer from cancer. More frightening, in the last few years in the United States, at least 35 young H'mong men and women have succumbed to a mysterious sudden death that occurs during sleep. The Centers for Disease Control in Atlanta have confirmed that 20 of these deaths are indeed unexplainable. (The other 15 were insufficiently documented.) Studies made in Portland, Ore., a large H'mong resettlement area, show the H'mong death rate to be five times that of the non-Lao population.

Some of the heartbreaking cases I have witnessed:

A woman on the West Coast, age 49, suffers from constant, terrible headaches. Her husband has pain in all his muscles. They have three children. The other eight were killed in gas attacks or in fighting.

A 33-year-old man lives in a rundown apartment in a Midwest city. He moves slowly and has obvious difficulty breathing. "If I stand up or sit down fast, I faint," he says.

In a housing project, also in the Midwest, a 21-year-old man suffers from heavy coughing and shortness of breath, and complains, "After the gassing, my mind is slower."

These are the survivors, the lucky ones, but also the pathetic, lonely victims of chemical warfare. "Few Americans know who we are, what we did for the United States during the Vietnam war," says one young H'mong man. "Many think we are Vietnamese or 'boat people.' Many of us still suffer from being gassed, but American doctors either don't believe us when we try to tell them or never ask us about our life in Laos."

"Why aren't Americans concerned about the gassing?" the H'mong ask. The answer, in large part, lies with the U.S. State Department's position that no "conclusive evidence" exists that gassing is occurring in Laos.

Consider the State Department's response under both the Carter and Reagan administrations to those who have asked about the gassing of the H'mong. The letter, still being mailed out as this article went to press, fails to acknowledge the H'mong as U.S. allies. It presents instead the Pathet Lao (communist) government's propaganda, without comment or explanation:

"The Lao government has used a combination of persuasion and force to bring the H'mong out of their highland homes to new settlements in the lowlands. The Lao government argues that the H'mong method of agriculture destroys valuable hardwood forests, Laos' principal natural resource. The Lao also argue that, by bringing the H'mong population to the lowlands, the government can better limit the production of opium, a principal H'mong crop, which supplies the heroin markets of the world through illicit channels."

Those unfamiliar with Laos could infer from this official letter that the H'mong were wretched traffickers of heroin and conclude that gassing might be their just deserts. To be sure, the H'mong did grow opium poppies—opium has long been used medicinally by many tribal groups in Southeast Asia. But H'mong tribespeople do not convert poppy sap into heroin or traffic it through the illicit drug channels of the world.

Anyone who has studied the H'mong, from U.S. Drug Enforcement Agency investigators to on-the-scene diplomats, knows that these people are not involved in the heroin business. "Associating the H'mong with heroin is a part of the Big Lie," says former U.S. ambassador to Laos G. McMurtie Godley.

The State Department letter continues:

. . . By 1978, the United States had enough information to bring the matter [of chemical warfare] to the attention of the government of Laos, which denied the validity of the reports. We received the same response when we asked the Soviet and Vietnamese governments to look into the reports and end the practice if true.

Did our government really expect the Lao, Vietnamese or Soviet governments to acknowledge the use of chemical warfare—a practice banned by international treaty and abhorred by most of the world?

Eyewitness Testimony. A 1980 State Department publication, "Country Reports on Human Rights Practices," says of Laos: "During the past three years, there has been limited improvement in some aspects of human rights. There is no evidence that the government is seeking to destroy any particular ethnic group, per se, such as the H'mong. There have been numerous refugee accounts of attacks using lethal chemical agents against the H'mong. . . . This charge has been denied by the Lao government." That is the only reference to the use of chemical agents in the entire section on Laos.

Not surprisingly, Gen. Vang Pao and other leaders of the H'mong community in this country are appalled by the report. "There has been overwhelming evidence of the gassing of men, women and children in Laos for years," says the general. "Yet the State Department not only avoids the subject but doesn't recognize the fact that my people are being eliminated because we were the U.S. allies in Laos."

While the State Department keeps telling the inquiring public, including members of Congress, that there is no "conclusive evidence," it fails to mention its own recently prepared report, which records the testimony of scores of eyewitnesses to chemical attacks in Laos, documenting over 13,000 dead from gassing.

And if that were not enough, evidence is now available from the communist side itself. For example, last November, a Pathet Lao pilot who defected to Thailand admitted flying numerous gas missions between 1976 and 1978 to "cause the H'mong people to die out completely. He adds that pilots flying these missions were granted special privileges and were closely monitored by doctors and nurses after each mission.

Will the Reagan Administration continue to honor the avoid-the-H'mong policy

*All population figures are approximate, as precise information is unavailable.

generated during the Carter years? In a meeting with several members of the foreign diplomatic corps, John Holdridge, newly appointed Assistant Secretary of State for Asian and Pacific Affairs, said that the United States has no evidence to bring to "court" on the reported gassing in Laos.

Yet, human and moral considerations aside, the chemical agents used against the defenseless H'mong should be of considerable national-security concern to the United States. The fact is we don't know what these agents are. Even Defense Department experts are baffled. Victims suffer from profuse bleeding from the nose, throat, eyes, stomach and intestines—resulting in death by hemorrhaging.

Recently, I spoke with Col. Charles W. Lewis, M.D., a member of the Department of Army Surgeon General's team sent to Thailand in 1979 to interview survivors of chemical attacks in Laos. I asked what chemicals he thought could be causing such profuse bleeding. "That's what I want to know," he said. "I hope someone is working on finding out. Nerve agents don't cause hemorrhaging. These are all new symptoms. When I returned from this investigation, I talked to people in the chemical-warfare business and no one knew. Everyone was surprised. We had better find out in order to be able to defend against them."

In early December 1980, the U.N. General Assembly by a vote of 78–17 adopted a resolution calling for a U.N. investigation into the use of chemical warfare in various parts of the world. Among those voting against the resolution were Laos, Vietnam, Afghanistan, the Soviet Union and Cuba. However, the project appears to be on the back burner, and in any case, Laos can reject U.N. requests for on-site investigations.

"Sudden Death." Meanwhile, the gassing attacks against the H'mong continue. H'mong who crossed into Thailand in February 1981 reported that between January 6 and 20, 1981, Soviet-made helicopters flew 20 chemical missions, killing 1,260 H'mong friendly to the Pathet Lao. On April 2, 1981, a Soviet M–17 dropped yellow chemicals on Ban Thong Hak, killing 24 H'mong outright, including 11 children. Two weeks later, a H'mong party reached Thailand with samples of the chemical residue gathered from stones, ground and leaves. The samples were given to U.S. authorities on April 23 but didn't arrive in the United States until the second week of May.

Under the best of circumstances, a chemical analysis is difficult. Experts say that, since gas disappears into the atmosphere, samples gathered from an exposed area may not contain any identifiable lethal properties. Incredibly, there is no U.S. team of chemical-warfare experts in Thailand to conduct on-the-spot analysis.

The H'mong in this country continue to suffer as well. In early 1981, the U.S. press picked up on the mysterious "sudden death" syndrome, and some public-health personnel became interested. But the interest is limited only to the sudden deaths. According to the Centers for Disease Control, there is no nationally coordinated plan to study the problem of the chronically ill H'mong who believe they are sick because of the gassings.

On the other hand, Richard Harruff, a doctor with special training in pathology who spent six months last year in a H'mong refugee camp in Thailand, is concerned about the long-range effects of the lethal agents used on the H'mong. According to Dr. Harruff's research on survivors who were exposed, "Males complain of impotence, and females report a high rate of spontaneous abortions. Infants born to exposed mothers are often very weak and lethargic, and die within a few days to months of apparent respiratory failure. These victims of unknown poisons need special care." Harruff is outraged that no one in the U.S. health community has systematically investigated the medical condition of those H'mong exposed to chemical agents.

What is the answer? What can—what must—be done?

First, public hearings should be held before all relevant committees in the House and in the Senate, presenting the situation in its totality.

Second, Secretary of Health and Human Services Richard Schweiker should designate an agency to alert all doctors to the potential H'mong health problems, to establish guidelines for conducting appropriate biopsies and treatments, and to establish a way for the H'mong exposed to the chemicals to report their problems.

Third, the United Nations should be used as a forum to keep the issue of poison gas before the international community until it is resolved.

Fourth, our government should tie any arms-control negotiations with the Soviets to their curtailment of chemical warfare by client regimes.

Fifth, the Administration should assign the highest priority to the identification of these lethal agents. This is crucial in developing strategic defenses and medical treatment for those exposed.

For too many years, the United States has swept the gassing in Laos under a cover of words. Now, the problem is our responsibility and we must deal with it. "There is no place to hide from the poisonous rains." This H'mong saying has become our harsh reality.

GAS WARFARE IN LAOS: COMMUNISM'S DRIVE TO ANNIHILATE A PEOPLE

(By Jane Hamilton-Merritt)

The place is not a pretty sight. I.V.'s drip fluid into skinny arms. Doctors and nurses scurry from one wooden-slab bed to another, responding to pleas for help. I am at Ban Vinai, a refugee camp along the Mekong River just inside northern Thailand. It is populated by some 35,000 H'mong (pronounced Mŏng) tribal refugees from the mountains of Laos. They suffer from severe malnutrition, malaria, amoebic dysentry, tuberculosis, pneumonia and a host of parasites. For many there is a tragic complication: they have been gassed.

One of them is a friend of mine; yet I don't recognize him, although I have passed his pallet at least 20 times. Finally, through his pain, he recognizes me and sends a relative to bring me to him.

Nhia Yang Vang, about 40, had once been vigorous, energetic. Now he is a skeleton with sunken, haunted eyes. In a weak voice he tells me he had returned to Laos after I saw him in January. Concerned about relatives, he had gone back there with a party of 19 men for three months. During that time, he says, his team had been in areas sprayed by poisonous chemicals nine times.

Every few minutes his talk is broken by a racking cough that nearly strangles him. He spits bloody sputum into a tin cup. A H'mong nurse tells me that he has chest pains, finds breathing difficult, cannot eat.

Nhia continues: "They hit us at the end of May at Nam Khing with the yellow chemicals. It was a white plane like a Soviet helicopter—low enough so that I could see the figures of two pilots. Immediately when they dropped the gas I fell to the ground vomiting blood. My eyes burned; I could not see. I have the 'red' diarrhea.

"It was a powder. When it touched my skin it became sticky, like an ointment, and when water is put on it, it becomes liquid." He stops for another bout of coughing. "You know, after a rain the chemicals will get into the water and poison it. Now that it is the rainy season, it will be so easy to poison us all."

"Just Like the Jews." In 1960, there were at least 500,000 H'mong in Laos. Today, perhaps 70,000 are still alive there, many of them sick or dying of malnutrition. Another 50,000 are in Thai refugee camps, and some 35,000 have been resettled in Western countries. The H'mong survivors in Laos now face a terrible future, for they are the targets of a deliberate, calculated policy of extermination.

This policy is the tragic heritage of the H'mong commitment to America's effort to prevent a communist takeover in Vietnam and Laos. The United States, unwilling to send its own troops into Laos, opted for another kind of army—a guerrilla army recruited mostly from the H'mong, but also from other Laotian tribes, such as the Yao, Lahu, Lao Teung. Trained by the U.S. military and the CIA, the H'mong formed the backbone of the resistance against the communist forces in Laos that were supported by North Vietnam, China and the U.S.S.R. They sabotaged war supplies moving south along the Ho Chi Minh Trail, and rescued American pilots shot down in Laos. They proved adept at intelligence work, gathering vital information on troop, tank and supply movements.

Gen. Vang Pao, who commanded the H'mong forces and now lives in the United States, told me recently that his forces destroyed millions of dollars' worth of military equipment, medical and food supplies moving down the Ho Chi Minh Trail into South Vietnam between 1962 and 1975. "To do that," he said, "my people gave 12,000 lives. All of that was secret, but now I want the American people to know."

When the Americans pulled out of Vietnam and Laos, the H'mong—and the sacrifices they had made—remained largely unknown. But the Vietnamese and Pathet Lao did not forget. Li Chai, who now lives in Denver, Colo., and is a leader of the H'mong refugee group there, tells why: "The communists know that we were the Americans' hands, arms, feet and mouths. That's why they believe they must kill all H'mong—soldiers, farmers, children. We suffer and die just like the Jews in World War II, but the world ignores us."

HIDE IN CAVES

Gen. Vang Pao says, "Communist gassing of the H'mong people began in August 1975, at Mung Om and Nam Fen, south of Phu Bai, where 17,000 men, women and children were killed. I learned from a Pathet Lao defector that from 1975 to 1978 the gassing had killed 50,000 H'mong in the Phu Bai area alone. During that time some 45,000 died from starvation and disease, or were shot trying to escape to Thailand."

Today, in tribal refugee camps in northern Thailand, H'mong refugees tell of starvation, rape, the crippling of children whose fathers worked for the United States, of massacres. But what frightens them most are the poisons, which they call "rain," "gas," or "smoke," for they cannot hide from the chemicals that poison them, their water, animals, plants and fields.

Survivors speak of several kinds of "rain." Yellow and red are very serious, and a direct hit means sure death. Green and blue-green rains are not as immediately lethal. A small bit of opium often enables victims to survive, but they suffer vomiting, bloody diarrhea, fever, bleeding through the nose, and dizziness.*

Recently, still another chemical, a light-yellow powder, has been dropped by four-engine planes or by helicopters. The latter, a U.S. military spokesman tells me, resemble Soviet MI–4s or MI–8s.

A H'mong farmer, looking much older than his 40 years, says: "For two years they attack my area in Laos. The planes cover us with red smoke, and the people and animals die. We cannot grow rice or farm. We must hide in caves.

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*Opium has for centuries been used medicinally for severe gastro-intestinal disturbances.

"They drop poison on us 200 times in 1978 and 1979. The first time five people die immediately. Red smoke rolls over the area and everyone is sick. It smells like burning rubber. I swallow a bit of opium, but slide to the ground unable to move. In about an hour I can get up, but I cannot eat or drink. I become very skinny. Twelve more people in my village die of being skinny"

Chronicle of Horror. The stories are countless. One man sits before me in Ban Vinai refuge camp in Thailand carrying "evidence" of the continued gassing in Laos. Trained by the Americans in intelligence in the 1970s, this former H'mong lieutenant had crossed the Mekong River to Thailand on June 6. From a miniature diary that he miraculously managed to bring, he quietly reads:

"On 15 May 1980, two Soviet helicopters dropped yellow powder on a H'mong village of 200 at coordinate TF 9376. Thirty-five died within seven days; the remaining are very sick."

He recites another attack. Then, carefully turning the tattered pages of his diary to check dates, figures and locations, he chronicles what happened to him after the American withdrawal from Laos in April 1975:

"The first gas attack was in October 1975. The communists couldn't take our village by fighting, but they came back with airplanes. One carried red gas, another yellow. Those near where the chemical rockets exploded fell unconscious, with bleeding from the mouth and nose. Many died. Soon afterward a yellow water flowed from their bodies.

"They hit us with gas for three days. Seventy-five people died immediately. Five hundred more died within a short time. I was lucky, for I was not in the village at the time.

"For three years we were constantly attacked like this. We must live in the jungle like animals. Since early 1980, people are so hungry that they eat leaves exposed to the chemicals, and 715 people have died in my area. I dig in the ground for roots and water, but many are too weak to do this. We have no cloth to cover our bodies from mosquitoes, so we all have malaria. We have no medicine, so we are all sick."

Shot in the Arm. On a visit to Thailand in January, my friend Nhia Vang, who had just escaped from a Vietnamese prison camp in Laos, told me a story not only of genocide, but of an added horror; medically supervised experimentation that uses chemical agents on imprisoned H'mong men, women and children:

"In November 1978, a Vietnamese force of 3500 captured about 1200 H'mong men, women, and children—including mine—in the jungle where the red and yellow smoke had forced us to live. We were taken to a camp called Tong Mien, which held 2000 H'mong prisoners. We were given only a small portion of rice every 15 days, and many of my people were shot trying to get to the forest for food.

"Then, on March 25, two MiG jets flew low over our prison camp and sprayed us with white rain. One hundred people died immediately. The rest of us had diarrhea for 20 days, then fever; we cannot walk or raise our arms. Many more people die.

"In May, four Pathet Lao medics gave injections in the arm to 30 H'mong, including me. It was the color of water. I immediately became dizzy and could not breathe. Blood spurted from my nose and I fell to the ground unconscious. A relative blew opium smoke over me for several hours and finally the bleeding stopped. In 12 hours I could see again and by the next day I could walk.

"The next day four new medics came. This time they had injections and pills for 40 gassing victims. Some medics gave my people injections and green pills, others injections and white pills. Nothing happened for 12 hours; then they have trouble seeing, can't speak and black out. Fifteen died; the rest are very sick for a long time. The medics wrote reports on the people given medicine."

What has been the response of the United States to these atrocities? In my view, it has been appallingly weak and ineffectual.

The House Subcommittee on Asian and Pacific Affairs has taken testimony on the gassings. And the State Department and Department of Defense have made their own investigations. But they and other U.S. officials, including those in the White House, refuse to acknowledge that the evidence is conclusive.

After listening to testimony at the subcommittee hearings in April, Congresman Jim Leach (R., Iowa) stated: "I personally interviewed these refugees. I read State Department and Defense Department reports which are so numerous and so persuasive that they cannot be denied. No one in the White House ever saw a person being gassed in Auschwitz, but we know it occurred. I think this Administration has a moral responsibility to tell the people of the world what is happening."

Urgent Mission. What government agencies want for "conclusive evidence" is a body for autopsy. But there are serious logistical difficulties in obtaining recently gassed victims and fresh chemicals because the gassing occurs in the remote mountains of Laos, many days' walk through enemy territory to the Thai border. One H'mong found a dispensed gas canister, wrapped it heavily in old clothes, and started to walk it out of Laos to Thailand. The chemical residue in the canister killed him before he reached the Mekong.

I asked Vang Neng, H'mong chief at Ban Vinai, about the U.S. insistence on having a body for autopsy. In a voice of frustration and anger, he said, "Yes, I have bodies for autopsy. I learned yesterday that the communists gassed a village on May 14, killing ten immediately. This is many days' walk from the Mekong. By the time we carry one body out, it will be spoiled."

Last fall, a step in the right direction was made when a team from the office of the Army Surgeon General was sent to Thailand to investigate the gassing allegations. They interviewed 40 men, two women and a 12-year-old girl, all of whom were witneses to, and survivors of, gassing attacks in Laos, and concluded in a report withheld from the public that chemical agents had been used against the H'mong. Two recommendations were: to "develop a plan whereby blood, tissue or other specimens may be rapidly transported from the suspect area to the Biomedical Laboratory for analysis, and to establish a medical team, on a standby basis, prepared to travel to the site of future allegations to conduct interviews/examinations." The final recommendation read: "From a military defense position, it would seem to be an extremely urgent mission to initiate every effort possible to identify the chemical agents that have been used and to develop appropriate countermeasures, antidotes, etc."

Unfortunately—indeed, unbelievably—those recommendations have been ignored. On June 30, 1980, I reported to the U.S. embassy in Bangkok that I had located two men in a refugee camp hospital who reported being gassed in the latter part of May. The timing for testing was within the six-week limit recommended by the Surgeon General. After 14 days of evasive and false information by the embassy and other U.S. officials in Thailand, I returned to the camp myself to speak directly to the two men recently gassed and to the camp medical personnel.

Only then did I learn that medical experts familiar with gassing had not conducted the investigations. We had sent a Thai nurse and an American public-health worker, who admitted he was a "novice" with regard to chemical warfare and, in his own words, had "very little" instruction even in how to collect samples. When I left Bangkok on July 18, the specimens were still there.

"Will You Help?" While the West refuses to acknowledge the use of lethal chemical agents by the Soviet-backed regimes of Hanoi and the Pathet Lao, the Vietnamese government applauds its army's chemical-warfare branch by awarding it a Ho Chi Minh medal. According to Hanoi radio monitored in Thailand in April 1980, Gen. Le Trong Tan told the unit: "Chemical weapons contributed to winning the great victory in the great anti-U.S. salvation resistance struggle" and in "tasks in the new situation." The "new situation" undoubtedly refers to Laos, Cambodia—and possibly to Afghanistan.

The State Department calls evidence suggesting a Soviet role "circumstantial," but it is more than that. Independent intelligence sources have confirmed the presence of Soviet Gen. V. K. Pikolov's chemical-warfare forces in Laos—and subsequently in Kabul, Afghanistan. In addition, Soviet chemical-warfare experts are said to have visited several cities and areas in Laos to inspect "chemical explosives"—artillery shells, bombs, rockets. In sum, it is hard to escape the conclusion that the Soviets are involved, certainly in the production and distribution of chemical agents, and probably in on-site surveillance and medical experimentation.

Meanwhile, the H'mong continue to die. A H'mong leader who is responsible for almost 30,000 civilians in Laos recently crossed into Thailand. His words haunt me: "I have come to see if anyone has food, clothing or medicine to protect us from the gassing. Someone must help, soon, or we will all die. We are friends of the Americans. We fought for freedom. Will you help?"

Will we? How?

First, a fully publicized Congressional hearing—both Senate and House—into the gassing of the H'mong should be held. This would inform the U.S. people and attract world-press coverage of the atrocity. And the U.S. government should make communist gas warfare a major issue before the United Nations and every international forum.

Second, direct pressure should be applied on Hanoi by Free World industrial nations on whom Hanoi greatly relies for the technology and financial aid to rebuild Vietnam. This must be done at the highest private "hot-line" leader-to-leader level. Hanoi should be told that this inhuman policy must stop or aid will be halted.

Finally, since Vietnam is a client state of the Soviets (apparently the source of the lethal chemicals), the United States should inform the Soviets that any discussions of other issues will be put off until we are satisfied that chemical warfare in Laos has ceased.

At Ban Vinai Camp, Vang Chue, an 18-year-old boy who has been gassed, is carried into the hospital. His chest heaves with erratic contractions and he struggles to breathe. His face is heavy with sweat and I see a tear looming—the first H'mong-soldier tear that I have ever seen. I lean down to talk with him.

"I'm so sorry that my country is dying," he says in a voice of pain. "Please do something."

IN MEMORY OF ROY WILKINS

● Mr. METZENBAUM. Mr. President, the editorial that appeared in the September 9, 1981 edition of the Washington Post began with the observation that:

Today's young Americans of all races may read with a certain understandable detach-

ment about life in this country 50 years ago, when Roy Wilkins began his distinguished career with the National Association for the Advancement of Colored People.

That observation, Mr. President, is eloquent testimony to what the life and work of Roy Wilkins has meant to this Nation.

Roy Wilkins was a modest man—one who did not seek personal fame and recognition. But I believe that when future historians examine the times in which we live, they will point to Roy Wilkins as one of this Nation's great men.

Roy Wilkins knew the value of persistence, of organization and of attention to detail.

He understood the need to build from fundamentals, whether in strengthening the NAACP or in helping to set the agenda of the civil rights movement as a whole.

Roy Wilkins did not live to see the achievement of all of the objectives to which he devoted his life.

Black Americans today can no longer be denied access to public accommodations. But it remains true that the 12 percent of American citizens who are black bear 50 percent of the Nation's poverty.

Black Americans today have the right to vote in places where this American birthright had long been denied to them. But in cities all over this country, millions of young black men and women are without jobs, without prospects and without hope for the future.

Much remains to be done.

But great things have also been accomplished over the past several decades. And for that, Mr. President, this Nation owes an enormous debt of gratitude to Roy Wilkins and to his colleagues in one of history's greatest nonviolent movements for social change.

Roy Wilkins would have been the first to say that the cause of civil and human rights does not depend on any one individual. But Roy Wilkins was a very special human being and his death is a profound loss to the Nation, to the civil rights movement, and to all of us who had the opportunity to know him, to work with him and to benefit from his wise and gentle counsel.

Mr. President, the Metzenbaum family joins me in offering our profound condolences on this sad occasion to Mrs. Aminda Wilkins and to the rest of the Wilkins family.●

TRIBUTE TO ROY WILKINS

● Mr. D'AMATO. Mr. President, our Nation has lost a great crusader, a man who has dedicated his entire life fighting to make life better for his fellow Americans. We have lost a man who spent his life working to improve the social, economic, and political status of his fellow blacks.

This man is Roy Wilkins. Roy Wilkins died yesterday at New York University Medical Center at the age of 80.

All Americans should be thankful for the work performed by Roy Wilkins. Through the NAACP, he worked to end discrimination, end racism, end the hatred that permeated American society. Roy Wilkins dedicated his life to the proposition that all men are created equal.

Traveling the country as executive director of the NAACP, Roy Wilkins built that organization into one of the most powerful and respected voices in America today. In 1931, the NAACP's membership was 25,000. In 1977, when Wilkins retired as the organization's executive director, the membership topped 400,000.

Roy Wilkins understood the importance of black participation in the political process. His crusade to win the right of blacks to participate in that process and his further efforts to encourage participation have only served to strengthen our representative democracy.

Understanding the fact that long term equality for blacks could best be achieved by working within the political system, Roy Wilkins could often be seen walking the Halls of Congress, fighting for an America where blacks and whites could work together to create a better Nation.

A gentle, dedicated, and compassionate man, he has been honored time and time again at universities throughout the land. I think President Reagan summed it up when he said:

Roy Wilkins worked for equality, spoke for freedom, and marched for justice.

The headline in today's New York Times reads, "Roy Wilkins: A Cool, Solid, and Respected Leader." This is what he was.

Our Nation has lost a great leader. We can be thankful that his accomplishments and achievements will have a permanent imprint on our society.

Roy Wilkins has been described by his colleagues as the quiet one in the back who got things done.

We will miss him.●

SMALL BUSINESS

● Mr. LUGAR. Mr. President, citizens interested in the growth and vitality of small business should be delighted to know that Milton Stewart, the Small Business Administration's first Chief Counsel for Advocacy, is continuing his work for the entrepreneurial sector as the editor of Inc. magazine. Mr. Stewart and Inc. are a good match; each is an articulate and powerful voice for small business. Mr. Stewart contends, and I believe rightfully so, that the revitalization of our Nation's economy depends on the new jobs and innovations provided by small business.

In the September issue of Inc., Mr. Stewart salutes the Senate's overwhelming support of S. 881, the Small Business Innovation Research Act of 1981. I am submitting for the RECORD his article, "Congress Hears—and Forwards—a Message." It includes Inc.'s first entrepreneurship honor roll, a listing of the 81 cosponsors of the legislation. Since the magazine was printed, an 82d Senator, TED STEVENS, has joined us.

The article follows:

[From Inc. Magazine, September 1981]

MILTON D. STEWART: THE BUCK STOPS HERE

CONGRESS HEARS—AND FORWARDS—A MESSAGE

Eighty-one United States Senators have joined to sponsor (not just vote for) a "Small Business Innovation Research Act of 1981." We have previously reported at length on the urgency of swift and decisive Federal action on this matter. Our country badly needs the forward thrust that this measure will give it. Expert testimony before the House Committee on Science and Technology (by Dr. Aaron Gellman, president of a Harbridge House subsidiary) reports data showing that small firms (under 500 employees) produce 2.4 times as many innovations per employee as large ones.

In the face of this and much other similar evidence, the Federal bureaucracy continues to spend with small business less than 4 cents of every one of the 35 billion research and development dollars it controls every year. In the words of one respected Federal research manager, this is nothing less than "cheating the taxpayer."

For two reasons, then, we have saluted the wisdom and responsibility of the 81 Senate sponsors of S. 881 on our new "Entrepreneurship Honor Roll." First, because of their specfic step in moving together to meet an important national need. And second, because their action should be the first installment of an ongoing message to the career Federal bureaucracy: Stop feeding the growth of government and government-sized business at the expense of entrepreneurial small and new business.

This is a clearly bipartisan group of Senators—41 Republicans and 40 Democrats. It runs the whole political gamut—regionally, ideologically, anyway you like. This is clearly a message from the whole country to the executive branch: It is time for a change. We've singled out for special mention Senator Warren Rudman, a New Hampshire Republican who is the principal sponsor of S. 881, and Senator Edward M. Kennedy (D-Mass.), who led the fight for the program in previous Congresses.

What S. 881 does is small in dollars, modest in scope, but large in significance. It directs each Federal agency to develop a special research grant program for innovative small high-technology firms, using first a tiny two-tenths of 1 percent of its existing funds—no added cost to the taxpayer. That amount is raised to 1 percent. (House supporters are talking about raising it to 2 percent.) These funds are made available on an open competitive basis in two steps: Initial grants of $30,000 for feasibility research in federally needed areas like productivity. There is then a second round of financing for some of the winners who have come up with the most promising results.

And this is vital to us: Getting private business commitments for a third round to finance commercialization is one of the grounds for making second round awards. It has worked for the National Science Foundation—far more follow-on private money has turned up in support than the little Federal seed-money used. This is, thus, a program with a built-in, leveraged kicker for the taxpayer. It provides an incentive for privately funded market place applications of Federal research.

In our view, the longest-running Washington scandal is the impunity with which the Federal bureaucracy has been allowed to take into camp administration after administration on this subject. Courageous, broad-gauge, and alert civil servants (and there are more than a few) are again disheartened by the dreary replaying of the old downtown Washington scenario: "We know best all you newcomers. Here's a rewrite of the same memorandum we used to stop small business the last 10 times." And whether the administration is Republican or Democratic, it usually works. The pitch is varied slightly to accommodate the political lingo of the party in power, but the permanent bureaucratic doctrine rolls on without change.

Four arguments against S. 881, for exam-

ple, are made in a variety of forms by agency witnesses and memo writers. It allegedly permits the use of government money for nongovernmental purposes. That's bunk, because the NSF model has made it plain that every Federal dollar is used for a federally selected Federal priority purpose. Commercial applications in the last phase must be financed privately. That's just what happens when, for example, an auto company learns how to do something making government tanks that it can use later on in making cars.

Then it's alleged that a percentage small business set-aside—even one as small as 1 percent—is an unwarranted "quota" that keeps the pious bureaucrat from choosing the "best" research performer. That's also bunk, because what the S. 881 set-aside really does is to discipline the bureaucracy which otherwise shovels all Federal R. & D. funds into its three artificial and preferred "de facto quotas": Government laboratories, nonprofit academic centers, and large companies. The competition that S. 881 sets up is far more vigorous and far more likely to produce outstanding performance in small-scale applied research than all those "de facto quota" beneficiaries rolled together.

Then there's the argument that in a time of budgetary stringency, even a 1 or 2 percent small business set-aside takes dollars that can't be spared away from needy and deserving nonprofit basic science research. That's bunk, because the present level of taxpayer-financed basic science research cannot be supported without a sharp increase in small-scale applications of that research. Otherwise we are simply doing more of what has gotten us into the soup for the past decade: Giving our competitors around the world access to basic research which they apply while we fail to do so.

Finally, and the biggest laugh of all, is the rouser that S. 881 is "unnecessary" because each agency itself can be trusted to do the best job possible for small business if left to its own devices. Exactly two Federal agencies have formal and competitive programs of the kind S. 881 would mandate—the National Science Foundation and, just recently, the Department of Defense. Both have had to endure the most vicious and ceaseless internal opposition from the standpat brigade of the willfully blind.

What this bill does for research and development is what the country wants done across the board. The country often does not know how to say it affirmatively and clearly to the Government so it shouts it negatively: "Stop using our money and your power to shrink the small business sector"—compared to growing bigness in government and large business. That's the message of S. 881 and it must be repeated in many areas: Taxes, regulations, capital, credit, interest rates, foreign trade procurement generally. We'll be talking about those in the months ahead.

For now, S. 881 represents a fine beginning. For those of you who are action-oriented, here are the next steps:

1. Three hundred House sponsors are needed promptly for a bill to parallel S. 881. A bipartisan group is forming behind Representatives Berkeley Bedell (Democrat from Iowa), Joe McDade (Republican from Pennsylvania), Albert Gore (Democrat from Tennessee), and Jerry Lewis (Republican from California). If all the Congressmen from the States represented by Senators on Entrepreneurship Honor Roll No. 1 join in, that will be more than 400. We'll be glad to list them in Entrepreneurship Honor Roll No. 2.

2. The bill must pass both Houses swiftly with large enough margins to make the measure a sure bet for presidential approval.

3. The President must sign it into law.

4. Congress must keep a vigorous oversight watch on the bureaucratic foxes to protect the national small business R. & D. hen houses until that great new brood of industrial innovations is hatched.

ENTREPRENEURSHIP HONOR ROLL

Just as we honor successful entrepreneurs in the Inc. 100, the Inc. second 100, and soon to be published Inc. private 100, we recognize the contribution of those outside business who improve the climate for entrepreneurship. Here are the 41 Republican and 40 Democratic Senators who are sponsoring the Small Business Innovation Research Act of 1981 (S. 881):

Abdnor, James (Republican of South Dakota).
Andrews, Mark (Republican of North Dakota).
Baucus, Max (Democrat of Montana).
Bentsen, Lloyd (Democrat of Texas).
Boren, David (Democrat of Oklahoma).
Bradley, Bill (Democrat of New Jersey).
Bumpers, Dale (Democrat of Arkansas).
Burdick, Quentin N. (Democrat of North Dakota).
Byrd, Robert C. (Democrat of West Virginia).
Cannon, Howard W. (Democrat of Nevada).
Chafee, John H. (Republican of Rhode Island).
Chiles, Lawton (Democrat of Florida).
Cochran, Thad (Republican of Mississippi).
Cohen, William S. (Republican of Maine).
Cranston, Alan (Democrat of California).
D'Amato, Alfonse (Republican of New York).
Danforth, John C. (Republican of Missouri).
DeConcini, Dennis (Democrat of Arizona).
Denton, Jeremiah (Republican of Alabama).
Dixon, Alan (Democrat of Illinois).
Dodd, Christopher (Democrat of Connecticut).
Dole, Robert (Republican of Kansas).
Domenici, Pete V. (Republican of New Mexico).
Durenberger, Dave (Republican of Minnesota).
East, John (Republican of North Carolina).
Exon, J. James (Democrat of Nebraska).
Ford, Wendell (Democrat of Kentucky).
Garn, Jake (Republican of Utah).
Glenn, John (Democrat of Ohio).
Goldwater, Barry (Republican of Arizona).
Gorton, Slade (Republican of Washington).
Grassley, Charles (Republican of Iowa).
Hart, Gary (Democrat of Colorado).
Hatch, Orrin (Republican of Utah).
Hatfield, Mark (Republican of Oregon).
Hawkins, Paula (Republican of Florida).
Hayakawa, Sam (Republican of California).
Heflin, Howell (Democrat of Alabama).
Heinz, John (Republican of Pennsylvania).
Helms, Jesse (Republican of North Carolina).
Hollings, Ernest (Democrat of South Carolina).
Huddleston, Walter (Democrat of Kentucky).
Humphrey, Gordon (Republican of New Hampshire).
Inouye, Daniel (Democrat of Hawaii).
Jepsen, Roger (Republican of Iowa).
Johnston, J. Bennett (Democrat of Louisiana).
Kassebaum, Nancy (Republican of Kansas).
Kasten, Bob (Republican of Wisconsin).
Kennedy, Edward M. (Democrat of Massachusetts).
Leahy, Patrick (Democrat of Vermont).
Levin, Carl (Democrat of Michigan).
Lugar, Richard (Republican of Indiana).
Mathias, Charles, Jr. (Republican of Maryland).
Matsunaga, Spark (Democrat of Hawaii).
Melcher, John (Democrat of Montana).
Metzenbaum, Howard (Democrat of Ohio).
Mitchell, George (Democrat of Maine).
Moynihan, Daniel (Democrat of New York).
Murkowski, Frank (Republican of Alaska).
Pell, Caliborne (Democrat of Rhode Island).
Percy, Charles (Republican of Illinois).
Pressler, Larry (Republican of South Dakota).
Pryor, David (Democrat of Arkansas).
Randolph, Jennings (Democrat of West Virginia).
Riegle, Donald, Jr. (Democrat of Michigan).
Roth, William V., Jr. (Republican of Delaware).
Rudman, Warren (Republican of New Hampshire).
Sarbanes, Paul S. (Democrat of Maryland).
Sasser, James R. (Democrat of Tennessee).
Simpson, Alan K. (Republican of Wyoming).
Specter, Arlen (Republican of Pennsylvania).
Stafford, Robert T. (Republican of Vermont).
Stennis, John C. (Democrat of Mississippi).
Symms, Steven (Republican of Idaho).
Tower, John (Republican of Texas).
Tsongas, Paul (Democrat of Massachusetts).
Wallop, Malcolm (Republican of Wyoming).
Warner, John (Republican of Virginia).
Weicker, Lowell P., Jr. (Republican of Connecticut).
Williams, Harrison A., Jr. (Democrat of New Jersey).
Zorinsky, Edward (Democrat of Nebraska).●

PUBLIC BROADCASTING

● Mr. EAST. Mr. President, I would like to commend to my colleagues' attention a provocative editorial by columnist and author Anthony Harrigan. Mr. Harrigan is president of the U.S. Industrial Council in Nashville, Tenn.

Mr. Harrigan's comments remind us that federally-funded radio and television stations are inescapably controversial in a free society like ours. There are those who maintain that public broadcasting enriches our cultural life by offering us alternative programing, free from commercial constraints. There are also those who hold that it is unfair for all taxpayers to subsidize "elite" programing for the relatively few who avail themselves of it. Finally, there is the question of political bias, which Mr. Harrigan addresses here. I ask that the text of his editorial be reprinted in the RECORD.

ALL THINGS CONSIDERED

(By Anthony Harrigan)

Driving home in the afternoons, I listen to "All Things Considered," the news and feature program broadcast by National Public Radio. I'm always amazed that this voice of liberalism receives funding from the taxpayers, especially now that the Reagan administration is in office.

"All Things Considered" is well-done from the technical standpoint. I pick up odd pieces of information, like a report on the decline of the sawmill business in Oregon and the State of Washington. The producers are clever at using theme music and employing the sounds associated with various aspects of American life.

But its principal content is politics of the Americans for Democratic Action brand. It is partisanship pure and simple. If a conservative viewpoint is aired from time to time, I have yet to hear it.

The bulk of NPR air time goes to commentaries by such folk as the national editor of the Washington Post and spokesman for

Friends of the Earth. It airs statements by the environmentalists who want to drive Secretary of the Interior James Watt from office. It offers Sen. Cranston (D-Calif) who tells listeners how bad Dr. Ernest Lefever is. (Dr. Lefever, in case you have forgotten, withdrew his name as Undersecretary of State after a furious campaign of abuse by liberal groups.)

National Public Radio doesn't know the meaning of the word balance. It apparently regards itself as a kind of Carter administration in exile. The good guys in the white hats, according to NPR, hate offshore leasing, pipeline building in Alaska, and the "rape" of the earth. The bad guys in the black hats are the likes of Sen. Jesse Helms of North Carolina because he takes a dim view of liberals in policy-making positions in the State Department.

The producers of "All Things Considered" are the most smug lot imaginable. They regard liberalism as a revealed faith. They apparently can't believe that liberalism received a resounding defeat in the presidential election last fall. They have their own Shangri-La in National Public Radio. They are determined to keep the flame of liberalism burning in their slanted version of the news.

If they wanted to do this with private money, with the help of the limousine liberals, that would be fine. They have a right to take their philosophical and political convictions to the public by buying air time or printing tracts. But it's outrageous that they should operate a liberal propaganda machine at the expense of the taxpayers.

The federal subsidy for National Public Radio amounted to more than $200 million in 1980. The Reagan administration reportedly wants to cut that subsidy in half. But why not eliminate the subsidy—and the operation—entirely? National Public Radio hasn't made any effort to "clean up its act" and broadcast in less than a totally biased manner.

The American people don't need a federally-financed broadcasting operation that tries to sell one political and cultural point of view to the listening audience. If the government financed a publication with the bias of "All Things Considered," there would be a roar of protest.

Maybe only a few people listen to National Public Radio. Whatever the numbers, programs such as "All Things Considered" are out of order.●

STATUS REPORT ON THE BUDGET

● Mr. DOMENICI. Mr. President, I hereby submit to the Senate a status report on the budget for fiscal year 1981 pursuant to section 311 of the Congressional Budget Act. Since my last report the Congress has cleared the Omnibus Budget Reconciliation Act of 1981 (H.R. 3982) and the Economic Recovery Tax Act of 1981 (H.R. 4242). The President has signed the bills which are now Public Law 97–35 and Public Law 97–34 respectively.

REPORT TO THE PRESIDENT OF THE U.S. SENATE FROM THE COMMITTEE ON THE BUDGET

STATUS OF THE FISCAL YEAR 1981 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 115: REFLECTING COMPLETED ACTION AS OF SEPT. 8, 1981

[In millions of dollars]

	Budget authority	Outlays	Revenues
Revised second budget resolution level	717,500	661,350	603,300
Current level	715,461	661,211	610,335
Amount remaining	2,039	139	7,035

BUDGET AUTHORITY

Any measure providing budget or entitlement authority which is not included in the current level estimate and which exceeds $2,039 million for fiscal year 1981, if adopted and enacted, would cause the appropriate level of budget authority for that year as set forth in H. Con. Res. 115 to be exceeded.

OUTLAYS

Any measure providing budget or entitlement authority which is not included in the current level estimate and which would result in outlays exceeding $139 million for fiscal year 1981, if adopted and enacted, would cause the appropriate level of outlays for that year as set forth in H. Con. Res. 115 to be exceeded.

REVENUES

Any measure that would result in revenue loss exceeding $7,035 million for fiscal year 1931, if adopted and enacted, would cause revenues to be less than the appropriate level for that year as set forth in H. Con. Res. 115.●

AWACS

● Mr. HART. Mr. President, of the many arguments that have been made in the last few months against the proposed sale of AWACS planes to Saudi Arabia perhaps the most compelling is the threat to our own national security by the potential compromise of the AWACS technology that we risk when entrusting such sophisticated equipment to a regime which might be destablilized. We risk handing the Soviets a potential windfall in military intelligence at least twice as damaging as that reaped by the KGB in 1979 in Iran after the fall of the Shah.

Although the administration has repeatedly tried to downplay the capabilities of the AWACS, the evidence and the record point to the contrary. For example, in 1975 the Chairman of the Joint Chiefs of Staff, Air Force Gen. David Jones told the House Appropriations Committee that the AWACS system "is the greatest breakthrough in command and control in my entire military career." One year later Jones told the Senate Appropriations Committee that—

AWACS offer the greatest single quantum jump in command and control capability since the development of radar.

Also in 1977 during congressional hearings on the sale of AWACS to Iran, a GAO procurement official warned—

If the Soviets should gain access to the AWACS they could move ahead, in the opinion of the Director of Central Intelligence, some five to seven years in certain technologies. More immediately, they could learn how to jam any now contemplated AWACS version.

As the Congress debates the risks to U.S. security involved in the proposed AWACS sale it is worth noting that in 1977 the Departments of State and Defense and the CIA all gave assurances of Iranian stability when arguing that there would be a minimal risk in the transfer of sophisticated military equipment to the Shah's regime. Within 30 months, the Shah had fallen, and training manuals for systems such as the F–14 and the Phoenix missile were compromised.

A compromise of American technical secrets in Saudi Arabia would help the Soviets build systems they do not now possess, and improve systems they are currently developing. If our Government wants to signal that it is unwilling to give unintentional assistance to Soviet military planners, Congress should defeat the AWACS sale.

Mr. President, on August 30, 1981 the Washington Post published a detailed analysis of the American military technology which could be compromised by the AWACS sale. I ask that the article titled "Selling AWACS to Saudis Risks Our Own Security" be printed in the RECORD at this point.

The article follows:

SELLING AWACS TO SAUDIS RISKS OUR OWN SECURITY

(By Aaron D. Rosenbaum and Emanuel A. Winston)

When the government of Iranian Prime Minister Shahpour Bakhtiar collapsed on Feb. 11, 1979, civil order collapsed as well, and for the next two days, jubilant mobs sacked government buildings throughout Iran. At the Defense Ministry in Teheran, military police put up a desultory fight and fled. Secure areas were left unguarded; technical data, classified manuals and intelligence findings were available to anyone bold enough to enter the ministry.

According to former senior officials of the CIA and Air Force intelligence, it is certain that Soviet agents were bold enough. When the last vestige of the shah's government fell, the United States lost more than an ally. It lost to the Soviet Union information vital to America's own defense.

The U.S. Navy was damaged most. Compromised in Iran:

The F–14 fighter, keystone of long-range fleet defense. The airframe and engines, though advanced, held no great secrets for the Soviets. Of much greater interest were the electronics and missiles on the F–14:

The AN/AWG–9 radar and weapons control system.

The AIM–54A Phoenix long-range air-to-air missile.

The ASG–18 fire-control radar, which gives the Phoenix its exceptional accuracy.

The ALR–45 radar warning set.

The ALQ–100/126 electronics countermeasures suite, designed to both jam and deceive Soviet-built radars.

The U.S. Army (and thus NATO's infantry and armor) also suffered security losses in Iran. The Soviets gained insights about:

The Improved Hawk surface-to-air missile, the Army's basic element of ground defense.

The AN/TSQ–73 command system, which directs the Improved Hawk.

The BGM–71 TOW antitank missile, which NATO regards as a primary means of neutralizing the 4-to-1 Soviet advantage in tanks in Europe.

"We know for a fact that the Soviets did lay their hands on a lot of the hardware, not just the manuals," Ryan Emerson of International Intelligence Report told Stephen Werbe in the Oct. 15, 1980 Christian Science Monitor. Security at military bases immediately after Bakhtiar's fall was uneven at best. In the weeks after Feb. 11, Islamic Guards policed the installations. The Carter administration cited this fact to rebut reports that the F–14s in Iran had been examined by unfriendly agents. But the claim of uninterrupted security for American-supplied weapons was dropped after it was learned that most of the Islamic Guards were irregulars and volunteers.

With the Iranian experience in mind, the Reagan administration's decision to sell Saudi Arabia five E–3A AWACS radar and control aircraft seems hard to believe. The AWACS is central to both American security and the defense of Western Europe. So reliant is NATO on the "C3 doctrine" (command, control and communications) and so important is the AWACS to fulfilling the tenets of that doctrine (early warning, in-

telligence collection and battlefield coordination) that it is questionable how much political and military restraint the U.S.S.R. would show in Europe if the Soviet leadership were convinced that the AWACS could be neutralized.

Equally disturbing is the fact that the Saudis have received or will soon take delivery on a number of first-line weapons no less crucial to America's own defense than the ones compromised in Iran. The Saudis are politically unstable. Worse, the Soviets have the wherewithal to penetrate porous Saudi security even if there is no revolution.

In providing Saudi Arabia with the AWACS, F–15s, Sidewinders, shipboard defense systems and other weapons just now being delivered to America's own forces, the United States is risking its own security and that of NATO. In essence, we are offering the Soviets a windfall in military intelligence at least twice as damaging as the one reaped by the KGB in Iran.

In the months since the AWACS sale was announced, the administration has tried to defuse opposition by claiming that the planes the Saudis will receive will be stripped-down models. This is no more accurate than the Carter administration's description of the F–15 as a "defensive aircraft." The E–3As destined for Saudi Arabia will in fact be "Block 30/35" versions, the most advanced model of the AWACS, and superior to those sold to NATO (the Block 25 model).

The administration has suggested that it will delete certain advanced subsystems on the planes destined for Saudi Arabia. But there is evidence and precedent which indicate that when the planes are delivered, most once-deleted systems will be on board.

Block 30/35 AWACS normally will carry the following equipment—every piece of which is on the cutting edge of technology and of intense interest to Soviet intelligence:

The AN/APY–1 radar, which on the Block 30/35 aircraft will be redesignated AN/APY–2 because of its added ability to track ships under way or at anchor. This radar has look-down capacity, meaning it can separate the images of aircraft from the radar echoes of the ground or the sea. The AN/APY–2 can see targets over the horizon and by virtue of its carefully shaped radar beam, is difficult to detect and jam.

The AN/APX–103 secure mode IFF system. IFF means "identification, friend or foe." The AN/APX–103 uses coded signals to "interrogate" unidentified aircraft, and judging by the response, displays on a console which planes detected by the main radar are friendly and which are potential targets. The AN/APX–103 is integrated with and utilizes a secure data communications system called TADIL–C, which is installed in the disc-shaped radome mounted above the fuselage. This radome also houses the antennas of the main AN/APY–2 radar.

In addition to identifying friends and adversaries, the AN/APX–103 simultaneously allows the AWACS to maintain air traffic control over a wide area. The Reagon administration has indicated that the Saudis will receive a commercial IFF instead of the AN/APX–103. But this would require a redesign of the radome and antenna suite. It would also require a technically difficult separation of the components and computer programs of the AN/APX–103 from those used in the main radar.

The AWACS computer software. The central computer of the AWACS is nothing special (through the Block 30/35 aircraft will carry a computer four times as powerful as the one on unmodified U.S. Air Force E–3As.) It is the software, even more than the electronics, which makes the AWACS such a powerful system. The Saudis will receive:

The executive programs, which coordinate radar tracking and the sequence of operations onboard the aircraft.

The surveillance programs, which sift hard information from the welter of signals collected every second by the radar.

The identification programs, which constantly change the codes used by the IFF and sort responses.

The communications programs, which intergate the multiple voice and data networks which link the AWACS to ground stations.

The display programs, which translate data into visual images on the consoles of the AWACS.

The battle command programs, which allow the general staff to utilize information collected by the AWACS and to execute orders to the battlefield on the basis of it.

And the electronic-counter-counter-measures (ECCM) programs, which enable the main radar to resist efforts by the enemy to blind it or misinform it.

Administration officials have stated that the Saudis will not receive ECCM capacity. This assertion is certain to be repudiated. ECCM on the AWACS radar is a matter of high-level computer code, much of it embedded in other computer programs. In order to deny the Saudis the ECCM capability, the U.S. would have to completely rewrite many of the other programs listed above, so thoroughly is the ability to resist countermeasures integrated by design throughout the AWACS.

In fact, the ECCM capacity simply cannot be deleted. The writing of software is one of the most cash- and labor-intensive enterprises of the technological age. The U.S. already has hundreds of millions of dollars and literally work-centuries invested in the AWACS software. More important, software reflects even more than hardware the modus operandi of America's military intelligence.

How the software sifts, what the software assigns importance to, all these things illustrate the philosophy and analytical framework of the designers and users of the AWACS. Hardware, once compromised to the enemy, can be redesigned and updated. But replacing software is like changing the way you perceive and think.

Finally, the Block 30/35 AWACS will normally come equipped with the JTIDS (Joint Tactical Information Distribution System). This device is a combined secure communications network, IFF system, precision navigation system and data collection and distribution center.

NATO plans to equip every ship, plane, tank, ground radar, SAM battery and infantry unit with a JTIDS transceiver. With battlefield information constantly flowing to central JTIDS processors on board each AWACS, Western commanders will have the ability to monitor every area of the battlefield and launch, without fear of countermeasure, integrated attacks against the enemy.

JTIDS is still under development, and the administration has stated that the Saudis will not receive this system, basic to NATO's operations. Yet for the five E–3A's to operate in proper coordination with the Saudi Air Force, a system like JTIDS will be necessary. In 1978, one of the authors wrote in a memorandum opposing the sale of F–15s to Saudi Arabia:

"An F–15 sale will require that the U.S. sell the Saudis advanced airborne radar systems such as the E–2C or E–3A AWACS."

The State Department responded to this contention in a memorandum (Feb. 18, 1978) drafted at the request of Rep. Lee H. Hamilton (D-Ind.). It stated:

"An F–15 sale will not lead to the sale of the E–2C or E–3A. The F–15 has an excellent radar. Were the Saudis to purchase an aircraft with a less effective radar than the F–15, they would be more likely to seek an airborne radar system. The Saudis have expressed no interest in either the E–2C or AWACS."

Analogously, any commitment tendered now by the Reagan administration not to enhance the capability of the AWACS with the JTIDS must be viewed in light of this discarded assurance.

Bureaucratic pressures will certainly add impetus to such a decision: The U.S. Air Force pushed the AWACS sale in order to lower the unit costs on the planes it was buying and to establish a foothold for a permanent military presence in Saudi Arabia.

The administration's own rationale for the Saudi AWACS assumes the need for interoperability with American forces which might be dispatched to protect Saudi Arabia in an emergency. By 1985, the Rapid Deployment Force will be equipped with JTIDS. So will the AWACS now based in Saudi Arabia. These planes are part of the U.S. inventory and will be upgraded accordingly. But by selling five E–3A's to Saudi Arabia, and by pledging to withhold JTIDS, the Reagan administration and the Saudis will face the prospect of having a Saudi-owned AWACS force which is *less* capable of defending the kingdom, and *less* able to assist U.S. forces than the "loaner" unit it replaced.

There is just no way the U.S. military will allow such a circumstance to occur. Given that under current law, any weapon system costing less than $7 million may be sold abroad without congressional review, there will be little to stop a quiet decision to upgrade the Saudi AWACS with JTIDS.

Moreover, by delivery time in 1985, the Saudis will have had four years to cite Arab pride, petro-friendship and security needs in order to justify the addition of JTIDS and other deleted subsystems. This is part of the process known as after-sale upgrading. There is an instructive precedent in the aftermath of the F–15 battle. In May 1978, the Carter administration told members of Congress that the Saudis would not receive some of the top-of-the-line avionics standard on the F–15. But three months later, Electronic Warfare/Defense Electronics reported that: ". . . the United States is planning to include the same avionics in Saudi Arabia's F–15s as that installed in U.S. F–15 aircraft, a high DoD [Department of Defense] source revealed to EW/DE. When asked if this included Loral's advanced ALR–56 radar warning receiver and Northrup's ALQ–135 computer-controlled jammer, he replied, '. . . all the avionics will be the same.' "

After-sale upgrades also have enabled the Saudis to acquire—without congressional review—the more advanced F–15C instead of the F–15As originally requested; F–5E fighters with aerial refueling capacity and the ability to launch Maverick air-to-ground missiles, and a more sophisticated model of the Maverick itself.

At least one official in the Reagan White House has acknowledged privately that by 1985, the after-sale upgrading process will have worked once again, and that the AWACS bound for Saudi Arabia will be fully equipped promises to Congress notwithstanding.

Even if the Congress votes resolutions of disapproval, the United States will only have lessened its security exposure in Saudi Arabia by perhaps a third. Other systems now in the country or destined for delivery are essential for the effective performance of America's Air Force and Navy against Soviet-armed forces. These include:

The F–15 fighter/bomber, the mainstay of NATO's tactical air threat until the year 2000. The Soviets have an abiding interest in the F–15's engine, the F–100. A fighter engine is only as good as its combustion chamber, and the F–100 utilizes a level of metallurgical magic that in its own way is as sophisticated as the electronics on the AWACS. Also of interest on the F–15:

The AN/APG–63 radar, described by Air Force Gen. John Vogt as "so far advanced that it is something of a decade ahead of anything else."

The AN/ASN-109 inertial navigation system.

The ALF-56 radar warning receiver and the ALQ-135 ECM. The two units have only been in production for four years, and encompass in their designs every insight the U.S. gained in the Yom Kippur War and after about the workings of Soviet radars.

The AIM-9L Sidewinder air-to-air missile. The most advanced short-range air-to-air missile in the world, two were used to shoot down the Libyan Su-22s in the Gulf of Sidra. Sale of the AIM-9L is part of the AWACS package, and Congress still has the opportunity to block the transaction.

In April, a number of U.S. Air Force pilots wrote a letter to Rep. Tom Lantos (D-Cal.) warning against the sale of the AIM-9L to the Saudis. They noted the sophistication of the weapon and predicted a degradation of America's security if the AIM-9L were to fall into the hands of the Soviets. They were correct. The Soviets lag badly behind the U.S., Israel and France in both air-to-air missile design and lookdown radar capability. By adding knowledge of the AIM-9L to that now known about the Phoenix, the Soviets could eliminate one of the few remaining areas of military technology in which they trail the U.S.

The AGM-65B Maverick air-to-ground missile. Carried mainly on Saudi F-5E fighters, the 65B Maverick is a "fire-and-forget" weapon which has been in production only three years.

Like the Air Force, the U.S. Navy may suddenly find itself less secure because of what gets penetrated by the Soviets in Saudi Arabia. The Saudis have purchased:

The RGM-84A Harpoon anti-shipping missile. This is the principal all-weather weapon for fleet defense. The Harpoon is now being installed on nearly every class of American warship, and has only been in service since 1977. The Saudis are also purchasing:

The AN/SWG-1(V) weapon control system, which channels data from the ship's radars to the Harpoon while the missile is in flight, and which makes the Harpoon a notably lethal weapon.

The Phalanx Close-In Weapon System (CIWS). Basically a radar-directed automatic machine-gun, the Phalanx is literally the last ditch defense system for the American fleet. It is only now being installed on American naval vessels after emerging from a high-priority development program. The critical time environment in which the Phalanx's radar must perform means that a compromise of this system could only be compensated at a great cost in both money and research.

With the AWACS sale formally submitted to Congress, witnesses for the State Department will assert—as they did during the hearings on the F-15s—that Saudi Arabia possesses modern security infrastructures. This (they will say), combined with the loyalties forged in the desert make Saudi Arabia a secure place for even the most sophisticated American weapons. When the witnesses from Foggy Bottom give these assurances, they will be talking through their hats.

The Saudi security apparatus is a Potenkin village. The system put together by Prince Turki al-Faisal (the Foreign Liaison Bureau and General Intelligence Directorate) has police units, spies, counterspies, computers, communications and camouflaged offices. What the Saudis security system lacks is security.

Like every other modern institution which has sprouted in the kingdom, the Saudi security system is nascent. And like every other technology-dependent infrastructure in the kingdom, it lacks both trained operatives and experienced executives. The Saudi security system is hamstrung by a dearth of experts and planners who feel at home in a high-technology environment. Worse, Prince Turki has failed to instill a guiding sense of mission, cohesion and ideology.

Intelligence gathering and counter-intelligence are businesses which put a premium on personnel and experience. It takes decades to put together an effective system in which senior administrators trust each other and know the strengths and weaknesses of their agents and protective infrastructures.

Saudi security problems are compounded by shortcomings outside the two intelligence services. Soldiers and police are neither well-educated nor adequately schooled in protective techniques. The same things that make them hard to train also make them indifferent to security procedures and insensitive to real or potential breaches.

The armed forces should have their own powerful and semi-autonomous security units, but the royal family has kept military intelligence on a short leash. The ruling princes fear that any elite, secure, self-contained and well-armed group might attempt a coup d'etat. Their fears are not unjustified, but this paranoia doesn't enhance the security of American weapons in the kingdom.

The worst problem is the number of aliens at military installations. Pakistanis train Air Force pilots. There are more than 400 Pakistani engineers and technicians with officer rank attached to the Saudi military. Pakistanis also serve as Air Force mechanics, as do Taiwanese. South Koreans work at Saudi naval facilities. Yemenis are ubiquitous, performing "menial" tasks as waiters, cooks and maintenance men. Egyptians and Pakistanis work as administrators and teachers both on base and in nearby compounds.

The Saudi military itself is laced with Saudi citizens who sympathize politically with Iraq, Iran, Syria, Libya, Egypt and/or the Soviet Union. (This is a common circumstance in Arab armies.)

It does not require too much imagination to realize that clandestine communists, or pro-Iraqi, pro-Syrian or pro-Libyan Saudi officers would be targeted by Soviet intelligence as likely conduits of information about American weapons in the kingdom. The covert KGB presence in Saudi Arabia is growing, and is supported by major stations in Kuwait and Aden.

In essence, Saudi dependence upon the importation of skilled and unskilled personnel makes the kingdom a permanently unsecured area. The United States can dismiss this, but the Soviets will not.

Having created so many opportunities for security breach, the Saudi royal family may very well facilitate the ultimate intelligence compromise by getting itself overthrown. Weapons such as the AWACS and F-15 mean that when a coup attempt comes again, the sheer firepower at the disposal of the ringleaders will increase their chances for success.

Interestingly, the simple presence of high-tech weapons in the country destabilizes the royal family. It is a two-edged sword: many Saudis feel proud to know that their country is the recipient of the most powerful arms in the world. But for other Saudis, this is evidence of the overweaning self-aggrandizement of the royal family.

The royal family, hamstringing the military politically (while simultaneously trying to buy its favor with lush salaries, luxurious quarters and gold-plated cutlery in the mess halls) relies upon the National Guard to assure its safety. But this tribal force is just that—a throwback, bound by loyalties which were tested and found wanting in the takeover of the Grand Mosque in Mecca in 1979. The National Guard's fundamental problem is that it is not an elite force, like the commando units of Egypt and Israel. It lacks their training, techniques, command structure and political awareness. Here again, the waxing firepower of the Saudi armed forces makes it increasingly unlikely that the National Guard could successfully protect the royal family.

But what has drawn the least attention, and yet is the likeliest source of a coup attempt is the tumult in the royal family itself. The conventional wisdom is that the family operates by consensus, mollifies complainers and assures that no one kills the goose that lays the golden egg. But that is a misperception of current dynamics within the family. There are two competitions for power and wealth now underway: one is taking place among the senior princes; the other pits the senior princes as a group against lesser, peripheral members of the royal family.

The Wall Street Journal reported early in May that a number of senior princes and their sons had been involved in schemes to sell oil to Japanese, Italian and Thai buyers in exchange for commissions which would have totaled millions of dollars. It is logical to ask: Why are some of the richest men in the world risking public embarrassment in pursuit of foreign payoffs—even payoffs exceeding $100 million a year? Greed? Boredom? Power?

The answer appears to be power. The consensus process within the royal family is breaking down as the demise of the infirm King Khalid looms. The battle over the line of succession after Crown Prince Fahd has been brutal, unending and only partly resolved. The senior princes and their avaricious sons are developing their own parochial and irreconcilable agendas. These command ever more loyalty as the disagreement about policy for family and kingdom continues. Fahd's succession is likely to exacerbate this fractionalization, for he is neither a builder of coalitions nor a crusher of adversaries.

There is a story going around the intelligence community about the coup preparations of one of the senior princes. "Why should I care if a revolution costs me $100 million?" the prince is reported to have told a confidant. "The day after I become king, my income that day will be twice as great."

The workings of the royal family destabilize the monarchy in another way. Power and oil revenues are concentrated at the center. The senior princes are under pressure from lesser family members to decentralize the family enterprise.

As with political power, the king and the senior princes divide the lion's share of oil revenues reserved for the royal family as a whole. (Aside from the senior princes, the only Saudi citizens who regularly command truly large chunks of oil money are the heads of the vassal tribes around the country.) These days, lesser family members get payments which may total several million dollars, but which are essentially token in nature. Their share of actual power is limited.

It is now clear that any move by the senior princes to share power with the outer circles is unlikely to occur because of the conflicts inside the senior group. Moreover, any devolution of power will not broaden the popularity of the senior princes or the family itself. What little power that is spun off from the center will be seized by less senior princes long before it has a chance to filter to the periphery.

More important, the burgeoning non-royal groups (the military, the technocrat-administrators, the entrepreneurs and the middle class) remain as powerless as before. Shut out and effectively disenfranchised, these groups are becoming a fertile agar for revolution. And unlike the shah, the Saudis have yet to undertake even a pretense of reforms.

Sadly, the worse-case scenario for the United States (massive security breach of its defenses) can happen even if the worst-case scenario for the Saudis (overthrow) does not occur. Whether the sieve-like quality of Saudi security is really important ultimately depends on the ability of the Soviet Union to get classified information and put it to use.

The deliberate structuring of the KGB to collect the maximum amount of technical data in the West and extract the maximum benefit from it has been well documented. This is a certainty: the Soviets use what they collect, and they are willing to collect it anywhere. The so-called "velocity of information" is swift between the scientific and technical directorate of the KGB and the research institutes of the Soviet military.

A compromise of American technical secrets in Saudi Arabia would help the Soviets to build systems they do not now possess, and improve systems they are currently developing. The Soviets already possess the ability to build most of the weapons sufficient to confront the U.S. But if the AWACS or F-15 (along, recall, with their subsystems) are compromised to the Soviets, the U.S.S.R. will focus not on duplicating the American components but on defeating them electronically. As in simple intelligence collection, electronic countermeasures have a much higher prospect of success when you have a known, defined target in mind.

Even if the Soviets acquire only a few pertinent facts about a radar or communications device, they will be much aided in their ability to build an effective ECM against it. Soviet science is uneven, but it is renowned for its mastery of electronic theory and the associated mathematics. The Soviets are fully capable of building devices to impair and deceive any system in the U.S. arsenal—given sufficient data.

Seemingly innocuous information about signal strength, bandwidth, pulse frequency, receiver sensitivity, selectivity, antenna characteristics and a thousand other minutiae is enough to focus research towards completion of an effective ECM. Physical examination of components provides information not only about how they work, but how they were made. Inspection of components functioning as a system allows one to discover systemic weakpoints. And there is no telling what could be done with some particular knowledge of a computer system, its operating software, its access routines and codes.

Advanced systems such as AWACS crucial to America's defense are acquired only at a great cost; research and development expenses are astronomical, because what is being designed is not merely a component, but a never-before assembled technology for building it.

Conversely, ECM research is very cost-efficient. With the right investment, you can render obsolete, even useless, billions of dollars worth of your enemy's weapons (and its investment in research and development). One acquires much of the enemy's technology without paying nearly as much for it in money or time. Moreover, the analysis which produces the ECM elucidates where the enemy is heading for the next generation of weapons. It also illuminates, as noted earlier, what he thinks is important, and how he detects and measures and classifies it.

In the largest sense, these realities dictate a much more conservative and vigilant American policy for the protection of our technical prowess. In the immediate sense, they suggest that the United States should revise its plans to put a gamut of first line weapons in the hands of a nation—Saudi Arabia—patently incapable of protecting them.

If the United States wants to signal that it is unwilling to give unintentional assistance to Soviet military planners, it should withdraw the offer of the AWACS to Saudi Arabia. Reevaluation of the 1978 F-15 sale would not be unjustified either. Given the centrality of the AWACS to the security of the West, a refusal by the administration to cancel the sale should persuade the Congress that it must protect our interests, and vote resolutions of disapproval.

(This article was sent to the Department of Defense on Wednesday, Aug. 26, for its review and comment. Its reply, received Friday afternoon, follows.)

REVIEW AND COMMENT BY THE DEPARTMENT OF DEFENSE

Department of Defense officials were given 24 hours to review this article prior to publication. They have told the editors of The Post that in this brief period they were able to identify at least 23 factual errors and numerous tendentious and unsubstantiated assertions. Much of the article, by Aaron Rosenbaum and Emanuel Winston, is, in their view, anti-Saudi polemic but, for the rest, testimony by the secretaries of state and defense before Congress will set the record straight and make a convincing case that the sale is in the interests of our country, the Western Alliance and stability in the Middle East. Several of the most glaring factual errors include:

Article: The E-3As destined for Saudi Arabia will in fact be "Block 30/35" versions, the most advanced model of the AWACS now planned, and superior to those sold to NATO (the Block 25 model).

DoD: Saudi will receive a degraded Block 10 AWACS, not Block 30/35. Block 30/35 models have not even been funded by the U.S. at this point. Consequently, the Saudi AWACS will not be the most advanced model of the AWACS now planned. Saudi AWACS will be inferior to the NATO AWACS which will be the Block 15 model.

Article: The administration has suggested that it will delete certain advanced subsystems on the planes destined for Saudi Arabia. But there is evidence and precedent which indicate that when the planes are actually delivered, most once-deleted systems will be on board.

DoD: Evidence and precedent indicate that these subsystems will not be transferred.

Article: The AN/APY-1 radar, which on the Block 30/35 aircraft will be redesignated AN/APY-2 because of its added ability to track ships under way or at anchor. This radar has lookdown capacity, meaning it can separate the images of aircraft from the radar echoes of the ground or the sea. The AN/APY-2 can see targets over the horizon and by virtue of its carefully shaped radar beam, is difficult to detect and jam.

DoD: AN/APY-1 radar is on the "core" aircraft, not Block 30/35. It is mid-sixties technology—both radars have look down capability. Neither can see ground targets. Neither can see targets over the horizon. Neither has a shaped radar beam that is difficult to detect—it is easily detected due to power emitted.

Article: The AN/APX-103 uses a secure data communications system called TADIL-C, which is integrated into the disc-shaped radome mounted above the fuselage.

[Editor's note: The article language differs slightly from the DoD review copy.]

DoD: There is no relationship between the AN/APX-103 and TADIL-C.

Article: In addition to identifying friends and adversaries, the AN/APX-103 simultaneously allows the AWACS to maintain air traffic control over a wide area. The Reagan administration has indicated that the Saudis will receive a commercial IFF instead of the AN/APX-103. But this would require a redesign of the radome and antenna suite. It would also require a technically difficult separation of the components and computer programs of the AN/APX-103 from those used in the main radar

DoD: The AN/APX-103 has no connection with air traffic control. Providing a commercial IFF will require no redesign of the radome or antenna suite. Finally, no separation of components/computer program is needed from those used in the main radar.

Article: JTIDS is still under development, and the administration has stated that the Saudis will not receive this system, basic to NATO's operations. Yet for the five E-3A's to operate in proper coordination with the Saudi Air Force, a system like JTIDS will be necessary.

DoD: JTIDS is not essential to interoperability. We are operating now without it. If necessary, swapping "black boxes" will accommodate.

Article: Given that under current law, any weapon system costing less than $7 million may be sold abroad without congressional review, there will be little to stop a quiet decision to upgrade the Saudi AWACS with JTIDS.

DoD: Cost of JTIDS modification will be $3M per aircraft, or $15M total which would require notification.

Article: After the sale upgrades have also enabled the Saudis to acquire—without congressional review—the more advanced F-15C instead of the F-15As originally requested.

DoD: F-15As were never requested because they were no longer in production at available delivery date.

Article: The Soviets lag badly behind the U.S., Israel and France in both air-to-air missile design and lookdown radar capability.

DoD: Soviet air-to-air missile technology is rapidly catching up.

(The authors reviewed this critique and stated that they stand by their analysis. They cited references to support their original contentions. They added that "DoD's derision of the technology and capabilities of the various weapon systems contradicts testimony given over the years by DoD witnesses to the Congress.")

THE AMERICAN CONSUMER

● Mr. GOLDWATER. Mr. President, as is all too often the case, we in the United States suddenly wake up to the fact that we do not and cannot pretend to live in splendid isolation from the rest of the world. Even as the average American goes about his or her daily business, the combined result has startling impacts throughout the far reaches of the globe. By consuming or creating the vast amount of worldly goods that we do, the influence is felt in many far away places which then take on a heightened importance to the very existence of our society.

In a recent essay, Mr. Frank Pederson examined these impacts and the evolutionary nature of the fundamental changes which have occurred in international relations over the past 40 years.

Mr. President, I submit the essay for printing in the RECORD, for the benefit of my colleagues.

THE AMERICAN INTERNATIONAL MAN AND THE MENACE FROM THE EAST

(By Frederick Pederson)

The global transmigration of people, ideas and good, propelled rapidly in the post World War II era by air transportation, telecommunications, massive media exploitation and compounded technological development, has confronted the nations of the world with the reality of planetary internationalization and all the attendant confusion, turmoil, maladjustment and socio-economic dislocation. The precipitant magnitude of this is a formidable challenge for a single generation. We—all of us—individuals, as well as our political leaders, are muddling along in frustration and irresolution. We say stupid things. We jump to ridiculous conclusions as we seek immediate solutions to complex problems. There will be a dawn someday when equable adjustments and intelligent rationalization will take over, but

that day is not yet visible or even predictable.

In our recent lifetime we have seen once sleepy Arabian villages become petroleum and financial centers, African jungles transformed into housing developments, south sea islands turned into satellite tracking stations and the conversion in midwest American small town coffee shops mutate into forums for emerging profundity on subjects only recently far removed from bucolic discussion or speculation.

America showed early evidence of becoming an ethnic amalgam when the Dutch and the Swedes supplemented the early Britannic settlers with the French and Spaniards on either flank. The blacks joined the assemblage under less than happy circumstances initially and now have become an integral, contributory segment of American society.

The great waves of European immigration, engendered by political unrest, social revolution, oppression, famine, frustration and that compelling motivator of all—the desire to get ahead—created a bastion of enterprise and progress on the North American continent the likes of which are awesome to behold. They all combined to produce the American archtype, an industrious creator of and a prodigious consumer of worldly goods on a colossal scale.

Whether it's petroleum or cocoa beans, coffee or diamonds, manganese or lobsters along with an increasing importation of motor cars, cameras, Scotch whisky, German beer, French perfume, Italian wine and Japanese television sets, there's an American ready to buy it and then eat it, drink it or use it.

The American consumer! This brave and accommodating soul indulges himself or herself to the fullest extent of credit available and with wanton profligacy. He assaults his stomach, ruins his liver, bewilders his nervous system, tests his stamina, endures pressures and works at his job feverishly to earn enough money to accomplish all this devastation, but usually not quite enough. He is even willing to demolish his solvency. What more can anyone ask of man? He may unbalance his country's balance of payments, but he is the darling of all exporters the world over. The American consumer keeps plantations busy, factories humming, pumps pumping, miners digging, ships sailing and weavers weaving on a broad global scale. He is truly the international man. Can the world do without him? Frankly speaking, at the moment—no. The world economy would collapse. He is the epitome of capitalism—both the cause and the effect.

Capitalism is the worldwide system by which people exist and enjoy existing, communist propaganda and doctrine to the contrary, Communism itself is merely primitive capitalism which only provides scarcity. To be sure it minimizes the self-indulgent tendencies of its adherents (sic victims) by producing very little in the way of worldly goods which it is utterly incapable of doing. In the primitive capitalism of communism the only capitalist is the state, and the enormous bureaucracy neither has the energy, nor the incentive nor the imagination to conceive, manufacture and distribute the desirable conveniences of life. This primitive capitalism does not take advantage of the innate capabilities of educated man. It denies him the opportunity of doing his own thing—of achieving a goal or distinction which, admittedly, would benefit certain individuals above the norm, but in so doing raises the norm and everyone's standard of living. The broader application of capitalism, which the western world fosters in varying degrees, is very evident in America. Our inventive genius and innovative talents have produced everything from the prize in a Cracker-Jack box to the atom bomb, from the banana-split to the transistor, and from a Ferris wheel to supersonic aircraft. Vodka and sables, curiously aimed at capitalist customers, come from Russia.

The tragic, if distinguished (after all, look at Shakespeare, the Parthenon, Leonardo da Vinci and Einstein), history of the world uncomfortably discloses that there is nothing unique about a menace to western civilization from the east. The Huns and other assorted bellicose tribes spilled out of the steppes of Scythia to assist in the destruction of the Roman Empire. The hordes of Genghis Khan and Tamerlane ravaged, burned and sacked everything in their paths and caused medieval Europe to tremble. As recently as 1683 the Ottoman Turks were at the gates of Vienna. The princes of Muscovy and the czars of Russia, as they threw off the Tartar yoke, picked up the same pattern of war and conquest which we see emanating from the east today. The east always has preferred weapons to post-toasties and a bullet to an hors d'ceuvre. Mechanized Cossacks have overrun Czechoslovakia and Hungary and their steel phalanxes supported by armed helicopters and other aircraft have moved into Afghanistan, following in the footsteps of Genghis Khan over seven centuries later. Afghanistan is actually a replay. Shortly after the Bolshevik revolution, the comrades quickly overrun the Muslim khanates of Khiva and Bokhara which were surrounded by Russian Turkestan and had been czarist protectorates. Afghanistan is merely next on the agenda, and the curtain has opened on the drama of Poland.

As a matter of fact, communism is patently not a unique or panacean enchanting economic system. It is a derivation of the age old tribalism of the east; an overlay of belligerant and predatory Tartar or Mongol chieftains on the communal life of the tribe itself, an amalgam of herdsmen, hunters plus a few seed planters and weavers. Today we have the Politburo and its associated warlords operating under the cloak of so-called communism through the medium of euphemistically named "peoples" republics! A few migratory Mongol genes and chromosomes must have found their way into the antecedents of Marx and Engels who rendered gospel service to this modern day tribalism. Lenin's very physiognomy betrays Tartar ancestors. Stalin came out of the Georgian Caucasus mountains. They all are dramatic examples of recidivism.

What is the eventual solution, amelioration or conclusion to all this, short of employing the full services of the U.S. Air Force, Navy, Army and Marines? Such engagement even if victorious, would not necesarily settle all the complex issues. World War II proved it is not possible to completely win a war and then win a peace. The victors always have to cope with what is left.

There is, however, a glimmer of hope in the apparent worldwide reaction to current aberrant moves by fanatics and warmongers—to the detention of hostages, the invasion of sovereign states and to the disgusting acts of terrorism. The American consumer is showing signs of sobering up after a sixty year binge which really began after the conclusion of World War I and was intensified immediately after World War II when he was the only privileged person on the globe who had any money. Now Japanese and Germans, who have successfully applied the principles of capitalism, have money. And, most sobering of all, is the spectre of the Arabians winding up with all the money via virtual economic blackmail. The aggravating energy shortage has brought a stark awakening to the American consumer. Suddenly he cannot have everything he wants when he wants it or even drive wherever he pleases as fast as he prefers. He is now a part of a global collage of inter-dependency.

The irrational fanaticism of Iran and the brutal aggressiveness of imperialist Russia have aroused many nations and peoples throughout the world and, in particular, the free-wheeling American. We have just experienced a unification of thought and action second only to that precipitated by Pearl Harbor in 1941. A strong, resolute and effective America is the keystone of a normalization which will have to manifest itself to prevent chaos on an unprecedented scale. We also have observed the transformation of China into a nation with an evident intent to join others in collective harmony and security. Hopefully, the present charged atmosphere will start to dissipate itself when the major protagonists conclude the risks are too great, the support too undependable, the logic too fallacious, the gains too illusory.

Then it is up to twentieth and twenty-first century man to disprove the unflattering, even calumnious, assessment of man made by Machiavelli in the turbulent times in which he lived: "The destiny of humanity is a compulsive sequence of events in which the individual participates for no particular reason—and in which he is incapable of living in peace with others. Men move from one thing to the other—they tire of evil, and of good they sicken."

Let us hope Machiavelli was wrong.●

CLEAN AIR ACT

● Mr. STAFFORD. Mr. President, I would like to insert in the RECORD at this point a memorandum concerning the Clean Air Act. The author is Mr. Roger Strelow, a lawyer and spokesman for the business community, including the Business Roundtable. Mr. Strelow recently represented the business community on a McNeil-Lehrer news program, reporting on the Clean Air Act reauthorization. At one time, he was an Assistant Administrator of the Environmental Protection Agency, charged with administering the Clean Air Act.

I ask that the memorandum be reprinted for two reasons. First, it provides an analysis of what at least one well-informed person believes to be the administration position on amending the Clean Air Act. Second, and more importantly, it illustrates an approach which could doom efforts to finish the Clean Air Act in this Congress or to achieve a sound and reasonable result.

Those outside the Congress interested in the Clean Air Act can choose the path they wish to travel. I hope they approach the reauthorization process in an open, honest, and straight-forward manner.

On page 5 of this memorandum there is a statement that an administration draft leaked to Representative WAXMAN in June contained—and I quote—"a number of inconspicuous, seemingly technical provisions which would have effectively gutted many of the requirements applicable to class I areas. * * *" The author then notes that later in the drafting process "technical details could again prove to be critical."

Later in the memo, the author describes the Business Roundtable position on acid rain as a "preemptive strike." Another position is described as "buying peace."

Mr. President, I can say with a conviction born of 20-years experience in the Congress that if those involved in this debate choose to tred a path littered with "technical" details and "preemptive strikes," their journey may be much, much longer than they bargained for. They may also find, at journey's end,

that it was both a trip and a destination they would have preferred to avoid.

The memorandum follows:

MEMORANDUM

To: Van Langley
From: Roger Strelow
Re: EPA Administrator's August 5, 1981, Press Release

The statement of principles contained in Administrator Gorsuch's August 5, 1981, press release is too sketchy to draw definitive conclusions regarding the Administration's proposal. The press conference did not provide much elucidation. (See Al Fry's August 5 memo.) In broad terms, however, the position announced August 5 is compatible with virtually all of the Roundtable recommendations,[1] reflecting a substantially more moderate approach than the bill leaked to Congressman Waxman in June.

Some initial reactions to the press release are summarized below:

1. Administration's Position: The Nation should continue its steady progress towards cleaner air.

Comment: Environmental groups are unlikely to quarrel with this statement of goals, but will argue that the Administration's proposals fail to meet its own test, since they will allow substantially higher emissions than would be permitted by the present version of the Act. In support of this contention, these groups will be able to point to credible evidence which suggests that elimination of the percentage reduction requirement, coupled with other proposed changes in the law, will increase emissions by 3.0 to 5.0 million tons per year, compared to projected levels.

It is important for industry to be in a position to refute this claim, to the extent it is excessive. The work ICF is doing for Conoco could prove critical in this regard. In addition, we are reviewing the studies EPA prepared in connection with the 1979 NSPS requirements as a further source of information on this issue.

2. Administration's Position: Statutes and regulations should be reasonable and should be related to the economic and physical realities of the particular areas involved.

Comment: The reference to "economic and physical realities" appears to be patterned after the Roundtable's recommendations regarding cost effectiveness, economic values and attainability.

Phrased so broadly, it is difficult to quarrel with the Administration's statement of principles; the trick will be to convert this statement into acceptable and effective legislative language. We might want to begin drafting soon, based on our legislative specifications (see especially § 317), so as to be in a position to provide language to the Committee staffs when they begin drafting a bill.

3. Administration's Position: The basic concept of the health-based primary standards in the Clean Air Act should be maintained. Cost benefit analysis should not be included as statutory criteria in setting these standards, but standards should be based on sound scientific data demonstrating where air quality represents real health risks.

Reaction: The Roundtable can fairly take credit for the emphasis on "real health risks" and the use of "sound scientific data." The decision not to provide for cost-benefit analysis in promulgating the standards appears to reflect a political judgment by the Administration that a moderate position on standard setting will significantly increase the prospects for approval of other major reforms. If translated into appropriate legislative language, the Administration's proposal probably would permit EPA to relax the present standards substantially, even if cost-benefit analysis cannot be explicitly taken into account.

4. Administration's Position: Secondary standards should also continue to be set at the Federal level.

Comment: The Administration's statement appears to rule out the possibility of states adopting more lenient standards, and thus conflicts with the recommendation adopted by the Roundtable. As a practical matter, however, Administrator Gorsuch is likely to set secondary standards at or near the level of the primary standard whenever warranted, in which case an effort to reverse to the Administration's position might have little practical effect. Further, the brief statement in the press release would not appear to preclude adoption of separate regional standards for each region of the country, or the use of incremental cost benefit analysis in setting standards (a major element of the Roundtable's recommendation).

5. Administration's Position: The current program for the prevention of significant air quality deterioration should be maintained for the protection of park and wilderness areas. In other areas, protection should be based on uniform technology requirements for pollution control.

Comment: The Administration's proposal to eliminate class II and class III increments and adopt uniform technology requirements (presumably based on NSPS requirements) is identical to that adopted by the Roundtable and virtually every other major industry group. (Note, however, that there is no specific mention of revising the class I increments.)

On PSD, like several other administration proposals (including proposals regarding hazardous pollutants an nonattainment areas) it will be essential to review a more detailed statement of the Administration's position before any definitive conclusions can be drawn. In broad, outline form, the Administration's statement of principals regarding the PSD issue is compatible with the approach taken in the draft bill leaked in June. However, the June draft contained a number of inconspicuous, seemingly technical provisions which would have effectively gutted many of the requirements applicable to class I areas (including the class I annual increment, which industry generally has not challenged). Even if the Administration is now committed to a more moderate approach, technical details again could prove to be critical. (For example, while the Administration's press release is silent on the issue of visibility, a carefully targeted technical amendment to current provisions regarding class I areas, including a more realistic statistical approach to the short-term increments such as Terry Thoem has urged, could cure many of the Roundtable's objections to the current version of the Act.)

6. Administration's Position: States should be accorded a full partnership in implementing the Nation's standards. The Federal government will monitor state achievement of the national health and welfare standards.

Comment: Subject to appropriate limitations, the concept of significantly restricting EPA's role in reviewing state decisions has wide-spread support. (ERT's study for the Roundtable should add to the momentum for reform, since it provides impressive documentation of the extent to which the current system of overlapping review causes unnecessary expense and delay.)

As currently formulated, however, the Administration's proposal may hide a bombshell. One of the most controversial aspects of the June draft bill was the proposal to eliminate most of EPA's current review functions, by eliminating entirely EPA's review of individual permit decisions (even for major new sources) and cutting back sharply on EPA's review of S P's. (By contrast, the Roundtable's legislative specifications gave EPA 90 days to veto state permitting decisions for major new sources and continued to provide for meaningful review of SIPs.) In light of intense reaction to the leaked bill, the statement in the press release that the federal government "will monitor state achievement of national . . . standards," without further elaboration, suggests that the Administration may intend to adhere to its original, controversial approach. I would note that it is my distinct impression that much of industry would not favor excessive delegation and decentralization to the states since this could allow discrimination within industry by region and/or industry category.

7. Administration's Position: A more effective hazardous pollutant program should be established to allow, for the first time, efficient control of the hazardous health hazards posed by airborne toxic pollutants.

Comment: It is not clear whether this language is a smokescreen, or reflects a decision to take a tough stance. To the extent it indicates the latter, it could prove to be a major point of tension between industry and the Administration. We should not oppose a truly more effective and aggressive toxic pollutant control program under § 112, but we must insist upon appropriate procedural and scientific (e.g., peer review) protections. You may recall that DuPont's representative made this basic point at the CAAF meeting held in BRT's conference room about a month ago.

8. Administration's Position: Research on acid deposition should be accelerated.

Comments: This statement is unobjectionable.

As we discussed when we were preparing the paper for Vice President Bush, the prospects for this proposal being accepted (in lieu of immediate imposition of control measures) would be enhanced substantially if we are able to develop a very detailed proposal for how the current research program should be accelerated, pointing to very specific areas in which research should be accelerated, and explaining why it would be reasonable and appropriate for Congress to defer action until after this research has been completed. The Administration may not be able to avoid further action on acid rain—in the legislation and/or in the treaty with Canada—if it insists on promoting a significantly relaxed NSPS for coal-fired powerplants (see #11, infra), which could lead to significant SO_2 increases. BRT's "preemptive strike" position may well become a necessary compromise in any event.

9. Administration's Position: Deadlines for achieving primary air quality standards should be adjusted to reflect realities in particular areas.

Comment: The proposal for selective extensions of attainment deadlines is identical to the recommendation offered by the Roundtable, and represents a major retreat from the position proposed in the draft bill leaked to Congressman Waxman.

From the terse description offered in the press release, it is unclear whether the Administration intends to modify its position with regard to other controversial aspects of the nonattainment program (e.g., elimination of the offset requirement and the construction ban).

10. Administration's Position: As suggeested by the National Commission on Air Quality, automobile standards should be adjusted to more reasonable levels. The limit for nitrogen oxide could be raised to a level slightly higher than that suggested by the Commission without affecting air quality goals.

Comments: According to the story in Wednesday's Wall Street Journal, the Admin-

[1] Indeed, on several issues (e.g., the limitation of primary standards to "real health risks," the requirement for use of "sound scientific data" and the proposal for selective extensions of compliance deadlines) the concepts in the Administration Bill appear to be borrowed directly from the Roundtable's paper.

istration intends to determine compliance with the relaxed limits based upon company-wide averages. This represents a substantial further concession to the automobile industry, beyond that already reflected in the press release.

11. Administration's Position: Pollution control standards for new coal-fired plants should be based on uniform emissions standards.

Comments: This proposal clearly requires uniform, fixed emission limits, in lieu of the current mandatory scrubber requirements. As such, it is likely to be one of the more controversial aspects of the Administration's current proposal. The environmental groups will insist—with some credibility—that the effect of this proposal will be to increase emissions of SO_2 by several million tons per year, thus negating the Administration's promise of "steady progress towards cleaner air." Further, representatives from states with large reserves of high sulfur coal can be counted upon to fiercely oppose this provision.

As a result, the pressure on the Administration to find a compromise position is likely to be intense. In this context, it may be important to note that the Administration was careful not to commit itself to any specific emission limit. (The utility industry had pushed for an emission limit of 1.2 lbs SO_2/MMBTU, consistent with both the 1971 and 1978 NSPS requirements.) This leaves open the possibility that the Administration ultimately will accept a lower limit (e.g., 0.8 lbs SO_2/MMBTU or perhaps even some form of sliding scale), as a way of buying peace.●

THE FEDERAL BUDGET

● Mr. ARMSTRONG. Mr. President, within the next few days, the Senate will be asked to increase the national debt to more than $1 trillion. Based on precedent, it probably will, in order to keep the Government going.

This mind boggling debt, and the Government spending policies which have caused it are exactly why interest rates are soaring, bond prices are crashing, the stock market is sagging, the Nation's economic recovery is crippled and millions of workers are losing their jobs.

There is now little doubt that excessive Federal spending is, in fact, the main cause of the Nation's inflation/credit crunch. Almost no one now disputes the once-controversial notion that a balanced Federal budget is essential to getting the economy back on track.

President Reagan is pledged to do so. And no one doubts the sincerity of his intentions.

What is in doubt is whether Congress, in the wake of making dramatic budget cuts this summer, will go along with Mr. Reagan's plan for further spending cuts needed to match recent tax reductions.

While there may be no such thing as a painless budget cut at this point, one way Congress can help restrain Federal spending is by passing an amendment I intend to offer when Congress considers the debt ceiling increase.

The amendment makes one simple but significant change in current policy. Introduced as S. 384, the Federal Expenditure Control Reform Act, the amendment requires congressional veto rather than congressional approval of any rescission proposed by the President. As before, the President would be required to notify Congress of his intent to rescind or withhold appropriated budget authority. But to halt such action, Congress would within 45 days have to pass a resolution disapproving it.

The Senate Budget Committee conservatively estimates that some $5 billion could be saved each fiscal year by adopting this approach. Further savings, I believe, are possible.

Our President presides over the largest budget in the world, an estimated $642 billion in this fiscal year. Yet he has less management control over that budget than almost any other Chief Executive. The Governors of virtually all of our 50 States have the power to block wasteful, duplicative and unnecessary spending, but Congress has denied this essential management prerogative to our President.

Under present law, if the President discovers that funds appropriated by Congress for a particular purpose are no longer required, or are more than required to achieve that purpose, he cannot prevent the expenditure of the excess funds without first obtaining explicit permission from Congress to do so.

The Congressional Budget and Impoundment Control Act of 1974 protects the constitutional prerogative of Congress to have the first and the last word about the expenditure of public funds, but it does so in a needlessly wasteful and extravagant way.

The trouble with the Impoundment Control Act is that the President's efforts to restrain wasteful spending can be thwarted simply by congressional inaction. If the President determines that funds appropriated for a particular purpose need not or should not be spent, he must inform Congress of his intention to rescind them. But if both Houses of Congress do not pass resolutions approving the rescission within 45 days of the President's announcement, then the funds must be released.

Unfortunately, all kinds of factors other than the merits of a proposed rescission can block action by both Houses of Congress before the 45-day period expires. Since 1974, Congress has approved fewer than 15 percent of the rescissions proposed by Presidents Nixon, Ford, and Carter. In most cases, the rescission request never even reached a vote.

Fiscal year 1980 provides an all too typical case in point. In that year, a year of near record budget deficits and double digit inflation, President Carter sent to Congress rescission requests totaling $1.6 billion. Congress rejected by inaction $1.1 billion of these rescission requests. Thus, out of a budget of $579.6 billion, a scant $500 million, eight one hundredths of 1 percent of the total, was saved through the decision of the President that the same results could be achieved with fewer dollars through better management.

Presidents used to have a very potent power to prevent wasteful spending, the power of impoundment. The history of Presidential impoundments shows clearly that this power was used in virtually every instance to achieve sound management objectives. The most common reason for impoundments was because changed circumstances rendered a particular expenditure unnecessary, as when President Jefferson blocked $50,000 for gunboats on the Mississippi after the Louisiana Purchase had removed the threat the gunboats were supposed to guard against. Another frequent reason was to prevent waste, as when President Van Buren blocked payment of a duplicate pension to a military widow, and President Truman refused to spend money to build Veterans' Administration hospitals until a study had been made to determine the geographical need for them.

But there were instances where the impoundment power was abused. President Lincoln, for instance, impounded funds for water projects in order to punish certain Illinois Congressmen who had opposed his administration on other policy matters.

The use by some Presidents of the impoundment power to punish recalcitrant legislators, or to alter policies enacted by Congress quickly irritated Congress, and raised a serious constitutional question as well. The Constitution makes it clear that Congress has the power to determine how public money should be spent. But if the President impounded funds appropriated by Congress, Congress either would have to pass the appropriation again—in which case it would be subject to a second impoundment, or a veto—or take the President to court. This was, especially from the congressional point of view, most unsatisfactory.

The impoundment controversy came to a head in 1972 when President Nixon attempted to force Congress to adopt a block grant housing approach by imposing a moratorium on funding of the housing programs authorized by Congress. The President won the battle—an appeals court ruled against Congress' lawsuit—but Congress, by enacting the Budget and Impoundment Control Act of 1974, won the war.

Most Americans would agree that some protection had to be found against the sporadic Presidential abuses of the impoundment power. But the congressional "cure" has proven far worse than the disease. Clearly, some middle ground must be found.

Enter the rescission amendment, allowing flexibility in achieving needed savings without returning to the old abuses.

This basic change, to congressional veto from congressional approval, would alter the climate for Presidential action by requiring a positive, considered action by Congress in order to block proposed rescissions instead of killing needed rescissions by inaction—without even having a vote. The President would be allowed the managerial flexibility required for efficient Government, but Congress would retain its constitutional prerogative to control the public pursestrings.●

ADDRESS BY SENATOR DOLE ON ISSUES AFFECTING DISABLED AMERICANS

● Mr. MURKOWSKI. Mr. President, last evening, my distinguished colleague

from Kansas, Mr. DOLE, delivered a very timely speech on issues affecting disabled Americans to a group called "Mainstream," which is sponsoring a 2-day symposium on disabled people in the workplace. As a member of the Senate Veterans' Affairs Committee, I am particularly aware of the necessity for assistance in employment opportunities for disabled veterans. I submit this speech for the RECORD, so that my other colleagues in the Senate may have the opportunity to read it.

The speech follows:

JOBS, JOBS, AND MORE JOBS—FOR THE DISABLED

It's an interesting coincidence that tonight's seminar, which focuses on employing disabled Americans, should take place during the week of Labor Day—two days after President Reagan outlined the economic policies of his administration as "Jobs, Jobs, and More Jobs."

Well, we all agree with that, and we look to the President and Congress to make certain that the millions of new jobs we believe his economic program will create in the next few years will go to people regardless of whether they walk to work or ride in a wheelchair—whether or not they can hear the sounds of an office around them—whether they stand tall in physical posture or personal spirit.

AN IMPORTANT DISTINCTION

The year 1981 is the year of the disabled person. It is not the year of the handicapped. The distinction is important. For a disabled person is handicapped only so long as he or she is prevented from achieving a goal, earning a living, realizing a dream. Throughout my life, I have known persons who might have been physically disabled, but who attained great things of the mind or the spirit. I have known in my own life the call to self-discovery that comes with a physical disability—and I learned many years ago that sympathy is no substitute for a chance to develop one's skills.

There are thirty-five million other Americans who have learned or will learn that same lesson. They represent a vast and largely untapped human resource. They ask for nothing but a chance to share their talents. And they demonstrate every day of their lives the meaning of what Tennyson meant when he wrote "To strive, to seek, to find, and not to yield."

The last decade has seen a lot of striving, seeking and finding. The only yielding done was by the barriers—architectual, economic or psychological—that have traditionally blocked the way to personal independence and employment of the disabled. Physical mobility was increased. Now the same thing must happen with economic mobility.

FISCAL AUSTERITY—AND CONTINUING NEED

I hardly need remind anyone in this room that we live in a time of fiscal austerity. The Federal budget is under seige to some hard economic realities. The Federal Government itself is trying to restore the historic concept of federalism before that foundation of American self-rule is smothered beneath Washington's deficits, Washington's rules, Washington's regulations and Washington's smug conviction that it knows best.

The demands on our dollars have never been greater. But that does not mean any diminution in the needs of the disabled. What is just a time of heavy spending remains just in a time of belt-tightening. Fortunately, I can report that programs for the disabled have, by and large, escaped the budgetary ax. I think the administration is sensitive to the needs of disabled Americans. I see no desire—and no possibility—for a retreat for the commitment of recent years.

But I do see a greater reliance upon the private sector as a partner in meeting the economic needs of the disabled. To be blunt, business will be invited to pick up some of the slack that Government alone can no longer handle. This seems a fair price for the largest tax cut in American history, much of it specifically aimed at the business community. Along with rewards goes responsibility.

THE PRIVATE RESPONSIBILITY

And I've seen already encouraging evidence that the private sector is anxious to meet that responsibility. Not long ago, I had the chance to speak with a Menninger Foundation Council sponsoring the projects with industry program. PWI is the best evidence I know to support the theory that a small investment in the disabled can lead to a substantial payoff, both financial and social. Ninety PWI programs across the country put 5,500 people to work. Taxes on their $50 million wages alone will more than double the entire public expenditure on the program. PWI works because it stresses the capabilities—not the disabilities—of the individuals it employs. It works because it advocates competition as well as compassion. It instills independence: it disclaims impairment. It gives people a reason to hope, as well as a paycheck.

In the course of its work, PWI has educated a lot of businessmen as well. Employers have discovered that it takes less accommodation than they thought to hire handicapped workers. They have removed architectural barriers. They have launched PWI training programs. They have hired—and they have promoted—qualified disabled job applications.

GIVE A MAN A JOB

This is a country whose people have always believed in work. Give a man a job, and you give him a stake in society. You give him a reason to share in the great central dream of this Republic, which was founded, after all, as a vast, ongoing experiment in social mobility. Give a man a job, and you give him reason to hope for better days ahead—for himself, for his family, for generations yet unborn. Give a man a job, and it doesn't make any difference the color of his skin, the place of his birth, the nature of his faith.

PWI extends that belief and that tradition to the largest minority group of all—the disabled. By itself, it is only a beginning. But it can and ought to serve as an example to both Government and business of what can be done when determined individuals set about to find innovative ways of employing disabled workers. Tax incentives to employers can help further such programs. I'd like to see my five year old amendment to provide deductions to those who remove architectural or transportation barriers increased and made permanent. We have managed to amend the Social Security Act, to provide fresh incentives for the disabled to return to work. And we continue the fight for adequate funding for a whole range of education, rehabilitation and employment efforts.

COMMITMENTS THAT CANNOT BE TRIMMED

Budgets in Washington may face trimming. But our commitment to economic justice for the disabled can never be cut back. This Nation has no intention of muffling the disabled in a cloak of fiscal austerity. Rather, I think we are already searching for better ways to tap their human resources. In that search, private businesses and concerned individuals must be willing to assume partnership status with Government at all levels. Economic common sense suggests it. Conscience demands it.

We have broken down some barriers. Now we must raise up the disabled to their rightful place in society. We must measure our progress in economic as well as medical terms . . . and hasten the day when "jobs, jobs and more jobs" applies to every American, regardless of physical or emotional handicaps.

We've come a long way already. We have a long way to go. But it's good to know that the road ahead will be traveled in the company of people like yourselves.●

NRTA–AARP LEGISLATIVE COUNCIL'S ENERGY POLICY STATEMENT

● Mr. HEINZ. Mr. President, energy costs have soared precipitously since the oil embargo in late 1973.

Home heating fuel oil No. 2 increased by an astonishing 411.2 percent from October 1973 to June 1981. Residential natural gas rose by 224.7 percent and electricity by 134.5 percent during this same period.

On the other hand, the Consumer Price Index—the Nation's yardstick for measuring inflation—increased 98.6 percent from October 1973 to June 1981.

All Americans have been affected in one form or another by rising energy prices in the past 8 years. Older Americans have been especially victimized because they frequently are struggling on limited incomes.

Many elderly persons simply do not have a sufficient margin between income and outgo to absorb escalating energy price hikes.

Large numbers are confronted with virtually impossible daily decisions. Do they use their limited resources to heat or to eat? Typically, both needs suffer—and in some cases irreparably.

In addition, many older Americans find it difficult to adjust to reduced room temperatures in the winter and higher temperatures in the summer because they do not adapt as readily as younger people to these extremes.

Moreover, elderly persons oftentimes live in older houses that were constructed 30 or 40 years or more—when energy prices were substantially lower and insulation was not needed to the same degree that it is today.

Energy is clearly a high priority issue for senior citizens. It affects their daily lives and is intensifying the cost squeeze that grips millions of aged persons today.

The National Retired Teachers Association and the American Association of Retired Persons—the Nation's largest older Americans membership organizations—recognize the importance of energy for the elderly.

The 1981 legislative council meeting devoted considerable attention to the impact of rising energy costs for the aged.

The council members developed a thoughtful statement which should be of interest to all Members of the Congress.

Mr. President, I submit for the RECORD the NRTA–AARP energy policy statement.

1981 FEDERAL AND STATE LEGISLATIVE POLICY

THE CURRENT SITUATION

More than seven years have passed since the Arab oil-producing nations embargoed the shipments of oil and, more importantly, put an end to the era of cheap energy supplies. The price of OPEC oil has increased from $1.77 a barrel to well over $30, more

than a 2,000 percent increase, with half of it occurring in 1979. Other non-OPEC producers have followed suit. The result has been to depress the economies of the non-oil-exporting countries and contribute to the inflation afflicting them. It has been estimated that, in the U.S., the annual rate of growth in real GNP has been cut by nearly one percent as a result of the energy price increases. Late in 1980 the OPEC producers announced further price increases averaging about 10 percent, thus promising more upward pressure on price levels and downward pressure on output.

Despite all this, the United States has still not developed an energy policy appropriate to its needs. These needs are: (1) to protect the nation from a repetition of the economic dislocations which might be created under future interruptions, and (2) to provide protection from the inflation consequences of the even higher price levels that the OPEC cartel may be disposed to dictate. The nation has failed to correctly assess the strength of the cartel; it has failed to correctly assess the prospects for oil supplies both here and abroad; and it has failed to assess properly the prospects of developing alternatives to imported oil. Because of these failures, the nation is still importing almost half of its crude oil needs. The price of these supplies is not negotiable. In a nation so dependent on energy as the U.S., the excessive oil price increases have been inflationary and very damaging to the economy. Furthermore, the failure to resolve energy price and supply issues, may, in the future, further reduce the resources (GNP) the country would otherwise have available to meet its obligations with respect to the expanding elderly population

DECONTROL OF OIL PRICES

With respect to the decontrol of domestically produced oil and natural gas prices, the Associations have no choice but to accept and support this action even though it will yield much higher prices for domestically produced fuel. That will mean, at least in the short term, the nation's having to accept and accommodate the inflationary effect these higher price levels will have. The only policy option available that could restrain the degree of inflationary consequences would be the reimposition of price controls for domestically produced oil and natural gas. However, even if this were a legislatively realistic option, any relief from such inflationary pressures would be short-term and would come very probably at the expense of increasing the nation's development and expansion of existing and new domestic energy sources. That would tend to leave the nation at least as dependent as it is today (if not more so) on OPEC-priced foreign fuel and as vulnerable as ever to future oil embargoes, the economic consequences of cartel-dictated price levels, and economic and political blackmail. Moreover, since controls are very likely to discourage increased exploration, development and production of domestic fossil fuels as well as discourage the introduction of new energy sources, the anti-inflationary gains made in the short term from such a policy would be more than offset by its long term inflationary consequences.

THE "WINDFALL PROFITS" TAX AND INCENTIVES FOR DEVELOPING NEW ENERGY RESOURCES

Now that the scheduled decontrol of prices charged for domestically produced oil and natural gas is a fact that clearly must be accepted if the nation is to decrease its dependence on foreign source fuels, supporting policies must be pursued to alleviate some of the consequences of that policy choice. First, because decontrol of prices for oil and gas will yield very large and unexpected "windfall" profits to domestic oil and gas producers—profits that bear no relationship whatsoever to the cost of exploring for, developing and producing the oil that yields those profits (plus a reasonable rate of return on the investment)—it is appropriate that at least part of that windfall gain be captured by society through the tax mechanism. The "windfall profits" tax enacted in 1980 resembles an excise tax. The alternative would have been an "excess profits" tax. At this juncture, the Associations would have to oppose efforts to eliminate the windfall profits tax, unless an excess profits tax were substituted for it. The windfall profits tax is the source of the funding for the Low Income Energy Assistance Program which provides assistance to lower income individuals and families to help them meet the rising cost of fuel and, if it is phased out, another source of revenue would have to be provided (see income policy for further discussion).

It is argued by some that the domestic oil and natural gas industry ought to be allowed to keep all of the profits that decontrol yields in order to provide incentives to explore for, develop and produce more domestic energy. However, sufficient incentives still exist even with the modest windfall tax. The significant amount of profits that decontrol will yield coupled with price support programs (funded from some of the revenue that accrues from the windfall profits tax) should provide private energy producers with sufficient incentives to develop both conventional and new sources of domestic energy, like shale oil.

One domestic energy source with potential for development is coal. Unlike oil, the U.S. has large, untapped reserves of coal, enough for many hundreds of years at any likely production rate. Also, unlike oil, the U.S. is an exporter of coal and could be a larger exporter, if port facilities were made adequate. Unfortunately, both the production and consumption of coal produce environmental problems. Also, coal is primarily used by electric utilities, and can only be converted into oil products at great cost. Private industry, encouraged, and assisted by the government, should make a concerted effort to overcome the problems associated with the production and utilization of this valuable natural resource. Similar efforts should also be made with respect to the use of renewable energy sources such as solar, biomass, and wind power.

Given the inflationary pressures that will be generated, especially in the near term, as a result of the decontrol of domestic energy prices, it is obvious that, if the aggregate inflation rate is to be lowered, then actions taken to deal with the other factors contributing to that aggregate rate must be effective and strong enough to more than offset the inflation-promoting effects of energy price increases. While a consequence of this will probably be a lowering of living standards for the short term (the living standard of the elderly is being lowered in any event by the inflation), there at least will be better prospects for rebuilding those living standards back up once the nation's economic house is in better order. If, however, all groups in the economy attempt to protect their current living standards at all costs, and ignore the inflation spiral and the energy situation, some groups will be successful in the short term (those with sufficient "market power") but others, like the elderly, will not. In the long run, all groups will lose in terms of living standards as the nation's economy weakens.●

DEFENSE BUDGET

● Mr. GOLDWATER. Mr. President, in recent weeks, there has been much talk about the size of the Defense Department budget. In the face of a continuing national budget deficit, we must certainly take a look at any and all areas where economies can be effected. If this country is to be able to reduce the budget and still maintain the military strength it needs to face its worldwide challenges, then Congress must do its share in the authorizing and appropriating process. Recently, the Association of the U.S. Army issued one of its periodic reports concerning the Defense Department procurement process and it succinctly describes the problems and Congress role in that problem.

I ask that this article be entered in the RECORD for the benefit of my colleagues.

The article follows:

A MAJOR MILITARY PROBLEM—HOW TO GET BETTER EQUIPMENT FASTER AND CHEAPER

For the taxpaying public, military procurement has a bad reputation for costing too much, taking too long to deliver and sometimes producing equipment plagued by problems. The blame for this poor public image can rarely be put on a single individual or agency but must be shared by the White House, Congress, the Pentagon and U.S. Industry.

Because the services know they will have to keep a generation of weapons in their inventories for a long time, they tend to press forward into fields of rapidly changing technology in the hope that the final product will represent the ultimate state of the art. Often, the art itself is not properly formed and the product is troublesome. Budgeteers at all levels tend to make overly optimistic estimates of costs that may very well result in that military boogeyman "cost overrun." As problems have arisen, Congress has injected itself more and more deeply into the acquisition process, often tending to confuse and delay it even further. Unquestionably, there has been a degree of rivalry among and within the services that has sometimes made it difficult to decide which developments should proceed.

None of this is big news. The problem has existed for years but now the Reagan Administration says it is going to do something about it. In a recent memorandum to the services and the responsible Department of Defense staff, Secretary of Defense Caspar W. Weinberger announced a program to streamline the acquisition process, to reduce costs and to shorten the time between conception and delivery. The memo calls on the services to do many things, such as improving long-range planning, using evolutionary alternatives that don't press the state of the art too far and budgeting realistically. Perhaps most importantly it calls for production to be carried out at higher, more economical rates and to be planned on a multi-year basis.

This is a laudable course, but it will take the long-term cooperation of all the parties involved to make it work. Only Congress, for example, has the authority to set efficient production rates and to fund multi-year procurement plans. Firm adherence to Secretary Weinberger's plan will go a long way toward improving the efficiency and the image of the military procurement program.●

BUDGET ACT WAIVER

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate Calendar Order No. 249, Senate Resolution 190, a budget waiver.

Without objection, the resolution (S. Res. 190) waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 859, was considered and agreed to, as follows:

Resolved, That pursuant to section 402(c) of the Congressional Budget Act of 1974, the provisions of section 402(a) of such Act are

waived with respect to the consideration of S. 859. Such waiver is necessary because the bill, as reported, would reallocate receipts after January 1, 1981, from Federal leases on acquired lands used for military or naval purposes.

AMENDMENT OF MINERAL LEASING LAWS

Mr. BAKER. Mr. President, having adopted a budget waiver in respect to Calendar Order No. 225, I ask the Chair to lay before the Senate that item, Calendar Order No. 225 on today's calendar.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 859) to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes.

The Senate proceeded to consider the bill.

Mr. BUMPERS. Mr. President, on January 23 of this year, the Bureau of Land Management announced a record-breaking oil and gas lease sale totaling more than $43 million on approximately 24,000 acres within the Fort Chaffee Military Reservation in Arkansas. Since the lands involved in this sale were originally acquired by the Federal Government for use as a military reservation and so were not covered by one of the many statutes governing the disposition of proceeds from oil and gas leases, the State of Arkansas, the school districts near Fort Chaffee, and other local governments will not receive any portion of the bonuses paid by oil companies for the leases. If, however, this sale had been conducted on public domain lands or on other types of acquired lands, such as national forests or almost any other type of Federal land, the State and local governments would have shared in the proceeds of the sale.

Mr. President, there is no logical reason for the proceeds from lease sales on military reservations on acquired lands to be treated differently from sales on public domain lands and other types of acquired lands.

The authority of the Secretary of the Interior to administer the grants of mineral rights on public domain lands has been recognized by Congress since the middle of the last century, although it was not until 1920 that Congress authorized the present system of leasing such lands for oil and gas exploration and production by the Secretary.

However, mineral leasing was not permitted on lands acquired for military reservations until 1976, when the Congress passed the Federal Coal Mineral Leasing Amendments Act of 1975 (30 U.S.C. 351 et seq.).

Mr. President, according to 30 U.S.C. 355, all receipts from sales issued under the Mineral Leasing Act for acquired lands are paid into the Treasury and distributed "in the same manner as prescribed for other receipts from the lands affected by the lease, the intention of this provision being that this chapter shall not affect the distribution of receipts pursuant to legislation applicable to such lands * * *."

The quoted phrase means that all moneys received from rents, royalties, and bonuses from mineral leases on acquired lands are shared with State or local governments in the same fashion as other revenues realized from similar types of lands. For example, revenue received from mineral leases on acquired national forest lands are shared in the same fashion as other revenues derived from national forest lands. Revenues generated from mineral leasing on military reservations on acquired lands, however, must be disposed of according to the provisions of the Military Leasing Act (10 U.S.C. 2667), which prescribes procedures for disposing of receipts from leasing on military reservations. Under this act, revenues received from leasing on these military lands are deposited into the U.S. Treasury. No portion of any revenue is shared with State or local governments.

Mr. President, when the Mineral Leasing Act was changed in 1976 to allow mineral leasing on military reservations, a change should have also been made in the act to permit a sharing of proceeds from mineral leasing with the State and local governments where the leasing occurs. The bill that I have introduced, S. 859, corrects that omission.

The sale at Fort Chaffee was only the first lease sale held under the amended statute permitting leases on military reservations on acquired lands. I am submitting for the record a list of 68 military reservations which are located on acquired lands and for which interest has already been expressed in obtaining oil and gas or other mineral leases. A total of 4,024,307 acres of military lands are acquired lands, and thus potentially affected by this bill.

As more lease sales are held, greater demands for services will be placed on the adjacent local governments. Unless the law is changed to allow the proceeds from the lease sales to be shared with the States and local governments, counties, and school districts in which these military reservations are located will face an increasing financial burden.

The Federal Government has always recognized its responsibility to the States and local governments and has established programs to partially compensate them for the impact of Federal ownership within their boundaries. I am convinced that if this issue had been raised in 1976, when the Mineral Leasing Act was amended to allow leasing on military acquired lands, the law would have also been changed to provide for sharing of the proceeds from leasing.

It is essential for the Federal Government to bear its fair share of the costs of the increased demands that will be placed on local governments as a result of expanded oil and gas exploration on military reservations. President Reagan clearly outlined the Federal responsibility in this area when he met with the National Association of County Officials and stated:

Responsibility of ownership requires landowners to pay their fair share of the cost of local government, and the federal government shouldn't be exempt.

The bill that I have introduced would insure that the Federal Government does meet its responsibility, by requiring that 50 percent of all rents, bonuses, and royalties received from leasing on military reservations be given to the States. This is the same distribution of funds which applies to proceeds from mineral leasing on public domain lands.

Mr. President, I urge the Senate to act quickly to correct this inequitable situation.

● Mr. WARNER. Mr. President, this bill will correct an oversight in the Mineral Leasing Act for oil and gas leasing on acquired Federal lands. The Congress amended the law in 1976 to provide such leasing on acquired lands, but did make the conforming changes to the revenue sharing provisions of the law.

Consequently, an inequity was created with regard to the revenues from these leases. This inequity became the focus of the committee's attention in hearings during the last Congress on oil and gas leasing at Fort Chafee, Ark. The bill before us will amend the appropriate revenue provisions of existing law to correct Congress original oversight and the resulting inequity. I commend Senator BUMPERS for his efforts to bring this matter before the Senate.

Enactment of this legislation will insure that nonpublic land States, like those in the East, will share in the receipts derived from Federal mineral leases on acquired military lands in the same way that most public land States in the West share in leases on public land—that is, 50 percent to the States and 50 percent to the United States.

The administration, in testimony by the Department of Interior before the Subcommittee on Energy and Mineral Resources of the Senate Energy and Natural Resources Committee, which I chair, on S. 859, strongly supported the bill and urged that the Senate pass it as quickly as possible.

Mr. President, as cosponsor of S. 859 with Senator BUMPERS, I urge Senate passage of the bill.●

Mr. BAKER. Mr. President, I understand that the distinguished Senator from Arkansas may have an amendment to that bill. I yield the floor.

UP AMENDMENT NO. 353

(Purpose: To allow payments to states pursuant to this act after October 1, 1981)

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

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Arkansas (Mr. BUMPERS) proposes an unprinted amendment numbered 353.

On page 2, line 9 at the end of the sentence strike the first period and insert the

following language: ", but in no event shall any payments be made pursuant to this Act to any state prior to October 1, 1981."

Mr. BUMPERS. Just a two-sentence explanation, Mr. President. This amendment was designed and drafted by the chairman of the Budget Committee to make sure this bill did not have a budget impact on the 1982 budget.

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

The amendment was agreed to.

The PRESIDING OFFICER. The question is on engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading was read the third time and passed, as follows:

S. 859

An act to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Act of August 7, 1947 (61 Stat. 915; 30 U.S.C. 355), is amended by adding the following at the end thereof: "Notwithstanding the preceding provisions of this section, all receipts derived from leases on lands acquired for military or naval purposes, except the Naval Petroleum Reserves and National Oil Shale Reserves, shall be paid into the Treasury of the United States and disposed of in the same manner as provided under section 35 of the Act of February 25, 1920 (41 Stat. 450; 30 U.S.C. 191), in the case of receipts from sales, bonuses, royalties, and rentals of the public lands under that Act, but in no event shall any payments be made pursuant to this Act to any State prior to October 1, 1981.".

SEC. 2. The amendment made by this first section of this Act shall take effect with respect to leases entered into after January 1, 1981.

Mr. BUMPERS. Mr. President, I move to reconsider the vote by which the bill passed.

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

The motion to lay on the table was agreed to.

ORDER FOR THE RECORD TO REMAIN OPEN UNITL 5 P.M. TODAY

Mr. BUMPERS. Mr. President, I ask unanimous consent that the record on the passage of this bill be held open for an additional 30 minutes in case the chairman of the Committee on the Budget (Mr. DOMENICI) wishes to insert a statement in the RECORD pertaining to it.

Mr. BAKER. Let me ask if the Senator will permit me to amend that slightly. I have just a few more moments of routine business to transact today.

Mr. BUMPERS. Certainly, Mr. President.

Mr. BAKER. In order to accommodate that request, Mr. President, I ask unanimous consent that the record may remain open for statements until 5 p.m. today.

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

ORDER OF BUSINESS

Mr. BAKER. Mr. President, the matters I am about to submit have been cleared, I believe, by the minority side.

First, is there an order for the convening of the Senate tomorrow?

The PRESIDING OFFICER. There is an order for the Senate to meet at 9 a.m. tomorrow.

Mr. BAKER. Mr. President, is there an order for the Senate to proceed at an hour certain to the consideration of the military pay bill?

The PRESIDING OFFICER. There is no order with regard to that. There is an order to take up the Matsunaga-Hatfield amendment at 9:30.

Mr. BAKER. I thank the Chair.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that on tomorrow, after the recognition of the two leaders under the standing order, the distinguished Senator from Wisconsin (Mr. PROXMIRE) be recognized on a special order for not to exceed 15 minutes.

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

ORDER FOR H.R. 4416 TO BE HELD AT THE DESK

Mr. BAKER. Mr. President, I ask unanimous consent that H.R. 4416, the eradication of plant, pests on animals, and poultry diseases bill, be held at the desk pending further disposition.

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

DEATH OF REPRESENTATIVE WILLIAM R. COTTER, OF CONNECTICUT

Mr. BAKER. Mr. President, I understand that this matter has been cleared.

I ask unanimous consent that the Senate proceed to the consideration of a resolution, on behalf of the senior Senator from Connecticut (Mr. WEICKER), for himself and the junior Senator from Connecticut (Mr. DODD).

The PRESIDING OFFICER. The resolution will be stated.

The legislative clerk read as follows:

Resolved, That the Senate has heard with profound sorrow the announcement of the death of the Honorable William R. Cotter, late a Representative from the State of Connecticut.

Resolved, That a committee be appointed by the Presiding Officer to join the committee appointed on the part of the House of Representatives to attend the funeral of the deceased Representative.

Resolved, That the Secretary communicate these resolutions to the House of Representatives and transmit an enrolled copy thereof to the family of the deceased.

Resolved, That when the Senate recesses today, it recess as a further mark of respect to the memory of the deceased Representative.

Without objection, the Senate proceeded to consider the resolution.

Mr. WEICKER. Mr. President, good men are deserving of praise. Bill Cotter was a good man and a dedicate legislator. He arrived in Washington in 1971 and immediately set about his work as Representative of Connecticut's First District with determination and quiet dignity. Bill worked hard to serve the needs of all the people in his district, from those in Hartford's affluent suburbs to the poor of the inner city. They rewarded him for his efforts by returning him to office five times.

Recently, Bill Cotter was responsible for the expansion of individual retirement accounts. He was aware that private pensions and social security often fail to meet the full needs of retired workers and their families. His proposal now means that individuals will have a greater control of their future financial stability.

Bill's commitment to his work can be seen in his desire, despite his grave condition, to return to Washington to vote on the Economic Recovery Act, which included the proposal on which he had worked so diligently.

Only the strong insistence of his friends and doctors kept him from casting his vote in support of the bill that was to be signed into law only weeks before his untimely death on September 8.

Mr. President, I first met Bill during the campaign of 1970. Instead of a traditional rivalry between Democrats and Republicans, a friendship was born. Bill Cotter quietly and effectively represented the aspirations of Connecticut's First District. His constituents will miss the Congressman. I will miss the man.

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

The resolution (S. Res. 208) was unanimously agreed to.

The PRESIDING OFFICER. Pursuant to the resolution, the Chair appoints the Senator from Connecticut (Mr. DODD) as a member of the funeral committee on the part of the Senate.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no further business to be transacted this afternoon, and I inquire of the minority leader if there is any matter he wishes to present to the Senate.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader for his customary courtesy. I have nothing further for today.

Mr. BAKER. I thank the minority leader.

RECESS UNTIL 9 A.M. TOMORROW

Mr. BAKER. Mr. President, in accordance with the previous order, and pur-

suant to the provisions of Senate Resolution 208, as a further mark of respect to the memory of the deceased William R. Cotter, late a Representative from the State of Connecticut, I ask unanimous consent that the Senate stand in recess until 9 a.m. tomorrow.

There being no objection, the Senate, at 4:23 p.m., recessed until tomorrow, Friday, September 11, 1981, at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate, September 10, 1981:

DEPARTMENT OF STATE

Richard W. Murphy, of Maryland, a Foreign Service officer of the class of Career Minister, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Saudi Arabia, to which office he was appointed during the last recess of the Senate.

Thomas Aranda, Jr., of Arizona, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

Joseph Verner Reed, Jr., of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Morocco.

INTERNATIONAL COMMUNICATION AGENCY

Richard J. Bishirjian, of New York, to be an Associate Director of the International Communication Agency, vice Alice Stone Ilchman.

DEPARTMENT OF COMMERCE

Donald James Quigg, of Oklahoma, to be Deputy Commissioner of Patents and Trademarks, vice Lutrelle F. Parker.

COMMODITY FUTURES TRADING COMMISSION

Susan Meredith Phillips, of Iowa, to be a Commissioner of the Commodity Futures Trading Commission for the term expiring April 13, 1985, vice Read P. Dunn, Jr., term expired.

FEDERAL EMERGENCY MANAGEMENT AGENCY

Jeffrey S. Bragg, of Ohio, to be Federal Insurance Administrator, Federal Emergency Management Agency, vice Gloria Cusumano Jimenez.

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