

SENATE—Friday, September 11, 1981

(Legislative day of Wednesday, September 9, 1981)

The Senate met at 9 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.

Almighty God, Sovereign Lord of history, Judge of all the Earth, we acknowledge our need of Thee. Thy Word declares that "there is no authority except from God, and the authorities that exist are appointed by God" (Romans 13: 1—KJV). All who rule do so at Thy good pleasure. All governments are accountable to Thee.

May we remember that Thou art the judge of all that is done here today; that we are accountable to Thee in our thoughts, our desires, our words, and our actions. We are accountable to Thee in our public life and in our private life.

Gracious God, help us to dispose of our duties in our homes and in all that we do that Thou will be honored and the Nation blessed.

We ask this in the name of Him who loved to His death all the peoples of the Earth. 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 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 and the time allocated to the Senator from Wisconsin (Mr. PROXMIRE) under a special order, there be a period for the transaction of routine morning business, during which Senators may speak, and that the period not extend beyond 9:30 this morning.

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

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I reserve the leadership time on this side.

Does the Senator from Wisconsin, who has a special order, wish to put his special order ahead of the leadership time on his side of the aisle?

Mr. PROXMIRE. Mr. President, I am informed that I may use some of the leadership time. I shall not use it all. I shall use my time first and then the leadership time and yield back the part of the leadership time that I do not use.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER (Mr. GORTON). The Senator from Wisconsin is recognized.

WHY CONGRESS SHOULD NOT INCREASE THE DEBT LIMIT

Mr. PROXMIRE. Mr. President, what effective action can Congress take to bring down interest rates?

I propose to answer that question as the senior member of the Banking Committee. I have been on the Banking Committee in all of the 24-plus years that I have been in the Senate. I have been chairman of that committee for 6 years. I think I have sat and heard more testimony on interest rates than perhaps any other Member of the Senate.

I have served on the Joint Economic Committee for 20 years and have been chairman of that committee for 4 years. So I think I am in a position to give some response to the question as to what Congress can do, because I have thought about this a great deal and I have discussed it with many, many people. We have had some of the most outstanding witnesses in the world speaking on this issue, on all sides of it.

First of all, I think we should remember that under the Constitution, we, Congress, have the exclusive power and responsibility for money. Article I, section I, paragraph 8 specifies that Congress has the power to coin money and regulate the value thereof. We have delegated that power to the Federal Reserve. The Federal Reserve belongs to Congress. We created the Fed. We can abolish it, modify it, direct it, recreate it. You ask: How about the independence of the Federal Reserve? That independence stands strictly against the power of the executive.

The Federal Reserve Board is independent of the President of the United States. It is not in any sense and never was independent of Congress. The Constitution reserves money creation for Congress. Now what has all this got to do with interest rates? Interest rate changes come from the changes in money creation.

The Federal Reserve raises or lowers interest rates by the rate at which it increases or decreases the supply of money. But whatever the Fed does it does on our congressional behalf. On interest rates, we, Congress, cannot escape the buck. It stops with us. If Congress, and I mean both House and Senate, pass a joint resolution directing the Fed to follow a particular action, I have no doubt the Federal Reserve Board would do precisely what Congress required. If they did not, of course, we could abolish the Board—in effect firing all members—and create a new Board. Or we could simply abolish the Board and take over the whole mechanism of the Federal Reserve ourselves. We, Congress, could pour out credit so every borrower would have all he could use and at low interest rates. We could direct the purchase of the entire national debt or any portion of it if we wished to buy up.

As a matter of fact, I remember very well a former chairman of the Joint Economic Committee, Wright Patman, proposing that. He suggested that to the Federal Reserve Board Chairman at that time, William McChesny Martin. He said, "Why do we not just forget about having to pay interest on the national debt and have the Federal Reserve buy it?"

And Mr. Martin replied that would be the most inflationary kind of action he could conceive. He said: "If we bought up the debt, it would not be worth anything after we got it."

And, of course, that is correct, and that is the dilemma. If we bought enough of it we would flood the banks and the public with cash, hundreds of billions of dollars of cash. By buying the Treasury obligations and creating a mammoth demand for them we could and would drive their price up and in the process drive their interest rate yield down. With the banks loaded with cash available to lend out and with Treasury bill and bond rates falling interest rates would come down and come down swiftly and sharply, just as swiftly and sharply as we desired. And what would be the result for the economy? The answer to that is easy. The economy would suffer an inflation that could zoom right into triple digits. Prices might double in less than a year. Scare talk? No. Whether we like the idea or not inflation certainly results when we have too much money chasing too few goods. And if we flooded the country with cash, the value of that cash would drop, and that is another way of saying prices would rise.

This little fantasy I have gone through explains the dilemma of the Fed. No one in the Federal Reserve Board wants high-interest rates. The Fed members would become heroes if they could bring

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

interest rates down. Right now they are in the hands of the Fed and they know it. But what can they do? Again and again I have asked the Fed to tell me what they would do if they had all the powers of the Fed in their hands. I have asked this of businessmen. I have asked this of Members of Congress. I have asked this of others. They always draw a blank. They do not know what they would do. They cannot see any alternatives. They say, "Well, we would act to bring interest rates down."

Of course, I point out if they did that, and in the way the Fed has to do it by increasing the money supply, the supply of credit, what would happen is it would be an inflationary clear signal that prices are going up and then the rise in inflation would, of course, push up the interest rates and push them up rather promptly.

If any Senator sat in Paul Volcker's seat, what would he do? If he eased up on credit, bought a few billion more Treasury bills than they currently plan, he would increase the available credit for banks and other financial institutions. Under those circumstances the banks would, in turn, make loans to young people who want to buy homes but cannot afford them at present interest rates, and to car buyers who cannot afford them now, and to farmers to buy equipment they need but cannot afford the monthly payments required with present interest rates.

So you ask, well, why not make that credit available? The answer is that the surge in home buying and auto buying and sale of farm implements, as it consistently has in the past, would begin to drive prices, that have been rising more slowly, back up again at a faster rate, perhaps faster than ever. The slow progress the Nation has been making for the past few months in bringing down inflation would fade, and once again prices would start to climb faster.

Then what happens to interest rates? Interest rates would fall briefly, but only briefly. Inflation would once again push interest rates up as lenders would insist on the inflation premium that would be necessary to make lending reasonable. No lender in his right mind would lend if he expects to get less back in real dollars allowing fully for inflation than he lends. If the lender, with his cash available, is convinced prices will rise faster than interest rates, he simply invests in tangible property and rides along with the inflation.

Am I saying that there is no way out of this inflation dilemma except these cruelly high interest rates? No, indeed, we have a simple, logical, and for us in Congress a very painful way out of the inflation-high interest rate bind. It is called balancing the budget. We in Congress sit here like the fat man at the dinner table who has just consumed a huge roast and mammoth cake, swilled down with a half gallon of wine and a six-pack of beer, and pushed his chair back, pats his colossal stomach, and moans, "What can I do to lose weight? This flab is killing me."

What is driving up interest rates? Simple: 20 years of unrestrained con-

gressional spending and 20 years of congressionally caused swelling deficits, building to an almost unbelievable trillion-dollar national debt that has an average maturity of less than a year. So the Federal Government, of course, is in the credit market and has to borrow that trillion dollars all over again every year. When we borrow that massive amount, we shove the home buyer, we shove the auto buyer, the farmer, and the small businessman right out of the credit market.

So how do we deal with inflation and high interest rates? We cut spending. We balance the budget. We stop off-budget net borrowing, and we stick with it for at least 10 years.

I think, Mr. President, few people realize how beautifully clear, how crystalline the logic, the arithmetic of the situation is. Last year out of \$100 of new savings, the Federal Government took \$17 to fund the deficit. It took another \$17 to fund the off-budget borrowing. So a fat one-third, a huge one-third, of all of the new savings in this country was absorbed because the Federal Government did not have a balance in its budget and did not have a balance in its off-budget borrowing.

If we could achieve that balance, that would enormously increase the funds available for borrowing in the private sector. Then it would mean you could in a constructive and long-term way bring down interest rates, help the private sector provide the jobs that are necessary, and do that while inflation was moderating.

Mr. President, in the short run the Federal Reserve can indeed nudge down the prime rate. It can do something more than it is doing now, such as quietly jawboning the big banks which fix the prime and have pushed it to an excessive premium in the past few months.

There is a public conception that the discrepancy between the discount rate and the prime rate is excessive because the discount rate is 14 percent and the prime rate is 20 percent.

The fact is there is a premium, a surtax, in effect, that the big banks have to pay. They pay not 14 percent when they discount at the Fed; they pay 18 percent, and the big banks set the prime rate. But even that difference between 18 and 20 percent is perhaps somewhat excessive, and I think the Chairman of the Federal Reserve Board could, as he has done in the past with success—other Chairmen have done it with success—quietly talk to the banks and persuade them to ease that rate down.

We could also reduce the discount rate, the effective discount rate, to bring it into accordance with the Federal funds rate, which is the market rate. It is above that which the Federal Reserve is keeping the interest rates, somewhat above, marginally above, what the market would peg it at. So there is some kind of technical and marginal assistance which the Federal Reserve can give now, but it is very limited.

The fundamental answer, as I say, is for the Congress of the United States to do what is extraordinarily painful and difficult. We have agonized over it, it is

very unpopular to cut spending, it is unpopular to increase taxes, but somehow we have to do this, and if we do not do it, we have only ourselves to blame.

Mr. President, there was an editorial in the New York Times this morning which I intend to put in the Record. I had it with me, but I see I do not have it in my papers at the present time. It pointed out how remarkable it is that two of the outstanding leaders of the Congress, ROBERT MICHEL in the House, and HOWARD BAKER, our very distinguished and extraordinarily able majority leader, had alleged or certainly implied that there is some kind of a conspiracy on Wall Street to drive up interest rates and that Wall Street had better buy that program because if they do not buy the program, we are going to look at some very severe action, such as taxing interest or something of that kind.

Mr. President, I was as astonished in reading that yesterday as the New York Times was. The New York Times pointed out the beautiful irony of that kind of charge by the Republicans who have taken great pride, and rightful pride in their confidence in the market. They point out that the only answer—and it was delightful to see the New York Times say this because they are not always on this side—was to cut spending and to balance the budget. That is the only long-term answer.

The argument that Wall Street is in some kind of a conspiracy, that Wall Street is trying to hold up interest rates, is ridiculous. We know the investors in Wall Street consist of literally thousands and thousands of people. There is no way they can get together without there being some kind of revelation that there is a conspiracy. I do not see how there possibly could be a conspiracy there. The big bond houses, whoever they are, are in competition, the big investors are in competition, and these people are betting their money—they are very able people, some of the ablest people in our country, brilliant people, and they have been tested by the toughest test in the world, which is the marketplace year after year—they are betting their money that this fiscal program of the administration is not going to work. To moderate interest rates can any reasonable person truly believe that they will invest their money in bonds and mortgages and bring interest rates down, if Members of Congress denounce these investors as conspirators? How silly. They will invest and bring down interest rates when they believe the President and Congress have a fiscal program that will work.

They do not believe it, they do not believe we are going to balance the budget in the foreseeable future. And for the present I happen to think they are right. It is not a matter of an investor conspiracy to extort higher interest rates. It is a matter of the Congress being able to restore confidence by adopting a policy of holding down spending and bringing in whatever revenue is necessary to balance the budget and get this giant Federal Government out of the credit market.

Mr. President, I ask unanimous con-

sent to have printed in the RECORD the New York Times editorial to which I referred.

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

BIG BAD WALL STREET

So now there is a Republican conspiracy theory: the villain is Wall Street. It's that recently sacred Republican cow—The Market—that's been spreading the economic gloom. It's a cabal of Eastern financiers that is driving up interest rates and undermining the President's program.

"It's time indeed that the financial markets realize that they're playing a dangerous game," intones the Senate majority leader, Howard Baker, as his colleagues report on the voters' anxiety. "In 60 to 90 days something's got to give," says the House Republican leader, Robert Michel; if nothing gives, he warns, Congress may have to impose credit controls or a windfall profits tax on interest.

The Republican leaders, it seems, not only believe in The Market, they have given it humanoid form. And how ungrateful it is for recent tax favors done. How unkindful of the Republican debacles to come. Socko!

It's all very silly, of course, but understandable. After passing the largest tax and spending cuts in history a month ago, the Republicans were popping with pride and already counting next year's election victories. But the prospect of ever-larger budget deficits could not be hidden from investors. Now, with the financial markets depressed, inflationary expectations still high and interest rates threatening recession, the President's party is seized with panic. For the first time since Ronald Reagan entered the White House, the crisis of confidence has struck Washington itself.

But King Canute had more chance of stopping the tides than Howard Baker has of intimidating The Market. Wall Street is not a few people, acting out of some spiteful political interest. It is thousands of institutions and millions of people, acting out of an infinite variety of financial interests. As any good Republican should know, it is a huge, vital and efficient marketplace.

If long-term interest rates are soaring, it's because too many people don't trust the President's combination of tax cuts and defense spending increases. They won't bet their money without the promise of high return. And short-term rates remain high because the Administration and the Federal Reserve have no better answer for inflation than tight control over the money supply.

So the simplistic theories of summer will not be remedied by more simplicities in autumn. The threatened credit controls, for example, might reduce interest rates a bit if they are aimed at consumers. But that would erode demand and slow down economic growth just as much as high interest rates. What would be the gain?

A tax on interest would surely show Wall Street who's boss. But it would punish all savers, the objects of all those loving tax incentives last month.

And the Federal Reserve could be brought to heel by changing the laws under which it operates. But the Fed is now the only barrier against truly wild inflation. Just think of what tampering with its independence would do to confidence in The Market.

The way to earn Wall Street's confidence is to heed its message. Fight inflation with the budget and not just with tight money. That means spend less, much less, particularly on the military, and atone for last month's revenue giveaways by raising taxes, mainly on consumption. Wall Street—meaning America—would respond. If there's one thing The Market respects, it's courage.

Mr. STEVENS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my friend from Alaska.

Mr. STEVENS. I will say to the Senator from Wisconsin that we are not accusing the people of setting interest rates by means of a conspiracy yet, but I have been one of those who has suggested that perhaps the time has come to consider an excess profits tax on this very high interest syndrome which seems to persist. The interest on the national debt has gone up \$10 billion since the budget was submitted last January. I am referring to the interest alone on the national debt. Now, we are faced with the prospect of reduced funding for important programs. I sound like I belong on the other side of the aisle. The fact is, however, we have to take more money from all of these controllable programs to do what? The answer is quite simple: To pay interest. The interest rate today is much higher than a fair rate of return plus inflation.

The Senator from Wisconsin mentions inflation. We have inflation under control. It is annualized at 8 to 9 percent now, yet interest remains above 20 percent. You tell me why. It is just rent on the use of money. Would the Senator want to keep rent on money up that high? If the price of money is that high, it ought to come down. It ought to come down because it was so high in the past, we were told, because we had to have a fair rate of return in addition to inflation. We had 16 to 17 percent inflation, and the interest rate at that time was 20 percent. Now we have 8 to 9 percent inflation, and the interest rate is 21.5.

The Senator has a distinguished record on his committee, and as the ranking member and former chairman, he ought to be doing something about the interest rates set by these banks. These banks are going to destroy small business in this country, and those of us on this side of the aisle, who are warning the financial community that we are going to take action on interest rates are not threatening. We are quite serious. We are going to do it if something does not happen to bring those interest rates down.

I have just toured the West. Talk to a cattleman. He cannot borrow money to get cattle to put out on his range this year. Talk to a fisherman, he cannot borrow money to stock his boats to go fishing this year. There is not anyone who is dependent on a revolving line of credit who can survive on the interest rates being charged today.

The Senator says it will take 10 years to solve these problems. No one has said we are going to balance the budget, or reduce the total deficit overnight. I hope the day will come when we will have these problems solved, but the Senator implies that until we get the \$1 trillion down, interest is going to stay up. He really does not mean that, does he? Interest is going to stay up until we start reducing the national debt? This country has assets of far in excess of \$1 trillion. There is no reason why we cannot look at our assets and say we can afford

to borrow some money. The question is "what is the cost of borrowing that money?" The cost of borrowing that money has been allowed to go up and up and up, and the managers of our money under the last administration saw fit to change it from a long-term debt to a national debt of \$1 trillion having a maturity of less than a year. The Senator is correct in stating that we are borrowing \$1 trillion every year, and we need to have a long-term debt of 8 to 9 years. Now we are doing it annually, and that is what has put the money market into the business of the Government going into that money market and getting \$1 trillion every year.

Two things are going to happen: That national debt has to be stretched out again and the banks have to get the message that exorbitant rent on money has to stop because they will destroy the very people that support them, the small businessmen of this country. And I ask the Senator what can be done about excessively high interest rates unless a warning is given to the financial community in advance that if they do not bring them down we are going to take action to bring interest rates down?

I can think of several ways we can do it. One of the ways is an excess profits tax on excessively high interest. When the oil prices were high the Senator's side of the aisle jumped to put an excess profits tax on oil. Why would you not jump just as fast to put an excess profits tax that charges too high of a rent on the use of money by small businesses throughout the country?

Mr. PROXMIRE. Let me respond to my good friend, the acting majority leader, Ted STEVENS. I agree, we should act and act now to bring interest rates down promptly. It is not going to do a lot for these homebuilders and auto dealers who are going to be out of business in a year if we take 10 years to do it. I say it is going to take 10 years before we can get inflation fully under control. But we have to start now, and continue on every appropriation bill that comes before us.

However, the difficulty is that the credit markets do not have any confidence that there is a program to bring the budget into balance ever—ever. The administration says that we will balance the budget in 1984. Well, good luck.

But every independent analyst says that we will not. They say we are going to have a deficit of over \$60 or \$70 billion each year for the next 3 or 4 years. We have to act, not talk, act to change that by cutting spending. If we had a credible fiscal policy that was moving toward a balanced budget decisively, then interest rates would begin to come down.

Now, let me go on to point out that the Senator is absolutely correct in his contention that we pay \$82.5 billion in interest on the national debt and buy nothing with it. And if we establish a proper fiscal policy, one of the ways we can balance the budget in the process of doing that is interest rates will begin to fall. With every 1 percent drop in the Treasury bill rate we have a \$3 billion reduc-

tion in spending. So if we can get the Treasury bill rate down to 10 percent, say, from 14 percent, we save \$12 billion right there. So that will help significantly in balancing the budget.

Now, the Senator said that we have inflation under control. I wish we did. I think that we had a very good report from the Producer Price Index. It was down 0.3 percent for August. That is good news. But I think that the most knowledgeable people who look at statistics say that you have to look at that not over 1 month but over the last quarter or over the last year. And you also have to look at what is likely to happen when this glut of oil begins to diminish and when food prices, which have been falling for the farmer, at least, and not rising very rapidly for the consumer, begin to rise, as people predict they are going to rise at an annual rate of 10 percent or more in the coming months.

When you put all that together, it appears that inflation is not under control. More than 70 percent of the cost of our economy is a wage cost. And there is no indication that there has been a moderation in wage increases. In fact, the wage settlements, including some by the Federal Government with the post office and so forth, have exceeded what they were last year. So I think people look at all of this and say that we do not have inflation under control.

Mr. STEVENS. Will the Senator yield?

Mr. PROXMIRE. If I may just finish.

The distinguished Senator from Alaska is correct in indicating we made some progress. But to say that we have inflation under control is being more optimistic than hardheaded, realistic investors have to be.

Now, the Senator concluded by asking for an excess profits tax. He says we should have an excess profits tax on interest. Well, how do you impose an excess profits tax? Where does it hit? Where is it cut off? An excess profits tax. We can do that on a big corporation because you can impose it only after they make a certain income. But the excess profits tax, even that imposed on industry, was not successful even in World War II.

The Senator talks about the windfall profit tax. That is an entirely different kind of tax. It is not an excess profits tax because the windfall profit tax is on old oil, as the Senator knows. He is an expert in this area. The old oil that was already found and discovered and the price of that old oil would go up as our decontrol of oil took us to the world price so there would be without any effort by oil companies be a windfall profit there. So we tax a part of that, relatively one-quarter of that, with the windfall profits tax.

Now, to say that this constitutes an analogy to a tax on interest is ridiculous. Do you know what you do when you tax interest? You make it harder for the borrower. If I want to borrow money and you slap a tax on the interest the lender gets, what is going to happen to the interest I pay? Answer, clear and simple. It goes up. So the tax on interest will really punish the homebuilder and auto dealer and farmer, who borrow

money, exactly the people you want to help.

Mr. STEVENS. That is what you said about oil, too. But, in spite of the windfall profit tax, the price of oil has come down. And it was not one-quarter, it was 70 percent of the difference.

Mr. PROXMIRE. There is no connection there. The Senator would not argue the windfall profit tax brought the price of oil down.

Mr. STEVENS. No.

Mr. PROXMIRE. Of course not.

Mr. STEVENS. What I am saying is it has nothing to do with the price.

Mr. PROXMIRE. In that case, maybe not.

Mr. STEVENS. At the time the only reason for the windfall profit tax on oil was to try to balance the budget of the Carter administration. But it did not work. Look at what is happening. One of the leading national economists of national banks says that we must accept the fact that the long-term financing for municipalities is over. Did the Senator see that report?

Mr. PROXMIRE. I certainly did.

Mr. STEVENS. It will change the whole concept of life in municipalities throughout the country because of an economist advising the banks and saying it is over. Why is it over? It is over because that old money they have tied up in bonds is now coming out and they want to get the money markets. They have no incentive, no incentive at all, to stay in the municipal markets. And why? Because of the short-term money policies in the Carter administration taking that from a long-term debt to a short-term debt.

Mr. PROXMIRE. Mr. President, there is nobody I would rather have a little debate or discussion with than my good friend from Alaska. He is a real delight and a marvelous debater. But, Mr. President, I do have the floor.

I think we ought to recognize that the Senator from Alaska and the Senator from Wisconsin both agree that these high interest rates are deplorable. They are a scourge on our country. They are the cruelest cutting edge of inflation. They are undermining our homebuilders and our auto dealers and our farmers and the small businesses in this country.

Mr. President, the real difference between the Senator from Alaska and me is what do we do about high interest rates. I argue that the one action the Congress can take, as the New York Times says in this morning's lead editorial, is to cut spending and have a responsible fiscal policy. We can inveigh about fictitious conspiracies on Wall Street and we can pass an excess profits tax on interest rates. But everybody knows that is not going to bring interest rates down. This is not going to restore confidence in the investors. It will undermine confidence.

What we have to do is recognize that we need a responsible fiscal policy. Maybe the tax cut was a mistake. I voted for it. But I think we should have had a much deeper spending cut. That is why this Senator has introduced amendments every year in the last 3 years to balance the budget in the following

years. Each year it has been rejected by a majority on both sides. But this is the kind of path we have to follow.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that the period for routine morning business extend for another 20 minutes and that Senators may speak therein and that the bill that is scheduled to commence at 9:30 commence at the time morning business expires.

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

SEPTEMBER GOLDEN FLEECE GOES TO EDA FOR BUILDING MODEL OF PYRAMID AND GREAT WALL OF CHINA

Mr. PROXMIRE. Mr. President, I am giving my Golden Fleece of the Month Award for September to the Department of Commerce's Economic Development Administration for spending \$200,000 to build an 800-foot limestone replica of the Great Wall of China in Bedford, Ind., as a followup to its \$500,000 grant to that Hoosier community for building of a 10-story-high limestone model of the Great Pyramid of Egypt.

Mr. President, for the life of me I cannot understand why a taxpayer in Oshkosh, Wis., or a carpenter in Brooklyn, N.Y., should have to pay for building a limestone replica of the Great Pyramid or the Great Wall of China in Bedford, Ind. It does not make any sense. It is a sheer waste.

BUILDING PYRAMID AND GREAT WALL WHILE CUTTING SOCIAL PROGRAMS

While there are sharp budget cuts being made in social programs from medical care to education of the disadvantaged, the EDA adds money for these make work memorials to the limestone industry. How can the EDA justify such an ironic and outrageous expenditure of public funds? How can there be a renewed commitment to the private sector if the taxpayers are required to support the building of this local tourist attraction?

This project, initiated under the Carter administration, has now been expanded by the Reagan administration.

In November 1978 the Bedford Chamber of Commerce through its nonprofit Bedford Industrial Development Foundation proposed a public works project to the Economic Development Administration which was approved in March 1979.

The proposal's summary reads as follows:

This project consists of the construction of a Limestone Tourist and Demonstration Center. It would include a museum constructed in the shape of the Great Pyramid of Cheops in Egypt and scaled to one-fifth size of this pyramid. There will also be a camping area constructed, utilities, roads and other needed items.

The purpose of this project is to attract more tourists to this area and demonstrate the value of using limestone in the building

industry. All of this would lead to more jobs for the unemployed residing in the area.

The limestone quarries in the area have tons and tons of commercially use-less limestone which they donated to the project. The pyramid-building workers came from several different job training programs in the area and therefore the labor costs to the project were reduced considerably.

The major portion of the money from the Economic Development Administration went for equipment, hardware, and plumbing and electrical facilities.

PYRAMID BEHIND SCHEDULE AND COST OVERRUNS

By January 1981 only the base of the pyramid had been laid, work was seriously behind schedule and costs were rising. Therefore, the Bedford Industrial Development Foundation again turned to EDA for help. In addition to asking for more money (\$125,000), and time (18 months), the foundation added an ingenious method for spending more taxpayers' money by using the scrap materials remaining after the pyramid blocks were shaped.

The foundation's proposal suggested the following:

Inasmuch as this entire venture is being designed to memorialize mankind's use of stone throughout the centuries, we wish to construct a replica of an 800 ft. section of the Great Wall of China. The terrain (sic) in the northwest section of our property is ideally suited for the design of the towers and rolling wall, similar to the structure near Peking.

EDA APPROVED MORE MONEY AND TIME FOR PROJECTS

The Reagan administration, perhaps not wanting to be outdone by the previous administration's attempts to reproduce a manmade wonder of the ancient world, in March of this year approved spending \$200,000 more for the pyramiding costs and the construction of a small piece of the Great Wall of China in southern Indiana. The project was also extended for an additional 18 months.

Certainly some people will be attracted to Bedford, Ind., to visit the Pyramid and Wall and Bedford may yet become known as the ancient wonder limestone replication capital of America. Also a few people will get jobs selling miniature versions of the Great Wall of China and the Great Pyramid of Egypt.

NO OBJECTION IF PRIVATE MONEY USED

I have absolutely no objection to the Bedford community and the limestone industry building these structures with private money. Since private interests in Arizona were able to move the entire London Bridge to the United States without Federal funds, should not private funds be used to build pyramids and great walls in Indiana?

Perhaps the EDA will next pay for a scale model of the Eiffel Tower made out of steel to be placed in Pittsburgh, Pa. As the administration draws up its lists of additional budget cuts, it should start with the Great Wall of China public works boondoggle.

VON STADEN WRITES ABOUT DEATH CAMPS

Mr. PROXMIRE. Mr. President, I would like to call attention to an article by Lynn Darling entitled "Prisoner of Conscience" which appeared in the Washington Post on August 10. It tells the moving story of Wendelgard von Staden, a German diplomat who grew up near a concentration camp during the final years of the Third Reich.

Von Staden realized during the war that buildings on her family's property had been transformed into Camp Wlengund, a death camp for Polish Jews. Together with her mother, von Staden worked desperately to keep the prisoners alive by arranging to have a detachment of prisoners come every day to their farm to help with the work needed to fill the camp's ration needs. When the Allies arrived, they discovered how desperate their struggle had been. Over 2,000 bodies were found buried in a mass grave.

Mrs. von Staden has told of her haunting experience in her book, "Darkness Over the Valley," which she originally wrote for her children. Writing the book has been a catharsis, she says. It was her chance to help the world remember the rows of graves marked only by identification numbers in her hometown. It was an opportunity to tell us how horrible Nazi genocide really was.

We are very grateful for such testimonies. They are not only a remembrance of those who suffered and died in the past, but also a reminder that we have a responsibility to our children. This literature is a legacy by which future generations can fully understand the atrocities of the past so that they will never be repeated.

Mr. President, the Senate must also leave a legacy for future Americans. The Genocide Convention would be an appropriate statement that our Nation recognizes genocide as the atrocious international crime it is. Further, our ratification of this treaty would provide our children a better stance in dealing with genocide should it ever appear again.

I ask my distinguished colleagues to consider our responsibility to those who will follow us. The best legacy we can leave our children is to accede to the Genocide Convention.

Mr. President, I yield the floor.

S. 884 IS A BAD BILL

Mr. MELCHER. Mr. President, I feel compelled to point out to the Senate that S. 884, the farm bill, is a bad bill.

Some Members of this body will say that while it is not a very good farm bill, it is the best that could be obtained under the present budgetary constraints. But that is not true.

Even though the overall structure of the bill is nearly identical to the 1977 act, the price and income assumptions made in this legislation will turn our economic clock back to the 1920's, an era of high interest rates, speculation, and a so-called free market agricultural

system which led the Nation into a depression.

In 1938, Howard Ross Tolley wrote the following words for the Journal of Farm Economics. He said:

The people have determined for themselves that a planless agriculture is not consistent with the general welfare. They realize that the important goals of agricultural policy will not be achieved by leaving the individual farmer to his own resources. This is the verdict of experience. No amount of emotion will change the fact that in the decade of the Twenties, unlimited competition in agriculture adversely affected the whole economy. Without some mechanism for coordinating their labors, farmers mine the soil of its fertility at the expense of the future. They market alternative excessive and insufficient supplies. They undermine their own incomes to the disadvantage of all elements in the economy as well as themselves.

As we debate this bill, we will hear much about "free market agriculture," as if just reciting the term is the panacea for all of the problems of our farmers and ranchers. We will be told that all we have to do is leave the producers alone and they will provide all of the food we need at fair prices, and they will be suitably rewarded for their investment and labor in the marketplace.

That kind of thinking calls to mind a more recent quotation by economist John Kenneth Galbraith in Harpers magazine. He said:

We will have our next Depression when there aren't enough people around who remember the last one.

I think the Federal Reserve Board has forgotten the last depression, because they are pursuing the same monetary policies that got us into the depression of 1929.

I was very delighted to have listened to the debate this morning between the distinguished Senator from Wisconsin, Senator PROXMIRE, and the distinguished majority whip, Senator STEVENS of Alaska, when they talked about the high interest rates in the economy. Both very pointedly and probably politely left out the function that the Federal Reserve Board has had in the last year in their monetary policies. That has deliberately held interest rates way up there despite the fact that the rate of inflation has leveled off and started to drop.

Chairman Volcker's idea is that if you have a wide margin between the rate of inflation and the prime rate, inflation is supposed to not only level off but continue to drop. Well, that is not working right now. The farmers and ranchers in this country are the first to recognize that it is not going to work.

I think there are those in American agriculture who have forgotten the last depression, because they want to lead us back to a time when American farmers and ranchers were "free." By freedom, they mean being at the mercy of other nations which subsidize the export of farm products at ridiculously low prices but erect barriers to the importation of American commodities.

In recent weeks, as we have cut one program after another, we have heard a lot of talk about safety nets, and protecting the poorest of the poor.

Mr. President, this bill was formulated without the slightest consideration of safety nets for farmers and ranchers. It took no account whatever of farm income in relation to the spiraling costs of producing our food and fiber.

The issues facing our farmers and ranchers do not change very much. They either produce too much, or they produce too little. There does not seem to be a happy in between.

Because our farmers produce in such abundance for domestic consumption, the commodity supply situation has a marginal effect on American consumers and purchasers of our farm commodities overseas, but it always has an enormous impact on the farm families who keep us the best fed Nation in the world.

Yet, the debate in the Committee on Agriculture, Nutrition, and Forestry on this year's farm bill was different than in years past, because the question of farm income, and what the Government might do to affect that income, was never raised.

If the food security of the United States and much of the world is to be protected, the question of farm and ranch income cannot be ignored.

The August index of farm prices went down 2.1 percent between July and August, pushing the parity index down to 61 percent. Parity for wheat is \$7.11 per bushel, yet the average national price in August was \$3.63, only 51 percent of parity.

I might add that the 61-percent parity price for all commodities is the lowest since the Great Depression. That is taking all farm commodities and looking at parity for the index and looking at historic prices. It is 61 percent of parity for all the agricultural commodities in this country. That is the lowest since the Great Depression.

Prices for feed grains and hay fell 8.2 percent during the month as corn prices dropped 32 cents a bushel, and hay went down \$1.98 a ton. Soybean prices were off 47 cents a bushel, and cattle brought \$1.40 less per hundredweight than in July.

Prices for every single agricultural commodity are lower than they were a year ago. In the space of just 1 month, the Department of Agriculture has adjusted downward its estimate of farm income by \$2 billion—from \$24 billion to \$22 billion,—with the expectation that farm income will continue to go down.

I think there is a general assumption that farmers and ranchers will continue to produce no matter what the Government or the economy may do. But that could prove to be a false and very dangerous assumption.

If the hard-working people who operate our magnificent agriculture plant cannot make a profit from their investment and labor—no matter how hard they try to maximize production—we cannot assume that they will continue to produce.

For example, 150,000 cattle feeders and beef producers mostly in feedlot opera-

tions have gone out of business since 1975. The economists will say that is all right, because the marketplace was just getting rid of the inefficient producers. But this year all cattle feeders have been losing \$60 to \$100 per head when they sold fat steers or heifers.

There have been no profits even for the most efficient in the cattle feedlots and now it looks like the cow-calf operators will take their losses as feeder calves are down \$12 per hundredweight from last year. That is 15 percent in the face of a 15-percent increase in operating costs.

It is a 15 percent lower figure for their product but yet the costs have gone up 15 percent for the year. They cannot make it on that kind of an operation. For the past several years inflation has been devastating American agriculture. Since 1972 gross farm income has risen by 58 percent but production costs have risen 115 percent.

As a result, using constant 1967 dollars, net farm income has gone from \$25.1 billion in 1971 to \$6.7 billion in the first quarter of this year.

During the first quarter of 1981, net farm and ranch income fell \$4.2 billion from levels in the fourth quarter of 1980. In comparison, corporate income, because of inflation, rose 2 percent or \$4.2 billion.

The Department of Agriculture acknowledges that 1980 was not a good year for agricultural prices, but they predicted a brighter day in 1981. I do not see much sunshine in the numbers for this year.

There are those who will contend that the 1980's are not the 1920's, and that is true. We are entering into a period in which the discussion of world food supplies will not be on surpluses. But instead, we will be focusing on whether there is enough food to feed the world. Famine already exists in portions of Africa, and there is a great potential for more hunger to develop in some of the Third World countries.

Notwithstanding this coming shift in world food supplies, in the next 2 years surpluses and depressed farm prices will continue to be a fact of life.

Now particularly with regard to wheat, 1981 and 1982 will be dominated by surpluses and low prices. That means that the aggressive efforts of the Reagan administration to stimulate wheat prices through increased exports will probably fail.

I do not mean to criticize the administration, but surpluses mean low grain prices. Furthermore, the increasing costs of money simply means that many countries cannot or will not buy from us.

We have had excellent wheat harvests in this country. Canada, Australia, France, and Argentina also expect good harvests next year.

The Department of Agriculture predicts that wheat exports will expand by 3 percent this year. Yet, our national supply of wheat will go up by nearly 12 percent.

With 360 million bushels of wheat already being held in reserve, we must do what is necessary to insure that the bottom does not drop out of wheat prices, as is now threatened.

Among the assumptions made with respect to this bill is that the Government will not have to pay a deficiency payment in any of its 4 years of life. But anyone who knows anything about world wheat stocks can tell you that the cash price of wheat is already very near the point where target prices will come into play this year.

And why will we have surpluses?

Are people eating less?

Of course not. Every year, millions more people are born into this world than die. These new people have to eat. But current monetary policies and the strengthening of the dollar may very well mean that many nations may not be able to buy American wheat—no matter how many hungry people they may have.

Now, how in the world can a strong dollar affect the sale of American goods overseas?

When a country's currency falls in value in relation to the dollar, it takes more money to buy the dollars a nation must have to buy American grain.

Just as we have suffered economically because we have to import so much expensive foreign oil, other nations that are not as rich as we are are facing the same problem. But unlike the United States, many countries are nearing the point where they will have to make the choice between the purchase of imported oil or the purchase of American food.

There are many nations that are graduates of what I call the food for peace club. Nations like Korea started out by getting our agricultural commodities free, or at subsidized prices. Now, after more than 30 years, many of these nations have become cash or credit customers for these commodities.

Importing oil at high prices and strengthened U.S. dollars means some of our grain customers may reduce their purchases. At a time when grain producers have an added cost because of high interest rates, they are getting a double whammy.

Credit is not a discretionary thing with farming. Farmers and ranchers have to depend heavily on borrowed funds to finance the cost of production. Farm and ranch borrowing has increased from \$19 billion a year in 1950 to \$180.5 billion this year.

As prices for feed, seed, fuel, and fertilizer have increased, expenses on the farm have increased as a percentage of gross receipts to more than 85 percent.

Interest costs alone amounted to 13 percent of the cost of production in 1980 compared to 9.2 percent in 1977. Nonreal estate debt now averages 34 percent of nonreal estate assets.

Total interest payments on agricultural debt are forecast to be \$18.8 billion in 1981, up from \$16.7 billion in 1980 and \$8.3 billion in 1977.

Farm real estate interest rates payments are expected to total \$8.7 billion in 1981, compared to \$4.4 billion in 1977.

What do these figures mean in practical terms?

With other factors held constant, a change of just 1 percent in the average interest rate means a change for farmers and ranchers of \$960 million in operating debt; \$800 million in real estate

costs, and 1.2 percent in total farm operating costs.

On an average Illinois farm with 360 acres of corn, interest payments are \$5,777 annually, or 17 cents on a bushel of corn.

On an Arkansas farm with 600 acres of soybeans, interest payments are \$5,937 a year, or 62 cents per bushel of soybeans.

On a Montana wheat farm of 960 acres, interest payments are \$10,005 a year, or 46 cents per bushel of wheat.

On a Georgia farm with 275 acres of peanuts, interest payments are \$4,706 annually, or 86 cents per pound of peanuts.

On a 520-acre Nebraska grain sorghum farm, interest payments are \$5,404 a year, or 17 cents per bushel of sorghum.

On a Texas cotton farm of 680 acres, interest payments are \$8,111 a year, or 4 cents per pound of cotton.

Let us take a 520-acre California rice farm. The yearly interest being paid there on the average is \$11,551, or 37 cents per hundredweight.

What all of this means is that the high cost of money is eroding the value of these commodities to farmers and ranchers. At the same time consumers are buying more and more high-priced money rather than food when they go to the grocery store.

So where does all of this leave us? Because of the increasing costs of farm inputs—especially on petroleum products and the cost of money—inflation is eating our producers alive. On the other end of the scale the high interest rate boys are pricing our commodities out of the range of developing nations at the very time when we need to be exporting all of the American food products we can.

And that brings us to where we stand today.

Where is the safety net for the American farmer? Is it in this bill? You can bet your life that it is not.

This is a bad bill. This is a terrible bill.

It is not a bill that will protect farmers and ranchers from the ups and downs of grain markets. It does not provide a fair safety net or floor price.

It is not a bill that will be used for control and management of production.

FARM INCOME

In 1979, farm income set an alltime record, following very poor farm prices in 1977 and 1978. However, in 1980, farm income dropped again. As I indicated earlier, the Department of Agriculture expected a rebound in prices this year, but that simply is not happening.

Using constant 1967 dollars, net farm income is the lowest that it has been in decades.

Yet this bill will cut farm income by \$2 billion below the measure that the Committee on Agriculture, Nutrition, and Forestry originally approved.

This bill guarantees that markets for basic commodities will be depressed.

The bill maintains the same loan rate for commodities for 4 years, totally discounting the probability of continuing double-digit inflation.

This bill makes it certain that most farmers will have to dump their grain on the market at harvest time so that they can pay their bills, rather than holding it until prices improve.

This bill tells family farmers and ranchers that prices for their products will probably remain low. That does not cut margins for the big grain companies, the commodity speculators, or foreign farmers, whose prices are assured by their governments.

Free market agriculture, as espoused in this bill, will mean that the fat cats dependent on volume and foreign products subsidized by their Government will survive.

Let me show you what I mean, Mr. President.

The Department of Agriculture tells us that in 1982, it will cost a farmer \$5.32 to produce a bushel of wheat.

Yet the target price set forth in this bill does not come into play until the price of wheat averages \$4.20 over a 5-month period.

The loan rate for wheat in this bill is set at \$3.50 for all 4 years of the bill. That is more than \$2 below the cost of production.

And what is the fair, parity price going to be for wheat next year—the price that would assure producers of a reasonable return on their labor and investment—the fair price for American wheat next year will be \$7.64.

The Department of Agriculture's own figures show that for 1983 through 1985, a 25-cent higher loan rate for wheat would be translated in the marketplace to a price at least 40 cents higher, and would result in an increase in the value of wheat production of up to \$1 billion.

The action by the committee to guarantee only 70 percent of parity for dairy products will most assuredly save the Government about \$350 million in outlays next year, but will also cost dairy producers as much as \$600 million in cash receipts.

The difference in farm income between this bill and the one originally presented to the committee will cut income for wheat producers by \$850 million; cut income to corn producers by \$315 million; and take \$390 million from dairy producers.

Mr. President, this is a bad bill. This is a bill that will assure virtually every farm family that when the administration boasts of how many tons of grain are being exported, it will be with the knowledge that the grain is being sold abroad at less than what it costs to produce.

We will hear a lot of talk about how we must control Federal spending, but I have to ask what is better? Do we provide income protection for Americans, or do we pass a money saving bill that will provide subsidies to the Soviet Union and our other trading customers?

THE FARM BILL AND FEDERAL SPENDING

During the course of the debate on S. 884, some reckless charges were made by the administration with respect to the cost of the various proposals before the committee.

Secretary Block estimated the cost of Senator HELMS' modest bill at \$7.8 billion over its 4-year life. The Secretary

estimated the cost of my own bill, S. 480, at \$83.2 billion over 4 years.

It is important that the Senate and the public at large understand the nature of the commodity credit price support loans so that they will understand that these charges of high costs are not true, but merely distortions designed to frighten Members of Congress into following the administration line.

The administration's cost assumptions depict these price support loans for wheat and feed grains as if they were non-recoverable outlays, when in fact they are loans that are repaid with interest.

Generally, price support loans are made on a small percent of the total production of farm commodities. Only 11 percent of the 1980 crop of feed grains, 12.6 percent of the 1980 wheat crop, and 20.3 percent of the cotton crop from that year were placed under the CCC loan.

Historically, the loan utilization percentage has not been high. The highest use of the loan program for wheat was 47.5 percent in 1953, a year of huge surpluses. For corn, the highest program use was in 1961 when 18.3 percent of the crop went into the loan program, and for cotton, 61.7 percent in 1959.

In the past 10 years, use of the loan program was the highest in 1977, when 29.7 percent of the wheat, 18.1 percent of the corn and 31.7 percent of the cotton was placed under loan.

The forfeiture of commodities in satisfaction of price support loans in the past 10 years has been minimal. Since 1971, approximately 72.4 million bushels of feed grains, 33 million bushels of wheat and less than 50,000 bales of cotton have been forfeited to the CCC.

The loan rates on farm commodities are considerably less than the cost of production, as are the target prices. In the case of wheat, this bill provides for a loan rate that is \$2 a bushel below what it costs to produce. Yet, administration cost estimates assume the worst possible case where markets collapse and the Federal Government is left with billions of bushels of grain. This, despite the Department of Agriculture's own estimates that the 1980's will be a period of shortage rather than surplus.

The commodity price support loans are a recoverable cost. A distinction should be made between these loans, which will be repaid with interest, and other Federal program outlays, which once expended never return to the Treasury.

To continue to calculate the cost of these programs on the basis of loan outlays in any given year, rather than the net cost of the loan program, vastly overestimates actual expenditures.

For that privilege, we are to sacrifice our soil, break our producers, and hurt the U.S. economy.

Yet when it reaches Japan or our customers, wheat is sold to foreign millers at four or five times the price that was paid for it in the United States.

Since the loans are almost always repaid in full, sometimes even a gain for the Government, increasing the loan rates is not a burden for the U.S. Treasury. Yet the administration bitterly opposes increased loan rates to forcefully reduce grain prices.

If we continue this practice, then we

can expect to continue to legislate farm programs which are far from the fair, well-reasoned programs our Nation's producers deserve.

I also question the value of cost estimates, price projections and other data supplied to the committee. The Congressional Budget Office and the Department must rely upon a number of assumptions to make cost projections, but, clearly, it is impossible to make hard and fast estimates of market prices, crop sizes, and costs.

Nevertheless, it has seemed that some of the cost estimates supplied to committee members, and used as the basis for considering the various bills, have verged on statistical sleight-of-hand.

It is difficult, in the first place, to try to make projections for 3 or 4 years in advance, but when the assumptions used include projections for wheat and feed grain yields which diverge substantially from historical trends, the validity of the estimates must be questioned.

I am also concerned about other assumptions made in casting out the various proposals considered by the committee.

I do not believe it was the intention of any member of the committee to devise an expensive farm program. We expect the program to be operated in such a way as to maximize market prices and minimize costs. In estimating the costs of various proposals, however, it seemed the assumption was made to maximize costs and minimize market prices.

S. 884 affords the Secretary of Agriculture a great deal of latitude to operate farm and commodity price support programs. He has the authority to adjust target prices, loans and the farmer-held reserve.

He has the authority to use acreage limitations and paid diversions to control supplies.

In short, the Secretary has been given a kit of tools which may be used to manage farm programs so as to minimize costs.

I am troubled that the Secretary has been given too much discretion in S. 884 and I am concerned that this discretion not be abused.

Farm programs do not have to be costly. If operated efficiently, commodity priced support programs need bankrupt neither the taxpayer nor the farmer.

The Secretary should use all of the discretionary tools given him in S. 884 to do right by the American farmer, and to operate farm programs in a cost-effective manner.

Supply and demand for agricultural products should be balanced to derive market prices at or above the cost of production and to limit Treasury outlays.

THE MARKET IS NOT FREE

As a Senator from a major wheat producing State, I am concerned that discriminatory and unfair trade practices are being used by the European Economic Community (EEC) to the detriment of this Nation and our farmers and ranchers. The matter of concern involves EEC wheat subsidies, which are in violation of international trade agreements.

The practice strikes U.S. grain pro-

ducers and reduces their exports which are basic to the economic health of the Nation. As a matter of fact, the net contribution of U.S. agriculture to the economy is \$28 billion annually, which is enough to pay for more than one-third of U.S. oil imports.

When exports are reduced, however, inflation accelerates. Treasury costs rise, and individual Americans suffer the economic consequences. The EEC subsidies have widespread effects, and are not restricted to agriculture alone but impact the U.S. economy as a whole.

In order to understand the nature of the EEC export subsidies, it is important to briefly summarize the methodology involved in the EEC system. There are enormously complex policies and a variety of mechanisms used to steer and control agricultural production and trade in the EEC. These operate to disrupt the export economies of other nations.

A prime example of these difficulties is the system of variable levies and export subsidies in the common agricultural policy (CAP).

These variable import levies are a means of shielding farm prices in the Common Market from world supply and demand. The levies are set at the level necessary to protect the European domestic wheat from lower priced imports and to generate revenues for subsidies needed to lower EEC wheat export prices.

The system is "variable" because it is manipulated to undercut competition. For example, U.S. Dark Northern wheat was quoted in Rotterdam at \$186.75 per ton August 31, 1981, but with the import levies, the price rose to \$259.10 per ton before it could enter the Common Market.

Externally, EEC traders have sold 50,000 tons of wheat to Brazil at \$140 a metric ton, free on board French ports.

This was \$8.50 a metric ton less than the lowest U.S. offering on Soft Red Winter. The French sale was made possible by an EEC export subsidy of \$70 per metric ton and a French Government 3-year credit offering. Currently, 2,000 tons of Common Market wheat have been allocated for sale to Latin America.

From this brief explanation of the CAP levies and export subsidies, the disruptive trade practice of the EEC becomes clear. More importantly, these practices are contrary to both the general agreement on tariffs and trade (GATT), of which the United States and the EEC belong, as well as to the U.S. Trade Act of 1974.

First, article XVI of the GATT provides that parties to the GATT specifically requires that—

Such subsidy shall not be applied in a manner which results in that contracting party having more than an equitable share of world export trade in that product (article XVI 3).

It is to be noted that present GATT rules provide that any country maintaining a subsidy which operates directly or indirectly to increase exports must report on the nature and extent of the subsidy, its estimated effects, and the circumstances which make it necessary. Any other country whose interests are prejudiced by the measure must be con-

sulted with a view to limiting the extent of the subsidization.

Little use has been made of these provisions, and reports by individual countries have been infrequent and inadequate. Nor has the Common Market used export subsidies merely to maintain its traditional market share—it has adopted a policy of aggressively using export subsidies to expand its wheat exports in important foreign markets for U.S. wheat. This has been demonstrated by the fact that significant volumes of subsidized EEC wheat exports have been sold to Egypt, Portugal, Morocco, and Brazil.

In addition to these actual sales, the Community has made available large subsidies for wheat exports to Poland, the People's Republic of China, and Finland.

Second, in terms of the United States, the Common Market subsidy on wheat exports is a type of unfair trade practice specifically identified in section 301 (A) (3) of the Trade Act of 1974. That section provides that when the President determines that a foreign country provides subsidies on its exports of products to foreign markets, which have the effect of substantially reducing sales of the competitive American product in those foreign markets, he shall take all appropriate and feasible steps within his power to obtain the elimination of such subsidies.

In the case of the Common Market subsidies, neither the fact of the EEC subsidies themselves nor the effect on American grain exports to foreign markets would appear to be subject to dispute according to the GATT and Trade Act.

U.S. wheat producers depend on export markets for their livelihood because 2 out of every 3 bushels produced must be exported to have a viable wheat economy.

American farmers and ranchers have assessed themselves to develop overseas markets, idled acreage to prevent a supply glut, and stored excess supplies in reserve to build an inventory for future demand.

They have taken the necessary market-oriented steps to improve the supply/demand equation for wheat, and their ongoing effort ought not to be canceled by unfair competition in important foreign markets. Yet, the European Economic Community has actively invaded traditional U.S. markets with its subsidy program, and American farmers and ranchers have been forced to accept the ultimate burden of these lost sales.

As we stand by, debating a farm bill that does not protect American producers, the European Community is expanding its subsidy program to still more countries.

It continues to market its subsidized wheat by placing political pressures on various nations. India is one such targeted country; and in the past, Brazil has proven to be a successful customer for the European Economic Community. Incidentally, the sale of wheat to Brazil occurred after a short-lived period of "restraint" agreed upon by the Common Market after U.S. producers formally complained about unfairness and disruption of sales from the arbi-

trary and excessive European export subsidies.

Moreover, just this August, the administration states its aim was for "free trade and the elimination of all surpluses and subsidies." It is well known in general and to the administration that all exporting countries operate some government programs to support farm income and most are involved somewhat in export trade, yet no other major wheat exporter besides the EEC maintains comparably high internal prices and uses general revenues funds, including import levies, to manipulate its export prices.

While export subsidization is disturbing in itself, the EEC practice causes particular concern because adverse market conditions are placed on American producers and undercuts their voluntary efforts. American wheat producers are prepared and eager to compete for wheat sales to all foreign markets. But, it is essential that such trade be conducted on the basis of fair and effective competition.

Competitive trade is not possible when the Common Market uses unfair export subsidies.

With the capabilities of the American farmer to produce and our capacity to market more volume than ever, the impediments of EEC wheat subsidies should not be allowed to hamper our economy and trade any longer.

Given this background I think that many of my colleagues will agree with me that the U.S. Government should do more to defend U.S. export commodities from unfair competition in world trade. Right now, we are considering a 4-year farm bill that straightforwardly withdraws support from American farmers and ranchers and insures that they will be more vulnerable to the disruptive trade practices of other nations in the years ahead.

The farmers of this Nation deserve more, not less support from the American people, and I think that it is our job to provide this support. We cannot continue to accept policies which fail to provide our farmers a fair profit, and we should not continue to drain the Nation's wealth by selling our farm exports to the world's importers at prices below the cost of production.

U.S. Department of Agriculture estimates 1981 production costs for American wheat farmers at \$5.32 per bushel, and the market price is now well below \$3.50.

It makes no more sense to tolerate barriers to the marketing of our crops in overseas trade than it does to fashion a national economic recovery program that neglects the Nation's farmers.

Let us be frank. The European Community's wheat subsidy program is partially responsible for a good portion of the projected costs associated with the Senate Committee's farm bill.

As their perverted system lowers export prices to move surplus wheat into the world market, it takes money out of the hands of our farmers, and when income drops too far, Federal assistance is required.

I am pleased to hear the Reagan administration talk about stopping EEC

wheat subsidies. But we cannot abandon our farmers while we go on talking. We need a farm bill that gives our farmers protection when they need it. Our farmers cannot survive on illusory promises of better days.

CONCLUSION

Agriculture is our most basic industry, and it can lead this country back to a sound economy.

American agriculture can make a major contribution to controlling inflation, and make the United States a world leader for freedom and progress. But in order for that to happen, we must give our producers a decent farm bill.

Second, the cost of borrowing money must come down.

While we have just corrected our inheritance laws so that they no longer force farm families to sell out, we must continue to look at our tax laws to see how they can be used to further the needs and interests of farmers and ranchers.

Members of the Senate will hear from some that these kinds of things are inflationary—that they will increase Federal spending at a time when the budget must be balanced.

They will be told to forget about the notion that American consumers must have adequate supplies of food at fair prices, and that American farmers and ranchers must be protected from volatile market conditions that they cannot control.

We will be told to forget that 75 percent of the budget of the European Common Market goes for subsidies for agricultural products that compete with American producers in the world market, while only 4 percent of the European Community's gross national product is derived from farming.

We will be asked to forget that American wheat sold and delivered to Japan at \$5 a bushel is sold to millers at twice that price and is then retailed in that country for nearly \$30 a bushel as an encouragement to Japanese wheat farmers.

American consumers will be expected to ignore the fact that prime grade beef in Japan is selling for \$24.24 a pound. That chicken breasts cost nearly \$3 a pound—that hamburger costs \$5.05 a pound—and fresh milk costs \$3.24 a gallon.

We will be asked to ignore the fact that retail food prices have increased an average of 8.3 percent a year during the past 10 years. Yet, in 7 of those 10 years, marketing costs—transportation, packaging, et cetera—led the price increases, not farm prices.

Food retailers in 1980 had after tax profits of just under 1 cent per dollar of sales. But returns to stockholders' equity for food retailers was higher than the national average for retailers—13.7 percent, as compared to the national average for other retailers of 13.3 percent.

Food manufacturers' aftertax profits average 14.7 percent of stockholders' equity, as compared to 14 percent for all manufacturers.

Yet for the past 3 years, income for farmers and ranchers has been devastatingly low.

So where does that leave us? Every-

body—the Japanese, our European competitors, the retailers, the manufacturers, the railroads—everyone seems to be making a decent living off American agriculture except farmers and ranchers.

Tell me about the free market. Everyone up the line is able to set his own price except our farm and ranch families.

Free markets for American producers are only foreign buzzwords for domestic disaster.

And on the other side of the coin we allow the importation of subsidized foreign casein that is crippling our dairy industry and costing the Government \$300 million in additional price supports.

We are allowing the importation of Australian kangaroo meat and horse-meat, posing as beef, while American cattle producers are losing their shirts.

Tell me about the free market?

This bill is mean and unfair.

It does not recognize that farm and ranch income is under terrible stress.

It does nothing to deal with the policy that claims we must have cheap food, no matter what the impact on American farmers and ranchers.

It does nothing to assure that we should not export American food at less than it costs to produce.

It does not recognize that American agriculture is the backbone of our economy.

Mr. President, I intend to oppose any amendment that will make this bill weaker.

But I do intend to offer a number of amendments that will strengthen it.

I will offer an amendment to provide a loan rate for wheat of \$4 a bushel, compared to the \$3.50 in the bill.

I will offer a resolution to memorialize the International Trade Commission that the Congress believes that the dairy industry is being harmed by casein imports.

I will offer an amendment that will permit the distribution of excess dairy products to the elderly.

I will offer an amendment whose purpose is to insure that the United States is not hornswoggled into importing kangaroo meat dressed up to look like beef.

I will offer an amendment to restore the Wool Act to its present, useful status.

I will offer an amendment that requires the President to begin immediate consultations with the Federal Reserve Board to get interest rates lowered by at least 3 to 4 percent. This must be done in the next 60 to 90 days.

I will offer an amendment to insure that farmland can continue to be bought at below market interest rates when the seller agrees to finance the property. This amendment was recently approved by the Senate by a vote of 100 to nothing, but was subsequently watered down in a House/Senate conference.

There are Members of this body who will go home and tell their farmers and ranchers that this was the best bill that could be obtained, given the spending constraints now imposed on us by the budget reconciliation.

But if we cannot improve this bill, I am going home to Montana and tell my people that MELCHER voted "no."

Mr. President, S. 884 is a bad bill.

We are going to be debating this bill

perhaps next week or the week after. It is important, I think, that the Senate understand that what has happened is that the inflationary impact on agriculture production has driven prices very high. Interest rates are part of that but not the only reason. At the same time, overproduction or abundant supplies have brought about lower prices in the marketplace for those commodities.

We are suffering pretty badly.

The conclusion of this is that our American agriculture is the basic economy underpinning all our American economy, and if we cannot straighten it out how are we going to straighten out the entire economy?

Mr. President, interest rates must come down. That is just part of it. But besides that, we have to have a bill that operates on the basis that we want to improve farm and ranch income, not one that wants to cut it back.

We have been holding meetings in the last couple of days, very interesting meetings, among members of the Committee on Agriculture where we were urged by the Secretary of Agriculture, representing the administration, to cut back more and more on S. 884.

Mr. President, it was a bad bill when it came out of the committee. If we make it worse by bowing to what the Secretary of Agriculture is advising us, we are going to completely crucify the farmers and ranchers of this country and further aggravate a very serious economic situation in the country.

Mr. President, I yield the floor.

Mr. PROXMIRE. Mr. President, I was listening to the distinguished Senator from Montana speak about farm income. What he said is absolutely correct: farmers suffered very serious losses in the last couple of years. Last year was the worst in our history; as he said, the worst on a parity basis since 1932. The prospects for the farmer in the last year or two are very bad indeed. I spent 1 full day working on a dairy farm. Believe me, the hard work they do and the low rate of return is going to be a lesson for any Senator or anyone who does that.

Mr. President, I do want to refer to the editorial I spoke about, because it is a remarkable editorial. It is the lead editorial in today's New York Times. It reads as follows:

BIG BAD WALL STREET

So now there is a Republican conspiracy theory: the villain is Wall Street. It's that recently sacred Republican cow—The Market—that's been spreading the economic gloom. It's a cabal of Eastern financiers that is driving up interest rates and undermining the President's program.

"It's time indeed that the financial markets realize that they're playing a dangerous game," intones the Senate majority leader, Howard Baker, as his colleagues report on the voters' anxiety. "In 60 to 90 days something's got to give," says the House Republican leader, Robert Michel; if nothing gives, he warns, Congress may have to impose credit controls or a windfall profits tax on interest.

The Republican leaders, it seems, not only believe in The Market, they have given it humanoid form. And how ungrateful it is for recent tax favors done. How unmindful of the Republican debacles to come. Socko!

It's all very silly, of course, but understandable. After passing the largest tax and spending cuts in history a month ago, the

Republicans were popping with pride and already counting next year's election victories. But the prospect of ever-larger budget deficits could not be hidden from investors. Now, with the financial markets depressed, inflationary expectations still high and interest rates threatening recession, the President's party is seized with panic. For the first time since Ronald Reagan entered the White House, the crisis of confidence has struck Washington itself.

But King Canute had more chance of stopping the tides than Howard Baker has of intimidating The Market. Wall Street is not a few people, acting out of some spiteful political interest. It is thousands of institutions and millions of people, acting out of an infinite variety of financial interests. As any good Republican should know, it is a huge, vital and efficient marketplace.

If long-term interest rates are soaring, it's because too many people don't trust the President's combination of tax cuts and defense spending increases. They won't bet their money without the promise of high return. And short-term rates remain high because the Administration and the Federal Reserve have no better answer for inflation than tight control over the money supply.

So the simplistic theories of summer will not be remedied by more simplicities in autumn. The threatened credit controls, for example, might reduce interest rates a bit if they are aimed at consumers. But that would erode demand and slow down economic growth just as much as high interest rates. What would be the gain?

A tax on interest would surely show Wall Street who's boss. But it would punish all savers, the objects of all those loving tax incentives last month.

And the Federal Reserve could be brought to heel by changing the laws under which it operates. But the Fed is now the only barrier against truly wild inflation. Just think of what tampering with its independence would do to confidence in The Market.

Then, Mr. President, a short paragraph that I hope every Senator will read and ponder. It says:

The way to earn Wall Street's confidence is to heed its message. Fight inflation with the budget and not just with tight money. That means spend less, much less, particularly on the military, and atone for last month's revenue giveaways by raising taxes, mainly on consumption. Wall Street—meaning America—would respond. If there's one thing The Market respects, it's courage.

Mr. President, I think that is one of the most significant editorials and a good answer to the kind of rhetoric we have been hearing on the floor of the Senate.

Mr. President, I yield the floor.

ROY WILKINS REMEMBERED

Mr. DOLE. Mr. President, Roy Wilkins lived a life filled with accomplishment. Over fourscore years he made headlines and made history. When such a man dies, it may seem curious that a spirit of national mourning coexists with a sense of gratitude for the life.

But we do mourn Roy Wilkins, because we do know what we have lost. We will never stop needing men like him in American life. We can never spare his courage, his compassion, his commitment to making the old ideals we claim as our own a reality for all Americans. We can ill-afford to lose his lofty sense of the possible—or the brilliant realism that made the possible probable.

His leadership of the National Associa-

tion for the Advancement of Colored People coincided with the historic explosion of economic, social, and political justice for black Americans. Such explosions do not come about spontaneously. Roy Wilkins, as much as any man in this country, ignited the fuse and kept the powder dry through the long years of oppression.

His influence was rooted in the moral truth of his cause—and in the skillful way he convinced others of what he knew to be true. He was a friend to many in this body, a hero to everyone who believes in making the system work, an inspiration to millions of Americans whatever their color or politics.

He will be missed, as surely as he is mourned. But no good man, it has been said, ever really dies. Not as long as he bequeaths a legacy worthy of emulation. Not as long as he leaves an example, of words or deeds to move others. Roy Wilkins' bequest is enormous. He was there when we needed him, and our country is a better place because he lived. His life was triumphant—and perhaps his greatest achievement was in letting all of us share in that triumph.

RAYMOND LANE

Mr. PERCY. Mr. President, in July a tragic incident occurred in Glenview, Ill. Eleven-year-old Jimmy Larkin, while playing with friends in a playground, was severely burned on the upper half of his body by flaming gasoline from an ignited homemade flamethrower.

This terrible accident could have resulted in an even more tragic ending had it not been for the heroic actions of Jimmy's 13-year-old friend, Raymond Lane, who was visiting from Baltimore. Raymond rolled Jimmy in the grass, extinguishing the flames and enabling the two boys to run home for help. In so doing, Raymond himself suffered second degree burns on his thighs and arms.

Jimmy will be in Evanston Hospital for 12 weeks, undergoing special treatments such as skin grafts and tank therapy. The cost in terms of medical expenses and suffering to Jimmy and his family is staggering. An enthusiastic participant in football and hockey, Jimmy's plans for the upcoming season will have to be postponed. However, the quick-thinking and unselfish actions of Raymond Lane have saved the family from even greater despair. He is certainly a young man to be lauded for his courageous efforts. Perhaps, thanks to Raymond, young Jimmy will someday once again be out running across a football field or gliding across a hockey rink.

CUTBACKS IN BBC'S OVERSEAS BROADCASTING

Mr. PERCY. Mr. President, the information we have received that there may be cutbacks in the funding of the BBC's overseas broadcasting has caused concern among many of us who believe that international broadcasting by the Western democracies is very important in providing objective and comprehensive news coverage to the peoples of the world. While we understand the neces-

sity to reduce government spending in Britain, as we seek to do the same in the United States, the proposal to cut the BBC budget for the seventh time in 8 years does not seem to take into account the immense value of BBC broadcasts both to Britain and other nations of the Western alliance.

In the United States, despite this year's significant reductions in Federal spending, we have given priority to the broadcasting of the Voice of America and expect to increase VOA funding. The Voice of America enjoys in our country the same admiration and respect that the BBC external service enjoys in Britain. I would hope that the proposal for cuts in the BBC budget might be reconsidered.

Mr. President, I ask unanimous consent to have printed in the RECORD various attachments to this statement.

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

JULY 2, 1981.

Senator CHARLES PERCY,
U.S. Senate,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR PERCY: We were in touch in the autumn of 1979 when you very kindly drew attention to the implications of threatened economics within the BBC's External Services. The problem has returned again.

Proposals just announced by the British Government will, if implemented, stop BBC foreign language broadcasting to Somalia, Italy, France, Spain, Burma, Malta and Brazil. The total amount of money involved is less than six million dollars a year. The cuts are intended to be completed by April, 1982.

What happened in the autumn of 1979 was that after an international expression of alarm, the British Government decided not to close threatened broadcasting services but to save money by not spending on transmitters. Now the Government is stopping broadcasting to seven countries and restoring delayed investment in transmitters.

We believe there are good reasons why the threatened services should continue. In general they are regarded as an unbiased source of news. In Somalia, for example, bus timetables are arranged so that passengers can alight at their destinations in time to hear the BBC news. In Spain, the BBC's service in Spanish was the only continuous service of information heard in the country during the recent attempted coup. The BBC's Burmese Service is the only Western voice heard in the closed community of Burma. Equally important, of course, is the BBC's voice in Europe. Every member country of the Warsaw Pact provides a service in Italian, each one substantially greater in volume than that provided by the BBC. China and Albania also broadcast extensively in Italian. There is, of course, a similar picture elsewhere in Europe with strong vernacular services from the Warsaw Pact broadcasting to France, and with even Cuba broadcasting to Spain.

Some people will attempt to make a virtue of the fact that the BBC World Service is being maintained without economy. That proposition ignores two facts:

1. The World Service—only in English—cannot hope to command the attention of the widest cross section of a community. That is a fact readily understood by Warsaw Pact countries which have developed vernacular services while Britain proposes to contract foreign language broadcasting.

2. The World Service depends for much of its editorial strength on the BBC's news gathering and reporting expertise in all of

the countries it serves. The ending of the seven threatened services would weaken the BBC's international reporting ability—as well as its world-wide reputation.

I enclose some background papers which I hope you will find interesting.

As you know, we were immensely grateful for your ready assistance eighteen months ago. We would be no less so for any help you feel you can give us now.

Yours sincerely,

MARSHALL STEWART.

[From the Sunday Times, June 28, 1981]

NATION SHALL SPEAK UNTO NATION?

The foreign language broadcasts of the BBC are one of the cheapest ways of getting the British message round the world. They are often the only way of getting it to people as well as governments. But the Foreign Office, which pays for these services, is imposing on the BBC cuts which will save little money and do much harm. Either it seriously underrates their value or it has bowed to Treasury pressures and prejudices.

The saving is to be about £3 million. The costs include a service to Malta which costs a mere £10,000 a year; to Burma where it is the only trusted western voice addressing the Burmese in their own language; to Somalia where half the population stops work to listen to the BBC; and to Brazil where the saving will be minimal since broadcasting in Portuguese to Portugal is to continue.

All these cuts give some degree of offence and so reduce goodwill for Britain. The last of them will have the disastrous consequence of suggesting that the largest country in Latin America—where Lord Carrington wants British exports to grow—is not worth talking to. The excision of the Maltese service comes on the eve of an election which may see a recrudescence in Libyan influence in opposition to ours. In Burma, which is beginning to emerge from a generation of seclusion, the silence is being applied at a peculiarly inappropriate moment.

The government has already demonstrated its inept touch in this sphere. In 1979 it told the BBC to cut out its Turkish service, only to ask a year later for it to be enlarged. This is an area where government, heeding its own noninterventionist philosophy, should leave well alone.

[From the Sunday Times, June 28, 1981]

THIS IS LONDON CALLING—PUT NOT, MAYBE, FOR MUCH LONGER

(By Kim Fletcher)

The BBC's Somali language service upheld the finest traditions of the corporation when it broadcast news of its own demise to thousands of listeners in the Horn of Africa. The news that the Foreign Office was to end Somali broadcasts took second place to an account of British defence cuts.

Abdullahi Maji, the senior producer, thought the news that the Somali service was to be cut was very important. "But we broadcast to Somalia in the sense that we are giving world news in Somali. British defence cuts was a more important world story."

Apart from the Somali service, the government plans to axe Italian, Burmese and Maltese programmes, too. Services for Portuguese-speaking Brazilians and European broadcasts in French and Spanish will also be closed.

The government last week asked the BBC to save about £3 million a year from 1983. The Foreign Office has the responsibility of deciding where the cuts should be made. Cutting the Somali service would save £170,000. In return the government promised investment of about £100 million, aimed at improving the audibility of the external services.

BBC staff pointed out that proposed im-

provements such as new transmitters in the Seychelles would be of prime benefit to the threatened Somali service.

The seven members of the Somali team learned they were to lose their jobs when George Bennett, head of the BBC's Africa Service, called a meeting of his 60 staff. Bush House, headquarters of the BBC's External Services, had been buzzing all morning after a report in The Times said that up to eight foreign language services were to go.

When the Somali journalists met in the canteen afterwards, their first concern was not for their jobs, but for the listeners in Somalia, Ethiopia, Kenya and the Arab states, who write about 500 letters each month to Bush House, and for whom the BBC's nightly bulletin in Somali is the only objective news service available.

The anger is echoed by Douglas Mugeridge, managing director of the BBC's External Services. "The cuts would greatly endanger the worldwide standing and effectiveness of the BBC's External Services," he said.

"The question is not one of a chop for six of us. Losing our jobs is not so important as the fact that people rely on this section to know what is happening in the world. To them it is an institution," said 35-year-old Mahamoud Hassan, who read the news the day the cuts were announced.

The proposed cuts have horrified the BBC. But there was a determination that no editorial comment should creep into the traditionally impartial foreign broadcasts. Somali listeners heard the news on Thursday night and it was not repeated the following evening. The cuts were the subject of a news commentary which followed Friday evening's news, but it was written with the Foreign Office and BBC viewpoints represented equally.

The Somali service will be 21 years old next year, at just about the time it is scheduled to close. What angers its staff is the knowledge that it serves an area of Africa where millions of illiterate people have no other accurate source of news.

Bush House was understandably anxious last week to point out the value of the service. Tim Llewelyn, the BBC's man in Nairobi, filed an account of the importance of the twice-nightly broadcasts to Somalis. Somali delegates at a Nairobi conference were said to have been stunned by the decision to cut the service. George Bennett and Abby Farrah, head of the Somali service, spent Friday lunchtime with the Somali ambassador, and a member of the BBC's Swahili service came forward to describe how buses in his native northern Kenya had to arrange timetables around the 5:30 bulletins so that passengers and staff could tune in. The Somali staff attempted to carry on with their work last week as if nothing had happened, translating two news bulletins and news commentaries for each evening's broadcasting. Somali listeners tune in at 5:30 and 9 p.m.

Most staff are on renewable contracts of about three years. The BBC is anxious to keep a constant turnover of foreign staff to prevent its broadcasters getting out of touch with their own countries.

It is impossible to say how many listeners tune in to Somali broadcasts. There has never been a census in Somalia, but it is known there are about 8 million Somali speakers. Visitors return with stories of whole villages sitting around the radio at 5:30, of the evening news being as important a ritual as the visit to the mosque.

There may yet be a reprieve for the Somali and other foreign services. In 1979 angry MPs managed to prevent planned cuts and already they are moving to do the same again. Three have already signed an all-party motion condemning the cuts and others have said they will do so.

[From the Sunday Telegraph, June 28, 1981]
100 MPs WILL FIGHT BBC CUTS

(By Norman Kirkham)

Determination among scores of backbench MPs to try to force the Government to reconsider proposed economies in foreign language broadcasting by the BBC was building up yesterday.

At least 100 of the protesters were expected to sign an all-party motion attacking the cuts after BBC executives had described them as "disastrous and misguided."

The backbenchers were hoping to compel a full discussion in the House and to win substantial modification of the plan despite the apparent determination of the Foreign Office to go ahead.

The BBC Governors, whose chairman, Mr. George Howard, has made clear already his support for the criticisms, will meet on Thursday to consider a fresh approach, asking the Foreign Office to think again.

Under the proposals seven of the 39 languages services will be axed together with the transcription service supplying the best of British broadcasts to foreign radio stations. While Britain lowers her voice, other major broadcasters are increasing their command of the air waves.

The British broadcasts will drop by 58 hours a week to 668 hours compared with 2,100 hours from Russia and 1,900 hours by the United States.

Britain which had the most extensive broadcasting system at the end of the 1939-45 war is now in fifth place among broadcasters and not far ahead of countries such as North Korea, Albania and Egypt.

Mr. Geoffrey Rippon, the former Conservative Cabinet Minister, who is co-sponsoring the Commons motion, said yesterday that the proposed economies were absurd and he did not believe they could not be corrected.

SOURCE OF TRUTH

Mr. Greville Janner, Labour MP for Leicester West, who is also putting forward the resolution, added: "This is false economy on a grand scale. There is a massive following in the House for us that this is a most expensive way of losing good will."

The services to go in the £3 million worth of cuts will be French, Spanish and Italian for Europe; Portuguese for Brazil; Maltese, Burmese and Somali.

In Brazil, critics of the rightwing government rely on the BBC as a check on the accuracy or truth of official statements. Somalia in an area of Africa threatened by spreading Soviet influence is likely to feel slighted.

Whitehall has countered the protests with a promise that the economies will offset heavily by a future £100 million capital investment programme for transmitting, relay broadcasts and modernisation of Bush House, the BBC Overseas Services headquarters.

Audience research figures available in London given for weekly international broadcasting recently were:

	Lan- Hours guages	
Russia	2,103	82
United States	1,901	46
China	1,350	45
West Germany	804	39
Britain	719	39
North Korea	597	8
Albania	560	23
Egypt	546	30
Cuba	424	10
India	389	25
East Germany	375	13
Poland	337	13
Australia	333	9
Netherlands	289	8

	Lan- Hours guages	
Japan	259	21
Czechoslovakia	255	12
Spain	259	4
Bulgaria	236	15
Portugal	214	7
Israel	210	6

[From the Times, June 29, 1981]

BBC EXTERNAL SERVICE CUTS

(From Dr. Brendan Halpin)

Sir, for the best part of 1972 I was working in northern Somalia, during the period of maximum Soylet presence and influence.

At certain times of the week it was impossible to attract the attention of Somalis, whether in the normally bustling market of Hargaisa, in smaller villages or even in the tea-houses which are so characteristic a part of the Somali scene.

The reason for this temporary abstraction from work in hand was that all were gathered round their radios, drinking in every detail of the World News in Somali from the BBC.

Faced with such a thirst for our programmes, we are contemplating stopping the Somali service! It seems to be an incredibly foolish thing to do!

Yours sincerely,

BRENDAN HALPIN.

[From the Guardian, June 29, 1981]

MPs TRY TO SAVE FOREIGN SERVICES

(By John Ezard)

Attempts will be made by MPs of all three major parties this week to save the BBC's seven threatened foreign language services. The aim of a strategy worked out over the weekend is to incite a substantial Conservative revolt against Mrs. Thatcher in the Commons.

Three senior MPs—the former Conservative Minister Mr. Geoffrey Rippon, Mr. Greville Janner (Labour), and Mr. Clement Freud (Liberal)—are sponsoring an early day motion as an immediate test of Commons opinion.

"I don't anticipate any difficulty in getting 100 signatures at the very least," Mr. Janner said last night. "I don't recall an occasion on which there was greater unanimity."

They have also applied for an adjournment debate, which would get the broadcasting cuts raised on the floor of the House, and will try other ways of obtaining parliamentary time. Mr. Janner said: "We all believe this is false economy on a grand scale."

"It will throw away overnight the experience and international goodwill created ever since 1938, will be a disaster for foreign policy, and will erode one of the last remaining contributions which Britain makes to the peace of the world."

The £3 million cuts, announced on Thursday, could stop the BBC's French, Italian and Spanish broadcasts to Europe, its Portuguese transmissions to Brazil, and its services for Malta, Burma, and Somalia. The BBC's external services budget has been cut for seven years running, although an earlier parliamentary revolt with powerful Conservative support in 1979 saved some services.

The corporation's governors are due to meet on Thursday to discuss ways of putting pressure on the Government. Staff have pointed out that the French service has 2 million listeners, that the Spanish service was the only broadcasting source of information during the attempted coup in February, and the Somali transmissions are important at a time when Russia is trying to expand her influence in the Horn of Africa.

[From the Financial (Leader) Times,
June 29, 1981]

BBC AND THE FOREIGN OFFICE

The external services of the BBC hold a peculiar place in the British heart. When government, and particularly a Tory Government, attacks Bush House it does so at considerable public relations risk. And yet this latest assault on the activities of the BBC in its role as the "voice of Britain" at least provides another opportunity to examine the objectives and costs of an aspect of the British Empire upon which the sun has yet to set.

It is essential to realise that the external services have a somewhat different relationship with government than do the domestic operations of the BBC. Programmes aimed at foreign audiences are paid for by the Foreign Office, which tends to regard Bush House as simply another contractor paid to do a job of work. The corporation retains editorial control but the Foreign Office pays the piper and expects to call the tune.

POSITION

This is not the way in which the BBC views the position. While the Foreign Office regards external services as an arm of British foreign policy, the corporation looks upon them as the flagship of British culture and fair-mindedness which produces incidental benefits for the nation. Any policy on the external services' revenue, editorial policy or geographic distribution must start from a judgment about what these services are for.

If the Foreign Office view is accepted then the strengthening of transmission hardware, ensuring that the voice of Britain can at least be heard, and the concentration of that voice on those regions of the world which have least access to relatively free media is justified. Such activities as broadcasting to the French in their own language and ensuring that the Americans know the latest Test score become rather less important than making sure that the Poles, Afghans and Cubans have some idea of what is going on in the world.

The BBC argues that any concentration of services on nonfriendly territories would provide support for the view that external services are part of a British propaganda machine. The Government replies that when money is tight someone has to choose priorities.

There is an uneasy relationship between the Foreign Office and the BBC which has worked quite well until now. As a result of the general pressure to cut government spending there has arisen a suspicion that the Foreign Office is trying to shorten the arms' length relationship it has with the BBC in this field—or possibly to offer a deliberately unacceptable cut in its own budget to protect more vulnerable areas.

ARBITER

The position of the Foreign Office as final arbiter on BBC broadcasting to overseas audiences should not be in question. The corporation's performance in this field must be examined somewhere and the Foreign Office is as good a place as any. The doubts arise over the degree of involvement. A touch on the tiller is one thing, the grabbing of the wheel is another.

In its external services Britain has something which is unique in international communications. Although financed by central government, the editorial activities of Bush House are independent of government. While it is impossible to quantify the benefits which the external services bring to the UK, whether in terms of exports or of foreign policy gains, there is no doubt that the quality of the service is widely appreciated throughout the world.

To be unique and precious is not, however,

to be insulated eternally from change, whether that change be forced by policy or economy. The key issues are, first, whether the financial arguments for cutting £3m off the external services' budget (out of a total expenditure of some £63m) are sufficiently compelling to offset the damage that will be caused, and, second, whether the delicate relationship between the Foreign Office and the BBC is being altered to the long-term detriment of the service. To sacrifice assorted vernacular services—three at least apparently chosen on the basis of one from each continent—seems arbitrary and ill-judged.

[From the Sunday Mirror, June 28, 1981]
(By Woodrow Wyatt)

THESE CUTS ARE MAD

Please will someone in the Government have some common sense?

Our most effective voice abroad is that of the BBC's foreign services. They give Britain enormous influence. As a result, they help mightily with our exports.

In combating Communist and Right-wing dictatorships, the BBC's broadcasts are worth more than the entire Royal Navy.

Yet some idiot has decided to save £2-3 million by slicing them.

For the axe are broadcasts in French, Spanish and Italian, Portuguese for Brazil, Maltese, Burmese and Somali.

The Kremlin will be delighted.

[From the Sunday (Leader) Times,
June 28, 1981]

NATION SHALL SPEAK UNTO NATION?

The foreign language broadcasts of the BBC are one of the cheapest ways of getting the British message round the world. They are often the only way of getting it to people as well as governments. But the Foreign Office, which pays for these services, is imposing on the BBC cuts which will save little money and do much harm. Either it seriously underrates their value or it has bowed to Treasury pressures and prejudices.

The saving is to be about £3 million. The costs include a service to Malta which costs a mere £10,000 a year; to Burma where it is the only trusted western voice addressing the Burmese in their own language; to Somalia where half the population stops work to listen to the BBC; and to Brazil where the saving will be minimal since broadcasting in Portuguese to Portugal is to continue.

All these cuts give some degree of offence and so reduce goodwill for Britain. The last of them will have the disastrous consequence of suggesting that the largest country in Latin America—where Lord Carrington wants British exports to grow—is not worth talking to. The excision of the Maltese service comes on the eve of an election which may see a recrudescence in Libyan influence in opposition to ours. In Burma, which is beginning to emerge from a generation of seclusion, the silencer is being applied at a peculiarly inappropriate moment.

The government has already demonstrated its inept touch in this sphere. In 1979 it told the BBC to cut out its Turkish service, only to ask a year later for it to be enlarged. This is an area where government, heeding its own noninterventionist philosophy, should leave well alone.

[From the Sunday Telegraph, June 28, 1981]
LOST LEADERS

The effects of the Government's proposal to save a comparatively small amount of money by abolishing seven of the BBC's foreign language services will be far-reaching and include a weakening of the World Service, which is heard and admired in Britain as well as overseas.

The Bush House services to go include the broadcasts in French and Spanish to Europe and in Portuguese to Brazil. A million or two pounds may be saved but what will be lost is incalculable. All must agree that the BBC helped as much as diplomatic organisations in the work of getting British aims and views understood.

It has been estimated in Europe that three million people listen regularly to the BBC broadcasts in French and Spanish. It must be doubted if these people could inform themselves anywhere about Britain except by listening to the BBC's broadcast, which are about to be taken away.

For residents in Britain, these economies would weaken the first-rate news and current affairs service now being put in the World Service. This service is to retain its present number of programmes, but the fact that there would be 200 fewer expert correspondents round the world (some are to receive notice to quit in a few weeks) to contribute to the news bulletins would amount to a noticeable dilution.

News programmes are the brightest ornament in the World Service's crown. Apart from quality of content, they are read in measured tones and all the words are so well pronounced that there is hardly ever a letter of complaint about the stress being put on the wrong part of such words as "research" and "protest." There are 17 of these news bulletins daily (amongst music and documentaries) and numerous current affairs programmes.

In Network UK, one of these current affairs programmes, I was horrified last week to hear of Belfast's hundreds of joyriders—young stealers of cars, some aged 11, who tear round in the cars at night, sometimes putting them back—but glad to hear of a private enterprise remedy; this consists of a children's car club where old bangers are allocated to members for repair, and driving is permitted on private ground.

In Meridian another World Service current affairs programme, I have heard reporting about the arts that is as lively as in Radio 4's "Kaleidoscope." And incidentally I was glad to note among the presenters of "Meridian" Gillian Reynolds, radio critic of the Daily Telegraph, and our own Peter Clayton.

[From the Observer, June 28, 1981]

MPs PLAN TO FIGHT BBC CUTS

(By Patrick Bishop)

Friends in Parliament of the BBC's beleaguered external services will meet tomorrow to plan their campaign to deflect the Government's proposed cuts in foreign-language broadcasts.

Tory MP Julian Critchley promised yesterday a repeat of the operation that prevented the extinction of seven services in 1979. 'There is no reason why we should not be successful again,' he said.

Anger at the news, coyly revealed during Thursday's defence announcement in the Commons, spreads across party lines.

Much of it has been aroused because the Foreign Office—which funds the external services—has chosen to make what is regarded as a trifling economy in one of its adjuncts rather than at the FO itself.

Seven foreign language transmissions are to be scrapped. They are the European French, Spanish and Italian services, Portuguese to Brazil and colloquial broadcasts to Malta, Burma and Somalia. The saving will be £3m out of an annual budget of £62m.

British embassy heads around the world are believed to have been asked which services they thought could be dispensed with. Mr. Critchley said yesterday: 'It should not be left to bureaucracies to decide.'

The authorities will not be dismayed. An official at the Somali Ministry of Information said yesterday they would not be unhappy to see the broadcasts end.

Closing the Somali service will deprive the country of its only source of untainted news. The Observer correspondent in Mogadishu, Bob Dietz, reports that outdoor radios there are tuned to the BBC and listened to by crowds of up to a hundred.

[From the Glasgow (Leader) Herald, June 27, 1981]

BAD RECEPTION

The last time that Mrs. Thatcher attempted to cut the BBC's overseas broadcasts she was said to be much surprised at the force of the opposition. This time she should at least be prepared for the outcry; indeed the surprising thing is that she should even consider trying again after the strong passions aroused last time on the Tory backbenches as well as elsewhere. Perhaps she thought to distract attention from the announcement by making it on the same day as the defense statement.

The service is, after all, a line of defense—not in the sense that it is a propaganda machine but for precisely the opposite reason. What it uniquely offers the world is an overseas broadcasting service with freedom from State control, and it is its impartiality that gains it international respect and enhances understanding of this country whether in the far corners of the earth or, sometimes just as necessary, across the Channel. The reports that Bush House rather than Moscow or Washington is the first choice of listeners in Afghanistan were sufficient vindication, if any were needed, of the decision 18 months ago to leave the services intact. It now appears that although the critics on that occasion won the day they did not make their case understood, for the same objections still apply with equal force and Mrs. Thatcher has not overcome them with the argument that "we think it better than some 33 language services should be properly heard rather than 40 languages improperly heard." The argument represents a false dilemma and a false economy. For £3m the BBC could have had its 40 languages properly heard, and that is a trifling price to pay for a service whose excellence is unmatched by the BBC's domestic broadcasts.

Instead the Government chose the day of the defense statement to signal to the world the low value it appears to place on international relations. The same message has already been conveyed by the increase in overseas students' fees.

[From the Scotsman (Leader), June 27, 1981]

PETTY CUTS

There are not many cuts worth a mere £2,400,000 which guarantee the Government fierce, mocking or incredulous criticism from all the serious British newspapers, including the most Right-wing one; which arouse all-party protest, already taking shape, in Parliament; and which, after the expense of considerable political energy, may with luck be countermanded. We are of course writing our regular leader about plans to hack at the BBC's External Services, which are financed by the Foreign and Commonwealth Office. Seven times in the past eight years Governments of one kind or another have tried to cut the BBC's overseas broadcasts. Much of the demolition work has gone ahead, despite Britain's unbeatable reputation for providing the world with reliable radio news, and despite the vast expansion, over the same period, of other countries' foreign-language broadcasting services.

It is entirely mysterious why Mrs. Thatcher, who is not otherwise noted for her indifference to Soviet foreign policy and propaganda work, should cut what Russia builds up. It is

also very strange that she should be back again supporting proposals to trim the BBC's foreign-language services only 18 months after an almighty row when her Government tried to do this. At that time, the Greek and Turkish services were among the intended victims. Isn't the Foreign Office glad, as it looks at the current state of Greek and Turkish politics, that these services were among those reprieved last time around?

This time an 8 per cent cut would reduce the BBC's foreign-language output from 40 languages to 33. Burma and Somalia would lose their broadcasts from Britain, as if they were of no significance. So would Malta, which is not exactly brimming over with unprejudiced news sources of its own. It is almost unbelievable that the Government should want to cut the Portuguese service to Brazil, the most important nation of Latin America, and surely an independent British voice in French to France, in Spanish to Spain and in Italian would be worth preserving. All these cuts, mark you, are intended to save a piffling £2,400,000.

What is one to make of the mentality of a Government which stirs up so much irritation among listeners abroad, and lays itself open to so much complaint from the friends of the BBC's external output at home? What is the reasoning behind the closure of the BBC Transcription Service, which sells the best of British radio programmes abroad? And all this when the total budget for the BBC's External Services is only £62 million, or around £1 per person in the UK. Of course the answer is that it is the very same Government which pressed on regardless with its drastic raising of the fees in British universities for overseas students, regardless of the damage that this is now doing to Britain both at home and abroad. Politicians who don't seem to care how unpopular they make themselves in Britain and around the world are an entirely new phenomenon; but the official Opposition at Westminster is also in an unprecedented state.

BBC SOMALI SERVICE

For the past two decades, and especially during the last few years, the Horn of Africa has been in turmoil. There is the continuing dispute between Ethiopia and Somalia over the Ogaden issue as well as the guerrilla activities of the various liberation movements in Ethiopia such as the Western Somali Liberation Front; the Somali Abo Liberation Front; and the Eritrean, Oromo, and Tigre Liberation Movements.

There is a strong Soviet presence in Ethiopia along with 15,000 Cuban troops, mostly used to garrison the Ogaden region so as to release the Ethiopian armed forces for active service against the various liberation movements.

In this vast area of the Horn, most people are illiterate and rely on the radio as their one source of news information for both internal and external events. This has meant that there is strong competition between various governments and political groups in the area to win over the minds of listeners through radio.

Since it began in July 1957, the BBC Somali Section has attained an importance in the Horn which is not commensurate with its comparatively short daily broadcasts to the area. The BBC Somali Section has built up a reputation for reliable and unbiased news reporting, so that the Somali-speaking listeners in Ethiopia, Somalia, Djibouti, East Africa, as well as the large communities living in the Middle East, rely on the BBC Somali broadcasts for confirmation of any major news events in both Africa and the rest of the world.

During the 1977-1978 Ogaden War between Somalia and Ethiopia, listeners relied on BBC Somali news more than on any other

radio stations, whether it be those broadcast in Somali from Moscow, Rome, Cairo, Addis Ababa, Nairobi, Mogadishu and Djibouti.

The Ogaden War was followed by the 1978-1980 drought and an exodus of over a million refugees from Ethiopia into Somalia. More than 30 refugee camps were set up and administered by personnel from the various international relief organizations in liaison with the Somali government.

The BBC Somali broadcasts have been popular in the refugee camps as well as throughout the Somali-speaking areas of East Africa and the Arabian Peninsula. Throughout the Somali-speaking world, Wednesday is known as BBC Day, because it is the day which is particularly devoted to broadcasting from London all the current events taking place in Africa, and particularly in the Horn.

In the past few years, a number of Somali dissident groups have been set up, including an Addis Ababa-based clandestine radio station (Radio Kulimis). All these groups have sought publicity over the BBC's Somali Service in order to enhance their own credibility, indicating how crucial the BBC Somali broadcasts are to the politics of the Horn of Africa.

In the past year, President Hassen Guled of Djibouti and President Siyad Barre of Somalia have given exclusive interviews to the BBC Somali Service, both emphasising that in this way their message would get across not only to the Somalis in their own countries but to Somali-speaking people and exiles throughout the Horn of Africa.

Recent Soviet efforts to penetrate not only Africa but the oil producing countries of the Middle East, along with the resistance now being shown by the West, has given the strategic Somalia/Djibouti coast more prominence.

The Somali Section is the main source for explaining to its listeners the political and economic views of successive British governments, and interpreting British viewpoints on Africa and their own region.

The closing down of the BBC Somali Section will not only disappoint the vast listening audience built up over the years, but will delight the Soviet Union and its satellites by giving them a free hand to extend their own influence uncontested.

BBC BURMESE SERVICE

In winning and holding the attention of radio listeners in Burma, the BBC, which broadcasts in Burmese for one hour a day, competes with the greater volume of external broadcasting in Burmese from Peking and Moscow. Peking provides a daily service of 2½ hours, Moscow 1½ hours. Japan also has a Burmese service of half-an-hour a day, and India 1½ hours.

As suspicions of Britain's imperial ambitions have faded, Burma has begun to show a distinct partiality for British institutions and for British commercial contacts. The British Ambassador reported in 1977: "Our stock stands higher than that of most other European countries".

It is clearly in Britain's interests to exploit the commercial opportunities which appear to be opening up. It is in the interests of the West to help the Burmese to maintain their independence of China and Russia, to encourage stability in the region, and to keep open the lines of communication to Western attitudes and values. The BBC can play an important role in Burma, where normal embassy informational activities are strictly circumscribed, where few Burmese can travel to the West, and where the internal media are tightly controlled.

It is estimated that the number of radio sets in Burma is 1,100,000. While it has not been possible to conduct surveys in Burma there is substantial evidence that the BBC Burmese Service is widely heard and that the audience includes some of the most notable

and influential personalities, the professional classes, intellectuals, army officers and students. The Burmese President, U Ne Win, heads the list of important personalities who are known to be listeners. Visits to Burma by BBC staff members connected with the Burmese Service have been marked, in recent years by private dinner parties given by the president, at which other prominent guests, ministers, high officials and civil servants, have made it clear that they, too, are BBC listeners.

British ambassadors in Rangoon have reported widespread and influential listening, even at times when, inevitably, the content of some broadcasts may be unpalatable to some Burmese. In his information report of June 1972, the ambassador wrote:

"... BBC broadcasts both in English and Burmese are widely listened to, the latter being virtually the only means we have left of reaching a wider public... The value of the BBC Burmese Service cannot be overestimated..."

The corresponding report of June 1973 confirmed this view:

"... We welcome the decision to retain the BBC's vernacular service to Burma..."

In April 1975 the British ambassador again stressed the importance of retaining the BBC Burmese Service and added that the knowledge of English in Burma was declining. In July 1975, the embassy's information report stated:

"... BBC broadcasts in both English and Burmese are widely listened to... With television unlikely to be introduced for many years radio is an important medium..."

In the autumn of 1977, the British embassy in Rangoon told the Foreign Office that the abolition of the BBC Burmese Service and the curtailment of the World Service would be seen as further evidence of declining British interest in Burma, and added that the BBC Burmese Service is regarded as providing a reputable window on the outside world for a closed society, and enjoying a large appreciative audience.

BBC Burmese Service broadcasts are monitored by the Burmese Broadcasting Service and summaries are circulated to all government ministers, and to radio and news agency editors. Excerpts are frequently published in the press. Particular attention is paid to the dawn news transmission which, as the first comprehensive and trusted world news round-up of the day, seems to be regarded as particularly valuable in government ministries and newspaper offices. The BBC reporting on the demonstrations in Rangoon over the burial of U Thant, the late UN Secretary General, in December 1974, was the subject of a good deal of favorable comment from listeners, including Burmese government's director of information. He wrote:

"... The BBC has scored very well with first-hand accounts, actualities and well balanced news during the riots here. Now almost everyone tunes in to the BBC—both the Burmese and the World Services..."

During 1977, the BBC Burmese Service received 5,769 letters from listeners.

The following are typical:

"... We tend to associate the BBC mainly with news and only those who listen completely to each transmission realise the wealth of knowledge gained from programmes such as English by Radio Life in Britain, Science and Rural..." (Clerk, Bassein).

"... I have been following the Medical programme very closely and find the talks very useful, especially those concerning the development in research, prevention and treatment of diseases more common in our country..." (Medical Student, Moulmein).

"... News broadcasts from the BBC are always up to date and accurate. Our local radio station always gives distorted news and that is why most people in my town listen to the BBC..."

"... I was saddened by the announcement on 3rd August 1977 that the Burmese Service, among others, might have to close down as a result of some committee recommendations. We have always admired the way you handle the news with speed and accuracy, not to mention the wealth of knowledge gained from listening to programmes. We request you earnestly to continue the good work in giving us true facts without bias and prejudice..." (Librarian, Taungdwingyi).

BBC ITALIAN SERVICE

Each member country of the Warsaw Pact has a longer service in Italian than the BBC. The USSR puts out 21 hours a week in Italian, some of it in similar form to the BBC's Italian Service output and, on 256 metres, close to the medium wavelength of 251 metres used by the BBC. The output of the other Warsaw Pact countries is a further 94 hours. China has a weekly output in Italian of 7 hours for Europe (and a further 3½ hours for Africa), and Albania has 24½ hours. In contrast, the Western World, with the exception of Vatican City (16¼ hours a week), pays scant attention to Italy: the USA and France have no services in Italian, and Federal Germany's Deutschlandfunk broadcasts in Italian for only 3½ hours a week.

A survey carried out in Italy in 1976 established that the BBC Italian Service had an audience of some 1,200,000 adults, including a regular audience, listening at least once a week, of about 500,000. The BBC Italian Service had the largest regular audience of the six external services mentioned in the survey.

A survey in Switzerland in 1973 revealed that the BBC Italian Service had about 120,000 adult listeners there, of whom 40,000 were regular listeners.

The restless political situation in Italy is reflected in an upheaval in the field of broadcasting. Private local radio and television stations have proliferated, notably since, in July 1976, Italy's Constitutional Court declared RAI's monopoly of local radio and television to be unconstitutional. Within RAI itself, there have been major changes linked in part with Communist demands for "more professionals and fewer political appointees". However, as the BBC's correspondent reported, "more, not less, political interference seems to be the order of the day". In practice, as is now recognized semi-officially, the various RAI channels are separately controlled by the main political parties.

In addition to its direct listeners, the BBC Italian Service reaches a large domestic audience in Italy and Switzerland through its regular programme contributions to RAI and to the Italian language service of the Swiss Broadcasting Corporation. Since May 1980 items have also been sent regularly to Vatican Radio and a station in the USA has used ten editions of a science and technical programme. During 1980, 239 programme contributions were broadcast by RAI, including 130 current affairs talks and 11 longer features, and 52 editions of a weekly newsreel of dispatches from BBC correspondents throughout the world, introduced in the summer of 1977 under the title "Quadrante Internazionale".

In addition, since December 1977, the BBC Italian Service has been producing jointly with RAI a weekly programme entitled "Europa 19—" and in 1980 39 editions were carried both by RAI and the BBC. The launching of these two programmes on the Italian air in 1977 was given considerable press, radio and television publicity in Italy. An essay competition, on the theme "The Young Discover Europe", run jointly by the BBC and RAI as part of the "Europe 1981" series, has attracted much publicity in the Italian press as well as material help from the EEC, the European Parliament and a number of Italian official organisations. The ten top prize winners spent eight days in this country, where they were the guests of Sir Charles

Forte at the Cumberland Hotel and were entertained by the Foreign and Commonwealth Office. Another group of prizewinners were received in audience by President Pertini at the Quirinal in the presence of the BBC Italian Programme Organiser.

The Head of the South European Service has been awarded the Calabria prize, an award made by Italian press critics on radio and television, for his work in connection with BBC Italian output.

RAI's third channel also carries the occasional major series prepared by the BBC's Italian Service. "Post Industrial Europe" and "The Cost of Sound Money" have already been broadcast. A further series, now in preparation, "America, Europe and the World" will follow.

Extracts from the weekly Science and Industry Programme are sent to RAI, to "Corriere Medico", an Italian medical journal, and to "L'Eco di Bergamo", a provincial daily.

Contact has been established with several private broadcasting stations, all of them members of the association ANTI. So far, a number of programmes on unusual aspects of Britain as well as English by Radio have been supplied, and the potential is considerable.

The Italian language service of the Swiss Broadcasting Corporation was similarly supplied with 106 programme contributions during 1980 and Vatican Radio with 34. Interviews with the Service have also been given by many distinguished Italians during the past few months. These include Giulio Andreotti, the then Prime Minister, Giovanni Marcora, the former Minister of Agriculture, Francesco Poschi, the then Minister of Labour and the writer Alberto Moravia.

During 1980, the BBC Italian Service received 1,668 letters from its listeners.

The threat to the BBC Italian Service posed by the CPRS Report in 1977, and the Government's proposed economy measures in 1979, both provoked strong comment in the Italian press.

"Il Resto del Carlino" carried a long article in November 1979 under the title "Goodbye to Radio Londra and to many memories" and which included the following passage:

"The disappearance of these threatened transmissions by the so-called 'government axe' will break a tradition and will place the foreign service of the BBC in the position of being under suspicion of being transformed into a propaganda station, broadcasting only to Communist and developing countries. Why deny daily contact between friendly European countries?..."

"La Stampa" carried a similar article while the "Corriere della Sera" had this to say:

"... the decision to abolish programmes like 'Quadrante Internazionale' and 'Europa 79' (the first ever programme of its kind to be broadcast jointly by the BBC and Italian Radio) is, to say the least, strangely contradictory coming from a government which proclaims itself to be oriented towards Europe..."

And Mario Pinzauti, a leading RAI news director, was moved to comment thus:

"For forty years the BBC foreign services have diffused over Europe the voice of democracy. Today they are an important contribution to European unity and a model of impartial information and quality. To suppress this contribution would be a political mistake for Britain and for Europe..."

Italian officials' and listeners' reactions echoed these views and contained protests at the potential loss of reliable information. In a letter to the Managing Director of BBC External Broadcasting dated 12th September 1979, the Director General of Radio Vatican expressed "the utmost concern" at the fact that "the Italian programme is obviously threatened among others".

"... The possibility that the BBC broadcasts to Italy could cease seems to us a grave matter and we would like to think that the wide protests echoing around this

proposal may induce those responsible to find other areas where 'trimming' is less vital..."

Over the past few years, the Service has suffered from an inadequate mediumwave signal from the VAO relay in Munich as the aerial there was not properly aligned. After lengthy negotiations, a special aerial is about to be installed aimed at the target area. When this is completed, the signal would be greatly improved and the impact of the BBC's Italian Service much enhanced.

BBC SPANISH SERVICE

For many years, the Warsaw Pact countries have considered Spain to be a major target. The USSR contributes 21 hours of the 80 hours they broadcast in Spanish every week. Other Communist countries also recognize Spain's importance. Albania provides 24½ hours a week, Yugoslavia 10½ hours, China 14 hours and Cuba 43¼ hours.

This compares with 7 hours by the BBC and by France and 10½ hours by Federal Germany.

A joint audience survey was carried out in 1976 for the BBC and Deutsche Welle by an independent Spanish research organisation. It was estimated that the BBC Spanish Service had a regular audience of about 500,000 adults and a total audience, listening regularly or occasionally, of about 950,000 adults. The survey showed that the BBC audience had been increasing since a similar survey in 1971.

Results of a new survey are just being received and indicate that the audience is broadly similar to that in 1976.

In addition to the BBC Spanish Service's direct shortwave audience, the Service reaches the Spanish radio audience with programmes supplied to Spain's domestic radio services. During 1980, 752 programmes or programme items in Spanish were supplied to Spanish radio stations and a further 173 news or general contributions in Catalan were sent to Radio Nacional, Barcelona. The Spanish programmes include: A fortnightly link-up programme, "Debate Europa", originated by the BBC and containing discussions on topics of European interest between British, Spanish, French, Italian and German radios, and a 30-minute weekly light magazine programme for young people, "Meridiano de Londres". It is used by about 40 stations in the SER network.

BBC Spanish Service transmissions are rebroadcast every day by Radio Gibraltar, and in addition 53 editions of "Semana Inglesa" were sent to Gibraltar for rebroadcasting during 1980. Radio Gibraltar can be heard by listeners on the adjacent Spanish mainland. The common problem of the future of Gibraltar has undoubtedly been clarified by the undistorted flow of information on Britain's and Gibraltar's own attitudes provided by the BBC's Spanish Service.

During 1980, the BBC Spanish Service received 2,344 letters from listeners, many of which were stimulated by the very successful DX programme, launched at the beginning of the year. Indeed this programme made such a mark that it received a high popularity vote outside its target area in a competition organized by the Buenos Aires DX Club ahead of many other well established DX programmes.

During the war, the Franco regime and the delicate period of transition to parliamentary democracy, the BBC Spanish Service built up a solid audience which relied on it for uncensored news; through the Service the views of Spain's own democratic politicians were available, views which were suppressed in Spain itself. Many of the listeners to London during those times are now in positions of power in Spain. Spain's application to join the EEC has focused particular attention and interest on programmes dealing with the Common Market.

Another of Spain's preoccupations is with the problems of regionalisation. In 1980, Josep Tarradellas, a father figure of Catalan Nationalism and past President of the Generalitat of Catalonia paid this tribute:

"... the BBC has always been to all of us hope for tomorrow ..."

Despite the political changes in Spain, listeners say that the BBC Spanish Service provides a more complete and credible news service than Spain's own national media.

This criticism has been reflected in the British press. On 23rd February 1979, the Daily Telegraph reported that "Spanish radio and television are receiving increasingly heavy criticism for their unequal coverage of the current general election campaign", and on 29th November 1978, the Financial Times recorded that "despite Spain's achievements in transforming itself from a dictatorship to a democracy, the powerful state-owned television service continues to act as a propaganda arm of the Government and ruling party ..."

More recently the Financial Times reported that the Director-General of RTVE had been removed from his post—and appointed Spanish Ambassador in London—because of growing protests over the Spanish TV's political bias. In February 1981, when Colonel Tejero of the Civil Guard, occupied the Spanish Parliament, the Spanish National Radio and Television stopped all news broadcasts.

A questionnaire sent to BBC contacts showed that these tuned to BBC Spanish broadcasts for the latest news. It can be assured that many more followed them.

On 30th August 1979, Radio Madrid in its European Service in Spanish, commented on the possible disappearance of the BBC's broadcasts in Spanish. For many years, the Service had been familiar to Spanish listeners "Searching for non-Sectarian news, free from any dogmatism and close to objectivity." The possible loss of the Service was bad news "which we would not wish to see definitely confirmed." The commentary paid tribute to those who had contributed for many years to the promotion of "a democratic ideal." The BBC broadcasts had had a direction and feeling that converged with the aspirations of the Spanish people and "daily offered us a stimulating and natural image of Great Britain." The commentary concluded with the hope that the budgetary measures would be short lived "because we refuse to believe that the voice of the BBC in Spanish has been silenced for good."

The popularity of the BBC was very clearly demonstrated by attendance at two "BBC Week" exhibitions organized by the BBC in Madrid in April 1978 and in Barcelona in May. The event in Madrid, which was opened by the Mayor of the capital, was visited by some 4,000 people a day. The exhibition in Barcelona, which was opened by the President of the Catalan Regional Government, was seen by some 3,000 people a day. In 1979 the University of Pamplona organized "A Week with the BBC" which proved so successful that the authorities decided to extend the idea to coverage of other international broadcasters.

The leading Madrid newspaper El Pais carries daily the programme schedules of the BBC Spanish Service.

BBC BRAZILIAN SERVICE

Since March 1938, without interruption, the BBC has been broadcasting a daily service in Portuguese to Brazil. Throughout this period a substantial number of people have acquired the habit of tuning in regularly to a service which provides them with, among other things, unbiased world news and comment based on unrivalled international network of sources and correspondents. In addition to the direct short wave transmission about eighty Brazilian stations receive recorded programmes which are broadcast regularly on the local air.

The most recent independent surveys in Brazil measured the size of the BBC's audiences in Rio de Janeiro, São Paulo and five state capitals. The total audience to the BBC in Portuguese in these cities alone is some 865,000 adults of whom 180,000 listen regularly. The adult populations represented by the samples in all seven urban centres represent about a quarter of the adult population of Brazil, which with a total of 119 million has now the sixth largest population in the world.

The external broadcasting services of the Communist countries maintain a high volume of output in their Brazilian services. Among Warsaw Pact countries, the USSR provides a Brazilian Service with an output of 23.30 hours a week; the remaining members of the Pact broadcast between them over 50 hours a week to Brazil. Also beamed to Brazil are 21 hours a week from Albania and 14 from the Chinese P.R.

With its output of 15.45 hours a week, the BBC Brazilian Service is one of many Western voices competing for Brazil's attention. Included among the others are Federal Germany's Deutsche Welle, the Voice of America, Canada, the Netherlands, Portugal, Sweden, Switzerland, Japan, Italy, Greece and the Vatican.

The British Foreign Secretary's tour of Latin America in July last year—which took him first to Brazil and subsequently to Venezuela and Mexico—appeared to indicate the U.K.'s recognition of Brazil's growing importance, both as an economic power and as a leading Third World protagonist in the North-South dialog. In the United Nations Brazil vigorously deplored the Soviet occupation of Afghanistan.

For Britain to turn its back on the Brazilian audience—while preserving a service to the Spanish-speaking countries of Latin America—is a policy statement which may have unfortunate consequences.

A Times supplement on Brazil, issued in March 1978, featured an article headed "Broadcasting Informs the Masses Where Few Can Read" and commented: "... it is easier to find a Brazilian with a transistor pressed to his ear than with a newspaper under his arm ..."

The article pointed out that only about 4 million out of a population (in 1978) of 115 million read a newspaper and that the real mass media in Brazil are radio and television. In April 1977 a full-page feature in the "Jornal do Brasil", one of the country's leading papers, on the inroads made in Brazil by foreign broadcasting stations included various references to the BBC Brazilian Service, among them the following:

"... Promotion of national industry is stressed by some short-wave radio stations such as the BBC which broadcasts an industrial programme with that specific purpose. Brazilian listeners are told of the latest technological advances in British industry and are even given addresses of firms to write to for fuller information or for importing a product ..."

In April 1978 the Finance Secretary of the State Government of Minas Gerais—an important industrial area—said in an interview:

"The BBC Brazilian Service is very influential not only in remote areas of the country, where people have less access to press, radio and TV, but also in the larger cities like Rio, São Paulo and Brasília. I have heard a large number of people, both journalists and people not connected with the press, mention they heard a particular piece of news or comment on the BBC. In my opinion, the BBC is not only extremely important for information, but also very influential as an opinion former."

In May 1980 the "Folha de São Paulo" headed an item on the BBC with the words: "The Foreign Station With the Largest Audience in Brazil".

In 1979 Brazilian listeners reacted with alarm to the news of possible cuts in the BBC's External Broadcasting activities. The following quotes are taken from letters received:

"... I have learned that the Brazilian Service might suffer with the recently announced government cuts. I strongly protest against that decision. ... I pray to God that the government will still change its mind as it would be a great loss if the Brazilian Service went, as I have learned a great deal, and am always learning, through its transmissions. ..." (São Paulo).

"... If that happens, the most affected would not only be the BBC listeners but also the free world, as we all know the stations of the socialist countries are extending their programmes and frequencies. ..." (Mato Grosso do Sul).

UNITED AIRLINES PILOTS APPROVE LANDMARK CONTRACT

Mr. PERCY. Mr. President, almost 4 years ago, Chicago-based United Airlines decided to break with the airline industry and support airline deregulation legislation. United courageously opted to fight to end the comfortable atmosphere of Federal regulation that limited competition. Instead, it wanted to be given the freedom of the marketplace; that is, the ability to add new routes, provide additional services, and price its product without Government interference. It was led by Ed Carlson, who is now chairman of UAL, Inc., and Richard Ferris, who is now chairman of United Airlines.

Without the support of United Airlines, and particularly, Monte Lazarus, who is now senior vice president for external affairs, I am afraid the struggle to pass deregulation legislation would have been much more difficult, if not impossible. Not only did United support the legislation, but it actively, vigorously and effectively delivered its message to the Congress.

Since the enactment of deregulation legislation in October 1978, a series of unforeseen and adverse events have overcome United and the rest of the aviation industry: Intractable fuel prices that continue their upward spiral, the grounding of the DC-10 fleet, a lengthy strike, a recession, high interest rates, and an illegal controllers strike.

Despite these negative events and new competition on many of its lucrative routes, United has remained supportive of deregulation.

Finally, this commitment is beginning to pay dividends. Recently, United Airlines pilots approved a new labor contract that will reduce crew costs by 15 percent while guaranteeing job security for its pilots. The pilots have agreed to fly twin-engine Boeing 737 aircraft with two crew members, instead of three. This should make United Airlines more competitive with the new entrants.

The contract should serve as a model for the airline industry on devising the best strategies to improve productivity without sacrificing job security.

As a result of the contract, United has announced a major expansion that will find it flying to such medium-size cities as Syracuse, Louisville, San Antonio, and Albuquerque, by October 1, 1981.

Additionally, it will institute low-fare

service along the west coast on the same date called "Friendship Express."

Shortly, United Airlines is hoping to service Japan from the Pacific Northwest. It has waited many years for final approval of this new route, and it should not be subject to any further delays for any reason.

I would like to submit for the RECORD an explanation of United Airlines' new service as published in its Friendly Times newspaper of this month, and ask unanimous consent that it be printed in the RECORD at this point.

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

GOOD NEWS FOR EVERYONE: UNITED WILL GROW, NOT SHRINK

In an aggressive move to expand the airline, Chairman Dick Ferris says before year end United will:

Add four new cities to its routine system. Establish high-frequency, low-cost Friendship Express service between both Los Angeles and San Francisco and several cities in California and other Western states.

Expand service at three cities that got their first scheduled United flights less than a year ago.

Increase capacity in scheduled service to Las Vegas by 20 percent.

The new flights will be accommodated within the government's flight-level guidelines.

Ferris attributes the expansion to productivity gains resulting from a new pilot contract ratified August 13 and other cost efficiencies the company has achieved in the past 12 to 18 months. Without the cost savings, it would have been necessary to shrink the airline by 30 percent.

Although optimistic, Ferris says timing of the expansion hinges on airways capacity as a result of the strike by air traffic controllers.

United currently plans to start service October 1 at Albuquerque, Louisville, San Antonio and Syracuse.

The company plans two daily round-trip flights between Albuquerque and both Chicago and Denver and one daily round trip to San Francisco, Louisville, San Antonio and Syracuse will have two daily round-trip flights to Chicago.

United's ability to provide more same-airline connections beyond the major cities will enable the company to compete effectively with other airlines that provide service in the markets.

Frequent, low-cost flights in high-density markets from both Los Angeles and San Francisco also will begin Oct. 1, if airways capacity is available. The new Friendship Express service is designed to enhance United's position in the two major California cities.

Productivity gains made possible by the new pilot contract will allow United to compete on a cost basis. Ferris said this ability to compete on a cost basis also will allow United to re-enter several markets, including Los Angeles to Sacramento and San Jose and San Francisco to San Diego.

At Los Angeles, Friendship Express will include five daily round-trip flights each to Las Vegas, Phoenix, Reno, San Jose and Sacramento, six daily round-trip flights to Portland and 16 round-trip flights to San Francisco. Some of the six daily Los Angeles-Seattle flights also will operate with all-coach aircraft.

Friendship Express at San Francisco will include new non-stop service to both Las Vegas and San Diego with four daily round-trip flights each and one additional daily round-trip flight to current service levels in Portland, Phoenix and Reno. Service between San Francisco and Boise, Eugene, Spokane,

Los Angeles, Medford, Santa Barbara, Seattle and Salt Lake City will remain at current levels, but will operate in all-coach aircraft.

Ferris said United plans to expand service at three cities—Oklahoma City, Tulsa and Houston—which a year ago were not on United's route map.

On Oct. 1, the company plans to add a daily flight between San Francisco and both Oklahoma City and Tulsa. On Oct. 25, United will expand substantially at Houston, again subject to the possible restraints of the air traffic control system. Plans are to add three daily round-trip flights to Los Angeles, two daily round-trip flights to New York's LaGuardia Airport and one round-trip flight to Philadelphia.

Recognizing the price-sensitive, low-yield nature of the Las Vegas travel market United will increase substantially the number of seats available to Las Vegas beginning Sept. 9. By replacing current equipment with high-density DC-8-61 and all-coach Boeing 727-200 aircraft to routes from key cities, the change can be accomplished without affecting the airways system.

The company plans additional flights later in the year, specifically new non-stop Milwaukee-Las Vegas service and equipment changes for service between Las Vegas and Philadelphia, Detroit, Baltimore/Washington, Cleveland, Omaha and Denver.

"With improved cost efficiency, United will be able to grow," Ferris says. "In an extremely price-conscious environment, we cannot compete on price alone. An airline must be cost competitive or it will lose the game in time."

"The actions we've taken in the past few months have paved the way for the growth we expect to begin this fall," he said.

FERRIS: WE WILL BE A DIFFERENT AIRLINE

We're going to be a different kind of airline than we've been in the past.

We have to be.

Deregulation has opened the way for new, low-cost airlines to compete with us on our busy, profitable routes. But that same deregulation has freed us to compete as hard as our own will and smarts will let us.

But to compete in the market as it is today, we can't keep on doing business the way we used to. Of course, it's one thing to say we can't be the kind of airline we were in the days of tight regulation. It's another thing to be able to describe what kind of airline we're going to become. Our vision of the United of the future is still evolving, just as the shape of the competitive marketplace is still evolving.

But here are at least some of the features of the United of the future that I can see right now:

To compete with the new low-cost airlines, we're going to become a low-cost operator ourselves, where we have to be.

Travelers today are looking for the lowest price. While we've traditionally sold the Mercedes of air service, in some markets we're finding out we can make more money and serve more people by selling Pintos.

If the customers want a Pinto, we're not going to get anywhere trying to sell them a Mercedes, because the customers aren't going to buy it. So we're not going to try to sell them a Mercedes, just because selling high-grade service makes us feel so good and classy.

We're going to be an airline that finds new ways to work with employees and unions, so we can keep on competing, growing and providing jobs and good pay.

The old confrontation game with unions is no good anymore.

Unlike other airlines, nobody here is asking employees to give up pay raises. Nobody is asking employees to give up those really important working conditions everyone has worked so hard to get.

But if we're going to be a low-cost operator wherever we have to be, we—all of us—have to work together to find out how we can do away with some practices that push our costs out of bounds without really improving the quality of employees' working conditions or their work life.

We're going to need everybody's help to keep the airline's costs in line, and still keep the things that are important to employees.

In any market, whether we're giving Mercedes service or whether we're giving Pinto service, we're going to be the best-run airline in the business.

We already have the best airline people in the business.

You can run a low-cost airline like the Friendship Express better than anybody in the business.

You can run a first-class service better than anybody in the business.

By finding new ways to work together—us together—to improve our efficiency, we can beat the low-cost airlines at their own game. We already know we can beat our traditional competitors at their game. What it all adds up to is the most important feature of the United of the future.

We're going to grow.

ASSIGNMENT "BLUE SKIES" YIELDS UNIQUE DOCUMENT

A pivotal point in the history of United. That's what Chairman Dick Ferris calls the new pilots' contract.

"Depending on what the pilots did, this airline could have taken one of two very different roads," Ferris says. "We could have taken the low road. We could have been forced to abandon routes to low-cost airlines and get a lot smaller—up to 30 percent smaller. Or we could take the high road. We could be free to compete and grow."

The company's aggressive expansion plans for the fall make it clear that United's now committed to the high road.

To get on that road, the company and the pilots' union (ALPA) negotiated a new contract—a contract that's far from a warmed-over version of the pre-deregulation model. The brand-new contract, written from scratch, is the product of some unusual negotiations.

Here's how the new contract came about:

Shortly before the old contract was up, it became apparent that "normal" negotiations wouldn't produce enough changes to make United cost-competitive with low-cost airlines. So rather than negotiate against a tight deadline, the company and the union agreed to extend the old contract for six months (at a 6 percent pay raise for pilots). The extension gave both sides time to look at "Blue Skies."

"Blue Skies" was the term applied to a cooperative effort by the union and the company to improve United's competitive position by writing an entirely new contract suited to today's environment, rather than trying to modify the old contract and its layers of age-hardened inflexibilities.

The union wanted proof that the company wasn't crying "wolf" over its competitive problems and its need for relief on crew costs. So the company opened up its financial and marketing data to both the union negotiating committee and to an analysis and verification committee specially appointed by the union. The analysis and verification committee members were pilots chosen for their particularly strong business background.

The first step was to determine how much crew-cost saving was needed to allow United to compete against low-cost airlines on its current routes. Once that needed cost saving was known, the company and union agreed on adjustments to pay practices, work rules and crew complement that would make the saving possible.

The result was a contract that allows the pilots to be more productive on the days they work. But the contract essentially preserves the pilots' traditional work patterns and days off. And the company agreed not to furlough any pilots now on the payroll and assured it would employ at least 4,539 pilots through the contract term.

PILOT CONTRACT IS AN INDUSTRY PACESETTER

The pilots' union has ratified a new contract that will help United compete head-to-head with low-cost carriers.

The new contract will cut United's crew costs by 15 percent, while providing pilots a guarantee against any further furloughs and a pay raise—24 percent over 26 months—that keeps United pilots among the best paid in the industry.

The savings for the company come from relaxing work rules or "duty rigs."

The new contract permits the company to schedule pilots to fly 81 hours a month, up from the 77½ hours provided by the old contract. In addition, the company can schedule pilots' duty hours more flexibly.

The pilots also agreed to fly the Boeing 737 with a two-member crew instead of a three-member crew.

"I want to thank the pilots on behalf of all United employees for having the wisdom to choose a very positive course of action," said Chairman Dick Ferris. He called the company's plans to dramatically increase flying in the fall "the direct result" of the pilots' agreement.

All other airlines—except Western Airlines—have had a crew-cost advantage over United in small jets, because other airlines fly 737s and McDonnell Douglas DC-9s with just two pilots in the cockpit, while United's contract has required three. Many of the new low-cost airlines—such as New York Air and Midway Airlines—fly only 737s or DC-9s with two-member cockpit crews.

To specifically counter those low-cost airlines, the new contract reserves its most sweeping work-rules changes for United's 737 crews.

The contract eliminates all 737 duty rigs, except that the company has to provide 737 pilots 15 days off a month and can't schedule their flying in such a way that pilots are "away from home" more than 275 hours a month. ("Away from home" time is counted from an hour before a pilot reports for work until a half-hour after he returns). The object of those stipulations is to assure that the company will schedule the pilots productively.

For crews of United's other aircraft, the contract reduces the hours of flight time pilots are guaranteed for each hour they're "away from home." That provides the company more flexibility in scheduling.

The pilots also agreed to fly the new Boeing 767 with a two-member crew, if the Federal Aviation Administration certifies that aircraft for operation by two pilots. United will take delivery of its first 767 next year.

HIGH INTEREST RATES HURT OUR FARMERS

Mr. BOREN. Mr. President, rampant inflation, high interest rates and declining farm commodity prices have combined to create a disastrous situation in our country's farm economy today. Farmers are faced with increased production expenses due to soaring credit costs for production loans. As a result, the demand for farm capital loan investments is down substantially because of high interest rates.

Bankers throughout the Nation re-

port that farmers are making do with existing machinery where possible and holding off on major building and other capital improvements. This loan demand picture is a direct result of high interest rate levels being charged to farmers. Also, because of higher production costs the American farmer has less funds available for paying down his outstanding loans.

Because of the increasing cost of credit, many farmers and ranchers are finding it increasingly necessary to use farm land equity to meet their credit needs. This type of agricultural borrowing is a distressing indicator signaling that farmers and ranchers are desperately trying to cope with spiraling interest rates.

Many bankers around the country report that this year will be a "make or break" year for the marginal and highly leveraged farm operator. Also, across the Southern States, bankers have indicated a noticeable increase in the number of farm operators that are liquidating because high interest rates have raised their production costs above break-even levels.

High interest rates have also been responsible for depressing farm commodity prices. According to the August 3 issue of the Wall Street Journal high interest rates have played a significant role in depressing commodity prices, because when rates are high, farmers and processors often reduce inventories to pay debt or to invest their money in higher yielding, money market securities.

Farm commodity prices continued to slide in July, dropping 0.7 percent from June. Since the start of the year the farm commodity price index has dropped over 2.8 percent. As a direct result, meat producers in the cattle and hog industry are operating at severe losses. The staggering effect of high interest rates and depressed commodity prices are forcing many meat producers out of business.

Mr. President, the messages we are receiving from our Nation's farm economy are loud and clear: High interest rates pose a serious threat to our Nation's producers of food and fiber, if high interest rates prevail American agriculture will suffer its worst setback since the Great Depression. The effects of such a setback, because of high interest rates, would be devastating for years to come not only to our Nation's farm sector but also to the rest of our Nation as well.

FEDERAL COURT LIBRARIES

Mr. HELMS. Mr. President, a highly significant publishing event that occurred July 31, when William S. Hein & Co., Inc., of Buffalo, N.Y., published a two-volume set, Federal Court Libraries, which was prepared by Raymond M. Taylor, a respected lawyer and internationally recognized authority on law libraries and the law information industry.

Most of the material in this 2,049-page set was prepared when Mr. Taylor was project director of the Federal Judicial Center Study of Federal Court Libraries during the time between January 20, 1976, and September 30, 1977. More than 1,000 Federal judges and court person-

nel participated in providing information for this study, and there were contributions by law publishers, architects, librarians, personnel specialists, and others who recognize the importance of this mammoth undertaking.

Indeed, the study by the Federal Judicial Center under Mr. Taylor's direction is perhaps the most all-encompassing study of law libraries and law research ever done.

The study has significance from several standpoints. It tells about the books used by Federal judges and where those books are located. It tells also about where our Federal courts operate and how our judges do their work. It gives much insight, therefore, into our judicial system, including its achievements and its shortcomings.

Mr. Taylor wrote that the methods and facilities for law research within our Federal courts are examples of "waste, inefficiency, and false economy." Those unwelcome findings are supported by the documents included in the set just published. That presents a challenge to the courts, the Congress, and the present administration, Mr. President, because every possible effort should be made to eliminate waste and inefficiency in all parts of the Federal Government.

By tracing the history of the development of law libraries for the Federal courts, Mr. Taylor points out many causes of inefficiency. Federal court buildings, he says, are designed in a way that results in wasteful duplication of books and discourages the sharing of research resources by our court personnel. After finding no current General Services Administration standards for the architectural design of court law libraries, Mr. Taylor's study makes suggestions for appropriate standards.

Perhaps most important among the study's recommendations, Mr. President, is that a coordinated nationwide law information system be established to serve all Federal judges wherever they are and whenever they need information on the law. Such a system would bring together the resources of hundreds of lawbook collections and use both modern technology and skilled specialists to help Federal judges do their work more efficiently. Until this study was done, the emphasis seemed to be upon "procurement and property control," that is, procedures for contracting to buy books and then keeping records of them, rather than upon devising the most efficient and economical ways of providing information, whether from books or computers.

Because the study was done in 1976 and 1977, the documents prepared then are of special importance today, Mr. President, as a basis for determining what improvements, if any, have been made as a result of these findings and recommendations. Also, the Congress will find help here in providing means for our courts to keep up with their work in the future, and to do so efficiently and economically.

The information in Federal Court Libraries has not been available in conveniently useful form before now, Mr.

President, because it consisted of many separate documents, appendixes, tables, photographs, and other materials. As an example of the capabilities of the free enterprise system, this valuable material subsequently has been organized, indexed, and published without cost to the Government. Not only is the public given convenient access to valuable information formerly available to only a few Government employees, and even then without an index, but the libraries, law firms, architects, and others who desire this material now may purchase it at a reasonable price.

Private enterprise is making a genuine contribution by publishing material of this kind so that it easily may be obtained by members of the public who desire it and are willing to pay a fair price for it. Such publishing ventures place no burden on the taxpayers and are a service to both the public and their Government. Publishing of this kind should be encouraged, Mr. President, and for that reason I am particularly pleased to bring to the Senate's attention the recent publication of Federal Court Libraries.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. The time for morning business has expired.

UNIFORMED SERVICES PAY AND BENEFITS ACT OF 1981

The PRESIDING OFFICER. The Senate will resume consideration of the pending business, which the clerk will state.

The bill 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 resumed consideration of the bill.

The PRESIDING OFFICER. Under the previous order, the hour of 9:45 a.m. having arrived, the Senate will now proceed with the consideration of the Matsunaga-Hatfield amendment dealing with the comparability pay raise for en-

try-level military personnel, on which there shall be 3 hours of debate.

The Senator from Hawaii is recognized.

UP AMENDMENT NO. 354

(To provide a comparability pay raise for entry level military personnel by reducing the pay raise provided to commissioned officers)

Mr. MATSUNAGA. Mr. President, I have an amendment which I send to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Hawaii (Mr. MATSUNAGA), for himself and Mr. HATFIELD, proposes an unprinted amendment numbered 354.

Mr. MATSUNAGA. 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 39, beginning with the table in line 4, strike out all through the end of the table on page 41 and insert in lieu thereof the following new table:

COMMISSIONED 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
O-10	\$4,376.70	\$4,530.60	\$4,530.60	\$4,530.60	\$4,530.60	\$4,704.30	\$4,704.30	\$5,064.60	\$5,064.60	\$5,427.00	\$5,427.00	\$5,790.00	\$5,790.00	\$6,151.20	\$6,151.20
O-9	3,878.70	3,980.70	4,065.30	4,065.30	4,065.30	4,168.80	4,168.80	4,341.90	4,341.90	4,704.30	4,704.30	5,064.60	5,064.60	5,427.00	5,427.00
O-8	3,513.00	3,618.30	3,704.40	3,704.40	3,704.40	3,880.70	3,880.70	4,168.80	4,168.80	4,341.90	4,341.90	4,704.30	4,704.30	4,892.70	4,892.70
O-7	2,919.00	3,117.90	3,117.90	3,117.90	3,117.90	3,257.40	3,257.40	3,446.40	3,446.40	3,618.30	3,618.30	3,980.70	4,254.00	4,254.00	4,254.00
O-6	2,163.90	2,377.50	2,532.90	2,532.90	2,532.90	2,532.90	2,532.90	2,532.90	2,532.90	2,736.60	3,033.30	3,188.40	3,257.40	3,446.40	3,738.00
O-5	1,746.30	2,050.50	2,192.10	2,192.10	2,192.10	2,192.10	2,309.40	2,390.40	2,550.60	2,741.40	2,899.20	2,985.50	3,090.90	3,090.90	3,090.90
O-4	1,478.70	1,800.00	1,920.30	1,920.30	2,016.30	2,106.00	2,230.20	2,345.40	2,452.50	2,515.20	2,562.00	2,562.00	2,562.00	2,562.00	2,562.00
O-3	1,374.00	1,536.00	1,641.90	1,833.00	1,920.30	1,989.90	2,096.70	2,181.60	2,215.50	2,255.10	2,283.00	2,310.90	2,310.90	2,310.90	2,310.90
O-2	1,161.60	1,269.00	1,524.30	1,588.50	1,621.50	1,621.50	1,621.50	1,621.50	1,621.50	1,621.50	1,621.50	1,621.50	1,621.50	1,621.50	1,621.50
O-1	1,008.30	1,049.70	1,269.00	1,269.00	1,269.00	1,269.00	1,269.00	1,269.00	1,269.00	1,269.00	1,269.00	1,269.00	1,269.00	1,269.00	1,269.00

COMMISSIONED OFFICERS WHO HAVE BEEN CREDITED WITH OVER 4 YR 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 26	Over 30
O-3	\$1,821.60	\$1,908.60	\$1,977.60	\$2,083.80	\$2,187.30	\$2,275.20	\$2,315.40	\$2,343.60	\$2,370.00	\$2,370.00	\$2,370.00	\$2,370.00
O-2	1,588.50	1,621.50	1,708.20	1,796.70	1,865.70	1,917.00	1,917.00	1,917.00	1,917.00	1,917.00	1,917.00	1,917.00
O-1	1,269.00	1,366.50	1,446.60	1,498.80	1,551.00	1,621.80	1,621.80	1,621.80	1,621.80	1,621.80	1,621.80	1,621.80

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	\$1,397.10	\$1,498.80	\$1,498.80	\$1,533.20	\$1,602.50	\$1,673.70	\$1,743.90	\$1,865.70	\$1,952.10	\$2,021.10	\$2,074.50	\$2,142.30	\$2,214.00	\$2,386.20	\$2,386.20
W-3	1,270.20	1,377.60	1,377.60	1,395.00	1,411.50	1,514.70	1,602.50	1,655.40	1,708.20	1,759.20	1,813.50	1,883.70	1,952.10	2,021.10	2,021.10
W-2	1,080.60	1,168.80	1,168.80	1,212.90	1,279.50	1,377.60	1,429.50	1,485.00	1,533.30	1,586.70	1,638.90	1,690.80	1,759.20	1,759.20	1,759.20
W-1	900.30	1,032.30	1,032.30	1,127.70	1,178.40	1,254.90	1,306.20	1,360.20	1,411.50	1,463.40	1,514.70	1,569.00	1,569.00	1,569.00	1,569.00

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						\$1,682.40	\$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	\$2,221.50
E-8						1,416.00	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	\$1,149.50	\$1,180.20	1,217.40	1,256.70	1,297.60	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	633.30	668.10	694.80	722.40	722.40	722.40	722.40	722.40	722.40	722.40	722.40	722.40	722.40	722.40	722.40	722.40	722.40
E-2	609.30	609.30	609.30	609.30	609.30	609.30	609.30	609.30	609.30	609.30	609.30	609.30	609.30	609.30	609.30	609.30	609.30
E-1	546.90	546.90	546.90	546.90	546.90	546.90	546.90	546.90	546.90	546.90	546.90	546.90	546.90	546.90	546.90	546.90	546.90

Mr. MATSUNAGA. Mr. President, the Senator from Oregon is required to be at another function where he is presiding. I yield to the Senator from Oregon for his opening remarks.

Mr. HATFIELD. Mr. President, I thank the Senator from Hawaii for accommodating me, as I do have this conflict of chairing a markup of the Committee

on Appropriations, beginning at 10 o'clock.

Mr. President, it is a privilege to stand, once again, with my good friend, Senator MATSUNAGA, in defense of the All-Volunteer Force. No Senator has been more thorough in his approach or firm in his commitment to this cause than the Senator from Hawaii. The amendment we

propose today is simple, essentially non-controversial, and designed to alter the pay bill to a minimal degree. Our amendment brings the pay bill in line with the studied conclusions of the Department of Defense regarding long-term manpower needs.

The issue, put simply, Mr. President—and there is one issue only that we can

really focus on today—is comparability. Military pay should be consistent with the level of purchasing power in the private sector which prevailed when we launched the All-Volunteer Force in 1972. Obviously, we must target certain areas with larger increments in pay in order to enhance retention.

Every Senator in this Chamber knows that men and women do not enlist in the armed services to get rich. Rather, they enlist out of a sense of patriotic duty, to develop new vocational skills, or for other reasons. We are not discussing the pros and cons of extravagance; we are discussing basic commitment. Congress has a commitment to young people who are looking for assurances that their families will not bear the burden of military service. They want to know that congressional adherence to the principle of comparability is not a temporary aberration, but an unwavering act of confidence.

For the purpose of insuring that this debate goes to the heart of the issue, I recommend that we expose our biases immediately. My advocacy of the All-Volunteer Force and my abhorrence of compulsory military service is well-known and understood. But I suggest that if any Senator here today has already concluded that the All-Volunteer Force is unaffordable and that we cannot possibly hope to garner sufficient funds to pay the enlisted ranks a decent wage, that he clarify that position now. For this is, to some extent, a referendum on the All-Volunteer Force. I might say it is really a back-door opening to the draft. I hesitate to carry this line of thought too far, as I do not believe that most Members of this Chamber have given as much thought to this amendment as they have to the larger arguments of voluntarism versus coercion.

Mr. President, in my view, the Senate Armed Services Committee has done a creditable job of insuring that pay levels for senior enlisted personnel, technical experts, and career officers are substantial and appropriately targeted. But with all of this fine work, there exists an exception which I find curious. While middle and senior enlisted personnel will receive pay increases ranging from 13 to 22 percent and all officers average around 12 percent, entry-level personnel are slated to receive pay increases of only 7 and 8 percent.

I assume that we can trust their own documentation. Their documentation starts with the O-10 general level at 12 percent. That is their own documentation. If this is a charade and they are going to explain this documentation away as meaningless, then let them come forth with accurate documentation.

I have documentation here showing O-10 at 12 percent increase, O-9 at 12 percent, O-8 at 12 percent, and down the line. This is from the Armed Services Committee itself. Yet, they give entry pay increases of only 7 percent to 8 percent.

The administration has determined that a 9.1-percent increase is the minimum necessary to keep military pay comparable with private-sector purchasing power. In order to correct this inadequacy, only minor modifications

need to be made in pay levels at the career officer level. Looking at the pay scale chart in the Senate bill, the four highest grades will receive a 12-percent pay increase with only one exception, which is the O-6 grade officer having served 14 years, who will receive 17 percent.

Moving down the chart to the next three grades, the average increases are even larger, with some officers receiving increases as large as 16.5 percent. Only at the O-1 and O-2 level do we see officers receiving pay increases at the approximate comparability level. Similarly, increases for noncommissioned officers and enlisted personnel above the E-3 level range from 10 to 22 percent. The point here, Mr. President, is that there is ample room to add an additional 1 percent to those at the entry level without disrupting the essential objectives of the Senate pay bill.

Mr. President, the Secretary of Defense wrote me recently and asked that I support the concept of a nontargeted, across-the-board, 14.3-percent increase so that the Department of Defense could allocate the money on the basis of a scientific approach. The House Armed Services Committee concurred with this logic and has done just that. While I also favor this approach, Mr. President, I do not stand in disagreement with the essential thrust of the Senate bill. The below-comparability pay for the lowest enlistment levels is the only glaring flaw which I see in the bill.

I would add that the Department of Defense has clearly stated that officer reenlistment does not now pose, nor is it expected to pose, great difficulty for the future. The retention of noncommissioned officers, which had previously been a severe problem for the Armed Forces, has improved markedly. There is every expectation that this situation will continue to improve in the years ahead.

I stress, however, that this does not mean that we can lapse into a sense of comfort with respect to these areas. We must continue on the course which was begun in October of last year to reestablish the pay levels which were envisioned when the All-Volunteer Force was first formed. That was started by Senator ARMSTRONG and Senator MATSUNAGA on the floor, and the Armed Services Committee only dealt with this issue at a later date in order to get into the act.

I also emphasize—and this is critical—that our amendment will not take a single cent from any of the noncommissioned officers or technical people. Where cuts are made, they are minuscule and only affect those who are substantially above the comparability level.

Mr. President, because this debate occurs at a time in which calls for a return to the draft are frequent and widespread, I take this opportunity to point out how incredibly well the All-Volunteer Force is doing. It is important to stress that these improvements have accelerated since October 1980, when Congress enacted the first long-overdue major pay increase. Between October 1980 and March 1981, Active Force strength actually exceeded the objectives.

The Army exceeded its strength re-

quirement by the greatest margin of any of the services. Reenlistment is up sharply, as our measurable quality indicators. These improvements occurred despite the stringent quality standards imposed by the Armed Services Committee and Congress on the forces. One such requirement is the minimum 65 percent high school graduates for first-term Army enlistments. The Army is now getting 68 percent high school graduates and an 80 percent overall high school graduate level.

The Department of Defense projection of the future size of the career force indicates that, based on the most recent retention statistics, each service can meet its aggregate career force objective even with a total force size increase if pay levels remain reasonable. These projections, however, are based on an assumed 14.3-percent, across-the-board increase.

The Army is expected to exceed its objective by fiscal year 1982, assuming a 5-percent growth in force size. The Marine Corps will exceed its objective by fiscal year 1983, assuming a 10-percent growth in strength. The Air Force will exceed its objective by fiscal year 1982, also assuming a 10-percent growth in strength. The Navy will exceed its objectives by fiscal year 1985, assuming a 15-percent growth in strength.

We can meet these requirements and, indeed, exceed them, but it cannot be done without maintaining at least comparability before all.

Because of these stringent quality standards and the Administration's call for a substantial increase in force strength, there is a growing body of opinion, including the Department of Defense itself, which holds that quantitative requirements, rather than quality and career retention, will pose the greatest challenge for the volunteer force in the 1980's.

Mr. President, there are indications that the comparability level will be even higher than that which was originally envisioned. If this is so—and I believe it only prudent to operate on the side of caution—we are shortchanging the first-term enlistees to an even greater extent than we originally thought. We have an All-Volunteer Force. That is the policy.

There are those who yearn to a return to the draft, and they are entitled to their opinions. I am not questioning the integrity of those who genuinely believe that this would be a more advantageous road to take. But we cannot allow this desire to affect the judgments and policies we make under the present arrangement. Let us debate that issue in a separate context. For now, we are deciding whether or not we will respect the requirements of the voluntary force concept.

Mr. President, I have a letter from the Bureau of Labor Statistics indicating that the 9.1 comparability figure may turn out to be a 9.7 figure for the base upon which we are making these judgments. So that would make for even greater discrimination.

We are going to hear about compression pay. This amendment does not af-

fect that one bit. We will still have between the E-3 and E-4 the differential necessary to attack the compression pay problem.

We are going to hear about the enlistee being comparable to an apprentice in the commercial world. There is a comparison one can make; but in the matter of apprentices, they are above or at the minimum pay level, which is higher than these figures we are talking about, the E-1's, E-2's, and E-3's.

Mr. President, I cannot comprehend why there is such reluctance. I would have thought that the leadership, which has made an outstanding contribution to this comparability pay problem in bringing this matter to the floor from the committee, would be the first to cosponsor this proposal or would have handled this in the committee. Why the discrimination against the enlisted raise at E-1, E-2, and E-3? One percent only will bring them up to a 9.1-percent base of comparability, and that is not asking very much.

Therefore, when we offer this amendment, we are doing so not only in the name of comparability, to make it more accurate, but also, we are doing so with the least disturbance to the work of this committee in targeting pay at those middle areas we need to retain by attacking the problems of compression pay. We are doing the least in disturbing their overall program.

At the same time, we are bringing equity where there is discrimination; I believe, we are also striking a note for the volunteer system.

I do want to make the very strong commitment here today which we made in 1972. That is, when we went to the volunteer system, we made a commitment that we were going to maintain comparability. Recruiting is going to be the problem of the 1980's, and recruiting is the issue we are attacking here.

If we fail to adopt this amendment, we are opening the back door for the return to the draft. We are also being discriminatory against the E-1, E-2, and E-3. We are not maintaining our commitment that we made in 1972 for comparability.

So it is only to right an injustice, to right a glaring flaw in this bill, and I am very hopeful that by the end of the debate the leadership of the bill will join in accepting this amendment because it in no way distracts their basic thrust.

I thank the Senator from Hawaii for his leadership on this matter. I am honored to be associated with him. I assure him that as soon as we finish the markup on this appropriation measure I will be back in the Chamber to join him in the battle for this.

(Mrs. KASSEBAUM assumed the chair.)

Mr. HATFIELD. Madam President, I ask unanimous consent to have printed in the Record the letter from the Bureau of Labor Statistics to which I have referred.

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

U.S. DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS,
Washington, D.C., September 9, 1981.
Hon. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATFIELD: In response to a September 8 telephone request from Mr. Rick Rolf of your staff to our Office of Wages and Industrial Relations, I am enclosing a copy of the June 26 release on white-collar salaries. The information is from the Bureau's annual survey of professional, administrative, technical, and clerical pay (the PATC survey) which is used to compare Federal white-collar salaries with those in private industry, as required by the Federal Pay Comparability Act of 1970.

The first page of the release indicates the average percentage increase in salaries between March 1980 and March 1981 for those occupations providing comparable data from both surveys. The combined average—9.7 percent—provides a general indication of how salaries increased for the survey jobs.

You may also be interested to know that the Bureau's Employment Cost Index (a broader measure of pay change in terms of industries and occupations) showed white-collar salaries increasing 9.3 percent over the same 12-month period. (See enclosed release dated May 28.)

If I can be of further assistance, please let me know.

Sincerely yours,

JANET L. NORWOOD,
Commissioner.

Mr. MATSUNAGA. Madam President, I thank the Senator from Oregon for his contribution. Without his advice and counsel I would not have been able to get as far as I have on this matter and on matters pertaining to the All-Volunteer Force. I wish to thank the Senator from Oregon.

Madam President, the amendment which the Senator from Oregon (Mr. HATFIELD) and I are offering to the Uniformed Services Pay and Benefits Act of 1981 is designed to restore a full comparability pay increase for entry level military personnel. It is clear to us that the below-comparability pay raises provided in S. 1181, as reported by the committee, for the junior enlisted grades will have a disastrous effect on military recruiting efforts and will, in the long run, undermine the All-Volunteer Force and result in the return to a peacetime draft. And as night follows day the committee will come before this body and say the peacetime draft is necessary to maintain our military manpower.

As reported by the Senate Committee on Armed Services, S. 1181 provides middle- and senior-enlisted personnel with substantial, above comparability pay increases ranging from 13 to 22 percent and generous increases to most officers averaging above 12 percent. At the same time, however, the committee bill provides entry level personnel in grades E-1, E-2, and E-3 with pay increases of only 7 and 8 percent. These levels of increase are below the 9.1-percent increase determined by the Reagan administration as necessary to keep military pay comparable to private sector wages. They are also far below the 14.3-percent increase for first-term personnel recommended by the Reagan administration

and approved by the House Armed Services Committee in its version of the military pay raise bill.

The Matsunaga-Hatfield amendment would increase the pay raise for E-1's, E-2's and E-3's from 7 to 8 percent to 9.1 percent, which, as I have earlier indicated, is the fiscal year 1982 comparability figure. The amendment would offset the cost of these increases by reducing the pay raises for commissioned and warrant officers by 1 percent or less, depending on grade. The pay raises provided to officers in grades O-5 through O-10 would be reduced under our amendment by 1 percent. The pay raises for officers in grades O-3 and O-4, many of whom are at the career decision point of 10 years of service, will be reduced by only one-half of 1 percent under our amendment. And those officers in grades O-1 and O-2 who are only receiving 9-percent pay raises under S. 1181, as reported by the committee, would be increased to 9.1 percent, again the comparability figure.

Madam President, I emphasize the fact that our amendment has a zero cost impact on S. 1181. That is relative to cost. The cost of bringing the entry level grades up to comparability is offset by the relatively small decrease in officer pay raises which I have just described.

And mind you, Madam President, that we are not suggesting a decrease in the pay of officers. We are merely suggesting a less pay raise, a smaller pay raise than they would otherwise get and only by one-half to 1 percent less pay increase.

Madam President, there has been a considerable amount of discussion over whether or not the Matsunaga-Hatfield amendment would, in any way, affect the targeted pay raise concept embodied in S. 1181; so I wish to briefly comment on this issue.

At the outset, let me say, and I wish I could have the attention of the floor manager on this matter because I know it is of big concern to him. If I may have the attention of the Senator from Iowa on this one statement which I am making, I would deeply appreciate it because this, as I know, is a matter of great concern to the chairman of the Subcommittee on Manpower.

At the outset, let me say that, except for trying to improve it, I strongly support the committee bill, and do intend to ask the distinguished floor manager and chairman of the Armed Services Manpower Subcommittee, Senator JEPSEN, to add my name as a cosponsor. I deeply share the committee's concern about retention of the skilled middle and senior enlisted personnel and wholeheartedly endorse the substantial pay raises provided to them in this legislation. As many of my colleagues know, and as the chairman well knows, I have, in the past, supported across-the-board increases in military pay. In 1979, I joined the distinguished Senator from Colorado (Mr. ARMSTRONG) in offering the first amendment to provide military personnel with full, across-the-board comparability increases in pay.

At that time, I believed very strongly that because of successive pay caps and lack of benefits increases—which in effect

constituted a failure on the part of the President and Congress to keep faith with the basic All-Volunteer Force concept of maintaining pay comparability—military personnel needed a substantial increase in pay across the board. After two Armstrong-Matsunaga amendments on pay comparability were defeated by the Senate Armed Services Committee and the full Senate, Congress finally recognized the need for pay comparability and provided such an increase last year for all personnel.

This year, I believe that some targeting of the pay raise is necessary in order to address the serious problem of career personnel retention and pay compression among the enlisted ranks, as the Senator from Iowa has advocated.

I do not have to repeat how serious these problems are and what improved retention of these skilled personnel means to the readiness of our Armed Forces.

The Senator from Iowa and the distinguished ranking member of the Manpower Subcommittee, the Senator from Nebraska (Mr. Exon), made this very clear to the Senate during yesterday's debate on the bill.

In supporting the Jepsen-Exon targeted pay bill, I do have some reservations, however. First, I am convinced that the catch-up pay raise for all personnel recommended by the Reagan administration is necessary if the All-Volunteer Force is going to have any long-term chance of survival.

What I am referring to is the need to restore the comparable relationship between military pay and private sector wages of 1972 when the Congress established the All-Volunteer Force.

I am proud to say that I was one of the two fathers, original authors, of that measure, which created the AVF, along with the late Congressman Steiger, Bill Steiger, of Wisconsin.

Although some of this catch-up pay raise is included in S. 1181 for some rates, many others fall far short.

I am hopeful that the committee will, in deciding on pay raises in fiscal year 1983, take this into account and make every effort to restore military pay in all grades to levels competitive with the private sector.

Second, the Senator from Oregon (Mr. HATFIELD) and I are very concerned that in attempting to target substantial pay increases to the NCO grades and generous increases to officers, the Armed Services Committee has produced an unbalanced bill because the targeting was accomplished at the expense of the entry-level grades.

The amendment we are offering is based on this concern. But before I go any further to offer the reasons for our amendment, let me make one point very clear. The Matsunaga-Hatfield amendment does not in any way, shape, or form change or reduce the pay increases provided to middle and senior enlisted personnel, as provided in S. 1181. The pay raises for the NCO grades are left unchanged under our amendment. We strongly support these increases, which we believe are essential to improving enlisted retention and strengthening our career force.

The Matsunaga-Hatfield amendment has nothing to do with across-the-board increases, and it does nothing whatsoever to change the overall targeted approach contained in the committee bill. The targeting of the pay raise is only affected to the extent that our amendment raises the entry-level pay raise by 1 or 2 percentage points and decreases officer pay raises by 1 percent or less. The officers involved would still get pay raises, and the committee's targeted pay scale is left largely intact.

Madam President, we are offering this amendment for two very important reasons: First, we are extremely concerned, as is the Department of Defense—which, I would add, is opposed to the targeted concept of the bill—that the below-comparability pay raises for recruits provided in S. 1811, as reported from the committee, will have a disastrous effect on the efforts of the military services to recruit high quality personnel.

Second, we are very concerned that the Senate, if it adopts S. 1181 without the Matsunaga-Hatfield amendment, will be going on record in support of below-comparability increases for personnel in a few selected grades despite the commitment made to active servicemen and the American public only last year that we would adhere to the basic principle of the All-Volunteer Force, the maintenance of pay comparability for all personnel.

Now, much has been said in the past couple of years about the seriousness of the retention problem. Although the military services for the first time in the history of the all-volunteer service failed to reach their recruiting goals last fiscal year, recruiting—and I repeat, recruiting—has not been considered as serious a problem as retention. But that is changing according to the Department of Defense, and the Members of this body should be aware of it.

I think it may come as somewhat of a surprise to some Senators, but the Department of Defense has testified before Congress this year that the most pressing military manpower problem now facing the All-Volunteer Force, one that threatens its very existence, is the recruitment of sufficient numbers of high school graduates.

In a statement before the House Armed Services Committee on July 8 of this year, Assistant Secretary of Defense for Manpower Lawrence Korb talked about the current and projected manpower situation and expressed the deep concern of the Department of Defense over the recruiting outlook and the future of the All-Volunteer Force.

Dr. Korb said that the major military manpower problems we will confront over the next 5 years will be somewhat different from those we have inherited from the recent past. No longer will the retention of career personnel be the overriding concern of the All-Volunteer Force.

With the population of 17- to 21-year-old males declining by 15 percent over the next 5 years, Dr. Korb warned that recruiting will become, if it has not already become so, a serious problem for the military services.

The Pentagon's manpower chief em-

phasized in his testimony to the House committee that we cannot be misled by the current success we have been having in meeting our recruiting goals. He indicated further that recruiting has been aided to some degree by an unusually high youth unemployment rate and a sluggish economy. It is reasonable to expect that the youth unemployment rate will decline somewhat during the next few years, thereby placing additional pressure on the military in its competition with the private sector for the recruitment of high quality individuals.

Dr. Korb also said that some economists predict that civilian wage rates for youths are likely to rise relative to the wage rates of the general population over the next several years, thereby raising the cost of enlistment into the military to the potential recruit.

In view of these circumstances, and the fact that the Congress last year mandated the military services to recruit far more high school graduates and far less category IV enlistments in order to improve the overall quality of the force, Dr. Korb made the following statement which we consider to be crucial as we consider how to target the pay increases contained in S. 1181:

As we look out over the next 5 years, there is little doubt that recruiting and, in particular, recruiting for the Army, will be our major military manpower problem. This problem, though challenging, is not insoluble. A key element to the solution is to maintain a competitive level of entry pay. Any plan for targeting the October pay raise that reallocates the raise away from personnel in their first term of service fails to satisfy this objective.

In response to Assistant Secretary Korb's testimony, which was in support, I might say, of the administration's proposed 14.3-percent across-the-board pay increase with accompanying reallocation authority, the House Armed Services Committee took the following position in its report on its version of the pay raise legislation:

It has been suggested that (military personnel) in the lower grades with fewer years of service should receive a lesser percentage (pay) increase and that those in the higher grades should receive a higher increase. . . . If the All-Volunteer Force is to have a realistic chance of succeeding, a reasonably adequate level of entry pay must be provided. To shortchange the pay for those initially entering military service runs counter to the effort to recruit volunteers for the Armed Forces. . . . Additional compensation for selected categories (or military personnel) should not be funded at the expense of increases in compensation needed to provide adequate pay to enable recruiters to compete in the marketplace for qualified young people needed to man the All-Volunteer Force.

Madam President, the fact of the matter is that S. 1181, as reported by the Senate Armed Services Committee does exactly what the House Armed Services Committee and the Assistant Secretary for Manpower warned against. The bill funds substantial increases for NCO's and generous increases for officers at the expense of junior enlisted personnel.

And Senators must realize that there is a price to be paid for taking this money away from the entry level grades; let no one tell this body that this is not

so. The price will be paid in terms of the recruitment of less high school graduates—the very people whom the Senate Armed Services Committee has stated time and time again are so very necessary to man our Armed Forces and to maintain and operate the elaborate and technologically complex weapons systems of our modern military force. There should be no mistake about this, Madam President.

When the sponsors of S. 1181 say it will not adversely affect recruiting, they are speaking in direct contradiction to the official position of the Department of Defense and the Reagan administration.

The fact of the matter is that the below-comparability pay increases for recruits in S. 1181 will seriously damage the effort to recruit high school graduates next year and in the years thereafter. The Department of Defense has testified to this effect time and time again, this year. It is a matter of record, Madam President.

Madam President, I have in my hand a copy of a letter sent to the chairman of the Senate Armed Services Committee on June 18, 1981, by Secretary of Defense Caspar Weinberger in which the Secretary warns that a 14.3-percent increase in recruit pay as opposed to a basic comparability raise of 9.1 percent will permit the military services to recruit 8,000 more high school graduates in fiscal year 1982 and 44,000 more by fiscal year 1987. I would point out that, with the recruit pay raises in S. 1181 set at only 7 and 8 percent, nearly 2,000 more high school graduates would be lost to the military services if the Senate bill is enacted, bringing the total loss of high-quality recruits in fiscal year 1982 to 10,000.

Clearly, Madam President, the loss of such a large number of high school graduates would be catastrophic for the All-Volunteer Force. It is interesting to note that in past years when the military services experienced high school graduate recruiting shortfalls of even less magnitude, which would result from S. 1181, certain critics of the All-Volunteer Force were more than quick and more than eager to pronounce the AVF a failure and propose a return to the peacetime draft as the only answer to our military manpower problem. I fully expect such a scenario to happen once again if this legislation is enacted without the Matsunaga-Hatfield amendment.

Unfortunately for the All-Volunteer Force, its critics this time will be able to say that they have pumped the All-Volunteer Force full of all kinds of pay raises, of all kinds of allowance and benefits increases, and, perhaps, provided it with a new GI bill, and the volunteer military was still unable to meet its quantitative and qualitative manpower goals.

I wish to say again, Madam President, that I wholeheartedly support all provisions of S. 1181 with the exception of its recruit pay raises. With these below-comparability increases, this legislation is not a "balanced" approach to our military manpower problems as its sponsors have made it out to be. It is an unbalanced approach which may, in the long run, prove to be a blueprint for the peacetime draft.

Madam President, it just does not make sense that the Senate's military pay raise bill should provide below-comparability pay raises for recruits when the All-Volunteer Force is going to be faced with severe recruiting problems over the next several years.

It makes even less sense when we consider the more immediate reality that the Army has only a 50-50 chance of meeting its quality goals for fiscal year 1982 with the full 14.3 percent pay raise for recruits, and will probably fall short of its recruiting goals in fiscal year 1983.

It is vitally important that Senators not lose sight of the fact that it was below-comparability pay raises, such as that contained in S. 1181 for recruits, which caused the severe recruiting and retention problems experienced by the AVF in the late 1970's. We must not start down that road again. It will only lead to recruiting shortfalls and the eventual abandonment of the All-Volunteer Force.

Madam President, the Matsunaga-Hatfield amendment would give the committee bill the balanced approach to both retention and recruiting that is necessary to make it an acceptable solution to our manpower problems. And, as I have said, it will do so without making any significant changes in the basic thrust of S. 1181 or in its pay table.

Madam President, as my colleagues know, in a "Dear Colleague" letter distributed to Senators last week, Senators JEPSEN and EXON argued that our amendment would somehow dilute the effect of S. 1181. This is just not the case.

As we understand it, the main thrust of the committee bill is, and I am quoting from the committee report on S. 1181, to "Enhance pay rates for middle and senior enlisted grades to provide greater incentives for * * * retention," and to "Relieve pay 'compression' by providing larger pay differentials between first term and career members to provide a positive career inducement."

Now, it is our view that the only way that an amendment to this bill could dilute its effect would be by first, reducing the above-comparability pay raises provided in the bill to middle and senior enlisted personnel and second, drastically reducing the pay differential between first-term grades and career enlisted grades.

Well, the simple truth is that the Matsunaga-Hatfield amendment does not seek to accomplish either of the above.

As I have emphasized repeatedly, our amendment does not reduce any of the substantial pay raises provided in the bill to the NCO grades. It, therefore, has no effect on the efforts to S. 1181 to improve career enlisted retention.

And with respect to pay compression, our proposal to increase E-3 pay raises from 8 and 9 percent to 9.1 percent will not make any significant difference in the pay differential between that entry level grade and E-4, which would be receiving 13- and 14-percent pay increases. Moreover, it is my understanding that the crucial point in the enlisted scale for pay compression was between E-4 and E-5. Our amendment does not modify in any way the pay increases provided to these two middle enlisted grades and

has no effect on the pay differential that exists there. Our amendment, therefore, has no effect on the efforts of S. 1181 to relieve enlisted pay compression.

Senators JEPSEN and EXON also downplayed the improvement in recruiting of high school graduates that would be realized by the adoption of our amendment. They called the additional 1,800 high quality recruits which would be generated by our amendment insignificant. Admittedly, 1,800 out of a possible 183,000 does not seem like a great deal of personnel. However, it is our understanding that these 1,800 high quality recruits could man two full Army infantry battalions. One could argue that the establishment of two new fighting battalions is not insignificant when we are trying desperately to improve the combat readiness of the Army and expand the number of our combat units.

I recall one battalion in World War II the 100th Infantry Battalion, of which I was a member. If you talk to some of the members of that battalion, had it not been for that battalion, the war probably would have been lost in Europe.

In order to get these 1,800 recruits, our amendment takes a small percentage of pay raise away from officers in the full colonel and general range who are now earning good salaries and who would be receiving above-comparability pay raises under S. 1181. These high-level officers would be 1 percent less happy with their generous pay raise and the military services would get nearly 2,000 more high school graduate recruits. If that is not a good deal, I do not know what is.

We have, as you know, no real retention problems at those high grades.

Madam President, one of the most interesting arguments made against our amendment is one which quotes Gen. Edward C. Meyer, Chief of Staff of the Army. General Meyer is quoted as saying that S. 1181 will not adversely affect recruiting; that the difference in the recruit pay increases between S. 1181 and the administration's proposed 14.3 percent across-the-board pay raise will not affect a young person's decision whether or not to join the Army.

In support of General Meyer's opinion, a youth attitude tracking study prepared for the Department of Defense last fall is also cited to the effect that most young people are not more likely to enlist for military service after learning that recruit pay is actually higher than they thought.

Well, first let me say that General Meyer's conclusion that S. 1181 will not have any effect on recruiting is seriously challenged by the Department of Defense. According to the Department, the most recent empirical evidence shows the very strong impact of increases in first-term pay on the supply of quality recruits to the Army. The value of this so-called pay elasticity has been estimated as high as 2 for new high-quality recruits to the Army in a recent study conducted by the Center for Naval Analysis. This means that, for every 1-percent increase in military pay, the recruit supply to the Army is increased by 2 percent. The Department of Defense

and the Congressional Budget Office use an elasticity value of 1 and the Gates Commission, in its original work on the All-Voluntary Force concept assumed a 1.25 value.

This is all to say that those research organizations which have done careful analytical studies on the relationship of pay to accessions, such as the Gates Commission, the Rand Corp., the Center for Naval Analysis and the Congressional Budget Office, all hold the position that pay has a definite effect on high-quality recruits. I would strongly emphasize that this is also the official position of the Department of Defense.

The bottom line is this, Madam President: If all other factors which motivate a young man or woman to think about enlisting in the Armed Forces are held constant—for example, patriotism, family advice, and so on—entry-level military pay will definitely get a response. I do not see how this can be denied. General Meyer surely would not oppose increases in recruit pay, for the Army is, in fact, in danger of not being able to meet its quality recruitment goals next year.

Moreover, the Department of Defense has indicated that there is the possibility that the Army may fall short of its quality recruitment goal by a full 5 percent. This takes into account new information received from the Bureau of Labor Statistics which shows that true pay comparability may require a 9.7-percent increase, instead of the 9.1-percent figure earlier predicted by the administration.

It is also very interesting to note, Madam President, that the Army itself is on record—I repeat, the Army itself is on record—as choosing to suppress growth of its career force well below the maximum level that it could sustain, given current compensation plus either the House or the Senate pay raise bill. According to the Department of Defense, the Army has justified its failure to capitalize on the career growth for which the Congress is willing to pay by emphasizing quality. The Army wants to be selective and to retain only the best in building up its NCO corps, presumably by raising its reenlistment qualification standards. This is, indeed, admirable.

However, with this scenario, pay raises targeted on the career force will not contribute either to a more experienced force overall nor to a reduction in the demand for new recruits compared to an across-the-board pay raise.

Besides boosting recruitment, Madam President, we believe that the adoption of our amendment is necessary for another very important reason. That is, that Congress must maintain pay comparability for all military personnel, not just a selected group. Under S. 1181, only the recruit grades receive below-comparability pay raises—an out-and-out discrimination, I would say.

The practical effect of the Matsunaga-Hatfield amendment is to insure that in S. 1181, each and every service member, no matter what grade or year of service, will receive at least—I repeat at least—a full comparability pay raise of 9.1 percent.

We think this is very important for two reasons.

First, with a full comparability increase, recruit pay will not fall too far behind inflation and the cost of living. It must be kept in mind that when pay did erode to below comparability during the late 1970's, the military services began experiencing severe recruitment and retention problems and we saw thousands of servicemen and their families relying on food stamps and other forms of welfare assistance to make ends meet. I am certain that every Member of this body believes that this is totally unacceptable and I submit that we must not begin to go down that road again.

Second, active members of the Armed Forces must be sure of the commitment of Congress to keeping military pay competitive with the private sector. If we demonstrate our willingness to drop one segment of our manpower below comparability, the question will surely be raised as to the seriousness of Congress's future commitment to maintain pay comparability for all personnel. This perception on the part of active members may even have an impact on our current efforts to improve career retention.

Third, with respect to potential enlistees, we must not send a signal to the young people of this Nation that Congress does not believe that recruit pay must be competitive with the private sector. That is precisely what we will be doing if we adopt S. 1181 as reported by the committee. If there is any way to discourage enlistments, particularly of intelligent high school graduates, it is to depress first-term pay and create the impression that the recruit is a second-class citizen in our military force.

Madam President, I have repeated this many times and I shall say it again here today: It is vital to the survival of the All-Volunteer Force that Congress keep faith with the fundamental principle of the volunteer concept—the maintenance of military pay comparability with the private sector.

The Senator from Oregon (Mr. HATFIELD) and I are convinced that S. 1181, upon adoption of our amendment, would be a much more balanced pay initiative.

Madam President, the Reagan administration, the Department of Defense, and the House Armed Services Committee support full comparability pay for all military personnel, particularly recruits. Consequently, they would support any movement in the Senate bill in that direction. We, therefore, urge strong support of our bipartisan amendment to achieve this objective.

Madam President, I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Iowa has 19 minutes.

Mr. JEPSEN. Madam President, I ask unanimous consent that the names of the Senator from Rhode Island (Mr. CHAFFEE) and the Senator from New York (Mr. MOYNIHAN) be added as cosponsors of S. 1181, the Uniformed Services Pay and Benefits Act of 1981.

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

Mr. JEPSEN. Madam President, I thank my colleagues, Senator HATFIELD

and Senator MATSUNAGA, for their amendment and for the opportunity to further present to this body, to the American people, and especially those in the Department of Defense and those men and women in the uniform of our country, a fuller explanation and a better perception of this entire proposal, S. 1181.

At no time during this discussion—neither before nor after this discussion—should anything I say be interpreted as being judgmental of this amendment. I would not attempt to judge what is in the hearts or the minds of the proponents of the amendment; because, like myself and Senator Exon, they have very distinguished careers of serving their country, not only in the U.S. Senate but also in the military service.

I point out, for general public consumption, that the U.S. Senate has many Members who have served their country with great distinction in time of war. In the next 60 to 90 days, there will be many critics in this country who will be pointing fingers and will be talking about warmongers and people who are pushing strong defense, as we debate this very frustrating, emotional, and agonizing problem of how to balance budgets and at the same time maintain the level of defense we need to keep the peace and to prevent war. But this debate and the comments and the actions that occur in this body will not be engaged in by people who do not know about war.

At the rear of the Senate Chamber is Senator DOLE, who lay on his back for 3 years in a hospital because he was nearly cut in half by a machine gun while serving this country. On the Manpower and Personnel Subcommittee we have a new member, Senator DENTON, who fought for his life every day for 7½ years, as a prisoner. Purple Hearts are worn on the lapels of many Members of this body.

I suggest, in advance, to those who would be critical of anything that comes up by way of discussion or debate or difference of opinion in this body in the next 60 to 90 days that folks think twice before they point the finger at anyone in this body and think they do not know what war is. There are few things worse than war, not many, but I point out that every one of those things comes with defeat.

Senator MATSUNAGA and Senator HATFIELD state that limiting pay raises for first-term enlisted personnel will run counter to military recruiting efforts. This assertion is based upon one study performed years ago by the Center for Naval Analysis utilizing Navy data only. This study is outdated, has never been validated and there is no evidence to suggest that it could apply to the Army or to any other service. That, primarily, is the basis upon which the Department of Defense is making a serious challenge to this bill. I repeat: This study is outdated and has never been validated, and there is no evidence to suggest that it could apply to the Army or to any other service. The Rand Corp. doubts its validity. On the other hand, the overwhelming weight of evidence indicates that entry-level pay levels have far less influence in attracting personnel initially into the service than on the decision of skilled

and experienced service members to make the military a career.

A recent youth attitude tracking study, a survey prepared for the Defense Department, of 10,000 service-age young people, found the average estimate of starting military pay to be only \$315. Even more startling, a full third of those questioned estimated entry-level pay to be only \$75 a month. In fact, a new recruit immediately starts earning \$501.30 in basic pay.

I point out at this point that, in many instances, certain 17-year-olds today can enter the service and in the first 3 months, working things just right, receive more pay and benefits than most corporate presidents in my State of Iowa—in the neighborhood of \$7,000 in the first 3 months. That includes base pay, allowances, educational benefits, and bonuses. That is not bad for 17-year-olds coming into the service or any other particular occupation, and that amounts to approximately \$2,400 a month. It is very good pay just for starters.

Is this misperception responsible for past difficulties in bringing young people into the military? Apparently not, since the vast majority of those surveyed responded that they would not be more likely to consider joining the military on the basis of actual starting pay. According to the survey, other incentives for military service, such as career pay, educational and training opportunities and patriotism and challenge, weigh more heavily on the career decisions of today's youth. This is not hard to understand when 71 percent of today's youth still rely upon their parents' advice when making a career decision.

There is absolutely no evidence to suggest, as the proponents of this amendment would have you believe, that last year's pay increase had anything to do with the dramatic increase in recruiting. If it did, I submit that it was because the services retained more highly motivated enlisted career NCO's. After months of manpower hearings and briefings, the Subcommittee on Manpower concluded that bonuses, a test educational program for new recruits, the economy and a growing positive attitude among our youth concerning the military are the primary reasons for the turnaround in recruiting.

The Congressional Budget Office, the Chief of Staff of the Army, and the commanders of the Army and Navy recruiting commands fully agree with these findings and have stated that targeting the pay raise as done in S. 1181 will allow the services to recruit virtually the same number of quality personnel over the next 5 years as a 14.3-percent across-the-board raise. In a letter to me dated August 20, 1981, Gen. Max Thurman, then the Chief of Army Recruiting, states:

The variance in starting pay differential (between S. 1181 and a 14.3-percent across-the-board increase) which you mention should not impact adversely on the Army's ability to attract quality youth. . . . The Army should experience an increase of approximately 6,500 additional reenlistments over FY 81 levels as a result of the proposed target pay increases.

I should also point out to the Senate that the House Appropriations Committee is also convinced that the approach in S. 1181 is correct and has indicated that they will move to amend the House Armed Services Committee pay bill—that is, the Appropriations Committee in the House—with the pay tables contained in this bill.

The advocates of this amendment also have inadvertently, in my opinion, incorrectly represented and confused the issues of comparability and inflation. Let me first point out that comparability has nothing to do with inflation. Unfortunately, all of us, military and civilian, are subjected to inflation. Comparability pay increases are not designed or intended to overcome the effects of inflation, but rather, to keep military pay on a par with Federal civilian employee salaries. Federal civilian employee salaries, in turn, are annually compared to a private sector group known as PATC—professional, administrative, technical, and clerical workers. This year the President has proposed that Federal employees salaries be capped at 4.8 percent.

However, because of the armed services' manpower problems, the committee felt that a higher increase for the military was justified. Senator MATSUNAGA and Senator HATFIELD are concerned, however, that the pay raises proposed for E-1's through E-3's are below comparability. In reaching this determination, they only consider basic pay and refer to the tables rather than the many items of military pay that make up regular military compensation (or RMC). The Department of Defense has always utilized regular military compensation in computing comparability for the lowest private and the highest general. Although most privates do not receive certain cash allowances, they do so in kind, in the form of quarters, meals, clothing, medical care, and so forth. Utilizing RMC, an E-1 under this bill would receive 9.1 percent.

And that is the way this entire bill was put together, and I might say put together with all of the cooperation and all of the expertise and all of the work of the research of all branches of the services. Under this the E-1 would receive 9.1 percent. That is the way the total picture has been figured.

It must also be noted that a young service member just entering the service would realize within 12 months of enlistment an 18-percent increase as a result of existing rapid promotion procedures to pay grade E-3.

Senator MATSUNAGA would also have us believe that recruiting is more of a problem than retention in the armed services, if I heard correctly. This is simply not factually correct. First of all, I point out to the Senate that Dr. Korb has said, and I am quoting not verbatim but from his own report and his recruiting summaries, that during the first 6 months of fiscal year 1981 the military services achieved 101 percent of the Department of Defense-wide recruiting objective as compared to 99 percent for the same period a year ago. A year ago it was not bad; this year 101 percent, and as of this quarter it is about 105 percent. The

Navy, Air Force, and Marine Corps met or exceeded their objective for the first half of fiscal year 1981. The Army achieved 99 percent of its overall objective.

But I suggest and point out to this august body that all the services are seriously short of skilled personnel.

Senator MATSUNAGA would also have us believe that retention in the armed services is not a problem. This is simply not factually correct. All the services are seriously short of skilled personnel. Some Army divisions have been rated "not combat ready" because of manpower shortfalls. The Navy is short 22,000 petty officers and must juggle crews in order to send ships to sea. Air Force maintenance personnel shortages reduce the number of planes we can put into the air. For example, the career portion of maintenance force in the military airlift command has declined 8 percent since 1976. Currently, the MAC maintenance force has 12.3-percent more first termers and 9-percent fewer career airmen. This has resulted in significantly reduced supervision and training ability. In the avionics field, maintenance and airplane general ratings, manning is at a critical level.

In its March 31, 1981 report to Congress, the General Accounting Office stated that:

As a result of declining retention rates for experienced NCO's, the Army is not only losing its experienced trainers but it is also forced to replace the NCO's with personnel who are less experienced and trained. It is the absence of just these kinds of people that has prompted the Army Chief of Staff to characterize his force as "hollow."

This problem is further evidenced by the fact that in fiscal year 1982 reenlistment bonuses alone will approach a cost of \$700 million. These bonuses are intended to meet critical shortages. In 1982, 80 percent of all reenlistees in the Navy will receive a bonus. In the Air Force the percentage has jumped 400 percent in 2 years. I would state that based upon these statistics we clearly have a very serious retention problem and one that is not being met by our antiquated pay tables. In fact, the bonuses are being used to address the very problems that S. 1181 is designed to correct.

It is not difficult to understand why qualified young men and women are not joining the military career force. The relationship between career and entry pay has significantly eroded over the years to the point that today a promotion to sergeant, the beginning of the career force, will gain an individual only \$20 a month in basic pay. In 1908 and 1941 the pay of a senior noncommissioned or chief petty officer earned respectively 6.6 and 4.2 times the pay of a recruit. Currently it stands at less than 2.5. An E-7 with 20 years of service receives only \$276 more each month than his E-6 subordinate with 10 years of service. That is not the way to convince a young person that the military can be a rewarding life.

The pay tables contained in S. 1181 were very carefully designed in cooperation with the various services. Their input was instrumental in the development

of the tables. Each pay cell was reviewed in detail and in depth over and over again and checked and rechecked with each and every service in order to make adjustments that would relieve pay "compression" by providing larger pay differentials between first term and career members in order to provide a positive career inducement. Further, enhanced pay rates for middle and senior enlisted grades will provide greater incentive for promotion, career advancement, and retention.

Ironically enough, Senator MATSUNAGA's amendment would effectively restore some of the pay compression that S. 1181 is so carefully designed to alleviate. It is even more disturbing to realize that it would aggravate the existing compression problem by making across-the-board cuts in officer pay raises even though we do have a shortage of field grade officers in all branches of the services. Such an indiscriminate reduction would upset the bill's purpose to encourage mid-career officers to remain in the military.

Senator MATSUNAGA would cut 1 percent from the raises given grades O-5 through O-10 and reallocate the savings to E-2's and E-3's. However, there is one problem with that and it is that any pay raise due to the pay cap, that point is made on page 39 of the bill in footnote 1, part of the \$54 million in savings that is reallocated to the lower enlisted ranks simply does not exist. Therefore, it is incumbent upon the authors of this amendment to explain how they arrived at their cost estimates. In particular, they should inform their colleagues that contrary to their "Dear Colleague" letter, that the vast majority of generals and admirals will not receive a pay raise.

Now, Senator HATFIELD indicated that there is a charade going on here, that admirals and generals were getting a 12-percent pay increase.

Well, the only charade—as it was alluded to by Senator HATFIELD—I would suggest was a charade he verbally laid on the Senate this morning, one he would have us believe that generals and admirals are getting a 12-percent increase.

Everyone knows, as I hope does Senator HATFIELD, that there is by law a pay cap, and this pay cap allows a zero increase, and even though the schedule for obvious planning reasons, that is, pay compression and other things down the line, shows a 12-percent allocation, you could take 12 percent of nothing today and 12 percent of nothing tomorrow and 12 percent of nothing through eternity and it is still going to be nothing.

I do not know where the charade is coming from. I repeat it is just a charade. They have been using the word comparability. Comparability, again I repeat, is composed of what we call regular military compensation. What is regular military compensation? It is base pay, allowances, and tax advantages associated with military pay, and that is what should be used when talking about pay comparability. This is used by the Department of Defense whether it is an E-1 or a general. In addition to all that, it is incorrect to claim that we are not meeting pay comparability.

It is also incorrect to say that recruiting goals were not made last year because, for the first time in many years, they were made. It is not the numbers with which we have a problem at the present time. I do not know to whom Senator MATSUNAGA or Senator HATFIELD must be talking—it must be some of those new folks in civilian clothes over there who get their information from the think tanks and the Rand Corp.—because we have been talking with the veterans with 20 and 30 years of service who say that retention is the problem and who finally say "Amen, that S. 1181 is exactly what the doctor ordered, exactly what we need."

We designed the bill, I repeat that this bill has been carefully designed, so that the E-1 is getting a 9-percent increase in comparability pay. In fact, I again point out, that in 1 year with the new promotion policy it will be 18 percent.

Before I yield the floor I want to point out that in these times of financial crunch, and for the record I would say, Mr. President and Mr. Stockman and Mr. Secretary of Defense, please note that S. 1181 is \$0.5 billion less than the amount of money submitted by the administration in its proposed budget—\$0.5 billion less.

In addition to that, it is 100-percent supported by the military forces of our country and that, sir, is what the American people want, good money management on the one hand, and better morale and more resolve by our men and women in uniform at the same time. That is a pretty good deal.

Madam President, I would now yield to my distinguished colleague, the ranking member of the Manpower Subcommittee of the Armed Services Committee of the Senate, who has taken the lead in the development of what we are presenting here today. I say that unabashedly and not only with respect but with a great deal of thanks.

It is much easier to be the chairman of a committee and look like you are really making progress, when your right-hand ranking member has already gone up front and is leading the way.

I appreciate that very much. I now yield the floor to my distinguished colleague from Nebraska, Senator EXON.

The PRESIDING OFFICER (Mr. D'AMATO). The Senator from Nebraska.

Mr. EXON. Mr. President, I thank my friend from Iowa for those remarks. The fact of the matter is, and I would like to keep the record straight, that the bill that we are proud to report to the Senate was the joint work of both the majority and the minority, with excellent staff work.

I just want to echo the thanks of those of us on this side of the aisle for the total and complete nonpartisan effort that went into the formulation of this bill after many hearings, after many hours of study, and a genuine belief that we had to do something to meet the primary needs of manpower in the Armed Forces. Certainly the chairman of the Manpower Subcommittee played a lead role in that endeavor, Mr. President, in reporting the bill before us to the Senate.

Mr. President, the basic argument, it seems to me, of those who propose the amendment to this bill is that they believe S. 1181 is anti-All-Volunteer Force. This is an emotional argument that might have great political appeal. But I hope the U.S. Senate will act by defeating their amendment and passing S. 1181 on the basis of fact and not emotion.

It is not a legitimate argument that S. 1181 is anti-All-Volunteer Force. This bill was reported from the Armed Services Subcommittee and to the Senate by the full Armed Services Committee in an attempt to address a problem that most people know exists in our manpower requirements as we face the future.

It is a fallacious contention for others to say that this was crafted in some way to destroy the All-Volunteer Force. The sponsors of the amendment seemingly wish to continue to play the numbers game of believing that we attract and keep the people whom we need in the military by baiting the trap early and generously. If we have learned one thing, Mr. President, with regard to upgrading our manpower in all of the services it is that that will not work.

Mr. President, when the Armed Services Committee reported out this military pay bill, all of us on the committee felt that this bill made a real beginning in addressing the serious problem of pay compression and restoring a sense of proportion to the military pay system. The amendment being offered here today undermines this very important concept.

This amendment would reallocate a portion of this pay raise from the basic pay of middle-grade officers to the basic pay for junior enlisted personnel in grades E-1, E-2, and E-3.

The sponsors of the amendment do not seem to understand the purpose of this bill or the way that all of the elements of military compensation are related to each other. The pay tables recommended in the committee bill represent a carefully crafted, balanced proposal. Amending even a small section of this proposal without considering the overall consequences can seriously undermine what the committee has tried to do. This amendment falls into that trap.

Let me give some examples, Mr. President. Basic pay is just one portion of regular military compensation, which is defined in law. The proponents of this amendment have not considered the fact that the committee has increased all of the elements of regular military compensation. Both the basic allowance for subsistence and the basic allowance for quarters increase by 14.3 percent for junior enlisted personnel. If we take an E-2, for example, the increase in his regular military compensation under the committee proposal will be 10.5 percent—well above the so-called comparability figure of 9.1 percent which the sponsors of this amendment think is so important. So, the 9.1 percent comparability figure with respect to basic pay alone, which is the foundation upon which this amendment has been constructed, is simply the wrong standard of measure.

Another important point which the sponsors of this amendment have over-

looked is the relationship between promotion policies and military pay. An E-1 recruit does not stay an E-1 for very long. In the Army, for example, the E-1 recruit will be an E-2 within 6 months and an E-3 within a year.

What do these promotion policies mean in terms of pay raises? Let us suppose somebody enters the military service today. On October 1, he will get a 7-percent increase in basic pay. Over the next 12 months he will get two promotions which will give him a further increase in basic pay of 18 percent. Altogether the person who enlists today in the military will receive a 26 percent increase in basic pay during the next 12 months. Mr. President, while we stand here and bicker over a 2-percent difference between entry pay in the committee bill and the entry pay in the pending amendment, the important—and always overlooked—fact is that a recruit joining the service today can expect a 26-percent increase in basic pay over the next 12 months. The increases in regular military compensation would be approximately the same. No matter how you calculate comparability or inflation, I suggest that that is a very large increase.

Mr. President, yesterday we discussed how the front-loading of first-term pay in recent years has led to the problem of pay compression. My colleague, the chairman of the Manpower Subcommittee, made a point of that in his remarks that were just heard on the Senate floor. Obviously, the proponents of this amendment do not consider pay compression to be the problem that it is, since their proposal contributes to this problem. I think this is a serious mistake.

The problem of pay compression is complicated and one that I recognized early on. There is an intricate relationship between a person's decision to remain in the service based on his perception of future benefits. When the steps along the promotion ladder are squeezed closer and closer together because of the irresponsible front-end loading of pay, the implications can be serious and the reverberations in the personnel system can be felt for years.

After getting tired of waiting for the Defense Department to tackle this problem, the Senate has finally taken the bull by the horns. While it is tempting to reduce officer pay and give that money to first-term people, the Matsunaga-Hatfield amendment would damage the committee's carefully balanced solution to a serious problem which has existed for years.

Mr. President, the sponsors of this amendment have charged that the committee's proposal will hurt the services recruiting efforts in fiscal year 1982. They make the statement that even with a 14.3 percent increase in recruit pay, the Army has only a 50-50 chance of meeting its quality recruiting goals in fiscal year 1982. Mr. President, that is certainly news to me. The Army has testified before the Manpower and Personnel Subcommittee that they should make their

qualitative and quantitative recruiting goals in 1982 and the Congressional Budget Office agrees.

In the event that unforeseen recruiting difficulties do arise, S. 1181 increases the enlistment bonus for those in critical skills from \$5,000 to \$7,500. The Secretary of Defense can designate these critical skills. Today, for example, infantrymen are considered to be a critical skill. But even more important, our legislation, by significantly increasing retention in our career force, will do much more to relieve pressure on military recruiters than the extra 35 cents per day which the Matsunaga-Hatfield amendment would provide to a new recruit. Let us be realistic, Mr. President—the more people who stay in the service, the less we will have to recruit.

The Congressional Budget Office has concluded that S. 1181 will retain 19,000 more careerists over the next 5 years than the House bill containing a 14.3-percent across-the-board raise for all personnel. This is the way to help recruiting and the All-Volunteer Force while at the same time improving the experience level of our career enlisted force.

Mr. President, we need to stop throwing money at our military manpower problems and take a sensible approach. S. 1181 is not some back-handed effort to undermine the All-Volunteer Force. I firmly believe that this bill will enhance the All-Volunteer Force by providing incentives all along the career path—from the beginning to the end.

Mr. President, it is time that we in the 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 experienced, motivated people to serve as a cadre for whatever original source of manpower this Nation chooses. This cadre is lacking today and is vital whether we operate under an All-Volunteer Force or conscription. The committee's bill goes right to the heart of this problem. If the All-Volunteer Force will not work under S. 1181, it will not work at all.

I urge my colleagues to reject the Matsunaga-Hatfield amendment. It represents a percentage solution to a human problem. It is also reckless tinkering with a carefully-crafted product which has been the subject of extensive work by the Armed Services Committee. And, most of all, it represents a return to the business as usual approach, which has not served us well in the past.

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

The PRESIDING OFFICER. On whose time?

Mr. JEPSEN. I ask unanimous consent to suggest the absence of a quorum and that the time not be allotted to either side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. NUNN. 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. NUNN. Mr. President, I commend the chairman of the subcommittee (Mr. JEPSEN) and the ranking minority member (Mr. EXON) for an excellent job on a difficult subject. We have been struggling in the Armed Services Committee on this question of recruitment, retention, volunteer force, and incentive pay for 4 or 5 years. The struggle certainly is not over, but I think that these two Senators and their staffs have done a real service to the country by going into this in depth, by talking not just to the official witnesses from the Department of Defense or the services, but to many different individuals in the services to try to come up with a bill that gets the most for the money.

I strongly endorse their positions in the way they have allocated the pay. The targeting makes sense from any point of view. It makes sense from the point of view of retention; it makes sense from the point of view of the overall viability of continuing the volunteer effort. I am well known to be a skeptic on that subject, but I think if the volunteer force is going to survive, if it is going to work, it has to be beefed up by a great increase in retention.

That is what this bill does.

They have spent hours and hours, and their staffs have spent hours and hours, interviewing people at every level of the military. I have not attended every hearing they have had, but I have attended most of them. I have talked to many different people in uniform in the Navy, the Air Force, the Army, and the Marine Corps. Although opinion on this subject of whether to go across the board or whether to target is not unanimous, and I do not pretend it is unanimous, the overwhelming number of people in the service I have talked to believe that the approach that has been taken by this subcommittee and by the Armed Services Committee is the correct approach, and it is going to result in a much more beneficial pay package for the military than would an across-the-board increase.

I know this is not the official view of the Department of Defense, but I think if you took any kind of off-the-record poll, you would find overwhelming numbers of people in the service agree with this approach.

So I commend the Senator from Iowa and the Senator from Nebraska, and their staffs, for doing a superb job on a difficult subject. I strongly urge that the Members of the Senate support this position, both in terms of voting against the pending amendment and in terms of final passage.

The Senator from Iowa made an excellent presentation a few moments ago. I was here for most of it and I listened to it. He has done a superb job of delving into this subject and other personnel subjects with a great deal of intensity, not just since he has been chairman, but when he was ranking minority member and I was chairman.

The Senator from Nebraska has been one of our most diligent members on the Armed Services Committee and the Sub-

committee on Personnel. He is now ranking minority member. He has taken a real leadership position in this subcommittee. He is becoming a real expert in this area.

I would hope that the committee would be backed. I would hope that the subcommittee's amendments in this area would be recognized by the Senate and I urge my colleagues to stick with the committee's position. It is well founded and based on, I think, the best interests of the services, the best interests of men and women in the services, and certainly in the best interests of our national security.

THE PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, I thank my distinguished colleague for his fine remarks and for the trailblazing which was done under his leadership for many years in this area.

As he indicated, this bill, S. 1181, is not just the result of many hours, many days, and many months of staff work and work by committee members this year; it has been the result totally of many years of research and work in hearings that were conducted under the very able and distinguished leadership of the former subcommittee chairman (Mr. NUNN). I thank him for his support and his remarks.

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

THE PRESIDING OFFICER. On whose time?

Mr. JEPSEN. I ask that it be on our time.

THE PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MATSUNAGA. 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. MATSUNAGA. Mr. President, several points were made by the floor manager and the ranking minority member with respect to the Matsunaga-Hatfield amendment.

One point is the contention that our amendment would go contrary to the two intended purposes of the committee bill: One, to improve retention in the career-enlisted ranks. We make no change in the proposal made by the committee with respect to the noncommissioned officers. So our amendment in no way would affect the retention purpose intended by the committee bill.

As I indicated earlier in my prepared statement, I fully support the committee bill except for the provision which would give less than comparable pay to the recruitment level. That is the only concern the Senator from Oregon and I have.

The other contention made by the floor manager is that we are concerned more about recruiting than about retention. That is not a correct statement. We are as much concerned about retention as about recruiting.

What I said was that the Department of Defense believes that in the next 5 years, recruitment will be a greater problem than retention. With the 11.7-per-

cent raise we gave, which was targeted to the different levels, and the various benefits given by the 96th Congress, the retention problem has pretty much been licked, according to the Department of Defense, to the point where recruitment is going to be the major problem.

Pay compression was another issue brought up by the floor manager as well as by the ranking minority member of the subcommittee. I must say, also, that our amendment will have no effect upon compression pay, particularly with reference to the area in which the committee was most concerned—that is, between the E-3 and E-4. We do not touch that area.

All we are doing is reducing the pay increases. We are not reducing the salary of any of the officers. We are merely reducing the pay increase, by 1 percent and less, of officers in grades O-3 through O-7.

The point also was made that we are playing with figures and not with facts: Because of the pay cap, those in grades O-9 and O-10 do not receive any increase under this bill. In fact, our proposal shows a saving of \$600,000, which would mean that even if we completely disregard the savings which would come from reducing the pay increase of the generals by 1 percent, that would be a mere \$530,000.

So what we are saying here is that the Matsunaga-Hatfield amendment would not in any way increase the cost of the bill. As a matter of fact, there would be a saving.

I commend the Senator from Iowa for taking pride in reducing the cost of the bill below the amount proposed by the administration. I, too, take pride in the fact that our amendment will reduce the cost even further, by about \$60,000.

Those are some of the things that I believe needed to be brought out.

I put this question to either Senator: How does the committee explain away the argument of the Secretary of Defense that the committee bill will cause the loss of 10,000 high school graduates next year and 44,000 over the next 5 years, as compared to the administration bill?

I yield to the Senator from Nebraska for a response.

Mr. EXON. I will be glad to try to respond.

The economic assumption made by the administration—the man in the administration to whom the Senator from Hawaii has referred—is an unproven economic theory.

In my remarks, I cited reports from the CBO and other groups that indicated that we were not going to have any serious problem with recruits.

Let us assume, for a moment, that the Senator from Hawaii is correct. He also agrees with me, I believe, that we are talking about only a 2-percent difference, or basically 35 cents a day.

I turn the question around and ask the Senator from Hawaii if he truly believes that we are going to get 10,000 more enlistees just by paying them 35 cents more per day? I suggest that that is a rather shortsighted unrealistic opinion whether it is stated by the Secretary of Defense or anyone else.

Mr. MATSUNAGA. I must say to the Senator from Nebraska that those are not my figures I quoted. I quoted the Secretary of Defense and, of course, he was then comparing the committee bill as reported by the Senate committee with the House bill and the difference, of course, between the committee bill and the Matsunaga-Hatfield amendment would be in much smaller proportion. That will be just about 2,000.

But then my biggest concern and really the only concern with the committee bill is that it fails in that one respect to give comparability to all levels and is discriminating against the recruit. The recruit is the only one who does not get a comparability pay increase. Every other officer and enlisted personnel gets a pay raise equal to or more than comparability. This is the thing that bothers me.

Of course, the only conclusion that we can arrive at is that perhaps the subcommittee and the committee members felt that it was not necessary to bring up the recruit level to comparability in order to recruit, but here we have the figures of the Department of Defense which say that as compared to the total of the administration, which was 14.3 percent across the board, the committee bill will mean 10,000 less recruits, and we are talking about high-level high school graduate recruits, and by 1987, 44,000 less high-quality recruits.

Mr. JEPSEN. Mr. President, will the Senator yield?

Mr. MATSUNAGA. I am happy to yield to the Senator.

Mr. JEPSEN. Mr. President, the Department of Defense, according to all records and all information we can gather, has never consulted with their own services recruiting chiefs to ascertain the impact of S. 1181 on recruiting. If they had done so, they would have found out there would be no adverse effect on recruiting as a result of the entry-level pay proposed in S. 1181.

In a letter of July 27, 1981, and I am repeating myself, General Thurman, Chief of Army Recruiting, stated that S. 1181 will not adversely impact on the Army's ability to attract quality youth.

The Navy has indicated that S. 1181 will provide 11,000 additional reenlistees over a 5-year period. The Navy has also the most serious retention problem. The Congressional Budget Office has stated that under S. 1181 the services will be able to recruit virtually the same number of quality personnel over the next 5 years.

So whatever information is gathered, it is difficult to respond to a hypothetical question, and so therefore I will not.

I now yield to our distinguished colleague from Arizona, Senator GOLDWATER.

Mr. MATSUNAGA. Mr. President, I remind the Senator that I have the floor at this time. If the Senator wishes to yield, I will be happy to yield the floor so that the Senator may yield. I have about, I think, 10 minutes remaining.

Mr. JEPSEN. I have been talking on the Senator's time?

Mr. MATSUNAGA. Yes.

I yield.

Mr. JEPSEN. I thank the Senator. Excuse me.

Mr. MATSUNAGA. So if the Senator will agree to yield equal time from his time, because the Senator does have much more time than I do, then I will be happy to yield.

Mr. JEPSEN. I yield full time to the Senator from Arizona.

Mr. MATSUNAGA. I yield.

Mr. JEPSEN. I thank the Senator.

Mr. GOLDWATER. Mr. President, I thank my friend and I hope to not take long.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, the bill which we are considering today is the best bill attacking the problems of military pay that has come before this body in many years.

We are constantly hearing this argument in support of comparability. I remind you, Mr. President, that comparability is an impossible point to achieve. If we are to look at ourselves, for example, and try to compare our salaries with the salaries of people with responsibilities less than 1/1000th of what we have, our pay is not comparable to the lowest paid bank president in this country.

When we talk about comparability of pay as being a solution in the military, I suggest, Mr. President, this is not the case. Our problem today in the military rests more with discipline and respect: How do you get this? It does not start with the lowest recruit. It starts with the highest ranking man in uniform and unless that man has served and served well, unless he has gained the respect of those people under him and those people, the people under them and down, down, down to where the lowest recruit has great pride in putting the uniform of the United States on, I do not care how much we pay them, we are not going to get them.

This is one of the problems I find as I go across this country of ours visiting military posts, Air Force bases, and naval installations, as I do most of my spare time. We have a lack of discipline down below. We have a lack of respect down below for those officers above them, and I suggest this amendment will actually decrease the pay of some of our officers when, if there is a lower paid group of people in this country, I do not know who they might be than the officers who man our Armed Forces.

When I think of a four-star general, responsible for the expenditure of \$30 billion, making \$45,000 a year and looking at people hired by this Congress responsible for nothing making \$50,000 a year, I am proud of the man who wears those stars who is willing to wear his uniform out of pride, pride in serving his country.

And this amendment, Mr. President, does nothing, not one thing to help the dilemma that the Armed Forces now face through the lack of men willing to sign up.

I suggest we have to start at the right place. We have to recognize ability. We have to recompense reliability. We have to begin instilling respect for the uniform, respect of our flag, and respect of our country. Then when these young men come on duty they are going on duty

like a lot of us did when we were young men with respect for those people above us and will serve as they will serve during the time they have to, and money is not going to enter into it, although it does have its place. Comparability cannot be achieved, and it will never help a bit in the lower recruiting levels.

I thank my friend from Iowa for yielding.

Mr. JEPSEN. I thank my distinguished colleague from Arizona.

I yield to the distinguished Senator from Illinois, Senator PERCY.

Mr. PERCY. Mr. President, if I may have just a minute to comment on Senator GOLDWATER's statement, I wish to say, first of all, that I think that every time the Senator goes to a military installation, and that goes also for Senator TOWER, the chairman of the Armed Services Committee and its other members as well, every time they go it helps morale. It means a great deal to our servicemen.

I know every time the President speaks about the military service and builds pride in our military service he has done a tremendous amount of good. I have never seen the morale higher because of the backing and support that the President has given and the Armed Services Committee of the Senate have given to our military forces today.

It takes me back to the 1950's when through promoting better morale we tried to build up our school teaching force in this country.

But we cannot always substitute morale for adequate pay. We cannot have good morale unless we pay adequately. We cannot indefinitely retain qualified people in a position, no matter how high that position, unless we pay them and compensate them fairly. We get in the end what we pay for.

What we have found with Federal judges is that we are losing them at a faster rate than we ever have before. If we look at the retirement benefits for Federal judges, they no longer can afford to stay on the bench. They cannot afford to die while serving on the bench. Their survivors have the lowest benefits I think of any Government employee. I think survivors of any employee in the Senate have higher benefits than the survivors of Federal judges. I have talked to Supreme Court Justices about this as well as the district court judges and commend the Senator for what he is doing in espousing this military pay bill.

The PRESIDING OFFICER (Mr. QUAYLE). The Senator from Idaho.

Mr. JEPSEN. Mr. President, I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I will be very brief. I want to commend Senator JEPSEN for the splendid job he has done as chairman of the subcommittee that has crafted this bill, and equal thanks and commendation to Senator EXON, the ranking minority member, both of whom have worked diligently on this issue, not just in this session of Congress, but in the last Congress as well.

This is a very, very carefully crafted bill, based on the experience the committee has had on the whole question of military pay. As a matter of fact, we

addressed ourselves to this last year as a congressional initiative, and the fact that we were able to get a pay raise that did favorably increase retention rates was because the Armed Services Committees of the Senate and the House took the initiative to make sure we got pay raises that did, in fact, aid us in maintaining or improving our retention rates.

I would say that the Committees on Armed Services of the two Houses, and particularly the Armed Services Committee of the Senate, have real long-term experience in this, more than the present leadership of the Defense Department. We understand what is needed for retention.

We all know that the professional military are virtually unanimously in support of this bill as it is, and I hope, because this is a carefully considered and crafted bill, that this amendment will be decisively rejected because it simply is a mischievous amendment.

The idea of taking money out of the officers' pockets and giving it to the enlisted men may have some demagogic appeal when, in fact, we need to retain officers and give some career incentive to officers.

Even though this may not be much money out of the officers' pockets, it indicates that it is symbolic that we may not fund officers' pay raises or officers' pay at adequate levels.

In fact, senior officers of the military are faced now with the pay cap. The Chief of Naval Operations now does not make more than a captain of a nuclear ballistic missile submarine.

So I think we should consider the bill as it has been drafted and crafted and approved by the committee; that we should reject this amendment, and go to conference with a good, strong bill that is designed to retain NCO's, not just in the 8- to 12-year bracket but the 16- to 20-year bracket as well. We need that senior experience. We need the middle management core of our junior officers, and this bill is the best means to achieve that end.

I urge the Senate, therefore, to reject the amendment offered by the Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, will the Senator from Texas yield, the chairman of the Armed Services Committee?

Mr. TOWER. I am delighted to yield on the Senator's time.

Mr. MATSUNAGA. Yes.

Is it not true that the administration supports a 14.3-percent across-the-board increase and, in fact, that the Department of Defense is opposed to the bill as reported from the committee?

Mr. TOWER. Well, the Senator is right in asserting that the administration supports another version of the pay bill. But it has not been my experience that the Senate of the United States always goes blindly along with the administration, especially on defense matters, and this is one Senator who respects the experience that has been vested in the members of the Senate Armed Services Committee over the years in this area. The past experience we have had and our experience dictates to us that the bill proffered to the Senate by the Senators

from Iowa and Nebraska is the best bill to achieve the kind of result we seek and, therefore, I thoroughly and totally endorse it.

Mr. MATSUNAGA. I must say that the Department of Defense is primarily concerned about the low recruitment, and they are not—

Mr. TOWER. Well, the professional recruiters do not find anything in this bill that they feel will adversely impact on their ability to recruit.

I suggest to the Senator from Hawaii that he talk to some of the men in uniform who are responsible for recruitment. Recruitment is running at very high levels now not just in quantitative but in qualitative terms, and the biggest problem that we have, and the one we must address ourselves to, if we are going to maintain any standard of combat readiness, is retention, and this bill addresses itself to that problem and we should not monkey around with it here on the Senate floor.

Mr. MATSUNAGA. I must say that I have no argument with the Senator about retention. I am in full support of the retention provisions of the bill. I might point out to the chairman of the Armed Services Committee that according to the Department of Defense, recent empirical evidence shows, and I am quoting now:

The very strong effect of increases in first-term pay on the supply of quality recruits to the Army and the value of the so-called pay elasticity has been estimated as high as 2.0 for new quality recruits to the Army, in a recent study conducted by the Center for Naval Analysis.

This means that for every 1 percent increase in military pay the recruit supply to the Army is increased by 2 percent.

We cannot in the face of these facts deny that giving comparability to the recruit is not going to increase quality recruits.

Mr. TOWER. Mr. President, will the Senator permit me to respond to that?

Mr. MATSUNAGA. Yes.

Mr. TOWER. What the Senator just recited is based on Rand Corp. data which are outdated and which have never been validated. It is based largely on old naval data and does not necessarily apply to the other services and therefore, I do not believe that what the Senator is reciting is authoritative. I think we had better proceed on the best judgment of the professional military and the Armed Services Committee in this matter and get on to the passage of the Jepsen-Exon bill.

Mr. MATSUNAGA. If I may ask, Mr. President, if the members of the committee feel that they cannot depend upon the figures cited by the Center for Naval Analysis or the Rand Corp., on what do they base their analysis? What is it that they are depending upon in quoting the figures they have been quoting?

Mr. JEPSEN. We base our figures on the statements of fact presented by the recruiting chiefs, presented by the Chief of Staff of the Army, and presented by those people who have served our country in uniform for many, many years.

I point out to you that in a letter to Congressman NICHOLS, the Non-Commissioned Officers Association of the United States of America, which represents over 300,000 active duty members, said this:

Frankly, the association has but minimal faith in the Department of Defense. Its record over the past 8 to 10 years proves beyond a doubt its concern has not been with the career enlisted force. We believe the same pattern will continue if Defense is allowed to make its own decision in targeting the October 1, 1981, proposed pay increase.

The Non-Commissioned Officers Association has no choice but to place its faith with Congress to do the right thing.

We have received across-the-board support from all people, all forces in the military, in the uniform of this country.

That is where we have been getting our information, not from some bird-hatching, outdated think tank sort of analysis that is made not on across-the-board data that has never been validated. We repeat that time and time again—it is nearly a hypothetical case. It is a strawman they have put up and they keep using it to point to their reasons for wanting to have the across-the-board pay increase and that is they want to allocate the thing. They have not done it before but lead you to believe they would do it now.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Who yields time to the Senator from Nebraska?

Mr. EXON. Mr. President, if I could get recognized, I would like to ask the Chair how much time is remaining on each side.

The PRESIDING OFFICER. We will give you recognition and tell you that Senator JEPSEN has 22 minutes and 54 seconds remaining and Senator MATSUNAGA has 10 minutes and 1 second remaining.

Mr. EXON. Does the Senator from Nebraska have any time remaining?

The PRESIDING OFFICER. The Senator has no time.

Mr. JEPSEN. The Senator from Nebraska has 22 minutes. We are on the same time.

The PRESIDING OFFICER. Correction. The Senator from Iowa and the Senator from Nebraska have 22 minutes and 54 seconds.

Mr. EXON. I yield myself 5 minutes.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I will try and summarize, because I am hopeful that we can come to a vote on this in the near future.

First, I would like to quote from a prepared statement by Senator CARL LEVIN, a very distinguished member of the Armed Services Committee. In a moment, I will ask that this be entered into the Record on behalf of Senator LEVIN.

But I want to read two or three paragraphs that I think are particularly important, since, during debate on this, this morning, there has been a thread

running through the debate that somehow this measure that came out of the Armed Services Committee is against the All-Volunteer Force. I will quote now from Senator LEVIN's statement.

Mr. President, today the Senate will consider and vote on the Matsunaga/Hatfield amendment to the Uniformed Pay and Benefits Act of 1981, S. 1181 as well as on final passage of this bill.

As a member of the Committee on Armed Services, I want to take this opportunity to urge my colleagues to reject this amendment and pass S. 1181 itself.

This amendment has a laudable purpose. It seeks to increase the pay of the three lowest enlisted ranks in an effort to attract more recruits into the armed services.

However, it is an unnecessary amendment, since the committee has addressed this issue already in S. 1181, and has also focused its efforts at what now appears to be a more immediate manpower problem for the All-Volunteer Force—retention of experienced, senior enlisted personnel.

Continuing to quote from Senator LEVIN's statement:

I think my colleagues know me well enough to feel secure that, as a member of the Armed Services Committee, I would not be a party to any legislation which paves the way for a return to conscription until I was convinced that the All Volunteer Force was a failure and that a draft is needed to meet our national security requirements.

Certainly, those of us who have worked with Senator LEVIN know if there is a proponent of the All-Volunteer Force on the Armed Services Committee it is Senator LEVIN.

Mr. President, if I might return and attempt to answer some of the arguments that have been made against this bill.

First, I would like to say that I think one of the shortcomings of the arguments that have been made against the bill and for the amendment is that those who have offered that amendment seem to be preoccupied with the basic pay problem, with basic pay as it affects E-1's, E-2's, and E-3's. They are so preoccupied with that that they fail to take a look at the overall picture.

I would first state, as I said in my prepared remarks earlier today, that if we take an E-2, for example, the increase in his regular military compensation under the committee proposal will be 10.5 percent, well above the so-called comparability figure that we have heard so much about here on the floor this morning, which is 9.1 percent, according to the sponsors of this amendment.

Mr. President, I would just like to say, once again, that if we start to become so preoccupied with basic pay, then we ignore the other considerations that the manpower subcommittee has given in this measure. For example, if we are going to have a shortfall in recruits, as has been hinted at this morning, then those who propose this amendment seem to be saying: "But we do not want to recognize that the Armed Services Committee has proposed an increase in bonuses to meet that very problem from \$5,000 last year to \$7,500 this year."

I would say to my friend from Hawaii that we have recognized this need. Cer-

tainly we feel that after talking with people in the armed services—and the Senator questioned on what our figures were based—after looking at the CBO reports, after listening to the Chief of Staff of the Army and other experts, we who have studied this long and very hard feel that we have put together a measure that is fair. And if there are those who are still truly concerned that we have not taken into consideration the E-1's, E-2's, and E-3's, let us look at the record once again that I established earlier this morning and that I want to recite once again.

In so doing, I want to remind those who do not agree with me on this—and I am sure they are well-intentioned, that they have not looked at the broad picture. If you simply look at the basic pay figure, you might be right. But you are wrong because you have not looked at the broad picture.

Let me quote once again what I said this morning:

Altogether the person who enlists today in the military will receive a 26 percent increase in basic pay during the next 12 months. Mr. President, while we stand here and bicker over a 2 percent difference between entry pay in the committee bill and the entry pay in the pending amendment, the important—and always overlooked—fact is that a recruit joining the service today can expect a 26 percent increase in basic pay over the next 12 months. The increases in Regular Military Compensation would be approximately the same. No matter how you calculate comparability or inflation, I suggest that that is a very large increase.

I think it is justified but I think it is adequate.

Mr. President, I reserve the remainder of the time on this side.

The PRESIDING OFFICER. Who yields time?

Mr. JEPSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. JEPSEN. Mr. President, I would like to inquire of the amount of time remaining.

The PRESIDING OFFICER. Senator JEPSEN and Senator EXON have 16 minutes and 7 seconds remaining; Senator MATSUNAGA has 10 minutes and 1 second remaining.

Mr. JEPSEN. Mr. President, I would say, in what I hope will be my closing remarks, that I share the sincere and genuine concern that the Senator from Hawaii, Senator MATSUNAGA, has for the level of defense that we must attain and maintain to keep the peace. In fact, all of the sophisticated weapons systems would be for naught if we did not have the individual soldiers, sailors, and pilots to man them and the fact that we must have as a lifeblood in developing and maintaining the All-Volunteer Force a steady flow of recruits.

As chairman of the Manpower and Personnel Subcommittee, I can assure the Senator from Hawaii that we have been, are, and will be most concerned and very vigilant by way of requesting monthly reports, by way of following this very, very closely and at any point in time that we see or feel that there is a move in a direction that would endanger that very necessary and continual flow

of new recruits, we would put top priority and the full force of staff research and whatever else necessary to rectify and correct that situation.

The facts are that, at the present time, with about 105 percent of the recruiting goal quota, with a very marked jump in quality, with everything pointing toward the momentum for that continuing, and that is by way of advice, counsel, reports from all branches of service, we feel that we are on target now with our built-in 9.1 comparability pay increase that exists in this Senate bill 1181.

I appreciate what the Senator is saying. I agree 100 percent with what he is saying. We have some disagreement at this given point in time as to what is sufficient to arrive at that goal, but I commend him for his diligence in pursuing and in verbalizing this. It is something which will remain in the record and be long remembered. It will serve a very important purpose.

I am ready to yield back the time remaining on our side, subject to agreement by the Senator from Nebraska. I wonder if the Senator from Oregon and the Senator from Hawaii are ready to yield back their remaining time.

The best way we express ourselves in this country is not by yelling but by voting.

Mr. EXON. Mr. President, I would generally agree with the statements which have been made by my colleague from Iowa.

At this time I know of no one on this side of the aisle who wishes to address the problem further.

I would merely pose the question to the Senator from Hawaii if he has any more statements from his side on this particular issue.

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

Mr. HATFIELD addressed the Chair. The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. May I inquire how much time remains on our side?

The PRESIDING OFFICER. Ten minutes remain.

Mr. MATSUNAGA. Mr. President, I yield to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon.

Mr. HATFIELD. Mr. President, once again I am sorry I was not able to be here during the opening comments. I was forced to preside over the markup of an appropriations measure.

I have been given an outline of some points which have been made by various speakers on this amendment. I would like to respond to some of those remarks.

First of all, I think we should understand clearly what this amendment does not do. In no way does it touch the carefully crafted bill, as it has been referred to, of the Armed Services Committee in reference to compression. I think we all recognize that as a problem. I want to emphasize that this does not in any way impinge upon that particular objective.

Second, it in no way inhibits the part of the committee bill that has addressed the career retention problem.

Third, in no way does it deemphasize the emphasis which has been placed on

the noncommissioned officers and the way the committee has addressed that question.

I would like to merely say that if this bill is so precise and so carefully crafted, as has been claimed by the members of the committee, what is the committee going to do when we find that the comparability base is not 9.1 but 9.7? Having targeted only 7 and 8 percent for the enlistees there is going to be an even larger gap. It is going to lead to bigger problems for military recruitment.

I want to make one further observation about this matter because I do not think the track record of the committee has been very good in anticipating pay problems. I would only observe for the record that the committee had failed to recognize this problem and its October pay increase was initiated long ago from the floor by amendment process by two people who are not on the committee; namely Senator ARMSTRONG and Senator MATSUNAGA, in which I joined.

This was the real origin of the pay increase. It did not come from the committee. The committee finally got on the pay increase bandwagon in order to release it as their initiative.

It was not the committee's initiative but it was a floor action. The committee has not had a good record of recognizing the need when it was already apparent. I only make that as a comment.

I think the committee is failing again to recognize the significance of the comparability base upon which they are crafting the rest of their program. I have the documentation of the 9.7 figure from the Department of Labor Statistics.

Mr. President, I ask unanimous consent to have printed in the RECORD a document dated September 9, 1981.

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

U.S. DEPARTMENT OF LABOR,
September 9, 1981.

HON. MARK O. HATFIELD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HATFIELD: In response to a September 8 telephone request from Mr. Rick Rolf of your staff to our Office of Wages and Industrial Relations, I am enclosing a copy of the June 26 release on white-collar salaries. The information is from the Bureau's annual survey of professional, administrative, technical, and clerical pay (the PATC survey) which is used to compare Federal white-collar salaries with those in private industry, as required by the Federal Pay Comparability Act of 1970.

The first page of the release indicates the average percentage increase in salaries between March 1980 and March 1981 for those occupations providing comparable data from both surveys. The combined average—9.7 percent—provides a general indication of how salaries increased for the survey jobs.

You may also be interested to know that the Bureau's Employment Cost Index (a broader measure of pay change in terms of industries and occupations) showed white-collar salaries increasing 9.3 percent over the same 12-month period. (See enclosed release dated May 28.)

If I can be of further assistance, please let me know.

Sincerely yours,
JANET L. NORWOOD,
Commissioner.

Mr. HATFIELD. I am absolutely appalled at the remark which I understand has been made on the floor that we cannot possibly achieve comparability. If that is the committee's lack of vision, then I think they ought to review their commitment, along with the other Members of this Congress, to the 1972 action of getting an all-volunteer service in which we committed ourselves to comparability.

I also say that those who claim that this is demagogic have certainly not carefully reviewed the intent of the two sponsors of this amendment, the historic record of support for pay increases. It is not demagogic. We are addressing discrimination.

This discriminates against the enlistees at the E-1, E-2, and E-3 level. There is no way to create a smokescreen. It is discrimination.

The administration asked for 14.3 percent across the board. The committee adopted a targeted program rather than across the board and used a 9.1 base as a comparability.

It is interesting how many people of the committee do favor the draft and have publicly expressed themselves. So I say that this is a back-door approach to the draft because of our failure to live up to the comparability compensation commitment that we made in 1972 under the all-volunteer services.

I feel very strongly, Mr. President, having been a member of the armed services for 3 years in World War II, that we have had too many years when we asked the armed services to subsidize their own service. And I also recall, and I do not think they have changed that much, the distinctions between enlisted and commissioned people.

I was a commissioned officer in the U.S. Navy and I know the pay that an ensign received and I also knew the pay that an apprentice seaman received. It is a caste system to begin with. I am not saying the military can be democratic, but I am saying that we are dealing with a caste system, and a caste system is more than just a matter of rank, title, and privilege that exists between commissioned and noncommissioned people in the military. We are adding further discrimination to an inherently discriminatory system by our failure to recognize the comparability requirement for the E-1, E-2, and E-3.

A slight adjustment is what we are pleading for.

I cannot understand this overreaction from the committee as if, somehow, there is some major tampering going on here with their carefully crafted product, when we are only suggesting a 2 percent—2 percent, Mr. President—change in here in order to reach comparability for the E-1, E-2, and E-3.

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

Mr. THURMOND. Mr. President, I rise in opposition to the pending amendment which would increase the current pay of E-1 through E-3 personnel by 9.1 percent, as opposed to the committee recommendation of 7 percent for E-1's, 8 percent for E-2's, and 9 percent for E-3's.

Mr. President, this bill has been care-

fully constructed by our committee. In particular, it has been determined that the graduated pay increase for new personnel would not have any significant adverse impact on recruiting. This conclusion is fully supported by the Army, Navy, and the Congressional Budget Office.

Further, the Senate should be aware of the fact that usually within 12 months after enlistment the E-1 inductee has risen to the E-3 pay level. This represents an increase of over 18 percent in pay from the date of enlistment. Thus, within 1 year, if the servicemember has proven a satisfactory person, he or she will be getting the 9-percent raise that is proposed in this amendment. Another point worthy of special attention by the Senate is the provision in S. 1181 which increases the maximum enlistment bonus from \$5,000 to \$7,000 for those qualified to serve in a critical skill. This increased bonus will enable the services to fill openings in a large number of critical skills. These numerous slots include infantry assignments which are not easily filled.

Mr. President, I urge that the Senate stand with the committee on this amendment.

(By request of Mr. Exon the following statement was ordered to be printed in the RECORD.)

● Mr. LEVIN. Mr. President, today the Senate will consider and vote on the Matsunaga-Hatfield amendment to the Uniformed Pay and Benefits Act of 1981, S. 1181, as well as on final passage of this bill.

As a member of the Committee on Armed Services, I want to take this opportunity to urge my colleagues to reject this amendment and pass S. 1181 itself.

This amendment has a laudable purpose. It seeks to increase the pay of the three lowest enlisted ranks in an effort to attract more recruits into the armed services.

However, it is an unnecessary amendment, since the committee has addressed this issue already in S. 1181, and has also focused its efforts at what now appears to be a more immediate manpower problem for the All-Volunteer Force—retention of experienced, senior enlisted personnel.

Contrary to statements by supporters of the amendment, the most pressing problem facing the All-Volunteer Army of today is retention of these individuals—the senior sergeants and technical specialists whose skills, experience, and leadership are so important to our overall military capabilities.

Although the amendment's supporters cite testimony from the Defense Department to support their claim, it was only recently that the Army Chief of Staff, Gen. Edward C. Meyer, stated that retention, not recruiting, is his most serious manpower dilemma.

Our committee's bill directly attacks this problem by targeting significant pay raises for the senior enlisted ranks.

In so doing, the committee also has answered the contention of supporters of the amendment that this bill is an assault on the All-Volunteer Force and a blueprint for a return to the peacetime draft.

I think my colleagues know me well

enough to feel secure that, as a member of the Armed Services Committee, I would not be a party to any legislation which paves the way for a return to conscription until I was convinced that the All-Volunteer Force was a failure and that a draft is needed to meet our national security requirements.

I do not believe the All-Volunteer Force is a failure at this point. The evidence remains mixed. Nor do I believe that we only can meet our present national security requirements by returning to conscription.

On the contrary, I think that, at this point in time, the prospects for the viability of the All-Volunteer Force are enhanced rather than diminished by the pay, bonuses, and benefits increases embodied in S. 1181.

The retention increases projected from the targeted pay raises to senior enlisted personnel actually will contribute to the strength of the All-Volunteer Force by reducing the number of recruits required.

In addition, S. 1181 also contributes to improved recruiting by expanding enlistment bonuses from \$5,000 to \$7,500 and by initiating a 1-year test of a \$3,000 bonus for individuals enlisting for 3 years in critical skills.

The Matsunaga-Hatfield amendment, on the other hand, does not contribute significantly to recruitment, according to the Defense Department's own figures. DOD estimates that only 1,800 more recruits will enlist in fiscal 1982 if it passes.

The amendment's sponsors point to the importance of their small additional pay raises for the first three ranks to attracting new personnel to the Armed Forces. DOD's own position is that it is pay during a full first-term enlistment, not just when a recruit holds the ranks between E-1 and E-3, which is more important.

The committee's proposal raises E-4 pay between 10 to 14 percent, and most recruits achieve the E-4 rank in the Army in less than 2 years. They become E-3's by the end of the first year and are only E-1's for 4 to 6 months and E-2's for 6 to 8 months. The minuscule percentage raises that the amendment proposes—0.1 to 2.1 percent for these short periods of time—will have little impact on recruiting.

Lastly, the sponsors of this amendment contend that their amendment would maintain comparability between military and civilian wages for these lowest ranks in fiscal year 1982. They argue that the principle of comparability in wages which supports the All-Volunteer Force must not be weakened symbolically by any departures in the pay tables.

Yet this amendment does not restore the comparability to which the Defense Department refers when it talks about recruiting thousands more individuals in fiscal 1982. That comparability figure is 14.3 percent, because it includes a 5.3-percent wage increase to bridge the gap between the pay bill we passed last year and the 9.1-percent raise needed just for fiscal 1982.

Only restoring wages to 9.1 percent in the lowest ranks still is far short of comparability in an across-the-board sense, and thus, the amendment accomplishes little toward that standard.

The committee, by targeting its pay raises between 7 and 22 percent has maintained an average comparability figure of 14.3 percent in its wage increases.

Mr. President, this bill is a good reconciliation between addressing concerns about recruiting and addressing concerns about retention. It is a constructive package of pay raises, increased special pays, expanded bonuses and additional benefits all designed to address the major manpower problems facing our armed services.

I urge my colleagues to support it and to reject the Matsunaga-Hatfield amendment.●

The PRESIDING OFFICER. Who yields time?

Mr. MATSUNAGA. Mr. President, I had intended to ask for a record vote, but in view of assurance on the part of the chairman of the subcommittee in private conference that he will make every effort in conference to arrive at what we have tried to do here, I shall not ask for a record vote.

Also, in view of the fact that so many have been unable to be here today, who have had to leave for other commitments, if the floor manager, the chairman of the subcommittee, can give me some assurance that every effort will be made to strike some compromise in conference, which would bring the final bill somewhat closer to what we are advocating, then I shall not ask for a record vote.

Mr. EXON. Mr. President, I have been trying to move to a vote on this. There are some Senators who would like to vote. I just cannot agree to leave in the RECORD the statement that the Senator from Hawaii has just made with regard to an understanding with the chairman of the Manpower Subcommittee.

I know of no arrangement or agreement that we are going to take up this consideration in conference with the House. I object to having that go in. If it does and if that is the understanding, then I shall ask for a rollcall vote.

Mr. President, I think, since the matter has been raised by the Senator from Hawaii, I should like to ask my colleague and friend from Iowa whether or not there have been arrangements made as just outlined by the Senator from Hawaii?

Mr. MATSUNAGA. Mr. President, will the Senator take his own time on this?

Mr. JEPSEN. I shall take my own time on this.

Mr. President, I think there has been some misunderstanding. In the discussions going on, four or five persons were here on the floor.

I tried to make my position explicit and very, very clear when, in my remarks, I indicated that I sympathize with Senator MATSUNAGA and what he is attempting to do. I am also very concerned about the continual failure to maintain the level of manpower we need in our voluntary force. But I also pointed out that at this particular point in time, the evidence and the facts are that we do not have the problems.

All the indications from the various branches of the service indicate that; we have memos saying they do not anticipate any problems there.

Also, we disagree, feeling that we have a 9.1-percent comparability base when we consider everything by way of pay and benefits, which the Defense Department has always done.

So, being most sympathetic, being very complimentary—again, I extend congratulations to the Senator from Hawaii for his efforts—with that, that is my position. To go to a conference and compromise on something that we do not have anything to compromise on at this time, other than to assure the Senator that we, too, share his concern for the necessity for continued appropriate pay, we do not see it as a problem at this particular time.

With that understanding, we can now either have a rollcall vote or a voice vote.

Mr. MATSUNAGA. Mr. President, will the Senator yield?

Mr. JEPSEN. I yield.

Mr. MATSUNAGA. The point I was trying to make is that what we had discussed was that, in the view of the chairman of the subcommittee, recruitment is as important as retention, just as the offerors of the amendment have conceded from the very beginning that retention is as important as recruitment; that we need a balanced bill; and that, in conference, the chairman of the subcommittee will take into consideration the importance of recruitment, just as he will take to the conference the thought of the importance of retention.

With that in mind, Mr. President, that the chairman will give equal consideration to recruitment as to retention and, with this thought in mind, going to conference and carefully—

The PRESIDING OFFICER. The Senator from Hawaii must be informed that his time has expired.

Mr. JEPSEN. Mr. President, I yield the Senator what time he needs, hoping that we can wind this up.

Mr. MATSUNAGA. It is this assurance that I was hoping to put into the record.

Mr. JEPSEN. Mr. President, let me assure the Senator that we are equally concerned with all aspects of manpower—recruitment, retention, morale, esprit de corps.

Mr. MATSUNAGA. Unless the Senator from Oregon is—if the Senator will continue to yield.

Mr. JEPSEN. Mr. President, I shall not yield. We have gone over our time. I have yielded some of our time to the Senator. Unless the Senator from Oregon specifically requests a specific amount of time—

Mr. MATSUNAGA. Will the Senator from Iowa yield to me for a question that I shall put to the Senator from Oregon? That is, unless the Senator from Oregon or some other Senator insists on a record vote, I shall not at this time.

Mr. JEPSEN. Mr. President, how much time is remaining?

The PRESIDING OFFICER. The Senator from Iowa has 7 minutes and 24 seconds remaining. The Senator from Iowa has the floor.

Mr. HATFIELD. Mr. President, will the Senator yield to me?

Mr. JEPSEN. Yes, Mr. President. I yield.

Mr. HATFIELD. There has been so much discussion, Mr. President, I was

not able to hear what the Senator from Hawaii was saying. Is the Senator willing to pull the amendment down on the basis of that assurance.

Mr. MATSUNAGA. That I shall not ask for a record vote. If the Senator will agree with me, I can even go to the extent of pulling the amendment down.

Mr. HATFIELD. With the assurances given by the chairman of the subcommittee that this matter will be discussed in conference and also that he will raise the question of the new issue of a 9.7 comparability rate as indicated by the Bureau of Labor Statistics. I urge the Senator that that matter be incorporated.

Mr. JEPSEN. I assure the Senator from Oregon that all matters will be discussed in conference, including any new information.

Mr. HATFIELD. With that, Mr. President, I urge my colleague at this time to withdraw and I shall withdraw our amendment.

Mr. MATSUNAGA addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa controls the time.

Mr. MATSUNAGA. If the Senator from Iowa will yield.

Mr. JEPSEN. I yield to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I shall agree to pulling the amendment down, but only with the understanding that no commitment has been made and no indication given that we are going into conference with the House agreeing to compromise on this basic issue.

I have been listening very carefully to the discussion, and I am fearful that the proponents of this amendment are fearful that they cannot win, but they want to get it into the record so that, when we go to conference, they can say, "Yes, but we agreed to consider this."

Mr. President, we shall agree to consider everything in conference, of course, but there is no implied concept that we shall cave in on this issue. If that is the understanding, Mr. President, I shall not agree to pull down the amendment.

Mr. HATFIELD. Mr. President, if the Senator will yield, I do not think he has to give his agreement to pull the amendment down in the first place. We shall withdraw the amendment on our own without his support. But I do feel that anyone who has been here for any length of time recognizes that no one is committed in conference to an amendment or to the essence of an amendment that has been raised on the floor and then withdrawn.

I believe it may have served the purpose of bringing before the Senate some information that perhaps the committee did not have.

At this point, I suggest that we withdraw the amendment, with the assurances that the committee has not closed its mind to new information that it will be considered carefully in conference.

Mr. MATSUNAGA. Mr. President, will the Senator from Nebraska yield?

Mr. JEPSEN. Mr. President, has there been a request to withdraw the amendment?

Mr. MATSUNAGA. Yes.

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

Mr. JEPSEN. Mr. President, I ask for the yeas and nays on passage of S. 1181.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Mr. President, will the Senator yield?

Mr. JEPSEN. I yield.

Mr. President, the Uniformed Services Pay and Benefits Act of 1981, legislation critical to the personnel problems faced by every branch of the armed services, needs to be enacted as soon as possible.

Critics of the all-volunteer military have called for a return to the draft to solve our critical manpower shortage. But the problems they point to, though varied in scope, can be summed up in these statements: Our armed services need to attract quality recruits, especially in areas of high technology, to serve their country and protect our national security. Furthermore, once trained, these highly valuable volunteers must be provided with incentives that encourage them to remain in the military. Too often we have lost quality personnel simply for the reason that better pay awaited them in the private sector.

S. 1181 aims to correct some of these current inequities with incentives that appeal to every member of our Armed Forces, especially those who have been trained in our newest technology. It aims to work from within, to encourage a longer term of service for volunteers, and from without, with more attractive enlistment terms for outstanding recruits.

Some of these provisions include permission for nuclear qualified officers to execute new agreements to take advantage of higher continuation bonuses, increasing aviation career incentive pay for long-term officers, and suspension of 1 year of the linkage between military pay and the pay of Federal civil service employees.

Besides targeted pay raises aimed at those military groups with the most difficulty meeting manpower requirements, there will also be additional benefits for those persons with critical and hazardous duties, and compensation for those in the military who are required to resettle several times in the course of their duties. Allowances will be increased for dependents' travel and moving expenses, storage expenses, temporary lodging, and reimbursement for travel to family in the event of personal emergencies.

There is a twofold method in this legislation to attract more quality volunteers—those more likely to remain for a career of dedicated service in our Nation's defense. First, by improving the selection of candidates through the selective service registration and improving the administration of military justice, we will be better able to take care of those who faithfully serve our country and continue recruiting the same kind of volunteers that now distinguish themselves as top officers in the Armed Forces.

Second, and more important, are the incentives that will attract these quality recruits and keep our armed services the best and highest trained in the world. These include an increase in ROTC scholarships, and an increase in the maximum enlistment bonus for recruits, with some of the payment to be made on a periodic installment. This bill would also allow the Defense Department to collect high school directory information to determine the fitness of volunteers for the Armed Forces or special programs of the Armed Forces.

In short, Mr. President, this is a bill whose time has come. No longer can we stand on our past history of simply taking what we want. Today's Armed Forces are highly trained, quality personnel, and the cost of training replacements in our complex national defense is prohibitively high. Encouraging those already in the Armed Forces with incentives, salary increases, and allowances, and attracting a higher quality of volunteer to serve in the Armed Forces with enlistment bonuses and ROTC scholarships, is indeed a small price to pay for our national security. Though it does increase our defense spending, it is money well spent when the alternative is higher defense costs of constantly replacing and training new personnel.

● Mr. MITCHELL. Mr. President, I rise in strong support of S. 1181, the uniformed services pay and benefits bill.

Everyone who has discussed the problem of morale with members of our Armed Forces is aware of the tremendous problems which result from inadequate pay and substandard benefit packages.

We must reverse the present trends. Our military simply cannot withstand the present situation in which a substantial portion of our junior enlisted personnel earn an amount no more than the minimum wage, and many military families may be eligible for welfare assistance.

If we do not address our manpower difficulties, we run the risk that the men and women we have trained—at great expense—will leave. Who then will operate and maintain the sophisticated hardware that we continue to purchase?

While it remains necessary for our military services to possess high technology, state-of-the-art weapons systems, we cannot and must not continue to ignore the personal financial needs of the men and women who will operate these systems.

If our ships, aircraft, and Army vehicles are to remain "mission-ready," we will have to pay a decent wage to the mechanics charged with maintaining them. We cannot expect these technicians to remain in the service when they and their families may receive half again as much, or twice as much, outside the military.

S. 1181 goes a substantial distance toward correcting the pay and benefits deficiencies which presently exist. The bill also provides special incentive pay for those people who possess special talents and who now are being lured away from military service by private sector employment offers.

This bill will also provide an inducement for the lower grade volunteers to join the Armed Forces and to remain after they have completed their initial tours of duty. Such an inducement is absolutely essential if the All-Volunteer Force concept is going to work. I believe that the AVF should be given such a chance.

Thank you, Mr. President. ●

● Mr. DENTON. Mr. President, I rise today in support of S. 1181, the Uniformed Services Pay and Benefits Act of 1981, as reported by the Armed Services Committee. I would also at this time like to commend Senator JEPSEN, chairman of the Subcommittee on Manpower and Personnel, and Senator EXON, ranking minority member of that subcommittee for their tireless efforts in producing a comprehensive pay and benefits package, which directly addresses the demonstrated needs of our Nation's military personnel. As a member of the Manpower Subcommittee, I can attest to the responsible, conscientious, bipartisan deliberation that undergirds this legislation.

The pay and benefits package embodied in S. 1181, taken as a whole, addresses itself to the major, fundamental needs of the All-Volunteer Force. This legislation does not in any way neglect or shortchange any segment of military manpower. It does, however, give increased emphasis to a group that has been shortchanged in the past: career enlisted and middle grade officer personnel. While quality recruitment has in the past been, quite properly, the major thrust of All-Volunteer Force policy, we must recognize that retention of a career force, adequate in both numbers and skill levels, is paramount to national security.

The NCO corps and middle officer ranks are the keystone of unit level leadership and training. These individuals have made a career commitment, and it is the responsibility of this body to insure that this commitment is recognized. Any continued depletion of these ranks attributable to a lack of recognition for the service they perform is unconscionable.

It is also important to reiterate that S. 1181 does not neglect the adequate compensation of the junior enlisted ranks. While the percentage pay increase for these ranks is considerably lower than those in the career ratings, junior enlisted personnel will also benefit from the 14.3-percent increase in BAQ—should they live off base—and a similar increase in BAS. Moreover, the issue of recruitment has been addressed by an increase in the enlistment bonus ceiling from \$5,000 to \$7,500. Individuals receiving this bonus will in their first year of service realize greater compensation than an E-5 with over 4 years of service. Along these same lines, it should be noted that an individual who enters the military and successfully completes basic and advanced individual training can expect promotion to E-3 within the first year, thus realizing a 25-percent increase in base pay.

Mr. President, if we have earned any-

thing in the past 9 months, it is the fact that the pie has finite limits. It is my firm belief that the Armed Services Committee has come to terms with this truth and reported a bill that is fiscally responsible, which at the same time successfully addresses the pressing needs of our Nation's military. It also puts renewed emphasis on the sound principle of increased compensation based on levels of achievement. This legislation does not send a "signal," it sends substance. The time for vacillation has passed. I urge my colleagues to join with me in voting for S. 1181 as reported by the Armed Services Committee.●

● Mr. PRYOR. Mr. President, I rise in support of those provisions in the Uniformed Services and Benefits Act of 1981 dealing with special pay for unusually hazardous duty or duty performed under unusually severe working conditions.

It is encouraging to see that the Committee on Armed Services in the Senate has added additional personnel categories eligible for special pay to those already authorized by title 37 of the United States Code. These cover personnel whose duties have been determined to be not only hazardous but also involving personal sacrifice and danger from such threats as toxic, lethal, or carcinogenic substances. Specifically, people included by the committee are those serving on aircraft or missiles with highly toxic fuels or propellants, flight deck personnel on air-capable ships other than aircraft carriers, and those exposed to highly toxic pesticides or viruses and bacteria in laboratories.

In addition, the committee recommends that the rate of hazardous duty incentive pay be increased by 50 percent for enlisted personnel, from \$55 per month to \$83 per month.

The House Committee on Armed Services, in reporting its Armed Forces Pay Act of 1981, included a similar, although more general, provision allowing the Secretaries of the various services to pay special pay to those determined to perform unusually hazardous duties or duties performed under unusually severe working conditions. The House Committee provided that rates of pay would be the same as now authorized for other hazardous duty specifically identified in law.

Mr. President, legislation of this nature is necessary because it recognizes in substantial and material terms the extensive personal sacrifice made by uniformed service members whose daily duties place them in danger. In January of this year, I introduced legislation identical to the House-passed bill. My specific concern at that time was to compensate those who perform unusually hazardous duties on Titan II missiles. It implemented recommendations made in safety reports following a tragic explosion of a Titan II missile silo in Damascus, Ark.

In those reports, we found that safety is a major factor in the low reenlistment rate for the Titan career field. Of the 51 authorized positions in maintenance at the Little Rock Air Force Base, only 38 people were assigned to duty at the be-

ginning of this year. And of these 38, 7 people were decertified and ineligible for duty, leaving only 31 of the 51 positions active. In addition, only 4 of the 38 were serving in their initial tours of duty in the Air Force. Certainly experience in this crucial field has been lacking.

In light of this situation, and of others involved in hazardous duty, it seems necessary that we provide incentives and encouragement for those we need on the job. The ultimate beneficiary, of course, is not only the armed service person and his family and dependents, but also the resident who lives near an air base or a missile silo.●

Mr. CHAFEE. Mr. President, as a cosponsor of S. 1181, I wholeheartedly support this military pay raise bill because it is designed to substantially improve the retention of high-quality officers and NCO's with the critical skills required for a strong national defense. Yet, it does so in a cost-effective manner by targeting those military grades where the retention problem is most severe.

Furthermore, it will ease recruitment through more attractive long-term career pay and by reducing the need for new recruits through improved retention.

In my view, this legislation offers solid solutions to our country's most pressing armed services manpower problems and I urge its passage.

Mr. PELL. Mr. President, in connection with the pending military pay raise bill, I would ask my colleagues to consider the serious personnel problems which are faced by the Coast Guard.

The Coast Guard, as the world's sixth largest ocean-going force, is a vital part of our Armed Forces, and is the Navy's right arm in times of war or national emergency. The Coast Guard has in place a large force of ships, aircraft, boats, and shore stations, which can be immediately and easily brought to bear in a military threat situation. In many ways, the Coast Guard is another kind of Rapid Deployment Force, a multimission organization with seagoing expertise and flexibility, ready to join the Navy at the command of the President or Secretary of Defense.

In my view, the military value of the Coast Guard has been greatly overlooked, and should receive greater emphasis by Congress.

Maintaining the expertise of the Coast Guard is a constant problem, as it is for the other services. And in the case of the Coast Guard, maintaining quality performance is especially difficult because of the many new tasks we in the Congress have haphazardly assigned to it—tasks that today are stretching the Coast Guard's limited resources to the very limit. The superior quality of personnel traditionally has been the hallmark of the Coast Guard. Today, however, the personnel problems of the other armed services are the Coast Guard's problems as well. They face the same recruiting outlook in terms of competing for more sophisticated and demanding skills from a shrinking pool of available young men and women.

Every bit as severe for the Coast Guard

is the retention problem—reenlistments have declined by 50 percent since 1976, and half of all Coast Guard enlisted personnel today have fewer than 2 years of experience. The retention problem has been especially critical for trained petty officers, where the lack of pay comparability has allowed the private sector to drain off scores of key, mid-level personnel in the midst of what should be promising lifetime careers in the Coast Guard. Poor retention directly affects the Coast Guard's operational capabilities and is a great obstacle to maintaining the high degree of professionalism demanded of the young men and women serving in today's Coast Guard.

Coast Guard members and their families, living in essentially the same environment as the other military services, are concerned with exactly the same issues—adequate pay and compensation, educational opportunities, medical benefits, fair evaluation and promotion systems, dealing with the economic sting of frequent transfers and costly housing, retirement security, special services privileges, and the challenge and adventure of different duty assignments.

I would hope that the committee will, in the future, keep in mind the unique military capabilities—and problems—faced by a very important member of our Armed Forces. At a time of greater national emphasis on military preparedness, it would be foolish indeed to overlook the importance of the Coast Guard as a full partner in our seapower strength.

The PRESIDING OFFICER. Without objection, the committee amendment, as amended, is agreed to.

Is all time yielded back?

Mr. JEPSEN. All time is yielded back.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. ABNOR), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Missouri (Mr. DANFORTH), the Senator from Utah (Mr. HATCH), the Senator from Maryland (Mr. MATHIAS), the Senator from Oklahoma (Mr. NICKLES), the Senator from South Dakota (Mr. PRESSLER), and the Senator from Idaho (Mr. SYMMS) are necessarily absent.

I further announce that, if present and voting, the Senator from Utah (Mr. HATCH), would vote "aye."

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from New Jersey (Mr. BRADLEY), the Senator from Nevada (Mr. CANNON), the Senator from California (Mr. CRANSTON), the Senator from Illinois (Mr. DIXON), the Senator from Connecticut (Mr. DODD), the Sena-

tor from Kentucky (Mr. FORD), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Tennessee (Mr. SASSER), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Nebraska (Mr. ZORINSKY), are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON), the Senator from Illinois (Mr. DIXON), the Senator from Connecticut (Mr. DONN), the Senator from Tennessee (Mr. SASSER), and the Senator from New Jersey (Mr. WILLIAMS), would each vote "yea."

The PRESIDING OFFICER (Mr. WARNER). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 81, nays 0, as follows:

[Rollcall Vote No. 253 Leg.]

YEAS—81

Andrews	Byrd	DeConcini
Baker	Harry F., Jr.	Denton
Baucus	Byrd, Robert C.	Dole
Biden	Chafee	Domenici
Boren	Chiles	Durenberger
Boschwitz	Cochran	Eagleton
Bumpers	Cohen	East
Burdick	D'Amato	Exon

Garn	Kasten	Quayle
Glenn	Laxalt	Randolph
Goldwater	Leahy	Riegle
Gorton	Levin	Roth
Grassley	Long	Rudman
Hart	Lugar	Sarbanes
Hatfield	Matsunaga	Schmitt
Hawkins	Mattingly	Simpson
Hayakawa	McClure	Specter
Hefflin	Melcher	Stafford
Heinz	Metzenbaum	Stennis
Heins	Mitchell	Stevens
Hollings	Moynihan	Thurmond
Huddleston	Murkowski	Tower
Humphrey	Nunn	Tsongas
Inouye	Packwood	Wallop
Jackson	Pell	Warner
Jepten	Percy	Weicker
Johnston	Proxmire	
Kassebaum	Pryor	

NOT VOTING—19

Abdnor	Dixon	Pressler
Armstrong	Dodd	Sasser
Bentsen	Ford	Symms
Bradley	Hatch	Williams
Cannon	Kennedy	Zorinsky
Cranston	Mathias	
Danforth	Nickles	

So the bill (S. 1181) was passed, as follows:

S. 1181

An act 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

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "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"

"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 ¹	\$4,416.00	\$4,571.40	\$4,571.40	\$4,571.40	\$4,571.40	\$4,746.00	\$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	5,475.00
O-8	3,544.80	3,651.00	3,737.70	3,737.70	3,737.70	4,016.40	4,016.40	4,206.00	4,206.00	4,381.20	4,381.20	4,746.00	4,746.00	4,936.80	4,936.80
O-7	2,945.40	3,146.10	3,146.10	3,146.10	3,146.10	3,286.50	3,286.50	3,477.00	3,477.00	3,651.00	3,651.00	4,016.40	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	2,211.60	2,211.60	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
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 ¹	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 ¹	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 ¹	1,007.40	1,048.50	1,267.50	1,267.50	1,267.50	1,256.50	1,267.50	1,267.50	1,267.70	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 Commander 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.

¹ 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 26	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	2,934.10	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 5	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	1,233.70	1,290.90	1,389.00	1,442.10	1,495.20	1,546.60	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	1,582.80	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 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						1,455.90	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	1,256.70	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	1,125.60	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	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
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
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
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

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 allowances for subsistence authorized members of the uniformed services shall be as follows:

[Per month]	
"Officers	\$94.39
[Per day]	
"Enlisted members:	
"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		With dependents
	Full rate	Partial rate ¹	
Commissioned officers:			
O-10	\$489.00	\$50.70	\$611.70
O-9	489.00	50.70	611.70

"Pay grade	Without dependents		With dependents
	Full rate	Partial rate ¹	
O-8	489.00	50.70	611.70
O-7	489.00	50.70	611.70
O-6	438.90	39.60	535.50
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	347.10	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".

(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:	Monthly rate
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."

ENLISTMENT BONUSES

SEC. 8. (a) Section 308(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,

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:

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 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 title 37, United States Code, is amended—

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

(B) by inserting "paragraph (2) of this subsection and" before "subsection (1) 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 (1) 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 (1) 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 paragraphs (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 405(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"

"(a) 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 therefor, 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:

"(1) 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 subsection (b) 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 allowances 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 thereof "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 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 834 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 (A)) 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."

LIMITATIONS ON AMOUNTS PAYABLE TO AVIATION CAREER OFFICERS

SEC. 28. (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.

\$3,000 ACCESSION BONUS FOR SURFACE NUCLEAR POWER APPLICANTS

SEC. 29. Section 312b of title 37, United States Code, as amended by the Uniformed Services Pay and Allowances Benefits Act of 1980, is amended by striking out "submarine" in paragraph (a) (1).

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).

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 by striking out "who has attained the age of 65 or" in the sixth complete sentence thereof.

EFFECTIVE DATES

SEC. 32. (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, 29, 30, and 31 shall take effect on the date of enactment of this Act.

Mr. JEPSEN. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. CHAFEE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HEINZ. Mr. President, I ask unanimous consent that I be added as a cosponsor to S. 1181.

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

Mr. JEPSEN. Mr. President, very briefly, I wish to express by gratitude to all those on the Armed Services Com-

mittee staff and all those on the various liaison groups from the various branches of the services who assisted the Armed Services Committee staff, the ranking member, all of the members of the Armed Services Committee who worked so hard and so long to prepare this just-passed military pay bill.

Finally, Mr. President, I would like to express gratitude to the entire Senate which voted on an 81 to 0 basis.

Mr. President, I ask unanimous consent that Senator WARNER be listed as a cosponsor of the bill.

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

Mr. JEPSEN. I thank the Chair.

ERADICATION OF PLANT PEST AND CONTAGIOUS OR INFECTIOUS ANIMAL AND POULTRY DISEASES

Mr. HAYAKAWA. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of 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. I ask unanimous consent that the measure be deemed to have been read the first and second times.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will state the bill by title.

Mr. ROBERT C. BYRD addressed the Chair.

The PRESIDING OFFICER. The Chair states that the request by the Senator from California is to proceed to the consideration of H.R. 4416, and before the Chair rules, the Chair will entertain a statement by the Senator from West Virginia.

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

I have no objection, but I will reserve the right to object merely to say for the record that the taking up of this measure has been cleared with the Committee on Agriculture and with the senior Senator from California (Mr. CRANSTON), Mr. HUDDLESTON, and Mr. CHILES.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (H.R. 4416) 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.

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

Mr. HAYAKAWA. Mr. President, the battle to control the Mediterranean fruit fly in California continues to be a concern of primary importance for myself and all of California agriculture. Currently, all or part of seven counties are under State and Federal quarantine. More than 3,000 square miles are regulated in the State and 1,200 square miles are being sprayed from the air to eliminate the fly.

The Medfly infestation in California is a concern of national importance. Over 50 percent of our Nation's fruits and vegetables come from the Golden State. If in fact the fly is not contained and eradicated the possibility of a state-

wide quarantine is very real. Such a quarantine would be a tremendous hardship on the farmers of California and consumers across the Nation. Short supplies of essential fruits and vegetables would cause grocery prices to skyrocket. The resulting effect on the Consumer Price Index would be disastrous.

I think I can add at this point that California provides 25 percent of the fruits and vegetables consumed within the United States.

The U.S. Department of Agriculture has wisely chosen to participate jointly with the California Department of Food and Agriculture in many of the efforts aimed at eradicating the fly. The USDA has also committed itself to funding 50 percent of the joint eradication efforts. Indeed a significant but warranted expenditure in light of the national implications of an uncontrolled Medfly infestation in our country.

The legislation before us today is of great importance in the Medfly fight. Specifically it will authorize the Secretary of Agriculture to transfer funds within the Department's budget for use in emergency pest situations. The Secretary must be able to respond swiftly and effectively to plant pest outbreaks which threaten our Nation's primary industry—agriculture. A quick response requires that the Secretary have not only the authority to marshal needed resources to the battle zone but also the dollars to fund eradication efforts.

Our efforts to rid the State of the Mediterranean fruit fly are long from over. We have no assurance that more flies will not be found. In fact, given our past success with eradication—we should anticipate further infestations. It pains me to say this but we must be realistic. I would like to take a minute to look back on the battle from where we stand today.

The history of the Medfly infestation in California in scientific and political terms is an interesting study. What started out as a matter of man versus insect degenerated into a battle between agriculture and environmental extremists.

The mismanagement of the project by the California Department of Food and Agriculture from the start has been an embarrassment for all of us working for the public good. Governor Brown in his efforts to resist the aerial application of malathion brought the level of battle to politician versus politician. Mr. Brown was attacked viciously by members of both political parties—all quite appropriately.

His efforts to continue along the path of using integrated pest management practices to control the fly were without scientific basis. But there was a political basis indeed—and by putting politics before problem solving, he did something that a responsible public servant should not have done.

Integrated pest management is a valuable tool in agriculture but it is simply not effective in controlling the Medfly. Several months after initiating the integrated pest management program of fruit stripping and ground spraying, \$25 million and a hundred fly finds later—virtu-

ally everyone agreed that the integrated pest management experiment was a failure. Why did the Governor resist spraying and continue down the ineffectual path of integrated pest management? The answer is simply politics. We must be grateful that Secretary Block, with his tremendous commitment to our Nation's agriculture was able to provide the leverage needed to get the spray program off the ground.

Governor Brown has attempted to blame the mistaken release of fertile Peruvian Medflies for the continued growth of the infestation. This is a highly questionable assertion. At best it is a poor excuse.

Let me give you some facts about the Peruvian flies. They were released over 10 grid areas in San Jose. Larval infestations were found later in 47 grid areas—a far greater area than that in which the Peruvian flies were released. These flies are the sterile flies which mate and nothing results. If nothing results over two or three generations, you have got them licked. To date, checks of over 2,000 Peruvian flies released at the same time have turned up only two fertile flies—a ratio of more than 1,000 to 1. This ratio far exceeds the 100 to 1 ratio ordinarily used to eradicate the Medfly. So this argument that fertile Peruvian flies have been released simply does not hold up. The infestation has spread to a far greater area than would have been expected if such a theory had been correct.

Mr. President, the measure now before the Senate is vitally needed by USDA to facilitate their dollar support of the eradication program in California. It is difficult, if not impossible to determine at this point just what the total costs of eradication will be in the case of the Medfly. It is easy to recognize that the costs of eradication will be minimal when compared to the alternative of economic devastation for the farmers and skyhigh produce costs for consumers if we are not successful in destroying the Medfly.

For those Senators who might be reluctant to vote for this measure for fear of giving the Secretary a "blank check," I would say to them, "you can rest at ease." The Secretary has had similar authorities in dealing with animal disease problems for the last 20 years. Over all these years the Secretary has exercised his authority in only one instance—that was in the case of an outbreak of exotic Newcastle disease in poultry. USDA has a proven record of responsibility in dealing with plant pest infestations and animal disease epidemics.

The emphasis of our eradication efforts to date has been mainly defensive. This is regrettable. In order to stop the fly it is my opinion that we must take the offensive in the battle. To sit and wait until we find fertile flies in our traps means we are committing ourselves to a course of reactive management instead of taking defense. This I find totally unacceptable. We must initiate a program of preventative spraying in areas of likely infestation and expand and perfect our trapping programs.

Swift consideration and passage of this measure will guarantee that the con-

trol efforts will continue with all due speed.

I thank the Chair.

Mr. HELMS. Will the Senator yield?

Mr. HAYAKAWA. I yield to the distinguished Senator from North Carolina. The PRESIDING OFFICER. The Chair recognizes the distinguished Senator from North Carolina.

Mr. HELMS. Mr. President, the people of the great State of California, indeed, the people of this Nation, owe a debt of gratitude to the able Senator from California for his efforts in this connection. He has eloquently stated the case for speedy approval of the pending legislation.

I know that the able Senator from California, with whom I have the privilege of serving as a member of the Agriculture Committee, is and has been particularly concerned that this legislation be rapidly approved. As he indicated, H.R. 4416 would allow the Secretary of Agriculture to transfer funds from agencies or corporations of the Department of Agriculture for use only in emergency situations for the eradication of plant pests or contagious animal diseases.

This authority is of critical importance. The Mediterranean fruit fly outbreak in California now poses a grave threat not only to the fruit and vegetable industry in that State, but to the produce of every State in the Nation.

I understand that the administration strongly supports this legislation. The Department of Agriculture has already committed itself to sharing expenditures with the State of California in its efforts to eradicate the Medfly, however, all funds available within the Department for this purpose are almost exhausted. It is imperative that eradication efforts not stop now.

It is my understanding that a provision similar to H.R. 4416 has also been incorporated into the House-passed agriculture appropriations bill. The Senate has not yet taken action on that matter. The provision in that bill would extend for 1 year the authority which the Department has had for some time now to transfer funds for emergency use in animal disease eradication. It would also extend this authority to plant pests. H.R. 4416, which we are now debating, would make both of these authorities permanent.

Mr. President, it is crucial that this legislation be speedily approved. It does not call for additional appropriations of money. It merely provides transfer authority. We cannot afford any further delays in the current California eradication efforts. Moreover, we need this transfer authority in the event of future emergency situations.

Mr. President, I thank the able Senator from California for yielding to me. Again, I commend him.

● Mr. CRANSTON. Mr. President, as Members of this body are aware, there is a serious infestation of the Mediterranean fruit fly in California. This outbreak directly threatens California's \$14 billion fruit and vegetable industry and is of great concern to growers in other States and consumers as well.

Since the Medfly was discovered in California in June 1980, the U.S. Depart-

ment of Agriculture has been working closely with the State of California on a cooperative project to eradicate this highly destructive pest. The Federal Government has agreed to pay for 50 percent of the eradication project costs. This includes reimbursement for past and future costs of spraying, trapping and monitoring, and quarantine and detection efforts. To date, USDA has paid for less than its full share. I understand that for September 1981 alone USDA's half may amount to \$6 million. However, the Department of Agriculture advises that it will run out of available funds in just a few days. It is critical that there be no interruption in Federal assistance at this point if the program is to be successful and that USDA be able to meet the commitment made earlier this year to share half the costs of the project.

Under current law, the Secretary of Agriculture has the authority to transfer funds from other sources available to USDA in emergencies to combat outbreaks of animal diseases. But there is no similar authority to transfer funds to combat outbreaks of plant pests like the Mediterranean fruit fly. This bill before us today, H.R. 4416, would retain the current authority re animal diseases and extend it to cover emergencies involving eradication of plant pests. I want to make it clear that the legislation does not provide for increased funding. But it gives the Secretary of Agriculture the needed flexibility to deal with this urgent problem or any future plant pest threat to our food supply.

Mr. President, any moneys spent under this authority would be a national investment to insure that the Mediterranean fruit fly is controlled and eradicated in those locations where it is now found in the continental United States. While the cost is in the millions of dollars, these sums are much less than would be incurred by American farmers and consumers if the Medfly were not eradicated.

I greatly appreciate the cooperation of the majority leader and the Senate Agriculture Committee in permitting this bill to be brought up at this time. It is important to the people of California and the Nation. I urge this bill's adoption. ●

Mr. HUDDLESTON. Mr. President, I am pleased to support H.R. 4416, a bill that would give the Secretary of Agriculture authority to transfer Agriculture Department funds for use in emergency pest control situations such as the Mediterranean fruit fly outbreak in California.

As I am sure my colleagues will agree, this emergency measure is vitally important to our producers and consumers. If the Mediterranean fruit fly is not eradicated as soon as possible, other States will suffer the same costly consequences as California.

The proposal to give the Secretary authority to transfer Department funds for emergency situations has been used for the arrest and eradication of infectious or contagious diseases of animals or poultry. This legislation would extend his authority to cover the emergency arrest or eradication of plant pests as well.

It is my understanding that the administration strongly supports the adop-

tion of this legislation. I urge my colleagues to join me in supporting this bill. ● Mr. HATFIELD. Mr. President, I support the passage of this bill. It will address a very troubling problem which arises from the establishment of new or unanticipated emergency plant pest infestations which threaten American agriculture, by granting the Secretary of Agriculture limited authority to transfer funds within the Department to arrest or eradicate the pest.

This is identical to authority which currently exists in the Department for the control of animal diseases, an authority which the administration has been very prudent in exercising. The emergency authority is used when a new plant or animal pest problem is identified which requires immediate action to control or eliminate. The cost of undertaking these control efforts can be considerable, but without swift action, the ultimate cost to agricultural producers and to the consumers can be enormous.

The Nation is currently confronted with a typical example of the circumstances in which this authority is needed: The infestation of the Mediterranean fruit fly in California. Early this summer, the U.S. Department of Agriculture was almost forced to terminate its participation in the eradication effort because all available reserve and contingency funding was exhausted. Fortunately Congress was considering a supplemental appropriations bill at the time, and additional funds were provided in time to continue the program. Had Congress been out of session, or occupied with other legislation at that time, the Federal Government would have had no alternative but to halt its spray program.

Mr. President, as a general rule, I do not favor the granting of discretionary authority to obligate funds without prior specific appropriations by the Congress. In this case, however, I recognize that there are good and compelling reasons why a limited exception to this rule should be granted. It should be made clear that Congress will continue to exercise its oversight responsibilities, including the requirement that prior to the exercise of this emergency authority that the Appropriations Committees of the Congress be notified for their concurrence.

With these safeguards and limitations I believe that the bill should be adopted. ●

Mr. HAYAKAWA. Mr. President, there is no objection from the other side of the aisle. I have been informed that the senior Senator from California (Mr. CRANSTON) approves of this measure and has no objection to it. I believe the same is true of the Democratic members of the Agriculture Committee. I request that we submit this to a voice vote since there does not seem to be enough objection to it.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 4416) was ordered to a third reading, was read the third time, and passed.

Mr. HELMS. Mr. President, I move to

reconsider the vote by which the bill was passed.

Mr. HAYAKAWA. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

HIGH INTEREST RATES AND THE NATIONAL DEBT

Mr. HARRY F. BYRD, JR. Mr. President, the Treasury Department this morning testified before the Subcommittee on Taxation and Debt Management of the Committee on Finance. The Treasury and the administration say that it will need an increase in the current debt ceiling, which is now \$985 billion. It will need an increase to \$1,079,000,000,000. That represents an increase in the debt of roughly \$90 billion during the fiscal year 1982. The current debt is now \$985 billion. The proposal is to increase the debt ceiling, the amount of debt permitted, to \$1,079,000,000,000 for the upcoming fiscal year.

Under questioning by me, the Department of the Treasury stated that the rollover of present debt during the new fiscal year will be \$252 billion. Another way of saying that is that Treasury must go into the money market to the extent of \$252 billion to refinance existing debt. On top of that, it will need to go into the money markets for a minimum of \$60 billion for new debt.

The reason I say a minimum of \$62 billion, Mr. President, is the Treasury Department said it would be approximately \$60 billion of new debt that would need to be financed during fiscal 1982, but the figures that are submitted show that it will be approximately \$90 billion, somewhere between \$85 billion and \$90 billion of new funds that will be needed. The Office of Management and Budget has submitted figures showing that the Federal funds deficit for the new fiscal year will be, in round figures, \$68 billion. On top of that, there are off-budget debts of \$18 billion. So, when you add those two together, you come up with a Federal funds deficit, as differentiated from a unified budget deficit, of \$86 billion.

In estimating the amount of money that will be needed and the new debt ceiling that will be needed for fiscal year 1982, Treasury assumed, I was told this morning at the committee hearing, an interest rate of between 11 and 12.5 percent. Mr. President, the Treasury is now paying between 15 and 16 percent for money, so the assumption may be very optimistic at 11 to 12.5 percent. My guess is that it is too optimistic. But if the interest rates continue anywhere near what they are now, then, for every percentage point above that 11 to 12.5 percent, it will add \$4 billion, the Treasury testified today, to the cost of servicing the debt.

The cost of servicing the debt, the committee was told today by the Treasury, for fiscal year 1982 will be \$108 billion. So, Mr. President, I think our Government is in a very serious financial position. The business community and the stock market and the investment funds recognize this and have recognized

it. It has had an extremely undesirable effect on the economy. President Reagan, I think, recognizes it, also. I have not talked with him personally, but, judging from the news accounts, the White House is prepared to ask for additional reductions in spending over and above the reductions that Congress already has agreed to.

Mr. President, I hope the President does ask for additional reductions in spending. If he does, I plan to support him. Although great strides have been made, I admit, although significant reductions have been made by this Congress, I think further reductions need to be made if we are to get interest rates down.

Over the weekend, Mr. President, prominent Members of Congress have said that if interest rates do not come down within a number of days, something must be done about it. Well, what can be done about it? Does anybody believe we can legislate a reduction in interest rates? I do not know of anyone who believes that. I do not know of any economist who believes that. There may be politicians who believe it.

Mr. LONG. Will the Senator yield at that point?

Mr. HARRY F. BYRD, JR. Yes, Mr. President, I yield.

Mr. LONG. Is not the Senator aware the Chairman of the Federal Reserve Board is using his influence to keep the interest rates high and the chairman is keeping the money supply as tight as possible? Does that not make interest rates high?

Mr. HARRY F. BYRD, JR. The Federal Reserve Board is attempting to cool the tremendous inflation that is eating into the pay check of every man and woman. That is what the Federal Reserve Board is trying to do, curb inflation.

Mr. LONG. If one wants to cooperate with the Manhattan bankers making the interest rate as high as it can go, that is the way to do it, to make money as tight as possible. The ability to protect the economy from further high interest rates is in the power of the Congress. It is in the lawmaking process, which is Congress and the President. Previous Congresses created the Federal Reserve Board. That is an act of the Congress. It is not a part of the Constitution. That act can be amended or repealed entirely.

If anybody is going to do anything about high interest rates, it should be this Government, acting on behalf of the people of the country, who are the borrowers and who have to borrow money. Some people would have us believe that these big banks are eleemosynary institutions, that they are in the charity business. If you believe that, just read that corporate charter. It says banks are in business to make money. They are making money very well indeed.

I think the Senator knows the long-term interest rate tends to be 3 points above inflation. Right now, it is 8 points above inflation. This Government should do something about it.

I hope the Senator is not going to defend these high interest rates, because

the President is not defending them. All I am saying is that the President should do something about them.

Mr. HARRY F. BYRD, JR. The Senator from Virginia has been condemning high interest rates perhaps longer than any other Member of the Senate. I have been condemning high interest rates for a long time, and I have said we have them because of the irresponsibility of the Congress of the United States, over a period of years, in squandering and spending the money of the American taxpayers. That is why we have these high interest rates and this high inflation—because of the irresponsibility of Congress.

If anyone in Congress has plans for legislation that can bring down interest rates, fine. But I do not know of any legislation that can bring down interest rates. The way to bring down interest rates is what the President is trying to do and what Congress has reluctantly followed him in doing—namely, to reduce the huge increase in the cost of Government.

I wish to pay tribute to the President for the initiative and the leadership and the determination he has shown, during the short time he has been in office, in bringing down the tremendous increase in the cost of Government.

This year, Congress approved a \$35 billion reduction. The Senator from Louisiana and the Senator from Virginia voted for that program. Both of us feel that we do need to reduce Government spending, and that is what the President is trying to do. So I applaud and defend the President in his efforts to reduce Government expenditures. That is the way, as I see it, in the long run, to get interest rates down. I believe these interest rates are absolutely devastating.

Mr. LONG. Mr. President, one of the principal reasons we do not have a balanced budget and are not going to have one—and have no hope of having one—is high interest rates.

The Senator from Virginia seems to think that the way to do that would be to balance the Federal books. The Federal books will never be balanced with interest rates so high.

I do not believe that we are going to solve this problem merely by making conditions attractive for the Wall Street bankers and the big money interests in America. These money lenders represent less than 1 percent of the people of this country. I do not believe it is in our power to make the economic conditions so attractive that interest rates will come down.

In my judgment, to bring down interest rates, you will have to look at the kinds of things Presidents Franklin D. Roosevelt and Harry Truman did when they used the powers that were given the Federal Government by the Constitution to create money and to regulate the value of it. You will have to use those powers for the benefit of the 99 percent of the people in this country who happen to be the money borrowers.

If interest rates continue to be kept high with the approval of this White House and the approval of the administration so far, then those Wall Street

bankers can write their own tickets. This is exactly what has happened.

I suggest that the President talk to the money lenders the way he talked to the air traffic controllers. He should say: "I appreciate your help in getting me in office, but after all, I represent more than you. I have responsibility to all 223 million in this country. If you think you can continue to take advantage of this situation the way you have been, I'll have to take the side of the 99 percent of the people who are getting the worst of it."

I believe that if a vote were to be taken on Wall Street right now, the majority there would be in favor of bringing down these interest rates and using the power of the Government, if need be, to do it. They know that is the only way it can be done.

Mr. HARRY F. BYRD, JR. Will the Senator elaborate on how the Government should or could bring down the interest rates?

Mr. LONG. I am not the President. I am frank to say that nobody is going to become excited about the Senator from Louisiana (Mr. LONG) saying anything about that. They will say, "He is just reverting to form. He came here as a populist, to begin with."

However, the President of the United States says he is concerned about this matter. Our friends on the other side of the aisle and the Senator from Virginia are expressing concern about these high interest rates. The President should say, "Enough."

I know that the Senator from Virginia does not believe in the Reconstruction Finance Corporation, but, to a large degree, the money is the people's money. The money is coming from the Federal Government in rediscounting these notes, and the credit is the people's credit. We may have to find some other ways of doing business in order to use the people's credit to the benefit of the majority of the people. We may have to recreate the Reconstruction Finance Corporation to make some of these loans that money lenders do not want to make, except at 25 percent interest.

Mr. HARRY F. BYRD, JR. The Government itself is paying 16 percent for short-term money. So it is not just the bankers.

I do not defend the bankers. As a matter of fact, during the time I have been in the Senate, I believe I have been more critical of them than any other Member of the Senate. I do not know of anyone who wants these high interest rates. There may be some people who do, but I do not know who they are. It hurts everybody.

Mr. LONG. I am not happy about it, but the natural gas industry has had to live with price controls for more than 30 years. It is not fair; it is not right. They have had to suffer from price controls for more than 30 years.

Mr. HARRY F. BYRD, JR. There is quite a difference. As the Senator knows, every State in the Union had a usury law. I voted for it when I was in the Virginia Senate—a usury law for the State of Virginia, by which no one could lend money above a certain rate. But in the last few years, Congress got into the act and said, in effect, "You must set

aside all your usury laws, because if you don't, there won't be any economic activity." There is no way you can force anyone to lend money at a particular rate.

Mr. LONG. The Senator from Virginia is making the argument that nothing except balancing the Federal budget will lower interest rates. Many things have been done to lower interest rates under Presidents who had the will to act, and I refer to Franklin D. Roosevelt and Harry Truman. They were criticized severely for using the powers of this Government to benefit the people.

Mr. HARRY F. BYRD, JR. They did not have anything similar to what we face today, nothing whatsoever, with regard to the interest rates we face today. They did not have anything in regard to the accumulated deficits and huge deficits we have today. It was an entirely different situation.

Mr. LONG. Mr. President, I thank my dear friend from Virginia for yielding to me. He knows I love him devoutly.

Mr. HARRY F. BYRD, JR. It is mutual.

Mr. LONG. He is a great Senator. I will trespass on his time no further, except to express my admiration for him; and I reserve my right, as a very dear friend, to have a different opinion about this matter.

Mr. HARRY F. BYRD, JR. The Senator from Louisiana and the Senator from Virginia very seldom have a difference of opinion. I am not sure that we have a difference of opinion in this matter. Both of us feel that interest rates are too high. Both of us feel that interest rates must be brought down. Both of us want to do whatever is reasonable and possible. It is just a question of how it can be done. There might be some difference of opinion on that.

The Senator from Louisiana, as the chairman of the Senate Finance Committee for many years, showed an ability and a dedication that few persons in the history of the Senate have shown, and I have great admiration for him. Perhaps by talking to each other, we can find some proposal we can make which will bring down interest rates at an early date.

I must say that I am very doubtful that any proposal that Congress could make—or, for that matter, that the administration could make—could bring about a reduction in interest rates in a very short time, unless we want to run the risk and probability of stimulating inflation simultaneously.

Mr. LONG. I thank the Senator for his courtesy. He is always generous and kind. It is a great pleasure for me to work with the Senator from Virginia. I am happy to say that in working with the Senator on the Finance Committee, many times we started out with a divergence of views and managed to arrive at a conclusion we could support, and I hope we can do so at this time.

I thank the Senator.

Mr. HARRY F. BYRD, JR. I thank the Senator from Louisiana.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, at the request of the distinguished majority leader, I ask unanimous consent that there be a period for the transaction of routine morning business, for not to exceed 1 hour, and that Senators may speak therein.

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

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, on Friday, July 31, I spoke on the early history of Senate committees, and today I continue my series of statements on the United States Senate, it being a time when the Senate is not engaged in the transaction of business and with no other Senator seeking the floor.

I wish at this time to elaborate a bit on the evolution of the Senate committee system and certain Senate rules, and in this regard may I express appreciation to Judy Schneider who is in the Government Division of the Library of Congress, Congressional Research Service, and also to Dr. Floyd Riddick, Parliamentarian Emeritus of the United States Senate.

Efforts to secure changes in organization and procedure have been a continuing trend in the history of Congress. Even in an institution such as the Senate, with a high regard for the role of tradition, organizational and procedural changes have occurred throughout its development. In the 96th Congress, Senate attention was drawn to efforts to improve legislative efficiency, to increase the public accountability of the Senate, and to enhance its institutional stature.

In many ways, the modern Senate is much like the Senate of the 18th and 19th centuries. Traditions of extended debate and of collegiality in decision-making have remained influential to the present day. In other respects, the Senate has seen fit to modify its practices. In recent years, efforts have been undertaken to modify the seniority system, to open Senate committee meetings to the public, to increase the availability of staff assistance for Members, and to require the disclosure of information about Senators' personal finances. Other efforts have been directed toward reasserting the role of Congress in formulating national policy.

The modern Senate committee system dates from the passage of the Legislative Reorganization Act of 1946, which marked the culmination of efforts by a Joint Committee on the Organization of Congress. Hearings by a second such joint committee in 1965-66 led to the enactment of the 1970 Legislative Reorganization Act, which focused primarily on congressional information and analytic resources, committee staffing, and congressional procedure. The Congressional Budget Act and Impoundment Control Act of 1974 established Senate and House Budget Committees, a Congressional Budget Office, and a process to achieve more coordinated congressional action in fiscal policy making.

Several additional changes were made in Senate committee operations during the 94th Congress. The previous requirement that Senate committee meetings be open to the public was extended to conference committee meetings unless a majority of the House or Senate conferees voted otherwise. Senators who previously had not been able to appoint committee staff were permitted to name staff to aid them with committee business. The Senate Democratic Conference voted to provide that, beginning in 1977, one-fifth of the Democratic Senators could anonymously request a secret vote of the Conference on any prospective committee chairman nominated by the Democratic Steering Committee. Republican committee leaders are chosen by their party colleagues on each committee, subject to Republican Conference approval.

Early in the 95th Congress, the Senate approved a major revision in its committee system. In 1976, a Temporary Select Committee to Study the Senate Committee System had been appointed. Under the leadership of Sen. Adlai Stevenson and co-chairman, Sen. Bill Brock, the committee recommended reorganization and consolidation of the Senate's committee. The committee reforms, as embodied in S. Res. 4 of the 95th Congress, were considered and amended during four days of Senate debate, and were approved by the Senate on Feb. 4, 1977. Among the provisions of S. Res. 4 were:

Reduction in the number of Senate standing committees from 18 to 15;

Adjustments in committee jurisdictions;

Limitations on Senators' committee and subcommittee assignments;

Increased committee staff assistance for minority party members;

Recommendations that duties of joint committees be transferred to Senate standing committees wherever possible;

Establishment of procedures to secure referral of legislation to more than one committee; and

Establishment of a permanent Select Committee on Aging, and of a Select Committee on Indian Affairs for the 95th Congress.

Subsequent to passage of S. Res. 4, action was taken to abolish the Joint Committee on Defense Production and the Joint Committee on Congressional Operations. The Joint Economic Committee and the Joint Committee on Taxation were retained, as were Joint Committees on the Library and on Printing. At the end of the 95th Congress, the Senate acted to continue the Select Committee on Indian Affairs for an additional two years.

The Senate acted to implement additional provisions of its committee reform resolution during the 96th Congress. Additional committee and subcommittee assignment limitations became effective with the start of the new Congress. Some Senators were forced to relinquish committee assignments they held in preceding Congresses. By 1979, the Senate also came half-way (from a 1977 base) to-

ward achieving a one-third minority party committee staffing ratio.

Delay of business on the Senate floor remained an issue of continuing concern. Changes in the cloture rule (Rule XXII) by which debate on the Senate floor is terminated have been suggested for several years. In 1975, the Senate revised its rule to permit cloture if three-fifths of its Members vote to bring debate on legislation to a close; previously, the support of two-thirds of the Senators present and voting had been necessary. In the 94th Congress, a record number of 14 successful cloture votes were taken. During the 95th Congress, opponents of measures delayed Senate business for substantial periods of time even after cloture was invoked. A resolution (S. Res. 9, 1977) to eliminate or to reduce the impact of these "post-cloture filibusters" failed to gain passage after four days of Senate debate. In October 1977, a series of parliamentary rulings by the Vice President, sustained by the Senate, partially limited the impact of post-cloture filibusters. Additional efforts to modify the Senate cloture rule were begun in the 96th Congress.

During the 95th Congress, several proposals were considered to revise the administrative operations of the Senate. At the end of 1976, the Commission on the Operation of the Senate, appointed the previous year, issued its final report. The Commission recommended the appointment of an Administrator of the Senate responsible for routine management functions; the reallocation of space for Senators, committees, and administrative units; more efficient use of time through early organizational meetings, computerized scheduling of committee meetings and designation of days exclusively for committee or floor business; experimentation with broadcasting of floor proceedings; and public financial disclosure for Senators and key administrative staff.

A resolution (S. Res. 166, 1977) embodying most of the Commission's recommendations was considered in committee, but not reported to the full Senate. Some of the Commission's recommendations were implemented, however. Computerized scheduling of committee meetings began during the 95th Congress and Senate debates on the Panama Canal treaties were broadcast by public radio.

The Senate also acted in the 95th Congress to increase accountability of Senators for their personal finances. S. Res. 110, adopted Apr. 1, 1977, established a more comprehensive financial disclosure requirement for Senators and senior staff, proscribed the receipt of gifts valued in excess of \$100 from foreign nationals or from persons with a direct interest in legislation, limited most sources of Senators' outside earned income to no more than 15% of their Senate salaries, limited the use of the congressional frank, prohibited foreign travel by "lame duck" Senators, prohibited the establishment of unofficial office accounts, and added language to the Senate rules prohibiting discrimination in the hiring and promotion of staff.

Enforcement and oversight responsibilities for the Code of Conduct were assigned to the Select Committee on Ethics. Some modifications in the code were subsequently adopted by the Senate, and many of the Code's provisions (especially the financial disclosures requirements) were subsequently incorporated into the Ethics in Government Act, P.L. 95-521, which was signed into law on Oct. 26, 1978.

Proposals were also made to enhance the non-discrimination portion of the ethics code by establishing a Senate Fair Employment Relations Board to receive and screen complaints, and to offer appropriate remedies. No final action was taken on the proposal during the 95th Congress.

96TH CONGRESS

On Jan. 15, 1979, introduced S. Res. 9, a proposal to expedite Senate consideration of legislation. The resolution, as introduced, contained the following provisions:

- a. Offering of non-debatable motions to approve or correct the Journal would be permitted;
- b. Debate on motions to proceed to consider a particular bill would be limited to 30 minutes;
- c. Demands for the reading of an amendment would not be in order if copies of the amendment were available in printed form;
- d. The offering of non-debatable motions requiring three-fifths vote to enforce rule of germaneness of future amendments to a bill would be allowed;
- e. Post-cloture debate time would be limited to 100 hours, with time for quorum calls, votes, and parliamentary rulings and appeals counted against the 100 hours;
- f. Post-cloture debate time could be extended or reduced, but not below ten hours, by a three-fifths vote of the full Senate;
- g. After Sept. 1 of each year, a cloture motion could be brought to a vote the same day as introduced, after a maximum of five hours of debate;
- h. The demand to read a conference report in full could not be entertained, if printed copies of the report were available;
- i. "Three-day rule" for availability of committee reports would be changed to a "two day rule," with Saturdays, Sundays, and holidays included; and
- j. The Committee on Rules and Administration would be directed to provide for the installation of an electronic voting system in the Senate.

The respective party leaderships appointed committees to study the Byrd resolution and to report their recommendations to the party conferences. The Republican committee was chaired by Sen. Ted Stevens and the Democratic committee was chaired by Sen. Gaylord Nelson. The committees met individually and jointly with the party leaders in an effort to devise an acceptable compromise.

On Feb. 7, 1979, the Senate agreed to a unanimous consent request by me to limit consideration only to those portions of his resolution dealing with post-cloture

regulations. An alternate resolution, S. Res. 61, embodying points (e) and (f) above, was made in order for purposes of amendment. Under terms of the agreement, S. Res. 61 became the pending order of business. If a final vote on the disposition of the new resolution did not occur by 6 p.m. on Feb. 22, 1979, the original language of S. Res. 9 would again become the pending business before the Senate.

During its consideration of S. Res. 9 and S. Res. 61, the Senate recessed rather than adjourned at the end of each day's session. This was done to maintain the procedural fiction that the Senate was still in its first day of business. It has been maintained that the Senate is not bound by rules adopted by the Senate in previous Congresses, and that a majority of Senators can vote to end debate on rules changes on the first day of a new Congress. This ruling was temporarily upheld by the Senate in 1975, but later was overturned as part of the cloture rule reform compromise of that year. However, continuation of the Senate in its first legislative day maintained the possibility that this contention could have been used to end prolonged debate on cloture rule reform.

On Feb. 22, 1979, the Senate agreed to S. Res. 61 by a vote of 78-16. As finally approved, the resolution establishes a cap of 100 hours of consideration once cloture has been invoked on a measure. At the expiration of the time limit, the Senate would proceed to the final disposition of the measure: no amendments then not pending would be in order. A motion to table, a motion to reconsider, and motions necessary to establish a quorum would be in order, however. The Senate may, by a three-fifths vote, increase the amount of post-cloture time, with the additional time to be equally divided and controlled by the Majority and Minority Leaders, or their designees.

Under the resolution, each Senator is entitled to one hour of time. Senators may yield their time to the majority or minority floor managers of the bill, or to the Majority or Minority Leaders. None of the designated four Senators may have more than two additional hours yielded to him or her. These Senators, in turn, may yield their time to other Senators so requesting. If all available time expires, a Senator who has not yielded time and who has not yet spoken on the matter on which cloture has been invoked, may be recognized for ten minutes for the sole purpose of debate.

The resolution provides that no Senator shall call up more than two amendments until every other Senator has had the opportunity to call up two amendments. The Chair is directed to recognize Senators who have not called up two amendments, and who wish to do so, in preference to a Senator seeking recognition to call up a third amendment.

After cloture is invoked, the resolution stipulates that the reading of the Journal shall be dispensed with and that the Journal shall be approved automatically for the duration of post-cloture consideration of a measure. Similarly, after cloture is invoked, the reading of

amendments available in printed form will be dispensed with routinely.

The former cloture rule made in order amendments introduced prior to the completion of the cloture vote. S. Res. 61 would make in order first degree amendments—amendments to a bill—submitted by 1 p.m. of the day following submission of a cloture motion; second degree amendments—amendments to amendments—would be in order if submitted in writing 1 hour prior to the cloture vote.

After the Senate passed S. Res. 61, it agreed to place S. Res. 9 on the Senate calendar. The Senate also adjourned, thus completing the first legislative day of the 96th Congress. As I explained, this action would guarantee that if the Senate resumed consideration of S. Res. 9, a two-thirds vote would be required to invoke cloture on the measure, a two-thirds vote being necessary because the measure involved changes in the Senate rules.

On Mar. 8, 1979, the Senate adopted S. Res. 93, postponing from Jan. 1, 1979, until Jan. 1, 1983, the effective date for limitations on the outside earned income of Senators and certain senior Senate staff members. The limit on earned income (15% of a Senator's or staffer's salary) was adopted in 1977 as part of the Senate's Code of Official Conduct. S. Res. 93 was introduced on Mar. 7, 1979, and was made the pending order of business by unanimous consent. There was no roll-call vote on final passage. Senators are still limited by statute to honoraria fees of \$2,000 per appearance, and a total of \$25,000 per annum from such fees.

On Oct. 31, 1979, the Senate adopted S. Res. 271 which eliminated certain congressional class requirements for membership on the Select Committee on Ethics.

On Nov. 14, 1979, the Senate adopted S. Res. 274, Revised Standing Rules of the Senate.

On Dec. 13, 1979, the Committee on Rules and Administration reported S. Res. 281 and S. 2018, a package to revise committee funding procedures by requiring all standing committees to submit one comprehensive funding resolution to incorporate all operating expenses for the year. The resolution, which becomes effective in the 97th Congress, passed the Senate Mar. 11, 1980, by voice vote.

On Dec. 11, 1980, the Senate passed S. Res. 448, as amended, which extended the life of the Select Committee on Indian Affairs until 1984.

THE 1969 CREDIT CONTROL ACT

Mr. ROBERT C. BYRD. Mr. President, the 1969 Credit Control Act gives the President extremely broad powers to use the Federal Reserve Board to lower interest rates, among other things. The 96th Congress voted to terminate the act as of June 30, 1982.

The act is brief and to the point, saying:

Whenever the President determines that such action is necessary or appropriate for

the purpose of preventing or controlling inflation generated by the extension of credit in excessive volume, the President may authorize the Board to regulate and control any or all extensions of credit.

The powers of the Federal Reserve Board, upon being authorized by the President, are many, but include the ability to:

Prescribe the maximum rate of interest, maximum maturity, minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extensions of credit.

The act has been invoked only once, by President Carter in March 1980. A major debacle resulted, and the economy shrank dramatically. Unfortunately, Congress terminated the act. Nothing in the act required the President or the Federal Reserve to act in the particular way they did—some form of credit control powers are an important stand-by function of the Government.

If one suggested that the President invoke the act, his advisers might rely on the peculiar phrasing of the act and respond that excessive credit is not causing current inflation; therefore, no justification exists for the invocation of the act.

One might respond that excessive credit is being extended to large corporations for speculative takeovers, and to wealthy individuals for speculation on money markets and in commodities, while insufficient affordable credit is available to the small businessmen who provide the vast majority of jobs in this country.

Mr. President, I ask unanimous consent that a copy of the Credit Control Act be printed in the RECORD.

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

CHAPTER 20—CREDIT CONTROL

Sec.

1901. Definitions.

1902. Rules and regulations by the Board of Governors of the Federal Reserve System.

1903. Interest.

1904. Credit controls.

1905. Extent of control.

1906. Reports; production of records.

1907. Injunctions for compliance.

1908. Civil penalties.

1909. Criminal penalty.

§ 1901. Definitions.

(a) The definitions and rules of construction set forth in this section apply to the provisions of this chapter.

(b) The term "Board" refers to the Board of Governors of the Federal Reserve System.

(c) The term "organization" means a corporation, government or governmental subdivision or agency, trust, estate, partnership, cooperative, or association.

(d) The term "person" means a natural person or an organization.

(e) The term "credit" means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

(f) The term "creditor" refers to any person who extends, or arranges for the extension of, credit, whether in connection with a loan, a sale of property or services, or otherwise.

(g) The term "credit sale" refers to any sale with respect to which credit is extended or arranged by the seller. The term includes

any rental-purchase contract and any contract or arrangement for the buying or leasing of property when used as a financing device.

(h) The terms "extension of credit" and "credit transaction" include loans, credit sales, the supplying of funds through the underwriting, distribution, or acquisition of securities, the making or assisting in the making of a direct practice, or otherwise participating in the offering, distribution, or acquisition of securities.

(i) The term "borrower" includes any person to whom credit is extended.

(j) The term "loan" includes any type of credit, including credit extended in connection with a credit sale.

(k) The term "State" refers to any State, the Commonwealth of Puerto Rico, the District of Columbia, and any territory or possession of the United States.

(1) Any reference to any requirement imposed under this chapter of any provision thereof includes reference to the regulations of the Board under this chapter or the provision thereof in question.

(Pub. L. 91-151, title II, § 202, Dec. 23, 1969, 83 Stat. 376.)

SHORT TITLE

Section 201 of Pub. L. 91-151 provided that: "This title [enacting this chapter] may be cited as the 'Credit Control Act'."

§ 1902. Rules and regulations by the Board of Governors of the Federal Reserve System

The Board shall prescribe regulations to carry out the purposes of this chapter. These regulations may contain such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of transactions, as in the judgment of the Board are necessary or proper to effectuate the purposes of this chapter, to prevent circumvention or evasion thereof, or to facilitate compliance therewith.

(Pub. L. 91-151, title II, § 203, Dec. 23, 1969, 83 Stat. 376.)

§ 1903. Interest

Except as otherwise provided by the Board, the amount of the interest charge in connection with any credit transaction shall be determined under the regulations of the Board as the sum of all charges payable directly or indirectly to the person by whom the credit is extended in consideration of the extension of credit.

(Pub. L. 91-151, title II, § 204, Dec. 23, 1969, 83 Stat. 377.)

§ 1904. Credit controls

(a) Whenever the President determines that such action is necessary or appropriate for the purpose of preventing or controlling inflation generated by the extension of credit in an excessive volume, the President may authorize the Board to regulate and control any or all extensions of credit.

(b) The Board may, in administering this Act, utilize the services of the Federal Reserve banks, and any other agencies, Federal or State, which are available and appropriate.

(Pub. L. 91-151, title II, § 205, Dec. 23, 1969, 83 Stat. 377.)

§ 1905. Extent of control

The Board, upon being authorized by the President under section 1904 of this title and for such period of time as he may determine, may by regulation

(1) require transactions or persons or classes of either to be registered or licensed.

(2) prescribe appropriate limitations, terms, and conditions for any such registration or license.

(3) provide for suspension of any such

registration or license for violation of any provision thereof or of any regulation, rule, or order prescribed under this Act.

(4) prescribe appropriate requirements as to the keeping of records and as to the form, contents, or substantive provisions of contracts, liens, or any relevant documents.

(5) prohibit solicitations by creditors which would encourage evasion or avoidance of the requirements of any regulation, license, or registration under this Act.

(6) prescribe the maximum amount of credit which may be extended on, or in connection with, any loan, purchase, or other extension of credit.

(7) prescribe the maximum rate of interest, maximum maturity, minimum periodic payment, maximum period between payments, and any other specification or limitation of the terms and conditions of any extension of credit.

(8) prescribe the methods of determining purchase prices or market values or other bases for computing permissible extensions of credit or required downpayment.

(9) prescribe special or different terms, conditions, or exemptions with respect to new or used goods, minimum original cash payments, temporary credits which are merely incidental to cash purchases, payment or deposits usable to liquidate credits, and other adjustments or special situations.

(10) prescribe maximum ratios, applicable to any class of either creditors or borrowers or both, of loans, of one or more types or of all types.

(A) to deposits of one or more types or of all types.

(B) to assets of one or more types or of all types.

(11) prohibit or limit any extensions of credit under any circumstances the Board deems appropriate.

(Pub. L. 91-151, title II, § 206, Dec. 23, 1969, 83 Stat. 377.)

REFERENCES IN TEXT

This Act, referred to in pars. (3) and (5), is Pub. L. 91-151, Dec. 23, 1969, 83 Stat. 377, which is classified generally to this chapter. For complete classification of this Act to the Code, see Tables volume.

§ 1906. Reports; production of records

Reports concerning the kinds, amounts, and characteristics of any extensions of credit subject to this chapter, or concerning circumstances related to such extensions of credit, shall be filed on such forms, under oath or otherwise, at such times and from time to time, and by such persons, as the Board may prescribe by regulation or order as necessary or appropriate for enabling the Board to perform its functions under this chapter. The Board may require any person to furnish, under oath or otherwise, complete information relative to any transaction within the scope of this chapter including the production of any books of account, contracts, letters, or other papers, in connection therewith in the custody or control of such person.

(Pub. L. 91-151, title II, § 207, Dec. 23, 1969, 83 Stat. 378.)

§ 1907. Injunctions for compliance

Whenever it appears to the Board that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation under this chapter, it may in its discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Board, any such court may also issue mandatory injunctions commanding any

person to comply with any regulation of the Board under this chapter.

(Pub. L. 91-151, title II, § 208, Dec. 23, 1969, 83 Stat. 378.)

§ 1908. Civil penalties.

(a) For each willful violation of any regulation under this chapter, the Board may assess upon any person to which the regulation applies, and upon any partner, director, officer, or employee thereof who willfully participates in the violation, a civil penalty not exceeding \$1,000.

(b) In the event of the failure of any person to pay any penalty assessed under this section, a civil action for the recovery thereof may, in the discretion of the Board, be brought in the name of the United States.

(Pub. L. 91-151, title II, § 209, Dec. 23, 1969, 83 Stat. 378.)

§ 1909. Criminal penalty

Whoever willfully violates any regulation under this chapter shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

(Pub. L. 91-151, title II, § 210, Dec. 23, 1969, 83 Stat. 378.)

ENERGY INSECURITY

Mr. ROBERT C. BYRD. Mr. President, the major energy story of the day would appear to be news of an oil glut. This summer there has been a plentiful supply of gasoline and the price has even slipped several cents a gallon. Foreign oil imports in the first 6 months of this year have declined by 20 percent, to an average of 5.9 million barrels a day. For the first time since the Arab oil embargo of 1973, domestic oil production actually increased slightly during the months of June and July. Prodded by higher prices resulting from decontrol, drilling activity has reached an all-time high.

So with all of this encouraging news, where are we going wrong?

First, it appears that the Reagan administration has determined that no energy policy is the best energy policy. This goes beyond the decontrol of domestic crude oil prices and the accompanying curtailment of a complex regulatory scheme. Unlike Presidents Nixon, Ford, and Carter, the Reagan administration apparently does not see energy as an urgent problem requiring Federal action. Rather, market forces are now deemed to be the panacea for our energy ills. Despite warnings by the most informed experts that the current oil surplus is only temporary, there has been no effort to devise a workable response to a cutoff of Persian Gulf imports. In contrast to the optimistic statistics, the United States continues to import approximately 12 percent of its total oil supplies from Arab OPEC nations. There seems to be little recognition of the economic and foreign policy consequences of this continued energy vulnerability.

The shortsightedness of this nonpolicy has been noted by Daniel Yergin, the well-known Harvard professor. In a recent New York Times book review, Yergin wrote that the Reagan administration "seems to have made a sharp and potentially dangerous distinction between energy policy, which it more or less seems to want to forget, and foreign and security policies, about which it is quite concerned." Given the high probability of further disruptions in oil

supplies before the decade is out, the tendency to separate security and energy policies may prove most unwise. Citing our enormous expenditures on military equipment, Yergin notes that the probability of Soviet tanks rolling across the North German plain is much lower than the likelihood of an interruption of oil supplies stemming from various conflicts in the Middle East. But we are far less prepared for a severe energy emergency than a military attack.

At the end of this month, the Emergency Petroleum Allocation Act will expire. This legislation empowers the Federal Government to impose oil price and allocation controls in the event of a severe supply shortfall. A variety of alternatives have been proposed, including an emergency energy tax to insure that the drastically higher prices that would result from a shortage do not unduly benefit OPEC or the oil companies. There must also be some mechanism to assure that essential defense, police, medical, and agricultural activities are adequately supplied. The need for emergency safeguards to ease the economic dislocation of a severe oil supply disruption has been recognized on both sides of the aisle. But so far, the administration has failed to submit its recommendations on what new authority the Government should have.

Ever since President Nixon launched Project Independence in response to the 1973 Arab oil embargo, successive administrations and Congress have repeatedly supported efforts to reduce oil imports through the development of alternate energy technologies. However, the Reagan administration now contends that continued dependence on oil imports may be acceptable in lieu of the development of more expensive energy sources. The National Energy Policy Plan, submitted by the Department of Energy to Congress in July, actually states:

A low level of U.S. oil imports at any cost is not a proper criterion for the nation's energy security and economic health . . . The Nation would be remiss if it did not press the search for less expensive domestic alternatives. Yet its vision would be equally narrow if market forces were distorted through indiscriminate subsidies for alternatives that cost more than imported oil now . . .

This philosophy has translated into lukewarm support by the Reagan administration for the Federal synthetic fuels program and the repudiation of policies to mandate or encourage energy conservation—policies enacted with overwhelming bipartisan support during the 96th Congress. Promising energy research and development programs, such as coal liquefaction, advanced solar technologies and cogeneration, have suffered drastic budget cuts. The administration has terminated four synfuel demonstration projects, including SRC II, and funding for the remaining SRC I project is at a minimal level. The Synthetic Fuels Corporation is not even operational because all of the six members of the board of directors have not been appointed. As a result, decisions on funding for most synfuels projects have been inordinately delayed.

The oil glut psychology may afford the Nation the temporary luxury of imagining that it is possible to return to the good old days when oil was cheap and abundant, but the statistics belie this hope.

Production of oil in the United States is still declining, albeit, for the moment, at a slower rate. Many experts predict that the current frantic drilling pace will not be sustained in the long run, as promising fields are played out. Virtually every respectable energy forecast predicts that the level of U.S. oil production has begun an irreversible decline. This is in contrast to the unsubstantiated claims of Secretary Edwards that "somewhere along the way, we're going to find some big, big fields."

Even with the current market surplus, the oil companies are now saying that declining profits may demand increases in the price of gasoline of as much as 6 cents per gallon. The onset of the winter heating season, combined with announced cutbacks in OPEC production, may soon spell the end of the oil price respite that Americans have enjoyed for the last several months. Oil price hikes will almost certainly add heat to the inflation fires, causing the Consumer Price Index to soar once again.

The wrenching experiences of the past decade, with two recessions and unprecedented inflation resulting from oil shortages, should have caused us to recognize that oil supply interruptions are probable, if not inevitable. The short-term price stability we are now experiencing does not reflect a corresponding political stability in the ever-volatile Persian Gulf region. Surely the economic and political dislocations which would result from a severe oil shock mandate the development of reasoned and responsible energy policies, rather than strict adherence to an economic philosophy of unproven reliability.

Some tough decisions lie ahead. Will nuclear power be promoted at the expense of the increased use of coal and the development of new energy technologies? How quickly should Federal lands be developed and is the energy to be found worth the attendant environmental risks? How do we provide for our industrialized allies, who will remain dependent on OPEC oil? And finally, how will we adjust for the transfer of wealth which is taking place within the economy and among regions of the country between producers and consumers of energy?

These are difficult questions for which no easy answers are forthcoming. It is easy to be distracted by small savings in price or production that can create a glut or a shortfall in world oil markets almost overnight. The Nation's economic and national security demand a balanced energy policy based on fact rather than unfounded speculation. We need an energy policy geared to improving the Nation's long-term security while preparing for sudden crises. Continued dependence on OPEC oil, at a cost of \$65 billion, \$70 billion or more a year, will not provide the basis for economic recovery and sustained growth. Moreover, our national defense will be undermined.

Mr. President, I yield the floor.

Mr. MATSUNAGA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

THE APPOINTMENT OF A NEW NATIVE HAWAIIANS STUDY COMMISSION

Mr. MATSUNAGA. Mr. President, I am happy to announce that President Ronald Reagan today appointed a new Native Hawaiians Study Commission. My colleagues will no doubt recall that legislation providing for a study of the needs and concerns of native Hawaiians passed the Senate unanimously on two different occasions before it was finally enacted into law in December 1980. A nine-member study commission appointed by President Carter in January of this year was summarily dismissed by President Reagan in March, and the commission has since remained without members.

A General Accounting Office report, provided at my request in April, revealed that the study commission's primary mission is legislative in that it is required to report its findings and recommendations to the Congress. The GAO observed that the authority of the President of the United States to fire a commission that is primarily legislative and not an executive agency is limited. The Hawaii congressional delegation subsequently wrote to President Reagan, enclosing a copy of the GAO report and urging him to appoint a new commission. An indication that the President was preparing to comply with this request became evident when his political adviser, Lyn Nofziger, observed in Honolulu last month that the Native Hawaiians Study Commission was established by the Congress for legislative purposes and could not be unilaterally abolished by the President.

Mr. President, I wish to congratulate and commend President Reagan for proceeding to appoint a new Native Hawaiians Study Commission. The native Hawaiian people are the only native Americans whose historic claims have not yet been considered by the Federal Government. They have waited nearly 90 years to present their case, and I am confident that the study authorized by Congress will shed light on the overthrow of the Hawaiian Monarchy in 1893 and recommend an equitable resolution of the claims of the native Hawaiian people.

The eight members of the Commission named today by President Reagan are:

First. Vice Chairman: Stephen Shipley, of Littleton, Colorado, an Executive Assistant to the Secretary of the Interior;

Second. Winouce Beamer, of Honolulu, Hawaii;

Third. H. Rodger Betts, of Makawao, Hawaii;

Fourth. Carol Dinkins, of Houston, Tex., the Assistant Attorney General for Land and Natural Resources, U.S. Department of Justice;

Fifth. James Handley, of Springfield, Ill., a Special Assistant to the Secretary of Agriculture;

Sixth. Kina'u Boyd Kamali'i, of Honolulu, Hawaii;

Seventh. Diane Morales, of Houston, Tex., Deputy Assistant Secretary for Policy, Territorial and International Affairs, U.S. Department of the Interior; and

Eighth. Glenn Schleede, of Potomac, Md., the Executive Associate Director of the Office of Management and Budget.

As a principal cosponsor and introducer of the resolution which created the Commission, I thank President Reagan in behalf of the people I represent in the Congress.

CONSUMPTION TAX

Mr. HART. Mr. President, given the deteriorating conditions in financial markets and the related bleak prospects for future deficits and interest rates, it is essential that the magnitude and timing of the personal income tax cuts be reconsidered. But the debate on our tax system should not stop there. The Reagan-Kemp-Roth cut in personal income taxes may be significant in dollar terms, but it is only an attempt to patch up a system that is basically flawed. The country's future economic health depends on genuine reform of the tax structure.

A principal element of that reform is to replace the current personal income tax code with a consumption tax. For several years, I have proposed we undertake this basic and essential reform. I am working on legislation which I intend to introduce this year, and I hope it will serve to stimulate debate on genuine tax reform.

A consumption tax system would impose a tax only on income that is consumed, and not on income saved or invested. Expenditures on consumption would be calculated indirectly as the difference between income and net saving. Net saving would be determined as the difference between the amount saved or invested in assets and the amount borrowed during the same period. The tax rate could be proportional or progressive, and would not be imposed on a subsistence amount of income (perhaps the first \$10,000) to allow for necessities and to protect the poor. The rate structure and the exemptions would be indexed to inflation.

A personal tax system based on consumption, which could be implemented within 5 years, has many advantages over our current tax code:

It encourages saving and investment. Savers pay no taxes on income directed into savings and investment until such funds are used for consumption. By exempting from taxes all income put into savings rather than just the income from savings as we do now, there are greater incentives to save and invest.

It is simpler. A household could easily report its income, plus changes in qualified assets—including financial assets, land, homes, and durable goods—and borrowing. We can do away with special forms and itemized deductions on expenses, tax shelters, "unearned" income, and so forth.

It is more equitable and removes inefficiencies and distortions in capital markets. The current tax code is littered with special preferences for tax-sheltered investments in oil wells, cattle herds, real estate, and so forth. These tax-shelter schemes increase after-tax incomes for those rich enough to afford them, but have almost no effect on gen-

erating new oil reserves, more beef, or a greater stock of rental housing. These distortionary tax preferences will be substantially reduced under the simplified list of assets qualifying as saving. Moreover, all saving will be treated equally.

As with major new ideas, there are unanswered questions and details which need to be resolved with this concept. We need to insure it will raise adequate revenues and not put a greater burden on working people than the current system does. There are also problems remaining in determining a fair, complete set of assets to be included as saving.

But it is clear our current complicated tax code needs a comprehensive overhaul. Patchwork and quick-fix schemes such as Reagan-Kemp-Roth may be very expensive but do not serve the long-term needs of this Nation. They only serve political expediency. If we are to recapture our role as world leaders in the 1980's, we must address our present problems with boldness, not band-aids.

Mr. ROBERT C. BYRD. 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. Without objection, it is so ordered.

RECESS UNTIL 3 P.M.

Mr. BAKER. Mr. President, there may be other business to be transacted by the Senate this afternoon. I do not expect, however, that any major item of legislation or other matter will be presented to the Senate. Indeed, there will be no more votes today.

However, while we examine the prospect of other business to be conducted today, and perhaps an announcement about the schedule on Monday, I ask unanimous consent that the Senate now stand in recess until the hour of 3 p.m.

There being no objection, the Senate, at 2:37 p.m., recessed until 3 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HAYAKAWA).

The PRESIDING OFFICER. The Senate will come to order.

Mr. KASTEN. 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. 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.

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.)

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that he had approved and signed the following acts and joint resolutions:

On August 4, 1981:

S.J. Res. 28. Joint resolution designating the week beginning March 7, 1982, as "Women's History Week".

On August 6, 1981:

S. 1040. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to increase the amount authorized as the Federal payment to the District of Columbia; and

S.J. Res. 64. Joint resolution designating August 13, 1981, as "National Blind Veterans Recognition Day".

On August 7, 1981:

S. 1104. An act to amend the International Investment Survey Act of 1976 to provide an authorization for further appropriations, to avoid unnecessary duplication of certain surveys, and for other purposes.

On August 14, 1981:

S. 547. An act to enable the Secretary of the Interior to erect permanent improvements on land acquired for the Confederated Tribes of Siletz Indians of Oregon;

S. 640. An act to amend the District of Columbia Self-Government and Governmental Reorganization Act to extend the authority of the Mayor to accept certain interim loans from the United States and to extend the authority of the Secretary of the Treasury to make such loans;

S. 694. An act to authorize supplemental appropriations for fiscal year 1981 for the Armed Forces for procurement of aircraft, missiles, naval vessels, and tracked combat vehicles and for research, development, test, and evaluation, to increase the authorized personnel end strengths for military and civilian personnel of the Department of Defense for such fiscal year, to authorize supplemental appropriations for such fiscal year for construction at certain military installations, and for other purposes;

S. 875. An act to authorize the generation of electrical power at Palo Verde Irrigation District Diversion Dam, California, and

S. 1278. An act entitled the "Saccharin Study and Labeling Act Amendment of 1981".

On August 20, 1981:

S.J. Res. 87. Joint resolution to authorize and request the President to designate September 13, 1981, as "Commodore John Barry Day".

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-1879. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Efforts To Improve School Lunch Programs—Are They Paying Off"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1880. A communication from the Secretary of Agriculture, transmitting, pursuant to law, an evaluation of the Economic Emergency loan program; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1881. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Review of Financial Statements of Commodity Credit Corporation"; to the Committee on Agriculture, Nutrition, and Forestry.

EC-1882. A communication from the Clerk of the United States Court of Claims, transmitting, pursuant to law, a certified copy of the Court's judgment in the case "Blackfeet Tribe of Indians v. the United States of America"; to the Committee on Appropriations.

EC-1883. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Army's proposed letter of offer to Turkey for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed Services.

EC-1884. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Army's proposed letter of offer to the United Arab Emirates for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed Services.

EC-1885. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report concerning the Department of the Navy's proposed letter of offer to Saudi Arabia for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed Services.

EC-1886. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of offer to Saudi Arabia for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed Services.

EC-1887. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Army's proposed letter of offer to Saudi Arabia for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed Services.

EC-1888. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Air Force's proposed letter of offer to Oman for defense articles estimated to cost in excess of \$25 million; to the Committee on Armed Services.

EC-1889. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Less Costly Ways To Budget And Provision Spares For New Weapon Systems Should Be Used"; to the Committee on Armed Services.

EC-1890. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to eliminate general or flag officer grade requirements from certain statutory positions, and for other purposes; to the Committee on Armed Services.

EC-1891. A communication from the Acting Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report with respect to converting the Dare County Bomb Range Operations functions at Seymour Johnson Air Force Base, N.C., and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-1892. A communication from the Secretary of Commerce, transmitting, pursuant to law, the semiannual report on the extent of known and estimated compliance with the provisions of the Magnuson Fishery Conservation and Management Act of 1976; to the Committee on Commerce, Science, and Transportation.

EC-1893. A communication from the Secretary of Transportation, transmitting, pursuant to law, the calendar year 1980 report on the activities of the Coast Guard under section 5 of the Port and Tanker Safety Act of 1978; to the Committee on Commerce, Science, and Transportation.

EC-1894. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting, pursuant to law, reports on the proposed use of certain NASA funds for two new 34-meter antennas; to the Committee on Commerce, Science, and Transportation.

EC-1895. A communication from the Secretary of the Interior, transmitting, pursuant to law, a notice on leasing systems for the Oil and Gas Lease Sale No. 60, Lower Cook Inlet/Shellkoff Strait; to the Committee on Energy and Natural Resources.

EC-1896. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report of the U.S. Government Comptroller for the Virgin Islands on the Financial Condition of the Government of the Virgin Islands of the United States for the transition quarter and fiscal year 1979; to the Committee on Energy and Natural Resources.

EC-1897. A communication from the Under Secretary of the Interior, transmitting, pursuant to law, five applications for refunds of excess royalty payments; to the Committee on Energy and Natural Resources.

EC-1898. A communication from the Deputy Secretary of Commerce, transmitting, pursuant to law, his comments and proposed actions to meet the budget level authorized for the Economic Development Administration; to the Committee on Environment and Public Works.

EC-1899. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Laws and Regulations Applicable To Imports From Nonmarket Economies Could Be Improved"; to the Committee on Finance.

EC-1900. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the statistical appendix to the annual report of the Secretary of the Treasury on the state of the finances, fiscal year 1980; to the Committee on Finance.

EC-1901. A communication from the Administrator of the National Aeronautics and Space Administration, transmitting a draft of proposed legislation to amend the Tariff Schedules of the United States to permit the free entry of materials certified by the National Aeronautics and Space Administration to the Commissioner of Customs as intended to be launched into space or to be spare parts or necessary and uniquely associated support equipment for use in connection with such launch, and for other purposes; to the Committee on Finance.

EC-1902. A communication from the Secretary of the Treasury as Chairman of the National Advisory Council on International Monetary and Financial Policies, transmitting, pursuant to law, the annual report of the Council for fiscal year 1980; to the Committee on Foreign Relations.

EC-1903. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "U.S. Strategy Needed For Water Supply Assistance To Developing Countries"; to the Committee on Foreign Relations.

EC-1904. A communication from the Acting Comptroller General of the United States,

transmitting, pursuant to law, a report entitled "Pension Losses Of Contractor Employees At Federal Installations Can Be Reduced"; to the Committee on Governmental Affairs.

EC-1905. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "GSA's Cleaning Costs Are Needlessly Higher Than In The Private Sector"; to the Committee on Governmental Affairs.

EC-1906. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 14, 1981; to the Committee on Governmental Affairs.

EC-1907. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 14, 1981; to the Committee on Governmental Affairs.

EC-1908. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 28, 1981; to the Committee on Governmental Affairs.

EC-1909. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 14, 1981; to the Committee on Governmental Affairs.

EC-1910. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 28, 1981; to the Committee on Governmental Affairs.

EC-1911. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 14, 1981; to the Committee on Governmental Affairs.

EC-1912. A communication from the Chairman of the Council of the District of Columbia, transmitting, pursuant to law, copies of legislation adopted by the Council on July 14, 1981; to the Committee on Governmental Affairs.

EC-1913. A communication from the President of the Jewish War Veterans U.S.A. National Memorial, transmitting, pursuant to law, the annual audit report of the Jewish War Veterans U.S.A. National Memorial, Inc. for the year ended March 31, 1981; to the Committee on the Judiciary.

EC-1914. A communication from the Chairman of the United States Commission on Civil Rights, transmitting, pursuant to law, a report entitled "The Voting Rights Act: Unfulfilled Goals"; to the Committee on the Judiciary.

EC-1915. A communication from the Director of the National Science Foundation, transmitting, pursuant to law, the statistical report entitled "Federal Support to Universities, Colleges, and Selected Nonprofit Institutions, Fiscal Year 1979"; to the Committee on Labor and Human Resources.

EC-1916. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, legislative proposals relating to certain decisions of the Court of Appeals for the District of Columbia Circuit; to the Committee on Rules and Administration.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HEINZ, from the Committee on Banking, Housing, and Urban Affairs: with amendments:

S. 868. A bill to amend the Export-Import

Bank Act of 1945 to authorize the Bank to engage in the use of extraordinary measures of export finance to counter and ultimately discourage the use of such measures by other major trading countries (together with additional views) (Rept. No. 97-188).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

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

Robert P. Hunter, of Virginia, to be a member of the National Labor Relations Board for the term of 5 years expiring August 27, 1985.

(The above nomination was reported from the Committee on Labor and Human Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

REFERRAL OF S. 1598

The bill (S. 1598) to establish a National Commission on Interest Rates, introduced by Mr. STENNIS (for himself and Mr. SASSER), on September 9, 1981, and held at the desk by unanimous consent, was read twice, and referred to the Committee on Banking, Housing, and Urban Affairs.

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. PERCY (by request):

S. 1611. A bill to amend Public Law 90-553, to authorize the transfer, conveyance, lease and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes; to the Committee on Foreign Relations.

By Mr. EAGLETON:

S. 1612. A bill to establish a trust fund which is financed from revenues from the windfall profit tax and which is used as a reserve for the Social Security Trust Fund, and for other purposes; to the Committee on Finance.

By Mr. DeCONCINI:

S. 1613. A bill to confer jurisdiction on the United States Court of Claims with respect to certain claims of the Navajo Indian Tribe; to the Select Committee on Intelligence.

By Mr. INOUE:

S. 1614. A bill for the relief of Drs. Benjamin C. and Paulita M. Mahilum; to the Committee on the Judiciary.

By Mr. HART:

S. 1615. A bill to provide that the individual income tax rate reductions provided by the Economic Recovery Tax Act of 1981 shall not take effect until the Federal budget is balanced; to the Committee on Finance.

By Mr. HAYAKAWA (for himself, Mr. INOUE, Mr. SPECTER, Mrs. HAWKINS, and Mr. CRANSTON):

S. 1616. A bill to enable producers and importers of flowers and plants to establish, finance, and carry out a coordinated program of research, producer and consumer

information, and promotion to improve, maintain, and develop markets for flowers and plants; to the Committee on Agriculture, Nutrition, and Forestry.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PERCY (by request):

S. 1611. A bill to amend Public Law 90-553, to authorize the transfer, conveyance, lease, and improvement of, and construction on, certain property in the District of Columbia, for use as a headquarters site for an international organization, as sites for governments of foreign countries, and for other purposes; to the Committee on Foreign Relations.

INTERNATIONAL CENTER ACT

Mr. PERCY. Mr. President, by request, I introduce for appropriate reference a bill to amend the International Center Act which would expand and bring to completion the planned International Diplomatic Center.

This legislation has been requested by the Department of State and I am introducing the proposed legislation in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD, together with the letter from the Assistant Secretary of State for Congressional Relations to the President of the Senate dated August 25, 1981.

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

S. 1611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first section of the Act approved October 8, 1968 (Public Law 90-553, 82 Stat. 958), is amended—

(1) in the first sentence by striking out "sell or lease" and inserting in lieu thereof: "develop in coordination with the Administrator of General Services for, or to sell, exchange, or lease,";

(2) by striking out "Van Ness Street, Reno Road, and Tilden Street" and inserting in lieu thereof: "Yuma Street, 36th Street, Reno Road, and Tilden Street, except that portion of lot 802 in square 1964, the jurisdiction over which was transferred to the District of Columbia for use as an educational facility"; and

(3) by striking out "he" and inserting "the Secretary".

SEC. 2. Section 2 of such Act of October 8, 1968 (Public Law 90-553), is amended to read as follows:

"SEC. 2. Upon the request of any foreign government or international organization and with funds provided by such government or organization in advance, the Administrator of General Services is authorized to design, construct, and equip a headquarters building or legation building or related facilities on property conveyed pursuant to the first section of this Act."

SEC. 3. Section 3 of such Act of October 8, 1968 (Public Law 90-553), is deleted, and sections 4 to 6 of such Act, inclusive, are renumbered as sections 3 to 5, including references thereto. The first sentence of re-

numbered section 3 is amended to read as follows: "The Act of June 20, 1938 (DC Code, secs. 5-413 to 5-428), shall not apply to buildings constructed on property transferred or conveyed pursuant to this Act including section 3 of this Act as in effect January 1, 1980."

SEC. 4. Section 4 of such Act of October 8, 1968 (Public Law 90-553), as renumbered by this Act is amended by—

(1) inserting "demolition or removal of existing structures, site preparation, and the" immediately after "The";

(2) striking out "and" immediately before "(d)";

(3) inserting "(e) other utilities, and (f) related improvements necessary to accomplish the purposes of this Act," immediately after "the fire alarm system,"; and

(4) inserting "or contiguous to" after "within".

SEC. 5. Section 5 of such Act of October 8, 1968 (Public Law 90-553), as renumbered by this Act is amended by—

(1) inserting ", exchange," after "sale" in the first sentence, and by inserting ", exchanges," after "sales" in the second sentence thereof; and

(2) adding at the end thereof the following:

"The Secretary may retain therefrom a reserve for maintenance and security of those public improvements authorized by this Act which have not been conveyed to a government or international organization under the first section of this Act, and for surveys and plans related to development of additional areas within the Nation's Capital for chancery and diplomatic purposes. Amounts in the reserve will be available only to the extent and in such amounts as provided in advance in appropriations Acts."

SEC. 6. The Act of October 8, 1968 (Public Law 90-553), is further amended by adding at the end thereof the following new section:

"SEC. 6. This Act may be cited as the 'International Center Act'."

DEPARTMENT OF STATE,

Washington, D.C., August 25, 1981.

HON. GEORGE BUSH,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed for your consideration and appropriate reference is a legislative proposal to amend the International Center Act (Public Law 90-553, enacted on October 9, 1968) which would expand and bring to completion the planned International Diplomatic Center within the federally-owned Bureau of Standards site at Van Ness Street and Connecticut Avenue in northwest Washington, D.C. This project, with the amendments proposed herein, will be completed without cost to the American taxpayer.

This legislation was previously introduced in the House (H.R. 6550) and the Senate (S. 2302) during the 96th Congress, and was passed by the House with amendments (House Report 96-1208, July 30, 1980). Senate action, however, was unable to be completed before the end of the last session. The legislation proposed herein is the same as the Bill passed by the House, with an additional amendment to extend the time in which project-related costs can be funded from surplus lease proceeds, to the extent provided for in appropriations acts.

The need for this legislation has become pressing. The United States Government, as part of its international obligations, is required to assist foreign governments to obtain suitable premises for chanceries in the nation's capital. Of equal importance, there is a growing need for reciprocity involving the substantial problems of the United States missions overseas. The Department of State is currently unable to meet its obligations due to the unavailability of suitable chancery sites in Washington because of security,

costs, and restrictive zoning problems. This situation has created an adverse impact on our national security interests and the ability of the United States to support our needs abroad.

The planned Diplomatic Center is intended to partially alleviate the critical shortage of suitable space for location of chanceries and related facilities of foreign governments in the nation's capital. The project is currently under development, and sites for ten governments have been completed by the General Services Administration. It is anticipated that all presently available space for chanceries at the Center will be reserved by the end of 1982.

The Department urges your support of the legislation and requests that consideration be given to its expeditious passage.

The Office of Management and Budget has advised the Department that there is no objection to the submission of this proposal to the Congress, and its enactment would be consistent with the Administration's objectives.

Yours sincerely,

RICHARD FAIRBANKS,
Assistant Secretary for
Congressional Relations.●

By Mr. EAGLETON:

S. 1612. A bill to establish a trust fund which is financed from revenues from the windfall profit tax and which is used as a reserve for the social security trust fund, and for other purposes; to the Committee on Finance.

SOCIAL SECURITY RESERVE TRUST FUND

Mr. EAGLETON. Mr. President, I am introducing today a bill to earmark \$50 billion of the revenues from the oil windfall profits tax to serve as a social security reserve trust fund.

The purpose of this fund will be to serve as a cushion for the three social security programs against unforeseen economic adversities of the kind which created the system's present short-term difficulties.

Frankly, I do not anticipate that much, if any, of this windfall reserve will be needed to finance current expenditures, assuming authorization of interfund borrowing. Nevertheless, given the untried and highly suspect nature of this administration's economic recovery program, I think it is prudent to prepare against every eventuality.

My bill provides that such part of the reserve as is not required to cover benefit outlays be invested in the highest-yielding Government or Government-backed securities. In this regard, the reserve should prove to be a valuable source of income for the social security trusts.

Mr. President, as is apparent, the bill I am introducing provides for a form of general revenue sharing with the social security system. I am not persuaded in the least by arguments that such an approach would depart from the original purpose of social security which was to establish a self-financed old age retirement system. That argument should have been made in 1956, when we grafted onto the retirement purpose of the system the disability program and in 1965, when we added medicare. Clearly, those add-on programs are needed, but provisions should have been made at the time for offset financing from general revenues.

Having acknowledged the similarities with other general revenue proposals, I want to underscore the important differences between my bill and others.

First, the most common objection to using general revenues to assist social security is that the same wage earner pays both social security and general taxes. In effect, using general revenues is a back door way of raising payroll taxes.

That objection does not apply to the use of windfall tax revenues. That tax is paid only by oil producers and, given the ceiling price enforced by OPEC competition, the tax is not and cannot be passed on to the consumer.

Second, unlike other taxes, the windfall tax expires by law in 10 years, or when \$227 billion has been collected. Thus, my proposal involves only a temporary infusion of outside funds and is not a permanent departure from the goal of making social security a self-sufficient system.

Finally, Mr. President, the real choice we face regarding the windfall tax revenues is not whether we use some part of them for social security but whether we use them at all—whether we do not simply give them back to the oil companies. That seems to be the inclination of this administration and its allies in Congress. The last tax bill saw \$33 billion in tax breaks for oil companies which hardly meet the test of "truly needy." During Senate debate, an amendment was offered to phase out or repeal the windfall tax for new oil, heavy oil, and certain other kinds of oil. The total price tag was estimated at between \$40 and \$50 billion. That amendment actually had a majority on a test vote but was withdrawn for tactical reasons. I have no doubt, however, that efforts to kill this tax will be renewed.

Mr. President, originally the windfall tax revenues were to be earmarked for specific purposes related to conservation and development of new energy resources. In fact, the funds have never been earmarked. They are separately accounted for by the Treasury but, after that, go into general revenues for general purposes.

My bill will assure that about 20 percent of these revenues go for the specific objective of firming up the social security system. I find this an entirely fitting and even ironic use of the oil tax funds, given the role of runaway energy prices in creating the stagflation which has impacted so heavily on the budgets of retired citizens and on the financial health of the social security system itself.

Mr. President, I am convinced that the bill I am introducing today, taken together with interfund borrowing, will erase the short-term problems of the social security trusts. As opposed to the radical benefit cuts advocated by some in this administration, I believe my bill will have the overwhelming support of those covered by the social security system.

I ask that the text of the bill I now send to the desk be printed at this point in my remarks.

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

S. 1612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SOCIAL SECURITY RESERVE TRUST FUND.

Title II of the Social Security Act is amended by inserting after section 201 the following new section:

"SOCIAL SECURITY RESERVE TRUST FUND

"Sec. 201A. (a) There is established in the Treasury of the United States a trust fund to be known as the Social Security Reserve Trust Fund (hereinafter in this section referred to as the 'Trust Fund') which shall consist of amounts transferred to the Trust Fund under this section.

"(b)(1) There is appropriated to the Trust Fund for each fiscal year an amount equal to 25 per centum of the taxes imposed by section 4986 of the Internal Revenue Code of 1954 for such fiscal year, except that the aggregate amount appropriated to the Trust Fund under this paragraph for all fiscal years shall not exceed \$50,000,000,000.

"(2) The amount appropriated under paragraph (1) shall be transferred to the Trust Fund by the Secretary of the Treasury at least quarterly on the basis of estimates made by the Secretary. Proper adjustment shall be made in the amounts subsequently transferred to the extent prior estimates were not equal to the amounts required to be transferred.

"(c) There is created a body to be known as the Board of Trustees of the Trust Fund (hereinafter in this section called the 'Board of Trustees') the members, Managing Trustee, and Secretary of which shall be the individuals serving as members, Managing Trustee, and Secretary of the Board of Trustees created under section 201(c). The Board of Trustees shall meet at least once each calendar year. It shall be the duty of the Board of Trustees to—

"(1) hold the Trust Fund;

"(2) report to the Congress not later than the first day of April of each year on the operation and status of the Trust Fund during the preceding fiscal year and on its expected operation and status during the next five fiscal years;

"(3) report immediately to the Congress whenever the Board of Trustees is of the opinion that the amount of the Trust Fund is unduly small; and

"(4) review the general policies followed in managing the Trust Fund, and recommend changes in such policies, including necessary changes in the provisions of the law which govern the way in which the Trust Fund is to be managed.

The report provided for in paragraph (2) shall include a statement of the assets of, and the disbursements made from, the Trust Fund during the preceding fiscal year, an estimate of the expected payments to, and disbursements from, the Trust Fund during each of the next five fiscal years, and a statement of the actuarial status of the Trust Fund. Such report shall be printed as a House document of the session of the Congress in which the report is made.

"(d)(1)(A) It shall be the duty of the Managing Trustee to invest such portion of the Trust Fund as is not, in his judgment, required to meet current withdrawals, and such investments shall be made so as to secure the maximum possible interest yield, commensurate with the safety of the Trust Fund. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (i) on original issue at the issue price, or (ii) by purchase of outstanding obligations at the market price.

"(B) The purposes for which obligations of the United States may be issued under the

Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligations for purchase by the Trust Fund. Such obligations issued for purchase by the Trust Fund shall have maturities fixed with due regard for the needs of the Trust Fund and shall bear interest at a rate equal to the average market yield (computed by the Managing Trustee on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on—

"(i) all marketable interest-bearing obligations of the United States then forming a part of the public debt,

"(ii) all marketable interest-bearing obligations which are not obligations of the United States but which are guaranteed as to both principal and interest by the United States, and

"(iii) all marketable federally sponsored agency interest-bearing obligations that are designated in the laws authorizing their issuance as lawful investments for fiduciary and trust funds under the control and authority of the United States or any officer of the United States;

except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield.

"(C) The Managing Trustee may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, where he determines that such purchase is necessary to secure the maximum possible interest yield, commensurate with the safety of the Trust Fund, and that such purchase is in the public interest.

"(D) The Managing Trustee shall secure such equipment and enlist the services of such experts as may be necessary for the purpose of allowing the Board to make investments which will secure the maximum possible interest yield.

"(2) Any obligations acquired by the Trust Fund (except public-debt obligations issued exclusively to the Trust Fund) may be sold by the Managing Trustee at the market price, and such public-debt obligations may be redeemed at par plus accrued interest.

"(3) The interest on, and the proceeds from the sale or redemption of, any obligations held in the Trust Fund shall be credited to and form a part of the Trust Fund.

"(e) The Secretary shall transfer, out of any amounts in the Trust Fund, to the Federal Old-Age and Survivors Insurance Trust Fund, the Federal Disability Insurance Trust Fund, and the Federal Hospital Insurance Fund such amounts as may be provided by appropriation Acts."

SEC. 2. APPLICATION WITH CRUDE OIL WINDFALL PROFIT TAX ACT OF 1980.

Subparagraph (B) of section 102(c)(1) of the Crude Oil Windfall Profit Tax Act of 1980 is amended—

(1) by striking out the period at the end of clause (ii) and inserting in lieu thereof ", plus", and

(2) by inserting immediately after clause (ii) the following new clause:

"(iii) any amount appropriated to the Social Security Reserve Trust Fund under section 201A(b)(1) of the Social Security Act."

SEC. 3. APPLICATION WITH SOCIAL SECURITY ACT.

SEC. 201. (a) Section 201 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(1) There shall be transferred to the Federal Old-Age and Survivors Insurance Trust Fund and to the Federal Disability Insurance Trust Fund such amounts as may be

appropriated for such purpose from the Social Security Reserve Trust Fund."

(b) Section 1817 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(1) There shall be transferred to the Trust Fund such amounts as may be appropriated for such purpose from the Social Security Reserve Trust Fund."

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to fiscal years beginning after September 30, 1981.

By Mr. DECONCINI:

S. 1613. A bill to confer jurisdiction on the U.S. Court of Claims with respect to the claims of the Navajo Indian Tribe; to the Select Committee on Indian Affairs.

JURISDICTION OVER CERTAIN NAVAJO INDIAN CLAIMS

● Mr. DECONCINI. Mr. President, the proposed legislation that I am introducing will require the U.S. Court of Claims to hear the merits of a group of claims against the United States filed in 1950 by the Navajo Tribe. These claims were filed pursuant to the Indian Claims Commission Act of 1946, alleging that the United States breached its legal and treaty obligations, as well as its general responsibility to deal fairly and honorably with the Navajo Tribe. The Navajo claims include allegations of mismanagement of tribal resources and specific breaches of the treaty.

Jurisdiction over the claims was accepted when they were filed in 1950, reaffirmed by the Indian Claims Commission in 1975 and at the trial level of the Court of Claims in 1978, following their transfer to that court under Public Law 95-69. Ultimately, the claims were dismissed on a further appeal by the Government, without reaching trial on the merits, when the Court of Claims in May 1979 decided on purely technical grounds that its jurisdiction was barred.

The technical dismissal was based on the purported withdrawal in 1969 of seven claims by a former claims attorney for the tribe. Even if the withdrawal occurred its validity is questionable because neither the Navajo Tribal Council nor the Secretary of the Interior approved it, which was a requirement in the claims attorney contract.

The Indian Claims Commission in 1975 permitted the seven claims to be put back in the petition by the present claims counsel because the factual allegations "which were the substance of those claims" had never been withdrawn. After the case was transferred to the Court of Claims, the trial judge to whom it was referred upheld the action by the Commission.

However, on June 13, 1979, the Court of Claims overturned the two previous decisions and held that the tribe was bound by its former counsel's voluntary dismissal of the seven claims 10 years previously.

The primary purpose of the Indian Claims Commission Act was to provide a forum where old claims by Indian tribes could be heard on their merits without regard to technical legal restrictions or jurisdiction. The Department of the Interior in recommending passage of the act urged that if those claims were ever

to be put to rest, the act must confer jurisdiction broad enough to avoid the lack of finality attending dismissal of a case by the Court of Claims on technical legal grounds without consideration of the claim on its merit. The Department therefore urged passage of the act to overcome the defect in the present system under which many of the claims of the Indians are precluded from a hearing on the merits, on technical legal grounds, even though the claims may be such as would challenge the conscience of a court of equity.

The Navajo Tribe was forced to wait nearly 100 years to present its claims to the Indian Claims Commission for a fair hearing. Now after 30 years of litigation, a fair hearing on a group of those claims has been denied. This bill merely carries out the intent of the Indian Claims Commission Act by insuring that these duly filed claims, like those of other Indian tribes, will have the hearing contemplated by the act.

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

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

S. 1613

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding sections 2401 and 2501 of title 28, United States Code, or section 12 of the Act of August 13, 1946 (60 Stat. 1052; 25 U.S.C. 70k), jurisdiction is hereby conferred upon the United States Court of Claims to hear, determine, and render judgment on the claims of the Navajo Indian Tribe against the United States which were timely presented under section 2 of the Act of August 13, 1946 (60 Stat. 1050; 25 U.S.C. 70a) and later withdrawn without authority with respect to claims that (1) Navajo reservation lands were taken by the United States or disposed of to others without payment of adequate compensation; (2) the United States failed to fulfill Article 6 of the Treaty of June 1, 1868, 15 Stat. 667, and to deal fairly and honorably with the Tribe in providing educational facilities and services through August 13, 1946, and (3) that the United States mismanaged the lands and resources of the Tribe; Provided, that jurisdiction is conferred only with respect to claims accruing on or before August 13, 1946, and all such claims must be filed within six months after the date of the enactment of this Act.●

By Mr. HART:

S. 1615. A bill to provide that the individual income tax rate reductions provided by the Economic Recovery Act of 1981 shall not take effect until the Federal budget is balanced; to the Committee on Finance.

LEGISLATION MAKING THE INDIVIDUAL INCOME TAX CUTS CONTINGENT UPON BALANCING THE FEDERAL BUDGET

Mr. HART. Mr. President, the legislation I am introducing today, designed to address this Nation's rapidly deteriorating economic situation, would defer the massive personal income tax cuts passed by Congress earlier this year until the Federal budget is in balance.

Mr. President, it has been slightly more than 1 month since the Congress passed the administration's tax cut bill. Since then, interest rates have risen to

record levels, bond prices have hit record lows, and stock values have dropped substantially. The impact of the adoption of the administration's tax cut bill is becoming only too clear.

Responsible observers have said for years that our first order of business should be to reduce the Federal deficit, then to cut taxes once the budget was in greater balance. This has been my position—a position first articulated in 1978 to make any future tax cuts contingent on sufficient cuts in Federal spending.

Based on the theory of "supply-side spending," however, this administration claimed such a cautious approach to controlling inflation was not necessary. Administration experts claimed that cutting taxes would not increase the deficit, but would, instead, actually create additional revenues and restore the health of our troubled economy.

We are now seeing that even the President does not believe this will be the case. Less than a month after hailing the passage of his budget and tax cut proposals, the President is now forced to admit more work needs to be done, and he is seeking further cuts in social programs or defense spending.

With the help of Congress, this administration has painted the Nation's economy into a corner. The options it is considering—large cuts in defense spending, reductions in social security benefits, a deficit higher than any we have seen in the last decade—are all unacceptable.

The only sensible solution is to delay the implementation of the so-called Kemp-Roth personal income tax cuts until the budget is balanced, and I am introducing legislation today for that purpose. Unless we delay the revenue loss of these tax cuts—projected to be \$26.9 billion in fiscal year 1982 alone—we only invite continued high deficits, high interest rates, and high inflation.

Mr. President, this is not only the concern of Democrats and those who opposed the President's plan. There is wide-ranging concern about the President's program from Wall Street, from his supporters in Congress, and from the public. Let me cite a few examples:

In the September 7, 1981, issue of Business Week, it was reported that:

The stock market and money markets are sending a message to the Administration that its program is not expected to work. The money markets are clearly saying that inflation will be worse than the government believes, while the stock market is also worrying about recession and its impact on earnings.

Secretary of Defense Caspar Weinberger commented in the September 14, 1981, issue of Newsweek that:

A lot of recognition that many of the (budgetary) estimates given to the President earlier are turning out to be wrong.

The Wall Street Journal reported today that:

Since Congress passed the tax bill, the Dow Jones industrial average has plunged more than 80 points, and bond prices have hit record lows.

The article also said that many on Wall Street now regret their role in helping the tax cut get passed.

Of greatest concern, of course, is the anticipated continuation of steep interest rates. Without a dramatic reduction in interest rates, there is the very real possibility that thousands of farms and businesses will go into bankruptcy in the near future. Few Americans can buy even an average-priced home at the interest rates we have seen this year, and the effects on the housing and automobile industries have been devastating.

How can we reverse the trend toward even higher interest rates and other negative indicators in the economy? We must reduce the Federal deficit in 1982. The Congressional Budget Office is now projecting a deficit next year of about \$65 billion, but that projection assumed somewhat brighter forecasts for interest rates, unemployment, and the rise in GNP than other, private forecasters have predicted.

I reject the administration's apparent view that the only way to tackle this deficit is to cut billions more from already hard-pressed domestic programs, or social security, or reduce our defense capabilities. The more direct—and more responsible—approach would be to delay the personal income tax cuts Congress passed earlier this summer.

We all know that a deficit caused by a tax cut damages the economy no less than a deficit caused by executive Government spending. As the financial experts point out, both kinds of deficits force the Government to compete for money that would otherwise be available to the private sector for business expansion, home buyers, and farmers and drives up interest rates.

Most Americans know that the tax cut is no bargain if it leads to record high deficits and interest rates. A tax cut of \$500 or \$1,000 will not do much for the potential homebuyer who is facing mortgage rates of close to 20 percent. A tax cut of \$500 will not do much for a farmer who cannot afford the cost of borrowing to keep his farm in operation.

Postponing the personal income tax cuts so soon after they were passed may be an unusual step, but I believe it is completely warranted given our current economic situation. I urge the administration to support this proposal and make it clear to the Nation that it is committed to restraining the Federal deficit and bringing down interest rates.

By Mr. HAYAKAWA (for himself, Mr. INOUE, Mr. SPECTER, Mrs. HAWKINS, and Mr. CRANSTON):

S. 1616. A bill to enable producers and importers of flowers and plants to establish, finance, and carry out a coordinated program of research, producer and consumer information, and promotion to improve, maintain, and develop markets for flowers and plants; to the Committee on Agriculture, Nutrition, and Forestry.

FLORAL RESEARCH AND CONSUMER INFORMATION ACT

• Mr. HAYAKAWA. Mr. President, flowers and plants are an integral part of the American lifestyle. They contribute natural beauty, especially in urban areas, to what is an increasingly man-made, artificial environment. I feel very

fortunate to represent California, our Nation's No. 1 flower-producing State.

Today I am introducing a bill which would allow the floral industry to establish a promotion, research, consumer education, and marketing program. I do this with the hope that American growers will be allowed to decide if they wish to follow in the direction of other agricultural groups which have successfully utilized similar research and promotion programs.

Known as the "Floral Research and Consumer Information Act," or "Flora-board," my bill comes from the need of the industry to stimulate consumer demand for floral products. While floricultural production capability and product quality have both steadily increased, our domestic flower and plant industry continues to fall short of its potential in the marketplace. In fact, demand for flowers has remained constant for the past 6 years.

Yet other agricultural commodity groups have had similar problems. The egg, wheat, wool, cotton, and potato industries all faced trends of declining demand for their products. For these industries, research and promotion programs have been instrumental in reversing these trends.

I believe that my legislation will likewise provide the necessary assistance to the many small and medium-sized businesses that make up our domestic flower industry—at no cost to the taxpayer. Through "Flora-board," these businesses could pool their resources and accomplish together what they cannot do individually. The program would be financed by an assessment paid by producers.

The "Flora-board" is a program conceived, created, and directed by the industry. Because of a refund provision, this bill does not in any way force participation. Flowers and plants imported from other countries will not be limited. They will be assessed in the same manner as the domestic products and will share the benefits of the program.

The maintenance and expansion of existing markets and the development of new or improved ones is vital to all who work in, or are affected by, the floral industry. It is willing to use its own resources, both personal and monetary, to increase the demand for its products. The Floral Research and Consumer Information Act which I am introducing today will enable producers to band together for this purpose, and in this way, assure that the American public will have continued access to an adequate and affordable supply of quality plants and fresh flowers. •

ADDITIONAL COSPONSORS

S. 52

At the request of Mr. HAYAKAWA, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 52, a bill to amend the Clean Air Act to repeal the requirement that State implementation plans provide for periodic inspection and testing of motor vehicles.

S. 450

At the request of Mr. MATSUNAGA, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of S. 450, a bill

to amend the Internal Revenue Code of 1954 to provide that the investment tax credit shall apply to the acquisition of work and breeding horses to the extent that the cost of such horses does not exceed \$100,000 for the taxable year.

S. 1018

At the request of Mr. CHAFEE, the Senator from New York (Mr. MOYNIHAN), the Senator from Vermont (Mr. LEAHY), the Senator from New York (Mr. D'AMATO), and the Senator from Delaware (Mr. BIDEN) were added as cosponsors of S. 1018, a bill to protect and conserve fish and wildlife resources, and for other purposes.

S. 1096

At the request of Mr. KASTEN, the Senator from Pennsylvania (Mr. HEINZ), the Senator from Illinois (Mr. FERCY), the Senator from Vermont (Mr. LEAHY), the Senator from Georgia (Mr. NUNN), the Senator from Ohio (Mr. METZENBAUM), the Senator from Tennessee (Mr. SASSER), the Senator from Illinois (Mr. DIXON), the Senator from Kentucky (Mr. HUDDLESTON), and the Senator from South Dakota (Mr. ABNDOR) were added as cosponsors of S. 1096, a bill to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes.

S. 1181

At the request of Mr. HEINZ, his name was added as a cosponsor 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.

At the request of Mr. JEPSEN, the Senator from New York (Mr. MOYNIHAN), the Senator from Virginia (Mr. WARNER), and the Senator from Rhode Island (Mr. CHAFEE) were added as cosponsors of S. 1181, supra.

S. 1485

At the request of Mr. ROTH, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1485, a bill to amend section 21 of the act of February 25, 1920, commonly known as the Mineral Leasing Act.

SENATE JOINT RESOLUTION 59

At the request of Mr. ROBERT C. BYRD, the Senator from Arkansas (Mr. BUMPERS), the Senator from Arizona (Mr. DECONCINI), the Senator from Wisconsin (Mr. PROXMIER), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of Senate Joint Resolution 59, a joint resolution designating the square dance as the "National Folk Dance of the United States."

SENATE JOINT RESOLUTION 83

At the request of Mr. CHAFEE, the Senator from Michigan (Mr. LEVIN), the Senator from Washington (Mr. JACKSON), and the Senator from Minnesota (Mr. DURENBERGER) were added as cosponsors of Senate Joint Resolution 83, a joint resolution to authorize and request the President to call a White House Conference on Education not later than January 15, 1982, and for other purposes.

SENATE JOINT RESOLUTION 93

At the request of Mr. HAYAKAWA, the Senator from North Carolina (Mr. EAST),

and the Senator from New York (Mr. D'AMATO) were added as cosponsors of Senate Joint Resolution 93, a joint resolution to clarify that it is the basic policy of the Government of the United States to rely on the competitive private enterprise system to provide needed goods and services.

SENATE JOINT RESOLUTION 104

At the request of Mr. MELCHER, the Senator from Nevada (Mr. CANNON), the Senator from Michigan (Mr. RIEGLE), the Senator from Oklahoma (Mr. BOREN), the Senator from South Dakota (Mr. PRESSLER), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Tennessee (Mr. SASSER), the Senator from Maryland (Mr. SARBANES), the Senator from North Dakota (Mr. ANDREWS), the Senator from Alabama (Mr. HEFLIN), and the Senator from Arkansas (Mr. PRYOR) were added as cosponsors of Senate Joint Resolution 104, a joint resolution directing the President to consult with the Governors of the Federal Reserve System for the purpose of substantially reducing interest rates within the next 90 days.

SENATE JOINT RESOLUTION 106

At the request of Mr. ROBERT C. BYRD, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of Senate Joint Resolution 106, a joint resolution to authorize and request the President to designate June 20, 1981, as "Bicentennial Emblem Day."

SENATE CONCURRENT RESOLUTION 29

At the request of Mr. HOLLINGS, the Senator from California (Mr. CRANSTON) was added as a cosponsor of Senate Concurrent Resolution 29, a concurrent resolution disapproving certain coastal zone management Federal consistency regulations.

SENATE RESOLUTION 198

At the request of Mr. PERCY, the Senator from Michigan (Mr. LEVIN), the Senator from Michigan (Mr. RIEGLE), and the Senator from New Mexico (Mr. DOMENICI) were added as cosponsors of Senate Resolution 198, a resolution expressing the sense of the Senate that Benedict Scott (Vytautas Skuodis) be released from imprisonment in the Soviet Union.

SENATE RESOLUTION 200

At the request of Mr. HOLLINGS, the Senator from Wyoming (Mr. WALLOP) and the Senator from Utah (Mr. GARN) were added as cosponsors of Senate Resolution 200, a resolution expressing the sense of the Senate with respect to the scheduled meeting of the Interparliamentary Union in Havana, Cuba, in September 1981.

SENATE RESOLUTION 207

At the request of Mr. DENTON, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of Senate Resolution 207, a resolution to disapprove of District of Columbia Act 4-69, relating to the reform of the sexual assault laws of the District of Columbia, and for other purposes.

SENATE RESOLUTION 209—RESOLUTION RELATING TO SELECTION AND REPRESENTATION ON THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. JEPSEN (for himself and Mr. GARN) submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. Res. 209

Whereas the Board of Governors of the Federal Reserve System directly oversees the growth of the monetary aggregates, the availability of credit and monetary policy generally, all of which substantially affect every sector of the national economy:

Whereas the Federal Reserve Act of 1913, as amended, decrees that not more than one Governor shall be selected from any one Federal Reserve District, and that due regard shall be given to a fair representation of financial, agricultural, industrial, and commercial interests, and geographical divisions of the country:

Whereas the present composition of the Board does not conform to the spirit of these statutory provisions and no President since 1959 has appointed an individual from either the agricultural or commercial sector to the Board of Governors;

Whereas the impact of Federal Reserve policy is particularly significant on those constituencies which by law are to be represented on the Board;

Whereas small businesses constitute the largest part of the agricultural and commercial sectors of the economy;

Whereas the problem lies not with the statutory language of the Federal Reserve Act;

Whereas the United States Senate, in Senate Resolution 434, 96th Congress has already expressed its concern about past insensitivities to the requirements of the Federal Reserve Act; and

Whereas the next vacancy on the Board of Governors of the Federal Reserve System will occur January 31, 1982, and preparations for the nominations will commence soon; Now, therefore, be it

Resolved, that in recognition of the fair representation provision in the Federal Reserve Act of 1913, as amended, the President of the United States, the United States Senate and the Senate Committee on Banking, Housing, and Urban Affairs should assure that the specific provisions of the Federal Reserve Act providing for agricultural, commercial (including small business) and broad regional representation on the Board of Governors are, henceforth, followed.

Mr. JEPSEN. Mr. President, today I rise to submit a resolution which expresses the sense of the Senate that the President of the United States, the U.S. Senate, and the Senate Committee on Banking, Housing, and Urban Affairs, should pay careful deference to the specific provisions of the Federal Reserve Act that require diverse economic and regional representation on the Board of Governors of the Federal Reserve System, in considering nominees to that Board.

This measure, if adopted, will put the agricultural and commercial sectors, which play such a vital role in the economic life of our country, on notice that they will not be ignored when the next

vacancy on the Board of Governors occurs less than 4 months from today.

I cannot think of a more timely moment for the submission of this resolution. All of us in the Senate heard the same thing when we were back home over the recess: If interest rates do not come down, there will be serious repercussions by the end of the year. Failed businesses, people out of work, and general uncertainty about the economy will not be a cakewalk for any of us. We need to send a signal to the American people that we are doing something. Suggesting the nomination to the Board of Governors of the Federal Reserve of an agricultural or small business representative is an excellent first step. After all, these two groups currently have no say in the monetary policies which are affecting them more dramatically than any other group. It appears a good idea to give them that say.

Congress specifically acknowledged the contribution of those sectors in section 10 of the Federal Reserve Act of 1913, as amended. At the same time, it also recognized the need for regional diversity of the Board. The language of the original legislation is precise and unambiguous.

In selecting members to the board... the President shall give due regard to a fair representation of financial, agricultural, industrial and commercial interests and the geographical divisions of the country.

That reads rather clear to me. The agricultural and commercial sectors have a statutory right to representation on the Board of Governors of the Federal Reserve System as do the different regions in the United States. That law has been consistently ignored. This is not a question of interpretation, but of fact.

Of the 60 individuals who have served on the Board of Governors longer than 6 months, only 7 can claim agricultural experience. In over 20 years, not one appointee has come from a farming background.

Since 1959, 23 individuals have been appointed to the Board of Governors. Four have had business experience; only one could legitimately point to a connection with American small business.

The consistent disregard of geographical divisions within the country is equally indisputable. Although many appointments over the years have technically conformed to section 10 of the Federal Reserve Act through place of birth, education or limited residence in diverse areas of the United States, the detailed biographies of past and present Governors supplied by the Federal Reserve paint a far different picture. Since 1959, almost half of the Board of Governors have been from the east coast—this judgment is made according to residence during the majority of each individual's professional life. A quarter can be called midwesterners, slightly less were from the South. Only 2 of 23 came from the Far West.

What this data tells us is plain enough. The Governors of the Federal Reserve System have traditionally been picked from the same vine. Approximately 13 of the last 23 members were educated at Ivy League schools—nine at Harvard University. Sixteen were either economists or bankers in their professional lives; three others were Government workers. The overwhelming majority lived on the east coast: The West was hardly represented at all. In other words, the intent of Congress has been ignored. We owe this change to the two groups who feel the impact of monetary policy most immediately—farmers and small businessmen.

How significant a role do they play in our economic life? The facts speak for themselves.

According to the Small Business Administration, 98 percent of American commercial businesses are classified as "small" enterprises. These 10.8-million individual businesses produce almost 40 percent of our gross national product and provide over 66 percent of all new jobs created each year in the United States.

Agriculture is an equally significant partner in the national economy. There are 3.4-million farmers in America. The sector directly employs 3.7-million people or 3.4 percent of the work force. An additional 19.2-million workers are employed in related fields—farm machinery, chemical fertilizer, natural fibers, food processing, and transportation—and depend almost exclusively on the farming community for their jobs. In 1980, agricultural production contributed 5.5 percent of the gross national product.

To summarize, farming and small commercial enterprises are directly responsible for almost half of the aggregate national income and some 53 percent of national employment. These are not small numbers. Agriculture and small business define the success or failure of our economic system. That success or failure is in turn closely tied to monetary aggregates and monetary policy generally. In the absence of credit, a farmer cannot plant a crop, a car dealer may have to cease operating, and a retailer depletes inventories.

With the highest interest rates in the history of our country threatening the survival of America's heartland, it is important that the Senate demonstrate a commitment to letting agriculture and small business have a say in the proceedings which determine those levels. I want to clarify exactly what the resolution does and also what it does not do.

It makes the statement that the U.S. Senate recognizes that the language of the Federal Reserve Act has not been strictly adhered to in the past and alerts those previously ignored groups that we want their active input in future formulations of monetary policy. Most importantly, it honors the role of agriculture and small business in the economy.

What the resolution does not do is equally important. It is not a statement

of monetary policy. It merely addresses an abuse of congressional intent. Nor does it in any way restrict the President's prerogative of nominating whom he chooses. It emphasizes only that the Senate feels certain regions and backgrounds have been ignored for too long. Neither does the resolution impinge on the jurisdiction of the Committee on Banking, Housing, and Urban Affairs. Again, legislative prerogative is respected.

Finally, the measure does not wed the Senate as a whole to any particular course of action. It puts us on record as wanting to correct inequities of the past—nothing more. It is a sense of the Senate resolution, not a binding legislative directive.

Last May, the Senate adopted Senate Resolution 434. Its intent was very similar to the one I am submitting today. Several events prompted my reconsideration of the issue. This is far from a redundant gesture.

To begin with, we have both a new President and a new Senate. It seems appropriate to reaffirm that at least on this issue the Senate has not changed its position dramatically. It is also proper to invite the participation of the many new Members who were not with us last May.

Second, I do not believe that the previous resolution was either as strong or as precise as it might have been. At a time when agriculture and small business are suffering more directly than other groups from monetary variables in the economy, it is important to give them a clear message of support.

Third, economic policy appears to lead the national agenda. Monetary questions, therefore, need to be addressed.

Finally, the issue is a timely one. In Business Week, it was reported that the administration has been discussing a replacement for the outgoing member for sometime now. Four months is not as far away as we might wish.

As a senior agricultural advisor to the President's transition team and as co-chairman of the Reagan-Bush Congressional Advisory Committee on Agriculture, I cannot deny a partisan interest in this subject. But that is not why I have submitted this measure. I have introduced it for the simple reason that the law provides for fair representation on the Board of Governors of the Federal Reserve System and that law has been ignored. It is not a monetary policy recommendation but simply a reaffirmation of what technically is already law.

If the Federal Reserve Act did not provide for the fair representation of financial, agricultural, commercial, and industrial interests and the geographical divisions of the country, neither Senator GARN nor myself would be introducing this resolution. But that, in fact, is the language of the law and it should be respected. When four of five specific provisions in a statute show historical neglect, as in this case, it is time for the Senate to act. I ask my colleagues to join the Senator from Utah and myself in support of this resolution.

SENATE RESOLUTION 210—RESOLUTION TO COMPILE AND PRINT A HISTORY OF THE COMMITTEE ON THE JUDICIARY

Mr. THURMOND submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 210

Resolved, That a compilation of materials relating to the history of the Committee on the Judiciary be printed, with illustrations, as a Senate document, and that there be printed such additional copies not to exceed \$1,200 in cost of such document for the use of the Committee.

AMENDMENTS SUBMITTED FOR PRINTING

AGRICULTURE AND FOOD ACT OF 1981

AMENDMENT NO. 530

(Ordered to be printed and to lie on the table.)

Mr. MELCHER submitted an amendment intended to be proposed by him to the bill (S. 884) to revise and extend programs to provide price support and production incentives for farmers to assure an abundance of food and fiber, and for other purposes.

SURPLUS COMMODITIES TO NUTRITION PROJECTS

Mr. MELCHER. Mr. President, I am submitting an amendment today to provide surplus commodities to nutrition projects operating under the authority of the Older Americans Act and the schools. It would be an amendment that would be attached to the farm bill.

Very briefly, Mr. President, the amendment would provide that surplus commodities that we have in storage would be available for schools and senior citizens centers for their nutrition programs under a bonus situation.

I think it is a very timely type of amendment to offer at this time when we are cutting back on most of the Federal participation in school lunch programs and trying to hold, under the Older Americans Act, the appropriations for that program.

For the past 3 years USDA has provided bonus dairy commodities to schools serving school lunches free of charge—save for transportation costs—the schools can have all they can use without waste. OMB has been pressing to cease the bonus.

The Melcher amendment requires USDA to make bonus commodities available to schools and extends the bonus program to the elderly and expands the bonus program to all 416 price support commodities.

The amendment is important because: Schools need assurances of receiving bonus commodities. Currently the program is on a yearly basis. Schools are in a tight position financially. Deep budget cuts have resulted in losses in revenue at the local level. The 40 percent cut in per lunch assistance to 21½ cents jeopardizes the child nutrition programs. Bonus commodities will help schools

cope with cuts and keep their lunch programs in operation while helping farmers at the same time.

The elderly program will not be served by bonus unless required by legislation.

The elderly program provision includes a take home of cheese, nonfat dry milk, and butter. Legislation is needed to allow this without violating food stamp law.

The bonus program will operate only when there is a surplus.

American School Food Service Association supports and welcomes the amendment. Commodity distribution of dairy products is greatly increased by the bonus program. The National Milk Producers Federation supports and welcomes the amendment.

Mr. President, I ask unanimous consent that an editorial in today's Washington Post be printed in the RECORD.

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

SCRIMPING ON SCHOOL LUNCHES

The Agriculture Department proposed a regulation last week that was supposed to be helpful to the 94,000 or so schools now providing free or reduced-price meals to their students. With the budget cuts scheduled for October, these schools will lose about \$1 billion in federal support for the school meal program.

Under the new law, some of this loss could be passed on to students by requiring those from families with yearly incomes of more than \$10,990 to pay somewhat more for their lunches. Current Agriculture Department regulations, however, require school meals to meet general nutritional standards. The price of food and labor costs being what they are these days, this means the schools would have to make up most of the reduced federal subsidy out of their own budgets—an alarming prospect to states and localities facing multi-billion-dollar losses in other forms of federal aid.

The Agriculture Department now proposes to ease this concern by the simple expedient of allowing the schools to provide poorer meals. While each school sets its own menus, the program's guidelines now aim to provide about one-third of a child's daily nutritional needs—a modest enough goal since the school lunch is the main meal for many children. Translating this nutritional standard into edible meals was never easy, and when you realize that schools now pay between \$1.30 and \$1.65 per meal—including costs of preparation and serving—you will see what they are up against.

Now comes the new regulation. Its main effect would be to reduce the minimum required quantities of each food group—less meat, vegetables and so on. Schools would also be given more flexibility in planning menus, and paper work would be cut. These changes, the administration estimates, would save schools about \$350 million a year.

The possibility of the new diets coming up a little short on this vitamin or that doesn't worry us as much as it probably should—we always suspected the school lunchroom's clientele left the Brussels sprouts on the plate anyway. And it seems sensible to try to simplify the thankless job of attempting to feed reasonably palatable and sustaining meals to hordes of youngsters whose palates have been trained on a diet of fast food. It was when we got down to the specified food quantities that we came to harbor the gravest doubts. We'll give you one example.

For the average kindergarten child the new daily menu would require only the fol-

lowing: four ounces of milk (that's half an average glass), one-half a piece of bread (not allowing for the part that ends up on the floor), one-half cup of fruit or vegetable, and one ounce of meat (a quarter of a modest-sized hamburger). We don't know what would happen if the little ingrates had the temerity to ask for more.

Of course, as the administration hastens to add, the schools wouldn't have to be this chintzy. They could maintain their standards and make up the difference from their own pockets. Some schools, however, would surely cut back, and these are likely to be in areas where local budgets are most limited and poverty is most entrenched. We know that balancing the budget won't be easy, but surely the nation—awash in government-supported surpluses of grain and dairy products—can afford a full glass of milk and a whole piece of bread for every child.

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

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

On page 136, between lines 9 and 10, insert the following new section 107:

"DISTRIBUTION OF SURPLUS COMMODITIES"

"SEC. 107. Notwithstanding any other provision of law, whenever government stocks of surplus commodities acquired under the price support programs under sections 210 and 416 of the Agricultural Act of 1949 exceed amounts needed to fulfill requirements for distribution to domestic commodity programs and commitments for food aid under the Agricultural Trade Development and Assistance Act of 1954, and amounts anticipated to be purchased by the commercial trade under the Commodity Credit Corporation's unrestricted resale program, such commodities shall be made available without charge or credit to nutrition projects under the authority of the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.) and to schools providing food service. Such distribution may include bulk distribution to congregate nutrition sites and to providers of home delivered meals under the Older Americans Act. The Commodity Credit Corporation is authorized to use available funds to operate the program under this section and to further process products to facilitate bonus commodity use."

AMENDMENTS NOS. 531 THROUGH 533

(Ordered to be printed and to lie on the table.)

Mr. GRASSLEY submitted three amendments intended to be proposed by him to the bill S. 884, supra.

NOTICES OF HEARINGS

SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES

Mr. DANFORTH. Mr. President, the Subcommittee on Federal Expenditures, Research, and Rules of the Committee on Governmental Affairs will hold a hearing on Friday, September 18, 1981, to consider S. 719, the Consultant Reform and Disclosure Act of 1981. The hearing is scheduled to begin at 9:30 a.m. in room 3302 of the Dirksen Senate Office Building. The hearing was previously scheduled for September 17.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. DOMENICI. Mr. President, I would like to announce for the information of the Senate and the public the

scheduling of public hearings before the Subcommittee on Energy Research and Development.

On Monday, September 21, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, the Subcommittee will hold a hearing to consider the Department of Energy's photovoltaic program.

On Friday, September 25, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, the Subcommittee will hold a hearing to consider the viability of the domestic uranium mining and milling industry.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy Research and Development, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings you may wish to contact Mr. Paul Gilman of the Subcommittee staff at 224-4431.

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public, that S. 1605 has been added to the agenda of the subcommittee hearing scheduled for Thursday, September 17 at 10 a.m. in room 3110 of the Dirksen Senate Office Building. S. 1605 provides for the reinstatement and validation of U.S. oil and gas lease numbered E.S. 20644.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy and Mineral Resources, room 3104 Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Roger Sindelar of the subcommittee staff at 224-4236.

Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Energy and Mineral Resources.

The subcommittee will continue consideration of S. 1542, a bill to amend the Mineral Lands Leasing Act of 1920, on Thursday, October 1, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy and Mineral Resources, room 3104 Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing you may wish to contact Mr. Roger Sindelar of the subcommittee staff at 224-4236.

Mr. President, I would like to announce for the information of the Senate and the public that the subcommittee hearing previously scheduled for Tuesday, September 15 at 10 a.m. to consider S. 1516, to amend the Geothermal Steam Act of 1970, has been postponed until a later date.

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public that the Senate Small Business Committee will hold a second day of hearings on interest rates and business credit needs on Thursday, September 24, 1981. The first day of hearing on this subject will be held on Wednesday, September 23, 1981.

The hearings will convene on both days at 9:30 a.m. in room 424 of the Russell Senate Office Building. Senator WEICKER will chair.

For additional information please contact Jim O'Connell of the committee staff at 224-5175.

SUBCOMMITTEE ON ENERGY REGULATION

Mr. HUMPHREY. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of public hearings before the Subcommittee on Energy Regulation. These oversight hearings to consider the implementation of title I of the Natural Gas Policy Act of 1978 will be held on Monday, November 2 and Tuesday, November 3, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy Regulation, room 3104 Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings you may wish to contact Mr. Howard Useem or Ms. Marilyn Burkhardt of the subcommittee staff at 224-5205.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. BAKER. Mr. President, I ask unanimous consent that the Environment and Public Works Committee be permitted to meet during the session of the Senate today, September 11, for a markup on the Clean Water Act Amendments of 1981.

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

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Energy and Mineral Resources of the Energy and Natural Resources Committee be authorized to meet during the session of the Senate on Friday, September 11, to hold a hearing of S. 1542, to repeal section 2C of the mineral leasing act of 1920.

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

ADDITIONAL STATEMENTS

THE FEDERAL RESERVE BOARD

• Mrs. HAWKINS. Mr. President, interest rates are at record levels at least in

part because of policies of the Federal Reserve. It is time for a change.

Let me give you some history on the Federal Reserve. It was established by Woodrow Wilson in December 1913 under the Federal Reserve Act to contribute to the attainment of U.S. economic and financial goals through its ability to influence the availability and cost of credit in the economy.

The Federal Reserve is the Nation's central bank. As such, its major role is to assure that money and credit growth over the long run is sufficient to provide for an improving standard of living for all Americans. In the short run, Federal Reserve policies aim at combating inflation or deflation.

The Board of Governors is at the apex of the Federal Reserve System. The Board formulates monetary policy and supervises and regulates some banks. Currently, the seven-member Board is appointed by the President, on approval of the Senate, to staggered 14-year terms. The Chairman is appointed for a 4-year term. Recently, however, Congress required confirmation of the Chairman as Chairman and the Vice Chairman as Vice Chairman.

That is the current structure; however, under the original act, the President appointed five members to the Board and two of these were the Secretary of the Treasury and the Comptroller of the Currency. In the 1930's, an attempt was made to make the Federal Reserve more "independent" of the President and more responsive to Congress.

The restructuring which occurred in the 1930's saw both the Secretary of the Treasury and the Comptroller of the Currency dropped from the Board, and its size increased from five to seven members. Terms for members were lengthened, and Senate confirmation was required.

A main question is whether the monetary authority should be responsive to the President and the President's policies, or should be apart from or independent of, the President. We must have a stable currency and that cannot occur with interest rates at their now impossible levels.

It is time for a change in the structure of the monetary authority of the United States.

That is why today I am calling for immediate and positive legislative action to restructure the Federal Reserve Board. I am calling for an increase in the size of the Board and a shortening of the length of their terms.

My proposal to restructure the Federal Reserve includes increasing the number of members to insure that the broad cross-section of America's economy is represented. For too long the Federal Reserve has been responsive only to Wall Street. It is time it listened to those of us on main street.

At the same time, I strongly support the need for a full inquiry into the structure and workings of monetary authority. The aim of the inquiry would be to strengthen the institutional ability to

manage the money supply of the United States.●

GEORGETOWN, DEL., ALL STARS MAKE A WORLD-CHAMPION COMMUNITY

• Mr. BIDEN. Mr. President, on August 22, 1981, the Georgetown, Del., senior little all stars—the first Delaware team to compete in the Senior Little League Baseball World Series—gave Delaware its first world championship by winning the series playoffs in Gary, Ind.

The people of Georgetown—a town of 1,710 which is the county seat of Sussex County, the southernmost of Delaware's three counties—are understandably proud of the victory of their all-star team. The young members of the team themselves deserve the pride they feel in their hard-won accomplishment. They have won the acclaim of all of the people of Delaware.

But, Mr. President, as impressive as it is for a small, essentially rural community like Georgetown and as small a State as Delaware to win a world championship, I believe that victory represents something more than a good day on the playing field for a baseball team.

It represents, in the first place, the willingness of a group of youngsters and their coaches and managers to dedicate themselves to the time-consuming hard work that results in a championship performance in a highly competitive enterprise. The record of the Georgetown all stars reminds us that there are not shortcuts to excellence—and that excellence is within the reach of any community, large or small, that will make the investment required to achieve it.

We should not forget, Mr. President, that to a significant degree such a victory represents the involvement of an entire community—not only of the young players who brought the world championship home to Delaware, but also of their families, their coaches and the people of Georgetown who supported them so warmly throughout the competition.

In a time when the headlines seem to focus only on the problems our young people face, it is more important than ever to provide youth with the constructive challenges that develop character and self-discipline and with the opportunity to learn that those values are deservedly a permanent American heritage. Strong, healthy individuals who become good citizens are the product, most of all, of their own families and communities. If we expect our young people to compete successfully in all of life's arenas, we must do everything within our power to cultivate and support the families and communities that are the backbone of America.

I believe, Mr. President, that in this light the Georgetown senior little league all star baseball team, their families and coaches, and all of the people of the Georgetown community are world champions and an example all Americans can treasure and admire. They have reassured us that the traditional American values still survive and succeed among us.●

RIPPLES AND WAVES IN THE NATIONAL SECURITY TIDAL BASIN

● Mr. GOLDWATER. Mr. President, the August 1981 issue of the *Armed Forces Journal* contains an excellent article by the editor of *Armed Forces Journal*, Mr. Benjamin Schemmer. We are now making an effort to put this Nation's military forces back on their feet but a recent television production by CBS and a new book on national defense by James Fallows would have you believe that the effort is completely misdirected. Ben Schemmer has stirred up a few hornet's nests around this town and I hope that he gets some attention with this article. He makes good sense and points out clearly that Fallows, CBS, and others have provided: "A simplistic view of an enormously complicated problem in a world that is uncertain, uneasy and unpredictable."

Mr. President, I urge that every Senator take the time to read this clear-cut, hard-hitting article written by someone who really knows the defense business and who does his homework. I ask that the full text of Mr. Schemmer's article be printed in the RECORD.

The article is as follows:

RIPPLES AND WAVES IN THE NATIONAL SECURITY TIDAL BASIN

(By Benjamin F. Schemmer)

The hot topic in American journalism today is "national defense." As Ronald Reagan and Defense Secretary Caspar Weinberger begin to "rearm America," our TV sets, newspaper op-ed pages, and favorite magazines warn us that the trillion and a half dollars they plan to spend defending us over the next five years won't buy much more security because the Pentagon inevitably will foul things up.

That's true. Just like our lawyers, our stockholders, and (less occasionally) our doctors. (I'm still trying not to pay for a set of chest X-rays which a local hospital took when I went to the emergency ward one day for a bad gash in my knee.) A trillion and a half dollars is a lot of money, and it makes good copy at a time when the public wonders if new tanks will come only at the expense of social security and welfare checks; it makes even better copy when the tanks and planes and submarines don't quite work as advertised, but cost from a million to a billion dollars each.

Defense has become such a popular topic that CBS TV News late in June devoted an unprecedented five consecutive, prime-time, one-hour specials to the subject.

Regretfully, many of the pundits bringing you all this insight into how well the President and his generals are going to defend you don't know their ass from their elbow. Take Dan Rather's "hype" on CBS TV Evening News on Wednesday, June 17th for Richard Threlkeld's "complete investigation" of the military/industrial complex that CBS aired at 10 o'clock that night. He showed a dramatic clip of the Air Force's F-16 fighter with this voice-over: "The planes used by the Israelis to bomb Iraq were US F-16s, developed by General Dynamics. They are widely acknowledged to be the world's best fighter-bombers; they are also the most expensive, technologically sophisticated and requiring massive maintenance."

Airmen the world over must be wondering whom CBS polled to conclude that the F-16 is the "world's best fighter-bomber"—good though it is. Dispassionate pilots debate such issues to no end, and even General Dynamics has never flaunted such a claim

for the F-16—although it may now that Dan Rather has pronounced it Gospel.

CBS VERSUS THE FACTS

But while that description of the F-16 is debatable, CBS' first statement that it is also the world's "most expensive" fighter-bomber is not: it is just plain wrong. In fact, the F-16 may be the world's cheapest fighter-bomber. (Northrop's F-5 costs us less, but the US doesn't use it except in small numbers to simulate Soviet Mig-21s for realistic air-to-air training.) An F-16 bought in this year's defense budget costs about \$14-million in so-called fly-away prices (without spare parts or amortizing research and development costs); an Air Force F-15 costs about \$28-million; the Navy's F-18 costs about \$34-million; the British-German Tornado (its embassies here claim) costs about \$23-million.¹

CBS must have worked hard to make that error; ones that far off base don't come easy. I can't think of anyone anywhere in the world who would call the F-16 the world's "most expensive" fighter-bomber.

CBS was right on, however, when it said the F-16 is "technologically sophisticated." That's one reason it performs so well. Every time it (and the F-15 and F-18) flew at the Paris Air Show in June (usually just before or after the French demonstrated their new Mirage 2000 and Mirage 4000 delta-wing fighters), the president of Dassault Aviation must have turned to his chief engineer and asked him, "What's wrong with you?" (As *Time* magazine's aerospace specialist, Jerry Hannifin, said of the Mirage when we watched it mush around in wide, high-speed turns one day, "I think the French have finally perfected the F-102." Hannifin was referring to the delta-wing US interceptor which first flew in 1953 but is now being used for target practice.)

As for the F-16's "massive maintenance," the plane had the third lowest maintenance man hours per flight hour of all eight USAF first line fighters or bombers last year. And that was its first year of operational use. Its design goal is 25 maintenance man hours per flight hour—once the plane and its spare parts pipeline are "mature"; in its first year of operational use ending last September 30th, the F-16 beat that goal by 17 percent.

So why did CBS use the description, "massive maintenance"? Was it to back up Dan Rather's contention, when he introduced Threlkeld's "complete investigation" that what is "disturbing" about the "one-point-three trillion dollars" we will spend to defend ourselves in the next five years, "besides the cost, is that many of the weapons we're already building don't work as well as they're supposed to?"

THE JAIL CELL DOGFIGHTS

Later in the broadcast, Threlkeld cited results of the Air Force/Navy "ACEVAL" tests at Nellis Air Force Base, NV, six years ago to contend that "high technology is not much help" in the air-to-air combat arena, suggesting that we should be aiming for "quantity over quality." He called ACEVAL "the most realistic dogfight in American history."

That's not what the pilots flying those tests said of it. The final chart of their briefing said simply, "ACEVAL Bottom Line: The tests did not achieve the objective of quantifying the influence of numbers versus performance on the outcome of the engagements." In fact, the pilots objected repeatedly and strenuously that the dogfights were limited to day-only visual flight rules, thus

¹ Even adding inflation projected for the years ahead, the cost of the US planes will decrease from 23 percent to 50 percent because of "learning curve" effects as more are built and, in some cases, more efficient production rates are achieved.

totally negating the impact of all-weather radar and weaponry which the "technologically sophisticated" F-15, F-14, and F-18 carry, and which the F-16 will. (At no time in the tests, for instance, was the F-14 ever allowed to use the full capability of its long-range radar, around which the plane is designed; or even turn it on until it got within the "ring" for close-in engagements. Thus, its long-range Phoenix missiles [which account for much of the plane's unique capabilities and cost] were of no advantage whatsoever. To the contrary, they became dead weight, degrading the plane's ACEVAL performance.)

The ACEVAL pilots also objected because they were not allowed to "engage" their opponents until the "enemy" had been visually identified (a rule of engagement that Robert McNamara and Lyndon Johnson imposed on US aircrews flying over North Vietnam, and one reason the US spent three years, 22-billion dollars, and 3,091 lives—after the Paris peace talks began—to bring home 566 American prisoners of war from the dungeons of Hanoi.) The visual identification requirement further nullified any advantage of the technology that differentiates planes like the F-14, F-15, and F-16 from ones like the F-5 and Mirage 2000: their radars were blinded and their long-range missiles rendered inert by the very rules under which the planes were tested against "small, simple, and cheap" ones like the F-5.

Finally, Threlkeld failed or forgot to note, the Nellis tests were flown literally over the runways from which the planes took off—thus the extra range built into America's "sophisticated" fighter-bombers counted for naught.

THE JAIL CELL TESTS

"The most realistic dog fight in American history"? I doubt that CBS could produce one pilot who flew those tests who would do much more than puke at the statement. The most common way they describe ACEVAL is that it was like trying to evaluate a pistol against a rifle by firing them within the confines of a jail cell.

CBS' widely touted in-depth study of your national security rates about a B+ for theater, a D for journalism, and an F for accuracy. (*Time* magazine said it got 30 percent of the viewing audience, "a virtually unheard of performance for a documentary." It hailed the CBS series as "thoughtful" and "incisive." That's cause for concern, since a separate *Time* article in the same issue noted that "more people [71 percent] believe that network television does a better job of providing accurate, unbiased news than anyone else," and that "a sizable portion of the television-news audience reads no newspapers or magazines and learns what little it knows of events from television alone.")

Toward the close of Richard Threlkeld's "investigation" that evening into horror stories about the way the Pentagon buys weapons, he told us, "But we couldn't find a single instance of the Pentagon ever recommending canceling one of its programs!"

THEY COULDN'T FIND WHAT?

Who does CBS use for "investigators"? Doesn't the network have anyone run even a superficial check of its "facts"? (CBS' own regular Pentagon correspondent, Ike Pappas, a knowledgeable reporter, never even appeared in the series.) One phone call from Threlkeld or his writers to even the most obvious sources would have produced a top-of-the-head list of scores of major programs the Pentagon has canceled in recent years (on its own, not just because of Congressional or White House objections)—the Army's Cheyenne helicopter, its IMAAWS Infantry Manportable Anti-Tank Assault Weapons System (right after contracts to develop it were awarded last fall), its Roland air de-

fense missile (a decision Harold Brown made last fall, but which Caspar Weinberger has since reversed); the Navy's F-11B, Captor mine (another Brown decision reversed by Weinberger), and the Marine Corps' AV-8B jump jet (a Brown decision which Congress overruled three years running); the Air Force's B-1 (Brown recommended that Carter kill it in favor of air launched cruise missiles), Medium Range Mobile Ballistic Missile, Manned Orbiting Laboratory, KC-10 cargo tankers (a Brown decision overruled by Weinberger), or A-10 close support planes (a Brown decision overruled by Congress and later by Weinberger).

CBS could have done an entire program on the money the Pentagon has spent developing weapons which it later decided to cancel outright or quit buying far earlier than expected. That subject would have been worthy of comment: One reason defense costs so much is that under tight defense budgets, there has been little "constancy of purpose" in the way we buy things. Even when weapons work as advertised (the F-16, Roland, KC-10, our nuclear subs, and the AV-8B are but a few examples), we buy so few of them at such low production rates or abort the projects so prematurely that the individual cost of what few weapons do reach the field soars higher than the apogee of some satellites.

CBS' special series on "Defense of the US" was unprecedented: Never has a network invested so much prime time to ruin its own reputation. To some, it was ironic that CBS set its new standard for defense reporting right after naming former Defense Secretary Harold Brown to its board of directors: to others, it was poetic justice. He must be catatonic.

THE NEW GURUS ON NATIONAL DEFENSE

But CBS has no monopoly on bum dope. You'll be reading a lot of it about national defense in the months ahead: and some of the worst dope will come from people who know better, but are just as loose with their "facts."

Retiring Comptroller General Elmer Staats said in a widely quoted swan song early this year that the Army's new M-1 Abrams tank was to have cost \$507,000 in 1972, but "now costs \$2.8-million." Priced on the same basis as the 1972 number, the M-1 now costs \$568,900 per tank. Staats was off by a factor of five—and he was Congress' "watchdog" on government procurement! (When he announced with great fanfare some years ago a new "uniform cost accounting system" for government contractors, we asked Staats what it would cost to implement the system, and what it would save the taxpayer. Neither he nor his staff had an answer to either question: apparently they never considered those issues.)

Former CIA Director Stansfield Turner wrote in the New York Times Magazine recently on "Why We Shouldn't Build the M-X." It was a provocative, thoughtful piece, well written—and punctuated with gross errors. Turner said, for example, that building bases for the M-X would "require, according to some estimates, 40 percent of the country's total cement production for three years." He must have gotten his numbers from the same sources who persuaded him in mid-1978 that the Shah of Iran would remain in power for another decade. Turner was off by a factor of eighty. The largest number I can track down that anyone has ever estimated for M-X cement needs is about one half of one percent of US production. Turner is writing a book, the Times told us, on "military strategy." It ought to be hilarious.

But the subject is not funny.

President Jimmy Carter's chief speech writer has just come out with a widely quoted and now best-selling book called *National Defense*. Like so much of the rash of "reporting" now making print on na-

tional security matters, James Fallows falls to heed an admonition which Joe Califano cites in his book, *Governing America*, to those who would try to understand American politics. Califano cautions: "Try to tell the difference between tides, waves and ripples."

Most of Fallows' book is about a lot of ripples. His horror stories of how the Pentagon screwed up its last five or six two-car funerals (the M-16 rifle, F-16 fighter, etc.) are fascinating, engagingly written—but not new, or even that important.

TIDES AND WAVES VS. RIPPLES

It's the tides and waves that should concern America.

How can we get our allies to contribute a proportionate share of their national treasures to their own defense in Western Europe? If Japan refuses to increase its defense spending above nine-tenths of one percent of its gross national product, while we spend over five percent of ours helping to guarantee Japan's petroleum lifeline, would Japan consider an alternative? Like investing 4 percent of its gross national product finding a way to gasify or liquefy coal economically (something Congress has authorized \$81-billion in capital investment for us to try doing, and for which it's already appropriated \$19-billion). Japan could then use all those empty ships returning from delivering millions of Datsuns to America to haul coal back to Japan—so we can buy it back as synthetic coal liquids. If the US really wants to sell China arms so it can continue tying down 47 Soviet divisions along its border, but without risk of having Sinkiang Province bumped off one dark night, why not ask China—as a friendly quid quo—to recognize South Korea—and thus let us redeploy some of the forces now tied down there to where they could better protect our Persian Gulf oil supplies?

Those are the kinds of national defense issues we should expect Presidential speech writers to be addressing; those are the kinds of strategic initiatives which could ease our defense burdens by multi-billions of dollars. Fallows doesn't touch on them; instead, he assaults us with relative trivia—for which his publisher wants you to pay six cents a page.

Fallows' indictment of the "ripples" which is the Pentagon's way of doing business has caused in our national defense (valid though much of it is) would ring truer had he given equal time to the tidal waves which micro-management by the White House and Congress have caused (and continue to cause) in national security affairs. A President should be concerned about multi-billion dollar issues like MX vs. Trident subs, or the B-1 vs. cruise missile—issues where survival is at stake. But Fallows doesn't tell us of the years his boss, Jimmy Carter, spent micro-managing a \$6½-million defense issue into a \$40-million international flap—all over a little commercial air terminal in Iceland. Accounts vary, even among those closest to the fiasco, but they add up to a story like this:

CARTER'S ICELANDIC DIPLOMACY

Soon after Carter took office and asked NATO's 15 nations to contribute more to their common defense. Carter turned down a \$6½-million Pentagon request to build a civil air terminal at Keflavik, Iceland—so that nation's civil air carrier, Icelandic Airways, wouldn't have to process its passengers through the small (and slightly dingy) U.S. Navy terminal there. The Icelanders, he objected, could build their own terminal or continue using ours: If it was good enough for the U.S. Navy, it ought to be good enough for the Icelanders.

Carter scoffed at arguments that the Icelanders have a deep-rooted and strong dis-

inclination, to say the least, to things military; couldn't afford the air terminal out of their meager \$600-million annual government budget; represented one of NATO's most critical allies (because of its location right in the center of the Greenland-Iceland-United Kingdom gap, through which Russia's Northern Fleet and Backfire bombers would have to pass before they could interdict the trans-Atlantic resupply of NATO); and had not asked for U.S. aid in a long, long time. Pentagon and State Department planners considered the \$6½-million air terminal a bargain in international good will, and a way of demonstrating to the Icelanders that their reluctant membership in NATO had its peacetime dividends too. (Not inconsequentially, it would also let the Navy improve security at Keflavik, which was about to become an increasingly sensitive base. NATO's first AWACS Airborne Warning and Control System planes would be deployed there, and scores of long range anti-submarine patrol planes would be operating from Keflavik in periods of tension.)

Defense Secretary Harold Brown waited almost a year and then appealed to Carter to let the civil air terminal go ahead; its cost, he reported painfully, would now be \$11½ million: the Icelanders had come up with a better design, or whatever, Carter wrote on this appeal something like, "I've already said No!" Brown's NATO advisors persuaded Brown to go back to the President still again; by the time he did, the terminal's cost was up to \$23-million. Carter reacted quickly: "No!" During Carter's last months in office, Brown resubmitted the proposal for a fourth time; the cost had grown to almost \$40-million. To the Pentagon's surprise, Carter approved the project with a hand-scribbled "OK," signed, "JC." But he told one of his military assistants: "Make sure Harold understands that I'm still against this. The only reason I'm approving it is that he's never argued with me four times on the same issue before, so I guess it must be important to him."

That's a weird way to decide important national security issues. Writing so pejoratively about the way the Pentagon handles them, Fallows might have shared with his readers some insight on what happens when those decisions reached the desk of the President he served as chief speech writer.

THE OAKLAND RAIDERS AUDITORS

Like CBS, Fallows spends a lot of time indicting the F-16 for its sophistication and complexity, along with its F-15 "high cost" Air Force counterpart and its sister fighters in the Navy, the F-14 and F-18. Fallows relies openly (as CBS seems to have done, without saying so) for much of his insight into the complex problem of tactical air warfare on a Pentagon document prepared by a Defense Department analyst named Franklin C. Spinney, formally entitled "Defense Facts of Life"—a 56-page single-spaced tome, with 87 briefing charts attached, whose thesis is summarized: "The evidence presented reveals that:

Our strategy of pursuing ever increasing technical complexity and sophistication has made high technology solutions and combat readiness mutually exclusive."

Fallows apparently never asked Spinney's Pentagon boss for his view of all Spinney's "facts": Former Assistant Defense Secretary Russell Murray II might have told Fallows that one of the big mistakes he made between 1917 and early 1981 was not heeding the advice of a deputy who told him he ought to listen to the briefing Spinney was giving on his behalf throughout the Pentagon to (as Spinney himself put it) "anyone who would listen." A few weeks before he left office, Murray now acknowledges, he finally listened to Spinney's briefing. He was lightly chagrined. Many, perhaps most, of Spinney's facts were solid; but a great many of them,

Murray says, were "irrelevant"; some of them didn't support the conclusions drawn; other equally important facts might have supported dramatically different conclusions.

Spinney gave his briefing a few weeks ago to the four star officer who commands the US Air Force Tactical Air Command, General Wilbur Creech. Creech told him that the four-hour briefing was fascinating and contained lots of useful data; but, Creech said, he wasn't quite sure how it related to his real world problem of trying to field a fighter-bomber force that could cope with a Soviet air threat which out-numbers NATO Europe 2,800 to 1,500 in combat airplanes rapidly becoming as modern as ours. Spinney apparently didn't know either; he told Creech, in effect, "That's your problem, General."

To Air Force generals, comments like that aren't very funny. If they could buy combat aircraft as fast as the Soviets have been producing them in recent years (one every 10 hours, compared with a new Air Force plane once every 70 hours), they could re-equip the United States Air Force in Europe every seven months, or completely modernize their entire active inventory every 18 months.

Creech cites an analogy to the Spinney report: cost analysts looking at the Oakland Raiders football team. They would tell the coach and owner: "I am not responsible for war-fighting strategy; you are. I am telling you, these are the cost trends." Cost analysts looking at the Raiders would likely say to the owner, "Get rid of your quarterback and wide receivers, and buy more guards." Were the owner to answer, as might be expected, "But I can't win in this league with more guards," an analyst would tell him: "Don't bother me with those kinds of details; you ought to get rid of the quarterback and your wide receivers—they cost too much and break too often."

"SIMPLE" VS. "COMPLEX"

But whatever Spinney's prescription is, Fallows would have the United States design its fighter forces around it—simple, cheap, non-radar carrying planes like the Korean War F-86, planes the US could buy in vast quantities and fly often because they are simple to maintain and thus generate more combat flights than "hangar queens" like the F-15.

Spinney and Fallows ought to read a little more history. The F-86 had an accident rate which varied from eight to 26 times higher than today's F-15: In its first seven years of use, the Air Force lost 1,972 of them—just in accidents. (The "complex" F-15, which incidentally has 188 fewer "black boxes" than the plane it is replacing, has the lowest accident rate of any fighter ever produced, and the "sophisticated" F-16 has the lowest accident rate of any single engine fighter ever produced.) In one single year, 1954, the Air Force lost 437 F-86s—one and a half a day—because pilots couldn't bring the simple little Mother down to a safe landing; that's one-third of all the F-16s and about half of all the F-15s the Air Force hopes to buy, ever. That year the F-86 had an accident rate of 61 planes lost for every 100,000 hours flown; the F-15 averages 5.18. (For three years in a row, the Air Force lost more than one F-86 a day in major accidents.)

As for "sortie rates" (how many missions any one plane can fly in a given day or month), Spinney and Fallows (and the other "fighter Mafia" analysts they both quote widely, like former Pentagon whiz kid Pierre Sprey) would really have the Air Force go back to World War II's propeller-driven P-47 Thunderbolts or P-51 Mustangs, not even the Korean War F-86 jet. A fascinating thesis—simple is good, more simple is better. The fact is that F-15s regularly fly two to three sorties per plan per day in realistic wartime

"surge" exercises in Germany, in weather that grounds \$45-million civil air liners. The highest World War II sortie rate which Europe's 9th Tactical Air Force P-51s and P-47s ever attained was less than one mission per plane per day. During the Battle of the Bulge, when Omar Bradley and George Patton prayed for all the air support they could get, 9th Air Force averaged only about one half a sortie per plane per day. At one juncture, the planes didn't get off the ground for nine days in a row.

One reason those simple planes flew so few sorties is that the weather was bad; the P-51s and P-47s couldn't take off, couldn't find their targets, or couldn't return safely to base. Bad weather rendered them inert. Spinney and Sprey and Fallows forget one thing that "sophisticated" airplanes have going for them: their radars and complex avionics let them take off, land, and attack targets when the weather is bad. The battlefields of western Europe (and, as Desert One proved, even ones in the Persian Gulf) are not noted for their idyllic climates: few Germans sport sunburns; most Iranians have complexions scarred by desert wind and dust or savage winters.

UBIQUITOUS JOURNALISM

Like plasmodial slime mold, the impressions created by all of this new defense "reporting" will stick around for a long time. Borne of the same kind of fictional alchemy that created the monster Frankenstein, Turner's cement estimate, for instance, is already taking on a life of its own. An article in the June 22nd issue of New York magazine, "\$1.5 Trillion for Defense?" reads like a seven-page summary of Fallows' book, with a few new facts. One of them reads in full, "Construction of the MX complex would tie up 40 percent of the nation's concrete capacity for three years." What the hell: if Stansfield Turner said so, it must be true. (Not that many Americans, after all, are aware that Turner's four years as CIA Director almost made the phrase "American intelligence" the biggest contradiction in the English language.) New York didn't credit Turner with the cement estimate; so investigative reporters looking into the Pentagon's corner on the cement market now have two hard sources to cite. The Washington Post sometimes doesn't even require one.

The New York article, like a similar Texas Monthly June feature on the F-16 ("The Plan the Pentagon Couldn't Stop"), reads straight Fallows. It's very attractively laid out. A big sell line across one two-page spread tells you, "... The top military brass likes sophisticated weapons, but technology has become the new Maginot line..." Someone names Michael Kramer by-lined the New York piece; a Michael Ennis wrote the Texas Monthly one. Neither magazine identified who they are, but their articles read as if Fallows has cloned himself. Fallows is ubiquitous. A big interview in a recent issue of People magazine ("Is the Reagan Defense Boom a Bust? It's flying too high on Technology, warns Jim Fallows"); a feature article in the Boston Globe excerpts his book; Atlantic Monthly ("America's High Tech Weaponry") and Washington Monthly—all have helped turn his modest work into the Holy Writ. (Fallows is Washington editor of the former and a contributing editor to the latter.) The only thing surer now than getting your IRS 1040 form on time is that, like it or not, James Fallows' National Defense is going to be quoted for a long time. It just made the best-seller list.

I've never met the man, but I wish my publisher would hire him as an ad salesman: the guy really knows how to hype books. (Guess what's first on the New York "Defense Reading List" that ends its June 22nd feature? You got it: "The very best overall cri-

tique of America's defense posture is National Defense by James Fallows...")

Fallows isn't the only new Moses of the defense world whose tablets you'll be reading for months to come. Former Pentagon analyst Pierre Sprey, father of the simple little airplane (the lightweight fighter that became the "complex" F-16) and mastermind of the close support A-10 (which the Air Force is now trying to fix so it can operate in bad weather), was quoted eight times in the New York article and 19 times in Texas Monthly.

AND NOW, AN OBJECTIVE VIEW

Editors who don't have time to bog down in all those facts that Fallows, Turner et al. are throwing at them will owe a special debt to the Center for Defense Information, a tax exempt project of the "Fund for Peace." It's just what the need if they want to editorialize about all this money Reagan is stacking up on top of Ground Zero (Turner used all the cement, so we'll have to make the National Military Command Center invulnerable by hiding it underneath a million dollar bills). A 12-page newsletter it circulated late in June had this headline across the front page: "Military Budget Up \$30 Billion in Two Years." Just below that was a box summarizing the facts inside. "The first paragraph [bulleted, to get your attention] read in full: 'The Department of Defense is embarking on a vast spending spree of over \$1.5-Trillion in the next five years. Most of this money will not be spent on the defense of the U.S.' Although I haven't read every word of the newsletter yet (I'm out of No-Doz), I honestly could not find, after scanning it carefully three times, what the Center for Defense Information thinks the Pentagon will spend that money for. But the boxes on its inside pages give you a quick feel for its analysis: 'Frightening Waste in Defense' and 'Runway Costs' decorate page three; 'Vast Opportunities for Savings' tops page 5; CDI's List of Unjustified Nuclear Weapons Programs' grabs you on page 7 (a modest \$12.5 billion); 'Future Economic Dangers,' 'The Wrong King of Navy,' 'Damaging the Economy' and 'Need for Arms Limitation' round out the analysis.

If Ben Bradlee repackages the thing right, he could have another Pulitzer Prize on his hands. The only thing I could find missing from the document was one digit about how Russian forces have changed in the past decade.

Today's "production lead times" mean that it now takes from 18 months to two years, once an order is placed, to get the first new simple weapon off the assembly line and on its way to the troops. But long before the new Reagan defense budgets produce their first new bolt, CBS and Fallows are creating the subconscious impression that Caspar Weinberger ordered the wrong one, too many of them, and has run out of warehouses to store the ones sent him last week. Americans are likely to soon wonder, "We've spent all this money beefing up our armed forces. Isn't it time to throw out money down some other rat hole?" Your daily newspapers really haven't told you that the first new money Weinberger asked for last January, a \$3.04 billion "supplemental" for the Fiscal Year 1981 defense budget now underway, still hasn't been fully approved by Congress.

CBS Stanfield Turner, Pierre Sprey, Elmer Staats, and James Fallows are just a few of the "authorities" reporting to you today on national defense issues who would have you believe that war now boils down to an issue of quantity versus quality, and that to win one now, we have only to buy more less expensive weapons.

They don't tell you where we will find or how we will pay all the extra pilots needed to fly all those extra simple airplanes, or where we will find the airfields to park them

in Western Europe, or that bachelor quarters for an F-86 pilot costs just as much as for an F-15 pilot.

They tell you horror tales of the F-15's and F-16's engine reliability and maintenance problems; they don't tell you that those problems with the "complex" F-100 have been reduced by a factor of two to 10 in the past two years. (The F-100 engine is complex: but at eight-to-one, it has the highest thrust-to-weight ratio of any aircraft engine in the world, one reason the planes it powers perform so well.) They tell you that on an average day in 1978, 44 percent of the Air Force's F-15s were not fully ready for combat. They don't tell you that under the tight defense budgets of recent years, no one budgeted enough spare parts for them, while Congress cut much of the spares support which the Air Force did request; they don't tell you that today, F-15s are fully mission capable over 64 percent of the time, or that only one Air Force plane now has a higher combat readiness rate, or that the F-15 is now more combat ready than the fighter it replaces.

They don't tell you that one reason Navy officers prefer to hunt Soviet submarines with the costly DD-963 destroyer is that the much simpler little FFG-7 frigate can't carry a sonar big enough to do much more than locate schools of fish. They don't tell you that nuclear ballistic missile submarines cost a lot, for one thing, because the 41 boats were built to last; they just finished their 2,000th combat patrol, almost 50 each totaling more than 100,000 days—275 years—under water since 1961. They don't tell you that many skippers of those boats will tell you they have never been detected by a Soviet submarine, surface ship, or aircraft; their boats cost a lot because they are also very quiet, virtually undetectable; their Russian counterparts don't cost as much to build, but trail "signatures" about as silent or invisible as four-alarm fires.

Fallows, Turner, and CBS give you a simplistic view of an enormously complicated problem in a world that is uncertain, uneasy, and unpredictable. When confronted by extremes, Aristotle once wrote, the prudent man chooses the middle ground.

CBS, Turner, and Fallows have not.

You deserve to be better informed on trillion and a half dollar issues like national defense. ●

DEATH OF ROY WILKINS

● Mr. KENNEDY. Mr. President, with the passing of Roy Wilkins, America has lost a lion in the fight for human dignity and a leader in the struggle to overcome the prejudice of the past and the discrimination that still blights our present day. The patient, persistent prodding of our national conscience by Roy Wilkins led us far on the road toward equal justice under law for all our people. President Kennedy looked to Roy Wilkins during the civil rights struggle of the 1960's. In my own life Roy Wilkins has been a trusted adviser, a voice of hope, and a steadfast colleague in countless battles for equality.

Those in our society who are poor or disadvantaged or discriminated against have lost a strong advocate with the death of Roy Wilkins. But in a larger sense, all Americans will feel the loss of his voice and the stilling of this powerful force for reason and human dignity.

Mr. President, I ask that the articles on Roy Wilkins that appeared in the Boston Globe, the New York Times, and

the Washington Post may be printed in the RECORD.

The articles follow:

[From the Boston Globe, Sept. 9, 1981]

ROY WILKINS IS DEAD AT 80

(By Lee May)

NEW YORK.—Roy Wilkins, who carved into an art form the strategy of using the federal courts to attack racial discrimination on all fronts, died of kidney failure yesterday in New York University Medical Center. He was 80.

Mr. Wilkins, who headed the National Assn. for the Advancement of Colored People (NAACP) for 22 years, was admitted to the hospital Aug. 18 with a cardiac condition and several other medical problems complicated by the kidney problem. He had a history of heart trouble.

From the White House, President Ronald Reagan led the tributes.

"Roy Wilkins worked for equality, spoke for freedom and marched for justice. His quiet and unassuming manner masked his tremendous passion for civil and human rights."

"He once said, 'The heritage of a man of peace will endure and shine into the darkness of this world.' Although Roy's death darkens our day, the accomplishments of his life will continue to endure and shine forth."

Rev. Joseph Lowery, president of the Southern Christian Leadership Conference, lauded Mr. Wilkins as "a statesman, scholar and servant in the area of civil rights."

"He served during the toughest of periods," said Rev. Lowery. "He served when there were lynchings. He watched the white primary [the exclusion of blacks from voting] fade into history and he lived to see the crumbling of the wall of official segregation."

Mr. Wilkins' successor, Benjamin Hooks, at his Memphis, Tenn., home, said: "I'm shocked at the passing of a man who meant so much to the civil-rights movement and, for that matter, to America."

Mr. Wilkins devoted his life to turning his knowledge of the governmental system into an armful of legislation benefiting minorities.

Among the bills Mr. Wilkins' strategies guided through Congress were the Civil Rights Acts of 1957, 1960 and 1964 and the Voting Rights Act of 1965.

As a young man, he traveled from New York to the Deep South, posing as an indigent to conduct an undercover investigation of the treatment of blacks working on flood-control projects along the Mississippi River.

During the 1930s, that foray easily could have meant death for a black, but Mr. Wilkins lived to detail the injustices he found. His published report led to a congressional investigation and legislation against unequal pay and exploitation by employers.

But it was the 1954 US Supreme Court decision directing public schools to desegregate that Mr. Wilkins called his greatest victory.

The desegregation suit, filed by the NAACP, embodied Mr. Wilkins' deep-rooted belief in integration as the route to black progress in America, a belief that sometimes put him at odds with other rights activists.

Mr. Wilkins, grandson of a slave, was born Aug. 30, 1901, in St. Louis. His mother died when he was 4, and his father sent him and his younger sister and brother to St. Paul, Minn., where they lived with an aunt and uncle.

Mr. Wilkins majored in sociology at the University of Minnesota and was night editor of the school paper. That helped him land a job after graduation in 1923 at the Kansas City Call, a black weekly newspaper.

Preferring quiet diplomacy to table-pounding, Mr. Wilkins, in one of earliest

campaigns, crusaded against the lynching of blacks, using the NAACP as a forum. He left Kansas City and began work in New York with the nation's oldest civil-rights organization in 1931 as an assistant executive secretary. He later added the job of editor of the Crisis, the NAACP official publication. He was named executive secretary in 1955. Later, the title was changed to executive director.

While he was better known as the man behind negotiations, Mr. Wilkins also could be found on the front lines, marching on Washington in 1963 and on Selma in 1965. Like other demonstrators, he was occasionally arrested, the first time in Washington in 1932.

Mr. Wilkins, a frugal man of immaculate yet conservative dress, was, like other legendary rights leaders, a valued adviser to presidents. He helped Harry S. Truman end segregation in the armed forces. And, well-known to White House switchboard operators and secretaries, he could pick up his telephone and talk with John F. Kennedy and Lyndon B. Johnson almost at will.

Richard M. Nixon was another matter.

Referring to the Nixon Administration's announcement that it intended to allow some schools to slip past a deadline on desegregation, Mr. Wilkins said, "It's almost enough to make you vomit."

While Nixon was poking thorns in Mr. Wilkins' right side, some black activists were driving nails into his left. Many in the rights movement claimed he was too moderate, too slow and too accommodating with whites.

But it was to Mr. Wilkins that whites often turned for explanations of black rage that led to urban riots during the 1960s. He appeared on NBC's "Meet the Press" in July 1967 soon after the Newark, N.J., disturbances, and was asked by an interviewer how the riots could have been prevented.

Mr. Wilkins' answer: "Jobs and better housing and better schools and better treatment" by police. On the same program he rejected "black power" because "the essence of it is separatism," which he would disdain until the end.

Ten years later, on July 31, 1977, he retired after weathering an intense battle to oust him because of his age and questions about his ability to lead the troubled NAACP out of its problems, including declining membership.

Mr. Wilkins and his wife Aminde (Bedeau), whom he married in 1929, lived in Jamaica, Queens, and would have celebrated their 52d anniversary next Tuesday. They had no children.

A funeral service will be held Friday at 11 a.m. in the Community Church of New York.

[Editorial]

ROY WILKINS

He was, quite simply, one of the outstanding figures of 20th century America, one of the giants of the civil rights struggle.

Roy Wilkins, who died yesterday, served a quarter century as executive director of the National Association for the Advancement of Colored People. During his tenure blacks scored advancements in their acceptance into American society unprecedented since the end of the Civil War. The NAACP was at the center of the push for those achievements.

The days when blacks were routinely excluded from restaurants and overtly excluded from neighborhoods are, if not gone, considerably less frequent than they were just 20 years ago. Few deserve more credit for that, for the enactment of the laws that did change the hearts and minds of Americans, than Roy Wilkins.

Even his most notable achievement, the challenge to segregated education, is now

almost universally accepted; only the means to that end remain debated.

In the 1960s Wilkins was routinely criticized for being too moderate, for being too close to "the white establishment." However, when more militant blacks had made their run and retired to the sidelines, Wilkins remained solidly in the center of the struggle. "It's just a name," Wilkins said of the "Uncle Tom" label occasionally affixed to him. "All you have to do is look around at what has been accomplished—at great odds and they were great—to realize that name-calling is just an exercise."

Wilkins did not take the civil rights battlefield for the exercise. He participated in the struggle to achieve results. He succeeded.

"We do not cry out bitterly that we love another land better than our own or another people better than ours," Wilkins told an NAACP convention 30 years ago in a speech that embodied his life-long view and set him apart from those advocating black separatism. "This is our land. This is our nation. We helped to build it. We have defended it from Boston Common to Iwo Jima."

It would be a disservice to his memory to portray Roy Wilkins as a black leader. He was an American leader who was black.

[From the New York Times, Sept. 9, 1981]

ROY WILKINS IS DEAD AT AGE OF 80; LED CIVIL RIGHTS FIGHT FOR 50 YEARS

(By Albin Krebs)

Roy Wilkins, leader of the National Association for the Advancement of Colored People and an activist in the cause of civil rights for more than 50 years, died yesterday at the age of 80.

The cause of Mr. Wilkins' death, at New York University Medical Center, was uremia, or kidney failure. He was admitted to the hospital Aug. 18 with a heart problem; the kidney complications developed later.

In a half-century devoted to improving the social, political, and economic status of his fellow blacks, Roy Wilkins, the grandson of a Mississippi slave, became a skilled politician as well as statesman.

LED N.A.A.C.P. FOR 2 DECADES

His singular dedication to the cause of civil rights began when he was still in college and culminated in his forceful and productive leadership of the N.A.A.C.P. during the turbulent two decades that followed the Supreme Court school desegregation decision of 1954. He retired in 1977 after his health began to fail.

Leading the tributes to Mr. Wilkins was President Reagan, who said at the White House: "Roy Wilkins worked for equality, spoke for freedom and marched for justice. His quiet and unassuming manner masked his tremendous passion for civil and human rights. Although Roy's death darkens our day, the accomplishments of his life will continue to endure and shine forth."

Vice President Bush said: "Our nation has suffered a great loss with the death of Roy Wilkins. His dedication to the poor, to those bypassed by our society and to those threatened by discrimination and hate were based upon a deep and burning conviction that all Americans must be guaranteed equality and opportunity."

A CALM AND REASONED MAN

Mayor Koch said of Mr. Wilkins: "The special ingredient he had was an ability to convey a spirit of cooperation, affection, reasonableness, intelligence and courage. He will be missed by whites, blacks, Hispanics, everybody in this country who is decent and dedicated to better racial relationships."

A calm and reasoning man, Mr. Wilkins did not avoid the limelight, and Presidents and governors sought his counsel on racial matters. But Mr. Wilkins did avoid "both"

words and deeds that would seem to cast him in the role of a firebrand.

Because he believed in a racially integrated America, he fought the doctrine of separatism espoused by black militants with the same zeal that he had brought earlier to his battles with the dogmas of segregation and white supremacy.

LEGALISTIC APPROACH STRESSED

He was the chief planner of the legal battle that resulted in the 1954 Supreme Court decision outlawing "separate but equal" public schools.

He did not hesitate, when he thought it would do any good, to take the civil rights cause into the streets. He was first arrested in a demonstration in 1934, and in later years he was a leader of sometimes violently resisted rights marches in Washington; Selma and Montgomery, Ala.; Jackson, Miss., Memphis and other cities.

But under his leadership, the N.A.A.C.P. chose a predominantly legalistic approach, using legislation and the courts as its chief weapons in the struggle for equality and constitutional rights. The Wilkins way was to work within the law, within the system, to achieve voting rights, integrated schools, fair housing laws, increased job opportunities and many other goals.

Less patient blacks, in later years, condemned that approach, made militant demands for black power and accused Mr. Wilkins of Uncle Tomism. Mr. Wilkins firmly rejected the concept of black power, saying, "We of the N.A.A.C.P. will have none of this; it shall not now poison our forward march."

ARGUED WITHOUT BOMBAST

In the process of guiding the N.A.A.C.P., Mr. Wilkins traveled more than half of each year, visiting branches of the organization and giving lectures in which he espoused civil rights causes.

His sparse gray hair and gray mustache and his slim figure clad in conservative suits were familiar to millions of Americans who saw him on television as he argued, literately and eloquently but without bombast, for the emancipation of his people.

During his tenure as a top official of the N.A.A.C.P., membership rose from about 25,000 in 1931 to more than 400,000 in July 1977, when he retired as the organization's executive director. Annual income increased from about \$80,000 to \$3.6 million, and the number of N.A.A.C.P. branches rose from 690 in 1931 to about 1,700 in 1977.

Roy Wilkins was born Aug. 30, 1901, in St. Louis. His father, William, and mother, the former Mavfield Edmondson, had moved there from Holly Springs, Miss. William Wilkins was a college graduate and a Methodist minister but was forced to earn a living tending a brick kiln.

INFLUENCED BY HIS UNCLE

When he was 4 years old, Roy Wilkins' mother died of tuberculosis, and he and his younger brother and sister were sent to live with an uncle and aunt. Mr. and Mrs. Samuel Williams, in St. Paul. His uncle instilled in the youth the idea that in America blacks could get ahead but that to do so it was necessary for them to adopt middle-class white attitudes, which included getting a good education and living in a state of moral rectitude.

Perhaps because there were few blacks in St. Paul, Mr. Wilkins suffered no blatant discrimination. He attended the integrated Mechanic Arts High School and edited the school newspaper.

At the University of Minnesota, from which he was graduated in 1923, he majored in sociology and minored in journalism while supporting himself as a redcap, a slaughterhouse worker and, in summers, a Pullman car waiter.

Busy as he was, Mr. Wilkins found time

to serve as night editor of the university's Minnesota Daily, to edit The St. Paul Appeal, a black weekly, and to take an active part in the N.A.A.C.P. branch.

While at Minnesota, Mr. Wilkins became incensed over the lynching of a black in Duluth and entered the university oratorical contest to deliver an impassioned anti-lynching speech, which won first prize. By graduation time, he had vowed to take part directly in the fight for black rights.

MET JIM CROW IN KANSAS CITY

"I needed a means of expressing my views," he said years later, "and so I applied for a job on an influential Negro weekly, Chester A. Franklin's Kansas City Call. I got the job. In those days there weren't many young Negroes trained for newspaper work, and since I was, I suppose that's why I soon found myself managing editor."

It was in Kansas City that Mr. Wilkins first met widespread segregation. "Kansas City ate my heart out," he said. "It wasn't any one melodramatic thing. It was a slow accumulation of humiliations and grievances. I was constantly exposed to Jim Crow in the schools, movies, downtown hotels and restaurants."

The crusading young editor used the columns of The Call to urge blacks to assert their strength at the polls, voting out of office any politicians considered white supremacists. Blacks constituted a sizable minority in Missouri, and in 1930 enough of them heeded the advice of The Call and Mr. Wilkins to vote against, and defeat, United States Senator Henry J. Allen, described by Mr. Wilkins as "a militant racist."

The campaign brought Mr. Wilkins to the attention of Walter White, executive secretary of the N.A.A.C.P., who brought him to New York in 1931 as his chief assistant.

"One of my first jobs was to go South to investigate conditions among Negroes who were working to rebuild the levees on the Mississippi River," Mr. Wilkins said. "They made 10 cents an hour. I lived in the camps and earned 10 cents an hour. We tried to sneak pictures of the work. You didn't say you were from the N.A.A.C.P. It would have meant being lynched."

SLAVE LABOR REPORT PRAISED

The experience, which, Mr. Wilkins said, "took all the theory out of the race relations business for me and put it on a realistic basis," resulted in his widely publicized 1932 report entitled "Mississippi Slave Labor." It was credited with bringing Congressional action that improved wage and working conditions for blacks in the levee labor camps.

In 1934 he led the first of his dozens of demonstrations for civil rights, the picketing of the United States Attorney General's office in Washington. The picketing, undertaken because the Attorney General, Homer S. Cummings, had not included lynching on the agenda of a national conference on crime, resulted in Mr. Wilkins' first arrest for civil rights activities.

The same year Mr. Wilkins succeeded W.E.B. Du Bois as editor of The Crisis, the official N.A.A.C.P. magazine, while continuing as a writer, lecturer and organizer for the association. In 1949 his mentor, Mr. White, took a year's leave and Mr. Wilkins became acting executive secretary. On Mr. White's return, Mr. Wilkins became administrator of internal affairs, a post he held until Mr. White died in 1955. At that time the N.A.A.C.P. board voted unanimously to make Mr. Wilkins executive secretary, a title later changed to executive director.

From then, Mr. Wilkins was to serve as the guiding force behind an organization that was founded in 1909 to obtain the constitutional rights of blacks and to push for full equality of the races. (The N.A.A.C.P. grew out of a memorandum issued by a

group of blacks and such prominent whites as John Dewey, Rabbi Stephen S. Wise and Lincoln Steffens, who had become outraged by the widespread passage of Jim Crow legislation, denial of voting rights to blacks in the South and the rise in the number of lynchings.)

LYNCHINGS BECAME CHIEF TARGET

Lynchings, which occurred at a rate of about 35 a year in the early 1930's when Mr. Wilkins went to work for the N.A.A.C.P., were the chief targets of the organization at that time. "We had to provide physical security first," he said.

Mr. Wilkins never won passage of one of his "dream bills," a Federal anti-lynching bill, but, in no small part because of the educational and propaganda activities of the N.A.A.C.P., lynchings became uncommon as the years passed.

Mr. Wilkins and the N.A.A.C.P. membership could then focus their efforts on a wide variety of ills, such as discrimination in housing, segregated schools, disfranchisement and bias in employment. He once explained his approach in attacking those inequities:

"The Negro has to be a superb diplomat and a great strategist. He has to parlay what actual power he has along with the good will of the white majority. He has to devise and pursue those philosophies and activities which will least alienate the white majority opinion, and that doesn't mean that the Negro has to indulge in bootlicking. But he must gain the sympathy of the large majority of the American public. He must also seek to make an identification with the American tradition."

With these tenets in mind, Mr. Wilkins became the chief exponent of the use of constitutional means to achieve black civil rights. He sought to involve Presidents, governors, mayors, legislatures and the courts in the legislative framework for integration.

HIS GREATEST SATISFACTION

He was the architect of the legal assault on school segregation that culminated in a monument to the Wilkins method, the historic 1954 Supreme Court decision that overturned the doctrine of "separate but equal" facilities in public education.

The integration case was argued before the Supreme Court by the N.A.A.C.P.'s general counsel, Thurgood Marshall, who later became an Associate Justice of the Court. Mr. Wilkins said the decision gave him his greatest satisfaction because it reaffirmed the constitutional rights of Negroes as equal citizens and was the greatest document since Abraham Lincoln's Emancipation Proclamation.

Mr. Wilkins was one of the of most able and articulate spokesmen for blacks, and often conferred with Presidents, gave his views on civil rights matters to Congressional committees and stumped the country to persuade his fellow Americans, in his quiet but firm way, to accept one another on equal terms.

He was an optimist who counseled blacks to be proud to be Americans. "We do not cry out bitterly that we love another land better than our own or another people better than our own," he told the N.A.A.C.P. national convention in 1949. "This is our land. This is our nation. We helped to build it. We have defended it from Boston Common to Iwo Jima."

A MORE MILITANT CALL

Those were comforting and comfortable sentiments, but in later decades, with the burgeoning of the civil rights movement, with the procession of events from Montgomery's bus boycott, the lunch counter sit-ins in the South, the marches in Selma and the assassination of the Rev. Dr. Martin Luther King Jr. in Memphis, Roy Wilkins sounded a progressively militant call.

"We condemn the propaganda that Negro citizens must 'earn' their rights through good behavior," he said on one occasion. "Good behavior wins the respect of our fellow citizens, which we value and seek, but no American is required to 'earn' his rights as a citizen. His human rights come from God and his citizenship rights come from the Constitution."

On another occasion he said, "Negroes want in in American society, and they want the ways opened now." And, testifying in 1963 in support of the public accommodations section of President Kennedy's civil rights bill, Mr. Wilkins said bluntly:

"The players in this drama of frustration and indignity are not commas or semicolons in a legislative thesis. They are people, human beings, citizens. They are in a mood to wait no longer, at least not to wait patiently and silently and inactively."

The rhetoric was militant, yet, Mr. Wilkins continued to adhere to his belief that social justice could best be won by constitutional means. That attitude, in the late 1960's, angered some young black militants.

UNGRATEFUL AND FORGETFUL

He reacted with cool disdain, calling his attackers "unfair, ungrateful and forgetful."

"In my youth, goddamn it," he said in an interview in 1969, "there were no demonstrations and parades. Who the hell did it? Who got them to allow the demonstrations? What is allowed today is affected by today's climate—the opportunities opened up for the kids by the people taking part in the civil rights fight 20 years ago. It used to be that picketing, except for a labor cause, was against the law. We went to court over that and won the right for these kids to march and picket now. I understand their impatience. I share it, but they should have some idea what it has taken to get them their right to raise hell."

Having spent all his adult life battling for racial integration, Mr. Wilkins opposed the young militants' demand for separatism. He denounced black students for carrying guns on the Cornell University campus and threatened to challenge in the courts the concept espoused by some black students of separate courses of black studies and segregated black dormitories.

"If the country gives racial control to a dormitory or an art center," he said, "finally everything in the country will be racially controlled and we'll be right back at the point where we started."

He condemned the concept of "black power" as "the father of hatred and the mother of violence," and added: "Black power, in the quick, uncritical and highly emotional adoption it has received from some segments of a beleaguered people, can mean only black death. Even if it should be enthroned briefly, the human spirit would die a little."

A MAN OF STAMINA

Mr. Wilkins enjoyed the constant controversy he seemed to be in, partly, he once said, because "I retain remarkable stamina even when in hot water up to my second chin." In 1946 he underwent surgery for cancer of the stomach but managed to snap back to health, although he had to give up his chain-smoking of cigars and the occasional bourbon and water he enjoyed. He gave so much time to his job that he had no hobbies except driving his high-powered sports car.

In the 1970's Mr. Wilkins was critical of both the Nixon and Ford Administrations. He was one of several N.A.A.C.P. officials to assert that President Nixon had "turned back the clock on racial progress" with his appointment of "strict constructionists" to the Supreme Court, "separatist" education policies and "weakening" of the enforcement of civil rights laws.

Mr. Wilkins was in the forefront of the successful effort to persuade the Ford Administration not to use the Boston school busing case in 1976 as a vehicle for seeking reconsideration by the Supreme Court of busing as a means of integration. And the N.A.A.C.P. chief later lambasted President Ford for proposing legislation to restrict the power of the courts to order busing as a remedy for segregated schools. He criticized the proposals as a "craven, cowardly, despicable retreat."

Nor did Mr. Wilkins countenance what he regarded as oppression by blacks. He was one of a number of black American leaders who jointly castigated then President Idi Amin of Uganda for his "savage" repression of human rights.

RESISTED OUSTER MOVES

By the early 1970's Mr. Wilkins had to beat back several attempts within the N.A.A.C.P. to wrest leadership from him. Some younger members charged that he had failed to change within the times and had outlived his usefulness in the movement, leaving the association adrift. But Mr. Wilkins insisted on retaining the reins of the N.A.A.C.P., saying that he had the experience "to move our people forward."

After acrimonious and sometimes public feuding over the organization's policies and management and its financial and membership problems, as well as the timing of his departure, the ailing Mr. Wilkins retired after the 68th annual convention in July 1977. He had served the association 46 years, 22 as the man in charge of the N.A.A.C.P. in St. Louis.

Mr. Wilkins was succeeded by the Rev. Benjamin L. Hooks, who resigned from the Federal Communications Commission to take the post. But few observers of civil rights organizations expect that Mr. Hooks or any other individual will again hold the unquestioned power within the N.A.A.C.P. that was wielded by Mr. Wilkins in earlier decades.

Mr. Hooks said yesterday: "Mr. Wilkins was a towering figure in American history and during the time he headed the N.A.A.C.P. It was during this crucial period that the association was faced with some of its most serious challenges and the whole landscape of the black condition in America was changed, radically, for the better."

Vernon E. Jordan, president of the National Urban League, said: "Roy Wilkins was a giant whose contributions over a lifetime of dedicated service to the cause of equality leaves us all in debt. He led the N.A.A.C.P. through a period of national change and kept it in the forefront of the struggle to integrate our society."

INSPIRED AND INSPIRING LEADER

In Chicago, the Rev. Jesse Jackson Jr. of Operation PUSH praised Mr. Wilkins as "a man of integrity, intelligence and courage who, with his broad shoulders, bore more than his share of responsibility for our and the nation's advancement."

Bertram H. Gold, executive vice president of the American Jewish Committee, called Mr. Wilkins "an inspired and inspiring leader, whose aspirations of yesterday became today's realities."

Ramsey Clark, a former Attorney General of the United States, praised Mr. Wilkins as "a man of gentleness and integrity who enriched all our lives with justice." He added, "We have to hope from his example that a new generation can find inspiration in the principles to which he devoted his life."

On behalf of the National Conference of Christians and Jews, Dr. David Hyatt, its president, said of Mr. Wilkins: "He had a diplomat's skill and he had the respect of our nation's citizenry, from governmental and business leaders to the man and woman in the community. His contributions to America are immeasurable."

HONORED BY QUEENS COLLEGE

Mr. Wilkins was awarded an honorary doctor's degree by Queens College in 1978. The citation accompanying the degree said his "strength and stability" were "an inspiration to the world." And he was among 17 elderly blacks honored by President Carter at a White House luncheon.

"You have helped to write history," Mr. Carter told his guests, "and you have proved that the strength of the human spirit can achieve excellence even in the face of extraordinary obstacles."

Mr. Wilkins lived in Queens Village with his wife, the former Aminda Badeau, a social worker he met in St. Louis and married in 1929. They had no children.

A funeral service will be held Friday at 11 a.m. at the Community Church of New York, 40 East 35th Street.

ROY WILKINS: A COOL, SOLID AND RESPECTED LEADER

(By Paul Delaney)

When the question was asked, it did not bother him. It had been brought up, in general by younger blacks, at nearly every convention of the National Association for the Advancement of Colored People since the civil rights movement spawned the black power movement.

"Mr. Wilkins, why does the N.A.A.C.P. still use the word 'Colored' in its name?"

Once again, Roy Wilkins patiently explained that he had no problem with the word and that it included all "people of color in the world, not just black people."

Keeping his cool was one virtue that made Mr. Wilkins the pre-eminent civil rights leader of his day. He did not possess the charisma or preaching ability of a Martin Luther King Jr. He was not a militant of the James Farmer mold. Alliteration did not roll off his tongue in the style of a Jesse Jackson Jr.

But Mr. Wilkins was regarded as a solid leader, consistent, stable and thoughtful. He was respected by Presidents and working-class blacks alike. His manner seemed something out of Kipling: He kept his head when all about him were losing theirs.

He ran the organization in that fashion, and neither Young Turks inside the association who disagreed with his leadership style nor young militants outside who were frustrated with the moderate rhetoric and pace of the N.A.A.C.P. could shake his belief that his and the organization's stance was the correct one.

Intellectually, he was far ahead of some other leaders in grasping the dynamics of the times and in his knowledge of the country, its institutions and how to exploit them for the welfare of his constituency. He was also far more familiar with his opponents than some of his colleagues in the leadership ranks.

His most difficult period was in the days of the civil rights movement. He had weathered the Communist infiltration campaign of the 1950's and the challenge to his leadership by younger members who wanted to take the association further to the left than Mr. Wilkins wanted. But at the height of the civil rights movement he and the association were regarded by many blacks as being out of step with the reigning philosophy and direct action tactics of the day. The thousands of students who protested and picketed and sat in and were arrested were the combat troops in the war against Jim Crow, and the vast majority were not members of the N.A.A.C.P.

MAINTAINING ALLEGIANCES

But in the end, when they landed in jail and needed legal counsel to see their cases through the criminal justice system or through the civil process, it was the battery of lawyers from the association, among others, who were called upon. And the association's tactics of quiet confrontation were proven correct.

In that struggle, Mr. Wilkins had to maintain the allegiance of nearly half a million members, his black working supporters. This he did with his steady abilities and firm control of the reins of leadership, demanding the strong support of the board of directors, which in his day was almost 50 percent white and more middle-class and liberal than the rank and file.

After the deaths of Dr. King and Whitney M. Young, Jr., director of the National Urban League, Mr. Wilkins became the old man of the movement. In a rather tragic development, he refused for some time to give up leadership of the N.A.A.C.P., even when he became too ill to function adequately. Although it appeared vain at the time, his resistance might have been prophetic: There was no one to succeed him.

THE NEW BLACK AND WHITE ISSUES

The times have changed, the struggle is different and maybe Mr. Wilkins himself would have been confused by the problems of inflation and unemployment, lack of housing, resurgence of conservatism and cooling of interest in minority rights, as against simpler black and white issues.

His successor, the Rev. Benjamin L. Hooks, is still suffering because the problems have changed and because the organization is still trying to get over the influence of Mr. Wilkins.

Mr. Wilkins was so strong and he so dominated his board of directors that some members vowed not to allow another director such a role. And the movement is still looking for a leader of such stature.

[Editorial]

RACISM WAS THE ENEMY

Roy Wilkins made history, and made America a more just and decent place, for whites as well as blacks.

In his 46 years with the National Association for the Advancement of Colored People, he held steadfastly to a belief in the power of reason and the rule of law rather than force. Racism was the enemy, whether by intolerant whites or impatient blacks.

Though he saw the value of peaceful picketing, he preferred the path of litigation and legislation, fearing that victories resulting from confrontation would prove transitory. He assessed his extraordinary achievements with a modest comment: "We did what we could do when we could do it." It was a shrewd formula for success.

Through the years that the N.A.A.C.P. grew from 25,000 members to a national organization of half a million, Roy Wilkins combined unwavering commitment to principle with careful pragmatism. When he joined the organization in the 1930's, night riders commonly terrorized blacks. An aggressive N.A.A.C.P. campaign led to state anti-lynching legislation; it was the first of many legislative victories that would eventually mark the organization as the secretariat and chief lobbyist for the civil rights movement.

It was Roy Wilkins's painstakingly orchestrated legal strategy that ultimately persuaded the Supreme Court in 1954 to outlaw school segregation. And he was a leader in the civil rights coalition that cajoled and pressed and persevered until Congress finally banned discrimination in the great civil rights enactments of the 1960's.

He hardly had time to savor those triumphs, however, before being challenged by disgruntled black activists who disavowed nonviolence and called for black power.

Roy Wilkins understood how cheap—and chic—militant talk could be. Eloquently, he denounced black separatism. Even if black power should be enshrined briefly, he warned, "the human spirit, which knows no color or geography or time, would die a little, leaving for wiser and stronger and more compassionate men the painful beating back to the upper trail."

Racism was blatant and legal when he began his career. It is neither of these now, thanks in large part to his leadership. What a monument to one man.

[From the Washington Post, Sept. 9, 1981]
U.S. CIVIL RIGHTS LEADER ROY WILKINS DIES
AT AGE OF 80

(By Warren Brown)

Roy Wilkins, 80, a Mississippi slave's grandson who helped shape many of the most important moments in U.S. civil rights history as executive director of the National Association for the Advancement of Colored People, died of uremia yesterday at New York University Medical Center in New York City.

He was hospitalized Aug. 18 for treatment of heart and kidney ailments.

Mr. Wilkins guided the NAACP, the nation's largest and oldest civil rights group, through its time of greatest growth and prestige. He also presided over what many regard as the beginning of the NAACP's political and financial decline.

From 1931, when he joined the organization's staff as assistant secretary, until 1977, when he retired as executive director after 22 years in that post, Mr. Wilkins and the NAACP were one. He and the association were at the forefront of the drive for anti-lynching laws in the 1930s, when lynching was a familiar occurrence in backward reaches of the South and Midwest.

He was the administrator of the NAACP in 1944 when it won the historic Brown vs. Board of Education decision in the U.S. Supreme Court. The ruling overturned the court's 1896 decision in Plessy vs. Ferguson which, under its "separate but equal" doctrine, had provided the legal jurisdiction for racial segregation in the United States.

Mr. Wilkins was a key supporter and organizer of the March on Washington on Aug. 28, 1963. That dynamic lobbying effort brought nearly 250,000 people to the nation's capital. Largely influenced by the march, the assassination of President John F. Kennedy on Nov. 22, 1963, and consultation with Mr. Wilkins throughout those events, President Lyndon B. Johnson pushed for and won approval of the landmark 1964 Civil Rights Act. This made support for voting rights, equal employment and equal access to public accommodations a matter of federal law.

Many who remember the 1963 event place another famous civil rights leader, the Rev. Dr. Martin Luther King, Jr., at its center. A gifted orator, Dr. King "stole the show," as many blacks said, with his "I Have a Dream" speech. Five years later, on April 4, 1968, Dr. King was assassinated on a balcony of the Lorraine Motel in Memphis, Tenn.

But the role of Mr. Wilkins in organizing the demonstration was enormous. To the chagrin of friends such as Joseph L. Rauh, a Washington lawyer who has been active in behalf of civil rights and civil liberties all his professional life, the public and the media often made comparisons between Dr. King and Mr. Wilkins, contrasting their styles and commenting on their effectiveness.

"I hated that. But you were always driven to make those comparisons," Rauh said. "I guess you can say Martin was the front man who changed public opinion. But Roy was the one who was able to use that shift in public opinion to bring about legislation and legal rulings that benefited blacks, as well as any number of other people."

Mr. Wilkins and Dr. King "complemented one another, but not in an intentional way," Rauh said, adding, as others have, that there was some style-based "antipathy between the two men."

"Roy wasn't the . . . one out front. He was the one in the back who got things done," Rauh said.

On the death of Mr. Wilkins, President

Reagan and other leaders hailed not only what he did in his life, but the way he did it and what he stood for.

The president said that Mr. Wilkins "worked for equality, spoke for freedom and marched for justice. His quiet and unassuming manner masked his tremendous passion for civil and human rights."

Vice President Bush said that the dedication of Mr. Wilkins "to the poor, to those bypassed by our society and to those threatened by discrimination and hate were based on a deep and burning conviction that all Americans must be guaranteed equality and opportunity."

Benjamin Hooks, the current NAACP executive director, said Mr. Wilkins was "a towering figure in American history. His name will stand on top of the list of those who loved their country and did their best to make it better."

Carl Holman, the president of the National Urban Coalition, said that "Roy was the last of a very special breed of black leader who saw himself as a kind of quiet militant very much concerned about—and devoted to—his people. And he was just as much a convinced patriot who believed his country could never be all that it was meant to be as long as it denied some of its people their rights."

Mayor Marion Barry of Washington said, "Roy Wilkins was a personal inspiration to me and countless other young people in the civil rights movement" who "left behind a legacy of achievement, of cooperation and of progress."

The Rev. Jesse Jackson, the head of Operation PUSH, said Mr. Wilkins "bore more than his share of his responsibility for the nation's advancement."

The Wilkins way of getting things done usually was a slow, studied process, often involving expensive legal fights. Progress and setbacks frequently walked hand-in-hand, a frustrating fact to those who did not share his dedication to working within the system.

Frustration led to anger among many blacks; and anger led to the urban riots that set the 1960s ablaze on American soil.

In those turbulent days, Mr. Wilkins would remind his usually young and militant critics that he and his organization were working for civil rights long before they joined the cause. But NAACP membership rolls continued to decline, from a high of more than 500,000 in the 1960s to about 400,000 today.

Ironically, both Mr. Wilkins and his organization were victims of their own success. In many cities, black and white children go to school together today as if they had always been allowed to do so. Though a disproportionate number of blacks are in the nation's lower economic strata, a new generation of middle class blacks, largely beneficiaries of the battles fought by Mr. Wilkins, enjoys education, job and housing privileges once withheld from many of their parents.

In Marshall, Tex., for example, a black father recently told this reporter that once he "couldn't believe" that his children would ever be allowed to attend the formerly all-white, now integrated, Marshall High School.

"But, damn, my girl is going to be teaching there this year," the man said. "Can you believe that? We used to walk way around that school when I was here," said the man, who taught at the formerly all-black Pemberton High School (now an integrated intermediate school) in Marshall, but who now works for the federal government in Los Angeles. "Things really have changed."

The man's daughter is in her early 20s. She knows about Roy Wilkins and his fight for civil rights because her parents taught her about the man and his work. But many of her black peers in Marshall say they never heard of Roy Wilkins, or have little knowledge of who he was.

"That's not only the case in places like Marshall. There are blacks in many cities

who knows little or nothing of Roy Wilkins and the NAACP," said Nathaniel Jones, who was the chief counsel of the NAACP for 10 years and now is a judge on the 6th U.S. Circuit Court of Appeals in Cincinnati.

"Roy used to say that the NAACP is in business to go out of business," the judge said. "Many of the people who don't know anything about him are where they are today because of his work."

Mr. Wilkins was a complicated man, according to those who knew him. Behind the doors of his New York City office, "he might explode" over a staff flub, one friend and associate said. "But he would never explode in public combat. He was a very smooth, uncompromising strategist in that arena," the friend said.

The Wilkins manner was evident during the racial discord that erupted in Boston in 1974 and 1975 as a result of a school desegregation program requiring busing. The incumbent administration of President Gerald Ford, eyeing the upcoming 1976 election, critics say, indicated that it might side with antibusing forces led by the Boston School Committee. Vocally militant civil rights leaders such as the Rev. Jackson strongly attacked the Ford administration's approach to the Boston busing problem.

But Mr. Wilkins worked behind the scenes, urging his civil rights, business and labor allies to talk to Ford and Attorney General Edward H. Levi. The administration, which was leaning toward supporting the committee's request to delay implementation of the busing order, backed off.

Style can carry a lobbyist a long way in the corridors of Washington power, as Mr. Wilkins discovered in his relationship with the late President Johnson.

Never were two men more different. Mr. Wilkins was the urbane scholar and editor—he had worked as managing editor of the black Kansas City Call and had edited *The Crisis*, the NAACP magazine, from 1934 to 1949—who had spent more of his young adult life in an integrated neighborhood in St. Paul, Minn. Johnson was the archetypical Texan, a political glib-fighter up from South Central Texas who twisted legislative arms with all the grace of a cowboy branding cattle.

With the civil rights cauldron coming to full boil in the mid-1960s, President Johnson needed an influential black he could trust as much as Mr. Wilkins needed the power of the presidency to push civil rights programs through Congress. Mr. Johnson was attracted to Mr. Wilkins' penchant for thoroughly researching issues and options, his understanding of the uses of power, and his lack of an appetite for the limelight.

Roger Wilkins, an assistant attorney general in the Johnson administration, a journalist and a nephew of Roy Wilkins, recalled that his uncle and Mr. Johnson "were always talking to one another, checking with each other."

The younger Wilkins said that he met Mr. Johnson at a reception in New York City six months before the former president died of a heart attack on Jan. 22, 1973.

"He asked me what I was doing, and I told him," Roger Wilkins said. "Then, I asked him what he was doing. He said he had left the presidency and was looking for work. So I told him that, as a private citizen, he should speak up for civil rights."

"He said, 'That sounds like a good idea, but who can I talk to about it?' I told him he should speak to someone he knows and trusts, my uncle. He said, 'Of course, you're right about that.'"

A month before he died, after having talked with Roy Wilkins, Mr. Johnson addressed a civil rights conference at the Lyndon Baines Johnson Library in Austin, Texas, and "gave one of the best, goddamndest civil rights speeches you ever heard," Roger Wilkins said.

Roy Wilkins was born Aug. 30, 1901, in St. Louis. His parents were William D. Wilkins and Mayfield Edmondson Wilkins. His mother died of tuberculosis when he was 3. His father, alone and unable to care for Mr. Wilkins and his younger brother and sister, sent the three children to live with an aunt and uncle in St. Paul.

The neighborhood in St. Paul where Mr. Wilkins lived was poor, but ethnically diverse, affording him an early opportunity to experience other cultures. He attended the city's nonsegregated schools, edited his high school newspaper and, in 1919, enrolled in the University of Minnesota, where he studied journalism and sociology.

Then as now, and even at a public institution, college was expensive for the poor. Mr. Wilkins paid for his education by cleaning out stockyards and working as a dining car waiter and redcap, while holding down a position as night editor of the school newspaper, the *Minnesota Daily*.

After receiving his bachelor's degree in 1923, Mr. Wilkins joined the staff of the Kansas City (Missouri) Call, one of a number of newspapers then exclusively dedicated to the interests of black Americans. He quickly became managing editor of the newspaper. But more than that, he developed a sense of moral outrage, largely because of the strict racial segregation that existed in Kansas City.

"He came from a place which was relatively free of racial prejudice, for the times," said Lucille Bluford, a longtime friend of Mr. Wilkins who worked with him on *The Call*. "Black people couldn't go to certain places, live in certain places or do certain things in Kansas City then, and that really got on Roy's nerves."

In addition to his writing, Mr. Wilkins began to work for the Kansas City branch of the NAACP. His efforts attracted the attention of NAACP national secretary Walter White, then the association's top official. White brought Mr. Wilkins to New York to work for the national organization.

To continue his education about what it was like to be a black in the Deep South in those days, Mr. Wilkins would disguise himself as a laborer and travel through the region. On one of these trips, he and a black companion tried to get work on a federally funded construction project in Mississippi.

Both got hired and both experienced poor treatment on the job. The fact that Mr. Wilkins had no callouses on his hands aroused suspicion among white foremen that he was no ordinary field hand. Mr. Wilkins said he had been working lately as an elevator operator. His reports to the NAACP about his experiences led to a Congressional inquiry into racial discrimination on federal projects.

"Roy really loved his job," said Henry Lee Moon, who spent most of his adult life working as Mr. Wilkins' press secretary. "He was reluctant to leave office, and some people criticized him for trying to hold on to the position too long. But he was kind of that way."

"This was his life's work," Moon said. "He was dedicated to it. It really meant a lot to him."

Mr. Wilkins is survived by his wife of 51 years, the former Aminda (Minnie) Badeau of Jamaica, Queens, N.Y.

THE JOY AND THE POWER—REMEMBERING ROY WILKINS' STUBBORN STRUGGLE (By Roger Wilkins)

There is a picture downstairs in the family room in our house of a tall black man holding a little black baby. It was taken about 49 years ago on the day when my Uncle Roy and I were getting acquainted.

My mother, father and I lived in Kansas City then and Uncle Roy had just gone to New York to work for the great black scholar W. E. B. DuBois, at the NAACP magazine, *The Crisis*. During those years, my father,

Uncle Roy's younger brother, was very sick and my uncle would come from New York to visit us as often as he could. He was the tallest and handsomest man I knew and he would hang his pants on the closet door. I thought that was wonderful and so when I got tall enough, to my mother's dismay, I too, would hang my pants on the closet door.

Roy Wilkins wasn't famous in those days, and when he came to Kansas City for my father's funeral 40 years ago, he was just my kind uncle from New York. He took care of both Grandpa and me at the funeral and when they read *thanatosis* for Daddy, he touched my hand while Grandpa was crying. I didn't cry because Uncle Roy had told me that little men weren't supposed to do that.

As the years passed and my uncle became more prominent, I saw him through a double lens. He was the closet thing I had to my father, so I would watch him closely for hints of what my father might have been. And then when I grew up and went to the Justice Department, working on the northern urban riots, though he still hung his pants on the closet door, he was also my senior colleague in the civil rights movement. He didn't want the world to think that he had created me and I didn't want the world to think I had a special pipeline to him. In fact, he hadn't and I didn't, but we kept our distance so the appearance would match the reality.

But there would be Christmas dinners when Uncle Roy would carve the turkey and slice the ham and Aunt Minnie would tell my children and me wonderful stories about my father and grandfather. Uncle Roy and I would talk baseball. He was a Dodger fan long before Jackie Robinson came into the league and he would use those long, graceful hands of his to show me how Pee Wee Reese used to lay down a bunt.

Those long, graceful hands almost got him killed once. Thurgood Marshall told me that in the '30's, when he and Uncle Roy disguised themselves as sharecroppers and went to Mississippi to investigate conditions there, a white storekeeper in a little town noticed those hands and knew they were not a field man's hands.

"Come on, Roy, let's get the hell out of here," Justice Marshall recalls saying.

So the two of them escaped, but Thurgood says they had been there long enough to get what they were after anyway.

Before he went to the NAACP, Uncle Roy edited a black weekly paper in Kansas City. He always loved the English language and through his years at the NAACP he kept an old battered Underwood next to his desk on which he would compose elegant statements and send or take them out to do the battle for justice to which his life was committed. He did other things in the movement, of course. He marched in demonstrations, he orchestrated the March on Washington in 1963, he met in rooms from battered shacks in Alabama to the Oval Office on Pennsylvania Avenue to help shape strategies to secure more justice for Americans.

But it was the word he loved and used with joy and power in his life's fight.

In the '60s, people in the Kennedy administration would tell me that he was the civil rights professional on whom they relied. After that, he and Lyndon Johnson grew to love each other. They were men of the same generation, and both of moderate origins. Those associations enabled Uncle Roy to translate the turbulence in the streets into visions of the future that were comprehensible to Washington policy-makers. In that way, Uncle Roy and Martin Luther King were closer partners than either of them ever acknowledged. They had different ways of pursuing freedom, you see, because Martin usually fought with the masses behind him on the streets, and Uncle usually fought

behind closed doors. They didn't always understand each other's way.

Uncle's hand was large in the Civil Rights Act of 1964, the Voting Rights Act of 1965 and the Fair Housing Act of 1968. And so was Martin's. They were opposite sides of an honorable coin. And they did support each other. I ran into Uncle Roy one day in the mid-'60s at the shuttle terminal at La Guardia Airport. "Where you going?" I asked. "Down to see [J. Edgar] Hoover," he replied, "to try to get him off of Martin's back." A couple of weeks later I saw Martin at a meeting where young militants were calling my uncle an "Uncle Tom" because of his fierce belief in integration.

"Tell Roy I'm with him," Martin said.

Uncle Roy won a lot of honors, the greatest of which was the love and the trust of the people in the NAACP who could afford only to pay \$2 for their memberships. Some of my most vivid memories of him were in airports with redcaps shaking his hand and thanking him earnestly for the work he was doing. He loved that because he had once been a redcap himself.

He always had time for the longest local NAACP chapter meetings and then for the last person in the room who wanted to talk to him after that. When I was a kid in Harlem, he would sometimes take me to nearby meetings and when I would come home hours later, I would tell my mother: "Uncle Roy stayed to talk to the last old lady again."

And he was stubborn. Once when he was down at the LBJ Ranch, near the end of the president's life, Uncle Roy decided that he was tired and started up to bed. President Johnson told him it wasn't time to go to bed because the late news hadn't come on yet.

"Mr. President," Uncle Roy replied, "nobody has told me what time to go to bed since my mother died, and that was a long time ago." And then he went to bed with the same dogged stubbornness which he had brought to the civil rights struggle.

We were very different, Uncle and I, but we loved each other very much. Now he has gone to his final rest and the family is gathering. So it is time for me to get my pants down from the closet door and go.

[Editorial]

ROY WILKINS

Today's young Americans of all races may read with a certain understandable detachment 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. Lynch law and Jim Crow were teamed in a cruel reign through southern and border states that slammed doors and gates in the faces of blacks. Restaurants, hotels, theaters, drinking fountains, beaches, pools and entire neighborhoods were blatantly segregated—and heaven help any Negro objector because the law certainly wouldn't. Mr. Wilkins, who died yesterday at the age of 80, had more than a routine role in all that has changed since then.

Through those dangerous days down South and on into the years of more subtle but persistent discrimination in all regions of the country, Mr. Wilkins kept up the battles for equal justice under the law. In the courts, in the legislatures, in the city halls and in the schools, this ardent and idealistic man approached each of these challenges with intelligence, unshakable faith, grace, rage and plenty of research.

Because Roy Wilkins chose not to rail but, to persuade, not to tear down but to construct, not to shoot from the hip but to marshal reason and resources, there were some in the civil rights movements of the '60s and '70s who became impatient with his style and pace. But for the most part, they still respected Mr. Wilkins for his incalculable contributions during so many of the most

important moments in U.S. civil rights history—and for the fact that he guided the country's oldest civil rights organization through its greatest growth and period of prestige.

It was the successes of this pioneer, in fact, that made the issues confronting the NAACP and other newer organizations that much more complex and the views of black Americans that much more diverse. The days are past when the NAACP could set directions almost by itself. And if Mr. Wilkins could not comprehend or countenance some of the methods and directions of certain of those groups in his later years, he nevertheless spoke out for freedom and understanding: "All dedicated hands are needed and welcome in this fight," he once said, "but the NAACP would be less than human if it did not take a special pride not only in what it has done but in what it is doing today."

There is no question that this is a better country for those deeds—and for the guiding hand of Roy Wilkins. ●

OIL DEREGULATION PROVES FREE MARKET IS BEST SOLUTION

● Mr. McCURE. Mr. President, I want to bring to the attention of all my colleagues a front page story that appeared in the New York Times on Tuesday, September 8.

Headlined, "Economic Gains Tied to Ending Oil Price Curbs," the article by Douglas Martin deals with the many benefits which have resulted from the Executive order issued by President Reagan on January 28, 1981, removing price controls on crude oil.

One sentence from the story succinctly sums up its findings:

Interviews with more than 40 Government officials, industry leaders, economists and analysts clearly suggest that removal of crude oil controls, in place since 1971, has helped improve the United States' energy and economic picture.

Benefits linked to decontrol include a decrease in the demand for gasoline and other petroleum products, a decrease in oil imports, an improvement in the Nation's balance of trade and a lessening of the decline in U.S. domestic oil production.

These facts are particularly significant because when the President removed controls, many voices were raised denouncing the move and issuing dire predictions of economic chaos. In fact, none of those warnings, issued with such certainty and buttressed with learned studies and econometric models from some of our leading financial and economic institutions, have proven to be correct, including the assertion that decontrol would result in an immediate and astronomical jump in the price of gasoline. Mr. Martin states that the average price of a gallon of gas in July, the latest available figures, is identical to what it was in February immediately after decontrol.

Besides improving our total energy picture, the results of decontrol over the past 7 months prove once again that the free market mechanism is a far better alternative than a falsely manipulated economy with stringent price controls or similar adjustments.

That is the most important lesson to be learned from this experience and one which I hope will be borne in mind by

my colleagues as we confront our other economic problems.

The entire news article follows:

ECONOMIC GAINS TIED TO ENDING OIL PRICE CURBS

(By Douglas Martin)

Since the Reagan Administration removed controls on crude oil prices more than seven months ago, Americans have substantially curbed their demand for petroleum, oil imports have fallen by a fifth and evidence is mounting that decontrol may help stem the long decline in United States oil production.

As a result, the White House now boasts that oil decontrol—greeted with storms of disapproval when it was announced on Jan. 27—may be the Administration's third-biggest victory, trailing only Congress's approvals of its budget and tax proposals.

The response has been terrific," Secretary of Energy James B. Edwards said in an interview. "We're not free yet, but we're certainly moving in the right direction."

ANALYSTS ARE OPTIMISTIC

"If we had predicted all these gains in January, everyone would have said we were just a bunch of crazy right-wingers," said a White House official who declined to be identified.

Some consumer groups complain that oil companies are reaping huge profits at a time when many people will be hurt both by price increases and cutbacks in social welfare programs. But the White House's enthusiasm over oil decontrol is shared by others.

Interviews with more than 40 Government officials, industry leaders, economists and analysts clearly suggest that removal of crude oil controls, in place since 1971, has helped improve the United States's energy and economic picture.

In particular, some economists argue that the nation's balance of trade has been aided by the oil import reduction, that this has helped to strengthen the dollar and that inflation has therefore been somewhat less than it otherwise would have been.

Moreover, these benefits have occurred with relatively little of the consumer pain many predicted when the President lifted controls. Gasoline and heating oil price rises have not exceeded the general inflation rate, and energy experts are convinced that the ending of price controls has helped put the brakes on world oil prices.

To be sure, President Reagan's decision to end oil controls simply accelerated a program President Carter began on June 1, 1979. Without Presidential action, controls would have expired on Sept. 30, when a gradual phaseout of controls would have moved prices to the world level.

The policy has not been without critics. Consumer groups, which adamantly fought the Carter Administration's initial policy, assert that the cost far outweighs the benefits. Critics also charge that oil companies are reaping huge undeserved profits, that with the Administration cutting "safety-net" social welfare programs, poor people will be severely hurt this winter and that there is not much oil to be found in this country regardless of price.

"CHARGING EXTORTION PRICES"

"What we have is a handful of companies charging extortion prices," said Ellen Berman, executive director of the Consumer Energy Council.

In any case, what some economists and others see as the apparent success of decontrol is partly a matter of some long-range trends prodded by the elevenfold increase in prices since 1973. Americans had already begun to use less gasoline, heating oil and other petroleum products, while oil executives have followed the lure of higher prices to look for oil in more difficult surroundings.

One result is that analysts agree there could scarcely have been a more propitious

moment for decontrol. Currently, worldwide oil inventories are at near-record highs, oil demand in the United States is down 7 percent this year following an 8 percent drop last year and output by members of the Organization of Petroleum Exporting Countries has dropped by a third in just two years.

"Decontrol was a desirable thing to do, but the Administration has been frightfully lucky," James R. Schlesinger, a former Secretary of Energy, said in an interview.

Perhaps the most cheering news is on the price front. After shooting up by more than 10 cents a gallon immediately after decontrol, pump prices have dropped and lagged behind the inflation rate over recent months. The Energy Information Agency reports that the national average gasoline price in July, the latest figure available, slipped to \$1.35 a gallon, the same average price as in February.

PIERCE COMPETITION CITED

Industry analysts attribute the weakness in gasoline prices to fierce competition among refiners and marketers, who have been unable to pass on more than half of the 20-cent-a-gallon increase in the cost of crude oil.

Consumers are also being helped by the tough posture United States oil companies have begun taking in price negotiations with producing nations. In large part, this results from the end of a feature of the controls program that required refiners of low-cost domestic oil to reimburse refiners of high-cost foreign oil in an attempt to equalize all crude oil acquisition costs in the United States.

Oil analysts trace the companies' hard-nosed bargaining with Nigeria, which recently cut its oil prices by \$4 a 42-gallon barrel, to this change.

Moreover, a number of experts contend controls had the perverse effect of actually increasing consumer prices, rather than holding them down. An analysis by William C. Lane, former head of the Energy Department's Office of Competition, found that, in the \$15 price runup that accompanied the Iranian revolution in 1979, price controls in this country may have been responsible for more than \$6 of the increase in world prices.

Among other things, Mr. Lane argues that price controls artificially increased demand in this country, spurring United States oil companies to bid up prices on the spot, or noncontract, market early in the crisis. In turn, OPEC members quickly raised their official prices to the spot level.

Economists thus suggest that the removal of oil price controls is actually contributing to the fight against inflation. "We would have been better off to have done it earlier," said Otto Eckstein, the president of Data Resources Inc., who once opposed decontrol because of fears of its inflationary potential.

The import reduction, partly the result of reduced demand caused by decontrol, has been dramatic. The American Petroleum Institute reports that imports in the first six months of this year plunged 20 percent, to an average of 5.9 million barrels a day. That follows a 25 percent drop in 1980, when controls were being phased out.

This sharply lower demand, which has been accelerated by a worldwide recession, is cutting into OPEC's output. Its production has dropped by a third over the last two years, to around 20 million barrels a day. "Demand for OPEC oil is going to be lower, and there will be less room for OPEC to dictate prices," said Lawrence Goldstein, research director of the Petroleum Industry Research Foundation.

Not all the apparent good news is on the production side. Evidence is building that the United States may be on the way to at least partly stemming the steady decline in its oil reserves that has persisted for more than a decade. Prodded by higher prices resulting from decontrol, some 4,194 drilling

rigs, the most in history, were boring holes in the ground on Aug. 31.

Moreover, the Petroleum Information Corporation, an A. C. Nielsen subsidiary that follows industry trends, reports that the number of new field wildcats, those wells most likely to discover big new finds, increased 32.5 percent in the first six months of 1981, leading optimists to predict the United States may ultimately be able to produce more oil each year than it uses, something that has not happened since 1970.

FIRST TWO-MONTH INCREASE

This hope is buttressed by the fact that, in both June and July, domestic oil output increased compared with levels of a year earlier, the first two-month increase since the Arab oil embargo of 1973.

"Somewhere along the way, we're going to find some big, big fields," Energy Secretary Edwards said.

Nonetheless, production of oil in this country is still declining, albeit at a slower rate. The American Petroleum Institute reports that the rate of decline in the first six months of this year was 50,000 barrels a day, compared with an average 300,000 barrels a day in each year of the 1970's.

Skeptics suggest this apparent turnaround does not mean more oil is being found. Rather, they argue, fields are simply being produced faster in response to higher prices.

"We're still headed down, and we're going to be headed down for a long, long time to come," John F. O'Leary, Deputy Energy Secretary in the Carter Administration, said. He further predicts that the industry will not be able to sustain its frantic drilling pace, and that activity will subside in about a year.

Just as ample world oil supplies have so far cushioned the impact of decontrol, energy experts point out that the new free-market energy environment has not yet been tested in the winter months, when oil use historically increases by some four million barrels a day.

"The human cost in the summer is that people drive a little bit less," said Dennis Hayes, until recently director of the Solar Energy Research Institute. "The human cost in the winter is cold rooms."

The oil industry is not wholly enthusiastic about every aspect of decontrol. In particular, oil executives lambast the so-called windfall profits tax, which takes about 80 cents of each additional dollar they make from decontrol, garnering for the Federal Treasury more than \$16.7 billion this year alone. The tax has been weakened by Congress.

"What we have is pseudo decontrol," John K. McKinley, chairman and chief executive officer of Texaco Inc., said. He added that, in the second quarter of 1981, Texaco paid \$320 million in "windfall profits" taxes, surpassing its total earnings in the United States by more than \$100 million. Texaco's worldwide second-quarter earnings were \$555.7 million.

The refining industry has particularly suffered under decontrol. Consumer demand has softened unusually while crude oil costs have been allowed to rise. The result is that about 50 refineries, with a capacity of processing about one million barrels daily, have closed or suspended operations this year.

Accordingly, the Oil and Gas Journal predicts that oil company profits will only increase 2.8 percent this year, compared with increases of 28.2 percent in 1980 and 73.4 percent in 1979.

"It obviously has not been a bed of roses for the oil industry," Charles DiBona, the petroleum institute's president, said. Nonetheless, nobody disputes that the oil industry has benefited tremendously from the enormous runup in oil prices since 1973. Oil companies—many of which were struggling in the 1960's—now account for about a third of corporate profits. ●

KARL G. SMITH, FRIEND OF THE SOUTH CAROLINA FARMER

● Mr. HOLLINGS. Mr. President, I would like to take this opportunity to say a few words about a friend who has contributed greatly to the State of South Carolina and in public service to our country. I refer to Karl G. Smith of Lake City, S.C., the director of South Carolina's Farmers Home Administration programs from 1977 to 1981.

Better known by his friends as "K. G.," Mr. Smith, an amiable, hard-working man, became a proven friend of the South Carolina farmer during his tenure with Farmers Home. Due to his experience in running a tobacco, corn, soybean, and cotton farm and a farm equipment sales and services company, which includes seed, feed, and mobile feedmill functions, K. G. came to Farmers Home with a keen insight into the needs of farmers and with an understanding of the technological innovations necessary to make farms more productive. As the Farmers Home Administration's chief administrator in South Carolina, he showed that he did not only know the farmer but he knew how to make Farmers Home work more efficiently and effectively to serve the farmers and South Carolina's rural communities.

Under K. G., the Farmers Home Administration in South Carolina made a record number of loans, improved reach-out and communications with the farming community, and streamlined its own management. From 1977 to 1981 over 22,000 loans amounting to nearly \$1 billion were made. In 1980 alone, 5,516 loans amounting to \$303.2 million were made to farmers and farm-related businesses. Seventy-five of the loans in 1980 went to rural businesses and industries creating nearly 1,000 new jobs. The Farmers Home Administration, also during this period, provided a record number of housing and farming loans to minorities. Forty-two percent of all housing loans in 1980, 1,209 of 2,873, went to minorities and an additional 318 farming loans were made to minorities in that same year. And still further, K. G. Smith's efforts with the rural health initiative loans became a model for the Nation making loans of \$8,160,000 in 1979 and 1980 to develop comprehensive planning for rural development.

I know in some respects these facts and figures may be difficult to comprehend but the farmers of South Carolina are comprehending them every day. As a result of K. G. Smith's effective leadership at the Farmers Home Administration, the South Carolina farmer is doing better and will continue to do better for years to come. I thank him for his dutiful public service and his dedication to South Carolina's farmers.●

OLDER AMERICANS EMPLOYMENT OPPORTUNITY WEEK

● Mr. HAYAKAWA. Mr. President, as Robert Browning said: "Grow old with me; the best is yet to be."

September 6-12 is a special week in the lives of American senior citizens. I was especially pleased to sponsor Senate Joint Resolution 92, which officially de-

clared this week "Older Americans Employment Opportunity Week." I began my fourth career at age 70 when I was elected to the U.S. Senate. I would like to examine the valuable role of older workers throughout our history and encourage employers to take advantage of the great untapped potential of the older worker's tremendous experience and knowledge.

Older Americans' employment is not a new idea in the United States. Many of our Founding Fathers fought for independence and shaped a new government during their senior years. Benjamin Franklin was 70 years old when he was appointed to the committee that wrote the Declaration of Independence, and he persuaded France to recognize the United States as a country when he was 72. Probably his greatest contribution to this country came when he was 81 years old. That is when he almost single-handedly convinced the factions of Congress, and of course we know there are always factions, to compromise on our Constitution. It is a good thing he stayed in the labor force past 65. We might not have a Constitution or a country today.

Thomas Jefferson founded the University of Virginia when he was 76. Thomas Alva Edison kept inventing long after his 65th birthday. George C. Marshall was 67 when he designed the European recovery program, for which he received the Nobel Prize. In many other parts of the world people hold their elder statesmen in high esteem. Winston Churchill and Chancellor Adenauer served their countries and the world for many years while a prejudice was growing in the United States toward more youthful elected officials. I am glad to say that this prejudice has been greatly reduced in recent years. Our President is managing our country beautifully at age 70. Certainly for him the best is yet to be.

There is always something new to try—and we only have one life in which to try it. To the surprise of some of my acquaintances, I have taken up scuba diving, and am now fully certified. I found beginning dives both exhilarating and frightening. I find it extremely exhilarating that I am doing this, and I do not find any difference in my sensations under these circumstances that I would be experiencing if I were 25, 50, or 60. It is just an exciting thing to do. It is also frightening. But if you cease to do the frightening, then you become old. You might as well retire. I, personally, am not ready to retire. There is scuba diving, and not only that, there is the U.S. Senate, which is one tremendous learning experience.

I have had several careers as a semanticist, teacher, and university president. I am currently in my fifth year of my first term as a Senator, and actively campaigning for election to my second. After all, my mother is 97 years old, and still doing quite well. My father died at age 91. I will be well into my fourth Senate term when I reach 90. Think of the great Japanese painter, Hokusai. When he was about 96 years old he was still a productive painter. He said:

If God only grants me to live until I'm 100, maybe I'll learn to draw.

This idea of the years beyond the age of 70 being years of fulfillment and challenge and excitement, these are things, I think, that come from the inside. It comes your cultivation throughout your whole life.

My own father is an example of the potential contributions of employed older Americans. He made a decision to get busy, after his entire business in Japan was wiped out by the Second World War. After the war he went to work for others, which was very difficult for him. In 1950, he decided to start all over again and reincorporate his own firm. He was a real free-enterpriser. I was at that time teaching in Chicago. He wrote to me about his decision, and I was very impressed, that at the age of 66, he would want to start his own company. He asked me, "What do you suggest I call this company?"

I remembered a slogan of his since he was in international trade, and I suggested to him, because of the slogan, "World Unity Through World Trade," and I said, "Why don't you call your company Unifast Trading Co.," and he thought that was a very fine idea.

He started out. He died in 1976 at the age of 91. The company—he was an old fashioned importer, and did not share in the export boom, but he did manage to put together a company that survived. It still is in existence, although he retired from it about 8 years ago.

I remembered that time, and I told myself that I should never let the matter of age stand in the way, and that has been a very inspiring example to me.

I reached the age of 65 while I was still at San Francisco State as president, and because of the system they had there, there was no mandatory retirement, but after 65 we were appointed on 1-year terms. So, I stayed until I was 66. Then in 1973 I accepted retirement, and I think my students and my colleagues gave a great sigh of relief.

When you are 65, you have proved yourself already or you have not. It does not matter any more. You have proved yourself as much as you can. So in a very important sense, those of us who are past the age of 65, we are no longer on the make. We are no longer the kind of opportunist we were at 40. In a very important sense, it seems to me we are not as prone to succumb to temptations of power, influence and money, as we might have been after 25 or 30 years of living. But we bring something else to the job that the 40-year-old cannot bring, and that is a perspective, shall I say wisdom, from not only having lived through other things, being alive through many things that young people have read only in text books, but were actually happening when we were alive. The New Deal is not something we read about in text books. We lived through that.

Therefore, political life, and whatever else, it seems to me, to be something which we can contribute a lot simply because we can devote our tasks to different attractions.

There are certain people who work who have proved to me to be a constant inspiration. I am a student and collector of art, and so I will just take some examples from that. But if you look at

something you realize that that artist got past all of his inhibitions, and arrived at a freedom of expression.

If you look at Picasso's career, at a very late age he picked up ceramics for the first time, and everything he touched he turned to magic, and he went on and on and there was a whole series of little periods in Picasso's artistic career. As he got to be 80 or 85, new things were beginning to happen constantly in Picasso's life.

So why have an Older Americans Employment Opportunity Week? It recognizes older workers as capable individuals who have contributed much to our society through their services to others. Only one person in five over age 60 is now employed, but millions more older Americans would like full or part-time work. It is my hope that the national recognition provided will help to break down the stereotyping and discrimination that too often influences employers' attitudes toward the older worker.

For all senior citizens who want a first, second, or third career the best is yet to be. ●

THE VOTING RIGHTS ACT

● Mr. HART. Mr. President, yesterday the U.S. Commission on Civil Rights issued an important report adding weight to a growing consensus that Congress must extend the full force of the Voting Rights Act for 10 more years.

The report, based on an extensive review of court cases, Justice Department files, and interviews provides ample evidence that minorities in this country continue to face substantial barriers to full political participation. The Voting Rights Act has not outlived its usefulness, as some would suggest. It is working, but its goal is not yet fulfilled.

The Civil Rights Commission is an independent, bipartisan agency established by Congress to, among other things, appraise Federal laws with respect to discrimination. Its findings concerning the Voting Rights Act deserve our careful attention. I urge my colleagues to study these findings, and join the effort to insure this historic act is extended and enforced until its promise is permanently realized.

I ask that the findings of the Commission be reprinted in the RECORD, at this point.

The findings follow:

THE VOTING RIGHTS ACT: UNFULFILLED GOALS

(A Report of the United States Commission on Civil Rights, September 1981)

FINDINGS

Results of the Voting Rights Act

1. The number of minorities who have been elected to public office has increased since the Voting Rights Act was extended in 1975.

a. In 1974, 964 blacks held public office in the six States, plus North Carolina that were subject to preclearance in 1965 and 1970. In July 1980, 2,042, blacks served as elected officials in these States.

b. In 1979-80, 1,138 Hispanics had been elected to public office in Arizona and Texas, the two States made subject to preclearance by the 1975 amendments to the Voting Rights Act.

Despite considerable progress, however, minorities continue to constitute a small percentage of elected officials in virtually all States covered under the preclearance provisions. Blacks constitute no more than 8 percent of all elected officials in Alabama, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas and Virginia. Hispanics constitute 13 percent of all elected officials in Arizona and 6 percent in Texas. Most minority elected officials are in local positions, such as school board members. Few minorities have been elected to the U.S. Congress, to State senates, to county governing boards, or to law enforcement positions, such as sheriff or county judge.

2. The number of minorities who have registered since the initial passage of the Voting Rights Act has been substantial. For example, 7 percent of voting age blacks in Mississippi were registered immediately prior to the passage of the Act. Within two years, 60 percent of voting age blacks in Mississippi were registered. Registration rates for minorities continue to lag well behind the rates for whites, however. According to a 1976 Bureau of the Census survey of registration in jurisdictions covered by the preclearance provisions of the Voting Rights Act, between 63 and 78 percent of whites were registered in these jurisdictions, contrasted with between 44 and 69 percent of minorities. Only two States under statewide preclearance coverage (Louisiana and South Carolina) and North Carolina maintain registration data by race. In two of these States—Louisiana and North Carolina—black registration rates in 1980 continued to be substantially lower than white registration rates. In Louisiana, South Carolina, and North Carolina the white registration rates were 76 percent, 62 percent, and 72 percent; in contrast, the black registration rates were 61 percent, 56 percent, and 55 percent.

Continuing problems in registration

3. In the Commission's study of voting problems in 70 jurisdictions covered by the preclearance provisions, some minorities found registration officials discourteous or openly hostile and intimidating when they attempted to register. Requests for unnecessary personal information by officials also were found to intimidate minorities. Building on the blatant and pervasive discrimination against them in the past, the present attitudes of registrars deter minorities from registering.

4. Registration in the jurisdictions studied often took place in locations (e.g., county courthouses) or at times that were particularly inconvenient for minorities, a disproportionate number of whom are poor and live in rural areas unserved by public transportation.

5. Alternative registration procedures, including the use of deputy registrars and satellite registration offices in minority communities, could result in substantial increases in minority registration. Minority organizations, however, have had a difficult time convincing registration officials of the need for such alternative procedures. Some have had to appeal to State legislators or to other officials or organizations to obtain more accessible registration.

6. In two instances the section 5 preclearance process prevented the implementation of purging and reregistration procedures that could have had a negative effect on the number of minorities who were registered to vote.

Continuing problems in voting

7. In several jurisdictions studied, all polling places were located in predominantly white communities or in buildings that housed all-white organizations or were in areas not served by public transportation. Such locations deter minorities from voting.

8. Two States, Louisiana and Mississippi, enacted legislation restricting assistance to

illiterates. The Department of Justice objected to the legislation submitted by Mississippi, but not to that from Louisiana. Commission interviews in Louisiana indicated that some blacks in that State who needed assistance at the polls were unable to vote as a result of this legislation.

9. Minorities continued to be harassed or intimidated by election officials when they attempted to vote.

Continuing problems in fair representation

10. In jurisdictions subject to preclearance that were included in the Commission study, minorities faced numerous barriers to electing the candidates of their choice. These barriers included the following:

a. Minorities have rarely been able to win elections in the large number of jurisdictions subject to preclearance that have at-large election systems and where racial bloc voting exists. The use of at-large election systems severely limits the ability of minority communities to elect the candidates of their choice.

b. Numerous voting rules continue to limit the ability of minorities to be elected to public office. These rules, which dilute minority voting strength, include majority vote requirements, anti-single-shot voting rules, numbered posts, residency requirements, and staggered terms. These rules often are coupled with at-large election systems. The result is that minority voting strength is substantially weakened in jurisdictions where racial bloc voting continues to be the predominant political pattern, and minority candidates have little or no opportunity to win election.

c. Annexations and consolidations have had a negative effect on minority voting strength. Some jurisdictions have attempted to annex predominantly white areas or areas zoned for middle income housing, thereby decreasing minority voting strength in the annexing jurisdiction. Other jurisdictions have refused to annex predominantly minority areas even though these areas have sought annexation.

d. Jurisdictions have drawn boundaries with the purpose or effect of diluting minority voting strength. They have split areas with a high concentration of minorities into several districts, so that minorities do not represent a substantial proportion of the population in any district. They also have created redistricting plans in which minority voting strength in the new districts is less than that in existing districts.

e. Some minorities who attempt to run for political office are intimidated, harassed, or threatened. Often they do not have the same access to all voters as do white candidates because predominantly white civic and partisan organizations do not support their candidacies.

Preclearance and noncompliance

11. The Department of Justice issued objections to over 700 proposed changes submitted by jurisdictions subject to preclearance between 1975 and 1980. Most of these proposed changes involved election rules which, if they had been implemented, would have diluted minority voting strength. The largest number of proposed changes involved attempts to annex predominantly white areas or areas zoned for middle-income housing. Other changes to which the Department of Justice frequently objected included changes to at-large election systems and to the use of the majority vote rule, which requires winning candidates to receive a majority of the votes cast rather than a plurality.

12. Although covered jurisdictions are required to preclear all proposed changes in election rules which with the Department of Justice or the U.S. District Court for the District of Columbia, this requirement is sometimes violated. Moreover, some jurisdictions have enforced changes to which the Department of Justice has interposed objections without obtaining the required declaratory judgment of nondiscrimination from the U.S.

District Court for the District of Columbia, in violation of section 5 of the Voting Rights Act.

Minority language provisions

13. Lack of bilingual voter education services, bilingual oral assistance for registering and voting, and the lack of publicity about the availability of bilingual election services severely hampers the effectiveness of the minority language provisions and limits the ability of language minorities to register and vote.

14. There has been minimal enforcement of the minority language provisions by most of the 8 U.S. Attorneys interviewed.●

THE POLITICAL MOVEMENT OF THE NEW RIGHT

● Mr. GOLDWATER. Mr. President, during the past 18 months to 2 years, the so-called New Right has proclaimed itself to be a fundamentally moral force to enhance the Biblical concepts in our everyday lives. There is nothing wrong with a strong dose of Biblical morality in our lives, a concept which I agree with, but, I do object to the idea of using religion as a political force. And this is precisely what these new religionists have decided to do. Just a few blocks from this building is an office set up by these people as a leadership training center established to show men and women of this supposedly religious movement how to register, organize, and mobilize the voters.

Mr. President, in a recent article in one of their own magazines the political aspirations of these people is clearly laid out. And, after reading the article it is pretty clear that we should call a spade a spade and put the accurate label of a political movement on these people. If we continue to mislabel them as religious factions then we will only delude ourselves into a trap that we may not be able to get out of.

Mr. President, I ask that this article be entered on the RECORD, for this is the best way that we can learn, from their own words, exactly what they have in mind.

The article follows:

WORLD EVANGELISM—MORAL MAJORITY: HERE TO STAY

"Moral Majority is not an election year phenomenon," declared Dr. Ronald Godwin, vice president and chief operations officer as he addressed a cadre of leaders from all 50 states during a summit meeting in Lynchburg, Virginia. "We are gearing up for the long haul," he continued. "We're here to stay!"

After the clear, concise conservative victory in the November election, much of the media credited such organizations as the Moral Majority and the Round-table for creating the dramatic upheaval in the presidential landslide and radical change in the make-up of the Senate. But, these organizations are not claiming credit.

"Isn't it funny that the media has never given God any credit for the election turnaround?" asked Dr. Charles Stanley, pastor of First Baptist Church, Atlanta, and a member of the board of directors of Moral Majority. "The Bible clearly states that He rules in the affairs of men," he continued.

Eighteen months ago, a group of religious leaders headed by Dr. Jerry Falwell became alarmed at the declining morals in our country. Together with Falwell, Dr. Greg Dixon, pastor, Indianapolis Baptist Temple, Dr. Tim

LaHaye, founder of Christian Heritage College, El Cajon, Calif., Alan Dye, tax attorney, Dr. Bob Billings, past president of Hyles-Anderson College, Dr. Charles Stanley, pastor, First Baptist, Atlanta, and Dr. James Kennedy, pastor of Coral Ridge Presbyterian Church, Ft. Lauderdale, Fla., organized Moral Majority.

"Despite the moral sickness which pervades our society," Falwell said, "God is not finished with us as a nation. America has more God-fearing citizens per capita than any other nation on earth. There are millions of Americans who love God, and decency, and Bible morality," he believes.

During its first year of operation, Moral Majority emphasized voter registration and the acquiring of name recognition. "These goals have been met several times over," says vice president Ronald Godwin. "Three million plus taxpayers have been influenced by the Moral Majority to register. The Moral Majority and its product, the swelling tide of evangelical political activists, have been the in subject for the national media."

One of the top priorities of the Moral Majority national office, located only a few blocks from the nation's capitol in Washington, is in leadership training. Their goal will be to develop men and women to know how to register, organize and mobilize previously passive voters. This leadership cadre will be taught how to raise funds for their state affiliate, how to work with the press, radio and television, how to inform the electorate about key legislative issues, how to work with incumbents, how to conduct successful training seminars and rallies on the state and local levels and many other immediately practical political skills.

Beginning in January, Moral Majority, Inc. will hold a series of regional conferences for state chairmen, board members, executive directors, key pastors and lay supporters of the movement. The conferences will feature a series of outstanding workshops, panel discussions, and debates. Television, radio, and press interviews will be demonstrated by Mr. Cal Thomas, Vice President of Communications for Moral Majority, and Mr. Harry Covert, Editor of the Moral Majority Report. Conference attendees will practice conducting press conferences and interviews via the use of closed circuit color television equipment.

Pastors and professional and lay leaders will profit from the political expertise and wisdom of a blue ribbon panel of seminar speakers. Of course, Dr. Jerry Falwell, president of Moral Majority, will often be the featured speaker.

In conjunction with regional conferences and training seminars, Moral Majority, Inc., plans to immediately begin producing literature and material for educating and informing the great volunteer army across America. Every pastor, every school principal, and every concerned layman will be encouraged to develop a personal library of political awareness materials.

"We are engaged in a battle for the minds of men," said Ron Godwin. "The citizen leader who wants to be effective must accept the responsibility for his own education. The problem is that the information and the training that the concerned citizen needs is not available in any college or high school classroom in America. Therefore, the Moral Majority, Inc. will make available to its constituents a wide variety of reliable books, tapes and materials."

Beginning this summer, Moral Majority, Inc., in concert with Liberty Baptist College, plans to sponsor the most successful candidate training program in America. Their goal is to raise the moral conscience of this nation and to create the climate necessary to successfully provide moral leadership. Any goal less ambitious is not worthy of the movement. "It is not enough for us to simply op-

pose liberals and bad government. We must elect moral leaders," Godwin believes.

In order to dramatically prove the ability of their Washington office to react to fast-breaking legislative events, they plan to install a phone bank there. The phone bank will give the Washington staff the capability of phoning legislative alerts to their constituency in any or all 50 states at an hour's notice.

When incumbents on the Hill learn that the Moral Majority not only has 50 strong, viable affiliates in every state in America but also has the latest tools for communicating with and activating that vast volunteer army of moral citizens, their task of creating a climate in which it is easier for politicians to vote right than wrong will be much enhanced.●

ADDRESS BY DR. DAVID ABISHIRE AT JAPANESE-U.S. OCEAN FORUM

● Mr. DECONCINI. Mr. President, during the August recess, in addition to several trips to Arizona, I had the pleasure of being asked to participate in the Japanese-United States Ocean Forum held in Tokyo, Japan, August 29-September 2. The trip was not funded at Government expense. During this forum a number of outstanding speeches were delivered, including one by Senator SAM NUNN.

The Chairman of the Georgetown University Center for Strategic and International Studies, Dr. David Abshire, delivered to the full delegation and other observers an outstanding dissertation which I commend to my colleagues. Mr. President, I ask that Dr. Abshire's statement entitled "Speech for Maritime League" be printed in the RECORD.

The statement follows:

DAVID ABISHIRE: SPEECH FOR MARITIME LEAGUE

Ten years ago we began our program of collaboration on maritime and security issues. For our part, from the beginning, we have felt that, aside from the high quality of our mutual exchanges, we have had the opportunity to exchange views, to understand each other better, and, above all, to become better friends.

Aside from our long-term relationship, we have had another unusual element in our dealings with each other. That has been our willingness to sit down at the same table, to discuss matters of concern to both sides, even if those subjects might go beyond maritime or military issues to include discussions of the future shape of the Japanese-American alliance relationship itself. In a way this bilateral forum has been ahead of many others in that we have sought from the beginning to place our mutual ties in a broader context—on a level which reflects the changed and more complex nature of the new US-Japan relationship. In fact, our joint institutional perspective on US-Japan affairs may well have stimulated others to engage in similar programs.

Beyond that, our long association gives our meetings a special significance, in that we might be able to look at our bilateral relations from a broader perspective. The Center has been seeking to engage in its programs a variety of people, to draw on a variety of viewpoints, and to appeal to a variety of audiences that will enable us to fill a key role in influencing American policy toward Japan.

In addition to our many programs at the Center, we have augmented our staff and have stimulated our programs over the past decade on the energy and security areas. Recently we have engaged three senior people at our Center—Henry Kissinger, James

Schlesinger, and Zbigniew Brzezinski—in discussions on key foreign affairs questions, especially on Japan and the United States.

We have started a new program on U.S.-Japan relations. Dr. Michael Blaker, who has been a senior research associate at Columbia University's East Asian Institute and director of a U.S.-Japan project at the Council on Foreign Relations, will now be directing Japan-related programs at the Georgetown Center.

At the moment our plan is to focus on four key dimensions of the evolving U.S.-Japan security relationship, with "security" defined in the broadest sense: energy politics, approaches toward Asia, military-defense, and styles of diplomatic communication and interaction. Each of these facets of the relationship, in turn, will be linked, and examined against a background of the emerging directions of U.S.-Japan relations, the persistent problems encountered in the two countries' interactions, and the feasibility of proposed approaches aimed at improving the quality of their dealings with each other.

We expect that the association of both Dr. Blaker and Mr. Okazaki, Director General for Foreign Relations at the Defence Agency of Japan who will be in residence at the Center during 81-82, will help CSIS to play a prominent role in the process of improving U.S.-Japanese relations.

Just ten months have passed since Ronald Reagan was elected by a landslide to be President of the United States. Only a year and three months have elapsed since our Prime Minister Zenko Suzuki was selected after a conservative electoral landslide to lead the Japanese government. Obviously, this is a very short period of time upon which to make judgments about either of our countries' policies, or the future shape of our bilateral alliance—and here, I might add, as a private citizen I am going to use the word "alliance" freely.

While there has been a changing of the guard in both our countries, Japan and the United States continue to confront the same thorny problems as before—on energy, trade, foreign aid, as well as on just keeping our bilateral security relations on an even keel. On these subjects we have many views in common, of course, and this should not be surprising because our countries are deeply committed to democratic ideals, free trade, global and regional stability, and a healthy bilateral security relationship founded upon our Mutual Security Treaty. But our viewpoints on these matters also differ in some respects, and this, too, should be understandable in light of our differing cultures, historical backgrounds, and geographical situations.

The differences we have, stem in part, from different perceptions. Particularly since the end of the Pacific War, the United States has loomed large to the Japanese. Even after its defeat in the war, and even after the Occupation era had passed, Japan decided to cast its fortunes in the security area with those of the United States. To paraphrase your first very great postwar statesman Shigeru Yoshida, "If you like the shade, find yourself a big tree." Well, even though we were a "big tree" at that time, since then another "big tree"—the Soviet Union—has appeared, and a forest of third world "trees" has grown. The forest environment, in short, has changed and, for any of us, finding the shade is a difficult task indeed. In fact, from an American perspective, some feel that we are scarcely able to take care of ourselves, much less to protect others. I am happy to say that this is not the view of the Reagan Administration.

For most Japanese, however, it seems to me the perception of the United States as the "big tree" or "the big brother" in the

relationship between our countries continues to prevail. But looking from the perspective of the US, we are not a "big tree" and Japan looks bigger every day.

Japan is taken seriously in the United States, and American expectations of Japan are high, not only because of the high quality of Japan's manufactured goods, its high level of productivity, its intense competitiveness, and huge amounts of spending on foreign investment. Our expectations are high also because we are confident that Japanese economic successes will continue, that the yen will continue to be strong, that Japan's products will continue to proliferate in global markets, and that its domestic economy will continue to flourish. Americans—again unlike many Japanese I have met—believe very profoundly that Japan can and should play a larger political and diplomatic role than it has played in the past—a role reflecting its hard-won position as an economic superpower. We feel that Japan already is moving in that direction, and are confident that it has the ability to assume the responsibilities, take the initiatives, and accept the burdens that its enlarged international role will require.

Where we—that is, American and Japanese—differ is on two points—first of all, how vigorously Japan should be pressed into assuming a larger role than it is playing at the moment in security affairs and, second, how much of Japan's new international responsibilities should encompass or contain a military dimension.

On the first point, it seems that there is a good deal of confusion as to the value of exerting pressure on Japan to do more in the defense area. The record seems to show that changes in Japanese defense spending, and force structures, have not resulted from shifts in the domestic Japanese political climate, nor from alterations in Japan's regional strategic environment, nor even from variations in Japanese perceptions about the depth of America's commitment to defend Japan. Instead, in the past, these changes have stemmed from American urging. American Pressure on Japan, in other words, has worked.

This manner of interaction—which has worked in the past and may well work in the short-run future in achieving some immediate goal—may be in the long run, unhelpful to the development of a mature Japanese-American relationship. It is for this reason that the Reagan Administration, in dealing with Japan on defense-related questions, has chosen not to resort to attempting to wring concessions from Tokyo by public blandishment and exhortation.

The present Administration, instead, has quite consciously adopted an approach toward Japan—as well as toward our other allies—which seeks to avoid falling into public haggling over the precise percentage of GNP being allocated for defense, or the exact percentage increase year-to-year in defense expenditures.

This sort of street-vendor-style haggling, in any case, ignores the main question of what higher Japanese defense expenditures will be used for, and to some degree may have diverted Japan from formulating and articulating its own concept of security and its own preferred policies in the security area.

In saying this, however, let me make it clear that the expectations of this Administration remain high for Japan in the security field.

We want to hear your views, to cooperate with you in translating those views into meaningful policy action, while we—for our part—try to clarify our own continuing commitments to Japanese and East Asian peace and security. Despite those commitments, as I am sure you are all aware, we are stretched

very thin militarily, and our state of readiness to respond to the dramatic rise in Soviet capability in Asia requires reinforcement.

In short, the first question is how can the United States and Japan work cooperatively and most effectively to assure that their responses to shifting internal and external conditions proceed in an intelligent and sensible fashion, without jeopardizing our many shared interests through unnecessary crises, "shocks", and friction.

The second key issue in current US-Japan security relations concerns the degree of Japan's commitment to increasing its defense expenditures and its involvement in military operations. First, let me say that the United States does not wish Japan to become a major military power, or change its constitution. The United States does not want Japan to acquire nuclear weapons. The United States has no desire that Japan abandon its present reliance on the American nuclear umbrella and the Mutual Security Treaty and go its own way in the area of defense.

Americans recognize the many constraints that influence Japan's defense efforts; continuing pacifist sentiments among the Japanese people, your intense sense of vulnerability—as a resource-poor nation—to possible limits or curtailment of external markets or sources of supply, your "no war" Constitution, and particularly Article IX of that document, the slow process of consensus building in Japan, the "non-nuclear principle" articulated by recent Japanese administrations, and—above all—your desire to remain a peaceful nation closely allied with the United States, dedicated to maintaining the peace and stability of East Asia.

Most knowledgeable Americans recognize these deeply rooted Japanese feelings, and realize how significantly they affect Japan's role in the defense area. Still, from our perspective, Japan's overall self defense efforts are overly modest. Our wishes, if spelled out in specific terms, would be that you—

Improve your defense chair of command;
Increase your share of expenditures for the support of American forces in Japan;
Raise your stockpiles of conventional weapons and ammunition;

Increase your anti-submarines warfare capability;

Promote defense cooperation with the United States in such operations as the RIMPAC exercises of last year;

Develop your capacity to take responsibility over time for defense of the Soga, Tsugaru, and Tsushima Straits;

Expand somewhat your defense perimeters to take the pressure off the U.S. Navy in the Pacific; and

At bottom, take upon yourselves the basic responsibility for your own defense, both of the Japanese islands and the surrounding waters.

On the American side, our direction is toward increasing awareness of the limits of American capability in Asia and a related concern about pressing Japan to shoulder a larger portion of the responsibility for its defense. Japan's global economic ascendance has raised expectations abroad that it should assume an enlarged political role, particularly in Asia, and has aroused an enhanced Japanese awareness that its economic accomplishments themselves are not enough either to quell foreign dissatisfaction with Japan's contributions, or to assure the protection of its national security interests. Despite an immense amount of attention devoted to the defense question in both countries, a mutually acceptable accommodation has yet to be reached.

The problem for our political leaders in both countries is how to gain the public support needed to sustain the security of both our nations. To gain this support in the future, perhaps we must develop an entirely new concept of national security.

In the past, national security was perceived only in military terms—nuclear deterrence and defense of national borders. Today, this kind of security problem is more critical than ever before, given the Soviet Union's excessive military buildup and its search for strategic superiority.

Since 1973, however, another dimension of national security has been added to the picture—energy. Nations can now be brought to their knees by oil outflows. Even a temporary interruption of oil supplies can lower employment and standards of living. Japan is especially vulnerable.

These are happenings that politicians can communicate to the people. As a response, Japan's "comprehensive security" program certainly fits into this category. Your aid to such countries as Pakistan, Oman, and Turkey is critical to the stability of the Middle East and the oil-producing countries.

By the same token, most of our immediate \$38 billion upsurge in our defense spending is going for conventional forces, especially shipbuilding—which will help keep open our energy sealanes—and your energy sealanes as well.

Thus, in the economic-energy dimension of national security, both "comprehensive" and national security conventional forces are absolutely essential. Otherwise, you will lose your standard of living and unemployment will rise.

If such a new concept of national security can be conveyed to the people of Japan, perhaps they will better realize why it is so essential to Japan's standard of living that it do more in building its own conventional defense capacity, so that that expanded conventional capability can be complemented by US forces in keeping open the sea lanes, and in providing a Western military presence in Southeast and Southwest Asia which will contribute to the peace and stability of those regions.

I should point out that at our Center, in our new program on Japanese affairs, we will be addressing the major issues I mentioned earlier—defense, trade, energy, development assistance and methods of bilateral diplomatic interaction. I emphasize the final topic, because in dealing with other problems, both Japan and the United States must in the future be more sensitive to matters of "style" in their diplomatic interactions. Throughout the post-Occupation period in US-Japan relations, even though disagreements on such diverse issues as steel, textiles, automobiles, nuclear energy, and defense spending were largely resolved, the processes by which controversial issues were settled have created resentments—on both sides. Despite the many shared interests of our two countries, and our long history of bilateral interaction, the basic question has remained: are Japan and the US dealing with each other more effectively than, say, ten or twenty years ago?

Part of the problem is a tendency on the part of the Japanese to see themselves as the weaker side, and they use this as an apology for what they cannot give. This reduces their credibility, for they often seem to be "crying wolf." And when the inevitable crisis is reached in our dealings—whether on tariffs, defense spending, or boycotting the Olympics—it also tempts the Americans to try to bully Japan. In the end, Japan submits, but only after an intense, sometimes frantic search for some way of salvaging the heart of the Japanese position without major concessions. The approach, in any case, leaves Americans with the impression that Japan is disinterested in reaching fair agreements, unwilling to appreciate another party's viewpoint, and incapable of having a truly international sense of responsibility.

For their part, it has seemed to me that the Japanese are often puzzled by American inconsistencies and surprise shifts in policies

affecting Japan, resentful at apparent U.S. discrimination against Japan (say, for instance, on nuclear fuel supplies under the Carter Administration), and bewildered at American missionary zeal in pursuing goals that tend to strike Japanese as dubious, risky, and quixotic. Above all, Japanese are angered at the habitual U.S. resort to pressure tactics in order to wring concessions from them. In short, how the two countries have dealt with each other over the years has often generated distrust and ill-will on both sides, with each feeling the other as falling to be a forthcoming, reliable, or supportive ally.

In my judgment, we must, to make our relationship more healthy, make adjustments and give ground on both sides. We need to move towards a more equal partnership that reflects Japan's growing strength. While we Americans must be sensitive to style, our Japanese friends, I submit, must be more willing to shoulder the responsibilities that partnership implies.

You may have noted that I have not been very specific in suggesting change for Japanese policy—either on defense, energy, foreign development assistance, or trade questions. I have purposefully refrained from offering such concrete recommendations because I believe that a truly mature alliance relationship between our two countries will require that the U.S. side listen more carefully than in the past to what Japan desires in the security area. Japan, after all, for a variety of reasons, has tended to seek out and react to American advice—advice which, as will not surprise anyone in this room, Americans have been only too eager and willing to provide. But the time has come for Americans to ask Japanese what they think, what they want and what they wish of us, on all of the key issues facing us in our current alliance relations.

I thank you for your attention and for the opportunity to talk with you this morning on these topics—and I might add that these are subjects that concern me deeply. But I would like to say in conclusion that despite the fact that our two countries' opinions occasionally differ, at the same time our common viewpoints and interests are so extensive that our relationships will surely continue to be strong and healthy. Neither of us can afford that it be otherwise.

Thank you, my dear friends of the Marltime League. ●

IMPOUNDMENT

● Mr. HART. Mr. President, the recently reported proposal to give the President impoundment authority is ill-conceived and dangerous public policy from both a budgetary and constitutional point of view.

Under the spending clause of the Constitution, Congress is given the power and responsibility to appropriate and spend Federal money. To share that power or abdicate a portion of it to another branch of government seriously weakens our institution and completely undermines the congressional budget process which those of us on the Budget Committee among others have worked so hard to establish. Congress, as the people's representative, must be directly accountable for the way Federal dollars are spent or not spent. Presidential impoundment authority dilutes such congressional accountability.

It is particularly ironic that this impoundment proposal has been put forward at this time. So far the congres-

sional budget process has given the President exactly what he wanted by rapidly adopting the level of budget cuts which he proposed. Proponents of the impoundment proposal now apparently feel that the President should get exactly what he wants without even having to ask Congress.

Even if Congress had not cooperated with the President on reducing Federal spending, impoundment would still be a bad idea. Congress constitutional authority over Federal spending does not depend upon the executive's satisfaction. Presidential impoundment has less to do with the budget than with the separation of powers. In 1969, William Rehnquist then at the Department of Justice, advised the White House on the constitutional authority for impoundment:

With respect to the suggestion that the President has a Constitutional power to decline to spend appropriated funds, we must conclude that the existence of such a broad power is supported by neither reason nor precedent." He found it difficult, he added, "to formulate a Constitutional theory to justify a refusal by the President to comply with a Congressional directive to spend."

During the congressional debate over impoundment in 1973 Senator Sam Ervin also discussed the constitutional issues at stake in allowing the President to withhold appropriated funds:

I do not believe that we should allow him to nullify acts of Congress by Executive fiat. There is not one syllable in the Constitution which authorizes the President to exercise such powers.

I urge my colleagues to oppose any impoundment proposals which would undermine the congressional budget process. If we allow a President to use impoundment to modify or even nullify laws passed by the legislative branch, we give up a policymaking function reserved exclusively to the Congress. This institution should stand united against such a massive transfer of its constitutional power to another branch of government. ●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36 (b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of \$25 million or, in the case of major defense equipment as defined in the act, those in excess of \$7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is available to the full Senate, I ask to have printed in the Record at this point the notifications which have been received. Any portion which is classified information has been deleted for publication, but is available to Senators in the office of the Foreign Relations Committee, room 4229, Dirksen Building.

The material follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., June 30, 1981.

HON. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding under separate cover Transmittal No. 81-59, concerning the Department of the Army's proposed Letter of Offer to Japan for defense articles and services estimated to cost in excess of \$25 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-59]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Japan.
(ii) Total estimated value: [Deleted]
Major defense equipment* [Deleted]
Other [Deleted]
Total [Deleted]

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: [Deleted].

(iv) Military department: Army (VFI, Amendment No. 1).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in Section 28 report.

(viii) Date report delivered to Congress: June 30, 1981.

POLICY JUSTIFICATION

[Deleted.]

[Deleted.]

This sale will further the close mutual security relationship between Japan and the United States by contributing to commonality and interoperability. The mutual security relationship is governed by the 1950 Treaty of Mutual Cooperation and Security, and is a vital factor in the political stability of the Pacific Ocean Area.

[Deleted.]

The sale of this equipment will not affect the basic military balance in the region.

[Deleted.]

[Deleted.]

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 1, 1981.

HON. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-60, concerning the Department of the Air Force's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost \$54 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-60]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Japan.
(ii) Total estimated value: Million
Major defense equipment* \$38
Other 16
Total 54

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: Two C-130H aircraft with initial spares, support, and training.

(iv) Military department: Air Force (SCU).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in Section 28 report.

(viii) Date report delivered to Congress: July 1, 1981.

POLICY JUSTIFICATION

Japan—C-130H aircraft and support

The Government of Japan has requested the purchase of two C-130H aircraft with initial spares, support, and training at an estimated cost of \$54 million.

Japan is one of the major political and economic powers in East Asia and the Western Pacific and a key partner of the United States in ensuring the peace and stability of that region. It is vital to the U.S. national interest to assist Japan in developing and maintaining a strong and ready self-defense capability which will contribute to an acceptable military balance in the area. This sale is consistent with these U.S. objectives and the 1960 U.S.-Japan Treaty of Mutual Cooperation and Security.

These C-130H aircraft will be used in a transport role in support of the Japan Self Defense Force.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Lockheed Corporation of Marietta, Georgia.

Implementation of this sale will require the assignment of approximately one additional U.S. Government and three U.S. contractor personnel to Japan for a minimum of one year.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY

ASSISTANCE AGENCY,

Washington, D.C., July 6, 1981.

HON. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-62, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost \$60 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-62]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Saudi Arabi.
(ii) Total Estimated Value: (Million)
Major defense equipment* \$0
Other \$60
Total \$60

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of Articles or Services Offered: This sale will provide the telecommunications equipment, automated data processing equipment, and hardware items required for the Royal Saudi Naval Forces Command, Control, and Communications (C³) system. The equipment is to be installed in facilities which were designed and constructed under previously approved sales agreements.

(iv) Military department: Army (HAQ, Notice No. 6).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in Section 28 report.

(viii) Date report delivered to Congress: July 6, 1981.

POLICY JUSTIFICATION

Saudi Arabia—Communications and data processing equipment

The Government of Saudi Arabia has requested amendment of an existing sales agreement to include the purchase of shore-based telecommunications equipment, automated data processing equipment, and hardware items for the Royal Saudi Naval Forces (RSNF) Command, Control, and Communications (C³) system at an estimated cost of \$60 million.

This sale is consistent with the stated U.S. policy of assisting friendly nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support the Saudi Arabian effort to improve the security of the country through modernization of Saudi naval forces. In a regional context, enhancement of the defensive capabilities of Saudi Arabia will also contribute to overall Middle East security.

Saudi Arabia is in the process of enlarging and improving its naval assets and operations through its Saudi Naval Expansion Program (SNEP) with the United States. The SNEP includes the purchase of 29 ships and craft, shore facilities, equipment, and training. This sale will provide the telecommunications and data processing equipment for a U.S.-designed C³ system which is essential for the effective operations of Saudi naval forces. This sale will not introduce a new military capability into the region since neighboring countries have C³ systems with similar capabilities.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be Science Applications, Incorporated of Arlington, Virginia.

Implementation of this sale will not require the assignment of any additional U.S.

Government or contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 8, 1981.

HON. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-64, concerning the Department of the Army's proposed Letter of Offer to Tunisia for defense articles and services estimated to cost \$92 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-64]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

- (i) Prospective purchaser: Tunisia.
(ii) Total estimated value:

	(Million)
Major defense equipment*	\$80
Other	12
Total	92

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: Fifty-four M60A3 tanks with support equipment and services.

(iv) Military department: Army (UDY).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending 31 March 1981.

(viii) Date report delivered to Congress: July 8, 1981.

POLICY JUSTIFICATION Tunisia—M60A3 tanks

The Government of Tunisia has requested the purchase of 54 M60A3 tanks with support equipment and services at an estimated cost of \$92 million.

This sale supports the foreign policy objectives of the United States by helping to provide a friendly country with the means to maintain its own defense.

The incorporation of these tanks into the Tunisian inventory will enhance its capability to protect itself from the Libyan tank threat. Libya's hostile intent toward Tunisia was amply demonstrated by the Libyan-backed dissident attack on the Tunisian city of Gafsa in January 1980. Tunisia's armed forces are currently equipped with outmoded weaponry and are inadequate to meet the growing threat from neighboring Libya. The purchase of these tanks will be one of the first steps in Tunisia's current five year program to upgrade its defense establishments.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Chrysler Corporation of Warren, Michigan.

Implementation of this sale will require the assignment of the following U.S. Government personnel: 12 for 15 days as a Quality Assurance Team, 12 for 180 days as a Technical Assistance Team, and eight for 120 days as a Training Team.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 6, 1981.

HON. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-65, concerning the Department of the Navy's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost \$255 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-65]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

- (i) Prospective purchaser: Saudi Arabia.
(ii) Total estimated value:

	(Million)
Major defense equipment*	\$0
Other	255
Total	255

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: This case amendment is for the continuation of U.S. Navy project management support, supply support assistance, engineering and technical services, and feasibility and technical studies for the Saudi Naval Expansion Program.

(iv) Military department: Navy (GAT, Amendment No. 1).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending 31 March 1981.

(viii) Date report delivered to Congress: July 6, 1981.

POLICY JUSTIFICATION Saudi Arabia—Management support and assistance

The Government of Saudi Arabia has requested continuation of U.S. Navy project management support, supply support assistance, engineering and technical services, and feasibility and technical studies for the Saudi Naval Expansion Program (SNEP) through 1985 at an estimated cost of \$255 million.

This sale is consistent with the stated U.S. policy of assisting friendly nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support the Saudi Arabian effort to improve the security of the country through modernization of Saudi naval forces. In addition, enhancement of the defensive capabilities of Saudi Arabia in a regional context will also contribute to overall Middle East security.

Saudi Arabia is in the process of enlarging and improving its naval assets and operations through its SNEP with the United States. This program started in 1972 and is scheduled to be completed in the mid-1980's. The SNEP includes the purchase of 29 ships and craft, shore facilities, equipment, and

training. This sale will provide for the continuation of the management and technical assistance required to ensure the SNEP progresses to an orderly and successful completion.

The sale of this support will not affect the basic military balance in the region.

The support services purchased under this agreement will be provided by U.S. military and civilian personnel and employees of various commercial firms in the United States.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE,
Washington, D.C., July 8, 1981.

HON. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-66, concerning the Department of the Air Force's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost \$75 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-66]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

- (i) Prospect purchaser: Saudi Arabia.
(ii) Total estimated value:

	(Million)
Major defense equipment*	\$0
Other	75
Total	75

*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: One AN/TPS-43G(V) radar system, modification of three existing Royal Saudi Air Force TPS-43 radar units to the 43G(V) configuration, and associated equipment to permit remote operation of the radars.

(iv) Military department: Air Force (DDA).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending 31 March 1981.

(viii) Date report delivered to Congress: July 8, 1981.

POLICY JUSTIFICATION Saudi Arabia—AN/TPS-43G(V) radar system

The Government of Saudi Arabia has requested the purchase of one AN/TPS-43G(V) radar, modification of three previously purchased AN/TPS-43 radar units to the 43G(V) configuration, and the associated equipment to permit remote operation of the radar units at an estimated cost of \$75 million.

This sale is consistent with stated U.S. policy of assisting other nations to provide for their self-defense by allowing the transfer of reasonable amounts of defense articles

and services. It will demonstrate the continuing willingness of the United States to support the Saudi Arabian effort to improve the security of the country through modernization of the Saudi Armed Forces.

A May 1979 survey report, prepared by the U.S. Air Force for the Government of Saudi Arabia, identified inadequacies in existing Saudi radar coverage, and recommended installation of the requested type of equipment to provide more responsive and timely information for air defense operations. This sale will not provide a new capability in the region since AN/TPS-43 or comparable radar systems are presently in the inventory of most of the countries in the region.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Westinghouse Defense and Electronics System Center of Baltimore, Maryland.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 8, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-67, concerning the Department of the Navy's proposed Letter of Offer to Portugal for defense articles and services estimated to cost \$29 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-67]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Portugal.
(ii) Total estimated value:
Major defense equipment*----- \$0
Other ----- 29
Total ----- 29

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: Additional initial spare parts, ground support equipment, and equipment staging associated with the support of one A-7P squadron increasing the cost of this case from \$20 million to \$29 million.

(iv) Military department: Navy (BEE, Amendment No. 1).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Case not included in Section 28 report.

(viii) Date report delivered to Congress: July 8, 1981.

POLICY JUSTIFICATION

Portugal—Support for A-7P Squadron

The Government of Portugal has requested the purchase of additional initial spare parts, ground support equipment, and equipment staging associated with the support of one A-7P squadron increasing the cost of this case from \$20 million to an estimated cost of \$29 million.

This sale will contribute to the foreign policy and national security objectives of the

United States by improving the military capabilities of Portugal; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

This sale is part of a total program of \$103 million involving the acquisition of twenty A-7P aircraft and other support equipment. The A-7P program is part of the NATO Military Committee plan to improve the capability of the Portuguese armed forces in the collective defense of the Alliance. This sale will support the squadron until an indigenous capability is developed.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the Vought Corporation of Dallas, Texas.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Portugal.

There will be no impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 8, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-69, concerning the Department of the Army's proposed Letter of Offer to the United Kingdom for defense articles and services estimated to cost \$16 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-69]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: United Kingdom.
(ii) Total estimated value:
Major defense equipment*----- \$14
Other ----- 2
Total ----- 16

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: Eighteen thousand rounds of 155mm ammunition.

(iv) Military department: Army (VQF).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending 30 June 1981.

(viii) Date report delivered to Congress: July 8, 1981.

POLICY JUSTIFICATION

United Kingdom—155mm ammunition

The Government of the United Kingdom has requested the purchase of eighteen thousand rounds of 155mm ammunition at an estimated cost of \$16 million.

This sale will contribute to the foreign policy and national security objectives of the United States by improving the military capabilities of the United Kingdom; furthering NATO rationalization, standardization, and interoperability; and enhancing the defenses of the Western Alliance.

The United Kingdom needs this ammunition to replenish its stocks and maintain its military capability.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be determined by competitive bidding.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to the United Kingdom.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., July 8, 1981.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-70, concerning the Department of the Army's proposed Letter of Offer to Jordan for defense articles and services estimated to cost \$60 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-70]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Jordan.
(ii) Total Estimated Value:
Major defense equipment*----- \$0
Other ----- 60
Total ----- 60

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: One hundred eighteen M60A3 tank conversion kits.

(iv) Military department: Army (VCL).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending 31 March 1981.

(viii) Date report delivered to Congress: June 8, 1981.

POLICY JUSTIFICATION

Jordan—M60A3 tank conversion kits

The Government of Jordan (GOJ) has requested the purchase of 118 M60A3 tank conversion kits at an estimated cost of \$60 million.

The sale will further U.S. foreign policy objectives by assisting a friendly country to deter hostilities and defend itself in a region where it is vital to U.S. interests to reduce the probability of open conflict and to promote peace and stability. The sale will assist the GOJ in meeting its legitimate defense requirements and reaffirm to the Jordanian military and political leadership that the United States is responsive to the priority modernization objectives of the Jordanian Armed Forces. This modernization effort is consistent with U.S. views on Jordanian security needs, the regional military balance, and long-range peace and stability in the region.

The sale of M60A3 tank conversion kits will upgrade and standardize Jordan's existing inventory of M60 series tanks. Each conversion kit includes improvements for the tank automotive and fire control systems.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor is unknown at this time.

Implementation of this sale will require the assignment of three additional U.S. Government personnel to Jordan for 30 days.

There will be no adverse impact on U.S. defense readiness as a result of this sale.

DEFENSE SECURITY
ASSISTANCE AGENCY,

Washington, D.C., July 8, 1981.

HON. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations,
U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 81-71, concerning the Department of the Army's proposed Letter of Offer to Saudi Arabia for defense articles and services estimated to cost \$30 million. Shortly after this letter is delivered to your office, we plan to notify the news media.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 81-71]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF
OFFER PURSUANT TO SECTION 36(b) OF THE
ARMS EXPORT CONTROL ACT

- (1) Prospective purchaser: Saudi Arabia.
(2) Total estimated value:

	(Million)
Major defense equipment*	\$ 0
Other	30
Total	30

* As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).

(iii) Description of articles or services offered: Cooperative logistics supply support for major items of equipment provided to the Saudi Arabian Land Forces (SALF) under previous FMS agreements.

(iv) Military department: Army (KHU).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: None.

(vii) Section 28 report: Included in report for quarter ending 31 March 1981.

(viii) Date report delivered to Congress: July 8, 1981.

POLICY JUSTIFICATION

Saudi Arabia—Cooperative logistics supply support agreement

The Government of Saudi Arabia has requested the purchase of follow-on repair parts support for major items of equipment provided to the Saudi Arabian Land Forces (SALF) under previous FMS agreements at an estimated cost of \$30 million.

This sale is consistent with the stated U.S. policy of assisting other nations to provide for their own defense by allowing the transfer of reasonable amounts of defense articles and services. It will demonstrate the continuing willingness of the United States to support Saudi Arabia by providing the materiel required to maintain SALF equipment in an operational status.

This sale will provide the Saudi Arabian Ordnance Corps the capability to obtain the repair parts required to maintain major items of equipment previously provided to the SALF by requisitioning directly against U.S. Army inventories during the period 26 November 1981–25 November 1982. The sale does not introduce a new weapons capability into the region.

The sale of this equipment and support will not affect the basic military balance in the region.

Procurement of these items and services will be from the many contractors who provide these items to the U.S. forces.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Saudi Arabia.

There will be no adverse impact on U.S. defense readiness as a result of this sale since a companion sales agreement provides the funds necessary to increase Army inventories to the level required to support this sale.

PRELIMINARY NOTIFICATION
PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of \$25 million, or in the case of major defense equipment as defined in the act, those in excess of \$7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that eight such notifications have been received.

Interested Senators may inquire as to the details of these preliminary notifications at the office of the Committee on Foreign Relations, room 4229 Dirksen Building.

The notifications follow:

DEFENSE SECURITY
ASSISTANCE AGENCY,

Washington, D.C., June 24, 1981.

DR. HANS BINNENDIJK,
Professional Staff Member, Committee on
Foreign Relations, U.S. Senate, Wash-
ington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of \$25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,

Washington, D.C., June 26, 1981.

DR. HANS BINNENDIJK,
Professional Staff Member, Committee on
Foreign Relations, U.S. Senate, Wash-
ington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of \$25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,

Washington, D.C., June 26, 1981.

DR. HANS BINNENDIJK,
Professional Staff Member, Committee on
Foreign Relations, U.S. Senate, Wash-
ington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country for major defense equipment tentatively estimated to cost in excess of \$7 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,

Washington, D.C., June 26, 1981.

DR. HANS BINNENDIJK,
Professional Staff Member, Committee on
Foreign Relations, U.S. Senate, Wash-
ington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Northeast Asian country tentatively estimated to cost in excess of \$25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,

Washington, D.C., June 29, 1981.

DR. HANS BINNENDIJK,
Professional Staff Member, Committee on
Foreign Relations, U.S. Senate, Wash-
ington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country for major defense equipment tentatively estimated to cost in excess of \$7 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,

Washington, D.C., June 29, 1981.

DR. HANS BINNENDIJK,
Professional Staff Member, Committee on
Foreign Relations, U.S. Senate, Wash-
ington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to

Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of \$25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., July 8, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on
Foreign Relations, U.S. Senate, Wash-
ington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country tentatively estimated to cost in excess of \$25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., July 8, 1981.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on
Foreign Relations, U.S. Senate, Wash-
ington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country for major defense equipment tentatively estimated to cost in excess of \$7 million.

Sincerely,

ERNEST GRAVES,
Director. ●

H'MONG REFUGEES

● Mr. DURENBERGER. Mr. President, Minnesota is home to some 9,000 H'mong, a distinct ethnic group whose members originally came from the mountains of Laos. The H'mong, better known to many Americans as the "Meo," have come to the United States not as immigrants but as refugees fleeing the most brutal sort of terror and mass murder. At a time when we have become numbed to stories of systematic extermination campaigns, whether carried out in Cambodia, Afghanistan, or elsewhere, it is worthwhile to recount the story of the H'mong.

The H'mong were caught up in the conflict in Indochina, and they fought with distinction in Laos against North Vietnamese and Pathet Lao forces in support of our war effort. In the course of this fighting, which went on for the better part of a decade, the H'mong suffered enormous casualties. While precise figures can perhaps never be known, most estimates indicate that more than 30,000 H'mong—nearly 10 percent of their entire population—died in combat.

The war in Indochina remains a subject of bitter controversy to most Americans. But no American can feel anything except gratitude for a people who, at great personal risk, routinely went deep into Communist-controlled territory to rescue downed American pilots. Like our prisoners of war, the H'mong remind us that, in the midst of tragedy and warfare, individuals can and do conduct themselves with dignity and courage. But unlike our prisoners of war, the H'mong have largely been forgotten by the United States. When we withdrew our forces from Southeast Asia, the H'mong were left to their own fate despite their service in a cause which our Government had promoted.

As we know, the American withdrawal from Vietnam did not mark the end of the war. The killing only intensified. Entire populations, such as the Cambodians, were killed either directly by fanatic barbarians or indirectly through disease, starvation, exposure, and neglect. The H'mong appear to be suffering the same fate. And they are suffering for the simple reason that they believed in and supported the United States.

As Dr. Jane Hamilton-Merritt, a noted journalist, has written in a recent Reader's Digest article, the total H'mong population in 1960 was estimated at 500,000. Today, 100,000 H'mong reside outside of Laos, either in squalid refugee camps in Thailand, where some 55,000 people are now housed, or in various Western countries. The United States has taken in roughly 45,000 of these refugees. With 100,000 H'mong now living outside of Laos, and with some 30,000 killed in combat, one would expect that some 370,000 H'mong—or more, allowing for population growth since 1960—would thus remain in Laos. But refugee reports indicate that as few as 100,000 H'mong are now alive in Laos.

Even allowing for unreliable figures, the point is clear: Tens of thousands of H'mong have simply disappeared. And the reason is not hard to determine. The Laotian Government, assisted by its Vietnamese allies, has sought out and killed an entire ethnic group in a campaign which borders on genocide. As Dr. Hamilton-Merritt notes in an article published in the New York Times on September 4, 1979, those H'mong who wish to flee Laos rather than being forcibly relocated from their tribal homelands, are systematically followed and killed by Laotian and Vietnamese forces. Perhaps worst of all, there have been repeated stories that lethal chemical weapons—weapons which are uniquely appropriate for a campaign of mass extermination against unprotected civilians—have been used against the H'mong.

But what Dr. Hamilton-Merritt has referred to as this "tragic legacy" has not ended for those H'mong who have endured and moved to the United States. Once here, they face a set of challenges ranging from culture shock to unique and fatal health problems. For instance, many H'mong have literally dropped dead in their tracks, victims of a mysterious sudden death syndrome which is baffling our authorities at the Centers for

Disease Control in Georgia. And many others suffer from chronic and potentially lethal respiratory problems deriving from their exposure to chemical weapons. Tragically, however, the Centers for Disease Control have been unable to notify physicians around the United States to examine H'mong patients for such respiratory problems, for the U.S. Government has thus far been unable to obtain what it considers incontrovertible evidence of the use of chemical weapons in Laos.

Perhaps just as important, many physicians who might wish to examine H'mong patients on their own initiative—physicians who, for instance, have read press accounts of the gas warfare—often cannot do so because, like many Americans, they do not know how to identify a refugee as a H'mong rather than as, for instance, a Vietnamese or Cambodian. Far too little is known by most Americans about the unique story of the H'mong. In the mass exodus from Indochina over the past few years, the H'mong have gotten lost in the shuffle.

Indeed, it is ironic that many H'mong refugees, who have spent years in camps throughout Thailand, have been given a lower visa preference than the boat people from Vietnam who have become refugees more recently. I am not suggesting, of course, that we can or should attempt to measure suffering with such precision that we somehow establish a "misery-quota" for refugees. But it is nonetheless tragic that people who have been homeless for years must remain so because we are not aware that they are a distinct people with distinct problems.

Fortunately, more information will become available to the public about the H'mong in the future. As Senator CHAFFEE has already noted, the Roger Williams Park Museum of Natural History in Providence, R.I., is about to open a center for H'mong lore. I am proud to announce to my colleagues that the St. Paul Science Museum will undertake a comparable program early next year. The museum will draw upon the substantial H'mong community in Minnesota for exhibits of H'mong folk art, music and so forth. I am delighted that through the efforts of these museums the entire Nation will come to appreciate the richness and uniqueness of this proud, ancient and little-understood culture.

Mr. President, I ask that the articles which I have referred to, and a recent article in Time magazine concerning Soviet production and distribution of chemical weapons, be printed in the RECORD.

The material follows:

[From the August Reader's Digest]

TRAGIC LEGACY FROM LAOS

(By Jane Hamilton-Merritt)

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.¹ 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 refugees 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 gasings, 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 24-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."

¹ All population figures are approximate, as precise information is unavailable.

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 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 bleed-

ing 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 1260 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 gasings.

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 guide-

lines 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: COMMUNIST'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 Vinal, a refugee camp along the Mekong River just inside northern Thailand. It is populated by some 35,000 H'mong (pronounced Mông) tribal refugees from the mountains of Laos. They suffer from severe malnutrition, malaria, amoebic dysentery, 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 can. 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 an-

other 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 Chal, 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 THE 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 Bia, 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 Bia 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."

"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 swallowed 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."

¹Opium has for centuries been used medicinally for severe gastro-intestinal disturbances.

CHRONICLE OF HORROR

The stories are countless. One man sits before me in Ban Vinal refugee 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, Congressman 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 Vinal, 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 witnesses 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 discussion of other issues will be put off until we are satisfied that chemical warfare in Laos has ceased.

At Ban Vinal 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."

[From the New York Times, Sept. 4, 1979]

FLIGHT FROM LAOS

(By Jane Hamilton-Merritt)

The plight of the H'mong, a hill-tribe people in Laos—or Meo, as the people are known in the Western press—is one of desperation. Little news about these people who fought so long for the Americans in Laos reaches that press. Meo refugee camps in Thailand are remote and inaccessible.

July 27, 1979.—The river and freedom are in sight. A group of 189 Meo—30 men and 159 women and children—have endured a two-month trek through the mountainous high jungles of Laos, running from the Pathet Lao and Vietnamese soldiers.

Tonight, they sit by the edge of the Mekong River waiting for darkness to provide cover for a crossing into Thailand—the final

obstacle to freedom. Adults have not eaten for many days to preserve food for the children. Small amounts of the remaining rice are forced into mouths of children—many only skeletons. Afraid to light fires for fear of detection by enemy soldiers, they wait in the monsoon darkness. Children are given more opium to keep them quiet. Any noise may alert soldiers known to patrol the banks of the Mekong searching for Meo trying to escape.

Meo who have escaped Laos tell of Pathet Lao and Vietnamese soldiers killing children for nothing, women for their silver necklaces, men because they are soldiers. They say that enemy soldiers take their rice, chickens and buffalo; that poisonous gases are dropped from planes on their villages and that their people die. They are convinced that the soldiers intend to kill all the Meo. Yet these Meo continue to fight the Communists in Laos although they have few weapons left and no meaningful support from outside.

July 28, 1979.—At the darkest time of night, they cross the Mekong, only to discover as the dawn mists lift that they have miscalculated and have crossed at a very wide part of the river. They land on a long river island and still far from the Thai banks. Hurriedly the Meo gather vines to weave into ropes to attach to mounds of sand and patches of river reeds to make a link to shore and safety. There is so little time, for the river is rising noticeably and storm clouds hang over the mountains to the north. They could all drown if the river suddenly rose. Now that they believe themselves off Laotian territory and safe, they build fires to boil water in United States Army canteens. Women take off their blouses and, with sticks for frames, make shelters for the sick, babies, and old women.

Many Thai soldiers appear on the Thai bank along with a machine gun mounted on a jeep. Soon a patrol in two boats lands on the island to inform the Meo leader that the Meo must go back to Laos—they cannot cross into Thailand. The Meo tell the Thai soldiers that they will build bamboo rafts and leave during the night. Since the Thai side of the island is lower than the Laotian side, the Meo huddle on the lower side hoping that enemy soldiers from Laos will not see them.

Men and women cut bamboo from small clusters on the island while others continue to make survival ropes. In the afternoon, Thai soldiers in boats cut the vines, the Meo lifelines to freedom. Night falls and the Meo take up guard. They have no food and the river is rising.

July 29, 1979.—Day breaks and they continue to build rafts, but not, as the Thai soldiers want, to cross back to Laos, but to continue downstream in hope of passing undiscovered into Thailand. All the Meo are convinced that if they are forced back to Laos they will be killed—including the children.

About midday, another American journalist manages to obtain a wooden boat from a Thai villager upstream and paddles to the island. The Meo leader gives him a note to take to Vong, Yee, chief of the Meo residing in a nearby refugee camp, Ban Vinal. The note tells of their location and that the Thai soldiers will not allow them to go to the Thai police station (a standard debriefing procedure for new arrivals before allowing them to enter refugee camps), and requests urgent assistance from the chief at the camp to obtain permission for them to enter Thailand.

July 30, 1979.—The day is hot and there are many who are sick and starving. They eat grass and drink boiled water. Thai soldiers come again and insist that they leave tonight. The Meo explain they don't have enough rafts to ferry all the people, but the Thai insist.

July 31, 1979.—The situation remains the same.

Aug. 1, 1979.—Morning brings signs of another torrid day. The Mekong continues to rise. Thai soldiers remain vigilant. Many rafts have been built. The stranded Meo believe that Vong Yee will send help soon.

As I stood watching the Meo marooned on the island, I remembered the stories of so many Meo who, like those out there, had fled Laos under the most terrifying circumstances. Drumming in my mind were the words of one young Meo: "I feel sad for my wife. Her clothes are shreds and she's sick with malaria, yet she cares for my brother's five children. The youngest is four and he's so weak he can not stand alone; she must carry him. My brother and his wife are dead. His wife disappeared while searching for food. I often think of my American friends. They gave me their addresses but I've lost them. It seems so long ago that the Americans left—maybe four years, and now the fighting is even more difficult, with so few weapons and no one to help us. We Meo are all so tired. So many Meo are dead. We Meo people are so pitiful."

The Meo who fought under Gen. Vang Pao for the Americans in Laos against the Communists since the early 1960's find it difficult to accept that no one cares about them, hardly anyone writes about their tragedy, no American friends seek to help.

Aug. 2, 1979.—A group of 30 to 40 Pathet Lao land on the island. Shooting breaks out and the Meo are massacred. It is not known whether there were any survivors. These 189 brave Meo men, women and children did not know that the island on which they had landed was Laotian territory.

After so long a struggle, freedom never came.

As Vong Yee, the Meo chief said to me: "We Meo fight, work like buffalo, run, starve and die—and no one knows."

[From Time magazine, Sept., 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 T₂. Soviet scientists have published articles on how to mass produce T₂, which occurs naturally in grain molds common in the Soviet Union.

The T₂ connection was first made by writer Sterling Seagrave, who presents a persuasive circumstantial case for 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. ●

RECESS UNTIL 3:45 P.M.

Mr. BAKER. Mr. President, it appears that the next items of business to be transacted by the Senate are not yet ready and the principals involved are not yet ready. I ask unanimous consent that the Senate stand in recess until the hour of 3:45 p.m. today.

There being no objection, the Senate, at 3:26 p.m., recessed until 3:45 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HAYAKAWA).

The PRESIDING OFFICER. In my capacity as Senator from California, I suggest the absence of a quorum. The clerk will call the roll.

The bill 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. WARNER). Without objection, it is so ordered.

PROGRAM

Mr. BAKER. Mr. President, I have a number of housekeeping details to proceed with. Before I do that, however, I might advise the Senate of the plans of the leadership for the business to be presented to the Senate on next week.

Shortly I will dispose of these routine matters and ask the Senate to recess over until Monday. On Monday, it is my intention, at about 1 o'clock in the afternoon, to ask the Senate to proceed to the consideration of the farm bill. I hope that at that time we can arrange a unanimous-consent agreement to facilitate the disposition of that measure by limiting time on amendments and perhaps on the bill itself. I will not make that request at this time, but I wish to put Senators on notice that we will attempt to arrange such unanimous-consent request for presentation shortly after we convene on Monday.

Mr. President, in addition to that, after the farm bill is disposed of, or perhaps earlier, in any event when it is available to the Senate and qualifies, I hope the Senate will agree to go into executive session to consider the nomination of Judge O'Connor to be an Associate Justice of the Supreme Court of the United States.

That is as much as I can preview for the business of the Senate next week, but

I wish to make that statement at this time so Senators can be aware of the intention of the leadership to attempt to proceed to the consideration of the farm bill and to take up the O'Connor nomination as it becomes available.

Other matters will be dealt with as they become available. One other matter in particular that I had hoped we might be able to proceed to today but certainly should be an item of legislative consideration next week is the Interior appropriation bill. I would not expect the Interior appropriation bill to be presented to the Senate before the middle of the week, but I will have a further announcement to make on that after conferring with certain Senators who have a special interest in that matter on Monday.

ORDER FOR RECESS UNTIL MONDAY, SEPTEMBER 14, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 12 noon on Monday.

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

ORDER FOR THE RECOGNITION OF SENATOR PROXMIRE ON MONDAY, SEPTEMBER 14, 1981

Mr. BAKER. Mr. President, I ask unanimous consent that, after the recognition of the two leaders under the standing order on Monday, the distinguished Senator from Wisconsin (Mr. PROXMIRE) be recognized under a special order for not to exceed 15 minutes.

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

EXECUTIVE SESSION

Mr. BAKER. Mr. President, there are certain items on the Executive Calendar that are cleared on our side. I would invite the attention of the distinguished minority leader to four names appearing on page 2 of today's Executive Calendar under New Reports, U.S. Synthetic Fuels Corporation, and inquire if he is in a position to clear those nominations for consideration at this time.

Mr. ROBERT C. BYRD. Mr. President, the minority is ready to proceed with the nominations under New Reports.

Mr. BAKER. I thank the distinguished minority leader.

Mr. President, I ask unanimous consent that the Senate go into executive session for the purpose of considering the nominations appearing under New Reports on page 2 of the Executive Calendar.

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

U.S. SYNTHETIC FUELS CORPORATION

The assistant legislative clerk read the nomination of Robert A. G. Monks, of Maine, to be a member of the Board of Directors.

The PRESIDING OFFICER. Without

objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

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

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of Victor M. Thompson, Jr., of Oklahoma, to be a member of the Board of Directors.

Mr. BOREN. Mr. President, I commend President Reagan for nominating my fellow Oklahoman, Victor M. Thompson, Jr., as a Director of the U.S. Synthetic Fuels Corporation.

Victor was born and raised in Thomas, Okla. He served his country in the South Pacific with distinction as a corporal in the U.S. Marine Corps Reserve, First Marine Division during the Second World War. Upon his return to Oklahoma, he attended the University of Oklahoma where he graduated with a B.S. in finance and economics.

Vic Thompson has spent his professional life in the banking business and he is well known and respected throughout the financial community in Oklahoma and beyond. He is president and chief executive officer of the Utica National Bank, one of our States major financial institutions. He is a man of deep moral character and personal integrity, a man who is a great credit to his profession, his community and his country.

Victor Thompson's service to charitable, civic and religious organizations is far too extensive to detail to you today. I will list but a few. He is deacon in the First Baptist Church of Tulsa, a member of the board of directors of the National Conference of Christians and Jews, the Oklahoma State Chamber of Commerce, the Higher Education Alumni Council of Oklahoma, a member of the American Legion, and a member of the Tulsa Psychiatric Center Board of Trustees.

As Governor of Oklahoma and now as Senator, I have called upon Vic Thompson often for his counsel and advice. I have constantly been impressed by the breadth of his knowledge and by his ability to apply sound commonsense in approaching the solution to a problem.

Vic's 30-plus years in banking and finance should prove an invaluable asset to the Synfuels Corporation. His experience, insight and judgment should contribute enormously to the effective functioning of this fledgling organization and the success of the project it assists.

I cannot think of a person more qualified to serve as a Director on the Board of the U.S. Synthetic Fuels Corporation.

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

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

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of C. Howard Wilkins, of Kansas, to be a member of the Board of Directors.

Mr. DOLE. Mr. President, I rise today in support of the nomination to the Board of Directors of the U.S. Synthetic Fuels Corporation of a fellow Kansan of outstanding character and accomplishment, my good friend, Howard Wilkins.

Howard will bring the Synthetic Fuels Corporation board a proven record of business accomplishment and substantial financial experience. By the time Howard was 30 years old he had already built, owned, and operated 13 Pizza Hut franchises in the State of Kentucky and acted as president of Pizza Huts of Louisville, Inc. Within 6 years through brilliant entrepreneurship he parlayed this into a \$50 million corporation that merged with Pizza Hut, Inc. In September of 1974 and served, at the age of 37, as vice chairman of the board of Pizza Hut, Inc., the largest pizza restaurant chain in the world.

Howard has also been active in community and civic affairs, serving on the Yale Alumni Fund, the Yale Class Council, and the Young President's organization. Additionally, Howard served as chairman of the Kansas Economic Development Commission from 1974 to 1978. During that time Kansas ranked fourth in the Nation in new jobs and had one of the lowest unemployment rates in the country. I might also mention that he has done an amazing job as finance chairman of the Republican Senatorial Campaign Committee over the past 4 years.

Mr. President, in my opinion, Howard Wilkins is precisely the type of individual we need to involve in the operations of Government. He is young, aggressive, innovative, and successful. His understanding of the unique problems of business start-ups and considerable financial sophistication will be a tremendous asset to the development of a synthetic fuels industry in America. I am confident that he will well and truly serve the Synfuels Corporation, and the country, and encourage all Senators to support his nomination.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

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

The motion to lay on the table was agreed to.

The assistant legislative clerk read the nomination of Victor A. Schroeder, of Georgia, to be a member of the Board of Directors.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

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

The motion to lay on the table was agreed to.

STATEMENT ON THE NOMINATIONS TO THE BOARD OF DIRECTORS OF THE U.S. SYNTHETIC FUELS CORPORATION

● Mr. McCLURE. Mr. President, on September 10, 1981, the Committee on Energy and Natural Resources favorably reported four Presidential nominations to the Board of Directors of the

U.S. Synthetic Fuels Corporation. The nominees are Victor A. Schroeder, C. Howard Wilkins, Victor M. Thompson, Jr., and Robert A. G. Monks. The committee's vote on each nominee was 19 to 0. The votes followed a nomination hearing held on the same date.

The legislative and programmatic foundations for the Synthetic Fuels Corporation were laid in the Congress and in the executive branch over a 7-year period beginning in 1974 with President Nixon's proposed project independence, followed by President Ford's 1975 state of the Union message, and Vice President Rockefeller's proposal in 1975 for establishment of the Energy Independence Authority.

What was new, during the 96th Congress, was bipartisan congressional support for creation of a special purpose Federal entity that would provide sufficient financial incentives to private industry to expedite commercial development of a synthetic fuel production capability in the United States. This support, spurred on by the 1979 cutoff of Iranian oil, led to congressional establishment of the Synthetic Fuels Corporation by the enactment on June 30, 1980, of the Energy Security Act. This action represents an unprecedented national commitment to the energy future of the United States.

However, following enactment there developed a basic disagreement between Senate Republican leadership and the Carter White House on how best to proceed with the appointments to the board of directors. Consequently, 4 months transpired before the recess appointment of the initial Board of Directors.

But more importantly, 14 months have transpired since enactment of the Energy Security Act. And due to various events, including a national election, the Synthetic Fuels Corporation still is in the throes of initial start-up. There has yet to be a Senate-confirmed Board of Directors and for the last 7 months there has been no Board of Directors at all.

We have lost valuable time in this effort to increase our national security by reducing the threat of economic disruption from oil supply interruptions. The Synthetic Fuels Corporation was created to demonstrate at the earliest practicable time the practicality of commercial production of synthetic fuels in the United States. That is still our objective.

President Reagan recognized the important role that synthetic fuels must serve as future energy supplies when he recently approved the award of financial assistance to three synthetic fuels projects under the current interim program. His action followed extensive Cabinet review of national synthetic fuels policies.

We must now turn our attention to full implementation and operation of the Synthetic Fuels Corporation. The Energy Security Act concisely sets forth the goals and objectives for the Synthetic Fuels Corporation as a special purpose Federal entity. And the Congress provided the Corporation with the powers necessary to carry out its defined mission. Similarly, the Congress identified areas in which the Corporation was not

to become involved. In some instances, explicit limitations were imposed on the powers and authorities of the Corporation.

The standard by which this Board of Directors will, and indeed must, be judged will be whether there is an expeditious, but responsive, implementation of the Energy Security Act. This will require the Board to act early on the currently outstanding solicitation and award financial assistance to a diversity of technologies so that national energy policy can benefit from the activities of the Synthetic Fuels Corporation.

This will be the first Board of Directors to be confirmed by the Senate and, as such, these appointments take on special significance.

Mr. President, I submit the biographical statements of the four nominees and ask that they be printed in the RECORD at this point in my remarks.

The biographical statements follow:

**BIOGRAPHICAL STATEMENTS OF THE NOMINEES
TO THE BOARD OF DIRECTORS OF THE U.S.
SYNTHETIC FUELS CORPORATION**

Victor Schroeder has been Manager of Development for the Atlanta Apparel Mart and Executive Director of the Peachtree Center since 1978. He has also been President and Chief Executive Officer of Aplomb, Inc., consulting in real estate analysis, planning, leasing, operating, management and building of real estate development. In 1975-78 he was a consultant and contract manager to various business clients. In 1971-74 Mr. Schroeder was Senior Vice President for Development of the Phipps Land Company. In 1970-71 he was President of Resort Properties, Jasper, Georgia. Mr. Schroeder attended Oklahoma State University and graduated from Officer Candidate School at Fort Benning, Georgia. He is married, has five children, and resides in Atlanta, Georgia. Mr. Schroeder was born in Rosedale, Kansas, on July 29, 1921.

C. Howard Wilkins is Founder and Managing Partner of the Maverick Company. In 1966 he built, owned and operated 13 Pizza Hut Restaurants in the State of Kentucky and acted as President of Pizza Huts of Louisville, Inc. Later, he merged his Kentucky-based Pizza Hut franchises into Pizza Corporation of America, a 50 million dollar corporation that eventually became Pizza Hut, Inc., in September 1974. He served as Vice Chairman of the Board of Pizza Huts, Inc., until leaving to found the Maverick Company. Mr. Wilkins was graduated from Yale University (1960). He is married, has five children, and resides in Wichita, Kansas. He was born in Wichita on February 19, 1938.

V. M. Thompson, Jr. is Chairman of the Board of Chief Executive Officers of Utica National Bank & Trust Company and Utica Bankshares Corporation, Tulsa, Oklahoma. He was President and Chief Executive Officer of Utica National Bank & Trust Company in 1970-77. In 1973-77 Mr. Thompson was Vice Chairman of the Board, First National Bank & Trust Company, Stillwater, Oklahoma. In 1957-73 he was President and Chief Executive Officer. He recently served on the Oklahoma City branch of the Federal Reserve Board. Mr. Thompson was graduated from the University of Oklahoma (1948) and served in the U.S. Marine Corps in 1942-46. He is married, has three children, and resides in Tulsa, Oklahoma. He was born in Thomas, Oklahoma, on November 12, 1924.

Robert A. G. Monks has been Chairman of the Board of Directors, of the Boston Company, Inc., Boston, Massachusetts, since

1975. In 1975-76 he was President of the Maine Wood Fuel Company, Portland, Maine. He has been President of Ram & Company, a real estate investment firm since 1972. In 1967-71 Mr. Monks was President of C. H. Sprague & Son Company, a coal and oil distribution firm in Boston. During 1967-71 Mr. Monks held directorships with Westmoreland Coal Company, Imperial Smokeless Coal Company, Winding Gulf Coal Company and Penn-Virginia Corporation. In 1973-76 he was Chairman of the Finance Committee of Sulpetro of Canada, Ltd., a natural gas company. Mr. Monks was graduated from Harvard College (1954) and Harvard Law School (1958). He is married, has two children, and resides in Cape Elizabeth, Maine, and Boston, Massachusetts. He was born in Boston on December 4, 1933.

Mr. McCURE. Mr. President, during the hearings on these nominees, I was pleased to receive the assurance of Mr. Schroeder and the other nominees regarding the policies and practices of the Synthetic Fuels Corporation in several areas. The matters involved issues which have arisen since enactment of the Energy Security Act.

These areas include: First, with regard to the interim fast start program of the Department of Energy pursuant to the Federal Nonnuclear Energy Research Development Act, the committee received the assurances from the nominees that the Board of Directors would not support transfer of the contract for the Great Plains coal-gasification project from the Department of Energy to the Synthetic Fuels Corporation. This is consistent with existing law provided in the Supplemental Appropriations Act of 1980. It is also consistent with the clarifying amendment included in the Interior and Appropriations bill that will shortly be considered by the Senate.

Second, with regard to the two awards made by the Department of Energy pursuant to the Defense Production Act, the committee received assurances from the nominees that should the Board of Directors decide in favor of transfer of the two projects involved from the Department of Energy to the Corporation, as provided by the Supplemental Appropriations Act of 1980, that every effort would be made to assure early finalization of these contracts.

Third, when the Congress enacted the Energy Security Act it carefully fashioned the Corporation powers to carry out its defined mission. The act closely restricts the powers of the Corporation to the provision of financial assistance to synthetic fuels projects. Enforcement of the act is provided by means of suits by the Attorney General or Comptroller General. Both criminal as well as civil sanctions against Directors, officers, and employees of the Corporation are provided where there is a violation of the provisions of the act.

The nominees are aware of these provisions and the important role their inclusion in the act served in achieving the ultimate congressional compromise creating a Corporation.

In this regard the committee received assurances from the nominees that the new Board of Directors would not enter into certain types of activities which were initiated by the previous Board of

Directors, prior to the appointment of Chairman Noble. The activities of concern relate to earlier attempts by the Corporation to enter into energy mobilization type activities for which statutory authority does not exist in the Energy Security Act.

The earlier Board also entertained various requests to the Corporation for grant assistance to fund such activities as the analysis of individual State regulatory programs and the development of regional energy development plans, for example, in the Rocky Mountain area. Funding such activities clearly would violate the statutory prohibitions in the Energy Security Act.

The nominees assured the committee that the Corporation would not engage in such activities in the future. However, this would not preclude the Corporation from cooperating with the States and project sponsors regarding permitting and licensing requirements associated with projects awarded financial assistance, provided any cooperative activities are consistent with the limitations in the Energy Security Act.

Fourth, the committee also received assurances from the nominees that the Board of Directors would turn early attention to proceeding with the award of financial assistance pursuant to last year's initial solicitation by the Corporation. It is the committee's judgment that the initial solicitation was conducted by the Corporation consistent with the provisions of the statute and congressional intent.

Additionally the committee received the assurance of the nominees that should any decision be made to undertake either a supplementary solicitation, or an amended solicitation, the Board of Directors would carefully tailor such action so as to preserve the validity of the initial solicitation and the standing of the 63 proposals currently pending before the Corporation. The committee and the nominees share the concern that any delay in the solicitation could equate to undermining the program. In this regard the committee received assurance from the nominees that the Board would move as fast as reasonably possible to complete the initial solicitation and award financial assistance.

Finally, the committee received assurances from the nominees that there would be a continuing dialog with the committee on the formulation of the Corporation's policies and practices. In particular the Corporation will consult with the committee on such matters as proposed project selection criteria, environmental and socioeconomic issues, organization of the Corporation, establishment of officers (including the possibility of a new chief operating officer), salaries for officers and employees, and administrative issues. Through such advance consultation it is anticipated that we can avoid the types of problems that arose due to some of the policies and practices of the previous Board of Directors.

Mr. President, during the hearings the nominees demonstrated to the committee their commitment to the goals and objectives of the Synthetic Fuels Corpo-

ration. On behalf of the Committee on Energy and Natural Resources, I am pleased to recommend Senate approval of the Presidential nominations of Victor A. Schroeder, C. Howard Wilkins, Victor M. Thompson, Jr., and Robert A. G. Monks to the Board of Directors of the U.S. Synthetic Fuels Corporation. I hope that immediately following confirmation and appointment of the Board of Directors, the Corporation can be declared fully operational.●

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

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

PRODUCT LIABILITY RISK RETENTION ACT OF 1981

Mr. BAKER. Mr. President, I have another item on the legislative calendar cleared for action on this side. I inquire of the minority leader if he is in the position to proceed to the consideration of S. 1096, the Product Liability Risk Retention Act of 1981.

Mr. ROBERT C. BYRD. Mr. President, the minority is ready to proceed.

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate Calendar Order No. 239, S. 1096.

THE PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 1096) to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes.

THE PRESIDING OFFICER. Without objection, the Senate will proceed to its immediate consideration.

The Senate proceeded to consider the bill which had been reported from the Committee on Commerce, Science, and Transportation with amendments, as follows:

On page 3, line 19, strike "until", and insert "before";

On page 6, line 1, after "process", insert the following: and, upon request, furnish such commissioner a copy of any financial report submitted by the risk retention group to the commissioner of the chartering or licensing jurisdiction;

On page 6, line 20, strike "within 30 days"; and

On page 10, strike line 7, through and including line 11, and insert the following:

SEC. 5. (a) The ownership interests of members in a risk retention group shall be—

(1) considered to be exempted securities for purposes of section 5 of the Securities Act of 1933 and for other purposes of section 12 of the Securities Exchange Act of 1934; and

(2) considered to be securities for purposes of the provisions of section 17 of the Securities Act of 1933 and the provisions of section 10 of the Securities Exchange Act of 1934.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That this Act may be cited as the "Product Liability Risk Retention Act of 1981".

DEFINITIONS

SEC. 2. (a) As used in this Act—

(1) "completed operations liability" means liability arising out of the installation, maintenance, or repair of any product at a site which is not owned or controlled by—

(A) any person who performs that work; or

(B) any person who hires an independent contractor to perform that work; but shall include liability for activities which are completed or abandoned before the date of the occurrence giving rise to the liability.

(2) "insurance" means primary insurance, excess insurance, reinsurance, surplus lines insurance, and any other arrangements for shifting and distributing risk which is determined to be insurance under applicable State or Federal law;

(3) "product liability" means liability for damages because of any personal injury, death, emotional harm, consequential economic damage, or property damage (including damages resulting from the loss of use of property) arising out of the manufacture, design, importation, distribution, packaging, labeling, lease, or sale of a product, but does not include the liability of any person for those damages if the product involved was in the possession of such a person when the incident giving rise to the claim occurred;

(4) "risk retention group" means any corporation or other limited liability association taxable as a corporation, or as an insurance company, formed under the laws of any State, Bermuda, or the Cayman Islands—

(A) whose primary activity consists of assuming and spreading all, or any portion, of the product liability or completed operations liability risk exposure of its group members;

(B) which is organized for the primary purpose of conducting the activity described under subparagraph (A);

(C) which is authorized to engage in the business of insurance either through chartering or by being licensed under the laws of any State or, before January 1, 1985, Bermuda or the Cayman Islands: *Provided*, That a group authorized in Bermuda or the Cayman Islands must also certify to the insurance commissioner of at least one State that it has met the capitalization requirements of such State;

(D) which does not exclude any person from membership in the group solely to provide for members of such a group a competitive advantage over such a person; and

(E) which is composed of members each of whose principal activity consists of the manufacture, design, importation, distribution, packaging, labeling, lease or sale of a product or products;

(5) "purchasing group" means any group of persons which has as one of its purposes the purchase of product liability or completed operations insurance on a group basis; and

(6) "State" means any State of the United States or the District of Columbia.

(b) The definition of "product liability" in paragraph (4) of subsection (a) of this section shall not be construed to affect either the tort law or the law governing the interpretation of insurance contracts of any State.

RISK RETENTION GROUPS

SEC. 3. (a) Except as provided in this section a risk retention group is exempt from any State law, rule, regulation, or order to the extent that such law, rule, regulation, or order would—

(1) make unlawful or regulate, directly or indirectly, the operation of a risk retention group except that the jurisdiction in which it is chartered may regulate the formulation

and operation of such a group and any State may require such a group to—

(A) comply with the unfair claim settlement practices law of the State;

(B) pay, on a nondiscriminatory basis, applicable premium and other taxes which are levied on admitted insurers and surplus lines insurers, brokers, or policyholders under the laws of the State;

(C) participate, on a nondiscriminatory basis, in any mechanism established or authorized under the law of the State for the equitable apportionment among insurers of product liability or completed operations insurance losses and expenses incurred on policies written through such mechanism;

(D) submit to the appropriate authority reports and other information required of licensed insurers under the laws of a State relating solely to product liability or completed operations insurance losses and expenses;

(E) register with and designate the State insurance commissioner as its agent solely for the purpose of receiving service of legal documents or process and, upon request, furnish such commissioner a copy of any financial report submitted by the risk retention group to the commissioner of the chartering or licensing jurisdiction;

(F) submit to an examination by the State insurance commissioner in any State in which the group is doing business to determine the group's financial condition, if—

(i) the commissioner has reason to believe the risk retention group is in a financially impaired condition; and

(ii) the commissioner of the jurisdiction in which the group is chartered has not begun or has refused to initiate an examination of the group; and

(G) comply with a lawful order issued in a delinquency proceeding commenced by the State insurance commissioner if the commissioner of the jurisdiction in which the group is chartered has failed to initiate such a proceeding after notice of a finding of financial impairment under subparagraph (F) of this subsection.

(2) require or permit a risk retention group to participate in any insurance insolvency association to which an insurer licensed in the State is required to belong.

(3) require any insurance policy issued to a risk retention group or any member of the group to be countersigned by an insurance agent or broker residing in that State; or

(4) otherwise discriminate against a risk retention group or any of its members: *Provided, however*, That nothing in this section shall be construed to affect the applicability of State laws generally applicable to persons or corporations.

(b) The exemptions specified in subsection (a) apply to—

(1) product liability or completed operations insurance coverage provided to—

(A) a risk retention group; or

(B) any person who is a member of a risk retention group; and

(2) any person who provides—

(A) product liability or completed operations insurance coverage;

(B) insurance related services; or

(C) management services to a risk retention group or member of the group.

(c) A state may require that a person acting, or offering to act, as an agent or broker for a risk retention group obtain a license from the State, except that a State may not impose any qualifications or requirement which discriminates against a nonresident agent or broker.

PURCHASING GROUPS

SEC. 4. (a) Except as provided in this section, a purchasing group is exempt from any

State law, rule, regulation, or order to the extent that such law, rule, regulation, or order would—

(1) prohibit the establishment of a purchasing group;

(2) make it unlawful for an insurer to provide or offer to provide insurance on a basis providing, to a purchasing group or its members, advantages, based on their loss and expense experience, not afforded to other persons with respect to rates, policy forms, coverages, or other matters;

(3) prohibit a purchasing group or its members from purchasing insurance on the group basis described in paragraph (2) of this subsection;

(4) prohibit a purchasing group from obtaining insurance on a group basis because the group has not been in existence for a minimum period of time or because any member has not belonged to the group for a minimum period of time;

(5) require that a purchasing group must have minimum number of members, common ownership or affiliation, or a certain legal form;

(6) require that a certain percentage of a purchasing group must obtain insurance on a group basis;

(7) require that any insurance policy issued to a purchasing group or any members of the group be countersigned by an insurance agent or broker residing in that State; or

(8) otherwise discriminate against a purchasing group or any of its members.

(b) The exemptions specified in subsection (a) apply to—

(1) product liability or completed operations insurance, and comprehensive general liability insurance which includes either of these coverages, provided to—

(A) a purchasing group; or

(B) any person who is a member of a purchasing group; and

(2) any person who provides—

(A) product liability or completed operations insurance, and comprehensive general liability coverage;

(B) insurance related services; or

(C) management services to a purchasing group or member of the group.

(c) A State may require that a person acting, or offering to act, as an agent or broker for a purchasing group obtain a license from that State, except that a State may not impose any qualification or requirement which discriminates against a nonresident agent or broker.

APPLICABILITY OF SECURITIES LAWS

SEC. 5. (a) The ownership interests of members in a risk retention group shall be—

(1) considered to be exempted securities for purposes of section 5 of the Securities Act of 1933 and for other purposes of section 12 of the Securities Exchange Act of 1934; and

(2) considered to be securities for purposes of the provisions of section 17 of the Securities Act of 1933 and the provisions of section 10 of the Securities Exchange Act of 1934.

(b) A risk retention group shall not be considered to be an investment company for purposes of the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.).

Mr. KASTEN. Mr. President, the Senate is now considering S. 1096, the Product Liability Risk Retention Act. On May 4, 1981, Senator PACKWOOD and I introduced this bill. Senator CANNON introduced an earlier revision of this legislation, S. 69, in January of this year.

The Risk Retention Act would facilitate the ability of manufacturers, wholesalers, distributors, and other product sellers to form self-insurance cooperatives. It accomplishes this goal by eliminating multistate insurance regulations

that are directed at large commercial insurers and are inappropriate for product seller self-insurance groups. Under the act, a group chartered or licensed in a State, Bermuda, or the Cayman Islands, can do business in all other States. The groups do not have to contend with multistate capitalization and other requirements.

On the other hand, the act protects the interest of the nonchartering States; it permits those States to collect revenue taxes and to protect the rights of claimants. The act also helps assure that the groups are adequately capitalized and engage in fair competition with commercial insurers.

Apart from facilitating the formation of product seller self-insurance cooperatives, the act enables product sellers to band together and purchase commercial product liability insurance on a group basis. That practice is currently forbidden in a number of States due to anti-competitive legislation called fictitious group laws.

Mr. President, this legislation involves no new Federal bureaucracy or expenditures.

The legislation does provide businesses—particularly smaller ones—with alternative means for insuring product liability risks. It will help assure that product liability rates and premiums are competitive. It will also help protect smaller and medium size businesses against a highly cyclical insurance marketplace. In the past, the marketplace has produced some erratic pricing and unavailability of coverage. This, in turn, has forced many businesses to go "bare" on product liability coverage.

From a policy standpoint, a dependable insurance mechanism is vital to the interests of both product users and sellers. This legislation resulted from an intensive study of the product liability problem by a Federal interagency task force chaired by the Department of Commerce. During the 96th Congress both the House and Senate held intensive hearings on the subject. The result of those hearings was to refine and develop the Risk Retention Act.

To date, over 200 organizations interested in the product liability problem, including product sellers, consumer groups, and trial lawyers, strongly support this legislation.

With the inclusion of certain language in S. 1096 modifying the period of time during which Bermuda and the Cayman Islands can charter groups, almost all remaining insurer opposition to the enactment of the bill has been withdrawn.

Mr. President, this bill is a good example of bipartisan cooperation. I want to thank the chairman of the Commerce Committee, Senator PACKWOOD for his scheduling this bill for early consideration by the committee. Also, I want to acknowledge the assistance given to me by the Senator from Nevada (Mr. CANNON) who has worked long and hard for passage of this legislation.

Finally, Mr. President, I want to thank Marilyn Richmond and Cindy Douglas of the Commerce Committee staff for their help. In particular, though, I want

to express my appreciation to Mike Mullen and Steve Halloway whose tireless efforts during the past 2 years helped make this legislation a reality.

In closing, Mr. President, let me say that this legislation is the first step in our efforts to achieve balance and equity in product liability. The Consumer Subcommittee which I chair, has already begun work on product liability law reform legislation—the next and, I hope, final step to achieving a resolution of this problem.

● Mr. NUNN. Mr. President, today I rise to join Senators KASTEN, PACKWOOD, CANNON, EAST, and RIEGLE in support of the Product Liability Risk Retention Act, S. 1096.

I, too, have joined in cosponsorship of this bipartisan effort to provide product sellers with relief from the high costs and uncertainties associated with the purchase of product liability insurance.

As ranking minority member of the Small Business Committee, I am pleased to add my name to this bill. I am confident its passage will benefit thousands of small- and medium-sized businesses which have been the hardest hit by the product liability insurance problem.

During the mid-to-late 1970's manufacturers, wholesaler-distributors, and other product sellers were confronted with difficult and uncertain insurance market conditions in the product liability area. Many were faced with substantial premium increases or policy terminations, while some could not obtain such insurance at any price.

The Senate and House Small Business Committee, both conducted lengthy hearings on this problem when it first developed. Due to the cyclical nature of the property-casualty insurance market, a return of these difficult conditions is probable.

The Risk Retention Act will make a substantial contribution to reducing the impact of changing market conditions on small- and medium-sized businesses. It will provide additional market underwriting capacity and encourage greater competition, insuring ample availability and realistic pricing of this crucial insurance protection.

Keeping in step with the times, the Risk Retention Act is a deregulatory solution. It requires no expenditure of Federal funds or unnecessary Federal intrusion, and eliminates the application of specific insurance laws and regulations where they are clearly not needed. Simply put, S. 1096 will provide the States with a framework for encouraging the formation of product liability group self-insurance or purchasing entities. The concept, when enacted, will be a highly attractive alternative insurance mechanism for small business.

Passage of this legislation by the Senate represents over 2 years of effort by product seller groups to develop a fair and equitable bill to all parties concerned. Special credit goes to Senators KASTEN, PACKWOOD, and CANNON for their efforts on the Senate Commerce Committee to develop this fine legislation. Their initiatives underscore their deep sensitivity to the needs and concerns of small business.

Their staffs also deserve mention for the many hours they have spent in refining S. 1096.

As a result of these collective efforts over 200 organizations representing over 1 million businesses now support S. 1096. Of these, most notably the National Association of Wholesaler-Distributors, the National Machine Tool Builders Association, the American Mining Congress, the National Association of Manufacturers, and the National Federation of Independent Business should be acknowledged for their determination to see this legislation through to its enactment.

The American Insurance Association, the National Association of Casualty and Surety Agents, and the Alliance of American Insurers must also be thanked for their constructive contributions to the development of a balanced bill. Finally, the National Association of Insurance Brokers, the Insurance Company of North America, and the Crum and Forster Insurance Companies should be congratulated for their early recognition of the value and need for this legislation.

It should also be added that the administration strongly supports S. 1096. Trial attorneys and consumer groups have also lent their support to this worthwhile legislation.

In summary, this legislation is an ideal beginning to resolving the product liability problem. The House has already passed the companion version of this legislation, H.R. 2120. All that remains is this vote. I commend this legislation to my colleagues and urge unanimous support.●

Mr. CANNON. Mr. President, I am pleased to speak in support of S. 1096 today. As a sponsor of S. 69, the first risk retention bill introduced in the 97th Congress, I fully support S. 1096 which incorporates all of the elements of S. 69, as well as an additional provision limiting the authority to obtain offshore charters in Bermuda and the Cayman Islands to the groups who have obtained charters before January 1, 1985.

This is appropriate. It will allow the States time to consider amending their laws.

I also support the committee amendments which will increase the authority of State insurance commissioners to monitor these groups' solvency and deter fraudulent activities which are helpful amendments that have been suggested by the insurance industry and other witnesses. I think they improve the bill.

Mr. President, when it was first considered last year, the bill provided for Federal chartering and Federal regulation of these groups. As I said then to a group of manufacturers, I was sympathetic to the need for creating new insurance options for product sellers. I was reluctant to create any new Federal regulatory authority or Federal expenditure if the need could be met some other way.

The bill we are considering today is totally consistent with my view that we avoid any new Federal regulation or expenditure and rely on existing State regulation, streamlined to address the spe-

cific needs for regulating these self-insurance groups.

This bill provides a much needed alternative solution to an immediate problem facing all product sellers today—the opportunity to secure protection against product liability loss at competitive rates.

Adoption by the State courts of new and expanded theories of liability has imposed a disproportionate legal burden on small businesses who find themselves exposed to enormous risk of loss with little or no means of obtaining competitively priced insurance protection against that risk of loss.

Sudden and dramatic increases in premium rates, inconsistently applied, have created a crisis for product sellers today insofar as their ability to absorb such increases. The alternatives heretofore available to the product seller have indeed been very bleak. One alternative, forced upon far too many product sellers, has been to do business without insurance protection. The consequences of such an alternative, both as to injured parties and as to product sellers, are so severe as to make this a totally unacceptable alternative.

Nevertheless, the product seller faces a significant availability problem with respect to obtaining protection against risk of loss. The real issue is not whether the product seller can obtain any insurance protection at all—but rather it is whether such insurance protection is competitively affordable.

Nonaffordability translates into non-availability for the product seller, especially the small businessman who has neither the resources to absorb the prohibitive costs of insurance protection nor the ability to pass these costs on in a competitive manner.

The Product Liability Risk Retention Act of 1981 provides an acceptable alternative to the affordability problem that is immediately available to those who need it most. It provides an opportunity for product sellers of all sizes to participate in a form of self-insurance on a group basis that will result in more competitive insurance protection costs that are more closely related to their particular form of operation and risk of loss.

The hills and valleys created by panic pricing and by inconsistent applications of ratemaking criterion will dissipate as competitive forces in the marketplace return. Product sellers will be assured of objective evaluations of risk and commensurate premium rates based on such evaluations.

S. 1096 is supported by over 200 national business organizations, including the National Association of Wholesaler-Distributors, the National Association of Manufacturers, the National Machine Tool Builders Association, the National Federation of Independent Businesses, and the Small Business Legislative Council.

The bill accomplishes its purposes without creating any new regulatory agency by utilizing the existing mechanisms of the State insurance departments.

This does not change under the Product Liability Risk Retention Act of 1981.

However, today a self-insuring group is required to comply with various State countersignature laws and to utilize a fronting company to do business in other States where requirements of minimum business longevity exist. Thus, such self-insurers must comply with the same regulation as a full line insurance company selling to the public. But, these self-insuring groups are not full line insurance companies selling to the public at large. Exacerbating the problem is that self-insuring groups composed of a small number of small businesses find it economically unfeasible to pool their resources because of this unnecessary regulation.

Instead, such companies that make up a self-insuring group are utilizing a mechanism for pooling their resources to meet a possible loss from a particular type of risk—product liability. In doing so, these companies are protecting not only their own resources, but also the rights of wrongfully injured parties to compensation. Under this bill, unnecessary regulation is removed, but necessary State regulation of the domicile is retained, and an opportunity is afforded for small companies to secure risk protection not consistently available to them on a competitive basis.

The small businesses who have been impacted so severely by the product liability problem need the immediate relief this bill can give them. I urge you all to support this proposal so as to provide that relief.

Mr. President, I would like to mention one other point. Section 3a(1) of the Product Liability Risk Retention Act of 1981 contemplates that State regulations applicable to association captives prohibiting a group from exposing itself to any loss on any one risk in excess of a certain percentage of its surplus will apply to risk retention groups. The control of the financial condition of the group is within the jurisdiction of the State insurance commissioner. This is consistent with the laws, regulations, practices, and procedures of the great majority of States.

Also a risk retention group is not authorized or permitted to participate in any State guaranty fund.

Finally, Mr. President, I want to express my appreciation to Senator KASTEN for recognizing the importance of this issue.

The House passed a virtually identical bill this week by voice vote with no apparent opposition. I hope it will receive the same strong support and approval by the full Senate. Many manufacturer, wholesaler, distributor, and retailer groups have worked with the insurance industry to perfect this bill. All of this effort has been helpful in developing a very good bill which has a broad consensus of support.

I urge its approval.

Mr. BAKER. Mr. President, I ask unanimous consent to indefinitely postpone Calendar Order No. 239 in order to take up the identical House bill which is at the desk.

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

Mr. BAKER. Now, Mr. President, I ask

that the Chair lay before the Senate the House measure.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2120) to facilitate the ability of product sellers to establish product liability risk retention groups, to facilitate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes.

Mr. BAKER. Mr. President, I ask that the bill be considered as having been read the first and second time and that the Senate proceed to the consideration of the measure.

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

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The bill is before the Senate and open to amendment. If there be no amendment to be offered, the question is on the third reading and passage of the bill.

The bill (H.R. 2120) was ordered to a third reading, and was read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

BICENTENNIAL OF WASHINGTON COLLEGE

Mr. BAKER. Mr. President, there is a resolution that I am prepared to ask the Senate to consider. I invite the attention of the minority leader to Senate Resolution 206, a Senate resolution marking the bicentennial of Washington College. I will inquire if the minority is prepared to proceed.

Mr. ROBERT C. BYRD. The minority is prepared to proceed.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 206, the resolution marking the bicentennial of Washington College.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 206) to mark the bicentennial of Washington College.

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. 206) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. Res. 206

Whereas Washington College is the first chartered college in the State of Maryland and the tenth chartered college in the United States; and

Whereas the Maryland Provincial Assembly did authorize the establishment of the Kent County Free School by law in 1723, creating

the visitors to supervise and operate such school; and

Whereas the Reverend Doctor William Smith, noted educator and clergyman, did become master of the Kent County School in 1780; and

Whereas by his energy and dedication did succeed in advancing the stature of that school thereby causing its student body to increase in numbers to such a degree that he encouraged the visitors of the Kent County School to petition the Maryland General Assembly to grant a collegiate charter to the Kent County School; and

Whereas General George Washington, Commander in Chief of the American Army, from his headquarters in Newburgh, New York, did give his consent to name the new seminary of learning Washington College; and

Whereas the Maryland General Assembly, on May 24, 1782, did enact legislation granting a charter to the visitors of the Kent County School, in the name of Washington College, in honorable and perpetual memory of His Excellency General George Washington, the illustrious and virtuous Commander in Chief of the Armies of the United States; and

Whereas George Washington did contribute the sum of fifty guineas as an earnest of his wishes for the prosperity of the seminary; and

Whereas George Washington did visit the college in 1784 at which time he signed his name as a visitor and governor of the college and in 1789 did accept the honorary degree of doctor of laws conferred upon him by the college; and

Whereas the college during its long history has been proud to bear the name of the founder of this country; and

Whereas through the years the college has prepared many men and women who later distinguished themselves in government, the ministry, business, law, medicine, and education; and

Whereas three Presidents of the United States in addition to George Washington have honored the college with visits to the campus, namely Franklin Delano Roosevelt, Harry S. Truman, and Dwight D. Eisenhower; and

Whereas numerous Governors, Senators, and Representatives of Congress have similarly honored the college; and

Whereas the visitors and governors of Washington College will set aside the academic year 1981 through 1982 to commemorate their two centuries of service to the State and Nation: Now, therefore, be it Resolved, That this body pay tribute to Washington College and congratulate the visitors and governors, the president and administration, the faculty and students, the alumni and all friends of the college for their long, devoted, and faithful commitment to excellence in American higher education.

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

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

The motion to lay on the table was agreed to.

RECORD OPEN UNTIL 5 P.M. TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that the Record remain open today until the hour of 5 p.m. for the insertion of statements and the introduction of bills and resolutions.

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

RECESS UNTIL MONDAY, SEPTEMBER 14, 1981

Mr. BAKER. Mr. President, I have no other business that I believe the Senate can transact today. I will inquire of the minority leader if he has other business that he wishes to present.

Mr. ROBERT C. BYRD. I thank the majority leader for his kindness, thoughtfulness, and courtesy. I have nothing.

Mr. BAKER. In view of that, Mr. President, I move, under the order previously entered, that the Senate stand in recess until the hour of 12 noon on Monday.

The motion was agreed to, and, at 4:37 p.m., the Senate recessed until Monday, September 14, 1981, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate September 11, 1981:

DEPARTMENT OF STATE

Langhorne A. Motley, of Alaska, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Brazil.

Richard F. Staar, of California, for the rank of Ambassador during his tenure of service as representative of the United States of America for Mutual and Balanced Force Reductions Negotiations.

OFFICE OF PERSONNEL MANAGEMENT

Loretta Cornelius, of Virginia, to be Deputy Director of the Office of Personnel Management, vice Jule M. Sugarman, resigned.

DEPARTMENT OF DEFENSE

James F. Goodrich, of Maine, to be Under Secretary of the Navy, vice Robert J. Murray, resigned.

IN THE AIR FORCE

The following officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. James V. Hartinger, xxx-xx-xxxx
FR, U.S. Air Force.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. James Arthur Williams, xxx-xx-x...
xxx... Army of the United States (brigadier general, U.S. Army).

IN THE MARINE CORPS

The following-named temporary officers of the Marine Corps for permanent promotion to the grade of major general, pursuant to title 10, United States Code, sections 5780 and 5791, or section 611(a) of the Defense Officer Personnel Management Act (Pub. L. 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable subject to qualifications therefor as provided by law:

James L. Day
David B. Barker
George B. Crist
D'Wayne Gray

Richard A. Kucil
Thomas R. Morgan
Ernest C.
Cheatham, Jr.

John V. Cox
John Phillips
Wesley H. Rice

Gregory A. Corliss
Harold G. Glasgow

The following-named temporary officers of the Marine Corps for permanent promotion to the grade of brigadier general, pursuant to title 10, United States Code, sections 5780 and 5791, or section 611(a) of the Defense Officer Personnel Management Act (Pub. L. 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable subject to qualifications therefor as provided by law:

Donald J. Fulham	Edwin J. Godfrey
Joseph E. Hopkins	William R. Etnyre
William H. J. Tiernan	Eugene B. Russell
Walter D. Fillmore	Donald L. Humphrey
John I. Hudson	William A. Bloomer
Anthony Lukeman	Paul D. Slack
Jacob W. Moore	George H. Leach
James R.	Hugh T. Kerr
Vandenelzen	Joseph B. Knotts
William G. Carson, Jr.	John H. Gary III
Lloyd W. Smith, Jr.	

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of major general under the provisions of title 10, United States Code, section 5902:

Kenneth W. Weir John B. Hirt

The following-named officers of the Marine Corps Reserve for permanent appointment to the grade of brigadier general under the provisions of title 10, United States Code, section 5902:

John J. Krasovich	Constantine Sangallis
Ronald K. Nelson	William H. Gosnell
John J. Saleses	

IN THE NAVY

The following-named temporary officers of the U.S. Navy for permanent promotion to the grade of commander in the line and various staff corps, as indicated, pursuant to title 10, United States Code, sections 5780, 5782, and 5791, or section 611(a) of the Defense Officer Personnel Management Act (Pub. L. 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable subject to qualifications therefor as provided by law:

Abbot, Charles	Armitage, Charles
Stevenson	Edmund
Abler, Ronald John	Armstrong, Douglas
Abraham, Michael, III	McLean
Ackerson, Jeffrey	Armstrong, Richard
Townsend	Carl
Affeld, Richard	Arnold, James
Lorman	Laurence
Airle, Jack Gibson, Jr.	Arzuaga, Miguel Jose
Alderink, James	Ashby, Gary Lee
Wesley	Ashford, Richard F., Jr.
Aldrich, James	Atkinson, Harvey
Hunter, Jr.	Eugene, III
Alexander, Samuel	Aunchman, Leman
John	John, Jr.
Allman, John Chelsea, Jr.	Austin, Gary Lee
Alvarez, Joseph Albert	Badger, Richard Lee
Ameel, Frederick	Baggett, Donald
Donald	William
Amerault, James	Ballie, James
Frederick	Matthew
Anderson, Gerald	Baird, Leo James
Barrett	Michael
Anderson, Jon Eric	Baker, William David
Andrews, Roger	Baldy, Mark Bernard
Marshall	Balling, Chris Mark
Aranyos, John	Bandy, Robert Frank
Richard	Bankert, Harlan
Arcari, Joseph Peter	Roland, Jr.
Arendt, Steven	Banks, Bruce
Maurice	Christian
Arey, Sheldon Craig	Bardsley, George Paul
Arje, Andrew Coulter	Barker, Joseph Henry, III
Arluck, Richard	
Michael	

Barkley, Stephen	Boennighausen, Roger
John	Paul
Barr, Richard	Bokesch, William
Wendell	Michael
Barry, Robert Francis	Bonewitz, Richard
Barry, Thomas Joseph	Frederick
Barstad, David	Booth, Gregory Seeley
Delano	Borich, Michael
Bartel, Edward	Stephen
Donald	Bostian, Richard
Bartholomew,	Massey
Glenn S.	Bouck, Dudley
Bartholomew, James	Charles
Clayton	Bourland, Harry
Bartley, Archie Lee, Jr.	Raymond, II
Batcheller, Oliver	Bowen, James Leroy
Alden	Bowers, William
Batcheller, Peter Lyon	Raymond
Bateman, James	Bowler, Roland
Harold	Tomlin E., III
Bates, George	Bowles, Hugh Conrad
Macnider	Boyce, Brian Francis
Bates, John C., Jr.	Boyd, John Stuart
Bates, Kenneth Scott, Jr.	Boyd, Robert Michael
Baughman, John	Boyer, Robert Frank
Douglas	Bradley, Richard
Baumann, Dennis	Joseph, Jr.
Clement	Brandenburger,
Beaird, Perry Wayne	Robert Bruce
Beal, Robert Everett	Branum, Richard
Beard, Irvin Edgar, Jr.	Cline
Beard, Timothy	Breglio, Robert
Robert	Anthony, Jr.
Beattie, David John	Brennan, Lawrence
Beaty, William	Michael, Jr.
Everett, III	Brennan, Neil
Beck, Andrew Conrad, II	Maxwell
Beck, Brent Webster	Brich, Robert Joseph
Becker, Frederick	Bridges, Wilbur E., II
Joseph, Jr.	Bright, Philip
Bedinger, Henry	Graham
James	Britton, Max E.
Beers, Charles	Broadhurst, William
Joseph, Jr.	Thomas
Beeson, Thomas	Broderick, Donald
Franklin	Joseph
Begbie, Albert Joseph	Brodsky, Robert Gray
Beinbrink, Jeffrey	Bronaugh, Welbourne
Robert	F.
Belden, William	Broome, William H.
Ellsworth, Jr.	Brown, Duane
Bell, James Keith	Lawrence
Bellamy, David B.	Brown, Gerald Allen
Bentson, David Allen	Brown, John Edward
Bentz, John Randall	Brown, Robert
Berg, Ronald V.	Douglas
Bergen, Laurence	Brown, Robert Lee
Mitchell, Jr.	Brown, Stanley
Bernard, Alan	Morton, III
Christian	Brownley, Lawrence
Bernard, Paul Leroy	Leroy
Berning, Ronald	Bruner, Michael Glenn
Charles	Brunson, Richard
Bettinger, Robert	Alan
Gene	Bryant, Franklin
Betts, Craig Robert	Simons
Blen, Lyle Gene	Bryant, Gary Ward
Bier, Gary Lanar	Brydges, Richard Ross
Bill, David Spencer, III	Bubeck, Richard
Biller, Charles John	Bailey
Birchmier, Charles	Buchanan, Charles
Orland	Cecil, Jr.
Bird, Walter Dennis	Buchanan, Richard
Birkmaier, William B., Jr.	Alan
Bixler, Paul Woodruff	Bucher, Lawrence
Black, Harold David	Charles
Blankinship, Leslie	Buck, Robert
Scott	Maynard, Jr.
Blocksom, Roland	Buckingham, James
Daly, Jr.	Robert
Bloyer, Stanley Frank	Buckley, Gerard
Bodenweber, William	Francis
Kneer, Jr.	Beuge, Paul Stephen
Bodie, Jeffrey George	Bulkeley, Peter Wood
	Bullock, James Walter
	Bunch, Gerald
	Douglas
	Bunton, Ray Lincoln

Burch, John Charles	Cavanaugh, Francis
Burchell, Charles	Patrick
Richard	Chamberlain, Martin
Burger, James Carl	Lewis
Burgess, Kenneth	Champe, John E.
Charles	Chance, Logan Orin
Burggren, Peter	Chandler, Thomas H.
Charles	Charest, Jerry Russell
Burhans, Nicholas	Chase, Robert
Pegau	Winslow
Burke, Jerome Joseph, Jr.	Cherry, Michael
Burkhart, James	Everett
Richard, II	Chicoline, Rene
Burnett, Roger Allan	Joseph
Burnett, William	Chiprany, Thomas
Howard	Andrew
Burns, Joseph David	Chown, Donn Melvin, II
Burns, Joseph Michael	Christensen, Paul
Burns, Kenneth	Elliot
Edward	Christopher, Angelus
Burns, William	Demetri
Robert, Jr.	Church, David Earl
Burrow, Barry Valle	Clark, Bartlett Lee
Butler, George	Clark, Richard Allen
William	Clarke, Joseph Dallas, IV
Butterfield, Richard	Clarke, Wayne A.
Stanley	Cleal, Stephen Roger
Butterworth, Robert	Clinton, John William
Martin	Clothier, Thomas
Buttinger, James	John
David	Cloyes, Robert
Byrd, William Joseph	Dagwell, Jr.
Cahill, William Henry	Cochran, Deford
Caldarella, Rocco J.	Eugene
Caldwell, Ellis Alton	Cohen, Jay Martin
Calhoun, William M.	Colley, Donald Vernon
Callaghan, James	Collins, James
Michael	Patrick
Callahan, Patrick	Collins, Martin Kevin
Anthony	Collins, Wendell Roy
Calnan, Gary Stephen	Colvert, Robert Gary
Cameron, Robert	Combs, Robert
Bruce, Jr.	Meredith
Campbell, Darrell W.	Comer, Joseph
Campbell, James	Scotcher
Graham	Conley, William
Campbell, Jay Alan	Henry, Jr.
Campbell, Robert	Conn, George
Boon	Richard Werner
Campbell, William H.	Connell, Hugh
Canady, Brent Arnold	Douglas, II
Candler, David	Connell, Jack
William	Peterson
Cannon, Arthur B.	Cook, James Ballou, II
Capute, Joseph	Cook, Jon Leslie
Robert	Cook, Larry Larue
Carbone, Nicholas	Coon, James Maynard
Daniel	Coovrey, Donald Paul
Carey, Edwin Fenton, Jr.	Copeland, William
Carlson, David	Winston, Jr.
Samuel	Corcoran, Gerald J.
Carlson, Edward	Cordell, Jeryl William
James	Corry, Vincent Henry
Carlson, James	Coughlin, James
Robert	William
Carlton, Kenneth	Council, George S., Jr.
Marvin	Courts, David Paul
Carr, Terry Alan	Cover, Martin Luther, III
Carroll, Charles Lee, II	Covington, Donald K., III
Carroll, James	Cox, Mariner Garnett
Norman	Crabtree, Carlton
Carter, William	Pierce
Campbell	Crahan, Gary Michael
Caruso, Michael	Craig, Billy Jack, Jr.
Jerome	Craighill, John
Carver, William	St Clair
Earnest, Jr.	Craine, John Wilbur, Jr.
Case, Gary Richard	Creighton, John
Cash, Ted E.	Oliver
Casner, Stephen	Crenshaw, William
Bruce	Robbins, Jr.
Cassat, Gary I.	Cripe, Paul Lynn
Castle, William	Criss, Nicholas R., III
Kenneth, Jr.	
Castor, Ralph	
Johnson, Jr.	

Crociata, Joseph Philip	Doane, Robert K.	Faison, Charles Carey	Fritz, Gerald Wayne	Gumbert, Ronald Derwood, Jr.	Hendrix, Royal Felix, III
Cronyn, Brian Sullivan	Dodds, Victor Eugene	Fallen, David Lee	Fuentez, Raymond Marques	Gurick, Gerald Anthony	Henry, Gary Roy
Crosby, Dennis Allen	Dolson, Richard Charles	Fallon, William Joseph	Fuller, Robert Thorpe	Gwinn, William Herbert	Hensley, James Maurie
Cross, William V., II	Donaldson, Paul Howard	Falls, James Sidney	Gabber, Wilhelm Martin	Habel, Paul Grimmer	Herranen, Peter Andres
Crowell, Gary Dean	Donat, Winfield, III	Fantauzzo, Richard Alan	Gabriel, Charles Andrew	Hack, Theodore Walter	Herrera, Henry Francis
Crowley, Jarrett Hunter, II	Donnelly, Robert Jennings	Farber, Donald Joseph	Gabrielson, Dale Elard	Hackathorn, Dennis George	Herrington, David Lynn
Cruser, Peter Jesse	Donnelly, Walter Patrick, Jr.	Farlow, Michael James	Gaffney, William Alan	Hahn, Richard A.	Hester, William Glen
Crutchfield, James C., III	Donnelly, William Michael	Farrell, Patrick Francis	Gagne, Gregory Michael	Haley, James Richard	Hewett, Leslie Wilsdon, Jr.
Cummings, Ronald Anthony	Doran, Walter Francis	Farrell, Richard Kenneth	Galbraith, Donald Edward, II	Haley, Mark Christopher	Hewitt, Frank Floyd
Cummings, David Lee	Doroshenk, Theodore	Farver, Richard Kevin	Galvin, James Joseph	Halley, Elmer John, Jr.	Hewlett, Holden Willets
Cunningham, Randall Harold	Douglas, Charles Owen	Fears, John Aaron	Garcia, Larkin Enos	Ham, Edward Everett, Jr.	Hiatt, Douglas Grant
Current, Max Christian	Dove, Curtis Ray, Jr.	Feichtinger, William Michael	Garnar, George Edgar	Hammond, Rayford Earl	Hickok, John Howard
Currie, Michael Pateson	Downing, Donald Allen	Felsinger, Richard Cox	Gary, Michael Anthony	Hand, James Michael	Highfill, Henry Mitchell
Curtis, James Albert	Doyle, Hugh Joseph	Felt, Robert Yocum	Gates, Christopher Gleason	Hanley, Paul Windsor	Hill, Roger Benton
Curtis, Stephen Edward	Drake, John Oliver, Jr.	Felty, Joseph William R.	Gautier, William Kirten	Hanley, Wayne Richard	Hill, William Frederick
Cushman, Charles Whitacre, Jr.	Draper, John Joseph, III	Fenn, Richard George	Gay, Robert George	Hanratty, William John	Hills, Norman Anthony
Cwikinski, Stanley Francis	Dries, David Irwin	Ferrell, William Morgan	Gebeaux, Robert Joseph	Hansell, Paul Jerome	Hinkle, James Bruce
Dabbieri, Peter Vincent, Jr.	Driscoll, John Robert, Jr.	Ferriter, Nicholas Mark	Gehr, Thomas Rue	Hansen, Frederick Douglas	Hinman, Thomas Theodore
Dadson, James Barker	Driscoll, Joseph Edward, Jr.	Feld, Michael Edward	Gehrman, Fred Herman, Jr.	Hanson, J. Patrick	Hoberg, Raymond John
Dahlinger, Frank W.	Dryer, Ross E.	Field, John Randolph, Jr.	Gelsmar, Donald David, Jr.	Hanson, Jeffery Wayne	Hodge, Jerome Brownlee
Dall, James Allen	Dudley, Scott Bruce	Fielder, John	George, Harold Wayne	Hanson, Robert McDonald	Hodson, Paul Raymond
Dalley, Donald Charles	Duffy, James Michael	Fielding, Harvey George	Gerhardt, Robert Ross	Harbeson, Richard Finucan	Hofer, Eric Llewellyn
Dale, Louis Benard, Jr.	Duffy, John Francis	Fifer, Richard Michael	Gertz, Wayne Harvey	Harford, Joseph Leo	Hoffman, Phillip Stewart
Daughtry, Joseph Sutton, Jr.	Dufresne, William Francis	Figueras, Raymond James, III	Giardina, Thomas Joseph, II	Harnes, James Joseph, Jr.	Holbrook, Robert Scott
Davidson, Gary Paul	Dulin, James Evans	Finch, David Charles	Giblin, James Francis, Jr.	Harp, Jerry Wayne	Hollan, Francis Kevin
Davie, Clinton William	Dullaghan, William Edward	Findley, Joseph Herbert, Jr.	Giles, Donald Allen	Harrison, Chester Flynn	Holk, Frederick Arthur, Jr.
Davis, Charles John, Jr.	Duncan, John Hollis	Finl, Wallace Paul	Giles, Wayne Houston	Harsanyi, William Stewart	Holl, Stephen Trygve
Davis, David William, III	Duncan, Robert Nelson	Finley, Thomas Francis, Jr.	Gillard, James Henry	Hart, Joseph Edward, Jr.	Hollender, Edmund Victor
Davis, Ernest Lamont	Dunn, Ivan Max	Finney, David Haley	Givens, Todd Williams	Hartnett, James Thomas	Holt, James Stephen
Davis, Joseph Warren	Durgin, Harlan Michael	Fisher, Dwight Douglas	Gladman, Dennis St. Clair	Hartsell, Harry Winfred	Holzappel, Jon David
Davis, Kenneth James, Jr.	Dutton, Hubert	Fitzgerald, John Stephen	Glanzman, Denman Paul	Hartung, Timothy Ryan	Honeycutt, Anthony Ogburn
Davison, John Warner	Langston, Jr.	Fitzgibbons, Thomas Arthur	Glerum, Michel Dennis	Hartwell, Charles Michael	Hoover, Joseph Giles
Dawson, Gerald Hill	Dvorak, James Anthony	Fitzpatrick, John Louis	Glevy, Daniel Francis	Haskins, Michael Donald	Horne, Robert Jackson
Dawson, Larry Eugene	Eaton, Paul Nealon	Flanagan, Richard James	Glover, James Redd, Jr.	Hatcher, Douglas Carlton	Hornor, Timothy Francis
Deal, Leonard Joseph, Jr.	Eberle, Daniel Joseph	Flegel, Kenneth Christian	Gnerlich, Charles Henry	Hattin, Robert Leland	Horst, Gary L.
Dearth, Lawrence Charles	Eckart, James Edward	Fletcher, Bennie Lyle, III	Gooding, Leroy Alvert	Hawk, William Howard	Hough, James Arthur
Decker, Peter Brennan	Eckler, Joseph Francis	Floyd, Anthony, III	Gordon, Ian Scott	Hawkins, Robert Baran	Houser, Robert Edward
Decker, Thomas Richard	Ekland, Gary John	Foltz, Stanley Charles	Gordon, John Howard	Hawthorne, Robert Earle, Jr.	Howe, Daniel Bo
Degrug, Charles Monroe	Ellington, James David	Foote, Jerry Lynn	Gorman, Joseph Daniel	Hayes, Timothy James	Howell, Buford
Delear, Denis Walter	Ellis, Charles Eugene	Ford, Thomas Joseph	Gottschalk, Glenn Fredric	Hayes, William S.	Howitt, James Francis
Demarino, Thomas Vito, Jr.	Ellis, James Oren, Jr.	Fowler, Ormond Craig, Jr.	Gouslin, William Adelbert	Hearn, Robert Vernon	Hoxie, Stephen Sanders
Demarse, John Purchase	Ellis, Michael Alden	Fraim, Thomas Stewart	Gracie, David Leo	Heaton, Joel Brion	Hubbs, Phillip Malcolm
Dengler, Frank Gavin	Ellis, Thomas Christopher	France, Robert Timothy	Gragg, Richard Vernon	Hedderon, Thomas Michael	Huber, Paul Mikel
Denigro, Joseph Richard	Emery, Robert Hugh	Franklin, Ronald Edward	Graham, Edward, IV	Hedger, Bernard Joseph	Hudson, Gerald Peter
Dennis, Patrick Joseph	Engel, Ronald Allen	Franson, William Eric, Jr.	Grandon, Raymond Arthur, Jr.	Hefkin, Donald Clark	Hudson, Warren Putman
Denton, Richard Jackson	Engle, Robert Allen	Frantz, James Joseph	Gravatt, Brent Leigh	Heldner, James Charles	Huffman, Thomas Bartlett
Derocher, Paul Joseph, Jr.	English, Robert Hugh	Frantzita, Anthony Michael	Gray, Stephen Vern	Hellig, William W., Jr.	Hughes, James Leonard
Devall, Roger Ronald	Erickson, Paul Robert	Fraser, Donald Ross	Gray, Will Phelps	Heinemann, Alfred George, III	Hughes, Kirby Edmondson, II
Dewar, Dorel James, Jr.	Ernst, Larry Lee	Frederick, Georgie Ray	Green, Jon Noel	Helsig, Alan Louis	Hulse, Richard Louis
Diamond, Emil Richard, Jr.	Erskine, John Roger	Frederick, Jeffrey Con	Green, Thomas Frederick	Helsin, Francis Kenneth, Jr.	Hulsey, William Jamie
Diel, Harry Allen	Eshleman, Donald Eugene	Freeman, Floyd Eugene	Greenamy, Richard Doyle	Henderson, Joseph Kee	Humphreys, Alvin Norman
Dilks, Robert Warren	Eubanks, Thomas Irvin	French, Timothy Allen	Greenwell, William Manly	Hendrickson, Dean	Humphreys, Thomas Blake
Diman, William Louis	Evans, Kirk Eden	Frick, Kenneth Edwin	Gregory, Cletis, Jr.	Hendrickson, Dean	Hunt, Andrew William, Jr.
Dinkel, Robert Edward, Jr.	Evans, Samuel Hall	Friese, Laurence Victor	Griffin, David Moss	Moffet, Jr.	Hunter, Gerald Franklyn, Jr.
	Ashley, IV	Fritsch, Curtis Paul, III	Griffin, Henry Newbold	Hendrickson, Larry John	Hunter, William Carroll, Jr.
	Evert, Richard Downey		Grove, John Axtell, II		
	Ewing, Ward Hubert		Guarino, Kenneth Robert		
	Eysenbach, Karl		Gulfoil, Thomas Patrick		
	Faber, Douglas Everett				
	Faddis, Walter Huston				
	Fahey, John Michael				
	Fairchild, Lawrence Vernon				

Hurst, Errol Ray
Hutcheson, Thomas M., Jr.
Hutchinson, Thomas Gerald
Idlinga, William
Ihlenfeld, David
Lawrence
Inman, John Philip
Ireland, Dennis Wayne
Ireland, Robert Louis
Isban, Michael
Andrew
Iselin, Robert
Arthur
Isert, Eugene
Shelley
Jaccard, Michael
Dandridge
Jacka, Alan Wayne
Jackson, Earl Joseph
Jacobs, Frederick
Thomas
Jacobs, Gerald Keith
Jacobs, James Clark
Jaeger, Richard
Joseph, III
James, Gary Douglas
Jankovic, Oleg
January, Paskell
Dean, Jr.
Jewell, Charles
Norman
John, William
Harrison
Johns, Raymond
Stanley
Johnson, Donald
Howard, Jr.
Johnson, Edward
Randolph
Johnson, Jay Lynn
Johnson, Jerry Lee
Johnson, Jerry Lee
Johnson, Paul Niels
Thornton
Johnston, Bruce Alan
Johnston, Richard
Howard, III
Johnston, Thomas
David
Jonas, Michael Peter
Jones, Albert Donald
Jones, Arthur
Dewayne, III
Jones, Charles
Ernest, III
Jones, David Morgan
Jones, Edward
Michael
Jones, James William
Jones, John Patrick
Jordan, Robert
Lucius
Joslin, Leslie Allen
Joy, Ernest
Harriman, II
Joyce, James Emory
Joyce, William J., Jr.
Judd, Steven Edward
Julian, Benjamin
Eugene
Jullihn, Lawrence
Sumner
June, John Philip
Jurcheck, John Clark
Kainer, Edward Lester
Kaiser, Larry Lee
Kane, John Edward
Kanive, Paul Edward
Kannegieser, Andrew
Anthony
Kapernick, Robert
Edwin
Kappel, Leslie George
Kauffman, Gordon
Eddie
Kauffmann, Carl
Francis
Kaufhold, Francis
Frederick

Kearney,
Michael Erwin
Keef, Mark Byron
Keefe, Richard Lee
Keegan,
Lawrence Thomas
Kelser, Ronald Lee
Keller,
William Cotesworth
Kelley,
Michael Bernard
Kelly, Harold Wayne
Kelly, John T.
Kelly,
Lawrence Michael
Kelly,
Robert Bolling, Jr.
Kelsey, Robert Joe
Kent, Melton Travis
Kent, Thomas Richard
Kerr, Peter James
Kesson,
Charles Edmund, II
Kickhofel,
George Charles
Kidd,
James Stark L., Jr.
Kieley,
John Joseph, III
Kincaid,
Joseph Durwood
Kincheloe,
James Wilson
King, W. O., Jr.
Kinney, James Claude
Kish, Robert Alan
Klahr, Owen Allen
Klimchak,
Andrew John, Jr.
Kline,
Edward Marvin, Jr.
Klinkhamer,
David Joseph
Knappe,
Douglas George
Knott, Gerald Wayne
Knowles,
Robert Thomas
Kobyk,
Nikolai Slate
Koch, Patrick Peter
Koopman, Theodore
Korbet, Michael
Thomas
Kowalchik,
Sergei Michael
Kowalik,
Stephen Joseph, Jr.
Kozuch,
Bernard Stanley
Kraft,
Charles Merle, Jr.
Kramer, Steven Barker
Kreft, Robert John
Krol, Joseph John, Jr.
Krubsack,
Robert Louis
Kuhn,
Richard Charles
Kupka,
Stephen Gregory
Kuykendall,
George Ira, Jr.
Labo, Larry Glynn
Labrecque,
Robert Joseph
Lackey, Terry Carter
Lakari, Robert Ewald
Lamon, Thomas Ide
Lang, Robert Earle
Lang, Ronald J.
Langbehn,
Craig Allan
Langknecht,
John Marshall
Lareau,
Jerome Philip
Larson, Keith Howard
Larson,
Robin Cameron
Lash, William Joseph

Lasswell, John Deane
Lauzon, Gilbert Paul
Law, Charles Edward
Lawhorn, Robert
Martin
Lawless, John Martin
Lawson, Dunbar, Jr.
Lawson, Peter Gray, II
Lawver, Allen Eugene
Lear, George Barrett,
Jr.
Leddy, William
Randall
Lee, Gary Lawrence
Lee, Lynden D.
Lee, Robert Edward
Lehman, Brian Leroy
Leo, Charles
Rhinelander, III
Leonard, Fred Parker,
III
Leonard, Robert
Emory
Lesley, Ronnie Joseph
Leslie, John Carlton,
Jr.
Lester, Edwin
Thatcher
Letter, Stephen Paul
Leverette, Ronald
Stewart
Lewis, James Crawford
Lewnes, Christopher
Lichtenwalter, James
Edward
Lightstone, Robert
Martin
Lindfors, Bo Gottfrid
Liner, Bennice Lee
Lingo, Dennis Roy
Lipfert, Ralph Hall
Lockwood, Bruce
William
Loeffler, Stephen
Robert
Lohden, Frederick
Charles
Long, Peter Avar
Chipman
Loop, David Everett
Lopacinski, James
Michael
Lorenz, William F.,
III
Love, Glendel Devon
Love, Jimmy Ray
Lovelady, David
Eugene
Lowell, Robert Leroy,
Jr.
Loy, Marvel Henry, Jr.
Lubenow, Richard
John
Ludwig, Frederic
George, Jr.
Lundahl, David
Carlton
Lundberg, William
Dennis
Lutes, Thomas Earl
Lynch, Lynn Morris
Lyons, John Joseph
Lyons, John Thomas,
III
Lyons, Joseph Eugene,
Jr.
MacDonald, Douglas
Murray
Mach, Raymond
Joseph, Jr.
Mackenzie, Donald
Kenneth
MacNeill, Kent Van
Lewis
Macomber, Jonathan
Day
MacPherson, George
William
Madden, Lewis Dot

Madden, Thomas
Francis
Mahew, William
Edward, Jr.
Mahlistedt, Paul
Williams
Mall, Alan Davison
Malloch, Douglas
Clark
Mann, John Edwin
Marcely, James Albert
Marfiak, Thomas
Fletcher
Markley, Daniel Craig
Marks, Norman Alfred
Marnane, Michael
Joseph
Maroon, Jerry Wayne
Marquez, Octavio
Jimenez
Marshall, Gregory
Sarver
Martin, Jack E.
Martin, Michael Dean
Martin, Port R.
Martin, William
Charles
Martineau, Paul
William, Jr.
Martinek, Charles
Allen
Martinsen, Larry
Gene
Martus, Michael
Frederick
Marvel, Dennis C.
Marzetta, Dante
Rudolph, II
Mason, James
Rutledge, Jr.
Massicot, William
Harvey
Masters, Quentin
Steward
Mattioda, Ronald Lee
Mattis, David William
Matton, Michael
Nevett
Mattox, Walter
Charles, Jr.
Mayer, Martin J.
Maynard, James
Devere
Mayo, Richard Walter
Mazza, Joseph Dennis
McArthur, Donald
Mack, Jr.
McCallister, Michael
Alan
McCarthy, William
J., IV
McClendon, Robert
Pierce, Jr.
McComas, Jon Philip
McConathy, Donald
Reed, Jr.
McCracken, William
Lowell
McCraith, Laurence
Paul
McCrary, Michael
Shannon
McCulloch, Edward
Archie
McCullough, Carl
Preston
McCullough, Van Lee
McCumber, Ralph Ray
Jr.
McCurdy, Philip Dean
McDaniel, Edwin
Ralph
McDaniel, Garold
Stephen
McDonald, Gerald
Warner
McDonald, Jerry
Ralph
McDowell, Elmer Jay

McGann, William
Henry III
McGaughey, James
Wilbur, Jr.
McGinlay, Thomas
Charles Joh
McGinnis, Stephen
Jack
McGovern, Patrick
Daniel
McGuffey, Artie Taft,
Jr.
McHatten, James
Thomas
McKay, Ludwell
Howard
McKenney, Edward
Anthony
McKinney, Ronald
Lewis
McKinnon, Clark
Davis
McLaughlin, Charles
Wayne
McLean, Michael
Anson
McMahon, John
Patrick
McMahon, John
Sherman, Jr.
McManamon, Vincent
Michael
McPherson, Thomas
Lee
McQuiston, Michael
Kerry
McWhorter, John
Douglas
Meade, Richard James
Mears, Allen Kennard
Mears, Michael
Lawson
Meler, Michael
Arthur
Meloney, Michael
Bruce
Merickel, Michael
Relly
Merkel, Sherman
John, Jr.
Mero, Kenneth
Messina, Edward
Frederick
Michna, Kenneth R.
Migrala, Walter M.,
Jr.
Miles, Robert James
Millard, Warren
James
Miller, Bruce Martin
Miller, Gary Wayne
Miller, Randall
Harold
Miller, Roger Lee
Miller, Ronald Dean
Miller, William Cole,
III
Millward, John
Emery
Minor, Donald
Anderson
Mitchell, Anthony
Edward
Mitchell, John T.
Mitchell, John
Thomas
Mitchell, Theodore
Arnold
Mitschang, George
William
Mittendorf, Gerald
Ernest
Mobley, Joseph Scott
Mockford, Martin
David
Moffat, Michael
Edward
Moldenhauer, Ernest
W., Jr.

Mollet, Robert
Edward
Monaco, Anthony
Victor
Monk, Carl Warren,
Jr.
Monroe, Jerry Melvin
Montgomery, Richard
Lewis
Montgomery, Samuel
Adair, III
Moore, Billy Gene
Moore, Gregory
Rayfield
Moore, Richard
Warren
Moore, Thomas Weller
Moore, Timothy Blair
Morgan, Donald
Leroy
Morris, Ralph
Richard
Morris, Raymond
John, Jr.
Morris, William
Dudley
Moser, Robert
Dayman
Muccia, Daniel
Richard
Mueller, Frank
Albert, Jr.
Muldoon, Patrick
Michael
Munger, Edmund
Colby
Murphy, Arthur
Vincent
Murphy, James Leroy,
III
Murphy, Patrick
Murray, Richard
Scott
Murrell, Douglas
Monroe
Mushen, Robert
Linton, II
Myers, Roger Edwin
Myslivy, Guy Edward
Nanos, George Peter,
Jr.
Natter, Robert Joseph
Neal, Basil Edward,
Jr.
Nebiker, Ralph
Robert
Nelma, Arthur
David
Nekomoto, David
Selji
Nelson, Dwayne Hugh
Nelson, Lauren
Ernest
Nelson, Lawrence
William
Nesbit, Thomas Burns
Nesbitt, Howard
Wayne
Neville, Thomas J.
Neville, William
Joseph, Jr.
Nichols, Loring
Buttrick
Nicholson, Samuel
Thorne
Nick, John Irvin
Nick, Louis Adolph,
Jr.
Nisbet, Robert Earl
Noble, Russell Lee
Nordean, David Less
Nordgren, Robert
Carl
Nordman, Robert
William
Norman, Ronald
Wayne
Norris, William
Leland
Norris, William Lloyd,
Jr.

Norton, Arthur Easton	Peter, Leo Edwin, Jr.	Qurollo, James Victor, Jr.	Ross, Alan Lawrence	Scott, Robert Peter	Sollenberger, Robert
Nosal, Leonard Jerome	Peters, Robert K.	Raaz, Richard Dean	Ross, Paul Davidson, Jr.	Scott, William Raymond	Travis
Nosco, Robert Gene	Peterson, Arne Maurice	Radican, William Walter	Rossing, Bruce William	Sears, Everett Edwin	Solomon, William
Nunno, Thomas	Peterson, Gordon Irwin, Jr.	Rahn, Donald Frederick	Roth, Milton Dudley, Jr.	Sears, Jay Allen	Emert, Jr.
Oates, John Scott	Peterson, John Walter	Ralston, Michael Gilbert	Rouse, Francis Clare, Jr.	Sears, Scott Lowrie	Sommers, Thomas Andrew
O'Brien, Michael F.	Pfaff, George Leland	Ramsay, Robert Lee, III	Rowe, Donald	Sego, Thomas Edward	Sorce, Anthony Michael
O'Connell, Donald Douglas	Pfeiffer, Charles Gregory	Rankin, Charles Robert	Rowland, Charles Brett	Seider, Michael Stephen	Sosnick, Andrew Peter
O'Connor, Joseph Michael	Pfizenmaier, Larry David	Rankin, Robert Eugene	Rud, Gilman Everett	Sell, John Christian	Southgate, Gregg Vanremmen
Ogle, John Lee, Jr.	Phelan, Joseph Francis	Rawson, Warren Addison, Jr.	Runyon, William Eills	Senft, Milton Leroy Clark, Jr.	Spahr, Otto William, III
O'Grady, James W., Jr.	Phillips, Glenn Patrick	Raysbrook, Charles Frank	Ruppel, Jack Clyde Louis	Sexton, Theodore Covert	Spayd, Steven Howard
O'Hearn, Michael Steven	Phipps, Jeffrey Richard	Reass, Richard Martin	Russell, Bayard W.	Shannon, James Okey	Speakman, Glendon Caldwell
Ohlert, Edward James	Phoebus, Ronald Wayne	Reed, Maynard Martin	Ruys, Ronald Ernst Ryan, James	Shaw, Herbert Bramwell III	Spears, Oliver Kelly, III
Ohnemus, Donald Pierre	Pickavance, William W., Jr.	Revenaugh, John Timothy	Ryan, Jerry Robert	Shaw, Robert Earl	Speed, Danny Lee
O'Keefe, Thomas Stephen, Jr.	Pierpont, Peter Stewart	Reynolds, Felix Michael	Ryan, John Roy	Shaylor, Stanley Russell	Speed, James Guy
Oliver, James Hillman	Pigoski, Thomas Max	Reynolds, Tom Hunter, Jr.	Ryan, Norbert Robert, Jr.	Sheedy, Patrick Tucker	Speilbring, Daryl Carlton
Olmstead, Allen John	Pinz, Bradley Adkins	Rice, Marvin R.	Ryon, Roger Lynn	Sheddy, Patrick James, Jr.	Spengel, Michael Francis
Olsen, Arthur Emanuel	Piper, Jack Lee	Rice, Theodore L.	Sabatini, Joseph Francis	Sheffield, Terry Randolph	Spikes, Clayton Henry
Olsen, Curtis Wayne	Pisz, Robert John	Rich, John Shipley	Sadauskas, Leonard	Sheldon, John Trevor	Stakel, Robert Wallace
Olsen, Sven Ivar	Pitman, Edgar L.	Richards, Jesse Morgan, III	Sadler, Richard Thomas	Sheldrick, Ralph Carroll	Standley, Cecil Edmond
Oltraver, Dennis Allen	Piwowar, Thomas Michael	Richards, Robert Roger	Saffell, Charles Raymond, Jr.	Shellenberger, Wilmont N.	Stanley, David Ian
O'Malley, John Francis	Place, Cameron Bradford	Richardson, Arthur Fields	Safley, Gordon Wayne	Shelton, Leonard George, Jr.	Stanley, Robert Ray, Jr.
Osborn, Kenneth Eugene	Plante, Robert John	Richardson, Murriel L., Jr.	Sage, Fred Walter, III	Shepard, Peter Atwood	Statskey, Paul Robert
Osburn, Vernon Richard	Ploeger, Robert Bowers	Richardson, Robert Lamar	Salinas, Daniel, II	Sherer, Wesley Michael	Steiner, Clifford
Oser, Eric Leroy	Plummer, David Morris	Richardson, Terry Allen	Samuels, Michael William	Sherlock, James Carter	Sterling, Stoughton, III
Osiecki, Arthur Eugene	Pocklington, Thomas Philip	Richey, Daniel Otto	Sanders, Robert Tracy	Sherman, Marshall Robert	Stevens, David Michael
O'Steen, Michael Dale	Polk, Albert Sidney, III	Richmond, Steven Allen	Sanders, Thompson Edward	Sherman, Michael Terry	Stevenson, Robert William
Osterhoudt, Robert Russell	Pollard, Don Pearson	Ries, Kenneth Lee	Sandoz, John Frederick	Sherman, Christopher	Stewart, John Christopher
Ostertag, Marc Alan, II	Pomberg, John Albert	Riley, Charles William	Sansom, Edward Lee	Sherman, William Cole	Stewart, William Cole
Osthelmer, William L.	Poniatowski, Tadeusz Stefan	Riley, Michael Dean	Santoro, David J.	Shewell, Daniel John	Stillmaker, William James
Overton Christopher Grasset	Pope, David Lawless	Ringwood, Paul	Sargent, David Putnam, Jr.	Shick, John Charles	Storwick, Richard Allen
Overton, John C.	Porter, Charles Wayne	Rist, Austin Michael	Savage, Wayne Franklin	Shields, Joseph Carl	Stout, Charles Lawrence, Jr.
Owens, Gregg Ouray	Porter, Gary Ray	Rittenour, Harry Taylor	Scalzo, John Carmine	Shipe, Edwin Evan III	Stoutamire, Stoney Lester
Palmer, Burdette Allan, III	Porter, Joel Alan	Roach, Charles Alan	Scango, Patsy Donald	Shive, Clifford L., Jr.	Strada, Joseph Anthony
Parker, Edward William	Porter, John Collier	Robb, Warren Alan	Schaefer, Robert C.	Shong, John William, Jr.	Strawn, William Wesley, Jr.
Parker, Jimmy Wayne	Porter, Thomas John	Robb, William Stewart, Jr.	Schalk, William Henry	Shumadine, William Albert	Street, Ernest Laverne
Parker, Joseph Webster, Jr.	Potter, John Everett, II	Robbins, Charles Bruce	Schantz, Curtiss William, Jr.	Sigler, John Fleet	Singler, Charles Walter
Parrish, John Michael	Powell, James Milton, Jr.	Robbins, Thomas Farnsworth	Schee, David Robert	Simoneaux, Donald Carlton	Siverling, Robert Charles
Parsons, Dennis I.	Prester, Mark George	Roberts, Frank Stewart, II	Schiller, Frederick Conrad	Skaar, Gerhard Erling	Skinner, Thomas R.
Paschall, Jack, III	Pribula, Stephen Matthew	Roberts, Malcolm William	Schimml, Carl Wesley, III	Skuoch, Albert Paul, Jr.	Skroch, Albert Paul, Jr.
Patch, David Alan	Price, Leland Herbert	Robertson, Terry Gene	Schlein, Paul Barron	Slaasted, Richard Michael	Sullivan, James David
Patton, Bernard Warren	Prisaznick, David Louis	Robinson, Charles Leon	Schmidt, William Wallace	Slatery, Michael Gerald	Sullivan, Donald Lee
Paul, Thomas Walder	Proctor, Kenneth Allen	Robison, Thomas Steven	Schmitt, William Marvin	Smiley, Michael Charles	Sullivan, George Thomas, Jr.
Payne, John Scott	Prout, James Gregory, III	Rockwell, John Hobart, III	Schneider, Edward Thomas	Smith, Connor Lynn	Sullivan, James David
Pear, Willard Francis	Prusaitis, Gerald Joseph	Roland, John Rogers, Jr.	Schneider, Ronald Dale	Smith, Harry Lindley, Jr.	Sullivan, Michael James
Peck, Jeffrey A.	Purhonen, Steven Carl	Rollen, Claude Terence	Schoch, William Leon	Smith, James Harvey Lawrence	Sullivan, Timothy John
Pelce, Gregory Neil	Pursley, Robert Earl, III	Rollins, Richard Edward	Scholl, Clifford William, Jr.	Smith, Michael John	Sumnick, John Michael
Pelaez, Marc Yve Eugenio	Putnam, William L.	Romanski, Paul Arthur	Schottle, Robert Allan	Smith, Raymond Charles, Jr.	Surdyk, Michael Gene
Pelensky, Mark	Pyetzki, Charles Melvin	Roop, William Arthur	Schuhl, James C.	Smith, James	Sutton, Mahlon Robert, II
Penfold, Robert Rockhill	Queen, Stephen J.	Rosedale, Burgess Eugene	Schuster, Michael Anthony	Smith, Lawrence	Svensen, Michael Roy
Penque, Charles Westervel, Jr.	Quigley, Michael Dennis	Roser, James Henry, Jr.	Schwikert, Frank Donald	Smith, Michael John	Swaggart, Kenneth Wayne
Percival, Robert Clayton	Quigley, Stephen Timothy, Jr.		Scott, Richard Tazewell, Jr.	Smith, Ronald Ernest	Swentek, Francis Martin
Pergler, Robert Armstead	Quinn, Neal Albert, Jr.			Smith, Thomas H.	Taylor, Edward J.
Perkins, Thomas William				Smith, Tracy William	Taylor, Malcolm Palmer, Jr.
Perrin, Clifford Stephen				Snyder, John William	Tedford, Timothy Wallace
Perrotta, Joseph William, Jr.				Snyder, Luther William, Jr.	Temme, Robert Lee, Jr.
Perry, Albert Kevin				Snyder, William Thomas D.	Tennant, Donald Alan
Pester, James Leroy					
Pescko, David Adam					

Terrill, Thomas Joseph	Waggoner, David Thomas	Wikstrom, Raymond Melvin	Wood, Stephen Carl	Richmond, Billy Ballard, Jr.	Stamm, John R.
Tessada, Enrique Augusto, IV	Wagner, James Aubrey	Wilks, Robert Edgar Williams, David Michael	Wood, William Allison Woodall, Stephen Russell	Rodriguez, Alexander Rudolph	Tarquino, Thom Augustus
Tetrick, Edward Leslie	Wagner, Lynn Taylor	Williams, Gregory Bruce	Woodson, Walter Browne, III	Rogers, Jerry Ray	Tien, Shih Hui
Thomas, Mack Allen, Jr.	Wahlig, Leonard Otto	Williams, Jack Bercaw, Jr.	Woolard, Richard Trusty P.	Scanlon, Thomas Sylvester, II	Vanmeter, Quentin Lee
Thomas, William Newton	Walker, Bill	Williams, James Thomas	Wooldridge, Francis Rust	Schneider, Gerald Lane	Wagner, William Jordan, Jr.
Thompson, Jerry Arnold	Walker, David Mathieson	Williams, John William, Jr.	Woolrich, Raymond Dudley	Selbel, John Edward	Williams, David Lawrence
Thompson, John Ralph	Walker, Robert Joseph	Williams, Thomas Johns, Jr.	Worthington, Richard Ogle	Shackford, Steven Robert	Withers, Benjamin F., III
Thormeyer, Carl David	Walls, William Hammond	Williams, Thomas Ryland	Wright, Clinton Ernest	Shimer, Gary R.	Wulfsberg, Eric Alan
Thornton, Gary Lynn	Walsh, David Francis	Williams, Francis T., Jr.	Wright, John Richard	SUPPLY	
Tickle, Harold Joseph	Walton, William Linwood	Williamson, Robert Charles J.	Wright, Peter Warren	Allega, Timothy James	Joshua, Edward Raymond, III
Tillman, Donald N.	Ward, Chester Douglas	Wilson, John Franklin	Wrynn, John Patrick	Allen, Daniel William, Jr.	Kamel, Mohsen Karosich, James Charles
Tilson, Paul Evans, Jr.	Ward, Paul Charles	Wilson, Wayne Bruce	Wyatt, James Colquitt, III	Allen, Dennis Jean	Keller, Frank Boyd
Tilton, Ronald William	Warner, Carl Dean	Wire, Keith Raymond	Wyman, Bruce Dana	Barnes, Frank	Kinsey, Joseph William
Timmons, David Richard	Warren, Edward Ola	Wirzburger, Allen Henry	Yakeley, Jay Bradford, III	Barnett, Orlando Tyrone	Kowalski, Fred W.
Tinkel, Terrence Lee	Wasowski, Walter Michael	Wise, Cletus Floreese	Yarbrough, Earl C.	Battersby, Richard Wayne	Kurz, Robert Raynor
Tobin, Roy W.	Wasowski, Douglas Harold	Witt, George S.	Yasutome, Kenneth Kiyoshi	Benbow, Robert Thomas	Libby, Kurt William
Toone, James Joseph	Wasson, Gary Clinton	Witt, Theodore Carl William	Yockey, James William	Biel, Jeffrey Donald	Lynn, Gary Dexter
Touve, Bruce Norman	Waterman, Steven George	Witt, Theodore Carl William	York, Gerald Lee	Bray, Richard Lee	Mantonya, Robert Raymond
Transue, Michael John	Waterman, William Lloyd	Wittenberg, Robert Ralph	York, Russell Clayton	Carstanjen, Jan Hendrick	Marlin, Frederick Russell, Jr.
Trautman, Kurt MacGregor	Watson, David	Woerner, James Paul, Jr.	Zahalka, Joseph Harold, Jr.	Carstens, Delbert Kenyard	Marx, Paul Thomas
Trels, Robert Enlow	Watts, James Anthony	Wolf, Edward James	Zettie, Charles Emerson	Chase, Dana Chester	McCurdy, Jeffrey Horace
Tritten, James John	Webb, Stephen Louis	Wolfgang, Earl Dale	Ziller, Gay Marlon, Jr.	Clements, Charles Cecil, III	McInnis, Roger Eugene
Trotter, Richard Lee	Weber, Robert Sycks	Woltz, David Ralph	Zuch, Ronald Charles	Cohan, Lawrence Louis	McMeans, Edwin Walter
Troy, Thomas Gerald, Jr.	Webster, Kirwin, Shedd	Wood, Bruce V.	Zucker, Clayton George	Collette, Robert Lloyd	Monahan, David Wilson
Truesdell, William Clare, Jr.	Weeks, Floyston Allan	Wood, Kenneth Arthur, Jr.	Zvacek, Robert Dale	Conradteberlin, Viggo Paul	Moore, Beryl Grant
Trumbower, Glenn Curtis	Weeks, Robert Allen	MEDICAL CORPS	Zveare, Dennis Leeth	Crognale, Stanley Joseph, Jr.	Nelson, Ronald Charles
Tryon, Frank Harold, Jr.	Wehry, Allen Craig	Alexander, Arvin Herbert		Dexter, Stephen Thompson	Nordwall, Marvin Raymond
Tuck, Charles Marion	Weinberg, Kenneth Paul	Anderson, Barbara Gene	Judice, Donald Joseph	Edgerton, Donald Kenneth	Ott, Gene Franklin
Tucker, Gerald Duane	Welch, James Taylor	Anderson, Brian Cornell	Kalres, Pamela Ann	Flakes, Donald L.	Parks, Michael Blake
Tulloch, Allan Wiley	Weller, Philip Baxter	Bakshi, Satbir Singh	Kane, Andrew J.	Gardner, Everette Shaw, Jr.	Pollock, William Jay
Turner, Dean	Welsh, James Edward	Bartley, Tony C.	Lake, Robin Michael	Garner, Darrell William	Printz, Stephen Carl
Turner, Guy Foster, Jr.	Wetly, Robert William	Bayne, Cary Gresham	Lewis, William James	Gibson, John Justin	Ramelli, Daniel Steven, III
Turner, Horatio Whitridge, IV	Wendt, Terrell Jay	Bina, William Frank, III	Lloyd, Bruce Kerr, III	Hanson, Maurice Dale	Ray, Larry Clay
Uelses, John Hans	Wesh, Francis Reid	Block, William A.	Mabee, Thomas Michael	Harris, Timothy L.	Robuck, Charles Henry
Uhrle, Richard James, Jr.	Westbygibson, Peter Barry	Caballero, Reynaldo V.	Martin, John Owen, Jr.	Haugen, Steven Carl	Schechter, Kenneth Alan
Uhrin, John Joseph, III	Westerbuhr, Norman Lee	Cantwell, Danny V.	Marzluff, Joseph Michael	Hendricks, Ross Franklin	Scudi, John Turner
Uplinger, Leon Joseph	Westmoreland, Michael Neal	Chellappa, Christian-and Arulb	McMeekin, Hayne Douglas, Jr.	Holley, Dewey Arnold	Smith, Rene Allen
Upton, Thomas George	Whalen, Daniel Patrick	Choe, Moogil	McNeal, Richard Mabbott	Hoyt, Charles Arny, III	Souza, John Edward
Urbanek, Keith Arlen	Whatley, James Wade	Cohen, Irving Mathew	Melarangno, Anthony Joseph	Humes, Larry Frank	Sullivan, Michael Patrick
Urbik, Lawrence Walter	Wheeler, Howard Alvin	Cummings, Nicholas Allen	Mitas, John Albert, II	Ireland, Dennis Wayne	Townsend, David Alvin
Valley, Bruce Leon	Wheeler, William Richard	Dalner, Paul M.	Mitchell, Stephen Alexander	Jaudon, James Elton, III	Utter, James Henry Grant
Vanderpoel, Eric, II	White, Allen Hardin, Jr.	Dean, Norman Arlon	Mullen, Barry Lee	Jenkins, Evan Richard	Velte, Duane Robert
Vanderwest, James Robert	White, Craig Cameron Lynn	Everhart, Charles William, Jr.	Murphy, Michael Kenneth	Jenson, Ronald Lee	Vroman, Richard Donald, Jr.
Vansaun, David	Whitehouse, Theodore Wayne	Fawcett, William Arthur, IV	Murray, Gwinn	Jepson, Francis Edward, Jr.	Williams, Edward Leo, III
Vansickle, Garth Allan	Whittemore, Michael Alan Nye	Fay, James Edward	Nelson, Robert Carl, Jr.	Jones, James W.	Wilson, Richard Davis
Vasquez, Frank Xavier	Wied, Edwin Milton, Jr.	Felter, Robert Allan	Newton, Jerry Albrecht	Jordan, Robert Richard	
Verhoef, Thomas Tymen	Wielandt, Frederick Moore	Fitzsimmons, Michael Arnett	Obagi, Zein E.		CHAPLAIN CORPS
Vidrine, David Matthew	Wiese, Clifford Allen	Garretson, John Forbes	O'Donnell, Theodore Francis	Apple, James Lewis	Drake, Carl Emerson, Jr.
Vinson, John Emmanuel	Wiggins, Joseph Lambert, Jr.	Garrigues, Ned William	Otero, Lewis	Benedum, Thomas J.	Ferraro, Joseph Anthony
Vivian, Williams Charles	Whitehouse, Theodore Wayne	Gillette, Shelby Linwood, Jr.	Paganbagan, Rafael Amador	Boyd, James August	Goss, Ervin Leonard, Jr.
Vogt, Peter Dixon	Whittemore, Michael Alan Nye	Goad, Robert Frank	Parsons, Ward Chester, III	Burt, Michael Floyd	Grove, John Wesley
Volkman, George Charles, II	Wied, Edwin Milton, Jr.	Govin, Gerald Gerard	Peterson, Richard Boyd	Carroll, Vincent Wayne	Gryga, Theodore
Volland, Karl Ferdinand, Jr.	Wielandt, Frederick Moore	Gregory, Douglas Blair	Peterson, Timothy J.	Connor, Robert Matthias	Harper, Rhodes Wayne
Vonsuskil, James David	Wiese, Clifford Allen	Harman, Richard Lee	Ponhold, Sieghart Hans	Cook, Gerald Lee	Horne, Lawrence Rexwell, Jr.
Voshell, John Eugene	Wiggins, Joseph Lambert, Jr.	Holden, James L.	Quinlan, Michael Francis	Dagnoli, Albert James	House, John David
Votava, Charles Frank III		Holden, Richard Theodore	Ramos, Remigio M.	Dendulk, Donald E.	James, Willard Lewis
Waddell, Ronald Dallas		Hunt, Clyde McCoy, Jr.		Deramus, David Tillman	

Kibble, Herman Loris
Latty, Allan Robert
Leis, Edward Charles
Malorana, John
Marsden, Thomas
Charles
McManus, William
Griffis, Jr.
O'Connor, Gerald
Coman
O'Connor, James Paul
Patrick, William Lee
Peterson, Jay Dean
Prendiville, Edmund
Reidy, Robert Paul
Robertson, Carey Ellis

CIVIL ENGINEER CORPS

Bankert, Frederick
Ball, III
Bivins, Joseph Powell
Bone, Talbot Wade
Brown, Richard
Eugene
Brown, William David
Corcoran, Anthony
Edward
Cottingham, John
Richard
Dean, Hilbert Dwayne
Falke, John Whelan
Fisher, William
Grayson, Jr.
Franz, John Peter
Gelbel, Bruce Burgee
Harrison, Lloyd, Jr.
Hatter, William Hood,
Sr.
Heath, John Emery
Hoff, Michael Leroy
Hoyt, Ronnie Allan
Hughes, Duncan
Stuart
Johnson, Allan
William
Jones, Lloyd Kenneth
Laurance, Richard
Bruce
Leech, John Geoffrey
Lehman, John August
Lines, Richard Alden

JUDGE ADVOCATE

Blake, Donald
Freeman
Boorman, James
Albert, III
Clum, John Peter
Engstrom, David
Lennart
Goldberg, Michael
Mendel
Grant, Harold Eric
Green, Michael
Pruette
Greiveldinger,
Geoffrey
Griffin, Michael Airey
Guy, David Ansley
King, Richard Glen
Larson, David Charles
Lindberg, Ernest T.
Little, Harvey Edward
Llewellyn, Adam K.
Milliken, Jon Chancy

DENTAL CORPS

Anderson, Dennis
Warner
Barton, Thomas Peter
Beaver, Geoffrey Hood
Boyer, Thomas Joseph
Brunhofer, Robert
Andrew
Coleman, Carl James
Cook, Gary Gordon
Dever, Craig Bress
Fitch, David Ross
Fraleigh, Edward
Magruder
Frank, Robert J.
Gordon, Glen Reid
Graf, George Herbert

Malley, Stephen
William
Monaco, Edward A., Jr.
Morley, Jerry Eugene
Moyer, Gary Neal
Myers, Ernest Peter
Peak, George
Thomas, III
Peterson, James
Leonard
Richardson, Bryan
Leigh
Rocha, Theodore
Everett
Rodden, Jeffrey
William
Sheinbein, Fred Elliot

MEDICAL SERVICE CORPS

Ackley, Paul Nelson
Bailey, John William,
II
Brady, James Arvid
Brant, Robert Henry
Brubaker, Ralph
Wesley
Buckley, William
Michael
Campbell, Robert
Eugene
Chappell, Wendell Leo
Chitwood, Carl Steven
Coolbaugh, James
Cameron
Cooper, Thomas
Michael
Coward, Paul Ray
Creahan, David
Joseph, Jr.
Daniel, Paul Edwin
Dickens, Timothy
Holland
Ehlert, George J.
Elzy, Robert Lee
Fisher, David Howard
Freed, Stanley H.
Frost, Alan Walker
Galley, Charles
Bernard
George, James David
Graham, Bruce W.
Hall, Charles Edwin
Hamm, Melvin Neal
Hopkins, Robert
Frank
Husted, Stanley Ross
Hyde, Noel Alfred
Lamdin, Jay Marshall
Littlefield, Judith
Hiller
Loos, Ernest James
Maples, John Allen

NURSE CORPS

Austin, Stuart R., Jr.
Baker, Carolyn Marie
Baker, Delord Jean
Blosinski, Elizabeth
Rose
Bohn, Randolph
Joseph
Clifford, Betty Jean
Corboy, Mary
Cornelia
Cords, Marvin Dale
Crist, Margery
Weitzel
Feris, Mary Margaret
Finley, Frances Lee
Griffith, Joanne
Simon
Hamilton, Dortha
Carolyn
Harris, Marina June
Hildebrand, Carol
Thorson
Holman, Diane M.
Jacobsen, Jayne
W. M.
Kondash, Anna Marie
Krauser, Sheila Ann

Simkovich, John
Joseph, Jr.
Smith, Timothy
Shelburne
Snell, Byron Elwood,
Jr.
Sorensen, Jon Arthur
Tabacco, Michael J.
Tarquino, George
Joseph
Turner, Johnnie E.
Waytena, James
Richard
Weiner, David Eugene
Widlak, Ronald Adam
Wright, Thomas
Gridley

The following-named temporary officers of the Naval Reserve for permanent promotion to the grade of commander in the line and various staff corps, as indicated pursuant to title 10, United States Code, sections 5783, 5791, 5911, and 5912, or section 611(a) of the Defense Officer Personnel Management Act (Pub. L. 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable subject to qualifications therefor as provided by law:

Line

Abbott, Alfred
Elisha, Jr.
Algermissen, Joseph
Henry, Jr.
Ashford, Ervin Alvin
Aune, Steven Donald
Banks, Martin
Luther, III
Birzer, Norman
William
Bock, James Lincoln
Cadenazzi, Michael
Paul
Campbell, Horace
Julian
Carbary, Forrest Rand
Carson, Cary Drake
Chamberlain, Glenn
B.
Childers, Clement
Scott
Chilton, Robert
Eugene
Clark, James D.
Colucci, Robert
Joseph
Craig, David Lowell
Creighton, Larry
Donald
Crowley, John
Charles, Jr.
Crum, James
Lawrence
Ditto, Charles
Francis
Duncan, Larry Lee
Elchorn, Robert Peter
Estes, William Ralph
Feller, Rainer
Forrester, Joseph G.,
II
Foss, Larry Bryon
Gagin, Robert Carmer
George, Thomas C.
Graber, Stanley Dean
Hampe, Walter R.
Hankel, Johnny
William
Hargis, David
Lawrence
Harris, Oscar
Ingram, Jr.
Hayden, Daniel F.
Henderson, Leon Coy
Howard, John D.
Huml, Vincent
Gustav
James, James Edward

MEDICAL CORPS

Abary, Alexander
Villasana
Adman, Raymond
Lance
Apthorpe, John R.
Arayata, Concepcion
Romero
Beck, Bruce David
Bennett, William E.
Berlinger, Norman
Thomas
Bliss, Donald Lee
Bottomy, David P.
Brooks, Viola Pataki
Brotherton, William
D. III
Broughton, Warren
Lewis
Bulota, William Reed

Jenkins, Eddie Lee
Keith, Stephen
Thomas
Kelly, William
Vaughn
Kraus, George
William
Krough, Carl Walter
Kuchinski, John
Gerald, Jr.
Letcher, Jerry Lee
Mayfield, Lynn Carter
McMorrough, John D.
Medulan, John Joseph
Merritt, Hardy L.
Miller, David William
Mortensen, Ivan Jed
Moyer, Homer
Llewellyn, Jr.
Mumby, Morice Odell,
Jr.
Navickas, Richard G.
Nichols, Nick Eugene
Ozbirn, James S.
Palmer, Timothy Gale
Parnell, Harold R., Jr.
Patten, Leo G.
Peek, Kenneth
William
Preiss, Paul Whalen
Ramsey, Larry Ross
Robinson, William
Ralph
Schultz, Arthur
Victor, Jr.
Scully, Thomas J.
Segur, Don Walter
Simonson, Scott T.
Spangler, John Henry
Swift, Frank Richard
Tansky, William
Joseph
Taylor, Gary Windsor
Threlkeld, Walter
Fred, Jr.
Trandal, David
Warren
Tucker, Charles
Clayton
Vincent, Nelson L.
Voss, Richard Carl
Walsh, Robert E.
Woodfield, Jeffrey R.
Young, Joe Morris
Zilinsky, Thomas J.
Zinger, David
Ransford

Dresser, Thomas Purinton	Hierlwimmer, Ulf Rainer	Mace, Samuel Veirs	Rafanan, Manuel O.
Dsouza, Aloysius Francis	Hoffman, Harry Pitts, Jr.	Macht, Steven Daniel	Raval, Narendrakumar M.
Duhaylungsod, Toribio M.	Holohan, Thomas V.	Malstrom, Robert Helmer	Rodning, Charles Bernard
Erwin, Carol M.	Horn, John Russell	Means, James F.	Rodriguez, Bella Roxas
Evans, David R.	Hyder, Ghouse Syed Jayne, John	Menon, Padman Achutha	Schroeder, Robert Walter
Faber, Myron Morris	Lawrence, Jr.	Miller, Ronald H.	Seagle, Finley Alexander
Felr, Alan Navarro	Joern, Albert Terry	Miremadi, Arjang Kamjani	Serate, Tersito Sabaduquia
Foley, Richard Walter	Joswig, Bill Chester	Morte, Paul David	Sohn, Steven Samuel
Forth, David S.	Jung, Byung II	Moy, Eng W.	Spitz, Luis Fernando
Francisco, Eduardo	Kennedy, Harold Lee	Moyer, David B.	Splinter, Raymond J.
Gatmaitan	Kent, Roderick Sidney	Muldong, Estelita T.	Stern, Lewis James
Gambone, Joseph C.	Killian, Gary McVay	Natale, William Kenneth	Stock, Richard J., Jr.
Georges, Theodore Nickolas	King, Monroe James	Nimlos, John Edward	Supnet, Benbrigido M.
Gerrardgough, Brodie	Kragh, Gero Spencer	O'Donnell, James Kevin, Jr.	Supnet, Leonora Defante
Giroux, Arthur Steven	Kun', Martin Datung	Orejudos, Benjamin Corpuz	Swank, Michael
Goeltsch, Robert Eduard	Kunkler, James Robert	Panganiban, Rudy	Tidball, John S.
Griffiths, Richard Craig	Kurzbach, Elmar	Park, Gregory P.	Tuason, Olivia Alcantara
Grunert, George McCloy	Kusic, Gregory Rudolph	Patel, Tha'orbhal	Tuason, Plato Alcantara
Gutierrezdelgado, Edmundo A.	Lai, Kang Jeh	Gordhanbha	Umfrid, Richard Paul, III
Hamrick, John Douglas	Lake, Michael Henry	Patterson, John Frank	Vasquez, Nora de Leon
Hanna, Mary M.	Lang, Richard Gordon	Peddicord, Clifford R.	Vielbig, Roger Edward
Hardman, Jane McWilliams	Latimer, William Eugene	Peniston, Reginald Le Roy	Villegas, Remigio C., Jr.
Harrell, Donald Pierrepont	Lin, Fang Ling Hsu	Peterson, Wilbur Robert	Wei, Wellington
Hayhurst, Edward	Loh, Nora Patrizia	Petway, Joseph Keill, Jr.	Cheng Hsiang
Guerard	London, Barry Ellis	Phelan, Jeffrey Patrick	Weiss, Fred H.
Henderson, Peter Louis, Jr.	Lopez, Virgilio Dizon	Pyle, Robert Bradford	Welliver, Gary Evan
	Lozner, Jerrold Stanley		Widman, Larry Allen
	Lunetti, Thomas Louis		Yaldia, Ramon
			Young, Walter C.

SUPPLY CORPS

Callaghan, James George
Glance, Kenneth W., Jr.
Kalbfleisch, Larry Leroy

JUDGE ADVOCATE GENERAL'S CORPS

Dunlap, John Frederick

DENTAL CORPS

White, Dan R.

CONFIRMATIONS

Executive nominations confirmed by the Senate September 11, 1981:

U.S. SYNTHETIC FUELS CORPORATION

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, vice Frank Savage, resigned.

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 (new position).

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, vice Joseph Lane Kirkland, resigned.

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 (new position).

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.