

HOUSE OF REPRESENTATIVES—Monday, September 14, 1981

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God Almighty, Creator of Heaven and Earth, may Your breath of life touch and strengthen all who turn to You for sustenance. May Your Spirit lift us when we fail, forgive us when we transgress, encourage us to do right, and accompany us through all the moments of good times and bad. Though we admit we too often turn away from Your truth and leading, You never turn from us. For this continued love and renewal that we experience each new day, we offer this our word of praise and thanksgiving. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 2120. An act 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; and

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.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 859. An act to amend mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes.

HOUSE CONCURRENT RESOLUTION 163, NATIONAL STRATEGY OF PEACE THROUGH STRENGTH

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, I rise to speak in favor of House Concurrent Resolution 163 which asks the Con-

gress to adopt a national strategy of peace through strength. This statement reminds the world of the U.S. resolve to live in genuine peace while preserving the integrity of the free world. Seven State legislatures have adopted this resolution, including my home State of Kansas.

Mr. Speaker, it is important for the United States as the leader of the free world to demonstrate a real willingness to oppose Soviet expansionism throughout the globe. Soviet leadership has continually flaunted international law in recent years with direct and indirect intervention in Afghanistan, the Horn of Africa, Indochina, Central America, and the Middle East. The Soviet military buildup, which has reached record proportions, threatens all free people militarily, politically, and economically. This activity must be halted.

I urge my colleagues to support House Concurrent Resolution 163.

INTEREST RATES

(Mr. McCURDY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCURDY. Mr. Speaker, yesterday, the interest rate on home loans issued by both the Farmers Home Administration and the Veterans' Administration rose to an incredible 17½ percent. That represents a 4-percent increase since the beginning of the year.

It also represents the final clamp on the housing industry in my district and surely, those of my colleagues. High interest rates have closed down the construction of new homes all across the country.

More importantly, the prospect of young people ever securing a home loan has become a distant dream much like the President's distant dream of 8.9-percent interest rates in 1982.

Those homebuilders and potential homebuyers were among the small businessmen, farmers, and Government employees I spoke with during a visit to my district last March. I asked each of them if they believed, like the President, that the prime interest rate would drop to 8.9 percent by early 1982.

Almost unanimously, they rejected such a forecast as too unbelievable.

I would like to suggest today that these hard-working Americans showed more economic savvy in the early days of this administration than the President's closest advisers.

Perhaps Mr. Stockman would do well to walk a few Main Streets in Oklahoma.

REVOLUTION NEEDED IN DEFENSE THINKING

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, we need a revolution in defense thinking even greater than the Reagan revolution in defense rhetoric and defense spending. The weekend decision to avoid internal defense budget cutting is an even bigger mistake than the earlier social security proposals. If President Reagan and Secretary Weinberger will not cut the defense budget decisively, then the Congress will have to do that job for them.

The current Pentagon proposals for defense budget cuts represent the same tired old game. We currently cannot win any major war with the Soviet Union on the Eurasian Continent. None of the current increases in defense spending change that reality.

Secretary Weinberger's plan, in fact, simply makes defeat slower and more expensive.

It is vital that we send a message from the House and from the other body that this Congress will demand a revolution in defense structure, defense planning, and defense thinking, as well as an increase in defense spending.

PERFORMANCE OF SECRETARY WATT

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, since the appointment of James Watt as Secretary of the Interior Department, it has become increasingly obvious that Mr. Watt does not plan to take what I like to call the "balanced approach" to resource management.

As president and chief legal officer for the Mountain States Legal Foundation, Mr. Watt established a reputation as a spokesman for development interests and his firm intervened in a number of cases involving leasing and exploitation of wilderness areas.

Mr. Watt has moved quickly to dispel hopes for moderation at Interior. He has stated that he intends to allow oil and gas production in wildlife

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

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

refuges and wilderness areas; he opposes the acquisition of additional parklands; and he has opened offshore areas to oil and gas leasing that the previous administration had wisely excluded, including tracts off the coast of California.

Mr. Watt's apparent disregard for the interests of future generations is not compatible with the long-time U.S. policy of effective land management. I urge President Reagan to curtail Mr. Watt's environmentally wasteful habits and balance America's resource budget.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. McCURDY). Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on the motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall vote, if postponed, will be taken on Tuesday, September 15, 1981.

AUTHORIZING A BUST OR STATUE OF MARTIN LUTHER KING, JR., TO BE PLACED IN THE CAPITOL

Mr. HAWKINS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 153) authorizing a bust or statue of Dr. Martin Luther King, Jr., to be placed in the Capitol.

The Clerk read as follows:

H. CON. RES. 153

Resolved by the House of Representatives (the Senate concurring), That the Joint Committee on the Library is authorized and directed to procure a bust or statue of Dr. Martin Luther King, Jr., and to cause such sculpture to be placed in a suitable location in the Capitol as determined by the Joint Committee on the Library.

SEC. 2. Expenses incurred by the Joint Committee on the Library in carrying out this concurrent resolution, which shall not exceed \$25,000, shall be paid out of the contingent fund of the House on vouchers approved by the chairman of the joint committee.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California (Mr. HAWKINS) will be recognized for 20 minutes, and the gentleman from Georgia (Mr. GINGRICH) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. HAWKINS).

Mr. HAWKINS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 153 authorizes a bust or statue of Dr. Martin Luther King, Jr., to be placed in the U.S. Capitol Building.

As many of you know, the proposal for a memorial honoring Dr. King is not a new one. Congressman JONATHAN BINGHAM first introduced legislation in the 92d Congress with 61 cosponsors and has reintroduced the bill in each successive Congress, with increasing numbers of cosponsors each time. House Concurrent Resolution 153, reintroduced in the 97th Congress, has 144 sponsors.

The legislation was passed by both the House and Senate during the 94th Congress, but because Senate passage was immediately prior to adjournment, the House was unable to consider the resolution as amended in the Senate. The resolution was passed again by the House in the 95th and 96th Congresses.

House Concurrent Resolution 153 would authorize the Joint Committee on the Library to procure a bust or statue of Dr. Martin Luther King, Jr. The statuary will be placed in the U.S. Capitol in a suitable location as determined by the joint committee, in consultation with the Architect of the Capitol. The final format of the artistic design will necessarily influence the site for such a memorial in the Capitol. The expenses in carrying out the resolution shall not exceed \$25,000, a modest sum, which will be paid out of the contingent fund of the House.

It is indeed fitting to honor Dr. Martin Luther King, Jr., in this manner, as well to honor the varied and rich contributions by black citizens to our Nation's history and heritage. At this time, no work of art displayed in the Capitol memorializes a black American.

This bill has wide, bipartisan support. It has the support of all the Members of the Congressional Black Caucus. It has passed the House of Representatives in the three preceding Congresses. I strongly urge passage of this legislation.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. HAWKINS. I yield to the gentleman from New York (Mr. BINGHAM), who I think has been perhaps the most outstanding individual in the House in behalf of this legislation. I wish to commend him on the great contribution that he has made and the very persistent support which he has given in providing the leadership in this issue.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I thank the distinguished chairman for yielding.

Mr. Speaker, the resolution before us, House Concurrent Resolution 153, authorizes the placement of a bust or statue of Dr. Martin Luther King, Jr., in the Capitol Building at a cost not to exceed \$25,000.

I would like to express my appreciation to the gentleman from California (Mr. HAWKINS), chairman of the Committee on House Administration, and to the members of the committee for bringing this resolution before us today.

House Concurrent Resolution 153, which I introduced on June 23, 1981, and which I first introduced in 1972, has a total of 144 cosponsors, including Members of both political parties and all the members of the Congressional Black Caucus. A list of their names follows this statement.

It is altogether fitting that we so honor Dr. King. He was a man who might have lived out a worthwhile but obscure life as a minister. Instead, he was beckoned by the challenge to win equality for all the people in this country.

On December 1, 1955, Mrs. Rosa Parks, a seamstress with tired feet, was arrested in Montgomery, Ala., for refusing to give up her seat on a local bus to a white man. Her arrest triggered the first great civil rights test of power, and launched Dr. King's quest for equality. Dr. King, then an unknown minister in Alabama, led the Montgomery black community that year. Mrs. Parks' arrest ended 382 days later with the capitulation of the Montgomery busline to the doctrine of racial equality. Dr. King had begun his march.

In the years that followed, Dr. King's influence grew. He set out to correct specific injustices, but also to educate our country and win the hearts and minds of our people. His marches awakened our country and aroused our sympathy.

Who will ever forget that horrible spectacle in 1963 when Dr. King and his marchers, dressed in their Sunday clothes, met fire hoses, truncheons, and police dogs in Birmingham. A few months later, in his famous "I Have A Dream" speech, Dr. King addressed thousands of people gathered at the Lincoln Memorial, and said:

When we let freedom ring, we will speed the day when all God's children, black men and white men, Jews and Gentiles, Protestants and Catholics, will be able to join hands and sing the words of the old Negro spiritual: "Free at last/Free at last/Thank God Almighty, we're free at last."

In 1964 Dr. King became the 14th American and the youngest person ever to win the Nobel Peace Prize.

A firm believer in Christian ideals and Gandhi's principle of peaceful nonviolent protest, Dr. King set out to fulfill a dream to give life to this country's highest ideals. He spoke of "getting to the mountaintop" and "reaching the Promised Land". He was indeed one of the truly great figures of our American history.

But there are other reasons why this memorial should be authorized for

placement in the U.S. Capitol Building.

Of all the black Americans who have contributed to our country's greatness, not one is featured among the 681 works of art in the Halls of the Capitol. Is it any wonder that, in the absence of any such recognition, so few black families are to be seen among the millions of tourists who flock to our Capitol Building each year? Is it not distressing that a nation, striving to set right the wrongs of the past, has blotted out, here at the very seat of government, any recognition of the role of black people in building this great country?

This memorial to Dr. King would present a perfect opportunity to begin to correct this injustice. This civil rights leader deserves to receive this official recognition and appreciation.

Although Dr. King's violent death is a tragic blot on our recent history, his life is a shining example for us all. He had the courage of his convictions, and for over a decade his hopes and his dreams guided the Nation in the struggle for equal justice, equal opportunity, and basic rights. He carried that struggle as far as any man or woman in this century.

A permanent memorial to Dr. King in the U.S. Capitol Building would remind America and the rest of the world, over the years to come, of the inspiring leadership of this great man.

I want to say for the record that this resolution is in no way a substitute for H.R. 800, introduced by the gentleman from Michigan (Mr. CONYERS) which would designate January 15, the birthday of Dr. King, as a national holiday. I strongly support Mr. CONYERS' bill and I urge my colleagues to do so. Certainly the accomplishments and contributions of Dr. King are worthy of commemoration by the passage of both pieces of legislation.

I appreciate the action of the Speaker in placing this resolution on the suspension calendar. This will be the fourth time that the House has passed such a resolution. A similar version was passed by the Senate in the 94th Congress, but Congress recessed before the differences (only minor ones) could be resolved in conference. While it was not considered by the full Senate in the last Congress, the Senate Committee on Rules did report it favorably.

In the past there has been some question as to whether or not there are certain restrictions on the erection of memorials on the Senate side after the death of the subject. The memorandum from the Congressional Research Service (CRS) included here should clear up this matter once and for all. As will be seen, there are no restrictions which would preclude the erection of such a memorial to Dr. King.

The list of cosponsors of House Concurrent Resolution 153, and the CRS memorandum, follow:

COSPONSORS OF MARTIN LUTHER KING STATUE RESOLUTION

Mr. Addabbo, Mr. Akaka, Mr. Barnes, Mr. Bedell, Mr. Bellenson, Mr. Benjamin, Mrs. Boggs, Mr. Boland, Mr. Bolling, Mr. Bonior, Mrs. Bouquard, Mr. Brodhead, Mr. Brown of Ohio, Mr. Brown of California, Mr. Phil Burton, Mrs. Chisholm, Mr. Clay, Mr. Coelho.

Mrs. Collins of Illinois, Mr. Conte, Mr. Conyers, Mr. Corrada, Mr. Cotter, Mr. Courter, Mr. James Coyne of Pennsylvania, Mr. Crockett, Mr. Daub, Mr. Dellums, Mr. de Lugo, Mr. DeNardis, Mr. Derwinski, Mr. Dixon, Mr. Downey, Mr. Duncan, Mr. Dwyer, Mr. Dymally.

Mr. Edgar, Mr. Edwards of California, Mr. Ertel, Mr. Fascell, Mr. Fauntroy, Mr. Fazio, Mrs. Fenwick, Mr. Findley, Mr. Fish, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Fowler, Mr. Frank, Mr. Frenzel, Mr. Frost, Mr. Gejdenson, Mr. Gibbons, Mr. Gilman.

Mr. Gingrich, Mr. Ginn, Mr. Gore, Mr. Gradison, Mr. Gray, Mr. Green, Mr. Guarini, Mr. Hall of Ohio, Mr. Hawkins, Mrs. Holt, Mr. Howard, Mr. Hughes, Mr. Jacobs, Mr. Kastenmeier, Mr. Kemp, Mr. Kildee, Mr. Kogovsek, Mr. LaFalce.

Mr. Lederer, Mr. Leland, Mr. Long of Maryland, Mr. Lowry of Washington, Mr. Luken, Mr. Markey, Mr. Marks, Mr. Mattox, Mr. Mavroules, Mr. Mazzoli, Mr. McCloskey, Mr. McHugh, Mr. McKinney, Ms. Mikulski, Mr. Miller of California, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moffett.

Mr. Mollohan, Mr. Neal, Mr. Nowak, Mr. Oberstar, Mr. O'Brien, Mr. Ottinger, Mr. Panetta, Mr. Patterson, Mr. Pepper, Mr. Peysner, Mr. Price, Mr. Pritchard, Mr. Rahall, Mr. Rangel, Mr. Ratchford, Mr. Reuss, Mr. Richmond, Mr. Rodino.

Mr. Roe, Mr. Roemer, Mr. Rosenthal, Mr. Roybal, Mr. Sabo, Mr. Savage, Mr. Scheuer, Mrs. Schroeder, Mr. Schumer, Mr. Seiberling, Mr. Shamansky, Mr. Shannon, Mr. Simon, Mr. Solarz, Mr. Stark, Mr. Stokes, Mr. Studds, Mr. Sunia.

Mr. Swift, Mr. Tauke, Mr. Traxler, Mr. Udall, Mr. Vento, Mr. Walgren, Mr. Washington, Mr. Waxman, Mr. Weaver, Mr. Weiss, Mr. Whitehurst, Mr. Williams of Montana, Mr. Wilson, Mr. Wirth, Mr. Wolpe, Mr. Won Pat, Mr. Wyden, Mr. Yates.

**CONGRESSIONAL RESEARCH SERVICE,
Washington, D.C., July 16, 1981.**

To: House Administration Committee. Attn: Ms. Cindy Szady.

From: American Law Division.

Subject: Time limitations on the raising of memorials to private citizens in the Capitol.

Reference is made to your request for information about a possible 21 year limitation on the erection of memorials in the Capitol after the death of the subject.

There is no limitation on the House side nor in statutory hall.

There is no statutory limitation.

There is no Senate Rule adopted by the Senate as a whole containing a limitation.

The Senate Commission on Arts and Antiquities, created by Senate Resolution in 1968, has adopted a policy that no permanent memorial acquired by the Commission (i.e., marble, bronze, oil painting etc.) will be erected in the Senate wing of the Capitol for a former Senator unless twenty-one years have elapsed since the service of the Member or as respects distinguished non-members, unless twenty-one years have

elapsed since the death or retirement of such persons. There is an exception for Vice-Presidents. This policy applies only to acquisitions by the Commission. It does not apply to memorials authorized by joint action of both Houses.

Concurrent resolutions authorizing the erection of memorials to persons such as the Reverend Martin Luther King can be considered in both Houses and, as noted, in such instances there is no time limitation that must be observed before the authorization is enacted. In the 94th Congress, the House passed H. Con. Res. 96, authorizing the erection of a bust of the Reverend King, on January 20, 1976. The resolution was referred to the Senate Committee on Rules and Administration which reported it out favorably without amendment on September 29, 1976 (S. Rept. 96-1370). The resolution was, however, amended on the floor of the Senate by the adoption of a provision authorizing the Senate Commission on Arts and Antiquities to provide for a sculpture of former Senator Carl Hayden, of Arizona who retired on January 2, 1969, to be placed in the Senate wing or in a Senate office building (the sculpture of the Reverend King would have been placed in the House wing). No action occurred thereafter on the resolution.

In the 96th Congress, the House, on July 30, 1979, passed H. Con. Res. 80, authorizing a similar sculpture respecting the Reverend King. The resolution was referred to the Senate Rules and Administration Committee which reported it out, without amendment, on December 29, 1979 (S. Rept. 96-543). No action was taken on the resolution.

Incompletion of the legislative process in both of these instances was not due to any time limitation.

**ROBERT L. TIENKEN,
Senior Specialist in American Public Law**

Mr. GINGRICH. Mr. Speaker, I yield 5 minutes to my good friend and colleague, the gentleman from Ohio (Mr. ASHBROOK).

Mr. ASHBROOK. Mr. Speaker, I just want the record to show that there is one Member here who opposes this legislation and will vote against it. I do not anticipate that my remarks this afternoon will have a great deal of effect on the final outcome. The last time we debated this measure, in 1979, only one Member—this Member—spoke in opposition. The vote was 408 to 11. Nevertheless, I think it is important for the record to show that support for this ill-advised resolution is not unanimous.

I am certain that some of the liberal interest groups and some of the civil rights groups will use the vote today as a test vote of some kind, as a civil rights vote. It is not. We are not debating civil rights here today. We are deciding whether or not to honor the late Martin Luther King, Jr., with a statue in the U.S. Capitol. I submit that M. L. King is not worthy of such an honor. I have studied his record as extensively as has any other Member of Congress and I can say without reservation that an affirmative vote on this measure is a mistake.

Most Government records on M. L. King have been sealed in the Archives

by court order. If they are ever opened, and we are still around, I have no doubt that my colleagues will regret the vote they cast today. I am certain.

I would say to my colleagues that if they do nothing else, they study Dr. King's 1967 speech at the Riverside Church in New York City. It was one of the most vicious, ruthless, dishonest speeches in modern times. King, in that inflammatory speech, went so far as to accuse the United States of conducting a napalm war in Peru. Even the ultraliberal Washington Post chastised him in an editorial following those remarks. Proponents of this legislation cite a part of his record to justify a bust. I only suggest his whole record be considered. Let us wait until his sealed record is made public.

Mr. Speaker, in the past, supporters of this legislation have argued that it is needed because no black American is honored in Statuary Hall. Like those Members, I am dismayed that the Congress has not taken action to honor black American patriots in such a manner. But I am also dismayed that the House is voting today to bestow this high honor on a man who, in my opinion, was not a patriot. He was a man who repeatedly voiced anti-American sentiments. He was a man who repeatedly sought to divide this Nation with his inflammatory rhetoric during one of the most tumultuous periods in our history.

Mr. Speaker, I oppose this legislation and I urge my colleagues to defeat it.

□ 1215

Mr. GINGRICH. Mr. Speaker, I yield myself such time as I may consume.

I think the central issue is not Martin Luther King, Jr. I think the central issue is the right of millions of Americans to have designated clearly beyond question the symbol they would like to have in the U.S. Capitol. For too long it has been possible for American schoolchildren who happen to be black to walk through a building in which they could see many white Americans honored, some Indians honored, even a Hawaiian chief honored, but despite black Americans who died in World War II, in Korea, in Vietnam and earlier wars, despite the commitment of black citizenry to make this a country in which freedom can stand, they have not been able to see anyone in this Capitol stand for them.

Whatever we may think in detail of Martin Luther King's excesses, and all leaders of great movements share in excess, all leaders have moments which in history look dubious, the reality is that for black Americans Martin Luther King, Jr., is unequivocally the symbolic spokesman, the moment in history, the representation

of the change from segregation to integration.

For any other figure to be imposed upon black Americans as the symbol white American decided to put in the Capitol would make a mockery of that symbol. Indeed, I suspect most black American leaders would say if the only choice we can have in the Capitol for black America is the white man's choice, let us have no statue at all.

Martin Luther King, Jr., is dead. Whatever excesses on occasion he may have engaged in are long gone. The reality is in my State of Georgia black Americans vote who did not, black Americans now eat in restaurants who could not, black Americans have jobs who were not eligible, and black American young people are educated in schools they could not get into. In many, many ways that would not be true had it not been for Martin Luther King, Jr. That in the end is why he, rather than any other figure, is the symbolic choice of the black community, and why, if we are to have any sense of integrity in putting any statues or bust in the Capitol to represent our commitment to the black community, it has to be their choice, and not ours.

Thank you, Mr. Speaker.

Mr. HAWKINS. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia (Mr. McDONALD).

Mr. McDONALD. I thank the chairman for yielding me this time.

Mr. Speaker, I rise in opposition to House Concurrent Resolution 153, a resolution authorizing a statue of Martin Luther King, Jr., to be placed in the U.S. Capitol. At best, Martin Luther King's prior associations and activities are questionable. Until all information is available, passage of this measure could prove an embarrassment to this Congress and the American people.

Under court order in 1977, the FBI's surveillance records and tapes on Reverend King were sealed in the National Archives for 50 years or until the year 2027. The supporters of this resolution might want to ask themselves why this action was taken? Before acting prematurely, we should either request that the records be made available or delay consideration until the information is released. At this point in time we should not authorize putting a statue of Martin Luther King, Jr., in a place of honor in our Nation's Capitol until all the facts are before us.

Rev. Martin Luther King, Jr., who professed nonviolence, in fact was wedded to violence. He sought out violence; he courted and provoked violence against his followers and by his followers because he believed violence was necessary to the achievement of his ends. Reverend King said as much in an article he wrote for the Saturday Review of April 3, 1965.

In this article he wrote:

The goal of the demonstrations in Selma, as elsewhere, is to dramatize the existence of injustice and to bring about the presence of justice by methods of nonviolence.

He continued by writing that that goal can be achieved when four things occur:

1. Nonviolent demonstrators go into the streets to exercise their constitutional rights.
2. Racists resist them by unleashing violence against them.
3. Americans of conscience in the name of decency demand federal intervention and legislation.
4. The Administration, under mass pressure, initiates measures of immediate intervention and remedial legislation.

In other words, the demonstrations were a staged media event, a dramatization to attract the newspaper reporters and television cameramen and make a local event into a national issue. But the second necessary ingredient for Reverend King's scenario was violence.

In communities where ad hoc gangs of thugs did not appear to attack demonstrators, night marches were staged to lure out nightriders. And when all else failed to provoke violence, demonstrators led by Reverend King and his Southern Christian Leadership Conference deliberately violated the laws by holding marches and parades without permits, violating court injunction and provoking police officers. In some areas such as Birmingham and Selma, Reverend King was successful in provoking the violence he felt was necessary for him to win his goals.

During the Albany, Ga., protests in 1962, where the law enforcement authorities avoided confrontation despite provocations, King generated little publicity. When he was eventually arrested leading an illegal demonstration in July, Reverend King refused to pay the fine so that he could remain in jail as a so-called martyr. After a black man paid Reverend King's fine and he had to leave jail, he called the event having been "kicked out of jail."

In Birmingham, Reverend King welcomed truant students from high schools and even younger into the demonstrations although they were in great danger. Let us remember what he said after the murder of four young girls attending Sunday school in a bomb explosion and after two teen-aged boys were shot to death during the riot that followed. In the Nation of March 9, 1964, Reverend King wrote:

The keys to victory in Birmingham were the refusal to be intimidated; the indomitable spirit of Negroes to endure; their willingness to fill the jails; their ability to love their children—and take them by the hand into battle; to leave on that battlefield six murdered Negro children, to suffer the grief, and resist demoralization and provocation to violence.

And so for Reverend King, "six murdered Negro children" were "keys to victory." In other words, martyrs helped him achieve his ends and he saw this, and he deliberately continued to court violence.

In his book, "Why We Can't Wait," Reverend King wrote:

Looking back, it is clear that the introduction of Birmingham's children into the campaign was one of the wisest moves we made.

But the New York Times editorially disagreed, stating that—

The presence of hundreds of children among the marchers made all these marches especially perilous adventures in brinksmanship.

It is also appropriate to question whether or not Rev. Martin L. King, Jr., really found racism repugnant in light of his support of discrimination in jobs and housing so long as the discrimination was in favor of blacks; in light of the formation in February 1966, in Chicago of what Reverend King called a common front with the violence-oriented, virulently racist Nation of Islam (NOI) or Black Muslims; and in light of the statements of some of Reverend King's closest aides such as Rev. James Bevel.

During the 1963 Birmingham disorders, Reverend Bevel told students:

We need an army of captains and sergeants and privates to fight the white man this summer. I want captains to march whole schools to jail after graduation.

While Reverend King did not advocate race hatred, he did not bar alliances with racists and he did not keep them from his personal staff.

In 1966 during the Chicago housing campaign, the association of Reverend King and his Southern Christian Leadership Conference with violence was even more open. With Reverend King's knowledge, his aide, Reverend Bevel, showed films of the violence during the Watts riots in Los Angeles to Chicago residents being recruited to participate in his equal housing campaign. Among those particularly singled out for contacts and for those film showings were the leaders and members of Chicago's notoriously violent criminal youth gangs.

Reverend King told newsmen that the film showings had been intended "to show the negative results of rioting" and to demonstrate that rioters who destroyed their own communities accomplished nothing. But that is not how the Chicago street gangs interpreted the films. Whenever the film showed a black rioter attacking a police officer, they cheered. And whenever law enforcement officers were shown, they hissed and booed. In fact, Reverend Bevel's film shows for youth gang members were nothing other than audiovisual seminars in mayhem.

One might have expected after the riot that Rev. Martin L. King, the noted advocate of nonviolence, would

have broken all contact between SCLC and the gangs; but that is not what happened. Instead Reverend King and SCLC executive director Rev. Andrew J. Young met with the gang leaders for several hours. The gang leaders pledged a truce and said they would "try nonviolence." The truce did not last till the end of that day. Five young men were shot and violence increased to include 2 deaths and 13 wounded so that a State curfew was imposed 2 weeks after the truce.

As one of Rev. Martin L. King, Jr.'s, critics, Dr. Joseph Harrison Jackson, then president of the National Baptist Convention, noted at the time:

There is a danger of using nonviolence in such a way that it will create violence.

One of these ways is to teach the young contempt for the law. Reverend King's "nonviolent civil disobedience" taught that any law an individual personally and subjectively disagrees with or feels is unjustly restrictive can be arbitrarily broken at will.

This is not the lesson we should teach young Americans, but it is the lesson we would teach them by making a hero of Rev. Martin L. King, Jr., and by placing a statue of him in our Nation's Capitol.

COMMUNIST MANIPULATION OF REVEREND KING AND HIS MOVEMENT

The Communist Party, U.S.A., has attempted to use virtually every real or imagined grievance of every segment of American society—the young, the old, women, American Indians, blacks, Latinos, and European ethnic groups—to develop and exacerbate divisions among us. The Communists made the most of the opportunity to stir up race hatred provided by the civil rights movement, and the man around whom the Moscow-line Communists collected was Rev. Martin L. King.

The whole range of Communist Party members, sympathizers, and front groups were mobilized to aid Reverend King's campaigns.

Some of the support was via the former Highlander Folk School, now the Highlander Research and Education Center. In sworn testimony before the Senate Internal Security Subcommittee in 1954, Paul Crouch, a former CPUSA official and organizer described Highlander as being run "ostensibly as an independent labor school, but actually working in close cooperation with the Communist Party." Prominent among Highlander's supporters was the old International Union of Mine, Mill & Smelter Workers, now merged with the United Steelworkers of America. Mine-Mill was found by the Subversive Activities Control Board to be Communist-infiltrated.

Reverend King, in a very famous photograph, is shown attending a 1957 Labor Day weekend seminar at the Highlander Folk School. The man sit-

ting next to Reverend King in the photograph, Abner W. Berry, a top official of the CPUSA, wrote in the Daily Worker that the seminar had enabled those attending to reestablish communications with each other "that had been disconnected during the past few years." The disconnection had taken place after the Civil Rights Congress disbanded rather than register as a Communist Party front.

Reverend King's support of Highlander goes beyond attendance at one seminar. In its 1958-59 27th Annual Report of the Highlander Folk School quoted Reverend King as saying:

You have given the South some of its most responsible leaders in this great period of transition.

Two years later, Highlander and Reverend King's Southern Christian Leadership Conference ran joint training programs for civil rights activists.

One of Reverend King's closest SCLC aides was Jack H. O'Dell, now with Rev. Jesse Jackson's Operation PUSH. Under the name, Hunter Pitts O'Dell, Jack O'Dell had been one of the Communist Party's top organizers in the South. When his affiliation with this totalitarian party became known, Reverend King, under pressure, fired O'Dell. The controversy was reopened when it was discovered that O'Dell had been rehired by Reverend King's New York SCLC chapter.

The important point is not that a Communist Party organizer had penetrated Reverend King's confidence, because a Communist could sneak into almost any organization. What is important is that when this man was exposed to Reverend King as a member of an organization that proposes to impose a systematic totalitarian regime on this country, that has been repeatedly demonstrated to be controlled by the Soviet Union, a dictatorship whose troops only a few years earlier in 1956 had slaughtered Hungarian freedom fighters; with all this, Rev. Martin L. King fired O'Dell only because his continued presence would give ammunition to segregationists and race-baiters.

But then, he had O'Dell rehired in New York. And their association continued. O'Dell, who is still an editor of Freedomways magazines, the Communist Party's propaganda arm directed at blacks, appeared with Reverend King at a Freedomways affair in Carnegie Hall in February 1968.

That Freedomways magazine affair was to celebrate the 100th anniversary of the birth of W. E. B. DuBois who in his senility married a young Communist and joined the CPUSA. In his prime, W. E. B. DuBois understood how the Marxist-Leninists wanted to use black people. He wrote in 1931:

The Communists, seizing leadership of the poorest and most ignorant blacks head them toward inevitable slaughter and jail-slavery,

while they hide safely in Chattanooga and Harlem.

DuBois responded to the Communists' plan:

American Negroes do not propose to be the shock troops of the Communist Revolution, driven out in front to death, cruelty and humiliation in order to win victories for white workers.

DuBois pointed out further that the Communists only pretend to speak for white workers and actually serve to polarize tensions between black and white workers.

DuBois denounced the American Communists for being the mouthpiece of Moscow, and went on to say:

Unfortunately, American Communists are neither wise nor intelligent.

In his keynote speech that evening, Reverend King said:

So many would like to ignore the fact that DuBois was a Communist in his last years.

And he went on to denounce anti-Communism as "irrational" and "obsessive."

A key point of Reverend King's speech was to attach U.S. support for the South Vietnamese against Communist aggression. The struggle against the Vietcong he termed a "senseless, cruel unjust war." For the record, it should be noted that it is the Vietnamese Communists who have proved to be senseless and cruel. In May 1979, more than 80 persons, organized by entertainer Joan Baez, most of whom had once opposed U.S. participation in the Vietnamese war, published an advertisement charging that the Communist conquerors of Vietnam held 200,000 political prisoners, that they starved and tortured prisoners and that some were used as living mine detectors, clearing minefields with their hands and feet.

Reverend King had more Communist agents than merely Jack O'Dell in his entourage. King's long-term adviser was New York attorney Stanley Levison, who FBI investigations revealed to be a "Communist agent." Levison says he was not a party member, but that is not what the FBI found him to be. You do not have to be a party member to be an agent, and you do not have to be working for the Russians to be a Communist agent.

After the FBI produced for King the evidence that Levison was a Communist agent, acting for a foreign power, he declined to separate himself from this adviser.

Communists other than those in the CPUSA were involved with Reverend King's activities. His wife, for example, was active with Women Strike for Peace in the early 1960's. In hearings before the House Committee on Un-American Activities, Women Strike for Peace was shown to be an affiliate of the Women's International Democratic Federation (WIDF), an internationally active Communist front controlled by the International Department of the Soviet Communist Party Central Committee. And starting with the marches in Selma in 1963, King had

active support from a number of disarmament and ban-the-bomb groups who worked with the World Peace Council (WPC), like the WIDF which is virtually its women's auxiliary controlled by the KGB and the Soviet Communist Party Central Committee. A more detailed report on those international Soviet fronts by the Central Intelligence Agency was published in the House Intelligence Committee's hearing, "The CIA and the Media," in 1978.

It is not without significance that in 1971, when the East German regime welcomed Rev. Ralph D. Abernathy, whom they identified as Reverend King's successor, the GDR's propaganda brochure said:

The GDR was on the side of Martin Luther King and Ralph Abernathy in the 1950's when they organized the historic boycott of the omnibuses of Birmingham * * *.

For these and other reasons in the public record, I urge rejection of this ill-conceived resolution.

I yield back the balance of my time.

Mr. HAWKINS. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. SEIBERLING).

Mr. SEIBERLING. Mr. Speaker, I strongly support this resolution. I had not intended to speak on it, but after hearing such deplorable vituperation, it does seem to me that somebody needs to put things back into proper perspective.

The gentleman from Georgia (Mr. McDONALD) who just spoke blamed one of the great Americans of our time and a leading advocate of nonviolence, Martin Luther King, for the violent response of those who reacted against his peaceful protest. That is like accusing Martin Luther King of violence because he was assassinated by James Earl Ray, or accusing the early Christians of violence because the Romans put them in the arena and threw them to the lions.

Surely logic has been turned upside down in the kind of argument we have just heard.

But even more insidious, because those are obviously specious arguments, is the sort of anonymous, baseless innuendo implying that maybe if some unknown records are someday in the far distant future disclosed we might have a different opinion of Martin Luther King. The world has known for some time that J. Edgar Hoover had the FBI bug Dr. King, invade his privacy, try to find out anything that they could to discredit him. Evidently they did not find anything of significance, because if they had, they certainly would have tried to use it. Nevertheless, this kind of slanderous statement that somewhere, somehow, there may be something that would discredit Dr. King, is a pitiful effort to diminish the standing in history of this great American.

The effort will fail, whatever Dr. King's detractors may dig up. It will fail because, for tens of millions of Americans, of every race, religion, and political persuasion, as well as for hundreds of millions around the world, including the Nobel Peace Committee, Martin Luther King was the living embodiment of the great human rights ideals emblazoned in our history, in the Declaration of Independence, in the Bill of Rights, and in the long record of our struggle as a nation to see that, in truth and in law and in deed, all men are created equal.

I suggest to any that may have been misled by the colloquy that has just taken place here to refresh their recollection of this great man by reading the speech of Martin Luther King before the Washington Monument at the time of the great civil rights march on Washington.

Martin Luther King's dream was not his alone. It was and is a dream shared by all men and women of good will. Because he lived, our Nation is measurably closer to making that dream a reality. We need to commemorate his life in many ways, so that he may continue to inspire us to complete his unfinished work. Yes; we should place his bust in the Capitol, if only because it will help us keep his ideals in our hearts.

I thank the gentleman for yielding.

Mr. HAWKINS. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. I thank the distinguished chairman for yielding to me.

Mr. Speaker, I rise in support of the resolution. I wanted to speak to my colleague from Georgia who rose in support of the resolution. The gentleman and I differ significantly, I am sure, in terms of political ideology, but it seems to me that the gentleman's statement on the floor today is the kind of statement that would give hope to all Americans, because here we have a gentleman, Mr. GINGRICH from Georgia, who has wiped away the blindfold of racism and prejudice and who, in a very objective manner, attempts to delineate a problem and offer a solution. I am grateful to my colleague.

I think the gentleman's testimony, his statement, stands in such sharp contradistinction to the other two Members who spoke against this resolution, but I also think his statement will be remembered; the other two statements will be spurned by America, as they should be.

We have made great strides in this country. There is no question about it. I travel all over the country—Mississippi, North Carolina, Florida, Georgia—and it is a remarkable feeling now to be able to travel around this Nation knowing that in most places where I

go I can get a hotel room, I can eat a meal, I can use any facility. That would not have happened to me prior to the King movement.

The story has been so well told many, many times. Blacks who traveled at that time had to pick the spots where they would stop to stay overnight, with relatives, because no hotel would admit us. We had to try to find a black restaurant, or a black church to feed us, because no restaurant would feed us. I think it is because of the work of Dr. King that enormous strides have been made, and, therefore, it is fitting that we honor him with this bust.

On the other hand, I would seek something else in this resolution. I would hope that this resolution would become a symbol for those decent Americans who are proud of the progress that we have made, a symbol for them to rededicate themselves to the effort of ending discrimination and ending prejudice and ending racism in this Nation.

After all the great steps that we have taken, now suddenly all around the Nation and in its Capitol, in this Congress, we hear the voices of those who would turn back the clock, who would destroy civil rights legislation, who speak out against affirmative action.

□ 1230

We hear the voices of those who are really, in my opinion, alien to America, if America stands for equal justice for all people. Their voices are alien when they start talking about destruction of affirmative action, ending voting rights, and doing all of the things that would turn back the clock on blacks and other minorities.

So, Mr. Speaker, I would urge support for this resolution. I think it will pass overwhelmingly, but as it passes, as we vote tomorrow on this, I would hope that we would take just a moment to rededicate ourselves to the propositions that Martin Luther King spoke for.

The SPEAKER pro tempore. The time of the gentleman from Maryland has expired.

Mr. HAWKINS. Mr. Speaker, I yield 1 additional minute to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I was not a personal friend of Dr. King. I heard him speak many times. He always inspired me. I know most of his speeches, and he made a speech in which he quoted a little poem. I want to refer to that poem and I want Members to try to remember it as they vote tomorrow.

Dr. King said:

I have only got a minute
Sixty seconds in it
Forced upon me,
Can't refuse it
Didn't seek it
Didn't choose it

But I know that I must use it
I will suffer if I lose it
Pay account if I abuse it
Just a tiny little minute
But eternity is in it.

I would translate that just a bit by saying:

I have only got a minute
Sixty seconds in it
Forced upon me,
Can't refuse it
Didn't seek it
Didn't choose it
But I know that I must use it
I will suffer if I lose it
Pay account if I abuse it
Just a tiny little minute
But the fate of this Nation,
The future of this Nation, is in it.

Bear that in mind tomorrow as we vote overwhelmingly for this resolution.

Mr. GINGRICH. Mr. Speaker, I yield myself such time as I may use.

At the risk of imposing upon my two good friends in responding to the gentleman from Maryland's overly kind comments, let me suggest a tack radically different than the one my colleague just suggested.

Martin Luther King faced a series of problems in the mid-1950's which were not solvable by the NAACP's quite successful tradition of legalism, and beginning with Martin Luther King and up to the Student Non-Violent Coordinating Committees, there was a cycle of innovation and invention, new avenues, striking out in ways one had not thought of. Those solutions allow my good friend from Maryland to now stay at the Marriott or the Hilton.

I would like to suggest that while those of us who are white and those of us who are conservative do in fact need to remember our concern for equality and for justice, that equally tomorrow as the Black Caucus votes on the Martin Luther King statue, that it would be useful for my good friends who are members of the Black Caucus to think of striking out in new directions, to think of opening up new opportunities, to consider new avenues of approach; to ask themselves not simply, how do we live out the rhetoric of the 1950's, but how in fact do we invent the avenues of the 1980's and 1990's.

I would look forward very much to joining such distinguished pioneers as the gentleman from California and the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for yielding. I have been a civil rights activist; I will be one again in the future, but since I have been in this Congress, I have placed the majority of my emphasis on economic empowerment; development of minority businesses, economic empowerment. Even there,

though that is a legitimate approach, totally consonant with the way the Nation wants to go and I would think with the way the administration wants to go, there are attacks against even that, so I would suggest to the gentleman that he would join with me in trying to protect the very significant steps we have made in a new approach, such as minority enterprise, minority economic development approach, which I think offers a great future to all of us.

Mr. GINGRICH. I look forward to working with the gentleman.

Mr. Speaker, I yield back the balance of my time.

Mr. HAWKINS. Mr. Speaker, may I, without indulging in rhetoric, merely suggest that this resolution, which unfortunately has had two expressions of opposition, has been before the House of Representatives since the 92d Congress, and has been considered in every Congress since then: in the 93d, the 94th, the 95th, the 96th, and the current Congress.

This resolution has been thoroughly discussed and debated; it passed both Houses in the 94th Congress and failed merely because of technical reasons. The present opposition has had plenty of opportunity to present its views to the committee. I am proud, as a friend of Dr. King, to be chairman of the committee that referred this resolution to the floor without one single note of opposition. In conducting hearings on the resolution, the committee sought to have any individuals who opposed the resolution present their views. I doubt seriously that the 144 cosponsors of this resolution in the House are being misguided, are being somehow deceived; they are thoroughly acquainted with the facts in this case. I suspect that even the Nobel Prize Commission, which awarded the peace prize to Dr. King, heard the same type of opposition that has unfortunately been expressed today.

This resolution provides an opportunity for this House to pay tribute to a great American. I was one of three Congressmen who visited Dr. Martin Luther King when he was in the Birmingham jail; jailed not because of any criminal activity on his part but because he was advocating nonviolence. I am told by reliable Government agency sources that there were those in the State at that time who had some design to inflict injury on those Congressmen who visited Dr. King. I think the violence was on the other side.

I know as one who has traveled throughout the Deep South in the days before the Civil Rights Act that I had grave difficulties as a black American. A sign was sometimes moved to accommodate me because of my complexion but the experience created fear in my soul because I knew that

the opportunity for black Americans to enjoy equal opportunities was rather fragile.

I think that atmosphere has improved with the emergence of such outstanding leaders as the gentleman from Georgia (Mr. GINGRICH) who represents a new breed of southerners who have created indeed a marked difference in the South and by the continued support of liberals in the House from the North. So, I think this is more than just a memorial to Dr. King.

Twenty-five thousand dollars, from a strictly economic point of view which seems to prevail in this House lately, is not a great deal to spend. In fact, I fear that it will not buy anything more than perhaps a bust, and not a statue, but I think that the sentiment behind this resolution is substantial. I think the spirit which the resolution represents is so overwhelming that its passage through both Houses of the Congress in this enlightened session is a foregone conclusion.

I am delighted, certainly as a friend of Dr. King, but even more so as one who appreciated the great nonviolent civil rights movement that he headed and the work that it accomplished, to be one of those supporting the resolution in this instance.

Mr. FAUNTROY. Mr. Speaker, will the gentleman yield?

Mr. HAWKINS. I yield to the Delegate from the District of Columbia.

Mr. FAUNTROY. Mr. Speaker, it is an honor for me to rise this afternoon in support of House Concurrent Resolution 153, a measure to authorize the Joint Committee on the Library to procure a bust or statue of Dr. Martin Luther King, Jr., for placement in our Capitol Building.

As I walk the corridors of the Capitol, whether it be in Statuary Hall or elsewhere, I often pause and reflect on the lives of those great men and women who are called to our attention through the artistry of sculpture.

It was a privilege for me to have worked closely with Martin during the 1960's; and his vision of equality and social justice, along with his compassion for all people, is certainly worthy of permanent record.

We gathered here this afternoon to remember Dr. King; we know the principles for which he stood and the battles he fought to see them achieved. It is important, too, that posterity—that the hundreds of thousands of citizens who will traverse these corridors long after we have departed—are also given the opportunity to reflect on the life of the greatest humanitarian this century has known, the Reverend Dr. Martin Luther King, Jr.

● Mr. MARKEY. Mr. Speaker, I consider it my privilege and duty to pronounce my support of the resolution in commemoration of one of our most important national leaders in history.

I strongly urge my colleagues to support this symbolic bipartisan resolution.

Martin Luther King, Jr., was a man who preached and practiced the ideals on which our freedom is based. His memory represents a tribute to our country's civil enlightenment. Mr. King's success in bringing about a peaceful social revolution for human rights came about at a time when controversy over our country's social and political ideals was at its height. This resolution serves to affirm our Nation's basic acknowledgment of, and profound desire to achieve, the visions of our Founding Fathers.

Honoring Martin Luther King, Jr., will serve to remind our country that such an honor knows no bounds of race, color, or creed and that it can be bestowed in the name of all those once denied true equality. Martin Luther King, Jr., gave his life for a cause that is part of our Nation's foundation.

This honor to Martin Luther King, Jr., will help to emphasize our appreciation for his dedication and devotion to the cause of human and civil rights. This honor is long overdue.●

● Mr. RODINO. Mr. Speaker, today we have an opportunity to correct a great injustice and to establish a lasting reminder of our Nation's commitment to basic human rights.

I have joined Congressman BINGHAM in sponsoring this resolution which would authorize a sculpture of Dr. Martin Luther King, Jr., to be placed in the Capitol because our Nation's most important building should not be without a monument to one of our greatest leaders.

Black Americans have made countless contributions to the cultural development and progress of our Nation. Yet, of the 681 statues and other works of art in the U.S. Capitol, not one depicts a black American. I can think of no more fitting person to be the first black American honored in our Capitol Building than Martin Luther King.

A sculpture of Dr. King would be more than a memorial to this extraordinary American who awakened the conscience of our country with his courage and his commitment to non-violent social change.

This sculpture would be a constant reminder to the millions of American citizens and foreign visitors who tour the Capitol each year that America remains committed to the principles which are the foundation of our Republic—equality, justice, and freedom. These are the ideals which Martin Luther King fought for, and which he died for.

Thirteen years have passed since Martin Luther King was murdered in Memphis, but still there is no memorial to him in our Capitol. This is an injustice that must be corrected.

He was still a young man—only 39—when he was killed. The assassin deprived Martin Luther King of the great and good years of what we call middle age. That loss is no less sad in light of his willingness—often expressed—to risk death in the struggle for freedom and justice. It is equally sad that the Nation and the world have been deprived, all these years, of the presence, the voice, and the wisdom of Martin Luther King.

As one person, I sorely miss his voice of inspired leadership that led Martin Luther King to become the youngest person ever to receive the Nobel Peace Prize. But his contributions have a life of their own.

As I told the Southern Christian Leadership Conference 6 years ago: "They shot down the man—and they snuffed out his life—and the man died. But they could not shoot down his dream. For his dream was stronger than life and more powerful than death. And the dream lives on."

Let us pass this resolution and memorialize Dr. King's dream in our Capitol for all humanity.●

● Mr. REUSS. Mr. Speaker, more than 13 years ago, Dr. Martin Luther King, Jr., was felled by an assassin's bullet. This happened at a time when our Nation was undergoing a serious reexamination of its direction and principles—a reexamination which Dr. King helped set in motion.

As winner of the 1964 Nobel Peace Prize for his nonviolent activism, Dr. King was widely eulogized both at home and abroad, yet Congress has done pathetically little to acknowledge his great contribution to our Nation. We have not memorialized him with a statue in the Capitol, nor have we made a national holiday of his birthday.

More than 15 million people have toured our Nation's Capitol since Dr. King's death, but no memorial to him is in place. What does this say to children who have learned about Dr. King in school, to foreign visitors who admired this great leader, or to any American citizen believing in the ideals of equality and social justice?

Dr. King's contributions to our society shall forever inspire us as we struggle to achieve his vision of an ideal Nation based on love, justice, peace, and equality. The lack of congressional tribute to one of our greatest leaders is inexcusable. I call upon my colleagues to join me in supporting House Concurrent Resolution 153, to provide for a statue or bust of Dr. Martin Luther King, Jr., to be placed in the U.S. Capitol.●

● Ms. COLLINS of Illinois. Mr. Speaker, it is a great honor for me to stand here before my colleagues today expressing support for House Concurrent Resolution 153, a resolution directing a statue of Dr. Martin Luther

King, Jr., to be placed in the U.S. Capitol.

As a cosponsor of this resolution, I am proud that the U.S. Capitol, the embodiment of ideals and history of this great Nation, will receive a new addition to enhance its majestic beauty and historical acclaim. Millions of visitors to the Capitol will now be able to view for the first time, the statue of a man, a black man, known the world over as a man for all seasons, for all peoples; for brotherhood and nonviolence.

Dr. Martin Luther King, Jr., was felled by an assassin's bullet on April 4, 1968, but he did not die because he left us with a legacy, a new direction and most important he left us with his dream. He knew that one day everyone would realize that the progress of America is reflected in the progress of the people within it.

Placing a bust of this compassionate, learned man serves to help commemorate his struggle to achieve equality and justice for all Americans. This is surely a positive step in the direction of enacting a full national holiday honoring the birth date of Martin Luther King, Jr.—the voice and instrument of the second American revolution.

● Mr. GILMAN. Mr. Speaker, I rise in support of House Concurrent Resolution 153, to provide that a bust or statue of the Reverend Dr. Martin Luther King, Jr., be placed in the Capitol Building.

I am proud to be an original cosponsor of this legislation, which I have cosponsored in past Congresses, as well. While it is regrettable that this proposal has become so controversial, I am confident that the House will see fit to pass this resolution.

Mr. Speaker, permit me to pay tribute to two of our colleagues who have worked long and hard to bring this measure before us today. The distinguished gentleman from New York (Mr. BINGHAM), the able chairman of the Subcommittee on International Economic Affairs on which I serve, and the gentleman from California (Mr. HAWKINS), the able and distinguished chairman of the Committee on House Administration, have shepherded this bill to the floor today.

Mr. Speaker, it is difficult, even after many years have passed since the death of Martin Luther King, Jr., to fully appreciate his impact on American society. Martin Luther King, Jr., was a leader in the effort to bring dignity to all American citizens, and in that sense, he was a leader not of any race or class, but of the entire Nation.

We have only to think back to the days of the early 1960's, when racial issues threatened to polarize our society, to realize that while we still have a long way to go, we have come very far indeed. We have struck down the legal

barriers to equality of opportunity that offended the soul of every sensitive person; we are now engaged in an effort to make certain that every person regardless of race is able to take full advantage of the opportunities that have been opened up by the legislation of the sixties.

Dr. King's image in the Capitol Building will help us concentrate on that goal, will remind us of a great humanitarian whose life was cut tragically short by an assassin's bullet, and will serve to show black Americans that their struggles and contributions to this Nation are honored and remembered in this, the Capitol of all the people.

● Mr. WEISS. Mr. Speaker, the turbulence of the sixties awakened many Americans to the injustices perpetrated against minorities in this country. Equality of opportunity in education, in employment, and in society in general, has been denied to many people on the basis of color, race, sex, creed, and religion.

By pointing out the injustice of discrimination, Martin Luther King, Jr., raised the consciousness level of the American public and increased the dignity and self-esteem of blacks and other minorities in America. Since that time, government has made laws and policies to discourage many discriminatory practices, and society has better accepted those fellow Americans whom it had spurned so many times before.

Because of Martin Luther King, Jr.'s strong push for civil rights, minorities have better opportunities in society than ever before. Although we have made progress in the fight against discrimination, we should remember that it still haunts us, and we must continue to discourage it. By dedicating a bust or statue in the Capitol to the memory of Martin Luther King, Jr., we will reaffirm the American ideal of equality for all people.

I strongly support House Concurrent Resolution 153, which would dedicate a bust or statue to this late great leader, which will serve as a daily reminder of his vital work in the field of civil rights and our need to continue his efforts.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. HAWKINS) that the House suspend the rules and agree to the concurrent resolution (H. Con. Res. 153).

The question was taken.

Mr. ASHBROOK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5, rule I, and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. HAWKINS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the concurrent resolution (H. Con. Res. 153).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ARMED FORCES PAY ACT OF 1981

Mr. NICHOLS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3380) to increase the pay and allowances of members of the Armed Forces.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Alabama (Mr. NICHOLS).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 3380, with Mr. BINGHAM in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Alabama (Mr. NICHOLS) will be recognized for 30 minutes; the gentleman from New York (Mr. MITCHELL) will be recognized for 30 minutes; the gentleman from Washington (Mr. DICKS) will be recognized for 30 minutes, and the gentleman from Alabama (Mr. EDWARDS) will be recognized for 30 minutes.

At this time the Chair recognizes the gentleman from Alabama (Mr. NICHOLS).

Mr. NICHOLS. Mr. Chairman, I yield myself such time as I may consume. Mr. Chairman, on behalf of the Committee on Armed Services, I am pleased to bring to the House for consideration, H.R. 3380, a bill to increase the pay and allowances for members of the Armed Forces.

This bill, the product of thorough hearings and deliberation by the Subcommittee on Military Personnel and Compensation, was approved overwhelmingly by both the subcommittee and the full House Armed Services Committee.

The purpose of H.R. 3380 is threefold. First, the bill would authorize a 14.3-percent increase in basic pay and in quarters and subsistence allowances for all personnel in the uniformed services. Second, it would provide certain increases in special pay and bonuses that are designed to assist in at-

tracting and retaining individuals in critical skills in the uniformed services. Third, it would provide certain travel and transportation allowances that are designed to assist in alleviating hardships and financial irritants occasioned by military service.

Last year many Members of the House expressed to me and other members of the committee their profound concern about the deteriorating state of military manpower. The number and, equally important, the quality of recruits was declining. Skilled career personnel were leaving the services to take lucrative jobs on the outside—jobs that not only paid more money, but also did not involve the rigorous demands of military life.

The Congress reacted swiftly and affirmatively last year with a landmark package of pay and benefit increases. The 11.7-percent pay increase partially offset the adverse impact of repeated pay caps in the mid and late 1970's. A variety of special pays for arduous duty—sea and submarine pay, for example—were increased to more realistic levels. All the improvements were catchup measures to counteract years of benign neglect.

I am pleased to tell the Members of this House that this investment is paying off. Recruitment and retention rates are up. The exact magnitude of this increase has not yet been determined; we have only part of a year's worth of statistics. To date the statistics look good, but they must stabilize before we can form specific conclusions. Further, the strict quality standards for new recruits established by Congress last year are being met. We would make a serious mistake, however, if we allow ourselves to be lulled into a sense of complacency again.

The recruiting market will become tighter in the future as fewer young people reach recruiting age. At the same time, the military force is expected to grow. As the civilian job market for young people improves, the competition for high quality recruits will become increasingly tough. The benefits proposed by H.R. 3380—particularly the 14.3-percent pay increase—are essential if we expect to fulfill the future demand for military personnel.

The Armed Services Committee believes the basic pay and allowance system to be the cornerstone of military compensation. In order to compete with the private sector, pay rates must remain competitive; the 14.3-percent increase incorporated in H.R. 3380 represents the final installment needed to make military pay again comparable with civilian pay, as Congress mandated when the All-Volunteer Force was established in 1972. In addition to basic pay, there is a flexible system of special and incentive pays and bonuses to address specific manning problems in particular skills

or groups of personnel that may arise from time to time. These problem areas change over time, as does the emphasis of the special pays.

The President recently announced the establishment of a defense manpower task force to review the entire spectrum of military manpower and compensation issues. H.R. 3380 affords the President the flexibility to implement the findings of the task force before the October 1 pay raise. Under existing statute, up to 25 percent of the October basic pay increase may be reallocated by grades and years of service. Should the President determine that some grades and years of service require the infusion of additional funds, and that others can afford to receive a lesser increase, he may make that recommendation. Under H.R. 3380, as approved by the Armed Services Committee, his hands will not be tied by a congressionally mandated pay table that attempts to address the perceived needs of one service, while potentially ignoring the requirements of another.

H.R. 3380 is a sound investment in the future of our military manpower system. I urge its adoption as recommended by the House Committee on Armed Services.

□ 1245

Mr. MITCHELL of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong support of H.R. 3380, the Nichols-Mitchell bill, the House version of the method by which we should increase pay to our service personnel.

Our 14.3 percent merely represents comparability. In 1972 the Congress promised the people in the military that they would pay them comparable to people working in the civilian sector. The Congress did not promise them that they would serve without danger or that they would serve without family separation or that they would serve without great turbulence in their lives, but the Congress did promise them there would be pay comparability.

Congress has not kept its word, and the results show it. There has been a shortfall in recruitment. We have an exodus of highly skilled people in our services, and there has been a decline in the quality of our people in the Armed Forces. We must increase the pay by 14.3 percent, in my estimation, to preserve the integrity of the Congress, we must do it to send a clear signal to the people in the services that we do care about the sacrifices they make, but in addition to the integrity of the Congress and in addition to the fact that we made this promise, there are several other reasons why we should support an across-the-board 14.3-percent increase.

One of them is that they are expecting it. It has been ballyhooed far and wide that they were about to receive something comparable to what the civilian sector receives. Some of them, I am sure, Mr. Chairman, have spent the money already.

I have found through my years of service on the Subcommittee on Military Personnel and Compensation that our biggest obstacle to retention in the services, to getting the people we want and keeping them, ties in with the concept or the argument of "erosion of benefits" or "breach of contract"—the argument that says Congress really does not care an awful lot about people in the armed services.

Congress continues to provide less than we have promised them on recruitment. If we provide less than 14.3 percent this year, I am sure it will be viewed by many in the services as simply one more broken promise. It will negatively affect recruitment; it will negatively affect retention.

In the Senate version two-thirds of the people in the services will receive less than 14.3 percent. Two-thirds of them will get less than what they expected to get or what they feel they were promised by Congress in 1972 with the pledge of comparability.

With last year's pay bill, which totaled more than \$5 billion, we began to turn this situation around where we could not get the people we want and could not keep them as long as we want. Both requirement and retention have improved markedly.

There have been some dramatic changes. We have been building momentum. We have developed an enthusiasm for young people to serve their country in the armed services. A 14.3 percent, across-the-board pay increase will help to keep that momentum building. Anything less, as I see it, will slow down this momentum.

Mr. SKELTON. Mr. Chairman, will the gentleman yield at that point?

Mr. MITCHELL of New York. Yes; I yield to my friend, the gentleman from Missouri.

Mr. SKELTON. Mr. Chairman, I wish to associate myself with the remarks of the gentleman from New York (Mr. MITCHELL) regarding the 14 percent, across-the-board pay increase.

I might point out that I had the opportunity to visit some nine military bases in Europe in 9 days in the first part of August, and the morale there was excellent. A good part of it was based upon the fact that last year they received a substantial pay increase. They think the people back home are paying attention to their needs.

I also felt that they are anticipating this substantial pay increase this year. This is not just for morale purposes, but I think this year we are still trying to play catchup football, as we say

back in Missouri, on the pay for the military.

So, Mr. Chairman, I do associate myself with the remarks of the gentleman from New York (Mr. MITCHELL), and I commend him on his stand.

Mr. MITCHELL of New York. Mr. Chairman, I thank the gentleman from Missouri (Mr. SKELTON) for his contribution.

Do I understand that the perception is there that the people are going to receive the 14.3-percent increase?

Mr. SKELTON. In my opinion, there is no question about it that the perception is there. They feel that this was a pledge made to them quite some time ago, and I certainly hope we can fulfill that expectation.

Mr. MITCHELL of New York. Mr. Chairman, I thank the gentleman from Missouri (Mr. SKELTON). I agree that anything less would tend to slow down this momentum we have got building, and the perception would be that once again Congress is losing interest in the armed services.

The prime virtue of the Senate bill is that there is a targeting provision, and that provision would be a policy of paying more to certain grades to encourage people to stay in our services and to strengthen retention at certain levels in the military. That is a good concept generally, but we do not need any additional targeting. We already have the flexibility within this bill to target up to 25 percent of the 14.3-percent pay increase.

I sincerely hope that the President will not take advantage of this flexibility, I sincerely hope that everyone in the service who is eligible will receive the 14.3-percent pay increase, but the provision is there should it be needed.

Then, too, we already target extensively with special pays and incentive pays. We pay sea pay and sub pay and flight pay and hazardous duty pay and proficiency pay. We provide more funds and more money for our health professionals, we give people who are nuclear qualified more money, we have enlistment bonuses and reenlistment bonuses, and we target at the present moment more than \$2 billion for people we want to attract or retain. So we do not need any more targeting.

It is probably important, too, Mr. Chairman, to take a look at who supports these two measures, which of our experts support the Senate version and which of our experts support the House version. The only military leader that I know of who is supporting the Senate version is General Myers, Chief of the Army Air Force. For the House version which provides the 14.3 percent, across-the-board pay increase, we have Secretary of Defense Weinberger, who, I assume, is representing President Reagan and the administration, we have General Osway, Chief of the Air Force personnel, we have Admiral Hayward, Chief of Naval

Operations, and we have the military associations behind our bill. There is the Fleet Reserve, and we also have supporting the bill the Air Force Sergeants, and we have the National Association of Uniformed Services.

It really comes down to which problem we wish to address, recruitment or retention. The Senate bill would provide a slight increase in recruitment levels in the senior enlistment ranks over what the House version provides. There is about a 2-percent improvement, but both will overkill the problem. Both bills will provide 50,000 or more people at these levels than we need in a few years. Both are more than adequate to solve the problem the Senate version addresses.

But the House bill will help recruitment far more, and the Congressional Budget Office tells us that recruiting will be the big problem we will face in the 1980's once we establish comparability.

In conclusion, Mr. Chairman, I would like to say that cost is not a huge factor. Both bills cost about the same. The House version would save about a quarter of a billion dollars in 5 years and a total of over a billion dollars in 10 years. The difference is that the House bill, in my estimation, will continue the momentum we have going. It will address both problems, recruitment and retention. It will allow our contract that the Congress made to people in the armed services back in 1972 to be honored, and it will send a clear signal that the Congress does care about the sacrifices these people make in our behalf. It will provide the pay increases that military personnel want and expect.

I would just like to reiterate that we do not need more targeting. Anything else is redundant.

Mr. Chairman, I urge my colleagues to support the House version.

Mr. RICHMOND. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of New York. I yield to my friend, the gentleman from New York.

Mr. RICHMOND. Mr. Chairman, I rise in strong support of this legislation to increase the pay and allowances for members of the Armed Forces and in support of the amendment of the gentleman from New York (Mr. ADDABBO) which targets raises to keep technically qualified men and women in the Armed Forces.

I am convinced that this legislation is crucially needed to help the military attract and retain men and women with essential technical and managerial skills.

Mr. Chairman, I am convinced that the administration's military budget request for 1981 appears to encourage a wasteful anomaly. In a total defense budget of \$188.8 billion, \$38.8 billion is earmarked for military compensation, while \$52 billion is intended for weap-

ons systems procurement. The remaining \$90 billion or so will be used largely for Pentagon management overhead.

From a prudent management point of view, it would make more sense to reverse these priorities for a while, and concentrate our vast defense resources on improving the general standards of competence and retention among line personnel. By raising military compensation to levels offered for similar skills in the private sector, we could recruit more competent people, retain them for longer periods, and significantly reduce the wasteful gap between personnel and technology. For these reasons, I am strongly supporting the legislation now before us, H.R. 3380.

The American public is being deluded into believing that vast expenditures on sophisticated new weapons systems are the answer to our military prayers. Defense contractors and their friends on the procurement side of the Department of Defense have done a magnificent job of lulling the public into this false sense of security.

Our real defense problems are more subtle and, therefore, more difficult to correct; in the end, they also may be more expensive to solve than the most pessimistic estimates of the cost of new hardware.

While they want more "bang for the buck," our military commanders do not yet have forces of high enough caliber to properly light the fuses. We have seen only the tip of the iceberg of unpreparedness in three recent disasters: the aborted rescue mission in Iran, the destruction of a Japanese merchant vessel by an American submarine, and the fatal accident on board the carrier *Nimitz*.

In all three cases, military personnel were dealing with the most sophisticated machinery available in the world. And, in all three cases, the technology outran the capabilities of responsible humans.

If our weapons systems become even more sophisticated before we have brought maintenance and operating skills to appropriate levels, we will have thrown literally hundreds of billions of dollars down the drain.

By the evidence of their own studies, Pentagon officials are aware of this gap, and of the reasons for it:

First, they are not able to recruit enough people of high enough ability. Not only are the services failing to meet their numerical goals, but the overall quality of recruits remains low. One-quarter of current recruits do not have a high school diploma; 17 percent of current recruits scored below the 30 percentile in a screening exam whose benchmark is tests given to military personnel in 1944.

Second, the services are not able to retain personnel. In the fiscal year

ended last September, one-third or more of people trained in such areas as electronic repair and communications did not reenlist. Among even more highly trained people, such as naval pilots and nuclear submarine officers, fewer than 40 percent remain beyond their minimum service requirement.

By far the most frequently cited reason for this attrition, according to military exit surveys, is insufficient pay. Certainly, along with low morale and unpleasant working conditions, insufficient compensation is a primary reason for our failure to retain trained, efficient military personnel.

Another key reason for low morale is the distinct feeling that a military career deprives one's family of a decent quality of life. Since 1972, the disposable income of military personnel has declined between 13.4 percent and 25.8 percent, depending on rank and seniority. A junior officer now receives less compensation, including all allowances, than does a busdriver in Washington, D.C.

We have, then, a very expensive and ultimately wasteful revolving door in the Armed Forces. Large numbers of marginally prepared people are intensively trained to operate sophisticated systems. Then they take their skills into the private sector and command wages commensurate with their new knowledge. As they depart, new recruits begin their training. The result is that we never have a sufficient number of trained and experienced people to run the system.

Mr. Chairman, I believe that H.R. 3390 is an essential step in the right direction and I urge my colleagues to join me in approving an adequate and enlightened compensation policy for our Armed Forces.

Mr. MITCHELL of New York. Mr. Chairman, I reserve the balance of my time.

Mr. ADDABBO. Mr. Chairman, the Committee on Appropriations supports virtually all of H.R. 3380 as reported out by the Armed Services Committee. Of the total of 11 different sections in the bill, the committee has no objection to 10.

I applaud the distinguished chairman from Alabama and the members of his Subcommittee on Military Personnel and Compensation for producing a bill that provides thoughtful solutions to such various and difficult personnel problems as: A shortage of science and engineering officers, adequate reimbursement for temporary lodging when changing duty stations, emergency home leave for those stationed overseas; consolidation of authority for hazardous duty pay, and an increase in the ceiling for enlistment bonuses which will be of particular help to the Army in its recruiting effort.

Mr. Chairman, the only area of disagreement concerns section 2 in which the Armed Services Committee recommended an across-the-board 14.3-percent military pay raise on October 1, 1981, in lieu of a 5.3-percent raise on July 1 and a separate 9.1-percent raise on October 1, 1981, as proposed by the President. At the proper time, I will offer an amendment by the Appropriations Committee which will target the pay raise to the ranks of highest need, but which will still average 14.3 percent.

The Appropriations Committee held detailed hearings on H.R. 3380 with witnesses from the Office of the Secretary of Defense, the military services, and the General Accounting Office. The overwhelming substance of the testimony clearly dictates that the military pay raise for October 1 should be targeted. The committee believes that a pay raise as high as 22 percent should be granted to the more highly skilled and experienced enlisted personnel who are in short supply with others receiving raises in varying lesser amounts but with no one receiving a raise of less than 7 percent. The net effect of our proposal is to give a pay raise that will average 14.3 percent as opposed to the across-the-board proposal of 14.3 percent recommended by the Armed Services Committee.

I am committed to making the All-Volunteer Force work. However, the approach recommended by the Armed Services Committee would leave the pay tables in the same proportion that was designed in the early 1970's without making any adjustments by pay grade based upon almost a decade of experience. Just as field testing is used to make needed adjustments in the design of a tank or aircraft before it is put into long-term production, we should use the accumulated evidence of nearly 10 years' experience to make military compensation support the All-Volunteer Force in the most economic manner possible.

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. How can we convince a highly qualified young person that increased responsibility in the military is adequately compensated?

All the services are seriously short of skilled personnel. In the Appropriations Committee report on the fiscal year 1981 defense budget, we estimated that DOD was short over 100,000 NCO's. Those numbers have changed little over the last year. Many of our Army divisions are not ready because of these shortfalls. The Navy must juggle crews in order to get marginally ready ships to sea. Air Force maintenance personnel shortages reduce the

number of planes we can put into the air. According to the Congressional Budget Office, targeting the pay raise will allow the services to recruit virtually the same number of quality personnel over the next 5 years, but would increase the size of the career force by 19,000 trained and experienced leaders. Our proposal, and the one supported by the Senate Armed Services Committee, is to give a pay raise that will average 14.3 percent as opposed to the across-the-board proposal of 14.3 percent contained in the initial version of H.R. 3380.

There is strong support in the military services for a targeted pay increase. Army Chief of Staff E. C. Meyer has stated that he prefers a targeted pay raise. Gen. W. L. Creech, head of the Air Force Tactical Air Command, testified before the Appropriations Committee that a targeted pay increase would better meet this serious retention problem. The people working in the field have stated to me that they support the targeted approach.

For these reasons, the Appropriations Committee will offer at the proper time a substitute amendment for the across-the-board pay raise. It will provide the same 14.3-percent increase on average, but will target more of it to our critically short senior NCO's. Additionally, my amendment will give the President the flexibility to realign up to 2 percent of the pay raise if he judges it to be necessary.

I urge that you support the Appropriations Committee substitute amendment, which I intend to offer at the proper time.

Mr. DICKS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of the legislation and of the so-called Ad-dabbo amendment.

Mr. Chairman, after years of ignoring the developing situation, there is now universal agreement that we face serious problems in manning our military forces. These problems are not going to go away, and in fact hold every promise of providing an even greater challenge to our military effectiveness than they do today.

There is no getting around the fact that as we proceed through the 1980's and early 1990's, there will be fewer and fewer individuals each year reaching what we now consider prime recruitment age. At the same time, we are seriously examining proposals to substantially expand the force levels we maintain. The Navy has a goal of a 600-ship fleet. This will require thousands of additional personnel and will add a requirement for an additional 20,000 petty officers, on top of the current 22,000 shortage. The Army is considering force increases of between 250,000 and 500,000. The Air Force wants to add to its active wings.

If we are to accomplish these goals, and if we are to obtain the military manpower we need, tough decisions are going to have to be made.

I want to make clear from the outset, that the personnel problems we face in the services are deeper and more complex than simply deciding the proper level of compensation. We are engaged in a great and unprecedented experiment. Never has a nation attempted to maintain a force in excess of 2 million men and women under arms during an extended period of peacetime, without compulsion, in the history of the world. We simply do not have many precedents to go by in trying to determine how we accomplish this task and retain an effective fighting force.

In an effort to make the experiment work, we agreed to strive to achieve pay comparability with the private sector. This is an understandable general principle, but it is not without its flaws.

Fundamentally, attempts to correlate civilian and military pay are like comparing apples and oranges. No matter how hard you try you cannot make a side-by-side comparison. Many military tasks, especially in combat arms, simply do not have any comparable position in the civilian world. There is no systematic method of factoring the various forms of compensation outside of basic pay in both worlds. Particularly in the military, there is an almost infinite combination of privileges and benefits which an individual soldier might receive. Further, in civilian Government, jobs are rated on the GS scale. In the military, the equivalent rank cuts across literally hundreds of different jobs with seniority and command structure the operating factors in determining rank. Even if we agree on the PATC standard as a fair judge of needed pay increases we are saying that pay adjustments that are necessary for a Federal white collar labor force whose median age is about 45 should be automatically applied to a military work force that is roughly 55 percent blue collar and whose median age is about 24.

Second, the principle of comparability encourages the perception of military service as just another job. It is not, never was, and never can be. The bottom line is that a soldier is asked to risk his life for his Nation and if need be take the life of his Nation's enemy. In addition, he is assigned where needed, when the commander deems he is needed there.

When we view the military as just another job, we foster an attitude that is not conducive to the essential qualities of commitment, loyalty and cohesion that have won far more battles throughout history than have so-called wonder weapons.

Viewing the military as a job also fosters the sense of careerism among

the leadership of the services that damages our fighting capabilities. This attitude implies that its leaders can devote themselves mainly to advancing their own careers, and that its work force can be motivated by the same combination of fringe benefits and sanctions as any assembly line crew.

The careerist motivation must be addressed if we are to really build an effective fighting force. We must eliminate the system which places a premium on avoiding risks, which eliminates officers who well may be competent in their current assignments, through arbitrary and automatic "up and out" rules. We must allow more decentralized command authority. The Washington Post in its series on the officer corps notes that one of every six Army colonels, handpicked to command troops, has turned down the honor. The arguments presented do not center on pay, but on the authority officers are provided to lead, rather than simply manage. Retired Col. John B. Kelly summed up his reasons for voluntarily retiring by noting:

Why should I go out there and take all the hell and not have the authority.

My purpose in raising these points is to remind the Members of this body that we must not only consider the inputs in shaping military manpower policy. Numbers of individuals, and their backgrounds when they enter are no doubt of major importance. But even more important is what we do with them once they join the military to make them an effective fighting force.

Addressing these problems will require major internal reforms in the military. There is a limit on how much we can and should dictate these changes. But we can encourage the services to recognize and act on the basic problems. We can applaud leaders such as Army Chief of Staff E. C. Meyer when he initiates unit rotation experiments or lengthens the Army's basic training. We can bring the issues out for public debate and force a full and complete examination of them.

Any efforts to change the way the military operates in the personnel area will take time, will no doubt result in some setbacks, and will never completely eliminate problems. Some tradeoffs simply cannot be avoided. I am encouraged by the recent announcement by the President that has created a Task Force on Military Manpower. I fervently hope, that in addition to examining the obvious aspects of the situation such as appropriate compensation levels and the pros and the cons of a draft, that they will examine the basic structure of the military personnel system to determine ways we can improve the product it produces. I also hope they give full attention to the requirements of the Reserve components, which continue to

be short of their mobilization requirements, particularly the Individual Ready Reserve.

The manpower problems we face today, cannot be ignored in hopes of a solution some years in the future. While aggregate numbers are sufficient for the current force structure, we continue to be desperately short in critical skill areas.

I intend to discuss in considerable detail the reasons I believe a targeted general pay increase is the most appropriate method of addressing this immediate problem during debate on the Appropriations Committee amendment. But I do want to take this opportunity to focus on the aspects of H.R. 3380, as reported by the Armed Services and Appropriations Committee, that do target compensation increases and have been relegated off center stage by the controversy over the general pay increase.

First, the bill increases the maximum enlistment bonus from \$5,000 to \$10,000. It also would, for the first time, allow payment of bonuses for enlistments of less than 4 years. Bonuses, where applied have been viewed by recruiters as exceedingly important tools. But the services have never advertised them in an effort to provide general inducement for recruitment. Rather, they have been used to encourage individuals, once sold on the service, to enter a particular career field. Their overall use has been minimal. The Air Force only began paying bonuses in this fiscal year and provided them to only 1 percent of personnel. In the Navy, 2 percent received the bonus. And even the Army with the quantitative and qualitative constraints imposed by the Congress has only used them for 10 percent of their recruits. Overall, the Department spends less than \$100 million on enlistment bonuses today.

Many of us who have reviewed the personnel situation in detail feel that bonuses have been underutilized. If properly presented to the potential recruit, they can be a more effective inducement than a somewhat higher level of basic pay.

The bill also changes the basis on which eligibility for reenlistment bonuses can be calculated that will allow an individual to qualify for advanced technical training through service extensions and not be denied the opportunity to qualify for a bonus. This will avoid a forced decision between improving an individual's skill level or providing needed inducements for a full reenlistment.

Second, the bill provides the Department authority to establish special pays for unusual hazardous duty or duty performed under severe working conditions. Under existing law, the Congress must specifically authorize each of these special pays. This is the

type of micromanagement that Congress does not need to involve itself in and which inevitably leads to long delays before justified special pays can be authorized. The Congress should, of course, maintain a general oversight over the application of special pays, but by giving the Department greater flexibility in this area we, hopefully, can avoid the type of festering shortages we often are confronted with today.

Third, the legislation makes specific efforts to deal with the particularly difficult time we are having in attracting and retaining engineering and scientific officers. Recent reports show that the United States has produced 17,000 fewer engineers than it needs. The competition with the private sector for these individuals is particularly intense with starting salaries in private firms averaging in excess of \$20,000. Without help, the military simply cannot compete. Thus, H.R. 3380, establishes a \$15,000 accession bonus for a 4-year obligation, and a continuation bonus of \$3,000 for each additional year of service.

Finally, the bill deals with concerns that, although they affect the working atmosphere in the military, are not generally considered major issues. These "financial irritants," however, are disproportionately cited by many who leave the services. Items such as reimbursement for temporary lodging expenses, advance payment of certain travel and transportation allowances, environmental and morale leave, and travel in conjunction with emergency leave will help create an atmosphere that better recognizes the realities of the burden faced by military personnel.

In conclusion, the pay caps imposed in the latter half of the 1970's on the military no doubt created a need for large increases again this year. But we should not be misled into thinking that our personnel problems will be solved by returning to some previously defined level of comparability. They will not. To solve them will require some basic and difficult decisions on the part of the Congress and the Department. The jury is still out on the viability of the All-Volunteer Force. A real trial will require creative thinking in dealing with the problems it presents, and I sincerely hope we will not shrink from that challenge.

□ 1300

I just might add, Mr. Chairman, I want to applaud the gentleman from Alabama (Mr. NICHOLS), the gentleman from New York (Mr. MITCHELL), who have been at the forefront in not only this Congress but in the last Congress in dealing with the personnel problems. I think the enactment of the retention pay increase last year and the enactment of the 11.7-percent across-the-board pay increase are

largely responsible for the turnaround in recruiting and retention that we have seen in our All-Volunteer Force in the last year. We have made substantial progress.

I think that we can further that progress, and we will debate this tomorrow, if we target this pay increase that we are discussing this year. If we are going to keep those NCO's and petty officers in, then I think we have to give them a little more in compensation than the early recruit. I think the across-the-board approach simply does not recognize that hard reality.

The committee, to its credit, last year gave authority to target 25 percent of the pay increase, but the administration chose not to target 1 cent of that pay increase.

With that kind of an attitude being presented by the administration, not just this administration but the prior administration as well, and the seeming reluctance to look at new and creative solutions, I feel that our subcommittee was correct in making this proposal. I think it will provide for a lively debate tomorrow.

I might point out to my colleagues that the other body voted on this issue and resolved it in favor of a targeted pay increase by a vote of 81 to 0. So there seems to be considerable support both politically and in the defense area. General "Shy" Meyer has also testified strongly in favor of a targeted pay increase, as has the Navy and other services as well.

So I want again to compliment the committee for the overall bill. We will have an amendment that we think improves it, and we will have a chance to discuss that tomorrow.

Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. LEHMAN).

Mr. LEHMAN. Mr. Chairman, in July I visited Fort Carson, Colo., as well as other military installations in the Rocky Mountain area. I was appalled by the conditions under which the enlisted men there must live and work.

Lack of housing on the post means that the privates are forced to find places to live elsewhere. At Fort Carson, the barracks used for Reserve and National Guard members appeared as bad as the most rundown housing projects I have ever seen. The barracks had originally been built as temporary shelter 40 years ago during World War II.

At Fort Carson, the privates who live offpost do not receive any additional financial help. With so little pay and high expenses, it probably should not surprise us that many if not most are forced to use food stamps in order to provide for their families. There are probably many more enlisted men and women who qualify for food stamps but are prevented by pride from accepting them. Mr. Chair-

man, it is unconscionable for us to ask these men and women to volunteer for the Armed Forces of our country and then fail to provide them with adequate compensation.

I was also shocked to learn at Fort Carson that our tank personnel are not equipped with fire-resistant clothing. After the 1973 Arab-Israeli war, I visited the burn ward at the Hadassah Hospital. I learned that protective clothing had made a life-or-death difference for the Israeli tank soldiers. In tank warfare, the overwhelming majority of injuries are the result of burns. At Fort Carson, I became concerned that we were being insensitive to the needs of our own soldiers by spending so many of our dollars on military hardware and so little on protecting lives.

Upon my return to Washington, I brought this matter to the attention of the distinguished gentleman from Alabama as well as other members of the Armed Services Committee. I have since learned that the Army does intend to begin equipping our tank crews with fire-resistant uniforms beginning in fiscal year 1982. While I am pleased that some progress is being made, I am also disappointed that it is taking so long for us to provide adequate protection for our servicemen.

Mr. Chairman, my visit to the military installations in Colorado taught me that we must continue to examine how we are going to spend the huge amounts of money we are providing the Defense Department. Let us make sure we put our people, and not sophisticated machinery, first.

In the end, we have to depend on our soldiers to protect us. As James Fallows noted in a recent article—

The effectiveness of a fighting force ultimately depends on the creation of a series of human bonds. . . . Armies will sacrifice to defend a nation that respects the sacrifices they make.

I wish to commend the Armed Services Committee for its efforts to improve the pay and benefits of the members of our Armed Forces. I agree with the members of the committee that it is essential that we upgrade the kind of compensation we give the men and women who dedicate their lives to serving their country. I support the 14.3-percent across-the-board pay raise contained in H.R. 3380 as reported by the Armed Services Committee.

Mr. EDWARDS of Alabama. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to commend the gentleman from Alabama (Mr. NICHOLS) and the gentleman from New York (Mr. MITCHELL) for the hard work that they have put in on this bill. I would like to suggest that simply because our subcommittee and the Appropriations Committee comes here with a little different view on the pay

part of it should take away in the least from the admiration that we have for these gentlemen and their committee and the work that they have done in upgrading the pay for our military and upgrading the benefits and conditions of the military, all of which have had to be done. They have done it in fine fashion.

We came forward through the Armed Services Committee last year with an 11.7-percent increase, and now that we are back with an overall proposal for a 14.3-percent increase in military pay and allowances, I think we are certainly on the right track. So I do not come here today in the least with any criticism of the action that has been taken by the Armed Services Committee.

□ 1315

Rather, I come here in a position that gives me some little concern, frankly, because I believe very strongly that the President and the Secretary of Defense ought to set defense policy, ought to determine basic issues such as pay; and so I do not like to come here and, in effect, suggest that we have the answer to how you pay all of the troops. And yet I must say to you that in some sense of frustration I come here supporting the position of the Defense Appropriations Subcommittee for the very reason that the administration last year, while having the authority, did not make any effort to target that pay raise.

We have been told—I have been told personally by the Secretary of Defense—that there is no intention to target the 14.3-percent raise that is in the bill this year. The Secretary's view, in fairness, is that 14.3 will bring the serviceman up to about the level where he should be, and he argues, that is, the Secretary does, that next year would be the time to start targeting. Well, I just, frankly, disagree with that.

I have taken the well of the House for a number of years, as most of you know, talking about readiness, talking about the problems of our aircraft that are sitting in hangars not able to fly, and two of the main reasons that we have discussed over the years has been, one, the lack of spare parts and, two, the fact that we continue to lose our best trained people. When they get into the position where they can do a good job of mechanics work on a plane, any of them tend to be hired away by the defense contractors at two and three times the salary. We need to find some way to keep our NCO's, our petty officers, in the service in that area of the 12th or 13th year of military service. When time comes for about the third reenlistment, the second or third reenlistment, we find that we lose many of our NCO's. They are then, when they get to that point, looking at the pros-

pect of putting in an additional 7 or 8 years to work into their 20-year retirement program. And so it is a big decision point. And if we start to lose our better NCO's, as we have been in the past, then we find that we are continuing to have to recruit more, we are having to hire more recruiters, we are having to pay for more advertising, we are having to find newer and better ways to create bonuses to encourage people to come into the service. It is my position that if we in fact can hold in the service the NCO level that we desperately need in our military that we would not have the recruiting problem that we have today.

So it is on this basis, I think, that the Defense Subcommittee on Appropriations has concluded that there is a clear need to do some targeting to try to go after those people who have been in the service for 10 or 12 years and who are at a crucial point in making a decision as to whether to stay in. We should go after those folks and, therefore, target the pay in a way that the guy who comes in as a recruit would come in at about 7 percent but within the year he would already be up to 9 or 10 percent, that the NCO up in the technical sergeant-master sergeant level would be up around 20 to 22 percent. In that way we would be doing the best we can to see that the people stay in the military who ought to stay there and be in the leadership role in the military, not only in the enlisted ranks, but in those crucial ranks in the officer corps as well.

So tomorrow the Appropriation Subcommittee on Defense, through our chairman, the gentleman from New York (Mr. ADDABBO), will offer an amendment to this bill to target the pay raise. We will leave 14.3 percent in the allowances, just like it is in this present bill. We basically do not touch anything else, except the pay itself, where we feel there is a great need to do some targeting.

I would suggest to the Members what has already been said here, that the Senate, by a vote of 81 to 0, on Friday took the similar position to the position of our subcommittee. I would hope that the House would see the wisdom of following this approach so that we can go to conference with a good bill, good because the Armed Services Committee has made it good, and a little better, perhaps, because of the targeting that we would like to see done in the bill.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Missouri.

Mr. SKELTON. I think we should be fair in what we are saying, that the Senate vote that was 81 to 0 was not a vote on an "either/or" situation. That was the only ball game in town. The position before them, the one which the gentleman advocates, was the only

position that any Senator could vote for, and being the only pay increase on which they could vote, they voted unanimously in favor of. However, I understand that during the debate a number of them did point out that it would be preferable to have the position that the House Armed Services Committee takes, the position which I advocate.

I thank the gentleman very much for yielding.

Mr. EDWARDS of Alabama. I would say to the gentleman that if we lose on our position, I will gladly support the House Armed Services Committee. Again, I reiterate that the gentleman has done a magnificent job in moving down the road in a way that I think we should go.

Mr. SKELTON. I appreciate that. And I may add just one other thing. I appreciate the gentleman's frankness and candor and his willingness to support us should we win, which, hopefully, we will.

I think Secretary Weinberger is correct. We should look at it next year. This year the soldier, the sailor, who is really the hub of the entire armed services, not the specialist, is the one that is expected to be brought up to standards with his counterparts in the civilian sector.

Mr. EDWARDS of Alabama. I thank the gentleman for his contribution.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from Washington.

Mr. DICKS. I want to commend the gentleman from Alabama for his usual outstanding statement on this issue.

I would only make one comment for my friend, the gentleman from Missouri, and that is that the Chief of Staff of the Army, General "Shy" Meyer, who has more at stake here than anyone else, has come down solidly in favor of a targeted pay increase as the kind of tool that will help him deal with the principal problem that the Army faces, and that is the retention of those terribly important NCO's.

I think the pay increase that will be given to the early enlistees is adequate, but I think targeting the NCO's, where the real problem is in retention, is the correct approach. I think General Meyer and I think every witness that we have asked before our subcommittee who is directly involved in the management of the armed services on the Joint Chiefs has come down in favor of this kind of a targeted approach.

I just want to also point out to my friend, the gentleman from Missouri, that we heard the same thing last year from Secretary Brown, the same thing from Secretary Weinberger. "Oh, we are going to get to it later." It is like the 5-year shipbuilding program. All

of the ships are in the out years. I think it is time for us to act decisively and deal with this problem. We applaud the Armed Services Committee for its willingness to address this issue. I think we can go one step further and make this bill much more solid in its approach.

Mr. SKELTON. Mr. Chairman, will the gentleman yield so that I can respond to that?

Mr. EDWARDS of Alabama. I yield to the gentleman from Missouri.

Mr. SKELTON. I would like to point out that it does us little good to retain those certain specialists if the foot soldier, who is really the hub of the Army, if the petty officer, who keeps the ships going, and the airmen, who keep the airplanes in the air, are not retained. These are the ones who would benefit under the House Armed Services Committee plan.

So I think next year is the time to look at it. This year let us take care of the foot soldiers, the sailors, and the airmen, who are really the hub, and keep the whole movement going.

Mr. EDWARDS of Alabama. Let me just respond to the gentleman and suggest that it is not just the technician that we are trying to target. It is the senior foot soldier, it is the leader of the troops in the field; it is the fellow who has been digging it out in the trenches for 10 or 12 years and finally gets to wondering what the heck it is all worth. And he is the fellow, just as well as the technician, that we are trying to target, because all of these NCO's have a vital part in the development of a proper military, all of those petty officers have a part in taking those ships to sea. And we see ships tied up at the docks because there are not enough people to take that ship out. That begins to worry all of us, I am sure, not just our subcommittee.

So it is all of the NCO level, as they move into the upper grades, that we are trying to target to keep them, because they are all vital. It is not just your airplane mechanic or your tank mechanic. It is just as well your foot soldier or the leaders of your foot soldiers. You cannot train very many recruits to be foot soldiers if you do not have good leaders in the NCO ranks in there to do the training.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. EDWARDS of Alabama. I yield to the gentleman from New York.

Mr. MITCHELL of New York. The gentleman from Washington mentioned that General Meyer was supportive of that bill. He is the only military leader that I know who is a supporter of the Senate version of the pay increase bill. Along with the administration and Secretary of Defense Weinberger, we have General Osway, who is the Chief of Air Force Personnel, Admiral Hayward, who is the

Chief of Naval Operations, and we have every military association that has been living with this problem for years and years. We have the Fleet Reserve, the Air Force Sergeants Association, the National Association of Uniformed Services. I know we do not want to get into the debate today, but I just want to tell the gentleman that General Meyer, the individual, offered as an expert in the field, is the only person I know who is supportive of this, the only military leader I know of who is supportive of it.

Mr. EDWARDS of Alabama. I guess it would be fair to say that he may have the biggest problem of all of them, too.

Well, we will debate this more tomorrow, and I do not care to pursue it further today. Mr. Chairman, I yield back the balance of my time.

Mr. NICHOLS. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. SKELTON), a member of our committee.

Mr. SKELTON. Mr. Chairman, I wish to again reiterate the importance of the 14-percent pay raise that I think we should give to the military. No. 1, it has been expected. No. 2, it would actually help in retention. These are areas that must be seriously considered, and I truly hope that when we vote on this most important issue tomorrow, the Members will keep that fact in mind.

Mr. Chairman, in addition to the pay raise and increase in bonus authorities, H.R. 3380 includes a number of changes in travel and transportation entitlements. These items are limited in terms of both the cost and the number of personnel affected, but their impact on morale should be substantial.

Undoubtedly, one of the more troubling problems created by assignment overseas is the difficulty in securing transportation back home in the event of a family emergency. Currently, the individual must use Government transportation, no matter what the difficulties involved, or foot the bill himself.

H.R. 3380 would authorize round-trip transportation for service members and dependents stationed overseas for emergency leave in case of death, imminent death, or serious illness of a close relative, or in the event of a natural disaster affecting the member's property. Such travel would be approved only if Government transportation were unavailable within a reasonable time frame and only to the port of entry into the United States. Additionally, the bill would make it possible for a service member on temporary duty assignment to travel to his permanent duty station or to a location no farther away than his permanent duty station in the event of the serious illness, injury, or death of a dependent.

When personal tragedy strikes, we must act quickly. The added flexibility provided by these new emergency leave travel entitlements could well prove critical to the individuals involved. They are limited, but the impact should not be underestimated. We are sending an important signal to the troops that we care about their welfare.

That is precisely what H.R. 3380 would do—it would send a signal to the troops that the Congress cares. This measure, as reported by the Armed Services Committee, is an important step forward in assuring that military pay keeps pace. We must be able to retain not only the senior skilled technicians, but we must have an entry-level salary that will attract recruits capable of meeting the higher quality standards that we in Congress have mandated. I urge favorable action by the House on this legislative initiative.

Mr. MITCHELL of New York. Mr. Chairman, I yield 5 minutes to the gentleman from South Carolina (Mr. HARTNETT).

Mr. HARTNETT. Mr. Chairman, military service is by its very nature hazardous, particularly in wartime when any serviceman, regardless of peacetime assignment, may wind up in a combat or combat-support role. During peacetime as well, there are a number of demanding jobs, essential to the mission, that place the service member in personal danger. Although money can never adequately compensate the individual for placing his life in peril, special pay is authorized for military personnel who serve in a variety of hazardous occupations. Hazardous duty incentive pay assists in attracting individuals to these occupational specialties; it also indicates to the individuals involved that their special sacrifices do not go unappreciated.

The current rate of hazardous duty incentive pay is \$55 monthly for enlisted personnel and \$110 for officers. Present law identifies a variety of specific types of duty for which hazardous duty incentive pay is authorized, for example, flying, parachute jumping, service involving intimate contact with persons with leprosy, work involving demolition of explosives, work inside high- and low-pressure chambers, service involving participation in acceleration or deceleration or thermal stress experiments, and carrier deck operations.

When experience indicates the need for special pay for additional types of duty, legislative action is required. As Members are well aware, this can frequently be a time consuming and cumbersome process, with needless delays. It often requires a tragedy or near tragedy to call attention to the particular problem area. For example, we were stunned and saddened by the recent death of an Air Force fuel han-

lder at the Titan II missile site in Arkansas. Despite the obvious rigors of the job, he was not eligible for hazardous duty incentive pay at the time of the accident. Ironically, civilians who were performing the same function were receiving additional compensation for the hazardous nature of the assignment. The effect on morale of this type of discrepancy is obvious.

H.R. 3380 is designed to provide greater flexibility in designating categories of hazardous duty pay. Rather than requiring legislation for each new proposal, the Secretary of Defense would be given the authority to determine additional categories of hazardous duty incentive pay. It is the committee's intention that this authority be exercised judiciously through a periodic service Secretary review and that it be consistent among the uniformed services. The committee further intends that this authority be used only in the most compelling circumstances.

H.R. 3380 would insure more equitable treatment of those who face imminent danger on a frequent basis and will have a positive effect on morale. This legislation is also an important step toward insuring all military personnel, regardless of rank or job designation, that they will receive a fair wage in return for their services. I urge favorable consideration of the bill as reported by the Committee on Armed Services.

□ 1330

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. HARTNETT. I yield to the gentleman from Maryland.

Mrs. HOLT. I thank the gentleman for yielding.

I want to thank the gentleman and commend him on his statement and urge the House to adopt H.R. 3380.

Mr. Chairman, witnesses appearing before the Armed Services Committee this year have stressed the substantial out-of-pocket expenses that many service members incur—and for which they are never reimbursed—in conjunction with permanent change of station orders.

Permanent change of station moves are made at the direction and for the convenience of the Government—based on military requirements. In theory, the Government pays all the costs involved. In practice, the individual is often reimbursed for only a fraction of the actual expenses. Understandably, this is an unanticipated financial burden that greatly irritates the service member and his or her family. This is particularly the case since a comparable civil service employee receives far more generous travel entitlements in conjunction with a transfer.

To help correct this situation, H.R. 3380 would authorize a temporary

lodging allowance to provide reimbursement for living expenses actually incurred by a service member and dependents while occupying temporary quarters in conjunction with a permanent change of station move. Service personnel currently receive travel and transportation allowances when in a travel status. Before departure from the old assignment or upon arrival at the new duty station, however, there are the costs of meals, lodging, and incidental expenses. No reimbursement is made for these expenses when incurred—although they are directly associated with permanent change of station orders.

The temporary lodging allowance envisioned in H.R. 3380 would be limited to 4 days and could not exceed the maximum per diem rates authorized for the area involved. The Armed Services Committee expects that the implementation of this provision will insure that reimbursement for dependents would be less than for the service member and, also, that total reimbursement for family would be subject to a daily ceiling.

While this improvement will not remove all the financial irritants connected with moves mandated by military orders, it is an important step forward toward greater equity and enhanced personnel satisfaction.

H.R. 3380, also, embodies a number of improvements in military pay and other entitlements including the final installments needed to close the gap between military and civilian pay. Additionally, while many of us would like to see an across-the-board pay raise this October, as provided by the Armed Services Committee, the President has the authority to reallocate—or to use the latest word in vogue, target—up to 25 percent, if he feels conditions prior to October 1 so dictate. This discretionary authority is far better than locking in the pay table as proposed by the Appropriations Committee—at pay rates totally inadequate for junior enlisted personnel.

I urge the House to adopt the recommendations of the Armed Services Committee as contained in H.R. 3380.

Mr. HARTNETT. I thank the gentleman for her consideration, and I yield back the balance of my time.

Mr. NICHOLS. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi (Mr. MONTGOMERY), a distinguished member of our committee.

Mr. MONTGOMERY. Mr. Chairman, I would also like to thank the chairman of the subcommittee, the gentleman from Alabama, and also the gentleman from New York for the great work they have done on H.R. 3380. It is indeed a pleasure to serve with them on the Personnel and Compensation Subcommittee.

I rise in strong support of this bill that was reported out of the Committee on Armed Services by an almost unanimous vote of 36 to 1.

Let me make several points, Mr. Chairman, pertaining to this across-the-board pay raise for our military personnel.

My first point would be, and it has been pointed out here today, that the President, the Commander in Chief of our Armed Forces, has the discretion under current law to give authority to the individual military Secretaries to target 25 percent of the pay for our military personnel; 25 percent of this can be targeted to special groups if the different Secretaries would like to do this.

So, I think it would be much better, as the chairman, the gentleman from Alabama, said, to let the different Secretaries determine the targeting rather than the Congress making this decision.

Certainly our military and civilian leaders are in a much better position than we to know who should receive this special pay.

Another point I would like to make, Mr. Chairman, is the matter of fairness and equity. We have reported out of the House Veterans' Affairs Committee legislation to establish a GI education program for the 1980's. The bill is now pending before the House Committee on Armed Services.

We sent Members of Congress and staff out into the field to see what would be needed to attract young men and women into the services and to keep them in the service and they like the GI education bill.

In our bill, however, we said let us target this educational bill to certain skills in the military. When we went out into the field we found some objections to this. As an example, we went to a communication platoon. We talked to the actual switchboard operators and the committee was leaning to targeting benefits for these switchboard operators. They needed more education and more skill. Then we talked to the individual soldier who would lay his life on the line in combat and he said, "Why are you discriminating against me? His job is not as dangerous as mine, and we do not think it is fair."

My point today, Mr. Chairman, is we are going to create some discrimination and some unfairness if we in Congress try to target who would get these pay raises.

An across-the-board increase with any targeting left to the discretion of the Department of Defense makes a lot of sense to me and that is why our committee reported the bill out in this form.

Let me close, Mr. Chairman, by saying quite frankly—I have said this before on the House floor—I think

eventually we are going to have to go back to some type of limited draft. I know this administration would not support any form of draft and I doubt very seriously if this Congress would vote for a draft or limited draft.

We are getting some good men and women into the services, but we also are getting a lot of young men and women who cannot adjust. We bring them into the services and we have to discharge them. Thirty percent of those who come into the services have to be discharged before they complete their 3-year enlistment.

Since we are not going to return to any form of Selective Service System draft we must make the all-volunteer military system work. I think the across-the-board pay raise we have before us today is the best way and I think we should give it our strong support.

Mr. NICHOLS. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. DYSON), a member of the committee.

Mr. DYSON. Mr. Chairman, I rise in support of the committee's position and the position taken by the chairman of the Subcommittee on Personnel and Compensation, the gentleman from Alabama (Mr. NICHOLS), a good friend of us all.

I think one of the things that has probably been most important, at least to me as a new member of the Committee on Armed Services in the short time I have been on the committee, in this whole discussion of increased defense spending, is the manpower problem that the armed services are facing today.

One of the things that is most apparent to me is that members of our armed services—and I represent a good number of them in the First Congressional District—have a feeling there is a credibility gap between those of us here in the Congress and those who have served our country and are serving our country today.

I think it is absolutely essential that we do support the committee, including the full comparability increase, the 14.3-percent pay increase, for those members of our armed services. I say that because it does not make much difference what kind of military hardware we buy and we support, whether it is the MX or the B-1 bomber, if we do not have the capable people to operate those systems, and we are not going to have them if we do not give them the encouragement to enter and to stay in the services.

I think the 14.3 percent is the way to do that.

I also think other problems that the committee is addressing, such as housing, must also do that.

Again I rise in support of the committee's position on that and urge a favorable vote tomorrow in the House.

● Mr. BEARD. Mr. Chairman, I rise today in support of this bill, which would give our military personnel a much-needed raise. It is unconscionable that over the past several years military pay has fallen so far behind inflation that many military enlisted people find it necessary to go on food stamps to feed their families.

Our military people have no union officials or well-paid lobbyists to represent them in the budget process. They depend solely on us—the Members of this body—to see that they are paid an adequate wage. Nobody goes into the military to get rich, but neither should military people have to moonlight at civilian jobs just to be able to afford clothes for their family. Yet, that is the situation for far too many members of our military, because over the past several years, the leadership of this country—both in the executive and legislative branches—has failed in its duty to adequately provide for the basic needs of our military personnel. So, I support this bill not because it cures all the financial problems of military people, but because it is a step in the right direction, a step long overdue I might add.

Yet we should not delude ourselves into thinking that merely by increasing pay we can solve the serious manpower problems of the all-volunteer force. One of the most morale-damaging problems present in today's military is the lack of adequate medical care. This is a question not only of a shortage of doctors but a lack of adequate facilities. It is my belief that due to the very attractive salaries available to doctors in the civilian sector, pay for military doctors will never be able to be high enough to attract an adequate number. We are going to have to look at other ways to adequately fill our military medical ranks.

It is true that higher pay—if it is high enough—may slow the hemorrhage from our military of skilled NCO's and officers, the backbone of any effective military force. But I doubt seriously that simply raising pay will do anything to attract a more representative number of recruits. Our junior enlisted ranks today are comprised overwhelmingly of those from the lower educated scale of our society. Many do not have the skill or ability to be able to operate and maintain the sophisticated weaponry of today's military.

Look at the following statistics: The Armed Forces classify recruits into four categories of intellectual ability based on exam scores; category IV is the lowest. In 1979, nearly half of all Army recruits were category IV's.

If one thinks these test scores are irrelevant, look at scores on the skills qualifications tests, which directly measure a soldier's ability to do the job he will have to do in wartime. The failure rates are shocking. For exam-

ple, in 1979 only 18 percent of artillery target-spotters could pass their SQT's, only 28 percent of ammunition specialists, and only 15 percent of helicopter repairmen. While these results are only a sample, they are representative. I do not believe that simply raising pay will solve this problem.

Nor will raising pay do much to alleviate the appalling state of our Reserve Forces. Under the total force concept, the reserves are essential to success in any extended conflict. Yet, today the Active Reserves are at only 85 percent of needed strength, and the individual Ready Reserve is over 700,000 men short of wartime requirements. I question whether higher pay will do much at all to increase the readiness of our reserves.

Mr. Chairman, we must also consider that over 60 percent of our military budget now goes for compensation. I support this pay raise bill, but we in this country are going to have to start asking some hard questions soon about the direction we are going with this all-volunteer military. I think that those who believe that higher pay will be a cure-all are simply not taking a realistic outlook.

I intend to ask permission to insert in the RECORD today a copy of an article of mine entitled "The All-Volunteer Force: It Isn't Working," which elaborates on some of the problems I have mentioned. Thank you, Mr. Chairman.●

● Mr. GLICKMAN. Mr. Chairman, I rise in strong support of H.R. 3380, the Armed Forces Pay Act of 1981. This legislation more than any other focuses on the most critical need of our defense program: The ability to recruit and retain qualified, dedicated military personnel.

As the report by the Armed Services Committee points out, we have fallen behind in terms of pay comparability for our military personnel, and, if we are serious about making the All-Volunteer Force work, we are going to have to bring compensation into line with what these hard working, skilled employees can earn in the private sector. Otherwise, the fact is that our armed services will not be the best possible.

And all of the money in the world poured into sophisticated weapons systems will not assure us a strong defense if the people we put in charge of them are not able to maximize the capabilities of those weapons. And if we are not paying our military personnel enough to keep them in the military, the expensive training which we provide them will end up being pointless. If the Defense Department trains personnel but cannot keep them because pay is better elsewhere, what we are doing is operating a highly technical, very expensive jobs training program, an engineer's CETA if you will. The

only way I see to make sure that does not happen is to adjust salaries as this bill proposes.

Before I close, I do want to bring to my colleagues' attention one specific provision of this bill which is particularly important to maintaining our Titan II missile systems safely and to military personnel throughout the armed services who are involved in especially hazardous work. Section 4 of the bill would authorize special pay for personnel involved in particularly hazardous activities or who work under unusually severe working conditions. The Secretaries of each of the various services would have the discretion to allow the special pay for specific jobs. I introduced legislation to authorize this special pay as H.R. 899, and Senator PRYOR of Arkansas has introduced a companion measure in the Senate. We did so in light of recommendations from the Air Force in the aftermath of recent accidents at

Titan facilities in my home State of Kansas and in neighboring Arkansas. By providing this kind of hazardous duty pay at the discretion of the Secretary, there will be more incentive for personnel involved in sensitive work at these facilities—such as handling the highly toxic propellants and fuels—to stay on the job rather than leaving for more lucrative work elsewhere. Retention rates in the Titan fuel handling job classification has been low, and that means that experience levels are not up to what they should be. And lack of experience raises the risk of accident, and, as recent incidents have shown, when the Titans are involved, the risk extends not only to employees on site but also to the public in surrounding areas.

Again, this bill certainly merits the support of the entire House, and I trust it will be enacted at an early date. ●

Mr. ADDABBO. Mr. Chairman, I include the following amendment which will be offered during the 5-minute rule tomorrow:

SUBSTITUTE AMENDMENT OFFERED BY THE COMMITTEE ON APPROPRIATIONS

On page 2, beginning on line 6 through line 11 on page 3, delete all of section 2, and insert in lieu thereof a revised section 2, as follows:

PAY INCREASE FOR MEMBERS OF THE UNIFORMED SERVICES

SEC. 2. (a) 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.

(b) Effective with the first pay period after September 30, 1981, the monthly basic pay for members of the uniformed services within each pay grade, based on years of service computed under section 205 of title 37, United States Code, shall be as follows:

COMMISSIONED OFFICERS¹

Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
O-10 ²	\$4,416.00	\$4,571.40	\$4,571.40	\$4,571.40	\$4,571.40	\$4,746.00	\$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	4,571.40	4,746.00	4,936.80	4,936.80	4,936.80
O-7	2,945.40	3,146.10	3,146.10	3,146.10	3,286.80	3,286.80	3,477.00	3,477.00	3,651.00	4,016.40	4,292.40	4,292.40	4,292.40	4,292.40	4,292.40
O-6	2,184.00	2,399.10	2,555.70	2,555.70	2,555.70	2,555.70	2,555.70	2,555.70	2,760.00	3,060.00	3,217.20	3,286.80	3,477.00	3,771.00	3,771.00
O-5	1,761.00	2,068.80	2,211.60	2,211.60	2,211.60	2,211.60	2,329.50	2,411.70	2,573.10	2,765.70	2,924.70	3,013.20	3,118.20	3,118.20	3,118.20
O-4	1,485.00	1,807.80	1,929.00	1,929.00	2,025.00	2,115.00	2,239.50	2,355.00	2,463.00	2,526.00	2,573.40	2,573.40	2,573.40	2,573.40	2,573.40
O-3 ³	1,380.00	1,542.00	1,649.10	1,841.10	1,928.70	1,998.60	2,106.00	2,191.20	2,225.40	2,265.00	2,292.00	2,320.80	2,320.80	2,320.80	2,320.80
O-2	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	1,007.40	1,048.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50	1,267.50

¹ Basic pay is limited to the rate of basic pay payable for level V of the executive schedule.

² While serving as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, basic pay for this grade is \$6,848.10 regardless of cumulative years of service computed under sec. 205 of title 37 of the United States Code.

³ Does not apply to commissioned officers who have been credited with over 4 years active service as enlisted members or warrant officers.

COMMISSIONED OFFICERS WHO HAVE BEEN CREDITED WITH OVER 4 YEARS' ACTIVE SERVICE AS ENLISTED MEMBERS 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	1,934.10	1,934.10	1,934.10
O-1	1,267.50	1,379.10	1,459.50	1,512.00	1,564.80	1,636.20	1,636.20	1,636.20	1,636.20	1,636.20	1,636.20	1,636.20

WARRANT OFFICERS

Pay grade	2 or less	Over 2	Over 3	Over 4	Over 6	Over 8	Over 10	Over 12	Over 14	Over 16	Over 18	Over 20	Over 22	Over 26	Over 30
W-4	\$1,409.40	\$1,512.00	\$1,512.00	\$1,546.80	\$1,617.00	\$1,688.70	\$1,759.20	\$1,882.20	\$1,969.50	\$2,039.10	\$2,093.10	\$2,161.50	\$2,233.80	\$2,407.50	\$2,407.50
W-3	1,281.00	1,389.00	1,389.00	1,407.00	1,424.10	1,528.20	1,617.00	1,670.40	1,723.20	1,774.80	1,829.70	1,900.50	1,969.50	2,039.10	2,039.10
W-2	1,079.70	1,167.00	1,167.00	1,223.70	1,290.90	1,389.00	1,442.10	1,495.20	1,546.80	1,600.80	1,653.00	1,706.10	1,775.10	1,775.10	1,775.10
W-1	889.40	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 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	0	0	0	0	0	0	\$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	0	0	0	0	0	\$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	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-6	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-5	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-4	632.70	667.50	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20	715.20
E-3	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30	603.30
E-2	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40	536.40

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

(c) If the President determines such action to be in the national interest, effective with the first pay period after September 30, 1981, he may decrease by not more than 2 percent the amount of basic pay es-

tablished in subsection (b) for any pay grade based on years of service and he may apply the amounts derived from any such decreases to increase by not more than 2 percent the amount of basic pay established

in subsection (b) for any pay grade based on years of service.

(d) the basic allowance for subsistence authorized enlisted members and officers by

section 402 of title 37, United States Code, shall be as follows:

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

and

(e) the basic allowances for quarters authorized members of the uniformed services by section 403(a) of title 37, United States Code, 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
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."

(f) Section 203(c)(1) of title 37, United States Code, authorizing the monthly pay of cadets and midshipmen is amended by striking out "\$313.20" and inserting in lieu thereof "\$448.80".

Mr. NICHOLS. Mr. Chairman, I have no further requests for time on this side, and I yield back the balance of my time.

Mr. MITCHELL of New York. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. DICKS. Mr. Chairman, I would point out before I yield back the balance of my time that CBO has done a study that says, if we do business as usual, we will lose an additional 4,000 NCO's this year. They also state that if we went to a targeted pay increase, we would retain 4,000 additional NCO's in this year.

I think that is the kind of approach that will produce the most results and that is why we are advocating it from the Appropriations Committee.

Mr. MITCHELL of New York. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the gentleman from New York.

Mr. MITCHELL of New York. CBO also has another study which says, once you establish comparability, which our bill intends to do, then the problem through the eighties is recruitment, not retention. If the gentleman would be interested in that.

Mr. DICKS. There is no question about it. Recruitment is going to be an ongoing problem. That is where the whole difficulty about it is, the efficacy of the All-Volunteer Force with fewer people.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 3380

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 "Armed Forces Pay Act of 1981".

PAY INCREASE OF 14.3 PER CENTUM FOR MEMBERS OF THE UNIFORMED SERVICES

SEC. 2. (a) 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.

(b)(1) Subject to the provisions of paragraph (2), each element of compensation specified in section 1009(a) of title 37, United States Code, shall be increased for members of the uniformed services by 14.3 per centum effective with the first pay period beginning after September 30, 1981.

(2) The President may allocate the percentage increase specified under paragraph (1) in the same manner and to the same extent the President is authorized under subsections (c) and (d) of section 1009 of title 37, United States Code, to allocate any percentage increase described in subsection (b)(3) of section 1009 of such title, except that the provisions of subsection (d)(2)(B) of such section shall not apply to this subsection or any action of the President under this subsection.

REENLISTMENT AND ENLISTMENT BONUSES

SEC. 3. (a) Section 308(e) of title 37, United States Code, is amended to read as follows:

"(e) Any unserved period of an enlistment (including any extension of enlistment) for which no bonus has been paid or for which no bonus is otherwise payable under this section may, under regulations prescribed by the Secretary concerned, be considered as part of an immediately subsequent term of reenlistment (or as part of an immediately subsequent voluntary extension of an enlistment) for the purpose of determining the eligibility of the member for a bonus under this section and for the purpose of computing the amount of such bonus."

(b) Section 308a of such title is amended—

(1) by striking out "for a period of at least four years";

(2) by striking out "to a total of at least four years"; and

(3) by striking out "\$5,000" and inserting in lieu thereof "\$10,000".

SPECIAL PAY FOR UNUSUALLY HAZARDOUS DUTY OR DUTY PERFORMED UNDER UNUSUALLY SEVERE WORKING CONDITIONS

SEC. 4. (a) Chapter 5 of title 37, United States Code, is amended by adding at the end thereof the following new section:

"§ 315. Special pay: unusually hazardous duty or duty performed under unusually severe working conditions

"(a) Under regulations prescribed by the Secretary concerned, a member of a uniformed service who is entitled to basic pay may be paid special pay, in the amount set forth in subsection (b) of this section, for any month during which the member performs duties that have been determined by the Secretary concerned to be—

"(1) unusually hazardous; or

"(2) performed under unusually severe working conditions.

"(b) Special pay payable under subsection (a) of this section shall be paid at the rate of \$110 per month, in the case of an officer, and at the rate of \$55 per month, in the case of an enlisted member.

"(c)(1) A member may not be paid more than one payment of special pay under this section for any month.

"(2) A member may not be paid special pay under this section for any period of service for which that member receives special or incentive pay under section 301, 301a, 301c, or 304 of this title.

"(d) In time of war, the President may suspend the payment of special pay under this section."

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

"315. Special pay: unusually hazardous duty or duty performed under unusually severe working conditions."

DUTY REQUIRING AN ENGINEERING OR SCIENTIFIC SKILL DESIGNATED AS CRITICAL

SEC. 5. (a) Chapter 5 of title 37, United States Code, is amended by adding after section 315 (as added by section 4) the following new section:

"§ 316. Special pay: engineering and scientific career accession bonus and continuation pay

"(a) In this section, the term 'engineering or scientific duty' means service performed by an officer holding a degree in engineering or science from an accredited college or university that requires a skill designated under regulations prescribed by the President as critical and that requires an engineering or science degree.

"(b) Under regulations prescribed by the President, an officer of an armed force who—

"(1) is entitled to basic pay;

"(2) has been certified by the Secretary concerned as having the technical qualifications for detail to engineering or scientific duty; and

"(3) executes a written agreement to serve on active duty for detail to engineering or scientific duties for a period of at least four years;

may be paid, in addition to all other compensation to which the officer is entitled, a bonus in an amount not to exceed \$15,000. The bonus may be paid in a lump sum or in equal periodic installments, as determined by the Secretary concerned.

"(c) Under regulations prescribed by the President, an officer of an armed force who—

"(1) is entitled to basic pay;

"(2) is below the pay grade of O-7;

"(3) has been certified by the Secretary concerned as having the technical qualifications for detail to engineering or scientific duty;

"(4) has completed at least three but less than nineteen years of engineering or scientific duty as an officer;

"(5) is not serving a period of obligated service under subsection (b) of this section; and

"(6) executes a written agreement to remain on active duty for detail to engineering or scientific duty for at least one year, but no more than four years, of active service;

may, upon acceptance of the written agreement by the Secretary concerned, be paid, in addition to all other compensation to which the officer is entitled, an amount not to exceed \$3,000 multiplied by the number of years, or monthly fraction thereof, of obligated service to which the officer agrees under the agreement. The total amount payable may be paid in a lump sum or in equal periodic installments as determined by the Secretary concerned.

"(d)(1) An officer who does not serve on active duty for the entire period for which he has been paid under subsection (b) or (c) of this section shall refund that percentage of the payment that the unserved part of the period is of the total period for which the payment was made. Nothing in this subsection shall alter or modify the obligation of a regular officer to perform active service at the pleasure of the President. Completion by a regular officer of the total period of obligated service specified in an agreement under subsection (b) or (c) of this section does not obligate the President to accept a resignation submitted by that officer.

"(2) Subject to paragraph (3) of this subsection, 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) The Secretary concerned may waive, in whole or in part, a refund required under paragraph (1) of this subsection if the Secretary concerned determines that recovery would be against equity and good conscience or would be contrary to the best interests of the United States.

"(4) A discharge in bankruptcy under title 11 that is entered less than five 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."

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

"316. Special: engineering and scientific career accession bonus and continuation pay."

TEMPORARY LODGING EXPENSES

SEC. 6. (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 Secretary concerned, a member of a uniformed service who is ordered to make a change of permanent station to another station in the United States 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."

(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 CERTAIN TRAVEL AND TRANSPORTATION ALLOWANCES

SEC. 7. (a) Section 405a(a) of title 37, United States Code, is amended by inserting after the second sentence in that section the following new sentence: "Such allowances may be paid in advance."

(b) Section 406(a) of such title is amended by adding at the end thereof the following new sentence: "Travel and transportation allowances authorized by this section may be paid in advance."

(c) Section 407(a) of such title 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. 8. 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"; 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."

TRAVEL FROM ISOLATED DUTY STATIONS AND TRAVEL INCIDENT TO EMERGENCY LEAVE

SEC. 9. (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 abroad in an area specifically designated by the Secretary concerned for purposes of this section, may be paid transportation—

"(1) to another location abroad 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 payment for transportation of the member, and of each dependent of the member authorized to reside at the member's duty station, for one roundtrip during any continuous two-year tour

and two roundtrips during any continuous three-year tour.

"§ 411d. Travel and transportation allowances: transportation for members stationed abroad and dependents incident to emergency leave

"(a) Under uniform regulations prescribed by the Secretaries concerned, roundtrip transportation for a member stationed overseas and for dependents of the member authorized to reside at the member's duty station may be provided from the member's duty station to the United States or its possessions incident to emergency leave granted for reasons of personal emergency (or, in the case of transportation provided only for a dependent, under circumstances involving a personal emergency similar to the circumstances for which emergency leave could be granted a member).

"(b) Transportation under this section may be authorized only upon a determination that, considering the nature of the emergency involved, Government transportation is not reasonably available. Transportation authorized under this section shall be limited to the cost of Government-procured commercial roundtrip air travel from the international airport nearest the location of the member and dependents at the time notification of the emergency is received or the international airport nearest the duty station of the member and dependents in the overseas area—

"(1) to the international airport within the continental United States closest to the overseas airport from which the member or dependents depart; or

"(2) as determined by the Secretary concerned, to an airport within the United States or its possessions convenient to the uniformed service involved.

"§ 411e. Travel and transportation allowances: travel performed in certain emergency situations

"Under regulations prescribed by the Secretaries concerned, a member of a uniformed service who is performing temporary duty away from his permanent duty station may be paid the travel and transportation allowances provided by section 404 of this title for travel performed from his place of temporary duty to his permanent duty station or to any other location, and return (if applicable), if such travel has been approved because of the serious illness or injury or the death of a dependent of the member. Travel and transportation to a location other than the permanent duty station of the member may not be paid under this section in excess of the amount for such travel and transportation to the member's permanent duty station, and return (if applicable)."

(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 for members stationed abroad and dependents incident to emergency leave.

"411e. Travel and transportation allowances: travel performed in certain emergency situations."

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

SEC. 10. (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, United States Code, as a member of the Armed Forces Health Professions Scholarship Program."

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

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

EFFECTIVE DATES

SEC. 11. (a) Except as provided in subsection (b), the amendments made by this Act shall take effect on October 1, 1981.

(b) The amendments made by section 6 shall take effect on April 1, 1982.

Mr. NICHOLS (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. NICHOLS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BINGHAM, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3380) to increase the pay and allowances of members of the Armed Forces, had come to no resolution thereon.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE REPORT ON HOUSE JOINT RESOLUTION 325, CONTINUING APPROPRIATIONS FOR FISCAL YEAR 1982

Mr. DICKS. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the joint resolution (H.J. Res. 325) making continuing appropriations for fiscal year 1982 for a 1-month period.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

□ 1345

YOUTH CONSERVATION COUNCIL

The SPEAKER. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

● Mr. EDWARDS of Alabama. Mr. Speaker, the Mobile County, Ala., Soil and Water Conservation District is celebrating its first anniversary this month of a commendable program aimed at encouraging local youth to show appreciation for and help preserve the resources of nature through various projects of their choosing. The basic theme of this program is to use the resources of area youth to help save the resources of nature. This new program focuses on those local environmental problems that can be solved through the efforts of citizens who care, Boy Scouts and Girl Scouts, and with little or no funding. The Mobile area Boy Scouts and Girl Scouts will participate in identifying and correcting problems within a wide range of conservation projects and will also work to involve other youth groups in these projects.

The amazing thing is that so many groups have joined in to make this project so successful, groups such as the Alabama Forestry Commission, Mobile Bay Audubon Society, Mobile County Public School System, and many others. I was so impressed that I thought others should know about it. I think this is an ideal project for young people across the Nation.

The program involves a lot of elbow grease and public spirit and I wish, through these means, to commend all those involved in this program, for the work they are doing in bringing all these elements together in a program that shows great potential.●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I am notifying the House today of a U.S. Export-Import Bank proposal to guarantee another \$10 million in private loans to four Spanish electric utilities to make possible the sale of U.S. goods and services to complete the ASCO II nuclear powerplant on the Ebro River in the Province of Tarragona.

The Eximbank has previously committed \$66.5 million in direct loans and \$65.4 million in guarantees to help finance this project. The additional financing is needed to cover cost increases on U.S. supplies and services for the powerplant.

This Eximbank financing notification was referred to me as chairman of the Banking Committee's Subcommit-

tee on International Trade, Investment and Monetary Policy. Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, requires that the Eximbank notify Congress of proposed loans or guarantees involving the export of nuclear technology or equipment. Unless Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress after notification.

I am submitting for the RECORD the Eximbank notification, which provides the details and terms of the proposed financial guarantees and a description of the ASCO II nuclear plant. I would welcome any comments or questions my colleagues might have on this financing proposal.

The Eximbank material follows:

EXPORT-IMPORT BANK OF THE UNITED STATES,

Washington, D.C., August 26, 1981.

HON. STEPHEN L. NEAL, Chairman, Subcommittee on International Trade, Investment and Monetary Policy, House Banking Committee, U.S. House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: Eximbank has submitted a statement to the Speaker of the House of Representatives and the President of the Senate in accordance with the provisions of Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

NANCY S. FIGMAN, Congressional Relations Officer.

EXPORT-IMPORT BANK OF THE UNITED STATES,

Washington, D.C., August 26, 1981.

HON. THOMAS P. O'NEILL, JR., Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States House of Representatives with respect to the following transaction involving U.S. exports to Spain.

A. DESCRIPTION OF TRANSACTION

1. BACKGROUND AND PURPOSE

In April, 1973, Eximbank authorized financial support in the form of a direct loan of \$49,033,800, a guarantee of private bank loans of \$49,033,800 and a local cost guarantee of loans of \$16,344,600 to four Spanish electric utilities—Fuerzas Electricas de Cataluna, S.A. (FECSA), Empresa Nacional Hidroelectrica del Ribagorzana, S.A. (ENHER), Hidroelectrica de Cataluna, S.A. (HEC) and Hidroelectrica del Segre, S.A. (SEGRE) (Borrowers) for the ASCO II nuclear power plant, located on the Ebro River in the Province of Tarragona, 135 KM West of Barcelona. This plant is the companion plant to the contiguous ASCO I nuclear plant. In January, 1978, Eximbank authorized an additional direct loan of \$17,470,050 to support an additional \$20,553,000 of U.S. exports for the ASCO II project.

The Borrowers have now requested, and Eximbank is prepared to provide, additional support in the form of a financial guarantee of private loans of \$10,114,000 for the ASCO

II nuclear power plant. The Borrowers require this additional financing for cost increases principally involving an increased U.S. scope of supply covering new equipment, equipment modification and additional engineering services. This increased U.S. scope of supply largely reflects the desire of the Spanish nuclear regulatory authority and the project participants to be fully responsive to the lessons learned from the Three Mile Island accident. In addition, a lesser portion of the project cost increases have resulted from low labor productivity in Spain, which has caused schedule extensions and increased U.S. costs for fuel storage, erection supervision and other engineering services. Eximbank considers the reasons for and the amount of the increased U.S. costs to be reasonable and necessary to complete construction of this project.

2. IDENTITY OF THE PARTIES

FECSA, a privately-owned company established in 1951 and headquartered in Barcelona, is Spain's third largest electric utility. It participates in the ownership of and financing for the project to the extent of 40 percent.

ENHER, incorporated in 1946, is a "national enterprise" corporation controlled by Instituto Nacional de Industria, an autonomous agency of the Spanish State established in 1941 to promote the establishment and reorganization of industrial enterprises important to the economic development of Spain. ENHER is the sixth largest electric utility enterprise in Spain and is a 40 percent participant in ASCO II.

HEC was incorporated in 1946 and is the twelfth largest electric utility in Spain. It is privately owned and is a 15 percent participant in the project.

SEGRE, a closely-held private company, is the twenty-first largest electric utility in Spain and is a 5 percent participant in ASCO II.

3. NATURE AND USE OF GOODS AND SERVICES

The principal goods and services to be exported from the United States in connection with the increased U.S. costs are new equipment, equipment modifications and additional engineering services to be provided by the Westinghouse Corporation, the Bechtel Corporation and other U.S. suppliers. In addition, schedule delays have resulted in increased costs of previously contracted erection supervision and other engineering services and in U.S. fuel storage charges imposed by the U.S. Department of Energy.

4. SAFETY AND SAFEGUARD ASPECTS

Exports of the nuclear equipment and services will be made within the framework of two agreements: (1) the bilateral "Agreement on Atomic Energy: Cooperation for Civil Uses" between the United States and

Spain of August 16, 1957, as amended, and (2) the trilateral agreement "Atomic Energy: Application of Safeguards by the IAEA to the United States-Spain Cooperation Agreement" among the United States, Spain and the International Atomic Energy Agency on December 9, 1966, as amended. In addition, prior to export of the equipment and fuel, licenses must be obtained from the Nuclear Regulatory Commission.

5. EXECUTIVE BRANCH APPROVAL

In accordance with established procedures, Eximbank requested through the Department of State the views of the Executive Branch on the proposed transaction. The Department of State has advised that the Executive Branch has no objection to Eximbank's proceeding with this transaction.

B. EXPLANATION OF ADDITIONAL EXIMBANK FINANCING

1. REASONS

The Eximbank guarantee of \$10,114,000 will facilitate the export of \$15,560,000 of U.S. goods and services. The additional costs for which the Borrowers are requesting financing are attributable to an increased U.S. scope of supply covering new equipment, equipment modifications and additional engineering services reflecting the desire of the Spanish nuclear regulatory authority and the project participants to be fully responsive to the lessons learned from the Three Mile Island accident. Also, some additional costs are being incurred for escalation of U.S. fuel storage charges and costs of erection supervision and other engineering services caused by project construction schedule delays. For these reasons, Eximbank feels it is appropriate to provide its guarantee support for financing of these costs.

2. THE FINANCING PLAN

The additional costs of the United States goods and services are \$15,560,000, which will be financed as follows:

	Amount	Percent of U.S. costs
Cash payment	\$5,446,000	35
Private loans guaranteed by Eximbank	10,114,000	65
Total	15,560,000	100

(A) EXIMBANK CHARGES

A guarantee fee of 0.5 percent per annum on the undisbursed portion of the private loans guaranteed by Eximbank and a guarantee commitment fee of 0.125 percent per annum on the undisbursed portion of the private loans guaranteed by Eximbank will be charged. All fees are payable semiannually.

(B) REPAYMENT TERMS

Repayment by the Borrowers of the Eximbank-guaranteed private loans for the additional costs will be incorporated into the repayment schedule for the total Eximbank-supported financing for the ASCO II nuclear power project, which is as follows: (i) the portion allocated to the nuclear plant equipment costs will be repaid in 20 semiannual installments beginning June 18, 1985 (which is 6 months after the estimated start of commercial operations of the plant); and (ii) the portion allocated to the fuel fabrication and engineering services will be repaid in 6 semiannual installments beginning June 18, 1985.

Attached is additional information on Eximbank activity in and economic data on Spain.

Sincerely,

WILLIAM H. DRAPER III.

Attachment.

EXIMBANK EXPOSURE IN SPAIN

(As of July 31, 1981)

	Outstanding	Undisbursed
Direct loans	\$894,940,526.13	\$276,504,338.74
CFI loans	333,759.79	0
Financial guarantees	287,897,112.30	275,775,109.68
Bank guarantee and other	1,198,121.13	4,432,427.00
Insurance:		
Medium term	2,166,306.25	2,137,065.03
Short term	26,898,889.96	0
Total exposure	1,213,434,715.56	558,848,940.45

DEFAULTS AND RESCHEDULINGS

In the past ten years there have been no defaults or reschedulings of Export-Import Bank direct credits for U.S. export sales in Spain.

SPAIN

Area (1000 sq. km.): 514.8.
Population (mid-1979): 37.2.
Population density: 74/sq. km.
GDP per capita (1980): \$5,661.

GDP (1980)

	Percent
Expenditures of GDP:	
Private consumption	70
Government	11
Capital formation	21
Exports	16
Imports	-18
Total	100
Origin of GDP:	
Primary sector	9
Industry	27
Construction	9
Services	55
Total	100

	1976	1977	1978	1979	1980
GDP data:					
Nominal (dollars in billions)	\$104.5	\$115.8	\$147.1	\$198.3	\$211.1
Growth rate (real GDP—percent)	3.0	2.6	2.5	0.6	1.7
Fiscal and monetary data:					
Government deficit (dollars in millions)	\$2,145	\$1,907	\$3,494	\$5,849	
Deficit as percent of GDP	2.1	1.6	2.4	2.9	
Increase in money supply M3 (percent)	20.7	19.4	19.9	19.5	16.0
Savings ratio (percent)	10.3	9.1	12.9	11.1	11.0
Price data (percent changes):					
CPI	14.9	24.5	19.7	15.7	15.1
WPI	15.3	17.8	14.0	11.3	NA
Labor data (percent changes):					
Wage bill	21.3	26.5	23.5	16.0	15.0
Unemployment rate	5.3	6.3	8.2	10.1	12.6
Productivity	3.2	3.3	4.8	4.2	
External debt (end of period) (dollars in millions):					
Total debt outstanding	\$10,235	\$12,959	\$14,727	\$16,621	\$20,958
Public	\$4,949	\$6,790	\$6,961	\$7,510	\$9,117
Private	\$5,286	\$6,169	\$7,766	\$9,111	\$11,812

	1976	1977	1978	1979	1980
Debt service ratio (public debt only—percent).....	16.7	12.7	8.3	9.5	10.1
Total debt/GDP (percent).....	9.8	11.2	10.0	8.3	10.0
Balance of payments (dollars in millions):					
Exports, f.o.b.....	\$8,989	\$10,552.2	\$13,527.0	\$18,190.6	\$19,000.1
Imports, f.o.b.....	-16,316	-16,624.8	-17,541.0	-23,674.1	-31,891.7
Trade balance.....	-7,327	-6,072.6	-4,014.0	-5,483.5	-12,891.6
Tourism (net).....	2,679	3,486.0	4,917.2	5,562.0	5,751.8
Net services.....	3,033	3,560.0	3,973.7	4,660.1	4,925.5
Transfers (net).....	1,142	1,152.0	1,656.4	1,822.1	2,000.5
Current account balance.....	-3,152	-1,360.6	1,616.1	998.7	-5,965.6
Long-term capital.....	1,920	3,219.0	1,495.0	2,210.0	3,820.3
Short-term capital.....	1,256	144.0	736.0	-20.0	0.4
Capital account balance.....	3,176	3,363.0	2,231.0	2,190.0	3,820.7
Overall balance.....	24	2,002.4	3,847.1	3,188.7	-2,144.9
Reserves (dollars in millions):					
Foreign exchange.....	\$4,704	\$5,977.0	\$10,112.0	\$13,224.0	\$12,466.0
Gold (average London price).....	1,781	2,133.0	2,806.0	9,862.0	6,246.0

Sources: IMF, IFS, OECD Survey, and Boletín Estadístico Banco de España; Exchange rate (Peseta/U.S. dollar) 1976=66.903, 1977=75.967, 1978=76.663, 1979=67.125, 1980=71.702. ●

REAGAN JUSTICE?

The SPEAKER. Under a previous order of the House, the gentleman from Michigan (Mr. CROCKETT) is recognized for 5 minutes.

● Mr. CROCKETT. Mr. Speaker, on Thursday, the Washington Post carried a story entitled: "Justice Official's Memo on Yonkers Bias Suit Stirs Controversy," which described a memo circulated by a top-ranking official of the Reagan civil rights division at the Justice Department.

I have obtained the full text of this outrageous document, and submit it today for inclusion in the CONGRESSIONAL RECORD. I believe my colleagues, even those on the other side of the aisle, will be shocked by its tone, and outraged at its racist implications.

The memo, written by Robert J. D'Agostino, the designate for Deputy Assistant Attorney General, recommends that the Justice Department withdraw its participation in a landmark civil rights case involving school and housing discrimination in Yonkers, N.Y. The Justice Department had filed suit charging that the local school board, city officials and the local community development agency had discriminated against the city's 32-percent minority population through a pattern of school construction and closings, alteration of attendance lines, assignment of teachers, and selection of sites for subsidized housing in heavily minority areas. The Justice Department is apparently now reviewing this and two other cases to determine whether it will continue to prosecute them.

Mr. Speaker, the memo I place before my colleagues today is one of insensitivity, callousness, and racism. It is written by a man who, if confirmed, will hold a key position in the formulation of policy and procedures in the Department of Justice Civil Rights Division. Yet, by its content and by the use of racist "code words" such as "racial mixing" and "coerced residential integration", it offers evidence of an attitude against effective

affirmative action and civil rights enforcement.

Most abhorrent of Mr. D'Agostino's opinions are those expressed by the following:

(B)lacks were "improperly classified as emotionally disturbed." Why improperly? * * * Blacks, because of their family, cultural and economic background are more disruptive in the classroom on the average.

Mr. Speaker, I urge my colleagues to protest this affront to the credibility of our Government's commitment to civil rights.

The memo follows:

U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., July 21, 1981.

To: Wm. Bradford Reynolds, Assistant Attorney General-Designate, Civil Rights Division.

From: Robert J. D'Agostino, Deputy Assistant Attorney General-Designate, Civil Rights Division.

Subject: *United States v. Yonkers Board of Education et al.*

Yonkers is a most interesting case in that it represents both the end result of a mind set in the educational area and one of the opening shots in a new attempt to remake America through coerced residential integration.

Segregative intent is found in virtually every act taken by school authorities if that act did not lead to the ultimate good as defined by the Justice Department, racial mixing.

The letter of August 25, 1980, to the Superintendent of Schools of Yonkers summarizes the facts relied upon by Justice in bringing suit against the school system. Seven paragraphs deal with those facts.

Paragraph one deals with school construction policies. Here Justice contends that schools that were built and opened with "greater than 50 percent minority enrollment" were intentionally racially segregated, presumably because there are now over 85 percent minority. I would say that a 50 percent or so minority school would be considered integrated if *Yonkers* proposed to open one now. The fact that two schools had "no significant number of minority students" until school closing in 1976 is evidence of segregative intent. I say it is just the opposite. Schools were closed in 1976 which resulted in formerly all-white schools becoming integrated. Other schools opened up virtually all-white or minority. Possibly, they were constructed where the students were—neighborhood schools in urban areas were once considered very desirable.

Paragraph two alleges as proving segregative intent both the closing of schools which resulted in other schools being more identifiably of one race and the closings which resulted in intergrating schools. Perhaps the school board was treating schools as "just schools."

Paragraph three deals with assignment of faculty and administrators. Here the affirmative hiring practices of the school board are claimed to be proof of a violation of the Constitution, since the school board assigned a disproportionate number of newly hired blacks and Hispanics to minority schools—not all—just a disproportionate number.

Paragraph four states that blacks were "improperly classified as emotionally disturbed." Why improperly? And by what evidence does Justice presume to impose their views on who is or who is not emotionally disturbed (presumably disruptive in the classroom)? Evidently, Justice's position is that unless equal proportions of blacks and whites are classified as emotionally disturbed, the law violates the civil rights statutes or the Constitution. What hogwash. Blacks, because of their family, cultural and economic background are more disruptive in the classroom on the average. It seems that they would benefit from such programs.

Paragraph five dealing with counseling given to minority students claims a disproportionate number were steered to inferior vocational programs then to expanded general programs on the high school level. Disproportionate to their school achievement? Disproportionate to their needs? Creation of flexible or special programs to handle special needs of economically and socially disadvantaged children now becomes evidence of segregative intent.

Paragraph six deals with faculty and facilities. Insofar as there was unequal treatment of blacks and whites, a violation is present. However, the paragraph goes on to criticize the fact that the schools provided less in the way of academic curricula to blacks. Another logical reason for that is that fewer blacks were precollege. Certainly, that was true up until the last few years.

Paragraph seven deals with the failure to adopt a plan which the board had no obligation to adopt, but which would have, in the opinion of Justice, better mixed races, perhaps, by busing everyone somewhere else.

It is quite obvious from the list of alleged offenses that violated the Constitution and the Civil Rights Acts that the Yonkers School Board is in an impossible position. They were damned if they did and damned if they didn't.

In the housing area, Justice is demanding that Yonkers build 1100 units of low-income or subsidized housing regardless of the burdens in "non-minority impacted areas." Evidently, the power of the purse now resides ever more firmly in the federal courts as guided by Justice—an interesting gloss on self-government. What is the nature of Yonkers' violation? They were stupid enough or altruistic enough to voluntarily participate in programs to build low-cost and subsidized housing on sites approved by HUD in areas that housing was thought to be needed. The Justice position is, evidently, that the building of these housing units in areas of high minority concentration were constitutional violations requiring additional construction on Justice approved sites. Allegations of Title VIII violations are thrown in so as to have the benefit of the effects test. This case should be compared with the Manchester, New Hampshire case where it is our contention that Manchester violated the Constitution by refusing to voluntarily participate in a low-cost or subsidized housing program after the town thought it might.

I believe that a thorough review of the Yonkers case is demanded by this Department. I see absolutely no reason to pursue this case in its present form. If it is the Reagan Administration's position to attempt to create a law that will mandate the building of low-income housing projects when communities do not want such projects, then we should proceed, otherwise we should not.

The Yonkers review should be made in the context of a complete rethinking of our position in the housing cases including Manchester.●

GRANVILLE CAYCE III

The SPEAKER. Under a previous order of the House, the gentleman from Kentucky (Mr. HUBBARD) is recognized for 5 minutes.

● Mr. HUBBARD. Mr. Speaker, Hopkinsville, Ky., recently lost a prominent business, civic and church leader with the death of Granville Cayce III.

Even though he was only 32 at the time of his untimely death, Granville Cayce III had become an active businessman and civic leader, and was a church deacon.

I would like to express my sympathy to his widow, Karen Sholar Cayce, to his parents, Granville L. Cayce, Jr., and Billie Lee Watson Cayce, and his two brothers, Breck and Mike Cayce.

Granville Cayce III was vice president of Cayce Mill Supply Co. in Hopkinsville. He was an active member and leader of the local Jaycees chapter, and in 1980 received the coveted Jaycee of the Year award for his work in the local chapter.

He was a leader in the efforts to raise funds and oversee construction of a new Jaycee multipurpose building. He was an active member of the local fair board and United Way fundraising efforts. He was also an Eagle Scout and remained active in Scouting activities.

Granville Cayce III was a deacon at the First Christian Church and was a Chi Rho leader at the church.

Mere words cannot relate the full story of this man and the mark that he left on his community. Granville Cayce III will be missed. I take this occasion today to offer my condolences and those of all my colleagues in this House who, directly or otherwise, mourn the passing of a civic and church leader.●

CANADIAN-UNITED STATES RELATIONS

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 5 minutes.

● Mr. FASCELL. Mr. Speaker, with the world so troubled, and the United States involved in so many turbulent areas around the world, it is all too easy to become complacent in the happy situation we have historically had in our relations with Canada. We are more than just neighbors; in many undertakings both large and small, we have been partners as well. Canada and the United States share close military ties both in NATO and in the North American Aerospace Command. Our defense procurement arrangements date back to World War II. The two countries also cooperate on a wide range of international problems, of which southern Africa and the Middle East are only the most current examples.

As chairman of the House delegation to the Canada-United States Interparliamentary Group, I am particularly pleased that our friendship is a continuing one: We have as a recent example the outstanding assistance Canada provided some of our people in Iran. It is the highest compliment to our relationship that while we were deeply grateful for the assistance, we were not surprised that so considerate and courageous an action should have come from Canada.

There is, unfortunately, a list of problems which currently exist between our two countries. Some of the problems involve complaints of Canada against us, and some of them involve complaints we have against them. All of them are complex, and they are proving persistent. At this point, I regret to have to note, there appear to be signs that tension and even tempers are beginning to rise on both sides of the border.

Attention on our side is centered on Canada's new national energy policy and on the squeeze it puts not only on American energy companies in Canada, but on trade, investment, and general business prospects for a range of American firms. Moves by Canadian companies to take over American ones in this country have also caused a reaction here.

I suggest that if we understand our own reaction to a handful of Canadian takeover efforts in the United States,

we can also understand Canadian concerns when almost three-quarters of Canada's energy industry is in foreign hands. In fact, some 80 percent of that foreign participation is American.

We can also understand Canadian concerns about a number of other problems: The Garrison diversion project, which would help irrigate North Dakota but which Canadians fear would threaten Canadian fisheries; the Eastport refinery project, which would put a refinery in Maine but which would send oil tankers and the concomitant risk of spills, into Canadian waters; the Ross Dam project, which would provide additional electricity for our Pacific Northwest but would flood 7 more miles of Canadian territory; acid rain, which both our countries unhappily produce but of which we dump more on them than they dump on us. The list could go on.

To be sure, we have a list of our own concerns and complaints about measures taken or being contemplated by Canada. Several of these measures affect international investment or trade and appear to be at variance with established international norms.

But my purpose is not to present an exhaustive list of either side's complaints. It is rather to illustrate the range and complexity of the problems and issues between us. None of them is likely to go away quickly or easily; if they were easy, they would have been solved already.

So, along with the traditional friendship which we have understandably tended to take for granted, we also have to accept that problems of proximity, inevitably arising from the 5,000 miles of border we share, will continue to exist. It is not a matter of simply making the problems go away, but of determining how they should best be managed.

My concern and my call is that we bear in mind our heritage and history of friendship and cooperation, and seek resolution of our differences within that framework. Let our message to our Canadian friends be that we value their friendship, understand their concerns, and will work together to resolve or alleviate their grievances; and let that message also make clear we will look for a like attitude from them, so that their undoubted right to define and pursue their national interests will not impinge on our no less legitimate rights under international law.

There always exists the possibility of legislation to balance off the perceived injuries inflicted by another country. We know too well, however, how easily what begins, or is intended, as simple redress sets off a series of measures and countermeasures resulting in an upward spiral of retaliation which ends by proving nothing but which

takes us further than ever from solution.

For now, as long as prospects for mutually acceptable solutions exist, let us avoid this temptation, and call instead for our Government to exercise creative and vigorous diplomacy, clearly and firmly backed by public and congressional will, and to tackle these problems and resolve them in a way that both honors the traditions and preserves the prospects of friendly and constructive relations with our good neighbors to the north. ●

The SPEAKER. We have passed the time of the gentleman from California (Mr. DANNEMEYER). Does the gentleman make a request that it be granted to him at this time?

Mr. DANNEMEYER. Mr. Speaker, I ask unanimous consent that I be granted my time at this time.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

FURTHER CUTS WHICH COULD BE MADE IN BUDGET

The SPEAKER. Under a previous order of the House, the gentleman from California (Mr. DANNEMEYER) is recognized for 30 minutes.

Mr. DANNEMEYER. Mr. Speaker, on Friday I addressed the House for the purpose of starting a dialog on two interrelated issues: First, the need to make additional reductions in the fiscal year 1982 budget, and second, where those reductions might be made in the coming weeks. Specifically, I indicated my intention to share with my colleagues a list of 272 potential cuts put together by my office in conjunction with the work of the House Republican Economic Task Force's Subcommittee on Budget Reduction, of which I am honored to serve as chairman. The budget study was distributed in late July as a research inventory under the auspices of the House Republican Research Committee.

As a result, the study is being updated to reflect changes made in the final version of the budget reconciliation bill. Nonetheless, I believe that the 272 cuts, which total some \$52.3 billion, serve as a useful point of departure in our efforts to further reduce spending in order to bring the deficit under control. Failure to control the deficit will surely result in continued high-interest rates.

Before returning to the list of cuts where I left off on Friday, I would like to direct the attention of my colleagues to an article in yesterday's Washington Post by syndicated columnist George F. Will. In discussing the economic climate, Will makes the following important observation.

Or consider the soothing thought that even if the federal deficit is \$20 billion above the administration's estimate of \$42.5

billion, it will be less than 2 percent of gross national product. Feel better? Don't. The salient fact is that decade ago, federal borrowing, including off-budget loans, accounted for 16 percent of the total demand on U.S. credit markets. In the fiscal year now ending, it will have accounted for 38 percent.

Will goes on to discuss the public debt and its relationship to the interest rate problem:

About half the federal debt of about \$1 trillion has a maturity of less than a year. That is good, if interest rates come down. In that case, government spending on debt service will decline substantially. Unfortunately, the maturity for so much debt so soon is not encouraging, because government spending projections have incorporated interest rate assumptions that already seem unreasonably optimistic.

With these thoughts in mind, allow me to return to the specific list of potential cuts. In each instance, I urge the House to bear in mind that each reduction would mean that much less that the Government would need to borrow and, correspondingly, that much more for business loans, car purchases, mortgage lending, and other private investments. All of these things would increase employment, stimulate productivity, and encourage economic growth.

Mr. Speaker, last Friday I began reading through this list of 272 cuts and had worked through those items contained under the "Judiciary." This afternoon I would like to commence with those proposed items for reduction in the Executive Office and "Funds appropriated to the President."

It is interesting to note that when you examine the Federal budget for the fiscal year you find that there are 22 major subdivisions by agency or department, and the 2 I have just alluded to, the Executive Office and "Funds appropriated to the President," are merely 2 of those 22.

The first cut under the Executive Office relates to the Council and Office of Environmental Quality. This, in our judgment, is one of these redundant offices that our Government could well get along without. We propose to speed up the elimination of this office, thereby saving \$1,044,000.

In the Office of Administration, we propose to limit salaries and expenses to not more than 10 percent above 1981, a savings, if accomplished, of \$442,600.

In the Office of Management and Budget, commonly referred to as OMB, we would limit salaries and expenses in 1982 to 10 percent over what was spent in 1981. This would save \$494,900.

In the Office of U.S. Trade Representatives, we would allow 10 percent above 1980 for salaries and expenses. Proposed outlays represent a 70.8-percent increase since 1980, which in our judgment is somewhat excessive.

In this category, these four items total \$4,868,500.

Under "Funds appropriated to the President," we find appropriations authorized by Congress enabling the President to spend money for various programs, mostly in the area of foreign assistance.

The first item in this category relates to expenditures of foreign security assistance, international military education and training. Here we propose to allow expenditures in 1982 not exceeding 10 percent above what was spent in 1981. If this principle is followed, it would result in a savings for this particular item of \$11,650,000.

In foreign security assistance, economic support fund, we would allow a growth for 1982 which is 20 percent above 1980. We should exercise greater care in giveaway programs overseas, because we have found that we cannot really buy friendship anywhere for the long-term or even, indeed, on a short-term basis. Likewise, this would result in a savings of \$63,051,600.

In foreign development assistance, contribution to the International Bank for Reconstruction, we would again allow 20 percent in 1982 over what was spent in 1980. Members should bear in mind that the proposed outlays for this particular item would result in an increase over 1980 of some 423.7 percent. In our view this is vastly exorbitant and should not be tolerated. If we follow the limitations as suggested, it would result in a savings of \$63,850,000.

Foreign development assistance, contribution to the International Development Association, we would allow in 1982, 10 percent over what was spent in 1981, thereby restricting excessive funding. The General Accounting Office in this instance has charged that there has been inadequate monitoring of the activities of this particular agency department, which has also engaged in poor procurement practices.

The next item relates to foreign development assistance, Asian Development Bank. Here again we would limit expenditures in 1982 to no more than 20 percent of 1980, resulting in a savings of \$27,636,400. The proposed outlays represent 77.1 percent of an increase over 1980, which we believe under present circumstances is exorbitant.

Members will note that in many of the instances the proposed growth was 10 or 20 percent over what was permitted in 1981 or 1980. We feel that this growth margin is perfectly proper and appropriate, because as we all know, when we go in to buy a car today, we are asked by our bank to pay interest rates of 20 or 22 percent, or if we can find a home to buy and money on the credit market to finance it, we are asked to pay 17 percent or 16 percent

even on a long-term basis. Most Americans today cannot even afford to buy a home on that basis because they do not have earnings high enough to service a debt of that type.

□ 1400

So it is not unreasonable in light of what we Americans are experiencing in the credit markets of the country to ask agencies of Government in 1982 to limit their increases to 10 percent over what was spent in 1981.

To continue, under foreign development assistance, African Development Fund, we would allow in 1982, 10 percent over what was spent in 1981. This would save \$3 million.

In foreign development assistance, African Development Bank, we would defer this authorization as unnecessary since this new program largely duplicates the work of the African Development Fund. This would save \$17,987,000.

In foreign development assistance, International Fund for Agricultural Development, we would allow in 1982 a growth of not more than 10 percent over what was spent in 1981. The proposal for this particular agency, believe it or not, is 60 percent over what was spent in the preceding year. This recommendation, if implemented, would save \$12,500,000.

In foreign development assistance, international organizations and programs, we would eliminate U.N. funding. The U.N. Development Fund of \$145 million and U.N. Children's Fund of \$45 million are not part of the regular U.N. contribution. This proposed cut would save the taxpayers of this country \$190 million.

In foreign development assistance, functional development assistance program, we would cut 50 percent from the fiscal year 1982 budget authority for population planning. We would restrict this particular program, which some of us choose to call social engineering at taxpayers' expense. This would save the taxpayers of this country \$172,960,500.

In foreign development assistance, Sahel development program, we would allow 10 percent over what was spent in 1981 for fiscal year 1982. This additional program, in our judgment, is unaffordable at the present time. The Sahel has gotten considerable attention through recent televised broadcasts and advertising in attempts to raise private contributions. If implemented, this would save \$10,823,800.

In foreign development assistance, International Development Cooperative Agency, operating expenses, also known as AID, we would cut 10 percent from the proposed expenditure for 1982. We feel there is much redundancy with other foreign aid programs, and here the General Accounting Office, the auditing arm of Congress, has reported that poor procure-

ment practices and monitoring exists in this program. \$32,649,100 would be saved.

Foreign assistance development, trade and development program, rescind this program is our recommendation. In our judgment, we really cannot afford new programs of this type. This would save the taxpayers \$2,337,000.

In the Inter-American Foundation, we would allow 10 percent above 1981. The proposed outlay for this item is 296.2 percent over what was spent in 1981, which we believe is grossly excessive and should not be tolerated. If this is implemented, it would result in a savings of some \$14,702,300.

In international commodity agreements, we would eliminate funding for the entire program, which manipulates rubber prices on the world market and should not be subsidized by the taxpayers of this country. This would result in a savings of some \$10 million.

Totaled, these items contained in "Funds appropriated to the President," if implemented, would save \$739,513,700.

When the Members hear these items mentioned, I think it is important that we have one continuing question in mind: Will the elimination or reduction of a program have an adverse impact on the poor, the handicapped, the deprived of our society? And I challenge anyone in this Chamber or who reads these figures to indicate that the deprived in our society, American citizens all, are going to suffer as a result of the implementation of these cuts that I have mentioned in the short time that I have been privileged to take the floor this afternoon.

Well, tomorrow it is my intention, fellow Members, to continue reading through this list of cuts, and over the course of the next several weeks to enumerate to the Members where the items are in our Federal budget that we can cut out some \$52 billion and I think it might behoove us to analyze what beneficial effects this would have.

It would significantly reduce the quantity of money which the Federal Government has to borrow in order to finance its operations. If we had the courage to reduce spending by that amount in 1982, think of the dramatic impact that would have on the credit markets of this country.

Does anyone really question the result on those credit markets? It would reduce the cost of credit for all Americans by driving the prime rate down by a least 6 percentage points from its current high of 20. And to the Members of this Congress who are concerned about the third largest item in the budget, that is, for interest think of the dramatic impact which that would have on the cost to the Federal Government of paying the in-

terest expense on the \$1 trillion national debt.

We believe this would reduce the cost to the Federal Government by at least 2 to 3 percentage points of maintaining the debt in that magnitude. And that would result in a savings of \$20 billion or \$30 billion in addition to these cuts.

I thank the Members for their attention. I thank the Speaker for the time that he has allotted me this afternoon, and I yield back the balance of my time.

WELFARE IN AMERICA—UNDERCLASS: HOW ONE FAMILY COPEs

(Mr. RICHMOND asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. RICHMOND. Mr. Speaker, I know my colleagues will be interested in reviewing excerpts from an excellent, riveting Los Angeles Times article, "Underclass: How One Family Copes," by David Treadwell and Gaylord Shaw.

This outstanding study of welfare in America addresses the most significant problems now confronting Congress and elected officials at all levels of government.

Specifically, the authors highlight the failure of current Government programs to break the cycle of unemployment and poverty that keep families, such as the one described in the article, from getting into the mainstream of our Nation's economic life. Their conclusion is that jobs are the best way to help the underclass and that Government cannot do it alone.

This article clearly and persuasively indicates where our current thinking may have gone wrong and what we—Members of Congress and all State, city, and county elected officials—can do to end the hopeless cycle of unemployment and poverty that entraps millions of our fellow Americans.

I recommend this thoughtful, detailed, and timely article to my colleagues.

Excerpts from the article follow:

[From the Los Angeles Times, July 5, 1981]

WELFARE IN AMERICA—UNDERCLASS: HOW ONE FAMILY COPEs

(By David Treadwell and Gaylord Shaw)

CHICAGO.—On a slate-gray morning in late May, Louise Lowman stepped through the discarded newspapers blown along the sidewalk by the wind from the lake, entered a grime-streaked office building and climbed the worn marble staircase to the second-floor waiting room of the state Public Aid Department.

Beside her, matching her mother's measured tread, was her 19-year-old unmarried daughter, Teresa. Cradled in Teresa's arms, wrapped snugly in a sparkling white blanket against the morning chill, was the teenager's month-old baby, John. . . .

Louise Lowman, 57, had been on welfare for 35 consecutive years, so a trip to the welfare office was nothing new to her. But this morning was different—this morning the process would begin to place baby John's name on America's welfare rolls. He would represent the third successive generation in the Lowman family to receive welfare.

In part the Lowmans' path to the welfare office was paved by problems of their own making—not least among them the fact that seven of Louise Lowman's 10 children were born out of wedlock and raised without the stability traditionally associated with a two-parent household.

IN ECONOMIC BASEMENT

But forces beyond this one family's control also were involved—forces great enough to overwhelm perhaps even the most determined individual.

Increasingly, an array of economic demographic and social forces has converged on members of the Lowman family and millions of others like them overwhelming their meager resources and locking them in the nations economic and social basement. They are members of what appears more and more to be a permanent underclass in America.

A permanent underclass. The very phrase seems alien to all that is America. Like every nation, the United States has always had poverty, but it has also nurtured the belief that anyone willing to work can improve his or her lot. Indeed, millions of European immigrants who landed destitute on America's shores worked their way up the economic ladder. More recently, hundreds of thousands of blacks and other minorities have lifted themselves into the middle class.

In fact, Louise Lowman's five oldest children have reached, or seem to be headed for, the middle class—they have become a policeman, a teacher, a cabdriver, a restaurant manager and a service station cashier.

But for Louise Lowman and her five younger children, the American tradition of upward mobility has become a dream deferred, or cancelled outright.

The costs of this stagnating poverty, both to the Lowman family and to the nation as a whole, are enormous. Within the underclass, social scientists recite a heavy toll of wasted lives, lost hopes, growing bitterness and deepening despair. Dollar figures can't be attached to such suffering, but it is possible to calculate roughly the price paid by the rest of the nation for this massive tragedy.

The most visible price paid is the estimated \$20 billion a year in taxes for the basic welfare programs that support members of the underclass who don't, won't or can't work.

Another, more fearful type of tax is extracted by the criminal activity that amounts to an invisible job market for many in the underclass—crime that such authorities say is increasingly spilling out of the slums and taking its toll in more affluent neighborhoods. The cost of major crimes attributed to the underclass—measured in terms of lost property, lost productivity, prosecution and prison expenses—is estimated at \$10 billion a year.

Adding \$20 billion in social program spending, this means that the total dollar cost of maintaining the underclass hits \$30 billion annually—equivalent to a \$300 annual levy on each of the 100 million working people in America.

The problems of the underclass make up a discouraging litany: unemployment, welfare, crime, racism and racial barriers, industries

that have moved away, inner city schools that don't educate, government training programs that don't train or that train for jobs that don't exist, illegitimate children and a family structure that has deteriorated.

WEB OF ADVERSITY WOVEN

Many, if not most, of the problems are interrelated—one connects to another, then another and still another, weaving a web of adversity that seems to defy unraveling.

For example, there is evidence that dependence on welfare may undermine the development of disciplined work habits, that the prospect of job failure erodes incentives to stay in school, that members of the underclass are so educationally deficient that they can qualify only for the most menial jobs or that even those with training and good work habits have skills that are technically obsolete in a rapidly changing marketplace. The cumulative result is millions of people who are themselves almost technically obsolete, people for whom the nation has less and less use.

According to Douglas G. Glasgow, a Howard University sociologist, the emergence of this underclass "as a permanent fixture of our nation's social structure represents one of the most significant class developments in the last two decades."

To be sure, while the phrase "permanent underclass" is coming into broader usage, it is itself the subject of debate among scholars. Some economists contend that the word "permanent" is misleading because the bulk of the total poverty population is not a static mass but rather a shifting conglomeration of individuals and families whose fortunes rise and fall repeatedly over time. Also, some sociologists argue that the word "underclass" carries unwarranted ideological overtones.

STAY BELOW POVERTY LEVEL

Yet, from stacks of academic studies and government reports, some degree of consensus can be drawn about the existence of the underclass, about who belongs to it and roughly how large it is.

People generally ranked in the underclass are those who have jobs so marginal or seasonal that they remain below the poverty level year after year, or those who are long-term welfare recipients, or who are chronically unemployed, or who have dropped out of the labor market altogether, or who have turned to crime to support themselves, or who mix occasional work with welfare or proceeds from "hustling," the catch all ghetto term for a range of illicit activities.

Studies estimate that somewhere between 2 million and 10 million of the nation's 220 million people, or 1 percent to 5 percent, fit into one or more of these categories. And some authorities suggest that the numbers are growing.

For many middle- and upper-class Americans, especially those whose rise up the economic and social ladder resulted from their own hard work, it is difficult to comprehend how and why an underclass, dependent and despairing, came to exist in the midst of a land of opportunity.

Answers to this perplexing question can be found by examining the life and times of Louise Lowman and her family, and how this family's dilemma is inexorably linked to broader economic and social changes. . . .

As a girl growing up on Chicago's mostly black South Side, Louise Lowman never dreamed that one day she would see three generations of her family on welfare. . . .

Louise graduated from the segregated high school in 1941. She wanted to be a nurse.

But there was no money for college . . . so she was forced to go to work. Racial barriers made desirable jobs difficult, if not impossible, to obtain.

Louise began washing dishes in a YMCA cafeteria near the Loop.

During the next two years, she held several jobs, but all were menial and low-paying. One lasted less than a week.

The only bright spot in life was her romance with Alonzo Allen, a young man she began dating after they met after high school.

In 1944, Alonzo was drafted into the Army and stationed near Chicago. Weeks later, Louise learned that she was pregnant with his child.

Guilt-ridden over the anguish of her parents but more afraid to risk an abortion, she decided to have the baby. Six months after his birth, she followed the advice of friends and signed up for welfare. Why not? she thought. It would be only temporary, until she could pick up the shattered pieces of her life.

Over the next 20 years, however, for reasons even she cannot fully explain, the bright future that seemed to stretch before her as a girl eluded Louise. There were no "better" jobs and there were more babies—nine in all, six boys and three girls, between 1949 and 1964.

Only one of the six different fathers of these 10 children even married her. His name was Thomas Lowman. He was her third lover, they had three children, and the marriage lasted three years. He dropped out of sight in the mid-1950s when she was hospitalized for two years with tuberculosis.

The succession of babies virtually destroyed her chances of better jobs. Yet she was determined to give her children the best upbringing possible. It is perhaps the central paradox of Louise Lowman's life—and one that is shared by others in the underclass—that she struggled to maintain the traditional middle-class values while having a succession of children, most born out of wedlock, who undermined that struggle from the outset.

Yet struggle she did. She sacrificed to keep the family out of public housing, despite its lower cost. She thought that public housing bred crime and vandalism and turned neighbors into strangers.

PRACTICING THE DECEPT

Health permitting, she took in laundry, sold cosmetics from door to door and did other odd jobs to supplement her meager welfare stipend. Like many other welfare mothers, she did not report such outside income to the authorities and justified "practicing the decept," as she terms it, on the grounds that her government check did not cover her family's basic needs. . . .

Two boys, ages 22 and 20, have not held a steady job since they dropped out of high school. The elder of the two has been unemployed for more than seven years.

Another son, 23, is physically handicapped and retarded, and relies on government programs for support.

A fourth boy, a junior in high school is so depressed over his future that he is on the verge of quitting school. Louise takes some solace from the possibility that he will join the Army.

And then there is 19-year-old Teresa. Teresa was only two months away from graduating from high school when she

dropped out to have her baby. With things the way they are, Louise Lowman believes, Teresa's chances in life are even more perilous than her own were 35 years ago.

What that means for baby John, she avoids contemplating.

She feels somewhat to blame for what has happened, particularly by failing to instill in her last five children the discipline needed to compete successfully in a changing and—for inner-city blacks—a shrinking job market. . . .

"The neighborhood is going down," she says. "The schools are getting worse. The dope fiends are out on the corners selling their whatnot. It's all I can do to keep the children from turning to the streets."

While sociologists say the underclass is a "heterogeneous grouping"—a mixture of races and ages, of differing family characteristics—national studies have yielded three findings that are striking:

Blacks are more than three times as likely to be poor than whites, with Latinos about midway between.

Households headed by females are six times more likely to live in poverty than two-parent families.

Central city residents are twice as likely to be poor as suburban residents.

When the three factors are combined—as they are with Louise Lowman, the female head of a black, inner-city household—the odds of a life in poverty are dramatically multiplied. Roughly three-fourths of all poor black families are headed by women, and a majority of these live in central cities.

To be sure, in sheer numbers, whites dominate the poverty population just as they do the general population: Of the 25.2 million people ranked by the Census Bureau in 1980 as below the poverty line, 16.7 million were white, 7.8 million were black and 2.6 million were of Latino origin. And poverty in Appalachia, which is mostly white, can be just as grinding as poverty on Chicago's South Side, which is mostly black.

PATTERNS IN BLACK GHETTOS

But it is in the black ghettos of America's cities that underclass patterns seem most pronounced:

Large numbers of women like Louise Lowman who are untrained for any but the most menial jobs or unable to work at all because they have small children or health problems.

Large numbers of men like two of her young adult sons who lack the skills or the motivation to find permanent, decent-paying jobs.

Large numbers of teen-agers like her two youngest children who seemingly are without the schooling or the discipline to make it into the mainstream.

Still in question is the extent to which poverty and welfare dependence are passed on from one generation to the next.

Howard University's Glasgow is among those who contend that the underclass is increasingly composed of "sons and daughters of previous generations of poor, and their children will predictably remain in the grip of poverty."

In contrast, Harvard's Lee Rainwater and Massachusetts Institute of Technology's Martin Rein reported in 1978 that their analyses of data collected on a sample of 5,000 families each year since 1968 "seem to provide no support for the hypothesis that the experience of growing up in a welfare family per se makes men or women more likely to go on welfare themselves when they set up their own households."

PRESENCE KEPT HIDDEN

Louise Lowman's total monthly income is \$808, including \$128 in food stamps, \$238 from Social Security for support of her handicapped son, and \$302 in dependent children benefits for herself, Teresa and Matthew.

In addition, she receives \$100 from Robbie's father, her 32-year-old policeman son, for the young boy's support. Robbie's presence in the home is hidden from welfare authorities and the money is unreported, so that her welfare check will not be reduced.

Peter, her unemployed son, also contributes half of his \$80 monthly check from the general assistance program, a form of welfare provided by the state and the city for unemployed individuals with low skills who are ineligible for federal welfare benefits.

Household expenses for a typical month are \$255 for rent, \$50 for utilities, \$12 for telephone, \$23 for her life insurance premium and \$7 for a subscription to the Chicago Defender, the black daily newspaper. This leaves \$461 for food, clothing, entertainment and miscellaneous expenditures for the seven of them.

It has been more than a year since the family last treated itself to a meal out at a fast-food restaurant and more than three years since Louise Lowman bought a new housedress.

With Teresa getting a check for herself and baby John, Louise Lowman's monthly AFDC benefits would be reduced, she figured, by at least \$50.

Thus, Louise Lowman thought it was mandatory for Teresa to contribute to the family's support. Expenses are always going up—especially rent for their two-bedroom apartment, sadly in need of repair and a fresh coat of paint. The rent has climbed from \$220 to \$255 just recently, and the landlord is threatening to raise it another \$35 in the fall.

Teresa has promised to help meet household expenses—even, she said, if she decides to move in full time with her boyfriend, John, the father and namesake of her month-old baby. But Louise Lowman . . . knows from experience how independent a young girl can become once she starts receiving her own welfare check. . . .

STEADY JOB, NOMINAL PAY

Carl, who was born with cerebral palsy but managed to graduate from a special high school for handicapped children, is the only person in the house with a steady job. He works at a vocational center. The pay is nominal; he never brings home more than \$5 or \$6 a week. But the job keeps him from vegetating and relieves his mother of part of the daily burden of his care.

She used to give Carl money to buy his lunch at work. But she suspected that some of the girls were there cheating him out of it before he could eat. So she began packing his lunch to keep him from going hungry.

A friend drove them to the welfare office saving them the time and cost of a bus trip.

As they entered the building, Louise Lowman felt a familiar flutter of nervousness. Welfare offices, she learned early in life, can mean interminable waiting, endless red tape and officious bureaucrats. . . .

Teresa was determined not to give the name of the baby's father to welfare authorities. She feared that they might take him to court, where he would be ordered to help support little John.

He is able; he has a part-time job in a health food store. But Teresa, like many ghetto youths, has developed an antipathy to anything that smacked of law enforce-

ment—the courts, police, welfare officials. To her, they seem to exist only to harass black people, especially young black men.

Besides, John has promised to help out with the baby's expenses. She trusts him to keep his word. . . .

The caseworker had thought the purpose of the trip was to add the baby to Louise Lowman's AFDC budget. When she learned that it was to place Teresa on her own budget, she apologized profusely and said she would have to turn the matter over to another caseworker. Teresa, after a brief interview, was given an appointment for the following week.

It was close to 9:30 a.m. when they walked out of the building. Louise Lowman . . . had still not found out how much her check would be reduced or how much Teresa's benefits would be. And it would be weeks before she finally did.

Louise Lowman . . . returned home to wait for her son Carl's Social Security check.

"You never know when the mailman's going to show up, and you don't leave a government check sitting in your mailbox while you're off somewhere else," she said.

Much of the discontent with the present welfare system centers on AFDC, the program paying Louise Lowman \$302 a month and the program Teresa Lowman signed up for in May. As an unwed, teen-age mother, Teresa is part of a disturbing national trend intimately linked to the growth of the underclass.

In the 1970s, there was a fivefold increase in the number of women under age 20 receiving AFDC payments. During the same decade, the number of AFDC children who had been born out of wedlock increased from about 1 million to 2.6 million.

Thus, the program stands out as a major example of a program which, because of demographic changes, has become the main source of support for a category of recipients far different than those originally targeted.

When enacted during the Great Depression as part of Franklin D. Roosevelt's New Deal, it was meant to be a small, temporary program to help children whose fathers were dead. More than four decades later, 10.9 million recipients were receiving \$12.8 billion a year, and studies showed that 80% of the children were on AFDC rolls not because their fathers were dead, but because their parents were divorced (21.4%), separated (25.5%), or because the children were born out of wedlock (33.8%).

UNDERCLASS STATUS CERTAIN

Some researchers believe that rising illegitimacy rates virtually guarantee underclass status for thousands of young women and children. "Even legitimate teen-age pregnancies lead to lower education, lower earnings, and higher probabilities of ultimate marital dissolution and welfare dependency," a 1979 Urban Institute study said. "When a child is born out of wedlock, the likelihood of these negative effects all increases."

Sar A. Levitan, director of George Washington University's Center for Social Policy Studies, concurs. "(When) a young woman has a child in her teen-age years, an out-of-wedlock child, nine-tenths of her life-time scenario is already written."

Still, many of these young women manage to climb out of poverty and leave the welfare rolls for at least part of their lives. In fact, studies show that a majority of people who turn to the welfare system actually receive payments only intermittently; that

there is much movement on and off welfare, in and out of poverty.

"Once people are on welfare they are not inescapably locked into the welfare system, nor once off of it are they necessarily freed from it for life," economist Richard Coe reported after analyzing data collected over the last 13 years by the University of Michigan's Survey Research Center.

Coe found that in a 10-year period, one-third of the welfare population received payments for only one year. But another one-fourth got payments in six or more of the 10 years.

Another study by Harvard's Rainwater and MIT's Rein estimated that fewer than 10 percent of those who go on welfare became members of a "welfare class" with long-term dependence on the government for survival. The other 90 percent manage to get off the rolls, at least temporarily.

That 10 percent identified by Rainwater and Rein as a "welfare class" constitutes the core of America's underclass.

"You can always tell when it's check day," Louise Lowman observed as she sat by the front window of her apartment, watching for the mailman. "The people are all hanging around their mailboxes. . . ."

TIME OF HIGH ANXIETY

Check day is always a time of high anxiety for her. Anything could happen to a check—the computer could foul up, the post office could misplace it, muggers could snatch it from you on your way to the check-cashing place or grab your money on the way out.

She never relaxed until the check was cashed and the money was spent for bills, groceries or whatever.

Some years ago, a law was passed permitting AFDC recipients to have their checks mailed directly to neighborhood currency exchanges, which in Chicago serve many people as local banks. Louise Lowman has hers sent there. But Carl's check comes from the Social Security Administration, and, as far as she knows, it offers no such arrangement. To Louise Lowman, this is another example of the myriad rules, regulations and procedures that complicate her already frustrating life on welfare.

It is one of the anomalies of Louise Lowman's life that she can read, write and compute better than any of her younger children. She does not attribute this to any sort of intellectual superiority on her part. She thinks it is simply a result of the declining quality of public education.

TRIED TO WARN DAUGHTER

An uneasiness has grown up between Louise Lowman and Teresa since the daughter entered her late teens. Louise Lowman had hoped that Teresa would finish high school and find a suitable job. But she knows that the odds are against that happening.

So many young girls like Teresa seem to be coming up pregnant, dropping out of school and going on welfare. Louise Lowman had tried to warn Teresa of the pitfalls, but the advice seemed to fall on deaf ears.

"She's so stubborn," Louise Lowman said. "I wanted her to go to school and do something besides become a welfare recipient. That depresses me. . . ."

THE CURRENCY EXCHANGE

. . . Louise Lowman spotted the mailman. Five minutes later she was on her way to the currency exchange three blocks away. Currency exchanges are places where people can cash checks, pay utility bills,

purchase money orders, buy food stamps, obtain auto licenses and conduct other routine financial transactions.

They flourish in Chicago's inner-city neighborhoods, many of which lack commercial banking facilities because of an Illinois law prohibiting branch banking. But the poorer the neighborhood and the more blacks living in it, the higher the fees for these services often are. Currency exchange owners justify the higher fees on the grounds that their cost of business is higher in black ghettos.

Louise Lowman paid a total of \$4.60 for three transactions: \$3.10 to cash Carl's \$238 check, 60 cents to purchase a \$5.75 money order and 90 cents to pay two utility bills. In addition, she paid 50 cents to purchase two 18-cent postage stamps from a machine.

She realizes that she pays dearly for currency exchange services. But there are no banks as close and convenient. Besides, she added, "most of the time when the checks come on check day, I don't have the carfare to get to the bank."

As she left the currency exchange, she noticed four seedy-looking men standing idly on a corner across the street. Instinctively, she pressed her hand against her bosom as if to protect the money contained in the coin purse there. . . .

Louise Lowman seems more resigned than angry about her place in American society. But in her neighborhood, and in other underclass ghettos across the nation, not everyone is resigned. Many seem angry and bitter—a mood that many specialists think is contributing to the upswing in crimes committed by members of the underclass. And among some officials in Washington, there is apprehension about an increased potential for urban unrest.

The possible consequences of cuts in welfare and other programs "are pretty obvious," Rep. Richard Bolling (D-Mo.) said recently. "I think it is going to cause, from the underclass and the near-underclass, a kind of revolt that came from the middle and upper-middle class over the (Vietnam) war."

"It's frightening," Bolling added.

Atty. Gen. William French Smith says the possibility of racial violence erupting as a result of cuts in social program budgets will be monitored by "an early-warning system." So far "we haven't had any great alarms that have gone off anywhere," Smith said recently. "It's quite possible that the effect of these so-called budget cuts won't materialize at all . . . in terms of causing temperatures to rise."

But mounting pressure within the underclass can pose increased threats to the rest of the nation without triggering riots. Indeed, the incidence of crime—including acts of wanton violence—spilling out of underclass ghettos is already a matter of concern across the nation.

Too often members of the criminal element within the underclass "operate on the assumption that they don't have a damn thing to lose," sociologist Kenneth Clark testified before a congressional committee this spring.

TOO MANY LACK RESPECT

"You gentlemen in the middle class have a particular respect for punishment, for penalty. That is a measure of your faith in society. You have something to lose," Clark told the committee members. ". . . What is difficult for you to understand is that this society has made it possible for too large a group of people not to have this respect."

He said the "middle class understandably wants to protect itself from the manifesta-

tions of desperation of the underclass" but that most anti-crime proposals merely "increase the adversary tension between the underclass and society. . . . In fact, we're perpetuating a kind of guerrilla warfare."

The precise scope of crime as a livelihood among the underclass is impossible to define—obviously, people who support themselves by illegal means are reluctant to report the fact to census takers or other government representatives.

But when the Carnegie Council of Policy Studies examined youth employment and education problems, it concluded that "the role of illicit earnings" may be "possibly more significant than welfare payments" in America's inner cities.

ROLE OF ILLEGAL INCOME

William Julius Wilson, chairman of the University of Chicago's sociology department cited a study that found that 20 percent of the adults in Harlem lived entirely on illegal income. "The underclass . . . knows that illegal activities, in many respects, provide a more lucrative alternative to low-wage employment," Wilson said.

A relationship between crime, poverty and race is suggested, too, by various government surveys.

Blacks make up about 12 percent of the nation's population, but 31 percent of those are officially classified as poor—and about 30 percent of those arrested for the three property crimes in the FBI's Crime Index (burglary, larceny-theft and auto theft).

The percentages are higher for violent crime. According to the latest FBI reports, blacks make up 57 percent of those arrested for robbery, 48 percent of those arrested for murder or rape and 37 percent of those arrested for aggravated assault.

"In the end, there is no escaping the question of race and crime," author Charles Silberman said in his widely acclaimed book "Criminal Violence, Criminal Justice."

"To say this is to risk, almost to guarantee, giving offense; it is impossible to talk honestly about the role of race in American life without offending and angering both whites and blacks. . . . The truth is too terrible on all sides; and we are all too accustomed to the soothing euphemisms and inflammatory rhetoric with which the subject is cloaked."

Part of Matthew's problem, Louise Lowman thinks, is that the schools are failing to educate children. It seemed as if teachers are not interested in helping students. They let the children slide further and further behind until it is too late to pull them back. No one seemed to learn anything.

She got a good public education herself and she thinks her five older children did too. But something has happened to public schools since then.

"It seems the kids keep getting dumber the longer they stay in school," she said.

Statistics lend some support to Mrs. Lowman's suspicions.

At the South Side Chicago school her children attended, past records of standardized tests indicate that the scores of pupils at the age of 7 are comparable to the national average in reading, but that these children fall further and further behind as they grow older. By the age of 11, they are two years behind the U.S. average, and they never seem to catch up.

Nationwide, the Carnegie Council reported in 1979, high school dropout rates "continue to be considerably higher for blacks and Hispanics than for whites, and these

minority groups are a rising proportion of the youthful population. . . ."

When Glasgow, the Howard University professor, conducted a follow-up study of 30 black men he had interviewed at length when they were teen-agers in Watts in the late 1960s, he found that only six had graduated from high school. The other 24 had quit school or were expelled, he reported in his recent book, "The Black Underclass."

EDUCATION, UNEMPLOYMENT

Such dismal statistics on underclass education, in Glasgow's view, can be linked to underclass employment problems.

In the past two decades, he wrote, "the inner-city school system has had a devastating impact on black youths; it has failed to educate, train, socialize, or in other ways help them to become successful achievers."

Education of underclass children may be adversely affected by the underclass' tendency toward single-parent households, a recent study suggested. The National Association of Elementary School Principals reported last year that "one-parent children, on the whole, show lower achievement in school than, their two-parent peers. . . ."

"Their absence rate runs far higher than for students with two parents," it said, and they are "consistently more likely to be late, truant, and subject to disciplinary action. One-parent children are more than twice as likely to give up on school altogether."

Dropping out of school has been the pattern among the youngest Lowman children and, inevitably, it has meant increased anguish in their search for jobs. . . .

Louise Lowman's 22-year-old son, Peter, returned home. He brought a present for her. . . . It was his way of sharing the largesse of \$16 he had just received for two days of work helping a friend dig gardens.

He felt good having a little extra money in his pockets. But it was also a reminder of the single most unsettling fact of his life—that he does not have a steady job and has not held one since he dropped out of high school seven years ago. Like his 20-year-old brother, Dennis, also a high school dropout and chronically unemployed, he seems destined for a life of welfare and odd jobs, and he has grown increasingly sullen and bitter.

His mother often expresses the view that neither Peter nor Dennis tried hard enough to find work. She knows that the job market is tight. She suspects that their attitude toward work has been affected by growing up in a home without a working father. But she wants them to make a success of their lives, however modest that success may be, and she believes that they should be able to overcome all odds.

But the story of their lives in the last few years illustrates the enormous, sometimes puzzling, difficulties that young men like Peter and Dennis have in fulfilling such ambitions—difficulties that lie partly within themselves and partly in forces beyond their control.

Peter dropped out of high school when he was 15. After searching unsuccessfully for work, he signed up with the Job Corps, the once-large federal program intended to train unemployed youngsters for useful employment.

He enrolled in the general maintenance curriculum and stayed with the program about a year. But he still failed to find work.

ALL-TOO-PERVASIVE PATTERN

Odd jobs seem to be all he is capable of holding down, despite his training and stated willingness to work. It is a pattern all

too pervasive in the South Side community where the Lowmans live. Unemployment among its 37,000 inhabitants is 14%—twice the national average—and there are almost 2,600 individuals, mostly young black males like Peter, receiving general assistance, a form of welfare for single persons with low skills who are chronically unemployed.

Peter went on general assistance three years ago, when he became too old to be counted for his mother's AFDC check. Because he lives at home, he receives \$80 a month instead of the usual \$184. . . .

WENT TO ALABAMA FOR JOB

Dennis's story followed a similar pattern. Like Peter, he dropped out of school and turned to the Job Corps for training. He stayed two years, studying both general maintenance and construction.

After completing the Job Corps program, he and three other teen-agers from Chicago were told that jobs with a construction firm were awaiting them in Alabama. They were given \$600 apiece, flown to Alabama at government expense and settled into a motel.

Soon after they arrived, they bought two used cars to get back and forth from work. Dennis chipped in \$250 as his share.

Everything seems to be going along well until the first day of work, when one of the youths was found to be underage. He was told to return to Chicago. At the same time the others learned that their first paychecks would not come for two weeks.

Most of their money had already been spent, and they feared not being able to pay their motel bill and cost of food. Far from home in a strange city, they were desperate. They returned to Chicago without informing their employer.

"It was just one of those things," Dennis says now. "It was just something that I couldn't begin to explain." Dennis later found occasional jobs but, like Peter, he eventually turned to general assistance after he became too old to be counted for his mother's AFDC check. He moved out of the house and took up residence with a 22-year-old unmarried AFDC mother who had two young children by another man.

Later, he signed up for another job program that attempts to find permanent manufacturing jobs for unemployed and underemployed teen-agers and young adults. But he says he found the experience so frustrating that he quit that program after a week or so. He concedes that part of the problem was his inability to get to work on time, despite the alarm clock he was given to help him arise.

Now, he says, "I just sit back and wonder where do I go from here. I just try to be cool, you know, get high, try to avoid the problem sometimes. When I feel down, I get high just to relax my mind."

Officials at the last job program Dennis attended admit their success rate is not inspiring. Only one of five youngsters who enter succeeds in finding a permanent job. They point out that most participants come from welfare families, have few skills and have never developed good work habits.

Their older brother, Jesse, the policeman, also thinks Dennis and Peter lack the personal motivation to get ahead. But he attributes that largely to the cushion the welfare system provides.

"It's easier to live on welfare now," he said. "When we were younger, when Dennis and Peter were just little babies, it was really rough. I remember being hungry back then as a kid on a regular basis. There were various neighborhood stores and barbecue places where I could do odds and ends, like

mopping floors, and I developed an interest in work."

Dennis and Peter insist that they have tried but that the opportunities are more dismal than their mother wishes to believe.

"You get out there, trying to find something," Dennis said. "But it don't get no better. They say, 'Call you in two weeks.' But you never get that phone call."

"I need a job, man. That's what's missing in my life. A job."

The long, gray columns of numbers in government reports show that the experiences of Peter and Dennis in the job market are far from unique. In fact, similar problems confront hundreds of thousands of black teen-agers and young men who, in the view of some scholars, represent the most volatile sector of the underclass.

Nationwide, the unemployment rate for these categories remained above 30 percent throughout the 1970s and at times hit 40 percent. In some inner cities, it regularly exceeded 50 percent. While teen-agers also have unemployment problems, but Frank Levy of the Urban Institute documented a startling gap between whites and blacks.

PATTERN AMONG YOUNG MEN

Between 1964 and 1978, he said, the number of white male teen-agers in the labor market increased 1.8 million. Of that total, 1.6 million—or about 90 percent—found jobs. In comparison, the number of black male teen-agers in the labor market increased 152,000 "and only 33,000—about 20 percent—were able to get jobs," Levy said.

Roughly the same pattern held for young men ages 20 to 24. Among whites, 2.3 million of the 2.7 million additional workers who joined the labor market found jobs. Among blacks, only 147,000 of the 476,000 additional new workers got jobs.

"In summary," Levy said, ". . . high unemployment rates among black teen-agers do not automatically vanish when the teen-agers turn 20 years old. . . . The labor market position of black young men has deteriorated as rapidly as the labor market position of black male teen-agers."

The University of Chicago's Wilson also detailed a gap between the black underclass and the black middle class in his book, "The Declining Significance of Race." He concluded that while affirmative action programs have improved job opportunities for trained and educated blacks, "they have not been useful in breaking down barriers that have nothing to do with color and that result from labor-saving innovations, relocation of industry, labor-market segmentation and the shift from goods-producing to service-producing industries."

Thus, members of the underclass seem stuck at the bottom of America's basement with scant chance of climbing out because a rapidly changing, increasingly specialized economy has less and less use for the kind of work they are able to do.

The structural changes in the nation's industrial economy have been dramatic. For example, of 20 million new jobs created in the last decade, only 1% were in manufacturing, the sector that traditionally has employed the bulk of America's unskilled or blue-collar workers.

And the movement of more and more firms out of the center cities and into the suburbs and rural areas has been equally dramatic. The Lowman family's Chicago, for instance, was listed as losing more than 90,000 jobs in a six-year period.

MANY QUIT LABOR MARKET

With jobs vanishing, increasing numbers of unskilled blacks seem to be giving up and dropping out of the labor market entirely. When Levy of the Urban Institute re-examined census records last year he found that 11% of a sampling of working-age black males reported zero wage and salary income in 1978 compared with 5% in 1969.

"... Being out of the labor market was a permanent status for a growing number of individuals," Levy said in a report published by the Brookings Institution.

Wilson sees links between job troubles and social trends. For example, he traces the growth in the number of female-headed households in part to the dwindling number of higher-paying jobs in the inner city. His reasoning: Unemployed men, or those unable to earn an adequate salary, are more likely to leave their families—or never take responsibility for illegitimate children they father—than men with good jobs.

HAD TO WAIT FOR CHECK

Chili dogs and crackers were the menu for the night's meal. There were no vegetables, nothing on the side except milk or soda to drink. Fresh vegetables, like fresh fruits, are luxuries the Lowmans seldom enjoy. Starches and carbohydrates fill your stomach faster.

But because it was check day, the cupboard was bare than usual and she had to wait until after Carl's Social Security check came in to buy some groceries.

She could have taken the bus to the supermarket, but then she would have had to pay a \$3 fee to have herself and her groceries transported home by the bootleg deliverymen who hung out in front of the supermarket. She used to shop at another supermarket that was closer to her home but the deliverymen there charged \$5. She felt that was too much; besides, she said, the quality of the food had gone down.

Despite its usually higher prices, she does not mind going to the corner store. It is owned by blacks. "I like to throw them a little business every now and then," she said. She had picked up some Doritos and Oreos for Carl as a special treat, since it was really his check day.

Louise Lowman spends little time pondering what it would take to lift her out of the life she is living. "I try not to think about it," she said. "I just take one day at a time."

But in the halls of academia and the offices of government, the questions are constantly asked: What are the solutions? What can be done that hasn't been done to propel underclass families like this one into America's mainstream?

Sometimes, it seems, the problems simply overwhelm the solutions. Even normally self-confident scholars, with a sigh of resignation, quote the ancient Yiddish proverb: "The mere existence of a problem is no proof of the existence of a solution."

Yet that passive fatalism seems alien to the American spirit. And clearly something must be done if America is to lift the burden on society imposed by the underclass and reduce the likelihood of what Howard University's Glasgow sees as "social conflict between the haves and have-nots. . . ."

WHITE HOUSE SOLUTIONS

President Reagan pegs his solutions to an economic program intended "to put America back to work; to make our cities and towns resound with the confident voices of men and women of all races . . . bringing home to their families a decent paycheck they can cash for honest money."

The Administration's belief is that its program of tax cuts and reined-in spending for social programs will stimulate an economy recovery which, in turn, will create a rising tide that lifts all boats—including the underclass boat. Even before Reagan outlined his cut-spending-and-cut-taxes approach to correcting the nation's economic ills, many scholars were saying that a robust economy, one that generates full employment, is vital to help the underclass.

"It cannot be overemphasized that because of accumulated disadvantages stemming from previous discrimination and being passed on from generation to generation, poor blacks are especially vulnerable to swings in the business cycle," the University of Chicago's Wilson wrote two years ago.

Wilson added that "it would be extremely shortsighted to assume that the problems of the lower-class black family can be satisfactorily addressed without a fundamental program of economic reform. A program that would lead to the sustained employment of ghetto men at respectable wages would be far more effective than any other conceivable effort to stabilize the ghetto family."

One of Wilson's colleagues, a liberal sociologist who requested anonymity rather than publicly confess "a loss of idealism," said of the underclass: "The masses of those people are lost—you can't change 20 years of hopelessness and despair." Instead, this sociologist said, "you have to figure out where you're going to break the cycle."

USC's Daniel Glaser suggests that ways to break that cycle might best be discovered through "imaginative experiments" aimed at underclass youth.

Two possibilities he suggested were subsidizing part-time employment for junior and senior high school students in a range of adult workplaces, thus overcoming what he termed the "social separation of youth from adults," and creating "teams" of youths who would compete collectively, rather than as individuals, for rewards tied to scholastic and personal conduct goals.

DANGER OF "WELFARE CYCLE"

"We need to learn what works for whom" through experimental programs rather than looking for an overall policy panacea, Glaser said.

There also is concern, even among liberals who support more generous benefits, about the dangers of the "welfare cycle."

Glasgow, for instance, spoke of "an increasing tendency for certain members of deprived groups to feel that society owes them something since it has systematically deprived them of their natural rights as citizens." But, he declared, "dependence on welfare as the means to correct the ills of the . . . underclass is a mistake" and "public assistance must never be accepted as the primary source of income by black work-capable citizens."

Thus there is a broad consensus that jobs are the best way to help underclass, and there is almost universal agreement that government cannot do it alone.

Glasgow said that while the federal government might mount an effective start-up program, it is through the private sector that members of the underclass can "begin to break the cycle of entrapment."

"... Welfare and hustling may suffice when there is no other way," he said, "but they are no substitute for regular, adequately paid work. . . ."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. GILMAN (at the request of Mr. MICHEL), for an indefinite period, because of participation as a member of U.S. delegation to United Nations General Assembly.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 859. An act to amend the mineral leasing laws of the United States to provide for uniform treatment of certain receipts under such laws, and for other purposes, to the Committee on Armed Services.

ENROLLED BILLS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 2120. An act 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; and

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.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. BENEDICT) to revise and extend their remarks and include extraneous material:)

Mr. WAMPLER, for 15 minutes, September 15, 1981.

Mr. DANNEMEYER, for 30 minutes, today.

Mr. DANNEMEYER, for 30 minutes, September 15, 1981.

Mr. DANNEMEYER, for 30 minutes, September 16, 1981.

Mr. DANNEMEYER, for 30 minutes, September 17, 1981.

Mr. LEACH of Iowa, for 60 minutes, today.

Mr. EDWARDS of Alabama, for 30 minutes, today.

Mr. DANNEMEYER, for 30 minutes, September 18, 1981.

(The following Members (at the request of Mr. DYSON) to revise and extend their remarks and include extraneous material:)

Mr. NEAL, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. CROCKETT, for 5 minutes, today.

Mr. HUBBARD, for 5 minutes, today.
 Mr. FASCELL, for 5 minutes, today.
 Mr. O'NEILL and Mrs. Boggs, for 30 minutes each, on September 16, 1981, to lead tributes to Gary Hymel.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. ADDABBO, substitute amendment to be offered tomorrow by the Committee on Appropriations may be printed in the RECORD immediately after the total debate on H.R. 3380.

Mr. ADDABBO's remarks to be included prior to the committee rising on H.R. 3380.

Mr. RICHMOND, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the CONGRESSIONAL RECORD and is estimated by the Public Printer to cost \$2,040.

(The following Members (at the request of Mr. BENEDICT) and to include extraneous matter:)

Mr. SOLOMON.

Mr. BEARD.

Mr. DORNAN of California in two instances.

Mr. HUNTER.

Mr. LEBOUTILLIER.

Mr. BADHAM.

Mr. WOLF.

Mr. DERWINSKI in two instances.

Mr. COLLINS of Texas.

(The following Members (at the request of Mr. DYSON) and to include extraneous matter:)

Mr. ROSE.

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. McDONALD.

Mr. PHILLIP BURTON.

Mr. NATCHER.

Mr. PEASE.

Mr. ROYBAL.

Mr. SCHUMER.

Mr. DAN DANIEL.

Mr. WHITTEN.

Mr. RANGEL.

Mr. AU COIN.

Mr. NEAL.

Mr. SANTINI.

Mr. PEYSER.

Mr. BRODHEAD.

Mr. GEJDESON.

ADJOURNMENT

Mr. DYSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 7 minutes p.m.), the House adjourned until tomorrow, Tuesday, September 15, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2172. A letter from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting notice of various transfers of amounts appropriated to the Department of Defense, pursuant to section 750 of Public Law 96-527; to the Committee on Appropriations.

2173. A letter from the Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting a report as of June 30, 1981, on Selected Reserve recruiting and retention incentives, pursuant to 10 U.S.C. 2134, and 37 U.S.C. 308b and 308c; to the Committee on Armed Services.

2174. A letter from the Secretary of Housing and Urban Development, transmitting a report on the need for further legislation in the area of real estate settlements, pursuant to section 14(a) of Public Law 93-533; to the Committee on Banking, Finance and Urban Affairs.

2175. A letter from the Chairman, National Advisory Council on Ethnic Heritage Studies, transmitting the annual report of the council, pursuant to section 443(a)(2) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

2176. A letter from the Clerk, U.S. Court of Claims, transmitting the court's judgment order in Docket No. 179-A, *The Nez Perce Tribe of Idaho v. The United States*; to the Committee on Interior and Insular Affairs.

2177. A letter from the Clerk, U.S. Court of Claims, transmitting the court's judgment order in Docket No. 279-D, *Blackfeet Tribe of Indians v. The United States*; to the Committee on Interior and Insular Affairs.

2178. A letter from the Director, Federal Prison System, Department of Justice, transmitting the annual report of the Board of Directors of Federal Prison Industries, Inc., for fiscal year 1980, pursuant to 18 U.S.C. 4127; to the Committee on the Judiciary.

2179. A letter from the General Counsel, Federal Emergency Management Agency, transmitting a draft of proposed legislation to amend the Disaster Relief Act of 1974, as amended; to the Committee on Public Works and Transportation.

2180. A letter from the Secretary of Commerce, transmitting the annual report of the Commerce Department for fiscal year 1980, pursuant to section 8 of the act of February 14, 1903; jointly, to the Committees on Energy and Commerce, Merchant Marine and Fisheries, and Public Works and Transportation.

2181. A letter from the Acting Comptroller General of the United States, transmitting a report on implementation of the Federal merit pay system (FPCD-81-73, Sept. 11, 1981); jointly, to the Committees on Government Operations and Post Office and Civil Service.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WHITTEN: Committee on Appropriations, H.J. Res. 325. Joint resolution making continuing appropriations for the fiscal year 1982, and for other purposes. (Rept. No. 97-223). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BARNES (for himself, Mr. FAZIO, and Mr. HOYER):

H.R. 4467. A bill to amend title 5, United States Code, to restore semiannual cost-of-living adjustments for Federal annuitants; to the Committee on Post Office and Civil Service.

By Mr. DANIELSON (for himself and Mr. MOORHEAD):

H.R. 4468. A bill to amend chapter 84, section 1752 of title 18, United States Code, to authorize the Secretary of the Treasury to establish zones of protection for certain persons protected by the U.S. Secret Service; to the Committee on the Judiciary.

By Mr. LEHMAN:

H.R. 4469. A bill to allow Federal employees a 1-year period to modify or revoke any survivor benefit election made under section 8339 (j) or (k) of title 5, United States Code; to the Committee on Post Office and Civil Service.

By Mr. ANDERSON (for himself and Mr. HOWARD):

H. Con. Res. 179. Concurrent resolution making apportionment of funds for the National System of Interstate and Defense Highways for the fiscal year 1983; to the Committee on Public Works and Transportation.

By Mr. LAGOMARSINO:

H. Res. 213. Resolution expressing the sense of the House of Representatives with respect to the scheduled meeting of the Inter-parliamentary Union in Havana, Cuba, in September 1981; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

181. By the SPEAKER: Memorial of the House of Representatives of Northern Marianas Commonwealth, relative to exempting the Northern Marianas Commonwealth from the application of the Clean Air Act; to the Committee on Energy and Commerce.

182. Also, memorial of the Legislature of the State of California, relative to the sale of naval vessels; to the Committee on Foreign Affairs.

183. Also, memorial of the Legislature of the State of California relative to social security recipients; to the Committee on Ways and Means.

184. Also, memorial of the Legislature of the State of Mississippi, relative to storage of nuclear waste; jointly, to the Committees on Energy and Commerce, Interior and Insular Affairs, and Science and Technology.

PRIVATE BILLS AND
RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. HUBBARD:

H.R. 4470. A bill for the relief of John Denfip; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 375: Mr. DYSON and Mr. STARK.

H.R. 741: Mr. DYSON and Mr. HOWARD.

H.R. 1776: Mr. FITHIAN, Mr. LEACH of Iowa, Mr. MARTIN of New York, and Mr. SHAW.

H.R. 2007: Mr. HYDE, Mr. PASHAYAN, Mr. BENJAMIN, Mr. CARNEY, Mr. JOHN L. BURTON, Mr. KINDNESS, Mr. DANNEMEYER, Mr. PATTERSON, Mr. BEREUTER, Mr. TAUKE, Mr. STANGELAND, Mr. DAVIS, Mr. FARY, Mr. FLORIO, Mr. HAMMERSCHMIDT, and Mr. MILLER of Ohio.

H.R. 2068: Mr. FRANK.

H.R. 2103: Mr. McCOLLUM.

H.R. 2104: Mr. GOODLING.

H.R. 2244: Mr. WOLFE.

H.R. 2389: Mr. HAMMERSCHMIDT.

H.R. 2488: Mr. LONG of Maryland.

H.R. 2832: Mr. McCOLLUM, Mrs. BOUQUARD, and Mr. BRODHEAD.

H.R. 2977: Mr. WILLIAMS of Montana.

H.R. 3269: Mr. ROE, Mr. JENKINS, Mr. DERRICK, Mr. ROTH, Mr. BROWN of Colorado, Mr. LONG of Louisiana, Mr. DOWNEY, Mr. DELLUMS, Mr. MILLER of Ohio, Mr. THOMAS, Mr. OXLEY, Mr. LEBOUTILLIER, Mr. ROBINSON, Mr. HERTEL, Mr. VENTO, and Mr. EMERY.

H.R. 3392: Mr. ROBINSON and Mr. DANNE-MEYER.

H.R. 4148: Mr. MARRIOTT.

H.R. 4250: Mr. BROWN of California, Mr. WOLFE, Mr. SEIBERLING, Mr. FAUNTROY, Mr. PEYSER, and Mr. OTTINGER.

H.R. 4373: Mr. OTTINGER, Mr. DUNN, Mr. BONKER, Mr. BROOMFIELD, Mr. HORTON, Mr. KILDEE, Mr. McEWEN, Mr. ROEMER, Mr. GORE, Mr. PRITCHARD, Mr. MADIGAN, Mr. WIRTH, Mr. KRAMER, Mr. WYDEN, Mr. MAV-

ROULES, Mr. MARKEY, Mr. GREGG, Ms. FERRARO, and Mr. DORGAN of North Dakota.

H.J. Res. 260: Mr. BUTLER, Mr. MARTIN of North Carolina, Mr. BEREUTER, Mr. ROBINSON, Mr. BREAUX, Mr. ROBERTS of Kansas, Mr. SKEEN, Mr. FINDLEY, Mr. STENHOLM, Ms. FIEDLER, and Mr. McEWEN.

H.J. Res. 318: Mr. ADDABBO, Mr. ALEXANDER, Mr. ANTHONY, Mr. ASPIN, Mr. ATKINSON, Mr. AuCOIN, Mr. BAILEY of Pennsylvania, Mr. BENEDICT, Mr. BENNETT, Mr. BETHUNE, Mr. BINGHAM, Mr. BOWEN, Mr. BROOKS, Mr. BROYHILL, Mr. JOHN L. BURTON, Mr. CAMPBELL, Mrs. CHISHOLM, Mr. CONABLE, Mr. D'AMOURS, Mr. ROBERT W. DANIEL, JR., Mr. DASCHLE, Mr. DELLUMS, Mr. DERRICK, Mr. DICKINSON, Mr. DICKS, Mr. DOWDY, Mr. DWYER, Mr. ECKART, Mr. EDWARDS of California, Mr. EVANS of Delaware, Mrs. FENWICK, Mr. FLIPPO, Mr. FLORIO, Mr. FOLEY, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FRENZEL, Mr. FROST, Mr. GRADISON, Mr. GREEN, Mr. RALPH M. HALL, Mr. SAM B. HALL, Mr. HAMMERSCHMIDT, Mr. HARTNETT, Mr. HOWARD, Mr. HYDE, Mr. KAZEN, Mr. KRAMER, Mr. LaFALCE, Mr. LAGOMARSINO, Mr. LANTOS, Mr. LEBOUTILLIER, Mr. LOEF-FLER, Mr. LOTT, Mr. LOWRY of Washington, Mr. LUJAN, Mr. MARTIN of New York, Mr. McCLOSKEY, Mr. MITCHELL of New York, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MOTTI, Mr. MURTHA, Mr. NELLIGAN, Ms. OAKAR, Mr. PATMAN, Mr. PICKLE, Mr. PRITCHARD, Mr. RAHALL, Mr. RICHMOND, Mr. ROBERTS of South Dakota, Mr. ROTH, Mr. RUSSO, Mr. SABO, Mr. SCHEUER, Mr. SCHUMER, Mr. SHELBY, Mr. SHUSTER, Mr. SMITH of New Jersey, Mr. SMITH of Oregon, Mr. SOLARZ, Mr. SPENCE, Mr. STATON of West Virginia, Mr. TRIBLE, Mr. WEAVER, Mr. WHITTEN, Mr. WINN, Mr. WORTLEY, Mr. WRIGHT, Mr. WYDEN, and Mr. YATRON.

H. Con. Res. 56: Ms. FIEDLER.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

190. By the SPEAKER: Petition of the National Guard Association of the United States, Washington, D.C., relative to the statement of the National Governors' Association on readiness of the Army and Air

National Guard; to the Committee on Armed Services.

191. Also, petition of the Executive Board, National Association of the Deaf, Silver Spring, Md., relative to telephone access for persons who use hearing aids; to the Committee on Energy and Commerce.

192. Also, petition of the Episcopal Urban Caucus of Maryland, relative to decontrol of natural gas prices; to the Committee on Energy and Commerce.

193. Also, petition of the City Council, Duluth, Minn., relative to decontrol of natural gas prices; to the Committee on Energy and Commerce.

194. Also, petition of Harry Sharp, Altus, Okla., et al., relative to citizens' band radio regulation; to the Committee on Energy and Commerce.

195. Also, petition of Genelle Martin, Flint, Tex., et al., relative to citizens' band radio regulation; to the Committee on Energy and Commerce.

196. Also, petition of the City Council, Hazleton, Pa., relative to Northern Ireland; to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3380

By Mr. SKELTON:

—At the end of the bill, add the following new section:

INCREASE IN NUMBER OF SENIOR RESERVE
OFFICERS' TRAINING CORPS SCHOLARSHIPS

Sec. . Section 2107, title 10, United States Code, relating to financial assistance for specially selected members is amended as follows: In subsection (h), after the words "Navy program": strike "6,000" and insert "8,000" and after the words "Air Force program": strike "6,500" and insert "9,500".

H.R. 4241

By Mr. JAMES K. COYNE:

—Page 7, line 8, strike out "\$2,238,027,000" and insert in lieu thereof "\$2,223,117,000".

Page 7, line 12, strike out "\$275,545,000" and insert in lieu thereof "\$260,635,000".

SENATE—Monday, September 14, 1981

(Legislative day of Wednesday, September 9, 1981)

The Senate met at 12 noon, 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, gracious Father of us all, Thou hast guided the leadership of this Nation through troubled waters in the past. In the words of the first President of the United States:

"No people can be bound to acknowledge and adore the Invisible Hand which conducts the affairs of men more than those of the United States. Every step by which they have advanced to the character of an independent nation seems to have been distinguished by some token of providential agency * * *."

We come to Thee O God, in an hour of great need. The Senate faces a superhuman task against a stubborn economy that refuses to yield to every effort to check its destructive course, and which seems bound to crush all the hopes and aspirations of the people. Thou alone, O Lord, hast the wisdom and the power needed at this critical hour.

Grant to Thy servants in the Senate, gracious Father, Thy wisdom and energy, that they may be adequate to the challenge of what seems an impossible situation. Assure them of Thy presence, love, and grace in their labors. We pray this in the name of Him in whom is all power in heaven and on Earth. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

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

THE JOURNAL

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

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

LEGISLATIVE WORKLOAD

Mr. BAKER. Mr. President, on last Wednesday, the Senate reconvened after the statutory August break. I attempted to outline the many major measures yet to be completed by the Senate in the time remaining before sine die adjournment of this year. Among those items are the remaining appropriations bills; probably a continuing resolution for appropriations; the second concurrent budget resolution, which the statute requires of us

this fall; the farm bill, which I intend to ask the Senate to consider beginning today; Communications Act amendments; and the expulsion resolution reported by the Ethics Committee with respect to Senator HARRISON A. WILLIAMS, Jr.

ETHICS COMMITTEE RESOLUTION CONCERNING SENATOR WILLIAMS

As to the Williams resolution, the leadership has taken account of the committee's scheduling recommendations and, notwithstanding the fact that the measure is now on the calendar, no effort has been made nor will be made for the time being to schedule it for action by the full Senate.

However, it is necessary that this item be scheduled for consideration according to the requirements of the Senate workload. To that end, Senators should be advised that it is the intention of the leadership to recommend that sometime in early November, the Senate proceed to consideration of the resolution of expulsion.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield?

Mr. BAKER. Yes, I yield.

Mr. ROBERT C. BYRD. Mr. President, I believe that the majority leader has indicated a very reasonable approach with respect to the scheduling of the Williams resolution. The leader is taking into account the very considerable workload that remains for the Senate to handle by way of the appropriations bills, the continuing resolution, the second concurrent budget resolution, the extension of the debt limit, and the various other pieces of legislation that are aside from the appropriations and budget process. I think that the majority leader is quite correct in his judgment that these matters should be approached first. After all, it is the economy of the Nation that is uppermost in the minds of the American people and it behooves the Senate to act as expeditiously as possible in dealing with the budget, with appropriations matters, extending the debt limit, and so on.

I also feel that the majority leader has acted appropriately in stating that sometime in early November the Senate will proceed to consideration of the resolution of expulsion. That seems to me to be a fair timetable. It seems to me to be a realistic one. I am certainly supportive of the majority leader in this respect.

I think I should make it clear that, insofar as this Senator is concerned, I do not believe that the decisions that remain for Judge Pratt to make should have any bearing whatsoever on this body's deliberations in connection with this matter.

I think that the Senate has a responsibility of its own to act based on the facts and in consideration of the recommendation that was made unanimously

by the members of the Senate Ethics Committee. That committee recommended that the Senator be expelled. It also recommended that the Senate wait until such time as the appeals process has been able to run its course.

I take this occasion to compliment the committee. It was a difficult decision, I am sure. I compliment the members of the committee on both sides of the aisle for the duty which they have performed. I think it is a very compelling recommendation by the committee when we realize that it was entered into unanimously. I think it is reasonable to wait until around the 1st of November to proceed with this case.

For the reasons that have been set forth by the distinguished majority leader, I feel that the Senate has a constitutional responsibility to act one way or the other in this matter and to do so fairly expeditiously and, certainly, taking into consideration the other duties and the other legislative problems that confront us. It seems to me that the majority leader has outlined a timetable that takes into consideration all of those very necessary factors.

Again, Mr. President, I emphasize that the Senate is not bound by any decision by the court in this matter. The Senate is bound to fulfill its responsibilities under the Constitution based on whatever facts there are to be weighed and quite independently of the actions of the court.

Having said that, Mr. President, I want to say again that I personally am very comfortable with the schedule that the leader has laid out. I fully support him. I say this, having talked with at least two of the Democratic members of the Ethics Committee.

I have discussed this with Mr. HEFLIN, the ranking minority member, and I have discussed it with Mr. EAGLETON. I have not had an opportunity to discuss it with Mr. PRYOR. But, without presuming to say one way or another how those two members with whom I have discussed the matter may feel personally, I believe that the timetable is a reasonable one and that it comports, it seems to me, with the recommendations of the committee, although perhaps not precisely, in that the Senate, by virtue of the majority leader's statement, is not tying its schedule to that of the court. To do otherwise would be the wrong thing to do, in my judgment.

I am glad that the majority leader is not making his judgment on that basis at all. I am fully supportive of his not having done that, fully supportive of the scheduling of the matter as he has indicated. It gives Senators ample time to study the transcripts, ample time to view the tapes, ample time to give this matter thorough and careful and judicious consideration.

So I thank the majority leader. I appreciate the fact that he is telling us at

this time what we can expect. Again, I support his position and the reasons therefor.

Mr. BAKER. I thank the distinguished minority leader. He is most generous in his remarks, and I am grateful for his support in this difficult decision.

I suppose that one of the most difficult things any Member of the Senate must deal with in his career, at least from a personal standpoint, is to pass judgment on one of his colleagues, on the recommendation of the Ethics Committee. That has happened only twice in my experience here, and it has not been pleasant.

I take this opportunity to urge all Members to take account of the fact that they owe a special responsibility to pay close attention to the evidence that will be presented and the proceeding as it unfolds, to be fully prepared to deal with this matter, and to know that we will deal with this matter, when and if the time arrives, to the exclusion of other matters, as carefully as the leadership can urge and encourage and require Senators to do.

In order to help prepare for that unhappy event, I trust that the Senate Ethics Committee will make its recommendations on how they will prepare the evidence for the consideration of Members in advance of the time. There is a great mass of material, that the Ethics Committee has considered and which will be available to Members.

I now yield to the distinguished chairman of the Ethics Committee, the Senator from Wyoming, for any remarks he may care to make.

Mr. WALLOP. I thank the majority leader and the minority leader for their support in this matter.

I say this, and it is a small distinction, but it is something that I believe bears being stated, because there are so many Members of the legal profession in this body.

The Ethics Committee recommendation was not to wait until the appeal process had run. We were referring to matters which are a part of the trial proceeding, that is, a due process pleading which may or may not have an influence on Judge Pratt's sentencing or affirmation of the conviction by the jury.

Also, I believe the point should be made that the committee's recommendation and resolution stand, regardless of what Judge Pratt rules. It is only a matter of when, not what Judge Pratt rules. So we did not attempt to tie our recommendation to his ruling.

I will present to the majority leader this afternoon a schedule for reviewing the audio and visual recorded material. There are 6 hours in all, not all of which was entirely relevant, but some Senators may want to see all of it. We thought we would put it into packages, one of approximately 3 hours, and then if any Senator says he wants to see the rest, we will make the remaining tapes available. We will do this on 3 days in each of 2 weeks, so that Senators can find time to accommodate their schedules to do this. I urge Senators to do it, because

it is a matter of utmost fairness that they be thoroughly familiar with the evidence on which the Senate has to make its judgment.

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

Mr. WALLOP. I yield.

Mr. BAKER. I absolutely agree with the distinguished chairman of the Ethics Committee. It is urgent that all Members acquaint themselves with the facts and that they examine the evidence prior to the time the Senate addresses the question of the resolution. I urge Members to do so.

I also urge that Members themselves do so. I am not at all sure that the committee should permit members of the staff to do so. Indeed, I recommend against that.

Mr. WALLOP. I believe it is the judgment of the committee that we will make those tapes available to Members.

Mr. BAKER. Members only.

Mr. WALLOP. Members only.

I also urge Members themselves to read the report of the committee. There is a short summary, and there is a very detailed and voluminous report, including the report of the special counsel.

All these things will be made available; and if any Senator desires to have a special briefing on any part of it, we can make special counsel or a member of the staff of the Ethics Committee available to that Member, to ask any questions, and to satisfy himself or herself in any way possible.

Mr. BAKER. I thank the distinguished Senator from Wyoming, the chairman of the Ethics Committee.

I close by urging, once again, that Members take account now of this schedule, take account of the fact that there is a wealth of information to be considered by each Member of the Senate before the date arrives for proceeding to consideration of the resolution by the full Senate.

I hope Senators will use the time remaining in September and October to acquaint themselves fully with this record and will be prepared, early in November, to proceed to consideration of the resolution recommended by the Ethics Committee, as soon as it is scheduled.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have no further need for my time under the standing order, and I yield it now to the distinguished minority leader, if he wishes, or I will yield the floor.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

How much time do I have, Mr. President?

The PRESIDING OFFICER. The minority leader has 10 minutes.

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

CUTTING NATIONAL DEFENSE

Mr. ROBERT C. BYRD. Mr. President, the announcement of cuts in our Na-

tion's defense program by the administration over the weekend raises some serious concerns. It presents fundamental questions about the adequacy of our long-term defense effort, and about the credibility of American staying power. The initial spending levels announced this past March by the administration were certainly not carved in stone—they were, after all, this administration's best estimate of how the Nation should meet the formidable challenges posed to us by the Soviet Union. Changes could be expected as we went along, but the general level of effort seemed appropriate. Now, suddenly, we are reducing by over one-third the increased outlays previously announced over the Carter budget for reasons totally unrelated to our real defense needs, it seems to me.

The administration's initial reaction to the growing military imbalance with the Soviet Union received widespread bipartisan support. The first installment of this defense program was overwhelmingly approved by the Senate in the fiscal year 1982 defense authorization bill. The polls showed a national consensus in favor of the need for higher levels of spending in order to invest in and sustain the forces America needed to meet the Soviet challenge, to lead the Western alliance, and to support new commitments in the Persian Gulf.

The consensus which was forged, and which I believe still exists, is grounded on a real belief that there is no higher priority than the defense of the United States. The level of our defense, the adequacy of our forces, and the credibility of our word, cannot be whipsawed by a changing balance sheet manipulated by the Office of Management and Budget. It is no secret that the men who are charged with seeing to it that America's defenses are where they should be—the Secretary of Defense and Senators in this body—were alarmed by the prospects of the cuts which have just been announced.

In his presentations supporting the budget submissions to Congress, the Secretary of Defense made a convincing case that renewed defense efforts were overdue. His presentations were substantiated by an analysis of the comparative Soviet and American defense effort released by the Central Intelligence Agency last February. The CIA documented a very serious divergence in the Soviet and American defense efforts over the last decade. In the aggregate, for the 1971-80 period, the CIA estimated that the dollar costs of Soviet defense activities were 40 percent higher than comparable U.S. outlays. Last year their expenditures were fully 50 percent higher than our own.

The disparity in strategic forces, as documented in the analysis, is alarming. Including intercontinental missiles and ballistic missile firing submarines the Soviet effort was triple our own. In general purpose forces, including land forces, tactical air, naval and mobility capability—airlift and sealift—the Soviet effort

was 60 percent higher than our own. Even in naval forces, an area in which it is absolutely crucial for an island maritime nation like our own to be preeminent, the Soviets have challenged our supremacy.

The general drift against the United States in the comparative balance of military forces with the Soviet Union was emphasized and reemphasized by the President during his election campaign. It was highlighted and rehighlighted by his chief advisers as they strove to persuade the Congress to accept their new budget formulations. Secretary Weinberger, in his presentation before the Senate reiterated the driving point: President Reagan had an "election mandate to rebuild our defense capability." The defense budgets of the previous administration had been "underfunded," he stated. Again, he said:

The operating levels assumed in those budgets reflect a much more tranquil view of the international political scene than actually exists. Those budgets simply will not support the desired military capability."

The shortfalls in our military capabilities were virtually across the board. There is a "growing imbalance in our strategic forces, while our conventional force structure is too small and lacks sufficient mobility, readiness, and sustainability", said Secretary Weinberger. While we retrenched in the decade of the 1970's, the Soviets, he maintained, "embarked upon a military buildup unprecedented in world history." They have "relentlessly improved their military capabilities all across the spectrum." Thus the budgets of the recent past have been inadequate to support our widespread commitments. They have led to a diminution of confidence in the United States abroad. They have tempted Soviet adventurism. We must strengthen our presence in Southwest Asia since Southwest Asia will be the "fulcrum of contention for the foreseeable future."

The sum and substance of everything we have heard so far is that major new investments must be made now in strategic forces and in conventional forces. We must be prepared to meet several contingencies—in different parts of the globe—at the same time.

On arms control negotiations with the Soviet Union the policy is to go slowly until we improve our capabilities.

Our allies have been exhorted to increase their defense effort. Deputy Defense Secretary Carlucci received prominent attention across Europe in March when he told our allies that the Soviet military buildup exceeds any rational requirement for defense, that on "all levels of military capability, the trends are ominous." He bluntly pressed European governments to both increase their overall defense effort and to increase their force projections outside the European theater, particularly into south-west Asia.

The Secretary of the Navy and our top admirals have stated with unprecedented bluntness that for the first time the United States has lost its historic edge in naval forces. The Chief of Naval Operations stated in February the "trends

of the last decade have led us to this point where even a slim margin of superiority has to be set aside." He continued, "For the first time in anyone's recollections, the U.S. Navy is unable fully to meet its peacetime commitments" and would have to vacate essential areas of the world to respond to an emergency.

The upshot of the rhetoric of the first 9 months of this administration has been that a massive military rebuilding program should be launched. The projected spending program, in gross terms, did not appear to be unreasonable—from the viewpoints either of the imbalances with the Soviet Union or of historic levels of defense spending in America. The Reagan program, as originally announced, would have provided a defense budget which comprised about 32 percent of the national budget. Although these percentages are higher than those during most of the 1970's, they are considerably lower than comparable figures from the end of World War II up through the early 1970's. In 1960, for instance, nearly one-half of the entire national budget went to defense.

Over the period covered by fiscal years 1982-84, the Reagan administration originally projected increases in outlays of \$38.1 billion above the previous administration's budget. This increase represents the additional cash outlays, the additional spending beyond what would have occurred under the Carter program. The cuts announced this week, amounting to \$13 billion in outlays for those 3 fiscal years, reduces the Reagan administration's add-on's by 34 percent. There is no rationale, from a military standpoint, for these cuts. They are purely and simply dictated by budgetary expediency.

The difficulty has not been in understanding the need for significant increases in the defense budget. It has been in the lack of detailed rationale within the budget. The strong national consensus to meet the Soviet challenge must be sustained by specific justifications. Although the administration has exhorted us to expand our forces to meet a multiplicity of challenges, both conventional and strategic, it has not identified what contingencies we are likely to face, and what new forces, alliances and strategies must be designed to meet them.

Since details of the Nation's long-term defense program have not been made available, indeed perhaps have not yet even been developed, it has been impossible to determine whether the specific spending levels were adequate to do the job.

For instance, the administration has stated that Soviet investments in intercontinental missiles may soon permit them to demolish our land-based missile force in a first strike. It has stated that our aging B-52 bomber force will be inadequate to perform its mission by the end of the decade. Yet it has not been able to make any recommendations on what kind of missile force and bomber force we should produce to correct this problem. Delay and more delay characterize our stra-

tegic decisions. Naturally, without these decisions, it cannot be known what the price tag in the strategic area will be.

In the key sector of naval forces, the administration has stated that its goal should be a Navy of about 600 ships, up from the present active force of about 450. By law, the submission of a 5-year Navy shipbuilding program is required to accompany the executive branch budget submission each year. This plan has not yet been made available. What kind of Navy are we going to build? How many ships? What kind of ships? The answers are not available, and so we cannot know the price tag.

We are clearly committing ourselves to a firstline defense of the Persian Gulf. How will we do it? What kind of forces will it take? Where are the plans for the new equipment, weapons and military doctrines necessary to credibly guarantee our commitment there? Since the details of our long-term role in the Persian Gulf are not available, we cannot know with any precision what the long-term costs will be.

And so, the cuts announced by the administration are as painless as the increases originally announced. There is an increasing air of unreality over the defense budget process. Neither the increases nor the decreases can be identified with the specifics of a defense program. There are those who have been arguing that even the March budget projections were inadequate to buy the forces needed in all these areas. Yet without a specific program we cannot possibly know what level of spending is appropriate.

But whatever level of spending should be appropriate, it must directly related to our defense needs, to the strength of the West, to the Soviet challenge. These realities cannot be wished away on the altar of a balanced budget. The administration cannot simply rediscover high interest rates and cut back its increases over the previous defense budget by fully one-third. It is irresponsible to delay all the tough decisions in defense in order to wait on the success of the administration's economic program. The fragile consensus supporting significant spending increases will not last forever. The Nation needs a visible, tangible military program. The time for rhetoric has long passed. I do not believe the Senate should endorse somersaults on military spending without the assurance that a carefully developed and effective defense policy will be put into place. It is not too much to expect that such a policy, and the costs necessary to implement it, be articulated without further delay.

Mr. President, do I have any time remaining?

The PRESIDING OFFICER. The minority leader has 2 minutes remaining.

Mr. BAKER. Mr. President, will the Senator yield 30 seconds to me?

Mr. ROBERT C. BYRD. I yield to the distinguished majority leader.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I meant to do this earlier.

I thank the minority leader. I will do it at this time.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that after the expiration of the time allocated to the two leaders under the standing order and the recognition of the Senator from Wisconsin on his special order there be a brief period for the transaction of routine morning business to extend not beyond the hour of 1 p.m. and that Senators may be permitted to speak for not more than 10 minutes each.

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

NOMINATION OF ROBERT P. HUNTER

Mr. BAKER. Mr. President, I have one further matter. I understand that the nomination of Robert P. Hunter, of Virginia, to be a member of the National Labor Relations Board, is cleared on the minority side. If that is correct, I am prepared to proceed to the consideration of that item.

Mr. ROBERT C. BYRD. Mr. President, that is correct.

Mr. BAKER. Mr. President, I will defer it.

I thank the minority leader for advising that it is clear on his calendar. I will defer that for the time being and thank the Senator for yielding once more.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

Mr. President, I yield the floor.

RECOGNITION OF SENATOR PROXMIRE

The PRESIDING OFFICER. Under the previous order, the Senator from Wisconsin (Mr. PROXMIRE) is recognized for not to exceed 15 minutes.

CAMBODIAN PRISON REMINDS US OF ATROCITIES

Mr. PROXMIRE. Mr. President, I will only take a short part of that time. I did not intend to ask for 15 minutes, but somehow that order was put in.

Mr. President, an article in the Washington Post on August 12 was the last of a brilliant series on Cambodia written by William Branigan.

This piece focuses on the Tuol Seng Prison, which served as a detention center and death camp during the rule of the Khmer Rouge. It presents a macabre monument to the atrocities committed there just 2 years ago. Torture chambers, with a wide range of tools and instruments, remain intact, complete with bloodstains. Mass graves nearby contain thousands of skeletons, estimated to be only a fraction of the tens of thousands who were massacred at Tuol Seng.

The slaughter which took place in Cambodia was not directed at a single ethnic or religious group. Rather, it was directed at a number of different sectors

of the population. The entire middle class in the country was exterminated, as were several tribal groups. Then the fury of the revolution was directed at the cadres of the Khmer Rouge itself, and numerous purges took place.

Tuol Seng now stands as a museum, reminding the Cambodian nation of its grim ordeal. It also stands as a reminder to the United States, and to this body, that mass murders can and do occur in this age.

Extreme violations of human rights such as that which took place in Cambodia can and must be condemned by the world community. The United States, as a leader of the free nations and a strong advocate of human rights, has an especially large responsibility for speaking out against such actions.

We do speak out. But, unfortunately, some of our actions are inconsistent with our words. We condemn human rights violations, yet we have not ratified the most basic of human rights treaties, the Genocide Convention. As the Tuol Seng Prison shows with gruesome clarity, massive violations of human rights continue to recur. We must strengthen our voice in condemning such violations. We must ratify the Genocide Convention.

Mr. President, I yield the floor.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

The Senator from Virginia is recognized.

THE HIGH INTEREST RATES

Mr. HARRY F. BYRD, JR. Mr. President, I invite the attention of the Senate to the RECORD of Friday, September 11. On page 20270 is a speech delivered in the Senate of the United States this past Friday by the distinguished senior Senator from Wisconsin (Mr. PROXMIRE) which is captioned "Why Congress Should Not Increase the Debt Limit," although the speech itself does not deal precisely with that point. That is not the point I am alluding to in my comments today.

I think Senator PROXMIRE, in his speech of this past Friday, made one of the finest presentations I have read in regard to what can and cannot be done to bring interest rates down. The Senator from Virginia happens to believe that the current high interest rates are absolutely devastating to our Nation, devastating to the homebuilding industry, devastating to those who need and want to buy homes, devastating to those who want to buy automobiles, devastating to automobile dealers all down the line, to the farmers—farmers must go into the money markets to finance their crops each year, and they are paying in my area 21- and 21.5-percent interest.

These high interest rates are devastating in spite of attempts made to bring them down. But, as Senator PROXMIRE so ably argues in his speech of last Friday, there is no way you can legislate a reduction in interest rates. I will not attempt to paraphrase Senator PROXMIRE'S

speech because it is his language and his words, which are so much better than I can make them. I would prefer just to invite the attention of our colleagues in the Senate to that speech by Senator PROXMIRE and urge that it be read because, in my opinion, it makes so much sense. It makes so much sense that there is only a certain amount that the Federal Reserve Board can do in regard to controlling interest rates.

There is no way the Federal Reserve Board can control long-term interest rates. There is just no way it can be done.

Senator PROXMIRE points out it is possible the Federal Reserve Board can have some effect on short-term interest rates, but even there it is running the risk of stimulating inflation and increasing interest rates rather than bringing about a reduction in interest rates.

As Senator PROXMIRE in his speech points out, the Federal Reserve Board is a creature of the Congress. Congress can abolish the Board if it wishes to do so. Congress can take over the control of the money supply. I do not know of anything worse that could happen to this country than to have 535 politicians trying to determine how to handle this very complicated, difficult monetary policy.

So I rise only to commend the distinguished and able Senator from Wisconsin for his speech. I think it is a masterful presentation. I cannot say that I agree with every word of it, but I agree with virtually all of it.

There is one point that I will mention with which I am not in agreement. Senator PROXMIRE very correctly points out, and I am in agreement with that, that the way to get interest rates under control is to bring down spending, get spending under control, balance the budget so that the Federal Government does not go into the money market to the great extent that it does to finance the national debt. Incidentally, the national debt has doubled in 7 years. No wonder we have high interest rates.

Senator PROXMIRE points out that the public generally and the business community are not convinced that the present fiscal program of the President and the Congress will succeed because they do not feel we will get to a balanced budget. Senator PROXMIRE feels it is doubtful that we will get to a balanced budget.

I am more optimistic on that. I think we can get to a balanced budget in 1984. I think we must get to a balanced budget in 1984. I know Senator PROXMIRE wants to get to a balanced budget in 1984, and I think if we can get spending under control, that will be the single most important thing that can be done by Congress and the President of the United States to bring about a balanced budget for the fiscal year 1984. I am convinced that it can be done, if the President shows the same determination he has shown for the past 7 months. I want to commend the President of the United States for his determination to bring down Government spending. It was his leadership that brought about the \$35 billion reduction in projected spending. Had it not been for his leadership I say

the Congress of the United States would never have had the courage to reduce spending to the degree that it has.

I personally feel we must go beyond the reductions that have already been made. I think we should make additional reductions for fiscal 1982, the budget we are now working on.

I support a reduction in the projected increase for national defense. I am a strong advocate of national defense, and I have been a strong advocate ever since I have been in the Senate. But I feel the Defense Department cannot be sacrosanct. We cannot give a blank check to the Pentagon any more than we can give a blank check to any of the other departments of Government.

So I would hope that the Congress would take a very careful look at what we are preparing to do in regard to defense expenditures. I propose to support President Reagan in reductions in that Department that I understand he will recommend.

But, primarily, today I want to congratulate once again the able and distinguished Senator from Wisconsin (Mr. PROXMIRE) for his speech of last Friday and to urge all of my colleagues to read that excellent address.

Mr. PROXMIRE. Will the Senator from Virginia yield?

Mr. HARRY F. BYRD, JR. I am happy to yield.

Mr. PROXMIRE. Mr. President, I want to thank my good friend from Virginia for his remarks. There is no Member of the Senate whose support I would rather have. He has a completely consistent record through all the years he has spent in this Senate in fighting against waste and excessive spending and fighting to balance the budget and bring our fiscal policy under control. If we had 99 more HARRY BYRD's here, we would not have the problem we have with the budget.

So I want to thank my good friend for his support. I think he is so right. Unfortunately, we cannot get our colleagues to see it this way, but he is so right in pointing out that the one way, the one way, we can effectively get interest rates under control is to get the Federal Government out of the credit markets in the massive way we are.

There is just no disputing the fact that Congress of the United States and administrations over the years, over the last 20 years or more, have been responsible for putting us into a position where we have created such a tremendous demand for the available credit that interest rates have gone right through the roof.

And the Senator is right in saying that if the small businessmen of this country and the farmers of this country and the homebuilders want relief, they should tell their Congressman what they want their Congressman to do is to work where the Congressman can be effective to cut spending down and balance the budget.

I pointed out, and I wish to reiterate because I think it is so important, that last year, in 1980, out of every \$100 of new savings \$17 of that was required to fund the budget deficit and another \$17 was required to fund off-budget borrow-

ing, the increase in that. In other words, if we had a balanced budget, not had any net increase in off-budget borrowing, we would have a huge one-third increase for funds available for borrowing in this country, interest rates would have been much lower, funds would have been available for the homebuilding industry and the automobile industry and other industries that would have put people to work, and the economy would have been far healthier. That is the kind of policy we are going to have to establish.

I am delighted that my good friend from Virginia has made the statement he has. I am deeply flattered and grateful to him for his remarks.

Mr. HARRY F. BYRD, JR. Mr. President, I thank the Senator from Wisconsin. I might say, in regard to the extent that the Government is going into the money markets, at a hearing before the Taxation Subcommittee of the Finance Committee this past Friday, the Treasury Department testified that for the fiscal year 1982, which begins on October 1, the Government will need to go into the money markets with \$252 billion just to roll over the existing debt; then, on top of that, it must go into the money markets for somewhere between \$60 billion and \$90 billion for new debt.

The national debt today is \$979 billion. The Treasury Department told the Finance Committee, on this past Friday, that at the end of another year it will be \$1,079,000,000,000.

Now, there is no wonder that interest rates are high. The Government is forcing the interest rates up by its huge deficit spending and the resultant borrowing. And it is not just for 1 year that that is being done. As I see it, it is the effect of accelerated and cumulated deficits over a period of 20 years.

So this matter of doing something about interest rates comes back to the Congress of the United States. It has been the irresponsible action of the Congress over a period of years that has brought on, in my judgment, this high inflation and these high interest rates.

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.

EXTENSION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for the transaction of routine morning business, under the same terms and conditions, be extended to not later than 1:15 p.m.

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

THE CAPE HATTERAS LIGHTHOUSE

Mr. HELMS. Mr. President, for more than 200 years, the Cape Hatteras Lighthouse has been the symbol of the North

Carolina Outer Banks. It is one of the country's most famous lighthouses, and its unique candy-stripe exterior makes it the most recognized lighthouse on the east coast. The lighthouse has so dominated the landscape and the history of the area that it has been placed on the National Register of Historic Places.

The collision of two currents off the North Carolina coast prompted early sailors to recognize the necessity of a lighthouse at the tip of Cape Hatteras. It is there that the warm Gulf Stream meets the cold, south-bound Virginia coastal current accounting for the treacherous Diamond Shoals—shoals that have been called the graveyard of the Atlantic. Since the first recorded shipwreck occurred on these shoals in 1526, more than 2,300 wrecks have been recorded there.

It was Alexander Hamilton who, as Secretary of the Treasury, first proposed that Congress acquire the land and construct a lighthouse at Cape Hatteras. During the Revolutionary War, when he had been George Washington's aide-camp, he was on a ship caught in a storm off the cape. The ship narrowly avoided destruction on the treacherous shoals. This near miss was not forgotten and with his assistance, the first lighthouse was completed in 1803 to warn passing ships away from the danger.

There were many complaints about the location and the size of the first lighthouse. It was said to be too short and too far from shore. So, in 1870, the present 208-foot-tall lighthouse was built 600 feet north of the original structure and 1,500 feet from the shore.

Soon after construction, it was noted that the eastern beach had begun to erode—so much so that by 1919, the ocean was within 300 feet of the base of the lighthouse. By the early 1930's, the water was so close that a skeleton lighthouse was constructed some distance away to replace it.

Over the years, various efforts were made to control the erosion threatening the lighthouse. The efforts were so successful in restoring the beach that in 1950, the light was returned to the lighthouse. It has sent its message across the water from there ever since.

Now, erosion once again jeopardizes this important piece of North Carolina history. Experts indicate that a major storm could topple the structure at any time. The Park Service, which now has jurisdiction over the lighthouse because of its location in the Cape Hatteras National Seashore, has estimated that it could take several million dollars to save it. At this point, sufficient Federal funds simply are not available to initiate such an operation.

I am gratified by the many folks in North Carolina and around the country who share my love for the lighthouse and who are willing to step in to help in the crisis. They have formed a Save the Cape Hatteras Lighthouse Committee to raise the necessary funds to meet the challenge. The group has honored me by asking that I serve as cochairman of the committee. Hopefully, through the efforts of this group and the National Park Service, the light will continue to shine from the lighthouse as a symbol of our proud maritime heritage.

Miss Katherine Hunter, a fine citizen of Raleigh, N.C., has expressed in a poem the respect we all have for the monument and the concern we have for its preservation. I ask unanimous consent that Miss Hunter's poem appear in the RECORD at the conclusion of my remarks.

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

THE HERITAGE OF HATTERAS

I am one of the last kings of the modern world.
 My majestic form, tall and strong, still reigns as it has for the past hundred years
 Over the misty blue and green beauty of Cape Hatteras.
 My realm encompasses the vastness of the threatening sea
 And the narrowness of the sandy islands.
 The creatures of the ocean and the inhabitants of the island
 Worship and love me, for I am a part of them.
 Dressed in regal robes of black and white with a crown of diamond brilliance,
 I watch over my people, from the sandy barefoot child
 Who gazes up at me in awe to the salt-whiskered old sailor who looks to me for safety.
 With unshakable endurance I guide them through the empty night like a spiritual force.
 The tradition of my monarchy is a part of their heritage;
 I am the visible symbol that links these people with their forefathers and an older and simpler way of life.
 But kings and queens are only remnants of fairy tales,
 Mere elements of pageantry whose days of power have diminished.
 I too feel the growing threat against my power, against my very existence,
 As the encroaching sea steals the sandy soil wherein lie my roots and the roots of my people.
 Although I have heard the seagulls crying rumors of my demise,
 I know my people will not foresake me, for my imperial loftiness
 With its past enduring strength against the pounding sea represents the spirit of Hatteras.
 I am the unspoken whisper that mingles the past with the present.

—KATHERINE HUNTER.

REQUEST TO STATION ADDITIONAL PERSONNEL WITHIN THE TERRITORY OF GUAM

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution which was adopted by the Guam Legislature relating to a request that the Department of Justice and the Federal Bureau of Investigation station additional personnel in their field office situated within the Territory of Guam.

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

RESOLUTION No. 119

Be it resolved by the Legislature of the Territory of Guam:

Whereas, the Legislature of the Territory of Guam takes special note that Federal agencies have been recently more responsive to Guam's Federal law enforcement needs as exemplified by the assignment to Guam of resident Federal Drug Enforcement Agents, an alcohol, tobacco and firearms agent, an additional investigative agent assigned to

Immigration and Naturalization Service, and an additional Deputy U.S. Marshal; and

Whereas, the Legislature of the Territory of Guam takes note that the Federal Bureau of Investigation (FBI) is responsible for investigating over two hundred possible Federal violations, including investigative responsibilities in the field of foreign counter-intelligence; and

Whereas, the Legislature of the territory of Guam also takes note that the territory of Guam benefits from the various federal programs involving the use of Federal funding, the intentional misuse of which can involve violations of Federal law, the investigation of which primarily falls under the jurisdiction of the Federal Bureau of Investigation (FBI); and

Whereas, the Legislature further takes note that the Federal Bureau of Investigation (FBI) personnel stationed on Guam have investigative responsibilities regarding Guam, the Commonwealth of the Northern Mariana Islands, all the islands in the Trust Territory of the Pacific Islands and in the area of foreign counter-intelligence; and

Whereas, the Legislature of the territory of Guam also takes note that the territory of Guam, the Commonwealth of the Northern Mariana Islands and the islands in the Trust Territory of the Pacific, are situated over three thousand five hundred (3,500) miles from the closest state and nearly six thousand (6,000) miles from the mainland United States; and

Whereas, the Legislature of the territory of Guam takes note that presently, only one resident FBI agent is assigned to Guam to investigate matters involving Federal law enforcement; now, therefore, be it

Resolved, that the Legislature of the territory of Guam hereby compliments the Federal Bureau of Investigation (FBI) for the active work of the FBI agents stationed on Guam; and be it further

Resolved, that the territory of Guam would benefit greatly if additional FBI agents and proper support personnel were assigned to the territory to carry out the unique responsibilities of the Federal Bureau of Investigation which the Legislature collectively resolves are of significant importance to the welfare of all United States citizens and the residents of the territory of Guam, the Commonwealth of the Northern Mariana Islands and the Trust Territory of the Pacific Islands; and be it further

Resolved, that the Legislature, on behalf of the people of Guam, hereby requests the U.S. Department of Justice and the Federal Bureau of Investigation (FBI) to assign to the territory to carry out the responsibilities of the FBI; and be it further

Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the United States Attorney General; to the Director of the Federal Bureau of Investigation; to the Chief of the Hawaii Regional FBI Office; to the United States Department of Justice; to the United States Attorney, District of Guam; to the Drug Enforcement Agent of Guam; to Guam's Congressman, Antonio B. Won Pat; and to the Governor of Guam.

GUAM POWER SYSTEM

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution that was adopted by the Guam legislature relating to the position of the Government of Guam toward, transfer of clear title for the island-wide power system from the U.S. Government to the Government of Guam.

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

RESOLUTION No. 149

Be it resolved by the Legislature of the Territory of Guam:

Whereas, historically, the United States Government intended that there should be a single island-wide power system (IWPS) on Guam, exclusive of the Navy's standby emergency power equipment, to serve both military and civilian needs, and was intended to be eventually transferred to and controlled by the civilian government of Guam, as per Section 28(a) of the Organic Act of Guam as well as the agreement between the Departments of the Navy and Interior; and

Whereas, power facilities constructed by the Navy after World War II were jointly financed by the United States Government and the government of Guam; and

Whereas, the enactment of the Organic Act of Guam, 1950, required the transfer of title to the civil government of all properties needed for the administration of the civilian community, and the Interior-Navy Agreement, also signed in 1950, was intended to provide a scheduled transition of administrative responsibilities from the Navy to the government of Guam, and the Power Pool Agreement of 1972 also intended a timely phaseout of Navy management (control); and

Whereas, Guam Power Authority is now willing and able to accept the responsibility for operating and maintaining the integrated island-wide power system, in fulfillment of the intent of the Power Pool Agreement; and

Whereas, the Power Pool Agreement is no longer serving its original intent; and

Whereas, Section 11 of the Organic Act (48 USC § 1423a) exempts all bonds issued by the government of Guam from taxation by the Government of the United States; and

Whereas, the Federal Financing Bank and the Secretary of the Treasury neglected to take this exemption into account in determining Guam's payment schedule and total liability in the \$36 million loan; and

Whereas, proper consideration of this exemption could save Guam hundreds of thousands of dollars per year in payments; now, therefore, be it

Resolved, That the Legislature adopts the attached report as a statement of its findings and position with regard to the Guam power system; and be it further

Resolved, that the Legislature urges the United States Congress to favorably act on the Bill attached hereto or such other measure that would transfer clear title for the island-wide power system from the United States Government to the government of Guam, to rectify inequitable payments made by the government of Guam to the Navy, and to exempt Guam from certain sections of the Clean Air Act; and be it further

Resolved, that Guam Power Authority take action to exercise Section 15 of the Power Pool Agreement, terminating the Power Pool Agreement, and legislation be introduced into Congress to transfer clear title of the island-wide power system to the Guam Power Authority, at no cost, as authorized in Section 28(a) of the Organic Act of Guam. A transition period of six months shall be established during which the Navy and the Guam Power Authority should work closely to coordinate the transfer of controls, the Navy becoming a Guam Power Authority customer, as per the Power Pool Agreement, and as is the practice in other mixed military-civilian communities; and be it further

Resolved, that the U.S. General Accounting Office review the Navy's files to determine if inequitable payments have been made to the Navy by Guam Power Authority,

any inequities being found shall be credited towards payment of the \$36 Million federally guaranteed loan to the Guam Power Authority; and be it further

Resolved, that the Federal Financing Bank and the Secretary of Treasury review the \$36 Million loan documentation to determine Guam's obligation in light of the tax exemption; and be it further

Resolved, that the Federal Financing Bank credit the Guam account for any overpayment that may have occurred as a result of the non-application of the tax exemption; and be it further

Resolved, that the Speaker certify to and the Legislative Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to the President of the United States; to the President of the Senate, United States Congress; to the Speaker of the House of Representatives, United States Congress; to the Secretary of Defense; to the Secretary of the Interior; to the Secretary of the Navy; to the Secretary of the Treasury (Federal Financing Bank); to the General Accounting Office; to Guam's Congressman, Antonio B. Won Pat; to the Commander-in-Chief, Pacific Fleet, Hawaii; to the Commander, Naval Force Marianas; to the Federal Comptroller of Guam; to the Governor of the Commonwealth of the Northern Marianas; to the Executive Director of the Commissioners' Council; to the Chairman and Board members of the Guam Power Authority; to the General Manager of the Guam Power Authority; to the Lieutenant Governor of Guam; and to the Governor of Guam.

REQUEST THAT CERTAIN MINNESOTA COUNTIES BE DECLARED DISASTER AREAS

Mr. THURMOND. Mr. President, I ask unanimous consent to have printed in the RECORD a resolution that was adopted by the Minnesota State legislature memorializing the President and Congress to declare certain Minnesota counties to be disaster areas for the purpose of receiving Federal disaster aid.

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

RESOLUTION

Whereas, on Sunday, June 14, 1981, a tornado devastated portions of Hennepin and Ramsey Counties; and,

Whereas, on Sunday, June 21, 1981, and Tuesday, June 23, 1981, a hail, wind, and rainstorm devastated Chippewa, Renville, Redwood, Brown, Nicollet, Watonwan, Blue Earth, Martin, Faribault, Freeborn, Steele, Waseca, Mower, Big Stone, Yellow Medicine, and Lac Qui Parle Counties; and,

Whereas, the total damage of the two storms may total in excess of \$310,000,000, and since a significant portion is uninsured, the burden of loss must be borne by individual farmers and property owners, and state, city, and county governments; and,

Whereas, the resources of individuals, farmers, and various governmental units are inadequate to alleviate the losses; and,

Whereas, the storm also caused incalculable human suffering by those who were the victims of the disasters; and,

Whereas, the health and stability of Minnesota's farm and agricultural economy is vital to the entire economy of Minnesota; and,

Whereas, it is necessary that the victims receive aid from the federal government to relieve their distress;

Now, Therefore, Be It Resolved by the Legislature of the State of Minnesota that the President and Congress should take the nec-

essary action to ensure that the counties in Minnesota which were subject to storm damage on June 14, 21, and 23, 1981, promptly receive federal disaster assistance.

Be it further resolved that the Secretary of State of the State of Minnesota is directed to transmit certified copies of this memorial to the President of the United States, the President and the Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives and to Minnesota's Senators and Representatives in Congress.

THE 1981 ANNUAL REPORT OF THE BOARD OF TRUSTEES OF THE FEDERAL SUPPLEMENTARY MEDICAL INSURANCE TRUST FUND

Mr. THURMOND. Mr. President, as the President pro tempore of this body, I have received the 1981 annual report of the board of trustees of the Federal supplementary medical insurance trust fund. This report is available for review by my colleagues in the office of the President pro tempore.

SOVIET CHEMICAL WARFARE THREAT

Mr. HEFLIN. Mr. President, I greeted the news of Secretary of State Haig's recent speech detailing the Soviet Union's use of deadly chemical weapons in Afghanistan and in Southeast Asia with great horror as well as an uplifting and encouraging sense of relief.

Like all Americans, I hold a basic abhorrence to chemical weapons and I sincerely wish that our unilateral refusal to use these weapons would make all nations of the world refrain from conducting chemical warfare. Unfortunately, that is not the case.

As Secretary Haig so ably explained in his speech in West Berlin, the Soviet Union has been engaged in a massive buildup of its chemical warfare capabilities. In fact, the Soviets have expended hundreds of millions of dollars to develop and employ the world's most sophisticated defensive—and offensive—chemical warfare force.

Yet this fact is by no means "news." Mr. President, frankly I am a bit baffled that Secretary Haig's remarks have been treated by the world's press as a great revelation.

Mr. President, As I mentioned before, along with being horrified, I was greatly relieved by Secretary Haig's speech. I am relieved. Further, I am encouraged and delighted that Secretary Haig and the Reagan administration have recognized and have spoken out on the serious threat to world peace and stability that is posed by the Soviet Union's buildup of its chemical warfare force.

I first spoke of this threat on the Senate floor in June 1980. At that time I pointed to indisputable evidence showing that the Soviet Union had used deadly chemical weapons in Afghanistan as well as in Laos, Yemen, and Cambodia.

The Soviet Union has integrated chemical warfare into all phases of its armed services. Soviet forces are fully trained and ready to mount a deadly chemical warfare attack on our allies in Western Europe and the chances of sur-

living and retaliating are marginal at best.

Mr. President, United States and NATO forces are dismally underprepared to defend the free world against a Soviet chemical attack. The Soviets have a separate branch of chemical warfare troops consisting of 100,000 specialists—each trained and equipped to use an extensive arsenal of lethal chemical agents. Further, all Soviet and Warsaw Pact soldiers are fully equipped with protective and decontamination equipment as well as deadly offensive chemical weapons.

By contrast, the United States has deemphasized its chemical warfare capabilities and has allowed those capabilities to atrophy. Our stockpiles of 1950's generation chemical weapons are outdated and ineffective. Our soldiers in the field do not have adequate training in dealing with a Soviet chemical weapons attack and are not equipped with adequate protective clothing or decontamination equipment.

Mr. President, last year Congress did take steps to revive our chemical warfare capabilities when we approved a plan to construct a new binary chemical munitions facility in Arkansas. I strongly supported that legislation and believe it was an important first step toward improving our national defense posture with respect to chemical weapons.

There is no question that the best deterrent to a Soviet chemical warfare invasion on the United States or on our allies in Western Europe is a strong, viable U.S. chemical warfare capability.

Mr. President, I am relieved that Secretary Haig has brought these facts concerning the Soviet Union's buildup of chemical warfare to the attention of the world. I am encouraged and delighted that President Reagan has indeed recognized the serious threat that an unchecked Soviet build-up of chemical warfare poses to the stability of the free world. The United States must be prepared to counter and retaliate to any Soviet attack—including a chemical weapons assault.

THE PRESIDENTIAL SIGNING OF A PROCLAMATION DECLARING OCTOBER 19 A NATIONAL DAY OF CELEBRATION TO MARK THE BICENTENNIAL OF THE YORKTOWN VICTORY

Mr. WARNER. Mr. President, on September 30, 1980, nearly 1 year ago, the Senate passed a joint resolution asking the President to proclaim October 19 a day of national celebration to mark the bicentennial of the Yorktown victory. I have just returned from the White House where President Reagan signed that proclamation.

As a result of the President's action, the victory at Yorktown will be marked in a manner consistent with its unique place in our history.

This is not a celebration simply for Yorktown. Nor is it a celebration simply for Virginia. This is a celebration for our entire Nation. Just as the Fourth of July belongs to our Nation, so does the victory at Yorktown.

The American republic was proclaimed to the world on the Fourth of July 1776, in the stirring words of the Declaration of Independence.

But, Mr. President, just as there is a difference between words and deeds, so too is there a difference between declaring independence and achieving independence. American independence had to be won on the battlefield and it was at Yorktown where that independence was finally won.

Of equal significance, Yorktown also decided for America that ultimate political power would rest, not in the hands of governments, but in the hands of people.

This celebration has served in the past and will serve again in 1981 as a tangible pledge to America's future. It will serve as a celebration to rededicate those enduring principles upon which this Republic was founded and which have served us so well these 200 years.

For the information of my colleagues, the activities in Yorktown on October 19 will mark the culmination of thousands of man-hours of planning, and a series of smaller, but individually significant commemorations of events leading up to the final, decisive battle at which Cornwallis surrendered to Gen. George Washington.

The celebration at Yorktown will be a 4-day event which will include numerous colonial arts and crafts demonstrations, music festivals, parades by militia in period dress, as well as ceremonies involving present day military units of the United States and France.

On October 19, over 4,000 men and women will reenact Cornwallis' surrender to Washington. Major speeches will be given by President Reagan and French President Mitterand.

As my colleagues will remember, last Thursday Senator HARRY BYRD and I introduced a resolution encouraging the Senate leadership to arrange our legislative schedule so that Members might have the opportunity to attend these ceremonies on October 19. A similar resolution is being introduced in the House of Representatives. It is our hope that, indeed, our colleagues will be able to attend this very special celebration of an important event in American history.

Mr. President, I thank the Members of the Senate and the House of Representatives who supported the joint resolutions seeking a Presidential proclamation for this occasion. And I express my gratitude, the gratitude of the people of Virginia, and the gratitude of all the citizens of our Nation for the recognition President Reagan has now given October 19, 1981, as a national day of celebration to mark the bicentennial of the victory at Yorktown.

THE U.S. FARM ECONOMY

Mr. BOSCHWITZ. Mr. President, on the 9th of September, and I am not going to enter the entire article in the RECORD, the Journal of Commerce, a highly respected publication, wrote an article entitled "U.S. Farm Economy Study Reveals Gloomy Outlook." Mr. President,

we are going to be taking up the farm bill soon here, on the floor. Many of my actions during the course of consideration of that farm bill are predicated just on the fact that, indeed, as in the U.S. farm economy study that reveals that gloomy outlook, that gloomy outlook is felt on the farm.

The first paragraph says:

The United States economy is teetering on the brink of depression reminiscent of the 1930s, according to a study by Data Resources, Inc., an economic consulting firm in Lexington, Massachusetts.

That almost says it all, Mr. President. I suppose the only thing worse than teetering on the brink of a depression is being in it, but, quite clearly, that situation is close at hand in the farm economy, certainly in my State of Minnesota. So, as we look forward to the farm bill and consideration of it, those are the things I am going to be having in mind.

I note the second paragraph of that article. It states:

The outlook for farm income and profitability has gone beyond dismal and would have to be termed catastrophic, the firm said in a report of its study prepared by Richard Pottorff, its senior agricultural economist.

Mr. President, the outlook for farm income has gone beyond the term "dismal" and is now being termed "catastrophic."

Indeed, I find that to be the condition in my State—my State, which has such a broad farm economy, my State which goes so far from the North to the South that we are in the top 10, so to speak, on virtually every farming commodity—not only of corn, soybeans, wheat, and dairy, but even such more esoteric crops as potatoes, sugar beets, and sunflowers, which are grown in the northern part of our State which is too far north to accommodate corn and soybeans.

Mr. President, it is my hope that we shall be able to work out some type of accommodation on the farm bill of 1981. I shall do all I can to work out such an accommodation but will not hesitate to do what is necessary to bring about a situation that our farmers can live with. We simply cannot have a catastrophic situation on the farm. The whole base of our economy in this country is predicated on that agricultural sector.

So, Mr. President, we are going to have a long debate. I hope it will not be too long, but in any case, I look forward to putting together a farm bill that will indeed help our farmers through this difficult period.

Mr. BAKER. Mr. President, I congratulate the Senator from Minnesota for his concern in this matter and for his very active participation in the deliberations of this bill in committee and at a number of meetings that have occurred, some of which I have attended and some which I have not been able to attend. No Member of this body has shown a greater expertise in or a greater concern for the plight of the American dairymen than has the distinguished Senator from Minnesota.

I join him in hoping that some resolution of the outstanding differences on the remaining problems of this bill can be worked out. I assure him that I will do my best to see that the parties have an

opportunity to explore the possibilities for resolving the remaining differences and for expediting the passage of an appropriate measure.

Mr. President, in a few moments I intend to ask the Senate to proceed to the consideration of Calendar No. 169, the budget waiver underlying the farm bill.

Assuming that the budget waiver is agreed to, I will then ask that the Senate proceed to the consideration of the farm bill itself.

When we reach that point, in addition to trying to work out and resolve the remaining differences between us, I hope we can work a unanimous-consent agreement on a limitation of time on the bill itself and, if not on the bill, at least on the amendments that may be offered to the bill, because the Senate does have a great deal of work yet to do.

We have this bill tentatively scheduled for today and tomorrow. We will have a cloture vote on Wednesday on the Department of Justice authorization bill. Depending on the outcome of that cloture vote, we will then have to turn to the consideration of the Department of Justice authorization bill, under the provisions of rule XXII and sections thereof dealing with postcloture proceedings, or the bill will be taken down, as the previous unanimous-consent order provided.

In any event, this is going to be a full week. As Members attempt to resolve the remaining disagreements and differences on the farm bill, I hope they will consider the possibility of a limitation of time for the consideration of the bill and amendments thereto.

Mr. President, I observe that the distinguished minority leader, the distinguished chairman of the committee, and the distinguished ranking minority member are in the Chamber. I am prepared at this time to proceed to place this matter before the Senate, if there is no further morning business.

I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, there is no objection on this side of the aisle to proceeding with the budget waiver and then with the measure itself.

Mr. BAKER. I thank the Senator.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

BUDGET ACT WAIVER

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of Calendar No. 169, Senate Resolution 145, the budget waiver underlying S. 884, the farm bill.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 145) waiving sections 303(a)(4) and 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 884.

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

The resolution (S. Res. 145) was agreed to, as follows:

S. RES. 145

Resolved, That pursuant to sections 303(c) and 402(c) of the Congressional Budget Act of 1974, the provisions of sections 303(a) (4) and 402(a) of such Act are waived with respect to the consideration of S. 884, the Agriculture and Food Act of 1981, a bill 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.

The waiver of section 303(a) (4) is necessary to permit consideration of new spending authority to become effective in fiscal years for which the first concurrent resolution on the budget has not been agreed to. Specifically, S. 884 provides new spending authority under section 401(c) (2) (C) for producers of wheat, feed grains, upland cotton, rice, and other agricultural commodities to become effective in fiscal years 1983, 1984, and 1985, prior to the adoption of the first concurrent resolutions on the budget for such years.

The waiver of section 402(a) is necessary to permit consideration of statutory authority to extend the dairy indemnity program; extend the solar model farms and demonstration program; extend the rural development and small farm research and extension programs; authorize new programs for agricultural conservation and rangeland research; and authorize additional appropriations for the purchase of capital stock of the rural telephone bank.

S. 884 extends for four years the basic legislation for almost all of the Nation's major farm commodities, and it is essential that the producers of such commodities know in advance the manner and level of price support in order to plan effective farm operations. The delay in reporting S. 884 was occasioned by a determined effort on the part of the Committee on Agriculture, Nutrition, and Forestry to report legislation meeting the budgetary restraints of the first concurrent resolution on the budget for fiscal year 1982.

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

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

The motion to lay on the table was agreed to.

AGRICULTURE AND FOOD ACT
OF 1981

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 151, S. 884, the farm bill.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A 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.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture, Nutrition, and Forestry with an amendment to strike out all after the enacting clause, and insert the following:

That this Act, with the following table of contents, may be cited as the "Agriculture and Food Act of 1981."

TABLE OF CONTENTS

TITLE I—DAIRY

- Sec. 101. Dairy base plans.
- Sec. 102. Legal status of producer handlers.
- Sec. 103. Milk price support.
- Sec. 104. Transfer of dairy products to veterinarians hospitals and the military.
- Sec. 105. Dairy indemnity program.
- Sec. 106. Reduction of dairy product inventories.

TITLE II—WOOL AND MOHAIR

- Sec. 201. Declaration of policy.
- Sec. 202. Extension of support program; support price.
- Sec. 203. Payments.
- Sec. 204. Reimbursement.

TITLE III—WHEAT

- Sec. 301. Loan rates, target prices, disaster payments, wheat acreage reduction program, and land diversion for the 1982 through 1985 crops of wheat.
- Sec. 302. Nonapplicability of certificate requirements.
- Sec. 303. Suspension of marketing quotas and producer certificate provisions.
- Sec. 304. Suspension of quota provisions.
- Sec. 305. Nonapplicability of section 107 of the Agricultural Act of 1949 to the 1982 through 1985 crops of wheat.

TITLE IV—FEED GRAINS

- Sec. 401. Loan rates, target prices, disaster payments, feed grain acreage reduction program, and land diversion for the 1982 through 1985 crops of feed grains.
- Sec. 402. Nonapplicability of section 105 of the Agricultural Act of 1949 to the 1982 through 1985 crops of feed grains.

TITLE V—UPLAND COTTON

- Sec. 501. Base acreage allotments; suspension of marketing quotas and related provisions.
- Sec. 502. Loan rates and target prices, disaster payments, cotton acreage reduction program, and land diversion for the 1982 through 1985 crops of upland cotton.
- Sec. 503. Extension of Commodity Credit Corporation sales price restrictions.
- Sec. 504. Miscellaneous cotton provisions.
- Sec. 505. Skiprow practices.
- Sec. 506. Preliminary allotments for 1986 crops of upland cotton.
- Sec. 507. Price support adjustments.

TITLE VI—RICE

- Sec. 601. Repeal of provisions relating to national acreage allotments, allocations, apportionment, marketing quotas, and penalties.
- Sec. 602. Loan rates, target prices, disaster payments, rice acreage reduction program, and land diversion for the 1982 through 1985 crops of rice.
- Sec. 603. Definition of cooperators.

TITLE VII—PEANUTS

- Sec. 701. Annual marketing quota and State acreage allotment.
- Sec. 702. National acreage allotment; national poundage quota; farm poundage quota; and definitions.
- Sec. 703. Sale, lease, and transfer of acreage allotments.
- Sec. 704. Marketing penalties; disposition of additional peanuts.
- Sec. 705. Reports and records.
- Sec. 706. Preservation of unused allotments.
- Sec. 707. Price support program.

TITLE VIII—SOYBEANS

- Sec. 801. Soybean price support.

TITLE IX—SUGAR

- Sec. 901. Sugar price support.

TITLE X—GRAIN RESERVES

- Sec. 1001. Producer storage program.
- Sec. 1002. International emergency food reserve.
- Sec. 1003. Disaster reserve.
- Sec. 1004. Farm storage facility loans.
- Sec. 1005. Conforming amendment.

TITLE XI—MISCELLANEOUS

- Sec. 1101. Payment limitations for wheat, feed grains, upland cotton, and rice.
- Sec. 1102. Finality of determinations.
- Sec. 1103. Commodity Credit Corporation sales price restrictions for wheat and feed grains.
- Sec. 1104. Application of terms in the Agricultural Act of 1949.
- Sec. 1105. Special grazing and hay program.
- Sec. 1106. Emergency feed program.
- Sec. 1107. Farm income protection insurance program study.
- Sec. 1108. State agency authority for grain inspections at export port locations.
- Sec. 1109. Department of Agriculture Advisory Committees.
- Sec. 1110. Rural telephone bank amendment.
- Sec. 1111. Consultation on grain marketing.

TITLE XII—AGRICULTURAL EXPORTS

- Sec. 1201. Agricultural Export Credit Revolving Fund.
- Sec. 1202. Congressional consultation on bilateral commodity supply agreements.
- Sec. 1203. Special standby export subsidy program.
- Sec. 1204. Agricultural embargo protection.

TITLE XIII—PUBLIC LAW 480

- Secs. 1301-1313. Miscellaneous amendments.
- Sec. 1314. Public Law 480 extension.

TITLE XIV—RESEARCH, EXTENSION, AND TEACHING IN THE FOOD AND AGRICULTURAL SCIENCES

- Sec. 1401. Revised findings.
- Sec. 1402. Amended purposes.
- Sec. 1403. Amended definitions.
- Sec. 1404. Responsibilities of the Secretary and Department of Agriculture.
- Sec. 1405. Subcommittee on Food, Agricultural, and Forestry Research.
- Sec. 1406. Joint Council on Food and Agricultural Sciences.
- Sec. 1407. National Agricultural Research and Extension Users Advisory Board.
- Sec. 1408. Federal-State partnership and coordination.
- Sec. 1409. Secretary's report.
- Sec. 1410. Libraries and information network.
- Sec. 1411. Support for the Joint Council and the Advisory Board.
- Sec. 1412. General provisions; additional Assistant Secretary of Agriculture.
- Sec. 1413. Program for competitive, special, and facilities grants for agricultural research.
- Sec. 1414. Amendments to the Research Facilities Act of 1963.
- Sec. 1415. Federal support of higher education in the food and agricultural sciences.
- Sec. 1416. Transfer of functions.
- Sec. 1417. National Agricultural Science Award.
- Sec. 1418. Alcohol and industrial hydrocarbons.
- Sec. 1419. Nutrition education program.
- Sec. 1420. Repeal of section 1426 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977.
- Sec. 1421. Eligible institutions for animal health and disease research funds.

- Sec. 1422. Animal Health Science Research Advisory Board.
- Sec. 1423. Appropriations for research on national or regional problems.
- Sec. 1424. Extension at 1890 land-grant colleges, including Tuskegee Institute.
- Sec. 1425. Agricultural research at 1890 land-grant colleges, including Tuskegee Institute.
- Sec. 1426. Authorization for appropriations for solar energy model farms and demonstration projects.
- Sec. 1427. International agricultural research and extension.
- Sec. 1428. Authorization for appropriations for existing and certain new agricultural research programs.
- Sec. 1429. Authorization for appropriations for extension programs.
- Sec. 1430. Miscellaneous provisions.
- Sec. 1431. Rangeland research.
- Sec. 1432. Cooperative State forestry.
- Sec. 1433. Additional agricultural research support.
- Sec. 1434. Excess Federal property.
- Sec. 1435. Rural development and small farm research and extension.
- Sec. 1436. Increased emphasis on marketing education programs for small and medium size family farming operations.

TITLE XV—RESOURCE CONSERVATION

- Sec. 1501. Policy and report.
- Sec. 1502. Findings.
- Sec. 1503. Formulation and implementation of special areas conservation program.
- Sec. 1504. Program to be directed at specific problems.
- Sec. 1505. Contract limitations.
- Sec. 1506. Notification of committees of Congress.
- Sec. 1507. Utilization of services and facilities.
- Sec. 1508. Improvement of technology.
- Sec. 1509. Regulations.
- Sec. 1510. Authorization for appropriations.
- Sec. 1511. Report to Congress.
- Sec. 1512. Protection of participants.
- Sec. 1513. Amendments to small watershed program.
- Sec. 1514. Amendment to the Bankhead-Jones Farm Tenant Act.
- Sec. 1515. Formulation of program.
- Sec. 1516. Plans.
- Sec. 1517. Approval of plans.
- Sec. 1543. Local search and rescue operations.
- Sec. 1544. Reclamation.

TITLE XVI—EFFECTIVE DATE

- Sec. 1601. Effective date.

TITLE I—DAIRY
DAIRY BASE PLANS

Sec. 101. Effective on January 1, 1982, section 8c(5)(B) of the Agricultural Adjustment Act of 1933, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, (7 U.S.C. 608c(5)(B)), is further amended by striking all that follows the comma at the end of the clause (c) and inserting in lieu thereof the following "(d) a further adjustment to encourage seasonal adjustments in the production of milk through equitable apportionment of the total value of the milk purchased by any handler, or by all handlers, among producers on the basis of their marketings of milk during a representative period of time, and (e) a provision providing for the accumulation and disbursement of a fund to encourage seasonal adjustments in the production of milk may be included in an order."

LEGAL STATUS OF PRODUCER HANDLERS

Sec. 102. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act of 1933,

as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, shall be the same subsequent to the adoption of the amendment made by the Agriculture and Food Act of 1981 as it was prior thereto.

MILK PRICE SUPPORT

Sec. 103. (a) Section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended by striking out the second sentence and inserting in lieu thereof the following: "Notwithstanding the foregoing, effective for each of the fiscal years during the period beginning October 1, 1981, and ending September 30, 1985, whenever the Secretary estimates that the net cost of Government price support purchases of milk or the products of milk will exceed \$500,000,000 or that net Government price support purchases of milk or the products of milk will exceed 3.52 billion pounds (milk equivalent) during any fiscal year, the price of milk beginning on October 1 of such fiscal year shall be supported at such level, as determined by the Secretary, not less than 70 per centum of the parity price therefor."

(b) Section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended by adding thereto a new subsection (d) as follows:

"(d) Notwithstanding the provisions of subsection (c) of this section, effective for the period beginning on October 1, 1981, and ending September 30, 1985, the Secretary shall adjust the support price of milk to not less than 70 per centum of the parity price therefor on April 1 of each fiscal year, if on that date the support price of milk is below 70 per centum of the parity price therefor."

TRANSFER OF DAIRY PRODUCTS TO VETERANS HOSPITALS AND THE MILITARY

Sec. 104. Section 202 of the Agricultural Act of 1949 is amended by striking out "1981" in subsections (a) and (b) and inserting in lieu thereof "1985".

DAIRY INDEMNITY PROGRAMS

Sec. 105. Section 3 of the Act of August 13, 1968 (82 Stat. 750, as amended; 7 U.S.C. 4501) is amended by striking out "1981" and inserting in lieu thereof "1985".

REDUCTION OF DAIRY PRODUCT INVENTORIES

Sec. 106. The Secretary of Agriculture shall utilize, to the fullest extent practicable, the authorities under the Commodity Credit Corporation Charter Act (including exportation of dairy products at not less than prevailing world market prices), the Agricultural Trade Development and Assistant Act of 1954 (Public Law 480), and other authorities available to the Secretary to reduce inventories of dairy products held by the Commodity Credit Corporation so as to reduce net Commodity Credit Corporation expenditures to the estimated outlays for the milk price support program used in developing budget outlays under the Congressional Budget Act of 1974 for the appropriate fiscal year.

TITLE II—WOOL AND MOHAIR

DECLARATION OF POLICY

Sec. 201. Section 702 of the National Wool Act of 1954 is amended to read as follows:

"Sec. 702. It is hereby recognized that wool is an essential, strategic, and energy-efficient commodity which is not produced in the United States in sufficient quantities and grades to meet the domestic needs; and that the desired domestic production of wool is impaired by predatory animals and by the depressing effects of wide fluctuations in the price of wool in the world markets. It is hereby declared to be the policy of Congress, as a measure of national security and to promote the general economic welfare, a positive balance of trade, and the efficient use of the Nation's resources, to encourage the continued domestic production of wool at prices fair to both producers and consumers

in a manner which will assure a viable domestic wool industry in the future."

EXTENSION OF SUPPORT PROGRAM; SUPPORT PRICE

Sec. 202. Section 703 of the National Wool Act of 1954 is amended—

(1) by striking out "1981" in subsection (a) and inserting in lieu thereof "1985"; and

(2) by striking out all that follows the comma in subsection (b) after the word "Provided" and inserting in lieu thereof the following: "That for the marketing years beginning January 1, 1982, and ending December 31, 1985, the support price for shorn wool shall be 75 per centum (rounded to the nearest full cent) of the amount calculated according to the foregoing formula."

PAYMENTS

Sec. 203. The first sentence of section 704 of the National Wool Act of 1954 is amended by striking out the colon after the word "therefore", inserting a period in lieu thereof, and striking out the remainder of the sentence.

REIMBURSEMENT

Sec. 204. Section 705 of the National Wool Act of 1954 is hereby repealed.

TITLE III—WHEAT

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, WHEAT ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF WHEAT

Sec. 301. Effective only for the 1982 through 1985 crops of wheat, the Agricultural Act of 1949 is amended by adding after section 107A the following new section:

"Sec. 107B. Notwithstanding any other provision of law—

(a) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of wheat at such level, not less than \$3.50 per bushel, as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat.

(b) (1) (A) In addition, the Secretary shall make available to producers payments for each of the 1982 through 1985 crops of wheat in an amount computed as provided in this subsection. Payments for any such crop of wheat shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to wheat.

(B) The payment rate for wheat shall be the amount by which the higher of—

(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

(ii) the loan level determined under subsection (a) of this section for such crop, is less than the established price per bushel.

(C) For the 1982 through 1985 crops of wheat, the established price shall not be less than \$4.20 per bushel for the 1982 crop, \$4.40 per bushel for the 1983 crop, \$4.60 per bushel for the 1984 crop, and \$4.80 per bushel for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on

the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(D) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

"(2) (A) Except as provided in subparagraph (C) of this paragraph, effective with respect to the 1982 through 1985 crops of wheat, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for wheat or wheat or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to wheat for harvest (including any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33 1/3 per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective with respect to the 1982 through 1985 crops of wheat, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of wheat which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

"(C) With respect to the 1982 through 1985 crops of wheat, producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their wheat acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of wheat, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting wheat or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(c) (1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of wheat. The proclamation shall be made not later than August 1 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for wheat shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of wheat are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of wheat. The allocation factor for wheat shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of wheat be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of wheat shall be determined by multiplying the allocation factor by the acreage of wheat planted for harvest on the farms for which individual farm program acreages are required to be determined. The wheat acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of wheat planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the proclamation of the national program acreage made not later than August 1 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of wheat planted for harvest is less than for the preceding year, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for wheat, the Secretary may make such adjustments as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) The farm program payment yield for each crop of wheat shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for wheat was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwithstanding the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield

established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(e) (1) Notwithstanding any other provision of this section, the Secretary may impose a limitation on the acreage planted to wheat if the Secretary determines that the total supply of wheat will, in the absence of such limitation, be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the wheat acreage base for each wheat-producing farm. Producers on a farm who knowingly produce wheat in excess of the permitted wheat acreage for the farm shall be ineligible for wheat loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed by the Secretary under this paragraph shall be the acreage planted on the farm to wheat for harvest (including any acreage which the producers were prevented from planting to wheat or other nonconserving crop in lieu of wheat because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to wheat for harvest in the two crop years immediately preceding the year for which the determination is made. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (i) the product obtained by multiplying the number of acres required to be withdrawn from the production of wheat times the number of acres actually planted to such commodity, by (ii) the number of acres authorized to be planted to such commodity under the limitation imposed by the Secretary (hereinafter in this subsection referred to as 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovate, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(2) The Secretary may conduct a land diversion program and make land diversion payments to producers of wheat if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of wheat. If a land diversion program is in effect under this subsection, the Secretary may also require that pro-

ducers participate in such program as a condition of eligibility for loans, purchases, and payments authorized by this section. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(3) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(4) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(h) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section."

NONAPPLICABILITY OF CERTIFICATE REQUIREMENTS

SEC. 302. Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1982, through May 31, 1986.

SUSPENSION OF MARKETING QUOTAS AND PRODUCER CERTIFICATE PROVISIONS

SEC. 303. Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural

Adjustment Act of 1938 shall not be applicable to the 1982 through 1985 crops of wheat.

SUSPENSION OF QUOTA PROVISIONS

SEC. 304. Public Law 74, Seventy-seventh Congress (55 Stat. 203, as amended) shall not be applicable to the crops of wheat planted for harvest in the calendar years 1982 through 1985.

NONAPPLICABILITY OF SECTION 107 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF WHEAT

SEC. 305. Section 107 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of wheat.

TITLE IV—FEED GRAINS

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, FEED GRAIN ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

SEC. 401. Effective only for the 1982 through 1985 crops of feed grains, the Agricultural Act of 1949 is amended by adding after section 105A the following new section:

"SEC. 105B. Notwithstanding any other provision of law—

"(a) (1) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of corn at such level, not less than \$2.60 per bushel, as the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains after taking into consideration the cost of producing corn, supply and demand conditions, and world prices for corn.

"(2) The Secretary shall make available to producers loans and purchases for each of the 1982 through 1985 crops of grain sorghums, barley, oats, and rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level that loans and purchasers are made available for corn, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b) of this Act.

"(b) (1) (A) The Secretary shall make available to producers payments for each of the 1982 through 1985 crops of corn, grain sorghums, oats, and, if designated by the Secretary, barley, in an amount computed as provided in this subsection. Payments for any such crop of feed grains shall be computed by multiplying (i) the payment rate, by (ii) the farm program acreage for the crop, by (iii) the farm program payment yield for the crop. In no event may payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to such feed grains.

"(B) The payment rate for corn shall be the amount by which the higher of—

"(i) the national weighted average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(ii) the loan level determined under subsection (a) of this section for such crop, is less than the established price per bushel.

"(C) For the 1982 through 1985 crops of corn, the established price shall not be less than \$2.80 per bushel for the 1982 crop, \$2.95 per bushel for the 1983 crop, \$3.10 per bushel for the 1984 crop, and \$3.25 per bushel for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and

appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(D) The payment rate for grain sorghums, oats and, if designated by the Secretary, barley, shall be at such rates as the Secretary determines fair and reasonable in relation to the rate at which payments are made available for corn.

"(E) The total quantity on which payments would otherwise be payable to a producer on a farm for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (2) of this subsection.

"(2) (A) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of feed grains, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for feed grains to feed grains or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to feed grains for harvest (including any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33½ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of feed grains, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of feed grains which the producers are able to harvest on any farm is less than the result of multiplying 60 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 50 per centum of the established price for the crop for the deficiency in production below 60 per centum for the crop.

"(C) With respect to the 1982 through 1985 crops of feed grains, producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their feed grain acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of feed grains, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting feed grains or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no

crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subsection with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(c) (1) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of feed grains. The proclamation shall be made not later than November 1 of each calendar year for the crop harvested in the next succeeding calendar year. The Secretary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under paragraph (2) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for feed grains shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm program payment yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of feed grains are excessive or an increase in stock is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(2) The Secretary shall determine a program allocation factor for each crop of feed grains. The allocation factor for feed grains shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop, except that in no event shall the allocation factor for any crop of feed grains be more than 100 per centum nor less than 80 per centum.

"(3) The individual farm program acreage for each crop of feed grains shall be determined by multiplying the allocation factor by the acreage of feed grains planted for harvest on the farms for which individual farm program acreages are required to be determined. The feed grain acreage shall not be further reduced by application of the allocation factor if the producers reduce the acreage of feed grains planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the proclamation of the national program acreage made not later than November 1 prior to the year in which the crop is harvested. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of feed grains planted for harvest is less than for the preceding year, but for which the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for feed grains, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(d) the farm program payment yield for each crop of feed grains shall be the yield established for the farm for the previous crop year, adjusted by the Secretary to provide a fair and equitable yield. If no payment yield for feed grains was established for the farm in the previous crop year, the Secretary may determine such yield as the Secretary finds fair and reasonable. Notwith-

standing the foregoing provisions of this subsection, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this subsection. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(e) (1) Notwithstanding any other provision of this section, the Secretary may impose a limitation on the acreage planted to feed grains if the Secretary determines that the total supply of feed grains will, in the absence of such limitation, be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the feed grain acreage base for each feed grain-producing farm. Producers on a farm who knowingly produce feed grains in excess of the permitted feed grain acreage for the farm shall be ineligible for feed grain loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation, imposed by the Secretary under this paragraph shall be the acreage planted on the farm to feed grains for harvest (including any acreage which the producers were prevented from planting to feed grains or other nonconserving crop in lieu of feed grains because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to feed grains for harvest in the two crop years immediately preceding the year for which the determination is made. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (1) the product obtained by multiplying the number of acres required to be withdrawn from the production of feed grains times the number of acres actually planted to such commodity, by (2) the number of acres authorized to be planted to such commodity under the limitation imposed by the Secretary (hereinafter in this subsection referred to as 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovate, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(2) The Secretary may conduct a land diversion program and make land diversion payments to producers of one or more of the crops of corn, barley, oats, rye, and grain

sorghums if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of any of these feed grains. If a land diversion program is in effect for one or more of the crops of corn, barley, oats, rye, and grain sorghums, the Secretary may also require that producers participate in such program as a condition of eligibility for loans, purchases, and payments authorized by this section. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community.

"(3) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(4) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(f) In any case in which the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(g) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(h) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(i) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this section.

"(j) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis.

"(k) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this section."

NONAPPLICABILITY OF SECTION 105 OF THE AGRICULTURAL ACT OF 1949 TO THE 1982 THROUGH 1985 CROPS OF FEED GRAINS

SEC. 402. Section 105 of the Agricultural Act of 1949 shall not be applicable to the 1982 through 1985 crops of feed grains.

TITLE V—UPLAND COTTON

BASE ACREAGE ALLOTMENTS; SUSPENSION OF MARKETING QUOTAS AND RELATED PROVISIONS

Sec. 501. Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342, 1343, 1344, 1345, 1346, and 1377) shall not be applicable to upland cotton of the 1982 through 1985 crops.

LOAN RATES AND TARGET PRICES, DISASTER PAYMENTS, COTTON ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF UPLAND COTTON

Sec. 502. Effective only for the 1982 through 1985 crops of upland cotton, section 103 of the Agricultural Act of 1949 (7 U.S.C. 1444) is amended by adding at the end thereof the following new subsection:

"(g) (1) The Secretary shall, upon presentation of warehouse receipts reflecting accrued storage charges of not more than sixty days, make available for the 1982 through 1985 crops of upland cotton to cooperators nonrecourse loans for a term of ten months from the first day of the month in which the loan is made at such level as will reflect for Strict Low Middling one-and-one-sixteenth-inch upland cotton (micronaire 3.5 through 4.9) at average location in the United States the smaller of (A) 85 per centum of the average price (weighted by market and month) of such quality of cotton as quoted in the designated United States spot markets during three years of the five-year period ending July 31 in the year in which the loan level is announced, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period, or (B) 90 per centum of the average, for the fifteen-week period beginning July 1 of the year in which the loan level is announced, of the five lowest priced growths of the growths quoted for Middling one-and-three-thirtyseconds-inch cotton C.I.F. northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year in which the loan is announced between such average northern Europe price quotation of such quality of cotton and the market quotations in the designated United States spot markets for Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9)). In no event shall such loan level be less than 55 cents per pound. If for any crop the average northern Europe price determined under clause (B) of the first sentence of this paragraph is less than the average United States spot market price determined under clause (A) of the first sentence of this paragraph, the Secretary may, notwithstanding the foregoing provisions of this paragraph, increase the loan level to such level as the Secretary may deem appropriate, not in excess of the average United States spot market price determined under clause (A) of the first sentence of this paragraph. The loan level for any crop of cotton shall be determined and announced by the Secretary not later than November 1 of the calendar year preceding the marketing year for which such loan is to be effective, and such level shall not thereafter be changed. Nonrecourse loans provided for in this subsection shall, upon request of the cooperator during the tenth month of the loan period for the cotton, be made available for an additional term of eight months, except that such request to extend the loan period shall not be approved in a month when the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micronaire 3.5 through 4.9) in the designated spot markets for the preceding month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six-month period. Whenever the Secretary determines that the average price of Strict Low Middling one-and-one-sixteenth-inch cotton (micron-

aire 3.5 through 4.9 in the designated spot markets for a month exceeded 130 per centum of the average price of such quality of cotton in such markets for the preceding thirty-six months, notwithstanding any other provision of law, the President shall immediately establish and proclaim a special limited global import quota for upland cotton subject to the following conditions:

"(i) The amount of the special quota shall be equal to twenty-one days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available.

"(ii) If a special quota has been established under this paragraph during the preceding twelve months, the amount of the quota next established hereunder shall be the smaller of twenty-one days of domestic mill consumption calculated as set forth in clause (i) of this subsection or the amount required to increase the supply to 130 per centum of the demand.

"(iii) As used in clause (ii) of this paragraph, the term 'supply' means, using the latest official data of the Bureau of the Census, the United States Department of Agriculture, and the United States Department of the Treasury, the carryover of upland cotton at the beginning of the marketing year (adjusted to four-hundred-and-eight-pound bales) in which the special quota is established, plus production of the current crop, plus imports to the latest date available during the marketing year, and the term 'demand' means the average seasonally adjusted annual rate of domestic mill consumption in the most recent three months for which data are available, plus the larger of average exports of upland cotton during the preceding six marketing years or cumulative exports of upland cotton, plus outstanding export sales for the marketing year in which the special quota is established.

"(iv) When a special quota is established under the provisions of this subsection, a ninety-day period from the effective date of the proclamation shall be allowed for entering cotton under such quota.

"(2) Notwithstanding the foregoing provisions of this subsection, a special quota period shall not be established that overlaps an existing special quota period.

"(3) Notwithstanding any other provision of law, any upland cotton described in items 955.01 through 955.03 of part 3 of the appendix to the Tariff Schedules of the United States imported into the United States during the period of time a special quota established under this subsection is in effect shall be deemed to be an import under such special quota until the special quota is filled and any such cotton shall be free of duty.

"(4) Payments shall be made for each crop of upland cotton to the producers on each farm at a rate equal to the amount by which the higher of—

"(A) the average market price received by farmers for upland cotton during the calendar year which includes the first five months of the marketing year for such crops, as determined by the Secretary, or

"(B) the loan level determined under paragraph (1) of this subsection for such crop, is less than the established price per pound times in each case (1) the farm program acreage for cotton, determined in accordance with paragraph (8) of this subsection (but in no event on a greater acreage than the acreage actually planted to cotton for harvest), multiplied by (ii) the farm program payment yield for cotton determined in accordance with paragraph (9) of this subsection. For the 1982 through 1985 crops of upland cotton, the established price shall not be less than \$0.71 per pound for the 1982 crop, \$0.76 per pound for the 1983 crop, \$0.85 per pound for the 1984 crop, and \$0.93 per pound for the 1985 crop. Any such established

price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (1) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year previous to the one for which the determination is made. The adjusted cost of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. The total quantity on which payments would otherwise be payable to a producer for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to the producer for the crop under paragraph (5) of this subsection.

"(5) (A) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of upland cotton, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for cotton to cotton or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planning disaster payment to the producers on the number of acres so affected but not to exceed the acreage planted to cotton for harvest (including any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33½ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of upland cotton, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of cotton which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to the producers at a rate equal to 33½ per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

"(C) With respect to the 1982 through 1985 crops of upland cotton, producers on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their cotton acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of upland cotton, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(1) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting cotton or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(6) The Secretary shall establish for each of the 1982 through 1985 crops of upland cotton a national program acreage. Such national program acreage shall be announced by the Secretary not later than November 1 of the calendar year preceding the year for which such acreage is established. The Secretary may revise the national program acreage first announced for any crop year for the purpose of determining the allocation factor under paragraph (7) of this subsection if the Secretary determines it necessary based upon the latest information, and the Secretary shall announce such revised national program acreage as soon as it has been made. The national program acreage shall be the number of harvested acres the Secretary determines (on the basis of the estimated weighted national average of the farm program yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. The national program acreage shall be subject to such adjustment as the Secretary determines necessary, taking into consideration the estimated carryover supply, so as to provide for an adequate but not excessive total supply of cotton for the marketing year for the crop for which such national program acreage is established. In no event shall the national program acreage be less than ten million acres.

"(7) The Secretary shall determine a program allocation factor for each crop of upland cotton. The allocation factor (not to exceed 100 per centum) shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop.

"(8) The individual farm program acreage for each crop of upland cotton shall be determined by multiplying the allocation factor by the acreage of cotton planted for harvest on the farms for which individual farm program acreages are required to be determined, except that the cotton acreage on a farm eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of cotton planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the announcement of the national program acreage made not later than November 1 of the calendar year preceding the year for which such acreage is established. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of cotton planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(9) The farm program payment yield for each crop of upland cotton shall be determined on the basis of the actual yields per harvested acre on the farm for the preceding three years, except that the actual yields shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, or other natural disaster, or other condition beyond the control of the producers. In case farm yield data for one or more years are unavailable or there was no production, the Secretary shall provide for appraisals to be made on the basis of actual yields and program payment yields for similar farms in the area for which data are available. Notwithstanding the foregoing provisions of this paragraph, in the determination of yields, the Secretary shall take into account the actual yields proved by the producer, and neither such yields nor the farm program payment yield established on the basis of such yields shall be reduced under other provisions of this paragraph. If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the historical period, or, if such data are not available, on the Secretary's estimate of actual yields for the crop year involved. If national, State, or county program payment yields are established, the farm program payment yields shall balance to the national, State, or county program payment yields.

"(10) (A) Notwithstanding any other provision of this subsection, the Secretary may impose a limitation on the acreage planted to upland cotton if the Secretary determines that the total supply of upland cotton will, in the absence of such limitation, be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the upland cotton acreage base for each cotton-producing farm. Producers on a farm who knowingly produce cotton in excess of the permitted cotton acreage for the farm shall be ineligible for cotton loans and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed by the Secretary under this subparagraph shall be the acreage planted on the farm to upland cotton for harvest (including any acreage which the producers were prevented from planting to cotton or other nonconserving crop in lieu of cotton because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to upland cotton for harvest in the two crop years immediately preceding the year for which the determination is made. The Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (1) the product obtained by multiplying the number of acres required to be withdrawn from the production of upland cotton times the number of acres actually planted to such commodity, by (2) the number of acres authorized to be planted to such commodity under the limitation imposed by the Secretary (hereinafter in this subsection referred to as 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds

and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing, or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flaxseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(B) The Secretary may conduct a land diversion program and make land diversion payments to producers of upland cotton if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of upland cotton. If a land diversion program is in effect under this subsection, the Secretary may also require that producers participate in such program as a condition of eligibility for loans and payments authorized by this subsection. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community;

"(C) The reduced acreage and the diverted acreage may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(11) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(12) The Secretary shall provide for the sharing of payments made under this subsection for any farm among the producers on the farm on a fair and equitable basis.

"(13) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(14) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans and payments, the Secretary may, nevertheless, make such loans and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(15) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(16) The Secretary shall carry out the

program authorized by this subsection through the Commodity Credit Corporation.

"(17) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(18) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans or payments under this subsection.

"(19) In order to encourage and assist producers in the orderly ginning and marketing of their cotton production, the Secretary shall make loans available to such producers on seed cotton in accordance with authority vested in the Secretary under the Commodity Credit Corporation Charter Act."

EXTENSION OF COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS

SEC. 503. Section 603 of the Food and Agriculture Act of 1977 (91 Stat. 939) is amended by striking out "July 31, 1982" and inserting in lieu thereof "July 31, 1986".

MISCELLANEOUS COTTON PROVISIONS

SEC. 504. (a) Section 408(b) of the Agricultural Act of 1949 (7 U.S.C. 1428(b)) is amended by striking out the period at the end of the first sentence and inserting in lieu thereof a colon and the following: "And provided further, That for the 1982 through 1985 crops of upland cotton a cooperators shall be a producer on a farm who has limited the acreage planted in accordance with paragraph (10) (A) of section 103(g)."

(b) Sections 103(a) and 203 of the Agricultural Act of 1949 (7 U.S.C. 1444 and 1446d) shall not be applicable to the 1982 through 1985 crops.

SKIPROW PRACTICES

SEC. 505. Section 374(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1374) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRELIMINARY ALLOTMENTS FOR 1986 CROP OF UPLAND COTTON

SEC. 506. Section 606 of the Food and Agriculture Act of 1977 (7 U.S.C. 1342 note) is amended by striking out "1982" and inserting in lieu thereof "1986".

PRICE SUPPORT ADJUSTMENTS

SEC. 507. Section 403 of the Agricultural Act of 1949 (7 U.S.C. 1423) is amended by adding at the end thereof the following: "Beginning with the 1982 crop of upland cotton, the quality differences (premiums and discounts for grade, staple and micronaire) for the loan program shall be established by the Secretary by giving equal weight to (1) loan differences for the preceding crop and (2) the market differences for such crop in the nine designated United States spot markets."

TITLE VI—RICE

REPEAL OF PROVISIONS RELATING TO NATIONAL ACREAGE ALLOTMENTS, ALLOCATIONS, APPORTIONMENT, MARKETING QUOTAS, AND PENALTIES

SEC. 601. (a) Effective beginning with the 1982 crop of rice, sections 352, 353, 354, 355, and 356, of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1352, 1353, 1354, 1355, and 1356) are repealed.

(b) Effective beginning with the 1982 crop of rice, section 377 of such Act (7 U.S.C. 1377) shall not be applicable to rice acreage.

LOAN RATES, TARGET PRICES, DISASTER PAYMENTS, RICE ACREAGE REDUCTION PROGRAM, AND LAND DIVERSION FOR THE 1982 THROUGH 1985 CROPS OF RICE

SEC. 602. Effective only for the 1982 through 1985 crops of rice, section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) is amended by adding at the end a new subsection (1) as follows:

"(1) Notwithstanding any other provision of law—

"(1) For the 1982 through 1985 crops of rice, the established price shall not be less than \$11.23 per hundredweight for the 1982 crop, \$12.14 per hundredweight for the 1983 crop, \$12.70 per hundredweight for the 1984 crop, and \$13.50 per hundredweight for the 1985 crop. Any such established price may be adjusted by the Secretary as the Secretary determines to be appropriate to reflect any change in (i) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the average adjusted cost of production per acre for the two crop years immediately preceding the year for which the determination is made from (ii) the of production for each of such years may be determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose and may include variable costs, machinery ownership costs, and general farm overhead costs, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop.

"(2) The Secretary shall make available, to cooperators in the several States of the United States, loans and purchases for each of the 1982 through 1985 crops of rice at a level that bears the same ratio to the loan level for the preceding year's crop as the established price for such crop bears to the established price for the preceding year's crop. If the Secretary determines that loans and purchases at such a level for any of the 1982 through 1985 crops would substantially discourage the exportation of rice and result in excessive stocks of rice in the United States, the Secretary may, notwithstanding the foregoing provisions of this paragraph, establish loans and purchases for any such crop at such level, not less than \$8 per hundredweight, as the Secretary determines necessary to avoid such excessive stocks. The loan and purchase level for each of the 1983, 1984, and 1985 crops of rice shall be established on the basis of the loan and purchase level established for the preceding crop year before the application of the preceding sentence. The established price and the loan and purchase level for each crop shall be announced not later than March 1 of each calendar year for the crop harvested in that calendar year.

"(3) The Secretary shall make available to cooperators payments for each of the 1982 through 1985 crops of rice grown in the several States of the United States at a rate equal to the amount by which the established price for the crop of rice exceeds the higher of—

"(A) the national average market price received by farmers during the first five months of the marketing year for such crop, as determined by the Secretary, or

"(B) the loan level determined under paragraph (2) for such crop.

"(4) The payments for each such crop of rice shall be computed by multiplying (i) the payment rate by (ii) the farm program acreage for the crop by (iii) the yield established for the farm. In no event shall payments be made under this paragraph for any crop on a greater acreage than the acreage actually planted to rice. The yield for the farm for any year shall be determined on the basis of the actual yields per harvested acre for the three preceding years. The actual yield shall be adjusted by the Secretary for abnormal yields in any year caused by drought, flood, other natural disaster, or other condition beyond the control of the cooperators.

"(5) The total quantity on which payments would otherwise be payable to a producer on a farm, for any crop under this paragraph shall be reduced by the quantity on which any disaster payment is made to

the producer for the crop under paragraph (6) of this subsection.

"(6) (A) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of rice, if the Secretary determines that the producers on a farm are prevented from planting any portion of the acreage intended for rice to rice or other nonconserving crops because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the Secretary shall make a prevented planting disaster payment to the cooperators on the number of acres so affected but not to exceed the acreage planted to rice for harvest (including any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the immediately preceding year, multiplied by 75 per centum of the farm program payment yield established by the Secretary times a payment rate equal to 33½ per centum of the established price for the crop.

"(B) Except as provided in subparagraph (C) of this paragraph, effective only with respect to the 1982 through 1985 crops of rice, if the Secretary determines that because of drought, flood, or other natural disaster, or other condition beyond the control of the producers, the total quantity of rice which the producers are able to harvest on any farm is less than the result of multiplying 75 per centum of the farm program payment yield established by the Secretary for such crop by the acreage planted for harvest for such crop, the Secretary shall make a reduced yield disaster payment to cooperators at a rate equal to 33½ per centum of the established price for the crop for the deficiency in production below 75 per centum for the crop.

"(C) With respect to the 1982 through 1985 crops of rice, cooperators on a farm shall not be eligible for disaster payments under this paragraph if crop insurance is available to them under the Federal Crop Insurance Act with respect to their rice acreage.

"(D) Notwithstanding the provisions of subparagraph (C) of this paragraph, effective only for the 1982 through 1985 crops of rice, the Secretary may make disaster payments to producers on a farm under this paragraph whenever the Secretary determines that—

"(i) as the result of drought, flood, or other natural disaster, or other condition beyond the control of the producers, producers on a farm have suffered substantial losses of production either from being prevented from planting rice or other nonconserving crop or from reduced yields, and that such losses have created an economic emergency for the producers;

"(ii) Federal crop insurance indemnity payments and other forms of assistance made available by the Federal Government to such producers for such losses are insufficient to alleviate such economic emergency, or no crop insurance covered the loss because of transitional problems attendant to the Federal crop insurance program; and

"(iii) additional assistance must be made available to such producers to alleviate the economic emergency.

The Secretary may make such adjustments in the amount of payments made available under this subparagraph with respect to individual farms so as to assure the equitable allotment of such payments among producers taking into account other forms of Federal disaster assistance provided to the producers for the crop involved.

"(7) (A) The Secretary shall proclaim a national program acreage for each of the 1982 through 1985 crops of rice. The proclamation shall be made not later than January 31 of each calendar year for the crop harvested in that calendar year. The Sec-

retary may revise the national program acreage first proclaimed for any crop year for the purpose of determining the allocation factor under subparagraph (B) of this paragraph if the Secretary determines a revision necessary based upon the latest information, and the Secretary shall proclaim such revised national program acreage as soon as it is made. The national program acreage for rice shall be the number of harvested acres the Secretary determines (on the basis of the weighted national average of the farm established yields for the crop for which the determination is made) will produce the quantity (less imports) that the Secretary estimates will be utilized domestically and for export during the marketing year for such crop. If the Secretary determines that carryover stocks of rice are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national program acreage by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"(B) The Secretary shall determine a program allocation factor for each crop of rice. The allocation factor for rice shall be determined by dividing the national program acreage for the crop by the number of acres that the Secretary estimates will be harvested for such crop. In no event may the allocation factor for any crop of rice be more than 100 per centum nor less than 80 per centum.

"(C) The individual farm program acreage for each crop of rice shall be determined by multiplying the allocation factor by the acreage of rice planted for harvest on the farms for which individual farm program acreages are required to be determined, except that the rice average on a farm eligible for payments shall not be further reduced by application of the allocation factor if the producers reduce the acreage of rice planted for harvest on the farm from the previous year by at least the percentage recommended by the Secretary in the annual proclamation of the national program acreage. The Secretary shall provide fair and equitable treatment for producers on farms on which the acreage of rice planted for harvest is less than for the preceding year, but the reduction is insufficient to exempt the farm from the application of the allocation factor. In establishing the allocation factor for rice, the Secretary may make such adjustment as the Secretary deems necessary to take into account the extent of exemption of farms under the foregoing provisions of this paragraph.

"(8) (A) Notwithstanding any other provision of this subsection, the Secretary may impose a limitation on the acreage planted to rice if the Secretary determines that the total supply of rice will, in the absence of such limitation, be excessive taking into account the need for an adequate carryover to maintain reasonable and stable supplies and prices and to meet a national emergency. Such limitation shall be achieved by applying a uniform percentage reduction to the rice acreage base for each rice-producing farm. Producers on a farm who knowingly produce rice in excess of the permitted rice acreage for the farm shall be ineligible for rice loans, purchases, and payments with respect to that farm. The acreage base for any farm for the purpose of determining any reduction required to be made for any year as the result of a limitation imposed by the Secretary under this subparagraph shall be the acreage planted to rice on the farm to rice for harvest (including any acreage which the producers were prevented from planting to rice or other nonconserving crop in lieu of rice because of drought, flood, or other natural disaster, or other condition beyond the control of the producers) in the crop year immediately preceding the year for

which the determination is made or, at the discretion of the Secretary, the average acreage planted to rice for harvest in the two crop years immediately preceding the year for which the determination is made. In determining the acreage planted to rice in any previous year for purposes of this subparagraph, the Secretary may make adjustments to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base. A number of acres on the farm determined by dividing (1) the product obtained by multiplying the number of acres required to be withdrawn from the production of rice times the number of acres actually planted to rice, by (11) the number of acres authorized to be planted to rice under the limitation imposed by the Secretary (hereinafter in this subsection referred to as the 'reduced acreage') shall be devoted to conservation uses, in accordance with regulations issued by the Secretary, which will assure protection of such acreage from weeds and wind and water erosion. However, the Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of the reduced acreage to be devoted to sweet sorghum, hay and grazing or the production of guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, flexseed, triticale, oats, rye, or other commodity, if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not adversely affect farm income.

"(B) The Secretary may conduct a land diversion program and make land diversion payments to producers of rice if the Secretary determines that such payments will assist in obtaining necessary adjustments in the total acreage of rice. If a land diversion program is in effect under this subsection, the Secretary may also require that producers participate in such program as a condition of eligibility for loans, purchases, and payments authorized by this subsection. Land diversion payments shall be made to a producer on a farm who devotes an acreage of cropland on the farm to conservation uses approved by the Secretary in accordance with a land diversion contract entered into with the Secretary. The amounts payable to a producer under a land diversion contract shall be determined by such means as the Secretary determines appropriate, including the submission of bids for such contracts. In determining the acceptability of a contract offer, the Secretary shall take into consideration the extent of the diversion to be undertaken by the producer and the productivity of the acreage diverted. The Secretary shall limit the total acreage to be diverted under agreements in any county or local community so as not to affect adversely the economy of the county or local community:

"(C) The reduced acreage and the additional diverted average may be devoted to wildlife food plots or wildlife habitat in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(D) An operator of a farm desiring to participate in the program conducted under this subsection shall execute an agreement with the Secretary providing for such participation no later than such date as the Secretary may prescribe. The Secretary may, by mutual agreement with the producer, terminate or modify any such agreement entered into under this subsection if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"(9) The Secretary shall provide for the sharing of payments made under this sub-

section for any farm among the producers on the farm on a fair and equitable basis.

"(10) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

"(11) In any case in which the failure of a producer to comply fully with the terms and conditions of the program formulated under this subsection precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not adversely affect the operation of the program.

"(12) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this subsection.

"(13) The Secretary shall carry out the program authorized by this subsection through the Commodity Credit Corporation.

"(14) The provisions of subsection 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this subsection.

"(15) Notwithstanding any other provision of law, compliance on a farm with the terms and conditions of any other commodity program may not be required as a condition of eligibility for loans, purchases, or payments under this subsection.

DEFINITION OF COOPERATOR

Sec. 603. Effective only with respect to the 1982 through 1985 crops of rice, the third proviso in the first sentence of section 408(b) of the Agricultural Act of 1949 (7 U.S.C. 1428(b)) is amended to read as follows: "Provided further, That for the 1982 through 1985 crops of rice, a cooperator shall be a producer on a farm who has reduced the acreage base planted to rice as required under section 101(i)(8) of this Act."

TITLE VII—PEANUTS

ANNUAL MARKETING QUOTA AND STATE ACREAGE ALLOTMENT

Sec. 701 (a) Subsections (a) and (e) of section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358 (a) and (e)) shall not be applicable to the 1982 through 1985 crops of peanuts.

(b) Effective for the 1982 through 1985 crops of peanuts, subsection (c)(1) of section 358 of such Act (7 U.S.C. 1358(c)(1)) is amended by striking out the period at the end of the second sentence and inserting in lieu thereof a colon and the following: "Provided further, That the peanut acreage allotment for the State of New Mexico shall not be reduced below the 1977 acreage allotment as increased pursuant to subsection (c)(2) of this section."

NATIONAL ACREAGE ALLOTMENT; NATIONAL POUNDAGE QUOTA; FARM POUNDAGE QUOTA; AND DEFINITIONS

Sec. 702. Effective only for the 1982 through 1985 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358) is further amended by adding at the end thereof the following new subsections:

"(k) Not later than December 1 of each year, the Secretary shall announce a national acreage allotment for peanuts for the next crop taking into consideration projected domestic use, exports, and a reasonable carryover, except that such allotment shall not be less than 1,614,000 acres.

"(l) Not later than December 1 of each year, the Secretary shall announce a minimum national poundage quota for peanuts

for the next marketing year. The minimum national poundage quota for any crop shall be 1,300,000 tons increased by such additional quantity as the Secretary estimates will be necessary to meet the requirements for domestic edible and seed uses during the marketing year.

"(m) For each farm for which a farm acreage allotment has been established, a farm yield for peanuts shall be determined. Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1973 through 1977. In the event that peanuts were not produced on the farm in at least three years during such five-year period or there was a substantial change in the operation of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms which are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(n) For each farm, a farm base production poundage shall be established equal to the quantity determined by multiplying the farm peanut acreage allotment by the farm yield determined in accordance with subsection (m) of this section.

"(o) (1) For each farm, a farm poundage quota shall be established by the Secretary for each marketing year equal to the farm base production poundage multiplied by a factor determined by the Secretary, such that the total of all farm poundage quotas will equal the national poundage quota for such marketing year. The poundage quota so determined, beginning with the 1982 crop for any farm, shall be increased by the number of pounds by which marketings of quota peanuts from the farm during previous marketing years (excluding any marketing year before the marketing year for the 1980 crop) were less than the farm poundage quota.

"(2) A quantity of peanuts equal to the quantity of peanuts undermarketed in any year may be produced and marketed in any subsequent year or years (undermarketing carry forward) and such quantity of peanuts shall be considered quota peanuts, except that in order to qualify for an undermarketing carry forward in any year a producer must have planted an acreage on the farm to peanuts in the preceding year equal to or greater than 50 per centum of the acreage allotment for the farm for peanuts for such preceding year.

"(3) In no case may the total marketings of a producer exceed actual production from the farm acreage allotment.

"(4) Notwithstanding the foregoing provisions of this subsection, if the total of all increases under paragraph (1) of this subsection in individual farm poundage quotas exceeds 10 per centum of the national poundage quota for the marketing year, the Secretary shall adjust such increases so that the total of all increases does not exceed 10 per centum of the national poundage quota.

"(p) For the purposes of this part and title I of the Agricultural Act of 1949—

"(1) 'quota peanuts' means, for any marketing year, any peanuts which are eligible for domestic edible use as determined by the Secretary, which are marketed or considered marketed from a farm, and which do not exceed the farm poundage quota of such farm for such year;

"(2) 'additional peanuts' means, for any marketing year, any peanuts which are mar-

keted from a farm and which are in excess of the marketings of quota peanuts from such farm for such year but not in excess of the actual production of the farm acreage allotment;

"(3) 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary; and

"(4) 'domestic edible use' means use for milling to produce domestic food peanuts and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c) of this Act, are unique strains, and are not commercially available."

SALE, LEASE, AND TRANSFER OF ACREAGE ALLOTMENTS

SEC. 703. Effective for the 1982 through 1985 crops of peanuts, section 348a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358a) is amended—

(1) by striking out in subsection (a) "if he determines that it will not impair the effective operation of the peanut marketing quota or price support program,";

(2) by striking out "may" each place it appears in subsection (a) and inserting in lieu thereof "shall";

(3) by changing the period at the end of subsection (g) to a colon and adding the following: "Provided, That such fifty-acre limitation shall not apply in the case of any State in which the total farm peanut acreage allotment is eleven thousand acres or less.";

(4) by adding at the end thereof the following new subsections:

"(i) Notwithstanding any other provision of this section, transfers shall be on the basis of the farm production poundage, and the acreage allotment for the receiving farm shall be increased by an amount determined by dividing the number of pounds transferred by the farm yield for the receiving farm, and the acreage allotment for the transferring farm shall be reduced by an amount determined by dividing the number of pounds transferred by the farm yield for the transferring farm.

"(j) Notwithstanding the provisions of subsection (b) (1) of this section, farm acreage allotments and marketing quotas for peanuts may be transferred from one county to another in the same State in the case of any State in which the total from peanut acreage allotment is eleven thousand acres or less."

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

SEC. 704. Effective only for the 1982 through 1985 crop of peanuts, section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359) is amended—

(1) by inserting "(1)" after the subsection designation "(a)";

(2) by striking out in the first sentence of subsection (a) (1) of such section, as designated by clause (1) of this section, "75 per centum of the support price for" and inserting in lieu thereof "120 per centum of the support price for quota";

(3) by inserting after the first sentence of subsection (a) (1) of such section, as designated by clause (1) of this section, the following new sentence: "The marketing of any additional peanuts from a farm shall be subject to the same penalty unless the peanuts, in accordance with regulations established by the Secretary, are placed under loan at the additional loan rate under the loan program made available under section 108(b) of the Agricultural Act of 1949 and not deemed by the producers or are marketed under contracts between handlers and producers pursuant to the provisions of subsection (1) of this section.";

(4) by striking out "normal yield" in subsection (a) (1) of such section, as designated by clause (1) of this section, and inserting in lieu thereof "farm yield";

(5) by adding at the end of subsection (a) (1) of such section as designated by clause (1) of this section the following new paragraph:

"(2) The Secretary shall authorize, under such regulations as the Secretary shall prescribe, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations which were the basis of the penalties were unintentional or without knowledge on the part of the parties concerned. Errors in weight which do not exceed one-tenth of 1 per centum in the case of any one marketing document shall not be considered marketing violations except in cases of fraud or conspiracy.";

(6) by adding at the end of such section the following new subsections:

"(f) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts excluded under section 359(c), are unique strains, and are not commercially available. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(g) Upon a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 120 per centum of the loan level for quota peanuts on the quantity of peanuts which the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(h) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108(c) of the Agricultural Act of 1949. Quota and additional peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(i) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchase of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval prior to April 15 of the year in which the crop is produced, except that if any handler contracts with a producer for additional peanuts at a price equal to or more than 105 per centum of the loan level of quota peanuts such peanuts may be utilized as quota peanuts if (1) such contract is approved before April 15 of the year in which the crop is produced, and (2) all of the producer's quota peanuts have been contracted for before or at the same time that the producer's additional peanuts are contracted for.

"(j) Subject to the provisions of section 407 of the Agricultural Act of 1949, any pea-

nuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus (1) 100 per centum of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season upon delivery by and with the written consent of the producer, (2) not less than 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year, or (3) not less than 107 per centum of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year. For the period from the date additional peanuts are delivered for loan to April 30 of the calendar year following the year in which such additional peanuts were harvested, the area marketing associations designated pursuant to section 108(c) of the Agricultural Act of 1949 shall have sole authority to accept or reject lot list bids when the sales price as determined under this section equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts, except that the area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by this sentence in order to facilitate the orderly marketing of additional peanuts."

REPORTS AND RECORDS

SEC. 705. Section 805 of the Food and Agriculture Act of 1977 (91 Stat. 947) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRESERVATION OF UNUSED ALLOTMENTS

SEC. 706. Section 806 of the Food and Agriculture Act of 1977 (91 Stat. 947) is amended by striking out "1981" and inserting in lieu thereof "1985".

PRICE SUPPORT PROGRAM

SEC. 707. Effective for the 1982 through 1985 crops of peanuts, title I of the Agricultural Act of 1949 is amended by adding after section 107 a new section 108 as follows:

"Sec. 108. Notwithstanding any other provision of law—

"(1) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts for each of the 1982 through 1985 crops of peanuts at such levels as the Secretary finds appropriate, taking into consideration the eight factors specified in section 401(b) of this Act, and any change in the index of prices paid by farmers for production items, interest, taxes, and wage rates during the period beginning January 1 and ending December 31 of the calendar year immediately preceding the marketing year for which the level of support is being determined, except that the level of price support for the 1982 through 1985 crops shall not be less than \$631 per ton. The levels of price support so announced may not be reduced by any deductions for inspection, handling, or storage, but the Secretary may make adjustments for location of peanuts and other adjustments authorized by section 403 of this Act.

"(2) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1982 through 1985 crops of peanuts. In determining the support level for additional peanuts, the Secretary shall take into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets, but in no case may the level of price support

for additional peanuts be set at a level which the Secretary estimates would result in the Commodity Credit Corporation incurring a loss on the price support program for additional peanuts for the marketing year concerned. The Secretary shall announce the level of price support for additional peanuts of each crop not later than February 15 preceding the marketing year for which the level of price support, so announced, is to be in effect.

"(3)(A) In carrying out paragraphs (1) and (2) of this subsection, the Secretary shall make warehouse storage loans available in each of the three producing areas (described in 7 CFR 1446.10 (1980)) to a designated area marketing association of peanut producers which is selected and approved by the Secretary and which is operated primarily for the purpose of conducting such loan activities. The Secretary may not make warehouse storage loans available to any cooperative which is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and in section 359 of the Agricultural Adjustment Act of 1938. Such area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938. Loans made under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938.

"(B) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by type for quota peanuts handled under loans and for additional peanuts produced without a contract between handler and producer described in section 359(1) of the Agricultural Adjustment Act of 1938. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed in proportion to the value of the peanuts placed in the pool by each grower. Net gains for peanuts in each pool shall consist of (1) for quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts, and (1) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (1) of this subparagraph. Notwithstanding any other provision of this subsection, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such grower."

TITLE VIII—SOYBEANS

SOYBEAN PRICE SUPPORT

SEC. 801. Effective only with respect to the 1982 through 1985 crops of soybeans, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended—

(1) in the first sentence, by inserting "soybeans," after "tung nuts,"; and

(2) by adding at the end thereof a new subsection (g) as follows:

"(g) (1) The Secretary shall make available price support to producers for soybeans through loans and purchases during each of the four marketing years beginning with the 1982 marketing year at a level equal to 75

per centum of the average Chicago quoted cash price for number 1 yellow soybeans for each of the preceding five marketing years, excluding the high and low valued years: *Provided however*, That in no event shall the Secretary establish a support price of less than \$5.02 per bushel. For the purposes of this section, the soybean marketing year shall be the twelve-month period beginning on September 1 and ending August 31. The Secretary shall make a preliminary announcement of the level of price support no earlier than thirty days in advance of the beginning of the marketing year based upon the latest information and statistics available when such level of price support is announced, and shall make a final announcement of such level as soon as full information and statistics are available on prices for the five years preceding the beginning of the marketing year. In no event shall such final level of support be announced later than October 1 of the marketing year for which the announcement applies; nor shall the final level of support be less than the level of support set forth in the preliminary announcement.

"(2) Notwithstanding any other provision of law—

"(A) The Secretary shall not require participation in any production adjustment control program for soybeans or any commodity as a condition of eligibility for price support for soybeans; and

"(B) Soybeans shall not be considered an eligible commodity for any reserve program, and the Secretary shall not authorize payments to producers to cover the cost of storing soybeans."

TITLE IX—SUGAR

SUGAR PRICE SUPPORT

SEC. 901. Effective only with respect to the 1982 through 1985 crops of sugar beets and sugar cane, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended—

(1) in the first sentence, by striking out "honey, and milk" and inserting in lieu thereof "honey, milk, sugar beets, and sugar cane"; and

(2) by adding at the end thereof a new subsection (h) as follows:

"(h) The price of each of the 1982 through 1985 crops of sugar beets and sugar cane, respectively, shall be supported in the manner specified below:

"(1) Effective with respect to sugar processed from domestically grown sugar beets and sugar cane beginning with the effective date of this subsection through March 31, 1982, the Secretary shall support the price of sugar beets and sugar cane through purchases of the processed products thereof or through other operations at such level as the Secretary determines appropriate to approximate a raw sugar price of 19.6 cents per pound.

"(2) Effective October 1, 1982, the Secretary shall support the price of domestically grown sugar cane through nonrecourse loans at such level as the Secretary determines appropriate but not less than 19.6 cents per pound for raw cane sugar. Effective October 1, 1982, the Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines to be fair and reasonable in relation to the level of loans for raw cane sugar. The Secretary shall announce the loan rate to be applicable during any fiscal year as far in advance of the beginning of that fiscal year as practicable consistent with the purposes of this section. Loans during any such fiscal year shall be made available not earlier than the beginning of the fiscal year and shall mature before the end of that fiscal year.

"(3) For the purposes of paragraph (2)—
"(A) The 1982 crop of sugar beets and sugar cane shall be the crop of sugar beets

and sugar cane processed into refined beet sugar and raw cane sugar, respectively, during the period April 1, 1982, through March 31, 1983;

"(B) Loans for the 1982 crop of sugar beets and sugar cane shall be made available during the period October 1, 1982, through March 31, 1983; and

"(C) The 1983 through 1985 crops of sugar beets and sugar cane and the period of loan availability for such crops shall be established in the same manner as prescribed in subparagraphs (A) and (B) of this paragraph."

TITLE X—GRAIN RESERVES

PRODUCER STORAGE PROGRAM

Sec. 1001. Section 110 of the Agricultural Act of 1949 is amended to read as follows:

"Sec. 110. (a) The Secretary is authorized to formulate and administer a program under which producers of wheat and producers of feed grains will be able to store wheat and feed grains when such commodities are in abundant supply and extend the time period for their orderly marketing. The Secretary shall establish safeguards to assure that wheat and feed grains held under the program shall not be utilized in any manner to unduly depress, manipulate, or curtail the free market. The authority provided by this section shall be in addition to other authorities available to the Secretary for carrying out producer loan and storage operations.

"(b) In carrying out the producer storage program, the Secretary may provide original or extended price support loans for wheat and feed grains under terms and conditions designed to encourage producers to store wheat and feed grains for extended periods of time in order to promote orderly marketing when wheat or feed grains are in abundant supply. Loans made under this section shall be made at the same level of support as provided for by this Act or at such higher level as the Secretary may deem appropriate. Among such other terms and conditions as the Secretary may prescribe by regulation, the program may provide for (1) repayment of such loans in not less than three years nor more than five years; (2) payments to producers for storage in such amounts and under such conditions as the Secretary determines appropriate to encourage producers to participate in the program; (3) a rate of interest as determined under subsection (c) of this section; (4) recovery of amounts paid for storage, and for the payment of additional interest or other charges in the event such loans are repaid by producers before the market price for wheat or feed grains has reached the price levels specified in clause (5) of this subsection; and (5) conditions designed to induce producers to redeem and market the wheat or feed grains securing such loans without regard to the maturity dates thereof whenever the Secretary determines that the market price for the commodity has attained a specified level, as determined by the Secretary.

"(c) The rate of interest charged participants in the program authorized by this section shall be not less than the rate of interest charged the Commodity Credit Corporation by the United States Treasury, except that the Secretary may waive or adjust such interest as the Secretary deems appropriate to effectuate the purposes of this section. Notwithstanding the foregoing, the Secretary is authorized to increase the applicable rate of interest in such amounts and at such intervals as the Secretary determines is appropriate to encourage the orderly marketing of wheat and feed grains securing loans made under this section after the market price for the commodity has attained the level determined under clause (5) of subsection (b).

"(d) Notwithstanding any other provision of law, the Secretary may require producers to repay loans under this section plus accrued interest and such other charges as may be required by regulation prior to the ma-

turity date thereof if the Secretary determines that emergency conditions exist which require that such commodity be made available in the market to meet urgent domestic or international needs and the Secretary reports such determination and the reasons therefor to the President, the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives at least fourteen days before taking such action.

"(e) The Secretary shall announce the terms and conditions of the producer storage program as far in advance of making loans as practicable. In such announcement, the Secretary shall specify the quantity of wheat or feed grains to be stored under the program which the Secretary determines appropriate to promote the orderly marketing of such commodities. The Secretary may place an upper limit on the amount of wheat and feed grains placed in the reserve, but such upper limit may not be less than seven hundred million bushels for wheat and one billion bushels for feed grains.

"(f) Notwithstanding any other provision of law, except as otherwise provided under section 302 of the Food Security Wheat Reserve Act of 1980 and section 208 of the Agricultural Trade Suspension Adjustment Act of 1980, whenever the original or extended loan program authorized by this section is in effect, the Commodity Credit Corporation may not sell any of its stocks of wheat or feed grains at less than 105 per centum of the average projected cost of production for the commodity involved for the current crop year, as determined by the Secretary on the basis of such information as the Secretary finds necessary and appropriate for the purpose, which shall include (i) variable costs, (ii) machinery ownership costs, (iii) general farm overhead costs, (iv) return for management comparable to the normal management fees charged by other comparable industries, and (v) land value, allocated to the crops involved on the basis of the proportion of the value of the total production derived from each crop. The foregoing restriction shall apply to—

"(1) sales of such commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; and

"(2) sales or other disposals of such commodities under the Act of September 21, 1959 (73 Stat. 574, as amended; 7 U.S.C. 1427 note).

"(g) The Secretary may, with the concurrence of the owner of grain stored under the program authorized by this section, reconcentrate all such grain stored in commercial warehouses at such points as the Secretary deems to be in the public interest, taking into account such factors as transportation and normal marketing patterns. The Secretary shall permit rotation of stocks and facilitate maintenance of quality under regulations which assure that the holding producer or warehouseman shall, at all times, have available for delivery at the designated place of storage both the quantity and quality of grain covered by his commitment.

"(h) Whenever grain is stored under the provisions of this section, the Secretary may buy and sell at an equivalent price, allowing for the customary location and grade differentials, substantially equivalent quantities of grain in different locations or warehouses to the extent needed to properly handle, rotate, distribute, and locate such commodities which the Commodity Credit Corporation owns or controls. Such purchases to offset sales shall be made within two market days following the sales. The Secretary shall make a daily list available showing the price, location, and quantity of the transactions.

"(i) The Secretary shall use Commodity Credit Corporation, to the extent feasible, to fulfill the purposes of this section. To

the maximum extent practicable consistent with the fulfillment of the purposes of this section and the effective and efficient administration of this section, the Secretary shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce."

INTERNATIONAL EMERGENCY FOOD RESERVE

Sec. 1002. Section 111 of the Agricultural Act of 1949 (7 U.S.C. 1445f) is repealed.

DISASTER RESERVE

Sec. 1003. Section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) is repealed.

FARM STORAGE FACILITY LOANS

Sec. 1004. Section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)) is amended by deleting from the fourth proviso of the second sentence the phrase "shall make loans" and inserting in lieu thereof the phrase "may make loans".

CONFORMING AMENDMENT

Sec. 1005. Section 208(c)(2)(B) of the Agricultural Trade Suspension Adjustment Act of 1980 is amended by amending clause (1) to read as follows:

"(1) If there is a producer storage program in effect for the commodity, at not less than 105 per centum of the then current price level at which the Secretary may encourage repayment of producer storage loans on the commodity prior to the maturity dates of the loans, as determined under clause (5) of the second sentence of section 110(b) of the Agricultural Act of 1949, or"

TITLE XI—MISCELLANEOUS

Subtitle A—Provisions Applicable To More Than One Commodity

PAYMENT LIMITATIONS FOR WHEAT, FEED GRAINS, UPLAND COTTON, AND RICE

Sec. 1101. Notwithstanding any other provision of law—

(1) The total amount of payments (excluding disaster payments) that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, and rice shall not exceed \$50,000 for each of the 1982 through 1985 crops.

(2) The total amount of disaster payments that a person shall be entitled to receive under one or more of the annual programs established under the Agricultural Act of 1949 for wheat, feed grains, upland cotton, and rice shall not exceed \$100,000 for each of the 1982 through 1985 crops.

(3) The term "payments" as used in this section shall not include loans or purchases, or any part of any payment that is determined by the Secretary of Agriculture to represent compensation for resource adjustment (excluding land diversion payments).

(4) If the Secretary determines that the total amount of payments that will be earned by any person under the program in effect for any crop will be reduced under this section, any acreage reduction for the farm or farms on which such person will be sharing in payments earned under such program shall be reduced to such extent and in such manner as the Secretary determines will be fair and reasonable in relation to the amount of the payment reduction.

(5) The Secretary shall issue regulations defining the term "person" and prescribing such rules as the Secretary determines necessary to assure a fair and reasonable application of such limitation. The rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970, under section 101 of the Agricultural Act of 1970.

(6) The provisions of this section that limit payments to any person shall not be applicable to lands owned by States, political

subdivisions, or agencies thereof, so long as such lands are farmed primarily in the direct furtherance of a public function, as determined by the Secretary.

FINALITY OF DETERMINATIONS

Sec. 1102. The first sentence of section 385 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1385) is amended to read as follows: "The facts constituting the basis for any Soil Conservation Act payment, any payment under the wheat, feed grain, upland cotton, and rice programs authorized by the Agricultural Act of 1949 and this Act, any loan, or price support operation, or the amount thereof, when officially determined in conformity with the applicable regulations prescribed by the Secretary or by the Commodity Credit Corporation, shall be final and conclusive and shall not be reviewable by any other officer or agency of the Government."

COMMODITY CREDIT CORPORATION SALES PRICE RESTRICTIONS FOR WHEAT AND FEED GRAINS

Sec. 1103. Effective only with respect to the marketing years for the 1982 through 1985 crops, section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended—

(1) by amending the third proviso of the third sentence to read as follows: "Provided, That the Corporation shall not sell any of its stock of wheat, corn, grain sorghum, barley, oats, and rye, respectively, at less than 115 per centum of the current national average loan rate for the commodity, adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate, plus reasonable carrying charges"; and

(2) by striking out in the seventh sentence, "but in no event shall the purchase price exceed the then current support price for such commodities" and inserting in lieu thereof the following: "but in no event shall the purchase price exceed the Corporation's minimum sales price for such commodities for unrestricted use".

APPLICATION OF TERMS IN THE AGRICULTURAL ACT OF 1949

Sec. 1104. Effective only for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, section 408(k) of the Agricultural Act of 1949 (7 U.S.C. 1428 (k)) is amended to read as follows:

"REFERENCES TO TERMS MADE APPLICABLE TO WHEAT, FEED GRAINS, UPLAND COTTON, AND RICE

"(k) Reference made in sections 402, 403, 406, 407, and 416 to the terms 'support price', 'level of support', and 'level of price support' shall be considered to apply as well as to the level of loans and purchases for wheat, feed grains, upland cotton, and rice under this Act; and references made to the terms 'price support', 'price support operations', and 'price support program' in such sections and in section 401(a) shall be considered as applying as well to the loan and purchase operations for wheat, feed grains, upland cotton, and rice under this Act."

Subtitle B—Other Miscellaneous Provisions

SPECIAL GRAZING AND HAY PROGRAM

Sec. 1105. Section 109 of the Agricultural Act of 1949 (7 U.S.C. 1445d) is amended—

(1) in the first sentence of subsection (a), by striking out "1981" and inserting in lieu thereof "1985";

(2) in the second sentence of subsection (a), by striking out "Under the special program" and inserting in lieu thereof "If a special program is implemented"; and

(3) in subsection (d), by striking out "acreage set-aside" and inserting in lieu thereof "reduced acreage or land diversion".

EMERGENCY FEED PROGRAM

Sec. 1106. (a) Section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended

by striking out the fifth and sixth sentences thereof.

(b) (1) The first sentence of section 1105 (a) of the Food and Agriculture Act of 1977 (7 U.S.C. 2267(a)) are amended by inserting after the words "maintenance of livestock" the words "and poultry".

(2) Paragraphs (1) and (2) of section 1105 (b) of the Food and Agriculture Act of 1977 (7 U.S.C. 2267(b)) are amended by inserting the words "or poultry" immediately after the word "livestock" each time that word appears.

FARM INCOME PROTECTION INSURANCE PROGRAM STUDY

Sec. 1107. (a) It is the sense of Congress that the concept of farm income protection insurance should be studied in order to determine whether such a concept might provide the basis for an acceptable alternative to the commodity price support, income maintenance, and disaster assistance programs currently administered by the United States Department of Agriculture for the benefit of United States farmers. Toward this objective, the Secretary of Agriculture shall appoint a special task force to study and report on such concept.

(b) The special task force appointed by the Secretary shall be composed of the following: a total of three representatives of agricultural commodity organizations and general farm organizations, three representatives of the private insurance industry (including stock companies, mutual companies, agents, or brokers), two full-time farmers, one official of the Federal Crop Insurance Corporation, one official of the Agricultural Stabilization and Conservation Service, two individuals from appropriate academic fields, and the designated representative of the Secretary of Agriculture. The designated representative of the Secretary shall serve as the chairman of the special task force.

(c) The study conducted by the special task force shall include, but not be limited to, an analysis of the following:

(1) the characteristics of a farm income protection insurance program;

(2) the feasibility of such a program as a substitute for the commodity price support, income maintenance, and disaster assistance programs administered by the Department of Agriculture for United States farmers;

(3) the appropriate roles of the private insurance industry and the Federal Government in the development, implementation, and administration of such a program;

(4) alternate mechanisms for administering such a program;

(5) the acceptability of such a program to farmers; and

(6) the costs associated with the development and implementation of such a program.

(d) Not later than eighteen months following enactment of this Act, the special task force shall transmit to the Committee on Agriculture, Nutrition, and Forestry of the United States Senate and the Committee on Agriculture of the United States House of Representatives copies of the report on farm income protection insurance and any legislative changes that the special task force recommends for purposes of establishing a farm income protection insurance program. Minority views, if submitted in a timely manner, shall be included in the report prepared and transmitted by the special task force.

(e) The Secretary of Agriculture shall provide such staff personnel, clerical assistance, services, materials, and office space as may be required to assist the special task force in carrying out its duties.

(f) In conducting its study and preparing its report and recommendations, the special task force may obtain the assistance of Department of Agriculture employees, and, to the maximum extent practicable, the assistance of employees of other Federal depart-

ments or agencies who may have relevant expertise in the areas of insurance, income maintenance, disaster assistance, agriculture, program management, and program evaluation.

(g) Members of the special task force shall serve without compensation if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services under this section, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5 of the United States Code.

(h) The special task force shall be dissolved forty-five days after submission of the report required in subsection (d) of this section.

STATE AGENCY AUTHORITY FOR GRAIN INSPECTIONS AT EXPORT PORT LOCATIONS

Sec. 1108. The first sentence of section 7(e) (2) of the United States Grain Standards Act (7 U.S.C. 79(e)(2)) is amended by inserting "(A)" before "which was performing", and by inserting after "1976," the following: "or (B) which performed official inspection at an export port location at any time prior to such date and was designated under subsection (f) of this section on the date of the enactment of this clause to perform official inspections at locations other than export port locations."

DEPARTMENT OF AGRICULTURE ADVISORY COMMITTEES

Sec. 1109. (a) Title XVIII of the Food and Agriculture Act of 1977, Revised Statutes, title 91, page 1041, is amended to read as follows:

"TITLE XVIII—DEPARTMENT OF AGRICULTURE ADVISORY COMMITTEES

"PURPOSES

"Sec. 1801. The purposes of this title are to—

"(1) require strict financial and program accounting by advisory committees of the Department of Agriculture;

"(2) assure balance and objectivity in the membership of such advisory committees;

"(3) prevent the formation or continuation of unnecessary advisory committees by the Department of Agriculture.

"DEFINITIONS

"Sec. 1802. When used in this title—

"(1) the term, 'Secretary' means the Secretary of Agriculture of the United States;

"(2) the term 'Department of Agriculture' means the United States Department of Agriculture; and

"(3) the term 'advisory committee' means any committee, board, commission, council, conference, panel, task force, or other similar group, or any subcommittee or other subgroup thereof that is established or used by the Department of Agriculture in the interest of obtaining advice or recommendations for the President or the Department of Agriculture, except that such term excludes any committee which (A) is composed wholly of full-time officers or employees of the Federal Government, (B) is established by statute or reorganization plan, or (C) is established by the President.

"MEMBERSHIP ON ADVISORY COMMITTEES

"Sec. 1803. (a) No person other than an officer or employee of the Department of Agriculture shall serve on more than one advisory committee, unless authorized by the Secretary.

"(b) Not more than one officer or employee of any corporation or other non-Federal entity, including all subsidiaries and affiliates thereof, shall serve on the same advisory committee at any one time, unless authorized by the Secretary.

"(c) No person other than an officer or employee of the Department of Agriculture

shall serve for more than six consecutive years on an advisory committee, unless authorized by the Secretary.

"ANNUAL REPORT

"Sec. 1804. The Secretary shall annually transmit to the appropriate committees of Congress having legislative jurisdiction or oversight with respect to the agency within the Department of Agriculture that provides support services to an advisory committee, and to the Library of Congress—

"(1) a copy of the report concerning that advisory committee prepared in compliance with section 6(c) of the Federal Advisory Committee Act (5 U.S.C. appendix 1);

"(2) a list of the members of that advisory committee which shall specify the principal place of residence, persons or companies by whom they are employed and other major sources of income, as defined by the Secretary, of each member; and

"(3) a statement of the amount of expenses incurred in connection with advisory committee meetings by any member of an advisory committee for which reimbursement was received from any source other than the United States or the member's employer.

"BUDGET PROHIBITIONS

"Sec. 1805. No advisory committee shall expend funds in excess of its estimated annual operating costs by more than 10 per centum or \$500, whichever is greater, until it provides the Secretary with an explanation of the need for the additional expenditure and the Secretary approves such additional expenditure.

"TERMINATION OF ADVISORY COMMITTEES

"Sec. 1806. The Secretary shall terminate any advisory committee upon a finding that any such advisory committee—

"(1) has expended funds in excess of its estimated annual operating costs by more than 10 per centum or \$500, whichever is greater, without the prior approval of the Secretary pursuant to the provisions of section 1805 of this title;

"(2) has failed to file all reports required under the provisions of the Federal Advisory Committee Act or this title;

"(3) has failed to meet for two consecutive years;

"(4) is responsible for functions that otherwise would be or should be performed by Federal employees; or

"(5) does not serve or has ceased to serve an essential public function."

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out the items relating to section 1801 through 1809 and inserting in lieu thereof the following items:

"Sec. 1801. Purposes.

"Sec. 1802. Definitions.

"Sec. 1803. Membership on advisory committees.

"Sec. 1804. Annual report.

"Sec. 1805. Budget prohibitions.

"Sec. 1806. Termination of advisory committees."

RURAL TELEPHONE BANK AMENDMENT

Sec. 1110. The Rural Electrification Act of 1936 (7 U.S.C. 901-950b) is amended—

(1) in the second sentence of section 406 (a), by inserting after "thereafter" the words "but not later than fiscal year 1991", and by striking out "\$300,000,000" and inserting in lieu thereof "\$600,000,000"; and

(2) in the first sentence of section 406(c), by striking "September 30, 1985" and inserting in lieu thereof "September 30, 1995", and by striking "and after the amount of class A and class B stock issued totals \$400,000,000."

CONSULTATION ON GRAIN MARKETING

Sec. 1111. Congress encourages the Secretary of Agriculture, in coordination with other appropriate Federal departments and

agencies, to continue to consult with representatives of other major grain exporting nations toward the goal of establishing more orderly marketing of grain and achieving higher farm income for producers of grain.

TITLE XII—AGRICULTURAL EXPORTS

AGRICULTURAL EXPORT CREDIT REVOLVING FUND

Sec. 1201. Section 4 of the Food for Peace Act of 1966 (7 U.S.C. 1707a) is amended by adding at the end thereof the following new subsection (d):

"(d) (1) There is hereby established in the Treasury a revolving fund to be known as the Agricultural Export Credit Revolving Fund, which shall be available without fiscal year limitation for use by the Commodity Credit Corporation (hereinafter referred to in this subsection as the 'Corporation') for financing in accordance with this section and section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c)—

"(A) commercial export sales of United States agricultural commodities out of private stocks or stocks owned or controlled by the Corporation on credit terms of not to exceed three years;

"(B) export sales of United States breeding animals (including, but not limited to, cattle, swine, sheep, and poultry), including the cost of freight from the United States to designated points of entry in other nations; and

"(C) the establishment of facilities in importing countries to improve the capacity of such countries for handling, marketing, processing, storing, or distributing fungible agricultural commodities produced in and exported from the United States (through the use of local currency generated from the sale of United States agricultural commodities).

"(2) The Corporation shall use the revolving fund only to extend credit for purposes of market development and only where there is substantial potential for developing regular commercial markets for United States agricultural commodities.

"(3) The Secretary of Agriculture shall ensure that the revolving fund is used in such a manner as to involve equitable use of the funds to finance sales to the greatest feasible number of countries. In carrying out this objective, the Secretary shall establish procedures under which—

"(A) not less than 85 per centum of the estimated amount in the revolving fund for any fiscal year shall be made available for the purposes provided in clause (A) of paragraph (1) of this subsection; and

"(B) not to exceed 25 per centum of the estimated amount in the revolving fund for any fiscal year shall be made available for the financing of credit sales to any one country for the purposes described in paragraph (1) of this subsection.

"(4) There are authorized to be appropriated to the Agricultural Export Credit Revolving Fund such sums as Congress shall deem necessary to carry out the provisions of this subsection. All funds received by the Corporation in payment for credit extended by the Corporation using the revolving fund in financing export sales of the type specified in paragraph (1) of this subsection shall be added to and become a part of such revolving fund.

"(5) The Secretary shall submit an annual report to Congress not later than December 1 of each year with respect to the use of the revolving fund in carrying out export credit sales by the Corporation in the previous fiscal year. Such report shall include the names of the countries extended credit under such programs, the total amount of such credit in the case of each such country in such fiscal year, and a discussion and evaluation of the market development activities of the Corporation under this subsection during such fiscal year. The first such report shall be submitted to Congress not later than December 1, 1982.

"(6) The revolving fund created by this subsection is abolished effective October 1, 1985, and all unobligated money in such fund on September 30, 1985, shall be transferred to and become part of the miscellaneous receipts account of the Treasury.

"(7) The authority provided under this subsection shall be in addition to, and not in place of, any authority granted to the Secretary or the Corporation under any other provision of law."

CONGRESSIONAL CONSULTATION ON BILATERAL COMMODITY SUPPLY AGREEMENTS

Sec. 1202. At least thirty days before the Government of the United States enters into any bilateral international agreement, other than a treaty, involving a commitment on the part of the United States to assure access by a foreign country or instrumentality thereof to United States agricultural commodities or products thereof on a commercial basis, the President shall notify and consult with the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture for the purpose of setting forth in detail the terms of and reasons for negotiating such agreement and receiving recommendations, if any, with respect thereto.

SPECIAL STANDBY EXPORT SUBSIDY PROGRAM

Sec. 1203. (a) In order to discourage foreign countries or instrumentalities thereof from using subsidies to promote the exportation of agricultural commodities, the Secretary of Agriculture shall formulate a special standby export subsidy program for agricultural commodities or products thereof produced in the United States. Such program shall be designed to neutralize the effects of export subsidy programs instituted by foreign countries or instrumentalities thereof to encourage exports of their agricultural commodities to foreign markets other than the United States.

(b) The Secretary shall implement the special standby export subsidy program formulated under subsection (a) of this section only after the President—

(A) makes a determination under section 301 of the Trade Act of 1974 (19 U.S.C. 2411) that action by the United States is appropriate to obtain the elimination of an act, policy, or practice of a foreign country or instrumentality that results in—

(i) substantial displacement of United States exports of agricultural commodities of foreign markets, or

(ii) prices for agricultural commodities in foreign markets materially below prices which suppliers of the same agricultural commodities produced in the United States must charge in order to supply such commodities to the same market;

(B) makes a determination that such act, policy, or practice of the foreign country or instrumentality concerned involves the use of export subsidies to encourage exports of such country's or instrumentality's agricultural commodities to foreign markets other than the United States;

(C) fails to reach a mutually acceptable resolution through consultations with the foreign country or instrumentality concerned; and

(D) is authorized under the dispute settlement procedures specified in the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade to undertake an export subsidy program to counter the export subsidies on agricultural commodities employed by the foreign country or instrumentality concerned: *Provided*, That the United States is obligated by international agreement to receive such authorization before undertaking measures to counter such export subsidies.

(c) The Secretary of Agriculture shall use the Commodity Credit Corporation in carry-

ing out the special standby export subsidy program authorized by this section.

(d) Notwithstanding any other provision of this section, the Secretary of Agriculture shall not implement the special standby export subsidy program for purposes of promoting export sales of cotton produced in the United States.

AGRICULTURAL EMBARGO PROTECTION

SEC. 1204. Notwithstanding any other provision of law—

(a) If the President or other member of the executive branch of the Federal Government causes the export of any agricultural commodity to any country or area of the world to be suspended or restricted for reasons of national security or foreign policy under the Export Administration Act of 1979 or any other provision of law, and if such suspension or restriction of the export of such agricultural commodity is imposed other than in connection with a suspension or restriction of all exports from the United States to such country or area of the world, and if export sales of such agricultural commodity by the United States to such country or area of the world during the year preceding the year in which the suspension or restriction is imposed exceed 3 per centum of the total export sales of such commodity by the United States to all foreign countries during the year preceding the year in which the suspension or restriction is in effect, the Secretary of Agriculture (hereinafter in this section referred to as the Secretary) shall compensate producers of the commodity involved by either—

(1) making payments available to such producers, as provided in subsection (b) of this section; or

(2) on the date on which the suspension or restriction is imposed, establishing the loan level for such commodity under the Agricultural Act of 1949. If a loan program is in effect for the commodity, at 100 per centum of the parity price for the commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction; or

(3) undertaking any combination of the measures described in clauses (1) and (2) of this subsection.

(b) If the Secretary makes payments available to producers pursuant to clause (1) of subsection (a) of this section, the amount of such payment shall be determined by—

(1) in the case of an agricultural commodity for which payments are authorized to be made to producers under title I of the Agricultural Act of 1949, multiplying (i) the producer's farm program payment yield or the yield established for the farm for the commodity involved, times (ii) the farm program average established for the commodity, times (iii) the amount by which the average market price per unit of such commodity received by producers during the sixty-day period immediately following the date of the imposition of the suspension or restriction is less than 100 per centum of the parity price for such commodity, as determined by the Secretary on the date of imposition of the suspension or restriction; or

(2) in the case of other agricultural commodities for which price support is authorized for producers under titles I, II, and III of the Agricultural Act of 1949, multiplying the amount by which the average market price per unit of such commodity received by the producers during the sixty-day period immediately following the date of the imposition of the suspension or restriction is less than 100 per centum of the parity price for such commodity, as determined by the Secretary on the date of the imposition of the suspension or restriction, by the quantity of such commodity sold by the producer

during the period that the suspension or restriction is in effect.

(c) The payments made pursuant to clause (1) of subsection (b) of this section shall be made for each marketing year or part thereof during which the suspension or restriction is in effect and shall be made in equal amounts at ninety-day intervals, beginning ninety days after the date of the imposition of the suspension or restriction.

(d) (1) Any loan level established pursuant to clause (2) of subsection (a) of this section shall remain in effect as long as the suspension or restriction described in subsection (a) remains in effect.

(2) Any commodity loan the level of which is increased by the Secretary pursuant to clause (2) of subsection (a) of this section shall be made available to producers of the commodity without interest.

(e) The Secretary is authorized to issue such regulations as are deemed necessary to carry out the provisions of this section.

(f) The Secretary shall use the Commodity Credit Corporation in carrying out the provisions of this section.

(g) The provisions of this section shall become effective with respect to any suspension or restriction of the export of any agricultural commodity, as described in subsection (a) of this section, implemented after the date of enactment of this Act.

TITLE XIII—PUBLIC LAW 480

MISCELLANEOUS AMENDMENTS

SEC. 1301. Section 101 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "for foreign currencies" before the period at the end of the section and inserting in lieu thereof ", to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement".

SEC. 1302. Section 103(b) of the Agricultural Trade Development and Assistance Act of 1954 is amended to read as follows:

"(b) except where the President determines that it would be inconsistent with the objectives of this Act, determine the amount of foreign currencies needed for the uses specified in subsections (a), (b), (e), and (h) of section 104 and in title III, and the agreements for credit sales shall provide for payment of such amounts in dollars or in foreign currencies upon delivery of the agricultural commodities. Such payment may be considered as an advance payment of the earliest installment;"

SEC. 1303. Subsection 103(d) of the Agricultural Trade Development and Assistance Act of 1954 is amended by amending the first full sentence to read as follows: "As used in this Act, 'friendly country' shall not include any country or area dominated or controlled by a foreign government or organization controlling a world Communist movement."

SEC. 1304. Section 103(1) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out the words beginning with "obtain commitments from friendly purchasing countries" through "United States of America, and".

SEC. 1305. Section 104 of the Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) by striking out in the first sentence "under this title" and inserting in lieu thereof "under agreements for such sales entered into prior to January 1, 1972";

(2) by striking out in subsection (d) "\$5,000,000" and inserting in lieu thereof "\$10,000,000"; and

(3) by striking out in clause (3) of the proviso following subsection (k) "(except as provided in subsection (c) of this section)".

SEC. 1306. Section 106(a) of the Agricultural Trade Development and Assistance Act

of 1954 is amended by adding at the end thereof the following sentence: "Payment by any friendly country for commodities purchased for foreign currencies on credit terms and on terms which permit conversion to dollars shall be upon terms no less favorable to the United States than those for development loans made under section 122 of the Foreign Assistance Act of 1931, as amended."

SEC. 1307. Section 108 of the Agricultural Trade Development and Assistance Act of 1954 is repealed.

SEC. 1308. Section 109 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1709) is amended—

(1) by amending subsection (a) as follows: (A) in paragraph (3), by inserting immediately before the semicolon ", and reducing illiteracy among the rural poor";

(B) by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and"; and

(C) by inserting the following new paragraph immediately after paragraph (10):

"(11) carrying out programs to improve the health of the rural poor";

(2) by repealing subsection (b); and

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

"(d) (1) In each agreement entered into under this title and in each amendment to such an agreement, the economic development and self-help measures which the recipient country agrees to undertake shall be described (A) to the maximum extent feasible, in specific and measurable terms, and (B) in a manner which ensures that the needy people in the recipient country will be the major beneficiaries of the self-help measures pursuant to each agreement.

"(2) The President shall, to the maximum extent feasible, take appropriate steps to assure that, in each agreement entered into under this title and in each amendment to such an agreement, the self-help measures agreed to are additional to the measures which the recipient country otherwise is undertaking without the new resources.

"(3) The President shall take all appropriate steps to determine whether the economic development and self-help provisions of each agreement entered into under this title, and of each amendment to such an agreement, are being fully carried out."

SEC. 1309. Section 110 of the Agricultural Trade Development and Assistance Act of 1954 is repealed.

SEC. 1310. Section 115(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by inserting in the first sentence after the words "food commodities" the words "from private stocks".

SEC. 1311. Section 204 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "\$750,000,000" in the first sentence and inserting in lieu thereof "\$1,000,000,000".

SEC. 1312. Section 402 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out in the second sentence "or beer" after "wine" and inserting in lieu thereof ", beer, or distilled spirits".

SEC. 1313. Section 408(a) of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "April 1" and inserting in lieu thereof "July 1".

PUBLIC LAW 480 EXTENSION

SEC. 1314. Section 409 of the Agricultural Trade Development and Assistance Act of 1954 is amended by striking out "1981" and inserting in lieu thereof "1985".

TITLE XIV—RESEARCH, EXTENSION, AND TEACHING IN THE FOOD AND AGRICULTURAL SCIENCES

REVISED FINDINGS

SEC. 1401. Section 1402 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101) is amended to read as follows:

"Sec. 1402. Congress finds that—

"(1) the Federal Government of the United States has provided funding support for agricultural research, extension, and teaching for many years in order to promote and protect the general health and welfare of the people of the United States, and this support has significantly contributed to the development of the Nation's agricultural system;

"(2) a unique partnership arrangement exists in agricultural research, extension, and teaching between the Federal Government and the governments of the several States and this partnership should be preserved;

"(3) the existing agricultural research system consisting of the Federal Government, the land-grant colleges and universities, other colleges and universities engaged in agricultural research, extension, and teaching, and the private sector constitute an essential national resource which must serve as the foundation for any further strengthening of agricultural research, extension, and teaching in the United States;

"(4) of major concern is the security of the future food supply and its costs due to declining rates of increase in productivity, rapidly escalating cost of petroleum and petrochemicals, declining water tables, natural resource depletion, deterioration of environmental quality, and the ability of world agriculture to provide and maintain adequate diets for an ever increasing population with rather fixed areas of cropland;

"(5) advances in food and agricultural sciences and technology have become increasingly limited by the concentration upon through development and exploitation of currently known scientific principles and technological approaches at the expense of more fundamental research, and strong research effort in the basic sciences is necessary to achieve breakthroughs in knowledge that can support new and innovative food and agricultural technologies;

"(6) available data and research based economic information are no longer sufficient to deal with the increasingly complex public and private decisions needed to respond to the rapidly changing events in domestic world agriculture;

"(7) the land-grant colleges and universities, other colleges and universities, and the Department of Agriculture should have improved linkages with the international research centers and counterpart institutions and agencies in developed, transitional, and developing countries; this would serve the purpose of United States agriculture and the United States and the world economy; and

"(8) long-range planning for research, extension, and teaching is a key element in meeting the objectives of this title, and all of the elements in the food and agricultural service and education system are encouraged to expand their successful planning and coordination efforts."

AMENDED PURPOSES

SEC. 1402. Section 1403 of the National Agricultural Research, Extension, and Teaching Policy of 1977 (7 U.S.C. 3102) is amended—

(1) by amending paragraph (2) to read as follows:

"(2) undertake the special measures set forth in this title to improve the coordination and planning of agricultural research, extension, and teaching programs, identify needs and establish priorities for these programs, assure that national agricultural research, extension, and teaching objectives are fully achieved, and assure that the results of agricultural research are effectively communicated and demonstrated to farmers, processors, handlers, consumers, and all other users who can benefit therefrom;"

(2) in paragraph (4) by striking out the comma after the word "programs" the first time it appears and by striking out "including the initiatives specified in section 1402(8) of this title,";

(3) in paragraph (5) by striking out the word "scientific"; and

(4) in paragraph (7) by striking out the words "training and research" and inserting in lieu thereof the words "research, extension, and teaching".

AMENDED DEFINITIONS

SEC. 1403. Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(1) by amending paragraph (8) to read as follows:

"(8) the term 'food and agricultural sciences' means basic, applied, and developmental research, and extension and teaching activities, in the food, agricultural, renewable natural resources, forestry, and social sciences, in the broadest sense of these terms, including but not limited to, activities relating to—

"(A) domestic and export market expansion for United States agricultural products;

"(B) production inputs, such as energy, to improve productivity;

"(C) animal health to protect man and the animal production base of the United States;

"(D) human nutrition;

"(E) home economics and family life;

"(F) rangeland management;

"(G) aquaculture; and

"(H) energy production, use and conservation;"

(2) by amending paragraph (12) to read:

"(12) except as provided in subtitle H of this title, the term 'State' means any one of the fifty States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Marianas, the Trust Territory of the Pacific Islands, the Virgin Islands of the United States, and the District of Columbia;"

(3) by amending paragraph (14) to read as follows:

"(14) the term 'teaching' means formal classroom instruction, laboratory instruction, and practicum experience in the food and agricultural sciences and matters relating thereto (such as faculty development, student recruitment and services, curriculum development, instructional materials and equipment, and innovative teaching methodologies) conducted by colleges and universities offering baccalaureate or higher degrees."

RESPONSIBILITIES OF THE SECRETARY AND DEPARTMENT OF AGRICULTURE

SEC. 1404. Section 1405 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3121) is amended—

(1) in paragraph (1) by striking out "Secretary of Health, Education, and Welfare" and inserting in lieu thereof "Secretary of Health and Human Services";

(2) in paragraph (2) by striking out the words "teaching, and manpower development" and inserting in lieu thereof the words "and teaching";

(3) in paragraph (5) by striking out the word "other";

(4) in paragraph (6) by inserting the words "or proposed" after the words "actions taken";

(5) in paragraph (8) by striking out the word "and" at the end thereof;

(6) in paragraph (9) by striking out the period and inserting in lieu thereof a semicolon followed by the word "and"; and

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

"(10) coordinate all agricultural research,

extension, and teaching activities conducted or financed by the Department of Agriculture with the periodic renewable resource assessment and program provided for in sections 3 and 4 of the Forest and Rangeland Renewable Resources Planning Act of 1974 and the appraisal and program provided for in sections 5 and 6 of the Soil and Water Resources Conservation Act of 1977."

SUBCOMMITTEE ON FOOD, AGRICULTURAL, AND FORESTRY RESEARCH

SEC. 1405. (a) Section 401(h) of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6651(h)) is amended—

(1) by striking out the words "Subcommittee on Food and Renewable Resources" and inserting in lieu thereof the words "Subcommittee on Food, Agricultural, and Forestry Research";

(2) by striking out the words "Department of Health, Education, and Welfare" and inserting in lieu thereof the words "Department of Health and Human Services"; and

(3) by striking out the words "Energy Research and Development Administration" and inserting in lieu thereof the words "Department of Energy".

(b) Section 257(b) of the Energy Security Act (42 U.S.C. 8852) is amended in paragraph

(1) by striking "Subcommittee on Food and Renewable Resources" and inserting in lieu thereof "Subcommittee on Food, Agricultural, and Forestry Research".

JOINT COUNCIL ON FOOD AND AGRICULTURAL SCIENCES

SEC. 1406. Section 1407 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3122) is amended—

(1) in subsection (a) by striking out "of five years" and inserting in lieu thereof "that expires December 31, 1986";

(2) by amending subsection (b) to read as follows:

"(b) The Joint Council shall be composed of not fewer than twenty-five representatives of organizations or agencies which conduct or assist in conducting programs of research, extension, or teaching in the food and agricultural sciences, including land-grant colleges and universities; other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching; State agricultural experiment stations; State cooperative extension services; agencies within the Department of Agriculture which have significant research, extension, or teaching responsibilities; the Office of Science and Technology Policy; and other Federal agencies determined by the Secretary to be appropriate. Members shall be appointed for a term of three years by the Secretary from nominations made by the organizations and agencies described in the preceding sentence. The terms of members shall be staggered. At least one-half of the members of the Joint Council shall be appointed by the Secretary (ensuring that regional differences are properly considered) from among distinguished persons engaged in agricultural research, extension, or teaching programs at land-grant colleges and universities and State agricultural experiment stations. To ensure that other agricultural institutional views are considered by the Joint Council, two of the members of the Joint Council shall be appointed by the Secretary from among persons who are distinguished representatives of other colleges and universities having a demonstrable capacity to carry out food and agricultural research, extension, or teaching. The Joint Council shall be jointly chaired by the senior policy official of the Department of Agriculture responsible for research, extension, and teaching, and a person to be

elected from among the non-Federal membership of the Joint Council.”;

(3) by amending paragraph (1) of subsection (d) to read as follows:

“(1) The primary responsibility of the Joint Council shall be to bring about more effective research, extension, and teaching in the food and agricultural sciences in the United States by improving planning and coordination of publicly and privately supported food and agricultural science activities and by relating Federal budget development and program management to these processes.”;

(4) in subsection (d)(2)(E) by striking out “efforts” and all that follows through “planning,” and inserting in lieu thereof “of the food and agricultural sciences, by using, wherever possible, the existing regional research, extension, and teaching organizations of State cooperative institutions to provide regional planning and coordination.”;

(5) by amending subsection (d)(2)(G) to read as follows:

“(G) submit a report, not later than June 30 of each year—

“(1) specifying the Joint Council’s recommendations on priorities for food and agricultural research, extension, and teaching programs;

“(II) delineating suggested areas of responsibility among Federal, State, and private organizations in carrying out such programs; and

“(III) specifying the levels of financial and other support needed to carry out such programs. Each such report shall be submitted to Congress, the Secretary of Agriculture, and the constituent organizations of the Joint Council. Minority views, if timely submitted, shall be included in such report.”; and

(6) by adding at the end thereof new subsections (e), (f), and (g) as follows:

“(e) The meetings of the Joint Council shall be publicly announced in advance and shall be open to the public. Appropriate records of the activities of the Joint Council shall be kept and made available to the public on request.

“(f) This title shall constitute the charter under which the Joint Council will operate and no further charter shall be necessary. The Joint Council may develop bylaws or operating procedures if such are determined to be necessary for effective operations. Notwithstanding any other provision of law, the Joint Council shall be exempt from the provisions of the Federal Advisory Committee Act.

“(g) The Joint Council is authorized to establish such panels as it deems appropriate to develop information, reports, advice, and recommendations for the use of the Joint Council in meeting its responsibilities. Members of such panels may include members of the Joint Council, individuals from the Department of Agriculture and other departments and agencies of the Federal Government, representatives of State agencies, land-grant colleges and universities, other colleges and universities, State agricultural experiment stations, and individuals from the private sector. Such panels shall be exempt from the provisions of the Federal Advisory Committee Act and title XVIII of the Food and Agriculture Act of 1977.”.

NATIONAL AGRICULTURAL RESEARCH AND EXTENSION USERS ADVISORY BOARD

Sec. 1407. Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended—

(1) in subsection (a) by striking out “of five years” and inserting in lieu thereof “that expires December 31, 1986”;

(2) in subsection (b)—

(A) by striking out “twenty-one” and inserting in lieu thereof “twenty-five”;

(B) by amending paragraph (1) to read as follows:

“(1) eight producer members representing various geographical regions and production interests, including forestry and aquaculture.”; and

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

“Such members shall be appointed to serve staggered terms.”; and

(3) in subsection (f)(2)(E), by striking out “October 31” and inserting in lieu thereof “July 1”;

(4) in subsection (f)(2)(F), by striking out “March 1 of” and inserting in lieu thereof “February 20 of”.

FEDERAL-STATE PARTNERSHIP AND COORDINATION

Sec. 1408. (a) Section 1409 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3124) is amended to read as follows:

“FEDERAL-STATE PARTNERSHIP AND COORDINATION

“Sec. 1409. A unique partnership arrangement exists in food and agricultural research, extension, and teaching between the Federal Government and the governments of the several States whereby the States have accepted and have supported, through legislation and appropriations—

“(1) research programs under—

“(A) the Act of March 2, 1887 (7 U.S.C. 361a et seq.), commonly known as the Hatch Act of 1887;

“(B) the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962; and

“(C) subtitle E of this title;

“(2) extension programs under the Act of May 8, 1914 (7 U.S.C. 341 et seq.), commonly known as the Smith-Lever Act; and

“(3) teaching programs under—

“(A) the Act of July 2, 1862 (7 U.S.C. 301 et seq.), commonly known as the First Morrill Act;

“(B) the Act of August 30, 1890 (7 U.S.C. 321 et seq.), commonly known as the Second Morrill Act; and

“(C) the Act of June 29, 1935 (7 U.S.C. 427 et seq.), commonly known as the Bankhead-Jones Act.

This partnership in publicly supported agricultural research, extension, and teaching involving the programs of Federal agencies and the programs of the States has played a major role in the outstanding successes achieved in meeting the varied, dispersed, and in many cases, site-specific needs of American agriculture. This partnership must be preserved and enhanced.”.

“(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out the item relating to section 1409 and inserting in lieu thereof the following new item:

Sec. 1409. Federal-State partnership and coordination.”.

SECRETARY’S REPORT

Sec. 1409. Section 1410 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3125) is amended by striking out “February 1” and inserting in lieu thereof “January 1”.

LIBRARIES AND INFORMATION NETWORK

Sec. 1410. Section 1411 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3126) is amended—

(1) in subsection (a)—

(A) in paragraph (4) by striking out “and” at the end thereof;

(B) in paragraph (5) by striking out the period and inserting in lieu thereof a semicolon and the word “and”;

(C) by adding a new paragraph (6) to read as follows:

“(6) the Department of Agriculture establish mutually valuable working relationships with international and foreign information and data programs.”; and

(2) in subsection (b) by amending paragraph (3) to read as follows:

“(3) providing notification about these collections on a regular basis to the State cooperative extension services, State educational agencies, and other interested persons.”.

SUPPORT FOR THE JOINT COUNCIL AND THE ADVISORY BOARD

Sec. 1411. Section 1412(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127(a)) is amended to read as follows:

“(a) To assist the Joint Council and the Advisory Board in the performance of their duties, the Secretary may appoint, after consultation with the co-chairman of the Joint Council and the chairman of the Advisory Board—

“(1) a full-time executive director who shall perform such duties as the co-chairmen of the Joint Council and the chairman of the Advisory Board may direct and who shall receive compensation at a rate not to exceed the rate payable for GS-18 of the General Schedule established in section 5332 of title 5, United States Code; and

“(2) a professional staff of not more than five full-time employees qualified in the food and agricultural sciences, of which one shall serve as the executive secretary to the Joint Council and one shall serve as the executive secretary to the Advisory Board.”.

GENERAL PROVISIONS; ADDITIONAL ASSISTANT SECRETARY OF AGRICULTURE

Sec. 1412. (a) Section 1413 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3128) is amended by adding at the end thereof the following new subsections:

“(c) There are authorized to be appropriated annually such sums as Congress may determine necessary to carry out the provisions of section 1412 of this title and subsection (b) of this section.

“(d) In the performance of the duties assigned to them under this title, the Subcommittee on Food, Agricultural, and Forestry Research of the Federal Coordinating Council for Science, Engineering, and Technology, the Joint Council, and the Advisory Board shall, to the extent practicable, (1) conduct joint meetings and exchange reports, (2) coordinate such meetings with, and distribute such reports to, others in the national agricultural research, extension, and teaching system, and (3) appoint persons to serve as liaisons with each other and other members of such system.

“(e) In addition to the Assistant Secretaries of Agriculture now provided for by law, there shall be one additional Assistant Secretary of Agriculture, who shall be appointed by the President, by and with the advice and consent of the Senate, who shall receive compensation at the rate now or hereafter prescribed by law for Assistant Secretaries of Agriculture, and who shall carry out such duties as may be prescribed by the Secretary of Agriculture.”.

“(b) Section 5315 of title 5, United States Code, is amended in the item relating to Assistant Secretaries of Agriculture by striking out “(5)” and inserting in lieu thereof “(6)”.

PROGRAM FOR COMPETITIVE, SPECIAL, AND FACILITIES GRANTS FOR AGRICULTURAL RESEARCH

Sec. 1413. (a) Section 2(b) of the Act of August 4, 1965 (7 U.S.C. 4501), is amended—

(1) in the second sentence by inserting after the words “on Foods and Agricultural Sciences” the following: “and the National Agricultural Research and Extension Users Advisory Board”; and

(2) in the last sentence by striking out “for the fiscal year ending September 30, 1982,” and inserting in lieu thereof “for each

of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, and September 30, 1987."

(b) Section 2(c) of the Act of August 4, 1965 (7 U.S.C. 4501(c)) is amended—

(1) in paragraph (1) by inserting "research foundations established by land-grant colleges and universities," after "land-grant colleges and universities,";

(2) by amending paragraph (2) to read as follows:

"(2) to State agricultural experiment stations, land-grant colleges and universities, research foundations established by land-grant colleges and universities, colleges and universities receiving funds under the Act of October 10, 1962 (16 U.S.C. 582a et seq.), and accredited colleges of veterinary medicine, to facilitate or expand ongoing State-Federal food and agricultural research programs that (A) promote excellence in research, (B) promote the development of regional research centers, (C) promote the research partnership between the Department of Agriculture and such colleges and universities, research foundations or State agricultural experiment stations, or (D) facilitate coordination and cooperation of research among States."

(c) Section 2(d) of the Act of August 4, 1965 (7 U.S.C. 4501(d)) is amended—

(1) by striking out "the purchase of equipment" and all that follows through the dash and inserting in lieu thereof "the renovation and refurbishment (including energy retrofitting) of research spaces in buildings or spaces to be used for research, and the purchase and installation of fixed equipment in such spaces. Such grants may be used for new construction only for auxiliary facilities, and fixed equipment used for research in such facilities, such as greenhouses, insectaries, and research farm structures and installations. Such grants shall be made to—";

(2) in paragraph (1) by striking out "available; and" and inserting in lieu thereof "available,";

(3) in paragraph (2) by striking out the period and inserting in lieu thereof a semicolon; and

(4) by inserting after paragraph (2) the following new paragraphs:

"(3) each forestry school not described in paragraph (1), in an amount which is equal to 10 per centum of the funds received by such school under the Act of October 10, 1962 (16 U.S.C. 582a et seq.), commonly known as the McIntire-Stennis Act of 1962; and

"(4) each college eligible to receive funds under the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee Institute, in an amount that is equal to 10 per centum of the funds received by such college under section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977."

AMENDMENT TO THE RESEARCH FACILITIES ACT OF 1963

SEC. 1414. Section 4(a) of the Act of July 22, 1963 (7 U.S.C. 390c(a)), is amended by striking out "for the fiscal year ending September 30, 1982," and inserting in lieu thereof "for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, and September 30, 1987."

FEDERAL SUPPORT OF HIGHER EDUCATION IN THE FOOD AND AGRICULTURAL SCIENCES

SEC. 1415. Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) by amending subsection (a) to read as follows:

"(a) (1) The Secretary shall promote and develop higher education in the food and agricultural sciences by formulating and administering higher education programs.

"(2) The Secretary of Education shall delegate to the Secretary the authority to carry out all functions and duties under the Act of June 29, 1935 (7 U.S.C. 427 et seq.), applicable to the activities and programs for which funds under section 22 of such Act are available to the Secretary."

(2) by redesignating subsections (b), (c), and (d) as (c), (d), and (e), respectively and inserting a new subsection (b) to read as follows:

"(b) (1) The Secretary may make grants to land-grant colleges and universities, and to other colleges and universities having a demonstrable capacity to carry out food and agricultural teaching, for periods not to exceed five years—

"(A) to strengthen institutional capacities to respond to State, national, or international educational needs in the food and agricultural sciences;

"(B) to attract students and educate them as needed in the food and agricultural sciences, and to attract needed professionals to provide for their professional improvement in the food and agricultural sciences;

"(C) to design and implement innovative food and agricultural educational programs; and

"(D) to facilitate cooperative agreements between two or more eligible institutions to maximize the use of faculty and facilities to improve their food and agricultural teaching programs.

Such grants shall be made without regard to matching funds, but each recipient institution shall have a significant ongoing commitment to the food and agricultural sciences generally and to the specific subject area for which such grant is to be used.

"(2) The Secretary may make competitive grants to colleges and universities for periods not to exceed five years—

"(A) to develop or administer programs to meet unique food and agricultural educational problems; and

"(B) to administer and conduct specialized programs to attract individuals for undergraduate and graduate programs and to administer and conduct graduate fellowship programs to meet regional and national objectives in the food and agricultural sciences. Such grants shall be made without regard to matching funds provided by recipients,"; and

(3) in subsection (e), as redesignated by paragraph (2) of this section, by striking out "for the fiscal year ending September 30, 1982," and inserting in lieu thereof "for each of the fiscal years ending September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986 and September 30, 1987."

TRANSFER OF FUNCTIONS

SEC. 1416. (a) There are hereby transferred to the Secretary of Agriculture all the functions of the Secretary of Education and of the Department of Education under the Act of August 30, 1890 (7 U.S.C. 321 et seq.).

(b) There are hereby transferred to the Department of Agriculture the offices of the Department of Education established under the Act of August 30, 1890 (7 U.S.C. 321 et seq.).

NATIONAL AGRICULTURAL SCIENCE AWARD

SEC. 1417. (a) Section 1418 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3153) is amended—

(1) by amending the section heading to read as follows: "NATIONAL AGRICULTURAL SCIENCE AWARD";

(2) by amending subsection (a) to read as follows:

"(a) The Secretary shall establish the National Agricultural Science Award for research or advanced studies in the food and agricultural sciences, including the social sciences. Two such awards, one for each of the categories described in subsection (d)

of this section, shall be made in each fiscal year."

(3) by redesignating subsections (c) and (d) as subsections (d) and (e), respectively; and

(4) by inserting immediately after subsection (b) a new subsection (c) as follows:

"(c) The awards will be open to persons in agricultural research, extension, teaching, or any combination thereof."

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out the following:

"Sec. 1418. National agricultural research award."

and inserting in lieu thereof the following:

"Sec. 1418. National agricultural science award."

ALCOHOL AND INDUSTRIAL HYDROCARBONS

SEC. 1418. Section 1419(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(a)) is amended—

(1) by striking out in the first sentence "colleges and universities, and Government corporations" and inserting in lieu thereof "colleges, universities, Government corporations, and Federal laboratories" and by striking out in the third sentence "colleges, universities and Government corporations" and inserting in lieu thereof "colleges, universities, Government corporations, and Federal laboratories";

(2) by striking out "four" in the sixth sentence; and

(3) by striking out "and September 30, 1982" in the sixth sentence and all that follows through the period at the end thereof and inserting in lieu thereof the following: "September 30, 1982, September 30, 1983, September 30, 1984, September 30, 1985, September 30, 1986, and September 30, 1987; *Provided*, That the total amount of such appropriations shall not exceed \$40,000,000 during the ten-year period beginning October 1, 1977, and shall not exceed such sums as may be authorized by law for any fiscal year subsequent to such period: *Provided further*, That not more than a total of \$5,000,000 may be awarded to the colleges and universities of any one State."

NUTRITION EDUCATION PROGRAM

SEC. 1419. Section 1425 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175) is amended—

(1) by amending subsection (b) to read as follows:

"(b) In order to enable low-income individuals and families to engage in nutritionally sound food purchasing and preparation practices, the expanded food and nutrition education program conducted under section 3(d) of the Act of May 8, 1914 (7 U.S.C. 343 (d)), shall provide for the employment and training of professional and paraprofessional aides to engage in direct nutrition education of low-income families and in other appropriate nutrition education programs. To the maximum extent practicable, such program aides shall be hired from the indigenous target population."; and

(2) by adding a new subsection (c) to read as follows:

"(c) Beginning with the fiscal year ending September 30, 1982—

"(1) Any funds annually appropriated under section 3(d) of the Act of May 8, 1914, for the conduct of the expanded food and nutrition education program, up to the amount appropriated under such section for such program for the fiscal year ending September 30, 1981, shall be allocated to each State in the same proportion as funds appropriated under such section for the conduct of the program for the fiscal year ending September 30, 1981, are allocated among the States; with the exception that the Secretary may retain up to 2 per centum of such amount

for the conduct of such program in States that did not participate in such program in the fiscal year ending September 30, 1981.

"(2) Any funds appropriated annually under section 3(d) of the Act of May 8, 1914, for the conduct of the expanded food and nutrition education program in excess of the amount appropriated under such section for the conduct of the program for the fiscal year ending September 30, 1981, shall be allocated as follows:

"(A) 4 per centum shall be available to the Secretary for administrative, technical, and other services necessary for the administration of the program.

"(B) The remainder shall be allocated among the States as follows:

"(1) 10 per centum shall be distributed equally among all States; and

"(ii) The remainder shall be allocated to each State in an amount which bears the same ratio to the total amount to be allocated under this subparagraph as the population of the State living at or below 125 per centum of the income poverty guidelines prescribed by the Office of Management and Budget (adjusted pursuant to section 625 of the Economic Opportunity Act of 1964 (86 Stat. 697, as amended; 42 U.S.C. 2971d)), bears to the total population of all the States living at or below 125 per centum of the income poverty guidelines, as determined by the last preceding decennial census at the time each such additional amount is first appropriated. The provisions of this subparagraph shall not preclude the Secretary from developing educational materials and programs for persons in income ranges above the level designated in this subparagraph."

REPEAL OF SECTION 1426 OF THE NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977

SEC. 1420. (a) Section 1426 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3176) is repealed.

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by striking out

"Sec. 1426. Nutrition education materials." and inserting in lieu thereof

"Sec. 1426. Repealed."

ELIGIBLE INSTITUTIONS FOR ANIMAL HEALTH AND DISEASE RESEARCH FUNDS

SEC. 1421. Section 1430 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3192) is amended—

(1) by amending paragraph (1) to read as follows:

"(1) the term 'eligible institution' means accredited colleges of veterinary medicine and State agricultural experiment stations;" and

(2) by amending paragraph (2) to read:

"(2) the term 'dean' means the dean of an accredited college of veterinary medicine;"

ANIMAL HEALTH SCIENCE RESEARCH ADVISORY BOARD

SEC. 1422. Section 1432(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3194(a)) is amended by striking "of five years" and inserting in lieu thereof "that expires December 31, 1986".

APPROPRIATIONS FOR RESEARCH ON NATIONAL OR REGIONAL PROBLEMS

SEC. 1423. Section 1434 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196) is amended—

(1) by amending subsection (b) to read as follows:

"(b) Funds appropriated under this section shall be awarded in the form of grants, for periods not to exceed five years, to eligible institutions.;" and

(2) by adding at the end thereof new subsections (c), (d), and (e) as follows:

"(c) In order to establish a rational allocation of funds appropriated under this section, the Secretary shall establish annually priority lists of animal health and disease problems of national or regional significance. Such lists shall be prepared after consultation with the Joint Council, the Advisory Board, and the Board. Any recommendations made in connection with such consultation shall not be controlling on the Secretary's determination of priorities. In establishing such priorities, the Secretary, the Joint Council, the Advisory Board, and the Board shall consider the following factors:

"(1) any health or disease problem which causes or may cause significant economic losses to any part of the livestock production industry;

"(2) whether current scientific knowledge necessary to prevent, cure, or abate such a health or disease problem is adequate; and

"(3) whether the status of scientific research is such that accomplishments may be anticipated through the application of scientific effort to such health or disease problem.

"(d) Without regard to any consultation under subsection (c), the Secretary shall, to the extent feasible, award grants to eligible institutions on the basis of the priorities assigned through a peer review system. Grantees shall be selected on a competitive basis in accordance with such procedures as the Secretary may establish.

"(e) In the case of multiyear grants, the Secretary shall distribute funds to grant recipients on a schedule which is reasonably related to the timetable required for the orderly conduct of the research project involved."

EXTENSION AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1424. Section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221) is amended—

(1) in subsection (a)—

(A) by inserting "and ending with the fiscal year ending September 30, 1981," immediately after "Beginning with the fiscal year ending September 30, 1979," in the second sentence; and

(B) by inserting immediately after the second sentence a new sentence as follows: "Beginning with the fiscal year ending September 30, 1982, there shall be appropriated under this section for each fiscal year an amount not less than 5½ per centum of the total appropriations for such year under the Act of May 8, 1914 (7 U.S.C. 341-349).";

(2) in subsection (b)(2)(B) by inserting "current at the time each such additional sum is first appropriated" after "the last preceding decennial census" both times it appears;

(3) in subsection (c) by striking out "administrative head for extension" and inserting in lieu thereof "extension administrator", and by inserting "and each five years thereafter" before the period; and

(4) in subsection (d) by striking out "submitted by the proper officials of each institution" in the second sentence and inserting in lieu thereof "coordinated with and become part of the overall State plan for extension work and shall be submitted, as part of such overall plan, by the State director of the cooperative extension service".

AGRICULTURAL RESEARCH AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE INSTITUTE

SEC. 1425. Section 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222) is amended—

(1) in subsection (b)(1) by adding at the end thereof a new sentence to read as follows:

"These administrative funds may be used for transportation of scientists who are not officers or employees of the United States to research meetings convened for the purpose of assessing research opportunities or research planning.;"

(2) in subsection (b)(2)(B) by inserting "current at the time each such additional sum is first appropriated" after "the last preceding decennial census" both times it appears; and

(3) in subsections (c) and (d) by striking out the words "chief administrative officer" each time they appear and inserting in lieu thereof "research director".

AUTHORIZATION FOR APPROPRIATIONS FOR SOLAR ENERGY MODEL FARMS AND DEMONSTRATION PROJECTS

SEC. 1426. Section 1454 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3263) is amended by striking "September 30, 1981" and inserting in lieu thereof "September 30, 1986".

INTERNATIONAL AGRICULTURAL RESEARCH AND EXTENSION

SEC. 1427. Section 1458 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291) is amended to read as follows:

SEC. 1458. (a) The Secretary, subject to such coordination with other Federal officials, departments, and agencies as the President may direct, is authorized to—

"(1) expand the operational coordination of the Department of Agriculture with institutions and other persons throughout the world performing agricultural and related research and extension activities by exchanging research materials and results with such institutions or persons and by conducting with such institutions or persons joint or coordinated research and extension on problems of significance to food and agriculture in the United States;

"(2) assist the Agency for International Development with agricultural research and extension programs in developing countries;

"(3) work with developed and transitional countries on agricultural and related research and extension, including the training of persons from such countries engaged in such activities and the stationing of scientists at national and international institutions in such countries;

"(4) assist United States colleges and universities in strengthening their capabilities for agricultural and related research and extension relevant to agricultural development activities in other countries; and

"(5) further develop within the Department of Agriculture highly qualified and experienced scientists who specialize in international programs, to be available for the activities described in this section.

"(b) The Secretary shall draw upon and enhance the resources of the land-grant colleges and universities, and other colleges and universities, for developing linkages among these institutions, the Federal Government, international research centers, and counterpart agencies and institutions in both the developed and less-developed countries to serve the purposes of agriculture and the economy of the United States and to make a substantial contribution to the cause of improved food and agricultural progress throughout the world.

"(c) The Secretary may provide specialized or technical services, on an advance of funds or a reimbursable basis, to United States colleges and universities carrying out international agricultural and related research, extension, and teaching development projects and activities. All funds received in payment for furnishing such specialized or technical services shall be deposited to the credit of the appropriation from which the

cost of providing such services has been paid or is to be charged."

AUTHORIZATION FOR APPROPRIATIONS FOR EXISTING AND CERTAIN NEW AGRICULTURAL RESEARCH PROGRAMS

SEC. 1428. Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended—

(1) in subsection (a) by striking out "and \$780,000,000 for the fiscal year ending September 30, 1982," and inserting in lieu thereof "\$780,000,000 for the fiscal year ending September 30, 1982, \$780,000,000 for the fiscal year ending September 30, 1983, \$835,000,000 for the fiscal year ending September 30, 1984, \$890,000,000 for the fiscal year ending September 30, 1985, \$945,000,000 for the fiscal year ending September 30, 1986, and \$1,000,000,000 for the fiscal year ending September 30, 1987,";

(2) in subsection (b) by striking out "and \$220,000,000 for the fiscal year ending September 30, 1982," and inserting in lieu thereof "\$220,000,000 for the fiscal year ending September 30, 1982, \$230,000,000 for the fiscal year ending September 30, 1983, \$240,000,000 for the fiscal year ending September 30, 1984, \$250,000,000 for the fiscal year ending September 30, 1985, \$260,000,000 for the fiscal year ending September 30, 1986, and \$270,000,000 for the fiscal year ending September 30, 1987,"; and

(3) by adding at the end thereof a new subsection as follows:

"(c) Notwithstanding any authorization for appropriations for agricultural research in any Act enacted before the effective date of this subsection, not less than 25 per centum of the total funds appropriated to the Secretary in any fiscal year for the conduct of the cooperative research program provided for under the Act of March 2, 1887 (7 U.S.C. 361a et seq.); the cooperative forestry research program provided for under the Act of October 10, 1962 (16 U.S.C. 582a et seq.); the special and competitive grants programs provided for in sections 2(b) and 2(c) of the Act of August 4, 1965 (7 U.S.C. 4501); the animal health research program provided for under sections 1433 and 1434 of this title; the native latex research program provided for in the Native Latex Commercialization and Economic Development Act of 1978 (7 U.S.C. 178 et seq.); and the research provided for under various statutes for which funds are appropriated under the Agricultural Research heading or a successor heading, shall be appropriated for agricultural research at State agricultural experiment stations pursuant to the provision of the Act of March 2, 1887 (7 U.S.C. 361a et seq.)."

AUTHORIZATION FOR APPROPRIATIONS FOR EXTENSION PROGRAMS

SEC. 1429. Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking out "and \$350,000,000 for the fiscal year ending September 30, 1982," and inserting in lieu thereof "\$350,000,000 for the fiscal year ending September 30, 1982, \$360,000,000 for the fiscal year ending September 30, 1983, \$370,000,000 for the fiscal year ending September 30, 1984, \$380,000,000 for the fiscal year ending September 30, 1985, \$390,000,000 for the fiscal year ending September 30, 1986, and \$400,000,000 for the fiscal year ending September 30, 1987,".

MISCELLANEOUS PROVISIONS

SEC. 1430. (a) The National Agricultural Research Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding in subtitle K the following new sections:

"PROGRAM EVALUATION STUDIES

"SEC. 1471. (a) The Secretary shall regularly conduct program evaluations to meet the purposes of this title and the responsibilities assigned to the Secretary and the

Department of Agriculture in this title. Such evaluations shall be designed to provide information that may be used to improve the administration and effectiveness of agricultural research, extension, and teaching programs in achieving their stated objectives.

"(b) The Secretary is authorized to encourage and foster the regular evaluation of agricultural research, extension, and teaching programs within the State agricultural experiment stations, cooperative extension services, and colleges and universities, through the development and support of cooperative evaluation programs and program evaluation centers and institutes.

"GENERAL AUTHORITY TO AWARD CONTRACTS, GRANTS AND COOPERATIVE AGREEMENTS

"SEC. 1472. (a) The purpose of this section is to confer upon the Secretary general authority to award contracts, grants or cooperative agreements to further the research, extension, or teaching programs in the food and agricultural sciences of the Department of Agriculture. This authority supplements all other laws relating to the Department of Agriculture and is not to be construed as limiting or repealing any existing authorities.

"(b) The Secretary is authorized to enter into contracts with, or make cooperative agreements with, or make grants to, State agricultural experiment stations, State cooperative extension services, all colleges and universities, other research or education institutions and organizations, Federal and private agencies and organizations, individuals, and any other contractor or recipient for periods not to exceed five years, to further the research, extension or teaching programs in the food and agricultural sciences of the Department of Agriculture.

"(c) The Secretary may vest title to expendable and nonexpendable equipment and supplies and other tangible personal property in the contractor or recipient when the contractor or recipient purchases such equipment, supplies, and property with contract, grant, or cooperative agreement funds and the Secretary deems such vesting of title a furtherance of the agricultural research, extension, or teaching objectives of the Department of Agriculture.

"(d) The Secretary may enter into contracts, grants, or cooperative agreements, as authorized by this section, without regard to any requirements for competition, the provisions of section 3709 of the Revised Statutes (41 U.S.C. 5), and the provisions of section 3648 of the Revised Statutes (31 U.S.C. 529)."

"LIMITATION ON USE OF FUNDS

"SEC. 1473. Funds appropriated for carrying out the purposes of sections 1433, 1434, 1444, and 1445 of this title and funds appropriated for carrying out the purposes of the Act of March 2, 1887 (7 U.S.C. 361a et seq.), the Act of May 8, 1914 (7 U.S.C. 341 et seq.), and the Act of October 10, 1962 (16 U.S.C. 582a et seq.), shall not be available for the payment of indirect costs or tuition remission."

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by inserting immediately after the following:

"Sec. 1470. Rules and regulations.

"Sec. 1471. Program evaluation studies.

"Sec. 1472. General authority to award contracts, grants, and cooperative agreements.

"Sec. 1473. Limitation on use of funds."

RANGELAND RESEARCH

SEC. 1431. (a) The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding at the end thereof the following new subtitle L:

Subtitle L—Rangeland Research

"PURPOSE

"SEC. 1479. It is the purpose of this subtitle to promote the general welfare through im-

proved productivity of the Nation's rangelands, which comprise 60 per centum of the land area of the United States. Most of these rangelands are unsuited for cultivation, but produce a great volume of forage that is inedible by humans but readily converted, through an energy efficient process, to high quality food protein by grazing animals. These native grazing lands are located throughout the United States and are important resources for major segments of the Nation's livestock industry. In addition to the many livestock producers directly dependent on rangelands, other segments of agriculture are indirectly dependent on range-fed livestock and on range-produced forage that can be substituted for grain in times of grain scarcity. Recent resource assessments indicate that forage production of rangeland can be increased at least 100 per centum through development and application of improved range management practices while simultaneously enhancing wildlife, watershed, recreational, and esthetic values and reducing hazards of erosion and flooding.

"RANGELAND RESEARCH PROGRAM

"SEC. 1480. The Secretary is authorized to develop and implement a cooperative rangeland research program to improve the production and quality of desirable naturally grown forage or introduced forage species which are managed in a similar manner to naturally grown forage for livestock and wildlife. The program shall include studies of (1) management of rangelands and agricultural land as integrated systems for more efficient use of crops and waste products in the production of food and fiber; (2) methods of managing rangeland watersheds to maximize efficient use of water and improve water yield, water quality, and water conservation, to protect against damage of rangeland resources from floods, erosion, and other detrimental influences, and to remedy unsatisfactory and unstable rangeland conditions; (3) revegetation and rehabilitation of rangelands including the control of noxious species; and (4) such other matters as the Secretary considers appropriate. The development and implementation of a program under this section shall be coordinated with the programs carried out under the Forest and Rangeland Renewable Resources Planning Act of 1974, the Soil and Water Resources Conservation Act of 1977, and the Renewable Resources Extension Act of 1978.

"RANGELAND RESEARCH GRANTS

"SEC. 1481. The Secretary is authorized to make grants to land-grant colleges and universities, State agricultural experiment stations, and to colleges, universities, and Federal laboratories having a demonstrable capacity in rangeland research, as determined by the Secretary, to carry out rangeland research under this subtitle. This grant program shall be based on a matching formula of 50 per centum Federal and 50 per centum State funding.

"REPORTS

"SEC. 1482. Not later than one year after enactment of this subtitle, and not later than March 1 of each successive year, the Secretary shall submit a report to the President, the House Committee on Agriculture, the House Committee on Appropriations, the Senate Committee on Agriculture, Nutrition, and Forestry, and the Senate Committee on Appropriations. Such report shall contain an evaluation of the operation of the program authorized under this subtitle.

"RANGELAND RESEARCH ADVISORY BOARD

"SEC. 1483. (a) The Secretary shall establish a board to be known as the Rangeland Research Advisory Board, which shall have a term that expires December 31, 1986, and which shall be composed of twelve members appointed by the Secretary as follows:

"(1) four representatives of the Science and Education Administration of the Department of Agriculture;

"(2) four persons representing State agricultural experiment stations; and

"(3) four persons representing national rangeland and range livestock organizations.

The members shall serve without compensation, if not otherwise officers or employees of the United States, except that they shall, while away from their homes or regular places of business in the performance of services for the Board, be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under sections 5701 through 5707 of title 5 of the United States Code.

"(b) The Board shall meet at the request of the Secretary, who shall call at least one meeting each year, to consult with and advise the Secretary with respect to the implementation of this subtitle and to recommend priorities for the conduct of research activities authorized under this subtitle, under such rules and procedures as the Secretary may prescribe.

"APPROPRIATIONS

"Sec. 1484. (a) There are hereby authorized to be appropriated such sums, not to exceed \$10 million annually, as Congress may determine necessary to carry out the provisions of this subtitle.

"(b) Funds appropriated under this section shall be allocated by the Secretary to eligible institutions for work to be done as mutually agreed upon between the Secretary and the eligible institution or institutions. The Secretary shall, whenever possible, consult the Board in developing plans for the use of these funds."

(b) The table of contents of the Food and Agriculture Act of 1977 is amended by inserting at the end of title XIV the following new items:

"Subtitle L—Rangeland Research

"Sec. 1479. Purpose.

"Sec. 1480. Rangeland research program.

"Sec. 1481. Rangeland research grants.

"Sec. 1482. Reports.

"Sec. 1483. Rangeland Research Advisory Board.

"Sec. 1484. Appropriations."

COOPERATIVE STATE FORESTRY

Sec. 1432. (a) Section 1 of the Act of October 10, 1962 (16 U.S.C. 582a), commonly known as the McIntire-Stennis Act of 1962, is amended by adding at the end thereof the following: "It is also recognized that the provisions of this Act are essential to assist in providing the research background that undergirds the Forest and Rangeland Renewable Resources Planning Act of 1974, the Renewable Resources Extension Act of 1978, and the Soil and Water Resources Conservation Act of 1977."

(b) Section 2 of the Act of October 10, 1962 (16 U.S.C. 582a-1), is amended by adding at the end thereof the following: "If more than one institution within a State are certified as qualifying for assistance, then it shall be the responsibility of such institutions in agreement with the Secretary, to develop complementary programs of forestry research for the State."

(c) Sections 5 and 6 of the Act of October, 1962 (16 U.S.C. 582a-4, 582a-5), are amended to read as follows:

"Sec. 5. (a) The Secretary of Agriculture shall prescribe such regulations as may be necessary to carry out this Act and to furnish such advice and assistance through a cooperative State forestry research unit in the Department of Agriculture as will best promote the purposes of this Act.

"(b) The Secretary shall appoint a council of not fewer than sixteen members which shall be constituted to give representation to

Federal and State agencies concerned with developing and utilizing the Nation's forest resources, the forest industries, the forestry schools of the State-certified eligible institutions, State agricultural experiment stations, and volunteer public groups concerned with forests and related natural resources. The council shall meet at least annually and shall submit a report to the Secretary on regional and national planning and coordination of forestry research within the Federal and State agencies, forestry schools, and the forest industries, and shall advise the Secretary on the apportionment of funds. The Secretary shall seek, at least once each year, the advice of the council to accomplish efficiently the purposes of this Act.

"Sec. 6. Apportionments among participating States shall be determined by the Secretary of Agriculture after consultation with the council appointed under section 5. In making such apportionments, consideration shall be given to pertinent factors including non-Federal expenditures for forestry research by State-certified eligible institutions, areas of non-Federal commercial forest land, and the volume of timber cut annually. Three per centum of such funds as may be appropriated shall be made available to the Secretary for administration of this Act. These administrative funds may be used for transportation of scientists who are not officers or employees of the United States to research meetings convened for purposes of assessing research opportunities or research planning."

ADDITIONAL AGRICULTURAL RESEARCH SUPPORT

Sec. 1433. The second sentence of section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), is amended—

(1) by striking out "and (3)" and inserting in lieu thereof "(3)"; and

(2) by changing the period at the end thereof to a semicolon and inserting the following: "and (4) support food and agricultural research, extension, and teaching in order to meet the challenge of providing adequate food and fiber production for the United States and the world."

EXCESS FEDERAL PROPERTY

Sec. 1434. Section 202(d) (2) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 483(d) (2)) is amended by—

(1) striking out the word "or" at the end of subparagraph (C);

(2) striking out the period at the end of subparagraph (D) and inserting in lieu thereof a semicolon and the word "or"; and

(3) adding the following new subparagraph immediately after subparagraph (D):

"(E) property furnished by the Secretary of Agriculture to any State or county extension service engaged in cooperative agriculture extension work pursuant to the Act of May 8, 1914 (7 U.S.C. 341 et seq.); any State experiment station engaged in cooperative agricultural research work pursuant to the Act of March 2, 1887 (7 U.S.C. 361a et seq.), and any institution engaged in cooperative agricultural research or extension work pursuant to sections 1433, 1434, 1444, or 1445 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195, 3196, 3221, and 3222) or the McIntire-Stennis Act of 1962 (16 U.S.C. 582a et seq.), where title is retained in the United States."

RURAL DEVELOPMENT AND SMALL FARM RESEARCH AND EXTENSION

Sec. 1435. (a) Title V of the Rural Development Act of 1972 (7 U.S.C. 2661-2670) is amended by striking out sections 501 through 508 and inserting in lieu thereof the following:

"Sec. 501. PURPOSES AND GOALS.—(a) The overall purpose of this title is to foster a balanced national development that provides opportunities for increased numbers of

the people of the United States to work and enjoy a high quality of life dispersed throughout our Nation by providing the essential knowledge necessary for successful programs of rural development. It is further the purpose of this title to—

"(1) provide multistate regional agencies, States, counties, cities, multicounty planning and development districts, businesses, industries, Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, and others involved with public services and investments in rural areas or that provide or may provide employment in these areas the best available scientific, technical, economic, organizational, environmental, and management information and knowledge useful to them, and to assist and encourage them in the interpretation and application of this information to practical problems and needs in rural development;

"(2) provide research and investigations in all fields that have as their purpose the development of useful knowledge and information to assist those planning, carrying out, managing, or investing in facilities, services, businesses, or other enterprises, public and private, that may contribute to rural development;

"(3) increase the capabilities of, and encourage, colleges and universities to perform the vital public services role of research, and the transfer and practical application of knowledge, in support of rural development;

"(4) expand small farm research and extend training and technical assistance to small farm families in assessing their needs and opportunities and in using the best available knowledge on sound economic approaches to small farm operations and on existing services offered by the Department of Agriculture and other public and private agencies and organizations to improve their income and to gain access to essential facilities and services; and

"(5) support activities to supplement and extend programs that address special research and education needs in States experiencing rapid social and economic adjustments or unique problems caused by rural isolation and that address national and regional rural development policies, strategies, issues, and programs.

"(b) The goals of this title are to—

"(1) encourage and support rural United States, in order to help make it a better place to live, work, and enjoy life;

"(2) increase income and improve employment for persons in rural areas, including the owners or operators of small farms, small businesses, and rural youth;

"(3) improve the quality and availability of essential community services and facilities in rural areas;

"(4) improve the quantity and quality of rural housing;

"(5) improve the rural management of natural resources so that the growth and development of rural communities needed to support the family farm may be accommodated with minimum effect on the natural environment and the agricultural land base;

"(6) improve the data base for rural development decisionmaking at local, State, and national levels;

"(7) improve the problem solving and development capacities and effectiveness of rural governments, officials, institutions, communities, community leaders, and citizen groups in—

"(A) improving access to federal programs;

"(B) improving targeting and delivery of technical assistance;

"(C) improving coordination among Federal agencies, other levels of government, and institutions and private organizations in rural areas; and

"(D) developing and disseminating better information about rural conditions.

"SEC. 502. PROGRAMS AUTHORIZED.—The Secretary of Agriculture may conduct, in cooperation and coordination with colleges and universities, the following programs to carry out the purposes and achieve the goals of this title.

"(a) RURAL DEVELOPMENT EXTENSION PROGRAMS.—Rural development extension programs shall consist of the collection, interpretation, and dissemination of useful information and knowledge from research and other sources to units of multistate regional agencies, State, county, municipal, and other units of government, multicounty planning and development districts, organizations of citizens contributing to community and rural development, businesses, Indian tribes on Federal or State reservations or other federally recognized Indian tribal groups, and industries that employ or may employ people in rural areas. These programs also shall include technical services and educational activities, including instruction for persons not enrolled as students in colleges or universities, to facilitate and encourage the use and practical application of this information. These programs may also include feasibility studies and planning assistance.

"(b) RURAL DEVELOPMENT RESEARCH.—Rural development research shall consist of research, investigations, and basic feasibility studies in any field of discipline that may develop principles, facts, scientific and technical knowledge, new technology, and other information that may be useful to agencies of Federal, State, and local government, industries in rural areas, Indian tribes on Federal and State reservations or other federally recognized Indian tribal groups, and other organizations involved in community and rural development programs and activities in planning and carrying out such programs and activities or otherwise be practical and useful in achieving the purposes and goals of this title.

"(c) SMALL FARM RESEARCH PROGRAMS.—Small farm research programs shall consist of programs of research to develop new approaches for initiating and upgrading small farm operations through management techniques, agricultural production techniques, farm machinery technology, new products, new marketing techniques, and small farm finance; to develop new enterprises that can use labor, skills, or natural resources available to the small farm family; or that will help to increase the quality and availability of services and facilities needed by the small farm family.

"(d) SMALL FARM EXTENSION PROGRAMS.—Small farm extension programs shall consist of extension programs to improve small farm operations, including management techniques, agricultural production techniques, farm machinery technology, marketing techniques, and small farm finance; to increase use by small farm families of existing services offered by the Department of Agriculture and other public and private agencies and organizations; to assist small farm families in establishing and operating cooperatives for the purpose of improving their family income from farming or other economic activities; to increase the quality and availability of services and facilities needed by small farm families; and to develop new enterprises that can use labor, skills, or natural resources available to the small farm family.

"(e) SPECIAL GRANTS PROGRAMS.—Special grants programs shall consist of extension and research programs to strengthen research and education on national and regional issues in rural development, including the assessment of alternative policies and strategies for rural development and balanced growth; to develop alternative strategies for national and regional investment,

and the creation of employment, in rural areas; to develop alternative energy policies to meet rural development needs; and to strengthen rural development programs of agencies of the Department of Agriculture and those in other Federal departments and agencies.

"SEC. 503. APPROPRIATION AND ALLOCATION OF FUNDS.—(a) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this title.

"(b) Such sums as are appropriated to carry out the provisions of sections 502(a) and 502(b) of this title shall be distributed by the Secretary of Agriculture as follows:

"(1) 4 per centum shall be retained by the Secretary for program administration and national coordination of State programs, and program assistance to the States;

"(2) 10 per centum shall be used to finance work serving two or more States in which colleges or universities in two or more States cooperate or that is conducted by one college or university to serve two or more States;

"(3) 20 per centum shall be allocated equally among the States; and

"(4) 66 per centum shall be allocated to each State as follows: One-half in an amount that bears the same ratio to the total amount to be allotted as the rural population of the State bears to the total rural population of all the States, as determined by the last preceding decennial census current at that time; and one-half in an amount that bears the same ratio to the total amount to be allotted as the farm population of the State bears to the total farm population of all the States, as determined by the last preceding decennial census current at that time:

Provided, That, beginning with the fiscal year ending September 30, 1982, no State may receive more than \$75,000 until all States have been allotted a minimum of \$75,000.

"(c) Such sums as are appropriated to carry out the provisions of section 502(e) of this title shall be distributed by the Secretary to colleges and universities, on a competitive or matching fund basis, according to the Secretary's determination of the projects and manner of funding that show the most promise of fulfilling the objectives of section 502(e) of this title.

"(d) Funds appropriated under this title may be used to pay salaries and other expenses of personnel employed to carry out the functions authorized by this title; to obtain necessary supplies, equipment, and services; and to rent, repair, and maintain facilities needed, but not to purchase or construct buildings.

"(e) Payment of funds to any State for programs authorized under sections 502(a), 502(b), 502(c), and 502(d) of this title shall be contingent upon the approval of the Secretary of a plan of work and budget for such programs and compliance with such regulations as the Secretary may issue under this title. Plans for work shall be jointly developed in each State by the land-grant colleges and universities eligible to receive funds under the Act of July 2, 1862 (7 U.S.C. 301 et seq.), and the Act of August 30, 1890 (7 U.S.C. 321 et seq.), including Tuskegee Institute. In States in which there is no land-grant institution eligible to receive funds under the Act of August 30, 1890, the land-grant institution eligible to receive funds under the Act of July 2, 1862, shall be responsible for developing plans of work and budgets. In the development of the plans of work and budgets, consideration shall be given to involvement of the resources and expertise of the colleges and universities serving the region in which the plans and budgets are to be applied.

"(f) Funds shall be available for use by each State in the fiscal year for which appropriated and the next fiscal year follow-

ing the fiscal year for which appropriated. Funds shall be budgeted and accounted for on such forms and at such times as the Secretary shall prescribe.

"(g) Funds provided to each State under this title may be used to finance programs through or at private and publicly supported colleges and universities other than the institutions responsible for administering the programs, as provided under section 504 of this title.

"SEC. 504. COOPERATING COLLEGES AND UNIVERSITIES.—(a) To ensure national coordination with other federally supported agricultural research and extension programs, administration of each State program shall be the responsibility of the colleges and universities eligible to receive funds under the Act of July 2, 1862, and the Act of August 30, 1890, including Tuskegee Institute. In States that contain more than one such institution, such administration shall be the responsibility of the institution designated by mutual agreement of all such institutions, subject to approval by the Secretary of Agriculture. The Secretary shall pay funds available to each State to such institution or university. Such administration shall be coordinated with other federally supported agricultural research and extension programs conducted in the State.

"(b) All private and publicly supported colleges and universities in a State shall be eligible to participate in programs authorized under this title. Officials at universities or colleges other than those responsible for administering the programs that wish to participate in these programs shall submit program proposals to the college or university officials responsible for administering the programs who shall consider such proposals in the process of developing the budgets and plans of work.

"(c) The institution of each State responsible for administering the programs authorized under this title shall designate an official who shall be responsible for the overall coordination of the programs.

"(d) The institution in each State responsible for administering the programs authorized under this title shall name an advisory council to review and approve budgets and plans of work conducted under this title and to advise the chief administrative officer of the institution administering the programs on matters pertaining to the programs. An existing State rural development committee or council may be named to perform this function, or a new council may be appointed by the chief administrative officer or officers. The committee or council named or appointed shall consist of at least twelve members and shall include persons representing farmers, business, labor, banking, local government, multicounty planning and development districts, public and private colleges and universities in the State, and Federal and State agencies involved in rural development.

"SEC. 505. WITHHOLDING FUNDS.—If the Secretary of Agriculture determines that a State is not eligible to receive part or all of the funds to which it is otherwise entitled for programs under sections 502(a) and 502(b) of this title because of a failure to comply with regulations issued by the Secretary under this title, the facts and reasons therefor shall be reported to the President, and the amount involved shall be kept separate in the Treasury until the expiration of the Congress next succeeding the session of the legislature of the State from which funds have been withheld in order that the State may, if it should so desire, appeal to Congress from the determination of the Secretary. If the next Congress shall not direct such sum to be paid, it shall be covered into the Treasury. If any portion of the moneys that are received by the designated officers of any

State for the support and maintenance of programs authorized under this title shall by any action or contingency be diminished or lost, or be misapplied, it shall be replaced by the State.

"Sec. 506. DEFINITIONS.—For the purposes of this title—

"(a) 'rural development' means the planning, financing, and development of facilities and services in rural areas that contribute to making those areas desirable places in which to live and make private and business investments; the planning, development, and expansion of business and industry in rural areas to provide increased employment and income; the planning, development, conservation, and use of land, water, and other natural resources of rural areas to maintain or improve the quality of the environment for people and business in rural areas; and the building or improvement of institutional, organizational, and leadership capacities of rural citizens and leaders to define and resolve their own community problems;

"(b) 'State' means the several States, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands of the United States, and the Commonwealth of the Northern Mariana Island; and

"(c) 'small farm' means any farm (1) producing family net income from all sources (farm and nonfarm) below the median non-metropolitan income of the State; (2) operated by a family dependent on farming for a significant though not necessarily a majority of its income; and (3) on which family members provide most of the labor and management.

"Sec. 507. REGULATIONS.—The Secretary of Agriculture may issue such regulations as the Secretary determines necessary to carry out the provisions of this title."

(b) Section 509 of the Rural Development Act of 1972 (7 U.S.C. 2669) is redesignated as section 508, and section 510 of the Rural Development Act of 1972 (7 U.S.C. 2670) is hereby repealed.

INCREASED EMPHASIS ON MARKETING EDUCATION PROGRAMS FOR SMALL- AND MEDIUM-SIZE FAMILY FARMING OPERATIONS

SEC. 1436. In carrying out marketing research and education programs, the Secretary of Agriculture shall take such steps as may be necessary to increase the efforts of the Department of Agriculture in providing marketing education programs for persons engaged in small- and medium-size family farm operations.

TITLE XV—RESOURCE CONSERVATION

Subtitle A—Soil and Water Conservation

POLICY AND REPORT

SEC. 1501. (a) Congress hereby reaffirms its policy to promote soil and water conservation, improve the quality of the Nation's waters, and preserve and protect natural resources through the use of effective conservation and pollution abatement programs.

(b) The Secretary of Agriculture shall submit a report to Congress not later than December 31, 1981, setting forth a comprehensive soil and water conservation policy, including recommendations as to how the various soil and water conservation programs that are administered by agencies within the Department of Agriculture can be strengthened and improved.

Subtitle B—Special Areas Conservation Program

FINDINGS

SEC. 1502. Congress finds that—

(1) studies by the Department of Agriculture indicate that billions of tons of soil are eroded annually from non-Federal lands in the United States, much of which represents soil eroded from cropland;

(2) nearly one-half of the four hundred and thirteen million acres of cropland have

soils with moderate, high, or very high risk of damage by sheet and rill erosion;

(3) the severity of erosion-related problems varies widely from one geographic area to the next;

(4) some of the most productive agricultural areas of the United States are also those having the most serious and chronic erosion-related problems.

(5) solutions to such chronic erosion-related problems should be designed to address the local social, economic, environmental, and other conditions unique to the area involved to ensure that the goals and policies of the Federal Government are effectively integrated with the concerns of the local community;

(6) certain range and pasturelands in the United States are producing less than their potential and therefore their productive capacity could be substantially improved by application of intensified range and pasture management practices; the protection of these lands is essential to controlling erosion, improving ecological conditions, enhancing wildlife and riparian habitats, improving water quality and yield, and meeting the need to produce food and fiber in a manner that is more energy efficient; and

(7) there is a need for—

(A) reducing seepage from on-farm and off-farm irrigation ditches and conveyance systems;

(B) improving water conservation and utilization; and

(C) installing measures to capture on-farm irrigation return flows.

FORMULATION AND IMPLEMENTATION OF SPECIAL AREAS CONSERVATION PROGRAM

SEC. 1503. (a) The Secretary of Agriculture (hereinafter in this subtitle referred to as the "Secretary") shall establish a program for the conservation of soil, water, and related resources in special areas designated pursuant to section 1504 (hereinafter referred to as "designated special areas") by providing technical and financial assistance to owners and operators or groups of owners and operators of farm, ranch, and certain other lands at their request. Such assistance with respect to State, county, and other public land shall be limited to those lands that are an integral part of a private farm operating unit and under the control of the private land owner or operator.

(b) To carry out the program established under this subtitle, the Secretary may enter into contracts with owners and operators of farm, ranch, or other land in a designated special area having such control over the land as the Secretary deems necessary. Any such contract may be entered into with respect to land in a designated special area which is not farm or ranch land only if the erosion-related problems of such land are so severe as to make such contracts with respect to such land necessary for the effective protection of farm or ranch land in that designated special area. Contracts under this subtitle shall be designed to provide assistance to the owners or operators of such farm, ranch, or other land to make voluntary changes in their cropping systems which are needed to conserve or protect the soil, water and related resources of such lands, and to carry out the soil and water conservation measures needed under such changed systems and uses.

(c) The basis for such contracts shall be a conservation plan approved by the Secretary and the soil and water conservation district in which the land on which the plan is to be carried out is situated. The Secretary shall provide to the land owner or operator, upon request, such technical assistance as may be needed to prepare and submit to the Secretary a conservation plan—

(1) which incorporates such soil and

other conservation practices and measures as may be determined to be practicable to protect such land from erosion or water-related problems;

(2) which outlines a schedule for the implementation of changes in cropping systems or use of land or of water and of conservation measures proposed to be carried out on the farm, ranch, or other land during the contract period;

(3) which is designed to take into account the local social, economic, and environmental conditions, which will help solve the particular erosion or water-related problems of the designated area;

(4) which may allow for such varying levels of conservation application as are appropriate to address the problems and may be developed to cover all or part of a farm, ranch, or other land as determined to be necessary to solve the conservation problems;

(5) which may include practices and measures for enhancing fish and wildlife and recreation resources and for reducing or controlling agricultural-related pollution; and

(6) which identifies those conservation systems and measures, including planned grazing systems, needed to improve vegetative conditions, reduce erosion, and conserve water on range and pasturelands.

(d) Under any contract entered into under this subtitle, the land owner or operator shall agree—

(1) to carry out the plan for the owner's or operator's farm, ranch, or other land substantially in accordance with the schedule outlined therein unless any requirement thereof is waived or modified by the Secretary pursuant to subsection (f);

(2) to forfeit further payments under the contract and refund to the United States all payments received thereunder, including interest, upon violation by the owner or operator of the contract at any stage during the time the owner or operator has control of the land if the Secretary, after considering the recommendations of the soil and water conservation district board for the district in which the lands are located, determines that such violation is of such a nature as to warrant termination of the contract, or to make refunds, including interest, or accept such payment adjustments as the Secretary may deem appropriate if the Secretary determines that the violation by the owner or operator does not warrant termination of the contract;

(3) not to adopt any practice specified by the Secretary in the contract as a practice which would tend to defeat the purposes of the contract; and

(4) upon transfer, during the contract period, of the rights or interests of the owner or operator in the farm, ranch, or other land on which the plan is to be carried out, to forfeit all rights to further payments under the contract and refund to the United States all payments received thereunder, including interest, unless the transferee of any such land agrees with the Secretary to assume all obligations of the contract.

(e) In return for an agreement by the landowner or operator under this section, the Secretary shall agree to share the cost of carrying out the conservation measures set forth in the contract for which the Secretary determines that cost sharing is appropriate and in the public interest. The portion of the costs to be shared shall be that part which the Secretary determines is necessary and appropriate to effectuate the installation and, if applicable, the maintenance of the conservation treatment under the contract, including the cost of labor. The Secretary shall determine the amount of the shared costs to be borne by the Secretary, taking into consideration the social and eco-

nomic conditions unique to each designated geographic area and the degree of conservation to be achieved. The Secretary shall determine the maximum amount of cost-share assistance that may be provided to any single recipient. If adjustments from cultivated crops to permanent vegetative cover or changes in crop varieties are undertaken as conservation treatment, financial assistance may be provided with regard to the income lost as a result of such land use or crop adjustments.

(f) The Secretary may terminate any contract with a landowner or operator by mutual agreement with the owner or operator if the Secretary determines that such termination would be in the public interest and may agree to such modification of contracts previously entered into as the Secretary may determine to be desirable to carry out the purposes of the program or facilitate the practical administration thereof or to accomplish equitable treatment with respect to similar conservation or other programs administered by the Secretary.

(g) The Secretary may also enter into contracts with landowners or operators for the purpose of maintaining any conservation treatment established under this subtitle or other conservation treatment which has been adequately established, and to provide such assistance as is necessary to retain the treatment on the land. The provisions and administration of such contracts shall be in accordance with the requirements set forth in subsections (b) through (f).

PROGRAM TO BE DIRECTED AT SPECIFIC PROBLEMS

SEC. 1504. (a) The program established under this subtitle shall be directed toward identifying and correcting such erosion-related or water management-related problems as may exist within each designated special area. Assistance under this subtitle may be provided to any geographic area of the United States only if such area is first designated by the Secretary as having severe and chronic erosion-related or water management-related problems.

(b) In designating a geographic area as a special area under this subtitle, the Secretary shall prepare and publish a report setting forth an assessment of the problems, objectives, and priorities in such area, and a schedule for the implementation of the program under this subtitle. The Secretary shall indicate in such report how the program as developed with respect to such area takes into consideration ongoing programs of Federal, State, and local agencies, including soil conservation districts, relating to soil and water conservation, pollution abatement, or the improvement or protection of forest land. The Secretary shall, within existing authorities, assure that all Department of Agriculture programs operating in a designated special area complement the conservation objectives outlined for such area.

CONTRACT LIMITATIONS

SEC. 1505. Special areas may be designated pursuant to section 1504 of this subtitle at any time within ten years after the date of enactment of this Act. Contracts authorized by subsections (b) and (g) of section 1503 of this subtitle may be entered into at any time within ten years after the designation of the special area to which they relate. Such contracts may not exceed ten years in duration, and the amount of contracts that may be entered into in any one fiscal year shall not exceed such amounts as may be provided for in advance in appropriations Acts.

NOTIFICATION OF COMMITTEES OF CONGRESS

SEC. 1506. The Secretary shall submit a copy of each special area report developed and published pursuant to section 1504(b) of this subtitle to the Committee on Agriculture, Nutrition, and Forestry of the United States Senate and to the Committee

on Agriculture of the United States House of Representatives.

UTILIZATION OF SERVICES AND FACILITIES

SEC. 1507. In carrying out the provisions of this subtitle, the Secretary may utilize the services of local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) and the technical services of the Department of Agriculture, soil and water conservation districts, and other State or local agencies. The Secretary may utilize the services and facilities of the Commodity Credit Corporation in carrying out this subtitle.

IMPROVEMENT OF TECHNOLOGY

SEC. 1508. The Secretary may expend funds directly or through grants for such research as is needed to assist in developing new or improving existing technologies for controlling erosion or water-related problems in designated special areas.

REGULATIONS

SEC. 1509. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1510. There are authorized to be appropriated annually, to be available until expended, such sums as may be necessary to carry out the program authorized by this subtitle.

REPORT TO CONGRESS

SEC. 1511. The Secretary shall submit a report to Congress by January 1, 1986, and at each five-year interval thereafter, concerning the operation of the program provided for in this subtitle. Such report shall contain an evaluation of the operation of such program and shall include recommendations for such additional legislation as may be necessary to solve identified soil, water, and related resources problems in areas designated by the Secretary under this subtitle and to utilize new technology and research related to such problems.

PROTECTION OF PARTICIPANTS

SEC. 1512. No person shall be disqualified from participating in, or suffer any forfeiture or reduction in benefits under, any other program administered by the Secretary by virtue of participation in the program provided for in this subtitle.

Subtitle C—Amendments to the Small Watershed Program and to the Bankhead-Jones Farm Tenant Act

AMENDMENTS TO SMALL WATERSHED PROGRAM

SEC. 1513. (a) Section 2 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1002) is amended by changing the period at the end thereof to a semicolon and inserting the following: "or any Indian tribe or tribal organization, as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b), having authority under Federal, State, or Indian tribal law to carry out, maintain and operate the works of improvement."

(b) Section 2 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1002) is further amended by striking out "\$1,000,000" and inserting in lieu thereof "\$5,000,000".

(c) Section 3(6) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003(6)) is amended by inserting after the word "wildlife," the word "energy,".

(d) Section 4(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1004(1)) is amended by changing the semicolon at the end thereof to a colon and inserting the following: "Provided further, That the Secretary shall be authorized to bear an amount not to exceed one-half of the costs of the land, easements, or rights-of-way acquired or to be acquired by the local organization for mitigation of fish and

wildlife habitat losses, and that such acquisition is not limited to the confines of the watershed project boundaries;"

(e) Section 5(3) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005(3)) is amended by striking out "\$1,000,000" and inserting in lieu thereof "\$5,000,000".

(f) Section 5(4) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1005(4)) is amended by striking out "\$1,000,000" and inserting in lieu thereof "\$5,000,000".

AMENDMENT TO THE BANKHEAD-JONES FARM TENANT ACT

SEC. 1514. Section 31 of title III of the Bankhead-Jones Farm Tenant Act (7 U.S.C. 1010) is amended by inserting after the words "dams and reservoirs," the words "developing energy resources,".

Subtitle D—Reservoir Sedimentation Reduction Program

FORMULATION OF PROGRAM

SEC. 1515. The Secretary of Agriculture is authorized to formulate and implement a program for determining the feasibility of reducing excessive sedimentation in existing reservoirs. Such an assistance program may be implemented on the watershed drainage areas of no more than five publicly owned reservoirs. The Secretary may select for the program reservoirs in which excessive amounts of sediment are being deposited because of critical soil erosion problems in the watershed drainage area.

PLANS

SEC. 1516. For each reservoir and drainage area selected under section 1515 of this subtitle, a plan shall be prepared that includes an assessment of the problems, a listing of objectives and priorities, and an implementation plan for achieving the objectives. The Secretary of Agriculture shall enter into an agreement with the soil and water conservation districts containing land within the reservoir or drainage area, an agency of State government designated by the Governor, and units of local government that have recognized interests in the reservoir, for the purpose of preparing the plan. The plan shall be signed by the Secretary, or the Secretary's designee, and the other parties to the agreement.

APPROVAL OF PLANS

SEC. 1517. The Secretary shall submit each plan developed under section 1516 of this subtitle to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives. The Secretary may implement any such plan only after each such committee adopts a resolution approving the plan.

AUTHORIZATION OF APPROPRIATIONS

SEC. 1518. There are hereby authorized to be appropriated, for each of the fiscal years 1983 through 1987, such sums as may be necessary for carrying out the provisions of this subtitle, such sums to remain available until expended.

REPORT

SEC. 1519. The Secretary of Agriculture shall submit a report evaluating the program authorized under this subtitle to Congress by January 1, 1987. The report shall include a recommendation as to whether the program shall be extended and, if so, how it could be strengthened.

Subtitle E—Volunteers for Conservation

AUTHORIZATION FOR USE OF VOLUNTEERS

SEC. 1520. The Secretary of Agriculture is authorized to recruit, train, and accept without regard to the civil service and classification laws, rules, or regulations, the services of individuals without com-

compensation as volunteers, for, and in aid of, interpretive functions, visitor services, conservation measures and development, or other activities related to matters administered by the Secretary through the Soil Conservation Service. The Secretary is authorized to provide for incidental expenses of such volunteers for items such as transportation, uniforms, lodging, and subsistence.

STATUS AS FEDERAL EMPLOYEES

SEC. 1521. (a) Except as provided in subsection (b) of this section, such volunteers shall not be deemed Federal employees and shall not be subject to the provisions of law relating to Federal employment, including those relating to hours of work, rates of compensation, and Federal employee benefits.

(b) For the purposes of the tort claim provisions of sections 2371 through 2680 of title 28 of the United States Code, and for the purposes of chapter 81 of title 5 of the United States Code relating to compensation to Federal employees for work-related injuries, volunteers under this subtitle shall be deemed employees of the United States.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1522. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this subtitle.

Subtitle F—Resource Conservation and Development Program

PURPOSE

SEC. 1523. It is the purpose of this subtitle to encourage and improve the capability of State and local units of government and local nonprofit organizations in rural areas to plan, develop, and carry out a program for resource conservation and development.

DEFINITIONS

SEC. 1524. As used in this subtitle—

(1)(A) The term "area plan" means a resource conservation and utilization plan which is developed for a designated area of a State or States through a planning process and which includes the following primary elements:

(i) a land conservation element, the purpose of which shall be to control erosion and sedimentation; and

(ii) a water management element, the purpose of which shall be to provide for the conservation, utilization, and quality of water, including irrigation and rural water supplies, the mitigation of floods and high water tables, construction, repair, and improvement of dams and reservoirs, improvement of agricultural water management, and improvement of water quality through control of non-point sources of pollution.

(B) Such term also means an area plan as defined in subparagraph (A) of this paragraph which also includes one or more of the following secondary elements:

(i) a community development element, the purpose of which shall be the development of natural resources based industries, protection of rural industries from natural resource hazards, development of aquaculture, development of adequate rural water and waste disposal systems, improvement of recreation facilities, improvement in the quality of rural housing, provision of adequate health and education facilities, and satisfaction of essential transportation and communication needs; or

(ii) other elements, the purpose of which shall include energy conservation, protection of agricultural land, as appropriate, from conversion to other uses, or protection of fish and wildlife habitats.

(2) The term "designated area" means a geographic area designated by the Secretary to receive assistance under this subtitle.

(3) The term "planning process" means the continuous effort by any State, local unit of government or local nonprofit organization to develop and carry out effective resource conservation and utilization plans for a designated area, including development of an area plan, goals, objectives, policies, implementation activities, evaluations and reviews, and the opportunity for public participation in such efforts.

(4) The term "financial assistance" means the cost-sharing arrangements that are available under this subtitle through Federal contracts, grants, or loans.

(5) The term "local unit of government" means any county, city, town, township, parish, village, or other general-purpose subdivision of a State, any local or regional special district or other limited political subdivision of a State, including any soil conservation district, school district, park authority, and water or sanitary district, or any Indian tribe or tribal organization established under Federal, State, or Indian tribal law.

(6) The term "nonprofit organization" means any community association, wildlife group, resource conservation organization, or other organization that is incorporated for the purpose of providing a rural area with those public facilities or services that are included in the area plan for such area, which plan has been approved by the Secretary.

(7) The term "Secretary" means the Secretary of Agriculture.

(8) The term "State" means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and American Samoa.

(9) The term "technical assistance" means any service provided by personnel of the Department of Agriculture or non-Federal personnel working through the Department of Agriculture, including, but not limited to, inventing, evaluating, planning, designing, supervising, laying out and inspecting works of improvement, and the providing of maps, reports, and other documents associated with the services provided.

(10) The term "works of improvement" means the facilities installed or being installed in accord with an area plan.

RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM

SEC. 1525. The Secretary shall establish a resource conservation and development program under which the Secretary shall make available to States, local units of government, and local nonprofit organizations the technical and financial assistance necessary to permit such States, local units of government, and local nonprofit organizations to operate and maintain a planning and implementation process needed to conserve and improve the use of land, develop natural resources, and improve and enhance the social, economic, and environmental conditions in rural areas of the United States:

SELECTION OF NEW DESIGNATED AREAS

SEC. 1526. The Secretary shall select designated areas for assistance under this subtitle on the basis of the primary elements specified in section 1524(1)(A).

AUTHORITY OF THE SECRETARY

SEC. 1527. In carrying out the provisions of this subtitle, the Secretary may—

(1) provide technical assistance to any State, local unit of government, or local nonprofit organization within a designated area to assist in developing and implementing an area plan for that area;

(2) cooperate with other departments and agencies of the Federal Government, State and local governments, and local nonprofit organizations in conducting surveys and inventories, disseminating information, and developing area plans;

(3) assist in carrying out an area plan approved by the Secretary for any designated area by providing technical and financial assistance to State and local public agencies and nonprofit organizations designated to receive such assistance by the Governor or legislature of the State concerned; and

(4) enter into agreements with State agencies, local units of government, and local nonprofit organizations, as provided in section 1528.

AGREEMENTS; TERMS AND CONDITIONS

SEC. 1528. (a) Technical and financial assistance, including loans, may be provided by the Secretary to any State agency, local unit of government, or local nonprofit organization to assist in carrying out works of improvement specified in an area plan approved by the Secretary only if—

(1) such State agency, local unit of government, or local nonprofit organization agrees in writing to carry out such works of improvement and to finance or arrange for financing of any portion of the cost of carrying out such works of improvement for which financial assistance is not provided by the Secretary under this subtitle;

(2) the works of improvement for which assistance is to be provided under this subtitle are included in an area plan and have been approved by the State agency, local unit of government, or local nonprofit organization to be assisted;

(3) the Secretary determines that assistance to finance the type of works of improvement concerned is not reasonably available to such State agency, local unit of government, or local nonprofit organization under any other Federal program;

(4) the works of improvement provided for in the area plan are consistent with any current comprehensive plan for such area;

(5) the cost of the land or an interest in the land acquired or to be acquired under such plan by any State, local unit of government, or local nonprofit organization is borne by such State, local unit of government, or local nonprofit organization; and

(6) the State, local unit of government, or local nonprofit organization participating in an area plan agrees to maintain and operate all works of improvement installed under such plan.

(b) Loans made under this subtitle shall be made on such terms and conditions as the Secretary may prescribe, except that such loans shall have a repayment period of not more than thirty years from the date of completion of the work of improvement for which the loan is made and shall bear interest at the average rate of interest paid by the United States on its obligations of a comparable term, as determined by the Secretary of the Treasury.

(c) Assistance may not be made available to any State agency, local unit of government, or local nonprofit organization to carry out any area plan unless such plan has been submitted to and approved by the Secretary.

(d) The Secretary may withdraw technical and financial assistance with respect to any area plan if the Secretary determines that such assistance is no longer needed or that sufficient progress has not been made toward developing or implementing the primary elements of such plan.

RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD

SEC. 1529. (a) The Secretary shall establish within the Department of Agriculture a Resource Conservation and Development Policy Board.

(b) Such board shall be composed of seven members selected by the Secretary from among employees of the Department of Agriculture. One member shall be designated by the Secretary to serve as chairman.

(c) It shall be the function of such board to advise the Secretary regarding the administration of the provisions of this subtitle, including the formulation of policies for carrying out the program provided for by this subtitle.

EVALUATION OF THE PROGRAM

SEC. 1530. The Secretary shall evaluate the program provided for in this subtitle to determine if such program is effectively meeting the needs and objectives identified by the States, local units of government, and local nonprofit organizations participating in such program. The Secretary shall submit to the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry a report containing the results of such evaluation by September 30, 1986, together with recommendations of the Secretary for continuing, terminating, re-directing, or modifying the program.

REGULATIONS

SEC. 1531. The Secretary shall prescribe such regulations as may be necessary to carry out the provisions of this subtitle.

LIMITATION ON PROVISION OF ASSISTANCE

SEC. 1532. The program provided for in this subtitle shall be limited to providing technical and financial assistance to not more than two hundred and twenty-five active designated areas.

SUPPLEMENTAL AUTHORITY OF THE SECRETARY

SEC. 1533. The authority of the Secretary under this subtitle to assist States, local units of government, and local nonprofit organizations in the development and implementation of area plans shall be supplemental to, and not in lieu of, any authority of the Secretary under any other provision of law.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 1534. There are authorized to be appropriated for each of the five fiscal years beginning October 1, 1982, and ending September 30, 1987, such sums as may be necessary to carry out the provisions of this subtitle. Funds appropriated pursuant to this subtitle shall remain available until expended.

SUBTITLE G—AGRICULTURAL LAND PROTECTION POLICY ACT SHORT TITLE

SEC. 1535. This subtitle may be cited as the "Agricultural Land Protection Policy Act".

FINDINGS, PURPOSE, AND DEFINITIONS

SEC. 1536. (a) Congress finds that—

- (1) the Nation's agricultural land is a unique natural resource and provides food and fiber necessary for the continued welfare of the people of the United States;
- (2) each year, a large amount of the Nation's agricultural land is irrevocably converted from actual or potential agricultural use to nonagricultural use;
- (3) continued decrease in the Nation's agricultural land base may threaten the ability of the United States to produce food and fiber in sufficient quantities to meet domestic needs and the demands of our export markets;
- (4) the extensive use of agricultural land for nonagricultural purposes undermines the economic base of many rural areas;
- (5) Federal actions, in many cases, result in the conversion of agricultural land to nonagricultural uses where alternative actions would be preferred;
- (6) the Department of Agriculture is the agency primarily responsible for the implementation of Federal policy with respect to United States agricultural land, assuring the maintenance of the agricultural production capacity of the United States, and has the personnel and other resources needed to implement national agricultural land protection policy; and

(7) the Department of Agriculture and other Federal agencies should take steps to assure that the actions of the Federal Government do not cause United States agricultural land to be irreversibly converted to nonagricultural uses in cases in which other national interests do not override the importance of the protection of agricultural land nor otherwise outweigh the benefits of maintaining agricultural land resources.

(b) The purpose of this subtitle is to establish procedures with respect to the administration of Federal law and regulations that will assure that the Federal Government by its actions does not cause the unnecessary loss of United States agricultural land.

(c) As used in this subtitle—

(1) the term "agricultural land" means any land (including cropland, pastureland, rangeland, or forest land) that is used, or is capable of being used, for agricultural, forestry, or timber production purposes, as determined by the Secretary of Agriculture;

(2) the term "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, or any territory or possession of the United States; and

(3) the term "unit of local government" means the government of a county, municipality, town, township, village, or other unit of general government below the State level, or a combination of units of local government acting through an areawide agency under State law or an agreement for the formulation of regional development policies and plans.

AGRICULTURAL LAND PROTECTION POLICY

SEC. 1537. (a) The Department of Agriculture, in cooperation with the other departments, agencies, independent commissions, and other units of the Federal Government, shall develop procedures for identifying the effects of actions of such units of the Federal Government with respect to the conversion of agricultural land to nonagricultural uses.

(b) In administering the laws and regulations of the United States, each department, agency, independent commission, or other unit of the Federal Government shall, using the procedures provided for in subsection (a) of this section, identify and take into account any negative effects, with respect to the protection of United States agricultural land, of any action that it proposes to undertake and consider alternative actions, as appropriate, that could lessen such negative effects; and shall assure that such proposed action, to the extent practicable, is consistent with any plans or policies of the State or unit of local government concerned to lessen the amount of conversion of agricultural land to nonagricultural uses.

(c) The Department of Agriculture may make available to States, units of local government, individuals, organizations, and other units of the Federal Government information useful in restoring, maintaining, and improving the quantity and quality of agricultural land.

CONFORMATION OF EXISTING POLICIES AND PROCEDURES

SEC. 1538. (a) Each department, agency, independent commission, or other unit of the Federal Government, with the assistance of the Department of Agriculture, shall review current provisions of law, administrative rules and regulations, and policies and procedures applicable to it to determine whether any provision thereof will prevent such unit of the Federal Government from taking appropriate action to comply fully with the provisions of this subtitle.

(b) Each department, agency, independent commission, or other unit of the Federal Government, with the assistance of the Department of Agriculture, shall, as appropriate, develop proposals for action to bring its

programs, authorities, and administrative activities into conformity with the purpose and policy of this subtitle.

REPORT

SEC. 1539. Within one year after the effective date of this subtitle, the Secretary of Agriculture shall report to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives on the progress made in implementing the provisions of this subtitle. Such report shall include information on—

(1) the effects, if any, of Federal programs, authorities, and administrative activities with respect to the protection of United States agricultural land; and

(2) results of the reviews of existing policies and procedures required under section 1538(a) of this subtitle.

STATEMENT OF LIMITATION

SEC. 1540. (a) This subtitle does not authorize the Federal Government in any way to regulate the use of private or non-Federal land or to affect the property rights of owners of such land.

(b) None of the provisions or other requirements of this subtitle shall apply to the acquisition or use of agricultural land for national defense purposes.

PROHIBITION

SEC. 1541. This subtitle shall not be deemed to provide a basis for any action, either legal or equitable, by any State, local unit of government, or any person or class of persons challenging a Federal project, program, or other activity that may affect agricultural land.

EFFECTIVE DATE

SEC. 1542. The provisions of this subtitle shall become effective six months after the date of enactment of this Act.

SUBTITLE H—MISCELLANEOUS PROVISIONS

LOCAL SEARCH AND RESCUE OPERATIONS

SEC. 1543. The Secretary of Agriculture is authorized to assist, through the use of Soil Conservation Service personnel, vehicles, communication equipment, and other equipment or materials available to the Secretary, in local search and rescue operations when requested by responsible local public authorities. Such assistance may be provided in emergencies caused by tornadoes, fires, floods, snowstorms, earthquakes, and similar disasters.

RECLAMATION

SEC. 1544. Section 406(d) of the Surfacing Mining Control and Reclamation Act of 1977 (30 U.S.C. 1236(d)) is amended by adding at the end thereof the following new sentence: "The Secretary of Agriculture may carry out, without regard to the acreage limitations set forth in this section, experimental reclamation treatment projects on all lands within a hydrologic unit if the Secretary determines that treatment of such lands as a hydrologic unit will achieve greater reduction in the adverse effects of past surface mining practices than would be achieved if reclamation was done on individual parcels of land."

TITLE XVI—EFFECTIVE DATE

SEC. 1601. Except as otherwise provided herein, the provisions of this Act shall become effective October 1, 1981.

Mr. BAKER. Mr. President, I intend to yield the floor in a moment to the distinguished chairman of the committee and other Members. I observe that the Senator from Minnesota is in the Chamber, as well as the Senator from Kentucky and others.

I repeat what I said in morning business: I genuinely hope that this very controversial and complex matter can be dis-

posed of this day and the full day we will devote to it tomorrow. In order to do that, it appears to me to be necessary to explore actively the possibility of a limitation of time for the consideration of amendments to this bill and the possibility of a time certain for final passage. I do not put such a request at this time. However, once again, I urge all Members to consider that possibility in the course of their deliberations today and in meetings that are almost certain to occur during the course of this day on the floor and in other places.

I yield the floor.

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

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

Mr. HELMS. Mr. President, I was about to say that I am pleased that the Senate today is beginning consideration of the Agriculture and Food Act of 1981, S. 884. That may be somewhat of an overstatement considering some of the ramifications and complications of this piece of legislation. But at the very minimum I am willing that the Senate begin its consideration.

This legislation provides a framework of support for a broad range of farm commodities. It deals with both domestic programs and international efforts such as market development and food for peace.

Beyond that, it strengthens our systems for agricultural research and resource conservation, which are, of course, issues of utmost concern to our long-term productivity. By enhancing productivity and encouraging orderly marketing through loans and farmer-owned reserves, this bill, S. 884, is designed to provide benefits for the consumer as well as the producer.

All these issues are addressed in a cost-conscious manner, in a way that is worthy of support by the farmer, the consumer, and the taxpayer, which is not to say that everyone is tickled pink with this piece of legislation. I am not myself. But under the exigencies of the situation we have tried to accommodate as many interests as possible, bearing in mind the budgetary restraints that we all feel.

The new farm bill will replace the current farm and food statutes which expire this year. I believe this new legislation builds on and certainly improves current law.

It retains the basic framework of recent farm legislation, which has many desirable features. In some cases, it makes even further advancements toward a market-oriented agricultural policy.

This Senator believes strongly in an agricultural policy which is oriented to the marketplace, and this legislation measures well on that scale. For the record, let me identify some highlights of

the market-oriented provisions of this bill.

For the first time, the loan rate for soybeans will be calculated on the basis of recent soybean market prices. U.S. soybean exports make up more than 80 percent of the world's soybean trade. It is therefore, particularly appropriate to use this method to calculate government support levels for soybeans because they are so market sensitive in the world economy.

Disaster payments are being phased out, to be replaced by the Federal crop insurance program already authorized by Congress. The new Federal crop insurance program is a more businesslike, cost-effective means of providing protection from natural disasters than is the disaster payments program.

Loan rates will be set at levels which will not interfere with the market. This means that the Government will not acquire burdensome stocks of grain. Moreover, it means that producers will make their decisions on the type and amount of various crops to plant according to the marketplace, not the Government, which is the way it should be.

The normal crop acreage and cross-compliance regulations of recent years will be eliminated. Such restrictions were a particular hardship for producers in the South last year who tried to adjust cropping patterns after the devastating drought. The committee made the judgment that such Government regulations reduced farmer's flexibility and therefore, were unnecessary.

The call price on the farmer-owned reserve will be eliminated, as was suggested by the distinguished Secretary of Agriculture, Mr. Block. The call price is the level at which the Government loan must be repaid, which usually means that farmers are forced to sell the grain. When grain is called, the surge of grain onto the market places a tremendous burden on many marketing and transportation institutions, and market prices may be unduly depressed. Our proposal will avoid that dislocation and allow sales decisions to be made by farmers, not by Government mandate. The committee provided that the Secretary could require loans to be repaid before maturity only in emergencies, after notification properly made to Congress. The Secretary would retain authority to adjust interest rates in order to encourage orderly marketing.

Finally, a revolving fund for agricultural export credits will be authorized, which this Senator hopes will be funded as soon as possible. Operation of such a fund should encourage world demand for U.S. agricultural products by providing financing for purchases in a reliable, consistent, and self supporting fashion. This provision was one endorsed repeatedly by witnesses at our hearings on the farm bill conducted earlier this year.

(Mr. LUGAR assumed the chair.)

Mr. HELMS. The point is that these provisions are examples of a move toward market orientation in the Agriculture and Food Act of 1981. Many other portions of current law which are already proven effective were retained in that regard.

Needless to say, Mr. President, all of

this was developed under the most demanding time and budgetary restraints. Indeed, I believe I am correct that this is the first farm bill in history that has been drafted with budget restraint at all.

Certainly, the budget resolution agreed to by Congress imposed disciplines on any Federal expenditures.

Mr. President, our hearings on this legislation began, as I recall, on March 2, early in March. I believe it to have been March 2, and I recall telling my colleagues on the committee that this task would demand our very best efforts. The committee members responded admirably, and I am grateful to them for their cooperation and for their work.

The committee conducted 24 days of hearings on our farm and food programs combined. Several weeks of comprehensive hearings were held in Washington, in addition to field hearings in many States. We heard from farmers, consumer organizations, farm organizations, agribusiness representatives, Senators, agricultural researchers, Governors, private industry, the Secretary of Agriculture, and many others.

Following these comprehensive hearings, the committee conducted almost 3 weeks of markup sessions to perfect the legislation, if it can be called that.

At one point, the committee tentatively approved provisions which were found in the aggregate to be significantly above our budgetary limits. With considerable efforts, the committee refashioned the farm bill so that it met the test of the first concurrent budget resolution.

As the Senate begins consideration of this measure I think it is important to bear in mind the severe challenges facing family farmers in today's economy. America's farmers have been hit hard by drought, inflated production costs, and high interest rates. They are now recovering from a year in which net farm income fell nearly 40 percent from the year before. In fact, detailed farm income estimates for last year were recently completed by the U.S. Department of Agriculture, and these estimates show the net farm income for 1980 was \$19.9 billion, 39 percent below 1979's \$32.7 billion, in constant dollars.

Now, if you look at it in terms of constant 1972 dollars this was a decline in 1 year of about 45 percent. So while I know that many Senators are anxious to have at this bill, and I am aware of the number of amendments which are now reposing at the desk, I would caution those Senators, and I would caution the public to take note of an obvious fact of life: Who else in our economy besides the American farmers were asked to take a 45-percent cut in pay last year?

Double-digit inflation, higher interest rates, and increasing energy costs pushed total farm production expenses up 10 percent in 1980 to \$130.7 billion.

In 1980, short-term interest increased 29 percent; fuel costs were up to 29 percent; fertilizer 27 percent; and real estate interest up 19 percent.

Meanwhile, there was no way the American farmer could pass along his

increase in the cost of production. The price of farm products has not kept pace due to the grain embargo and other factors. Farm debt has attained record levels. Production expenses are expected to climb at a rate of 9 to 11 percent this year.

Mr. President, I do not hesitate to defend the American farmer in terms of his dedication to getting this country straight again. Obviously, the American farmer has a prime interest in controlling inflation, and this means restraint in spending by this Government for all programs across the board. In such a setting it is essential that Congress enact legislation with minimum cost to the taxpayer. Overspending for farm programs as for other programs will simply further and contribute to the inflation which is now plaguing America's farmers.

This committee has constantly worked to develop legislation which is in fact cost effective, which will in fact provide for a reasonable farm program without unreasonable Government costs.

A number of controversial concepts and topics were considered by the committee and, of course, it is important for Senators to understand the reasoning which the committee used in each case. These included dairy, target prices, and sugar.

Let us look at title I, which is the dairy program. Notwithstanding all of the arguments and the enormous arithmetic of the cost of the dairy program and other programs, I do, nonetheless, remind Senators that there is no type of agricultural production in America quite so demanding as that of the dairy farmer. Nature demands that cows must be milked morning and night, every day, 365 days of the year, with no holiday. Even a change in the time of day the cows are milked throws off their natural routine and that has its effect on production and profitability.

I do not think anybody wants to contend that the dairy farmer is not a hard worker. Such essential, continuous labor is important if the consumers of America are to have a continuous flow of highly nutritional milk, butter, and cheese. So the question that the committee confronted, and I know Senator HUBLESTON will agree—neither his State nor mine is a major dairy State. The question is, how are we going to approach the profitability of the dairy farmer given the circumstances of the last 20 or 30 years and the farm programs during that period? How are we going to assure the American consumers that they will have an adequate supply of milk?

For 40 years, Congress has been setting a level of support through a complex marketing system. I recall nearly 9 years ago I took my seat for the first time as a member of the Agriculture Committee. I had no idea how much I did not know about farm programs. About the only consolation that I received that year was the realization that maybe some other Senators did not understand them, either. As a matter of fact, I remember the distinguished chairman of the committee, Mr. Talmadge, turning to one

side one morning and saying, "What the heck is parity, anyhow?"

I do not claim to be an expert as to the details of all of these programs. All I know is that we must guard against overt action that will continue the process of sending the American farmer down the tube. I would like to take a position of offering amendments here and amendments there that will sound good back home. But the truth of the matter is that we had better approach this highly delicate balance, to the extent it is balanced, in terms of the American farmers, and we had better do it carefully. We have to take this step this year and proceed from there.

I could promise any Senator that he or she is going to have full cooperation from me if, and when, we can find a better way and a quicker way to move toward market orientation of our agricultural sector.

The committee made the judgment—and Mr. President, there was much debate, and there is still debate going on right now—that the level of compensation in the expiring farm bill was too high, considering the cost to the Treasury and the farmers' ability to produce even more than current consumer demands.

This has led to the Government spending enormous amounts and acquiring tremendous stocks of surplus dairy products which are bought and stored at the taxpayer's expense.

But regardless of what anyone may contend, the Committee on Agriculture, Nutrition and Forestry set about the business of doing its best to preserve the dairy farmer—and you can read that "preserving a lot of dairy farmers who may go down the tube otherwise"—by bringing it into balance.

The odd thing is that I see criticism both ways. I see where the committee has done practically nothing, which is not so. Then I see another newspaper describing the action with respect to the dairy program as "the sharpest cut in dairy price supports in more than 30 years."

I guess that means that the committee did about as good a job as any committee of mortals could do in a complex, complicated situation.

I say again that I do not like everything in this farm bill. If I had my way, I would change this or I would change that. But the fact is that we have fine tuned a reasonable compromise that has been designed to reduce Federal spending, which we are doing, and which will prevent the agriculture sector slipping over into chaos.

Speaking of the dairy sector, while the committee bill retains the basic price supports for milk at 75 percent to 90 percent of parity, the bill also provides that the price support level may be set at not less than 70 percent of parity if the Secretary estimates that the net cost of Government price support purchases of milk or milk products will exceed \$500 million or net Government price support purchases will exceed 3.52 billion pounds of milk equivalent during any fiscal year.

Say what you will, but if you ask the dairy farmer, who has been living with this program all these years and count-

ing on it, he will tell you that it is stiff medicine, and I am not sure that I would win any popularity award with the dairy interests.

However, the point I am making—and I want to emphasize it as genuinely as I can—is that the committee has made a forthright, honest effort to meet the various demands upon it, bearing in mind that our No. 1 goal is to keep the farmer in business and, No. 2, to move the agriculture sector toward market orientation.

We have done that, Mr. President. We have done it because I believe the actions we have taken have been the kind of actions that, in the long run, will be in the best interests of the farmer, the consumer, and the taxpayer.

Target prices—another hotly contested topic in the committee. I wish all Senators could have heard the debate, sometimes arguments. You could listen to one Senator and you could listen to another, and you could come up with the opinion that the target price system is great or it is lousy, that it has advantages or it has disadvantages. But the point is that after lengthy deliberation, the committee, in the vast majority, determined that the target price system was preferable to other alternatives. Target prices were included in the programs for feed grains, wheat, cotton, and rice.

The system works in this way. A target-price level is determined for various commodities and if actual market prices for the commodity fall below the target prices, the Government will make deficiency payments to participating farmers to cover the difference. Apart from targets, the producer may take out a loan on his commodity which is at a rate or value lower than the target price.

On this point, let me be absolutely clear. I do not favor direct Government payments. Secretary Block does not favor direct Government payments. Most farmers themselves do not like direct Government payments.

And under the moderate target price levels adopted in our bill, direct Government payments will not be made unless market prices fall significantly below what USDA calculates is the cost of producing those commodities.

There is a fair chance—certainly, it is my hope—that market prices will be high enough over the next 4 years that not 1 penny of direct Government deficiency payments will be made. But I cannot tell the Senate that that will be the case or that it will not be the case. I do not have a crystal ball; and, as I look around this Chamber, I do not see any crystal ball. We simply have to do the best we can, cutting the cloth to fit the pattern, bearing in mind that we do not want to push the farmers of this country over the precipice.

We talk about high interest rates. Farmers did not do it. We talk about inflation. The farmers did not do it. It was done to them.

I find it of some interest that some of the objections I have read in the press, some of the objections to this farm bill, have come from people who have en-

couraged the wholesale handout of Government funds to nonproducers.

For 3 or 4 years, I have been standing in this Chamber, day after day, saying, "Let's look at this food stamp program, for example. Let's look at the fraud, the waste." I was hooted down by some of the editorial activists who said, "Oh, there is not much fraud in the food stamp program. That Senator from North Carolina is nuts." Now they are coming around.

I do not know how many Senators saw the television program "20/20" on ABC the other night. The food stamp program wastes almost more money than the farmers get. Food stamps have developed into a second currency. Organized crime is dealing in them. But the folks who have been saying, "Don't touch that food stamp program," or "Don't touch any welfare program" are some of those who are saying that this farm bill is just too expensive.

So I plead guilty to my support of a piece of legislation which I believe is the best we are going to get to prevent chaos in the agricultural sector. We are cutting spending. We are moving the agricultural sector toward market orientation.

Undoubtedly, in the months and years to come we can and we will do better, but we better not jerk the rug, the remainder of the way, out from under the farmer at this time.

While the committee bill retains the basic price support level for milk at 75 to 90 percent of parity, the bill also provides that the price support level may be set at not less than 70 percent of parity if the Secretary estimates that the net cost of Government price support purchases of milk or milk products will exceed \$500,000,000, or net Government price support purchases will exceed 3.52 billion pounds—milk equivalent—during any fiscal year.

This is stiff medicine, but it will send a more correct price signal to dairy producers and will be in the longrun, best interest of the farmer, the consumer, and the taxpayer.

Another hotly contested topic in the committee was that of target prices. Without question, the target price system has its advantages and disadvantages. However, after lengthy deliberation, the committee determined that the target price system was clearly preferred to other alternatives.

Target prices were included in the programs for feed grains, wheat, cotton, and rice.

The system works in this way. A "target price" level is determined for various commodities and if actual market prices for the commodity fall below the target prices, the Government will make deficiency payments to participating farmers to cover the difference. Apart from targets, the producer may take out a loan on his commodity which is at a rate or value lower than the target price.

On this point, let me be absolutely clear. I do not favor direct Government payments. Secretary Block does not favor direct Government payments. Most farmers themselves do not like direct Government payments.

And under the moderate target price levels adopted in our bill, direct Government payments will not be made unless market prices fall significantly below what USDA calculates is the cost of producing those commodities.

In fact, it is my hope that market prices will be high enough over the next 4 years that not 1 penny of direct Government deficiency payments would be made. However, the committee felt that target prices are necessary to provide farmers with a measure of income protection.

Our legislation will provide not only target prices at moderate levels, but also tools for the Secretary of Agriculture to use in order to keep Government payments from being made. These include acreage reductions authority, the farmer-owned reserve, and additional mechanisms to expand agricultural exports.

I have great confidence that Secretary Block and the Reagan administration will operate these programs in such a way to minimize costs to the Treasury. We can all work together, then, to use these tools when necessary so that prices remain adequate and so that direct Government payments will not be made.

The net result is that everyone is motivated to expand exports and strengthen prices, and farmers receive their income from the marketplace, not the Government.

The committee did not arrive at this endorsement of target prices without a great deal of consideration and scrutiny.

In the course of our farm bill hearings, many witnesses were asked about target prices or alternatives. There was active support for target prices, but there was also the statement that we could eliminate target prices in the loan rate was significantly increased. This alternative was considered at length in committee markup and not approved.

If target prices are eliminated, we must ask how much loan rates would have to be increased in order to provide an equivalent amount of protection to the farmer as target prices provide currently.

The answer is that loan rates would have to be considerably higher, and this has implications which must be considered.

If loan rates are too high, there is the possibility that they will interfere in the market. In other words, if the loan is set above actual cash prices, farmers will choose to not repay the loan but rather to forfeit the collateral to the Government. Should this occur, the Government will acquire burdensome stocks of grain.

This occurred in the 1950's and 1960's when the Government was in the grain business in such a big way. Huge surpluses of Government grain were stored in Government bins across the country.

Not only was this costly to the taxpayer, but those huge stocks of grain became a strong depressant, hanging over the market and keeping farm prices low. It took us a long time to work the Government out of the grain business in this way, and there are serious consequences if we go back.

Furthermore, overly high loan rates could make the United States less competitive in the world market. It could allow our competitors in grain marketing around the globe to make excess profits and expand their market share at our expense. Such action could in fact reduce our agricultural exports which we are so committed to expand.

A policy of no target prices and overly high loan rates, then, could be the least market-oriented alternative of all.

Make no mistake—commodity loan rates are a cornerstone of farm programs. Our legislation provides for an increase in loan rates from current levels. Further, the public should note that, as long as loans are at market-clearing levels, these loans are completely recoverable—in fact, they are repaid with interest. Our committee believes that the Government accounting systems should reflect this fact.

But if loan rates are too high relative to the actual market, there are serious consequences for both the consumer and the taxpayer.

With this in mind, the committee adopted loan rates at levels low enough to allow the market to work. But the committee believes that farmers deserve more protection than that. The best way to provide that, as I have already described, is through target prices.

Another area of considerable controversy was the sugar program, title IX. The loan program provided in the bill should provide beneficial stability for both growers and users of sugar.

Sugar is a commodity which has felt the "boom and bust" of market conditions. This extreme volatility and price fluctuation in the so-called "free" world sugar market demonstrates the need for a sugar program.

Some may ask why the committee adopted a sugar program at a time when we are seeking less, not more, Government. It is a valid question, because the marketplace rather than the Government is clearly a more efficient allocator of resources.

The fact of the matter is, however, that there is not a free market in sugar. Most of the world's sugar is traded in tightly controlled Government and private contracts.

Less than a fourth of all sugar produced in the world is freely traded. Yet from this small amount that is traded, the United States must import as much as 30 percent of those free stocks. This leaves the United States particularly vulnerable to price fluctuations.

And yet, in spite of the disruptive effects that dependence on this highly restricted market breeds for producers, processors, and consumers alike, the United States is the only sugar-producing country in the world to be without an effective Government price support program that attempts to provide protection from the extremes of market gyrations.

The committee believes that a mandatory price support program is needed to provide the incentive and assurance for U.S. growers to make the investments to

sustain or increase domestic sugar production.

The committee also is sensitive to the need to control Federal spending. With that in mind, we carefully crafted a system to allow for loan and purchase activity, while keeping Federal costs to essentially nothing.

The committee bill provides that loan activity must occur within a fiscal year. The committee further encourages the Secretary to use the tools at his disposal to guard against Government cost from acquisition of sugar.

According to the Congressional Budget Office, this program will result in zero outlays—not only next year, but every year for the life of the farm bill. Short-term cost to the consumer must be balanced with the benefits of stability to both the producer and the consumer.

Recent sugar market developments show how critical a safety net for growers may be. The recent price trend for sugar has been sharply lower.

USDA has reported the estimated domestic raw sugar spot price for each of the last 12 months. The data shows that the price fell dramatically from over 41 cents per pound in October 1980 to 17 cents in August 1981.

With production costs rapidly inflating, this dramatic drop in prices will further damage sugar producers and the rural economy.

A sugar program, however, will provide a safety net which encourages needed stability in an unstable economy.

After adopting loan programs for wheat, corn, grain sorghum, barley, oats, rye, cotton, rice, peanuts, and soybeans, the committee decided that it was equitable for the sugar industry to have a loan program as well.

We believe that a million dollars of real assistance to the farmer is better than \$10 million of unfulfilled promises. At the same time, the benefits to society which result from these reasonable investments is more than worth the cost.

Mr. President, the committee members have shown tremendous discipline in the preparation of this farm bill, and have fashioned it under the most severe budgetary constraints ever confronted in the writing of any farm bill in this Nation's history.

In July a number of Senators who are members of the committee, as well as many who are not, joined Senator Huddleston and me in circulating a "Dear Colleague" letter discussing that discipline and the need for the entire Senate to appreciate the delicate balance achieved in the writing of the bill.

So that Senators may be reminded of the broad bipartisan recognition given to the Agriculture Committee and the broad support for our bill by our colleagues, I ask unanimous consent that the text of the July 16, 1981 letter be printed herewith, to include a listing of the Senators who signed the letter.

Also, so that Senators may have a better understanding of S. 884 as reported, I ask unanimous consent that a brief explanation of the bill be printed immediately following the letter.

Now, let me say in conclusion that the committee has been obligated by changes

in certain economic and crop production forecasts to carefully review the bill. We have developed a committee compromise package of amendments which I shall discuss in more detail shortly.

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

COMMITTEE ON
AGRICULTURE, NUTRITION, AND FORESTRY,
Washington, D.C., July 16, 1981.

DEAR COLLEAGUE: Every Senator has an agricultural constituency, and there is usually a high degree of interest every four years when the Committee on Agriculture, Nutrition, and Forestry reports an omnibus farm bill.

S. 884, the 1981 farm bill, is no exception. We can assure you that crafting this bill in Committee was not easy. After some 25 lengthy mark-up sessions—more than twice as many as required in 1977—the Committee approved a bill that retains the basic framework of improvements.

Of course, the task of the Committee was made more difficult because 1981 is the first year in which severe budgetary constraints are such a prominent factor in the consideration of all legislation. The farm bill, as reported, makes important savings in the cost of the Nation's farm programs and meets the test of the budget resolution.

Given the budgetary circumstances, we believe that the reported bill embodies the best provisions obtainable, and is, therefore, a prudent measure worthy of your support. It is our hope that the Senate will recognize the careful scrutiny the Committee gave to all aspects of farm legislation.

No doubt, there are features of S. 884 that some Senators would prefer to have been handled differently. But we hope that all Senators will resist the temptation to offer amendments that would undermine the legislation. The adoption of such amendments would endanger the whole concept of omnibus farm legislation and the structure of the Nation's farm commodity programs. It is our earnest hope that no such amendments will be offered.

It is our intention to resist all amendments that would change the basic structure of the bill fashioned in Committee. We urge all Senators to join us in opposing such amendments.

We appreciate your interest and cooperation. Members of the Committee on Agriculture, Nutrition, and Forestry and staff stand ready to offer any assistance to you or your staff in understanding any of the features of S. 884 about which you may have questions.

Sincerely,

Walter D. Huddleston, Thad Cochran,
David Boren, David Pryor, J. Bennett
Johnston, Russell Long, Wendell Ford,
Paula Hawkins, Jesse Helms, Mark
Andrews, Howell Heflin, Edward Zorinsky,
John Warner, Lloyd Bentsen,
John P. East, Spark Matsunaga, Strom
Thurmond, Jeremiah Denton, Daniel
Inouye, Sam Nunn.

AGRICULTURE AND FOOD ACT OF 1981—BRIEF
EXPLANATION OF LEGISLATION

TITLE I—DAIRY

Title I of the bill would—

(1) Establish permanent authority for the inclusion of seasonal base-excess plans and seasonal takeout-payback (Louisville) plans in milk marketing orders (but would not extend the authority for Class I base plans);

(2) Leave current law unchanged which requires that the price of milk be supported at a level between 75 and 90 percent of the parity price for milk, but beginning October 1, 1981, and ending on September 1, 1985, authorize the Secretary of Agriculture to support the price of milk at not less than

70 percent of parity if the Secretary estimates for any fiscal year that net Government price support purchases of milk and dairy products will cost more than \$500 million or exceed 3.52 billion pounds (milk equivalent). Adjustment of the support price of milk upward to 70 percent of parity on April 1 of each year would be required if the support price has fallen below 70 percent of parity;

(3) Require the Secretary, to the maximum extent practicable, to use available authorities to reduce inventories of dairy products held by the Commodity Credit Corporation (CCC) so as to reduce net CCC expenditures under the milk price support program in any fiscal year to the budget outlays for the program established under the Congressional Budget Act of 1974 for that year;

(4) Extend, through December 31, 1985 the provisions requiring the CCC to donate dairy products acquired under the price support programs to veterans hospitals and the military; and

(5) Extend, through September 30, 1985, the authority for the Secretary to make indemnity payments to dairy producers who sustain losses of milk contaminated by pesticides (indemnities also available to milk manufacturers), other chemicals and toxic substances, or nuclear radiation or fall out.

TITLE II—WOOL AND MOHAIR

Title II of the bill would—

(1) Extend, through December 31, 1985, the requirement for a price support program for wool and mohair, but changes the level of support for shorn wool from 85 percent to 75 percent of the price support formula set out in the National Wool Act of 1954 (the support levels for pulled wool and mohair are based on the support price for shorn wool); and

(2) Delete provisions of the National Wool Act limiting total cumulative payments under the wool price support program to an amount equal to 70 percent of the accumulated total wool customs receipts since January 1, 1953.

TITLE III—WHEAT

Title III of the bill would—

(1) Provide for a loan and target price program for the 1982 through 1985 crops of wheat. Loans and purchases would be made available to wheat producers at not less than \$3.50 per bushel. Minimum target prices (per bushel) would be: \$4.20 for the 1982 crop; \$4.40 for the 1983 crop; \$4.60 for the 1984 crop; and \$4.80 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing wheat. Target price payments would be computed as under existing law;

(2) Make prevented planting and reduced yield disaster payments available, for each of the 1982 through 1985 crops of wheat, for producers for whom Federal crop insurance is not available. Disaster payments would be computed as under existing law. The Secretary would also be given discretionary authority to make such disaster payments available to any wheat producer if disaster losses have created an economic emergency that cannot be alleviated by crop insurance and other assistance programs; and

(3) Authorize acreage limitation and paid diversion programs for the 1982 through 1985 crops of wheat, if needed to protect against overproduction. Producers who produce wheat in excess of that permitted under an acreage reduction program would not be eligible for program loans, purchases, and payments; and participation in the paid diversion could be required as a condition of eligibility for such loans, purchases, and payments.

TITLE IV—FEED GRAINS

Title IV of the bill would—

(1) Provide for a loan and target price pro-

gram for the 1982 through 1985 crops of feed grains. Loans and purchases would be made available to producers of corn at not less than \$2.60 per bushel. Loans and purchases for barley, oats, rye, and grain sorghum would be made at levels that are fair and reasonable in relation to the level of loans and purchases for corn. Target price payments would be made available for corn, grain sorghums, oats, and (if designated by the Secretary) barley. Minimum target prices for corn (per bushel) would be: \$2.80 for the 1982 crop; \$2.95 for the 1983 crop; \$3.10 for the 1984 crop; and \$3.25 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing corn. The target prices for the other feed grains would be set at levels that are fair and equitable in relation to the target price for corn. Target price payments would be computed as under existing law;

(2) Make prevented planting and reduced yield disaster payments available for each of the 1982 through 1985 crops of feed grains in the same manner as for wheat; and

(3) Authorize acreage limitation and paid diversion programs for the 1982 through 1985 crops of feed grains in the same manner as for wheat.

TITLE V—UPLAND COTTON

Title V of the bill would—

(1) Provide for a loan and target price program for the 1982 through 1985 crops of upland cotton. Loans would be made available at the lower of (1) 85 percent of the acreage U.S. spot market price for upland cotton during the preceding 5 years or (2) 90 percent of the average Northern Europe price for upland cotton, as determined under formula set out in the bill; however, in no case could the loan level be less than 55 cents per pound. The loan level must be announced by November 1 of each year and could not thereafter be changed. Loans may be extended beyond the normal 10-month term, at the producer's request, for an additional 8 months unless the average price of upland cotton for the preceding month exceeded 130 percent of the average price for the preceding 3 years, in which event a special import quota would be proclaimed;

(2) Target price payments would be available. Minimum target prices (per pound) would be: \$0.71 for the 1982 crop; \$0.76 for the 1983 crop; \$0.85 for the 1984 crop; and \$0.93 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing cotton. Target price payments would be computed as under existing law.

(3) Make prevented planting and reduced yield disaster payments available for each of the 1982 through 1985 crops of upland cotton in the same manner as for wheat;

(4) Authorize acreage limitation and paid diversion programs for the 1982 through 1985 crops of upland cotton in the same manner as for wheat;

(5) Require the Secretary to make available to producers of the 1982 through 1985 crops of upland cotton loans on seed cotton, using the authorities under the CCC Charter Act; and

(6) Require the Secretary to establish premiums and discounts under the loan program giving equal weight to loan differences for the preceding crop and market differences in the designated spot markets.

TITLE VI—RICE

Title VI of the bill would—

(1) Repeal the provisions authorizing acreage allotment and marketing quota programs for rice;

(2) Provide for a loan and target price program for the 1982 through 1985 crops of rice. The minimum target prices (per hundred-weight) would be: \$11.23 for the 1982 crop; \$12.14 for the 1983 crop; \$12.70 for the

1984 crop; and \$13.50 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing rice. Target price payments would be computed as under existing law. Loans and purchases would be made available for each crop of rice at a level that bears the same ratio to the previous year's loan level as the target price bears to the previous year's price, except that, if the Secretary determines that any such loan level will substantially discourage the exportation of rice and result in excess stocks of rice, the Secretary may set the loan rate at a lower level (but not less than \$8 per hundred-weight) to avoid excessive stocks;

(3) Make prevented planting and reduced yield disaster payments available for each of the 1982 through 1985 crops of rice in the same manner as for wheat; and

(4) Authorize acreage limitation and paid diversion programs for the 1982 through 1985 crops of rice in the same manner as for wheat.

TITLE VII—PEANUTS

Title VII of the bill would—

(1) Establish, for each of the 1982 through 1985 crops of peanuts, a minimum national acreage allotment of 1,614,000 acres, and a minimum national poundage quota of 1,300,000 tons (which include a minimum State acreage allotment of 9,787 acres for New Mexico. Acreage allotments may be sold, leased, or transferred only within a county, except that, in States in which the total acreage allotment is 11,000 acres or less, transfers may be made anywhere within the State. Farm poundage quotas would be determined as under current law, except that more than one year's undermarketings (excluding those prior to the 1980 crop) may be carried forward so long as the producer plants at least 50 percent of the allotment;

(2) Retain the peanut program's two-tier system of "quota" peanuts (production within a farm's poundage quota) and "additional" peanuts (production within the allotment in excess of the poundage quota);

(3) Provide that the penalty for marketing peanuts in excess of a farm's poundage quota would be 120 percent of the support price quota peanuts (although additional peanuts may be placed under loan and not redeemed, or marketed under contracts with handlers for crushing or export, without being subject to penalties). State and county committees would be given authority to waive penalties for unintentional violations. Also, area marketing associations would have authority to sell, at prices equal to or greater than the minimum CCC sales, prices, additional peanuts under loan;

(4) Establish, for each of the 1982 through 1985 crops, a minimum price support level for quota peanuts of \$631 per ton. The price support level for additional peanuts would be set by the Secretary, taking into consideration demand and prices for edible oil and meal and demand for peanuts abroad. However, the additional peanut loan must be set at a level estimated to result in no program losses to the CCC; and

(5) Require the Secretary to make warehouse storage loans available to designated area marketing associations (except cooperatives engaged in activities with respect to peanuts other than handling CCC price support operations), and to use the associations in administrative and supervisory activities relating to price support and marketing.

TITLE VIII—SOYBEANS

Title VIII of the bill would—

(1) Establish a price support loan and purchase program for soybeans marketed in each of the 1982 through 1985 marketing years. Loans and purchases would be made available on soybeans at a level equal to 75 percent of the average Chicago cash price for

No. 1 yellow soybeans for the 5 marketing years immediately preceding the then current marketing year (excluding the high and low valued years), except that in no event could the support price be less than \$5.02 per bushel; and

(2) Provide that the Secretary may not require participation in any production adjustment program as a condition of eligibility for soybean price support under the bill; that 1982 through 1985 crop soybeans would not be eligible for any storage reserve program; and that the Secretary may not make payments to producers to cover the cost of storing 1982 through 1985 crop soybeans.

TITLE IX—SUGAR

Title IX of the bill would—

(1) Establish a price support program for the 1982 through 1985 crops of sugar beets and sugar cane;

(2) During the period beginning with the effective date of the bill and ending March 31, 1982, require the Secretary to support the price of domestically grown sugar beets and sugar cane (through purchase of processed sugar or other operations), at a level to approximate a raw sugar price of 19.6 cents per pound;

(3) Beginning October 1, 1982, require the Secretary to support the price of domestically grown sugar crops for each of the 1982 through 1985 crops through nonrecourse loans to producers, as follows:

(i) for sugar cane, at not less than 19.6 cents per pound of raw cane sugar; and

(ii) for sugar beets, at a level that is fair and reasonable in relation to the support level for raw cane sugar.

Loans could not be made available before the beginning of the fiscal year and would have to mature before the end of that fiscal year.

TITLE X—GRAIN RESERVES

Title X of the bill would make a number of revisions in the farmer-held reserve program for wheat and feed grains, including the following:

(1) The establishment of a wheat reserve program would be made discretionary with the Secretary (under existing law, the Secretary is required to establish a wheat reserve);

(2) Reserve price support loans could be set at levels higher than the regular support level. The specific levels would be left to the discretion of the Secretary;

(3) The requirement that the Secretary waive interest charges on loans made on the 1980 and 1981 crops of wheat and feed grains will be deleted;

(4) Storage payments could be made at levels designed to induce participation in the program, rather than (as under existing law) at levels sufficient to cover storage costs;

(5) Interest rates on reserve loans could be increased as appropriate to encourage the orderly marketing of grain when the "release" level is reached;

(6) The provision in current law establishing "call" levels would be deleted; although the Secretary could require repayment of reserve loans prior to maturity if emergency conditions exist;

(7) The requirements of current law that the wheat reserve be no smaller than 300 million bushels, nor larger than 700 million bushels, would be deleted; the Secretary would be authorized to place upper limits on the size of the reserves, but any such upper limit could not be less than 700 million bushels for wheat and 1 billion bushels for feed grains; and

(8) The minimum price at which CCC could sell its stocks of wheat and feed grains when a reserve is in effect would be changed from 105 percent of the current call level to 105 percent of the estimated current cost of production (including return for management and land values).

Title X of the bill would also repeal the provisions in existing law authorizing the establishment of a disaster reserve of wheat, feed grains, and soybeans, and make the CCC farm storage facility loan program permissive rather than mandatory.

TITLE XI—MISCELLANEOUS

Subtitle A—Provisions applicable to more than one commodity

Subtitle A of title XI extends to the 1982 through the 1985 crops the limitations in current law on the total payments that a farmer may receive annually under the wheat, feed grains, upland cotton, and rice programs. The annual limitations are: \$50,000 for payments under the program except disaster payments; and \$100,000 for disaster payments. Loan and purchase proceeds and compensations for resource adjustment (excluding land diversion payments) are not considered payments for the purpose of these limitations.

Subtitle B—Other miscellaneous provisions

Subtitle B of title XI of the bill would—

(1) Extend the special wheat grazing and hay program to the 1982 through 1985 crops;

(2) Extend to poultry producers eligibility for assistance under the emergency livestock feed program established under the Food and Agriculture Act of 1977.

(3) Direct the Secretary to appoint a special task force to study the concept of farm income protection insurance and the feasibility of such insurance as an alternative to current price support, income maintenance, and disaster assistance programs of the Department of Agriculture, and report to the agriculture committees of Congress (within 18 months) on the results of their study;

(4) Authorize the Administrator of the Federal Grain Inspection Service to delegate his authority to perform official grain inspection and weighing at export port locations to any State agency that—

(i) performed official inspection at an export port location prior to July 1, 1978; and

(ii) is designated to perform official inspection at locations other than export port locations on the date of enactment of the bill;

(5) Substantially revise title XVIII of the Food and Agriculture Act of 1977 relating to advisory committees established within the Department of Agriculture to eliminate requirements under title XVIII that are duplicative of the provisions of the Federal Advisory Committee Act;

(6) Increase—from \$300 million to \$600 million—the limit on the total amount of Class A stock of the Rural Telephone Bank that may be issued to the Government; and extend to September 30, 1991, the authority for the Government to purchase such stock; and extend to September 30, 1995, the date after which Government stock in the Bank must be retired as soon as practicable; and

(7) Encourage the Secretary to continue to consult with representatives of other major grain exporting nations on establishing more orderly marketing of grain and achieving higher farm income for grain producers.

TITLE XII—AGRICULTURAL EXPORTS

Title XII of the bill would—

(1) Establish an agricultural export credit revolving fund in the Treasury for use by the CCC to finance short-term commercial export sales of agricultural commodities, export sales of breeding animals, and the establishment of handling facilities for agricultural commodities in importing countries for market development purposes. The term of the revolving fund would expire October 1, 1985;

(2) Require the President to notify (at least 30 days in advance), and consult with, the agriculture committees of Congress on proposed bilateral agreements, other than treaties, involving commitments on the part

of the United States to assure access by another country to U.S. agricultural commodities and products on a commercial basis;

(3) Direct the Secretary to formulate a special standby export subsidy program for agricultural commodities designed to neutralize export subsidy programs of other countries. The program would be implemented only if the President determines that the export subsidy program of another country is adversely affecting the export marketing of the U.S. agricultural commodities; a mutually acceptable resolution of the matter cannot be obtained through consultations; and the special export subsidy program is authorized under dispute settlement procedures in international agreements, if any. However, the special export subsidy program could not be used to promote export sales of U.S. cotton; and

(4) Require the Secretary to make payments or loans available to farmers in compensation for any national security or foreign policy embargo of the export of agricultural commodities to another country that is implemented after the bill is enacted, if—

(i) the embargo is not a complete embargo of all exports to the other country; and

(ii) the other country imported more than 3 percent of the total exports of the agricultural commodity involved during the preceding year.

The Secretary would have to make available to producers of agricultural commodities, for which price support is authorized, payments for the difference between 100 percent of parity for the commodity involved and the market price for the commodity during the 60-day period following the imposition of the embargo. Payments would be made available as long as the embargo is in effect, for production affected by the embargo. As an alternative to payments, the Secretary could make available to producers, for the period that the embargo is imposed, loans on the commodities involved in the embargo (if a loan program is in effect for the commodity) at 100 percent of parity. The Secretary would also have the authority to implement a program that combines payments and loans.

TITLE XIII—PUBLIC LAW 480

Title XIII of the bill would—

(1) Extend—through December 31, 1985—the authority for the President to (i) make agreements to finance sales of agricultural commodities under title I of Public Law 480, and (2) provide agricultural commodities for programs of assistance in other countries under title II of Public Law 480;

(2) Delete the limit of \$1.9 billion on annual appropriations to support the title I programs, and increase—from \$750 million to \$1 billion—the limit on annual appropriations to support the title II food assistance program;

(3) Increase—from \$5 million to \$10 million—the annual limit on the use of foreign currencies generated under title I to meet emergency nonfood relief requirements;

(4) Add provisions to title I of Public Law 480 to strengthen the self-help measures that countries receiving title I financing must agree to undertake to increase agricultural production (including efforts to reduce illiteracy among, and improve the health of, the rural poor) so as to benefit needy people in such countries;

(5) Provide authority for the domestic distilled spirits industry to participate in foreign market development under Public Law 480 on the same basis as the beer and wine industry.

TITLE XIV—RESEARCH, EXTENSION, AND TEACHING IN THE FOOD AND AGRICULTURE SCIENCES

Title XIV makes a number of amendments to the National Agricultural Research, Ex-

ension, and Teaching Policy Act of 1977 and related statutes. These amendments would—

(1) Revise the findings contained in the 1977 Act to emphasize the importance of the Federal-State partnership in the conduct of agricultural research, extension, and teaching; a strong, basic research program; and long-range planning to meet national agricultural research, extension, and teaching objectives;

(2) Extend the term of the Joint Council on Food and Agricultural Sciences to December 31, 1986, and set the membership of the Joint Council at not fewer than 25 members. At least one-half of the membership would be representatives of land-grant colleges and universities, and two of the members would be representatives of other colleges and universities. The primary responsibility of the Joint Council would be to bring about more effective agricultural research, extension, and teaching by improving the planning and coordination of such activities and by relating Federal budget development and program management to such activities;

(3) Extend the term of the National Agricultural Research and Extension Users Advisory Board to December 31, 1986, and increase the number of members from 21 to 25, including 8 members who are producers;

(4) Authorize an additional Assistant Secretary of Agriculture to manage research, extension, and teaching activities in the Department of Agriculture;

(5) Make forestry schools receiving funds under the McIntire-Stennis Act and accredited colleges of veterinary medicine eligible for special grants under Public Law 89-106, and amend the research facility grant program under Public Law 89-106 to limit eligibility for grants to projects (i) to renovate or refurbish research facilities or acquire equipment, or (ii) for new construction of auxiliary facilities or fixed equipment used in research; and make forestry schools and 1890 land-grant colleges eligible for the grants;

(6) Direct the Secretary to promote and develop higher education in the food and agricultural sciences by formulating and administering higher education programs; and transfer to the Secretary all the functions and offices of the Secretary of Education and Department of Education under the Second Morrill Act (relating to 1890 land-grant colleges);

(7) Provide that, beginning with fiscal year 1982, any funds appropriated for the expanded food and nutrition education program in excess of amounts appropriated in fiscal year 1981 will be allocated as follows—

(i) four percent to the Secretary for administration,

(ii) the remainder allocated as follows: (a) ten percent to be distributed equally among the States; and

(b) the remainder to be distributed under the formula provided in existing law which takes into consideration the proportion of the population in a State below 125 percent of the poverty level.

Also, the Secretary could retain up to 2 percent of appropriations up to the amount appropriated for the program in fiscal year 1981 for the conduct of the program in States that did not participate in fiscal year 1981;

(8) Effective beginning in fiscal year 1982, increase the amount to be appropriated annually to support extension work at the 1890 land-grant colleges from 4 percent to 5½ percent of the amount annually appropriated for extension work under the Smith-Lever Act;

(9) Extend authorizations for appropriations for various agricultural research and extension programs for each of the 1983 through 1987 fiscal years with specific authorization amounts. Generally, not less than 25 percent of all funds appropriated for agri-

cultural research must be appropriated for agricultural research at State agricultural experiment stations;

(10) Authorize the Secretary to make grants to land-grant institutions, State agricultural experiment stations, and other qualified institutions to carry out research to improve the production and quality of rangeland forage for livestock and wildlife. The grant program would be operated on a matching fund basis, with States required to supply 50 percent of the funding for the research. Up to \$10 million would be authorized to be appropriated annually for the program;

(11) Amend section 32 of the Act of August 24, 1935, which appropriates to the Secretary in each fiscal year an amount equal to 30 percent of customs receipts during the preceding calendar year for operations to encourage exports and domestic consumption of agricultural commodities and reestablish farmers' purchasing power, to permit the Secretary also to use section 32 funds to support agricultural research, extension, and teaching; and

(12) Revise and extend the rural development and small farm research and extension programs under title V of the Rural Development Act of 1972.

TITLE XV—RESOURCE CONSERVATION

Title XV establishes new programs for Special Areas Conservation, Resource Conservation and Development, and Agricultural Land Protection, and authorizes the Secretary to establish a program for Reservoir Sedimentation Reduction. This title also provides new authority to the Soil Conservation Service to use volunteers and to participate in local search and rescue operations and makes certain other amendments to current law.

Subtitle A would reaffirm congressional policy to promote conservation of soil and water, improvement of water quality, and preservation of natural resources, and require the Secretary to submit a report to Congress by December 31, 1981, setting forth a comprehensive soil and water conservation policy.

Subtitle B would require the Secretary to establish a Special Areas Conservation Program directed toward identifying and correcting severe and chronic erosion-related or water management-related problems. The program is designed to provide technical and financial assistance on a cost-sharing basis to landowners and operators to aid in carrying out conservation measures set forth in approved conservation plans in designated special areas. Financial assistance is to be provided through contracts, of not more than 10 years duration, with landowners and operators. Participation in the program would not disqualify anyone from receiving benefits under other USDA programs.

Subtitle C would authorize Indian tribes and tribal organizations to sponsor small watershed projects; exempt watershed projects that cost the Federal Government less than \$5 million (now \$1 million) from congressional approval requirements; and provide for energy conservation as an element in small watershed projects. This subtitle also would amend the Bankhead-Jones Farm Tenant Act to allow the development of energy resources in connection with land conservation and utilization projects eligible for cost sharing.

Subtitle D would authorize the Secretary to establish a 5-year pilot program for reducing excessive sedimentation in up to five publicly-owned reservoirs through the implementation of conservation measures in the applicable watershed drainage areas in accordance with plans approved by Congress.

Subtitle E would authorize the Secretary to use volunteers in connection with conservation work.

Subtitle F would require the Secretary to establish a Resource Conservation and Development program designed to provide technical and financial assistance to State and local governments and nonprofit organizations for developing and implementing plans of land conservation and water management in not more than 225 active designated rural areas.

Subtitle G would authorize the Secretary to coordinate the efforts of Federal agencies for purposes of protecting agricultural lands from adverse effects resulting from Federal actions. Each Federal agency is directed to consider appropriate alternatives before taking any action that would result in the conversion of agricultural land to nonagricultural purposes, except in the case of actions related to national defense agencies.

Subtitle H would authorize the Secretary to use, on request, Soil Conservation Service resources to assist in local search and rescue operations in emergency situations resulting from natural disasters. This subtitle also would authorize the Secretary to implement experimental reclamation treatment projects on unreclaimed mined lands in hydrologic units, rather than individual land parcels, without regard to acreage limitations.

Mr. HELMS. Mr. President, I yield to my distinguished colleague from Kentucky, the ranking Democrat on the Agriculture Committee, with whom it is such a pleasure to work, and who always offers the highest spirit of cooperation and who has a unique talent for developing legislation.

I will yield to him so that he may make his opening statement, and with gratitude for the fine work he has done.

The PRESIDING OFFICER (Mr. KASTEN). The Senator from Kentucky.

Mr. HUDDLESTON. I thank the distinguished chairman of the committee. Let me say I do not know of any Member of this body who has attacked a more difficult problem with greater diligence and dedication than the chairman of the Agriculture Committee in trying to develop this particular legislation.

The chairman has already described, and I concur with his description, the unique situation we operated under this year in trying to develop a farm bill which would meet the specific needs of our agricultural community and, at the same time, stay within budget limitations that were imposed upon the committee by budget resolutions and the reconciliation process.

I think the bill that has been produced, with the amendment that will be offered that takes into account the most recent reevaluations of the economic situation in this country, is a product that can be endorsed and accepted by Congress and is about the very best possible approach to some of the very difficult problems that we are faced with, not only within the agricultural sector, of course, but throughout the entire economic community of our Nation.

Mr. President, S. 884, the Agriculture and Food Act of 1981, will extend and update a number of the important farm commodity programs; extend the food-for-peace programs under Public Law 480; provide authorizations for agricultural research, extension, and teaching programs; and establish programs and policies to facilitate soil and water resource conservation efforts.

Due to budget restraints, the programs and authorities provided under the bill will not provide all of what I believe could be done to insure the continued stability and soundness of our agricultural economy. Nonetheless, the bill is of vital importance to our Nation's farmers; and I urge the Senate to approve it.

BUDGET AMENDMENT

Mr. President, I will join the distinguished chairman of the Committee on Agriculture, Nutrition, and Forestry, Senator HELMS, and other members of the committee in offering an amendment to the bill, as reported by the committee. The amendment will effect reductions in projected expenditures for several of the commodity programs under the bill.

The amendment will not revise substantially the program provisions developed in the committee markup sessions on S. 884. For the most part, it will simply scale down minimum price support and target price levels.

The amendment is designed to respond to the concerns of the administration about the Department of Agriculture's possible budget exposure under the committee reported bill. I believe that the amendment will set the minimum support and target rates under the bill at levels that the administration will find acceptable.

I can assure my colleagues that I will join in offering this amendment with the greatest reluctance, only because it is clear that the President will not sign the bill in its present form.

Although the hard-pressed farmers of this Nation need the stronger minimum support prices and target levels under the committee reported bill; I believe that it is more important to farmers that the loan and target mechanisms needed to stabilize farm prices and protect farm income during the next 4 years be enacted into law. Under the amendment, the Secretary of Agriculture will have the authority to adjust upward commodity loan levels and target prices for the commodities involved as necessary to respond to the needs of U.S. agriculture.

AGRICULTURE AND THE ECONOMY

Mr. President, agriculture is of key importance to the economic well-being of our Nation. Each of us in this country has a stake in the farmer's survival.

Farming and the industries that support it account for about one-fourth of our gross national product. In some areas of our country, almost all economic activity is generated by agriculture.

In my view, agriculture is a national economic resource that Congress must assure is maintained at its full potential.

Clearly, we cannot provide total protection to the agricultural economy. Nor should we in a free market system. But, over the years, Congress has recognized the importance of agriculture to our national economic security and has developed programs to stabilize, and encourage the development of, agriculture.

The price support programs, in particular, have provided farmers with a degree of stability in uncertain markets and protection from prices sliding far below the cost of production.

These efforts have borne fruit. The farm programs have assisted our farmers in providing a plentiful supply of food and fiber at reasonable prices to the consumers of the Nation and the world.

DEVELOPING THE BILL

The current farm bill became law 4 years ago; and many of its provisions will expire this year. We must reevaluate the existing programs and plan ahead for the needs of agriculture in the coming 4 years.

The farm bill hearings conducted by the Committee on Agriculture, Nutrition, and Forestry earlier this year made it clear that our farmers are facing virtually unprecedented demands and problems over which they have no control. Farmers face—among other adversities—record high interest rates, falling farm income, and dramatically higher fuel costs. Present economic conditions threaten the continued vitality of agricultural economy.

Earlier this month, the Economic Research Service of the Department of Agriculture forecast that crop prices later in 1981 and in 1982 will fall below this season's levels and that agricultural exports in 1981 will be less than exports in 1980. Also, they revised downward, by about 10 percent, their previous estimates of net farm income for 1981. Farm income this year may not be any higher than in 1980, which was a disastrous year for farmers.

Also, we are seeing thousands of acres of farmland being lost every year due to soil erosion and encroaching nonagricultural development.

A part of the effort to reduce Government expenditures and balance the Federal budget, Congress has the responsibility of writing a farm bill that keeps Federal outlays to a minimum while responding to the needs of the U.S. agriculture.

I am concerned, nonetheless, about the possible adverse effects that budget restraints may have on our Nation's hard-pressed farmers.

The price and income protection provided by the farm programs are, in the strictest sense, an investment in the continuing ability of the farmers of this Nation to meet the food and fiber needs of consumers at home and abroad. This investment in agriculture is one of the best investments the American people can make. A productive agriculture is essential in our fight against inflation.

Also, I vigorously disagree with efforts to label the commodity programs as expensive. The administration has a variety of marketing tools at its disposal to keep down the costs of the programs and will continue to have those tools under S. 884. In addition, a substantial part of the farm programs are loan programs under which farmers pay interest at or near the cost of money to the Government.

Congress will have the serious responsibility, over the next 4 years, of monitoring closely the administration's implementation of the reduced-budget programs under this farm bill. As ranking Democratic member of the Agriculture Committee, I will make every effort to assure that the programs meet the

objectives of providing stability to, and encouraging the development of, U.S. agriculture.

COMMODITY PROGRAMS

The bill would provide loan and target price programs for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice. Also, the bill will authorize disaster payment programs for these commodities as needed, and acreage limitation and paid diversion programs to protect against overproduction.

I would like to see higher target levels than those that will be provided under S. 884. However, I am pleased that the bill includes some provision for target prices. Target prices have been valuable tools in supporting and stabilizing farm income without causing significant detrimental effects on markets.

Target prices, when coupled with acreage limitations or diversion during periods of temporary surpluses, provide the Secretary of Agriculture with an equitable method of controlling production and preventing price-depressing excess stocks.

Additionally, because the target price mechanism allows the market to operate without interference from the loan level, which sets a floor to the market price, it can have a positive effect on the competitive position of the United States in world markets for these commodities.

The bill will authorize a price support loan program for soybeans marketed in each of the 1982 through 1985 marketing years. Loans will be made available for each crop at a level equal to 75 percent of the average cash price for soybeans over the preceding 5 marketing years, except that in no event could the support price be less than \$5.02 per bushel.

Using this method to establish the loan level will assure the soybean producer that interim financing will be available to meet his needs and that the loan is not pegged at a level that will interfere with market operation or force the Government to acquire burdensome stocks.

The bill will make several changes in the farmer held reserve program for wheat and feed grains. Farmers have made good use of this program since its establishment by the Carter administration under the 1977 farm bill.

Overall, the changes in the reserve program made by the bill improve the program and deserve the support of the Senate.

The bill contains a provision, similar to that in the omnibus farm bill I introduced earlier this year, to authorize the Secretary to make reserve price support loans at a level higher than the regular support level. This will enable the Secretary to attract more grain to the reserve when necessary to encourage participation in the program.

Also, the provision in current law establishing call levels for the reserve would be deleted, although the Secretary could require repayment of reserve loans prior to maturity if emergency conditions exist.

PROVISIONS RELATING TO AGRICULTURAL EXPORTS

The bill will authorize the establishment of an agricultural export credit revolving fund, to be operated by the Commodity Credit Corporation to finance

commercial export sales transactions. The fund would be used to promote the export sales of agricultural commodities and breeding animals, and finance the establishment of facilities in importing countries that improve the ability of such countries to handle agricultural commodities.

The revolving fund will be used only for purposes of market development and where there is substantial potential for developing regular commercial markets for U.S. agricultural commodities.

The export credit revolving fund to promote increased agricultural export sales is an initiative that has been promoted by many agricultural groups in recent years.

While I hope that we could soon begin to establish and use the revolving fund; under current budget limitations, it is very uncertain when that might happen. Nonetheless, we will have established the mechanism under S. 884, and it can serve as an important tool in expanding our export markets when it is funded.

The bill also includes provisions setting ground rules under which the Government may enter into bilateral international agreements, other than treaties, involving U.S. agricultural commodities. Under the bill, prior to entering an agreement, the President would be required to consult with the Senate Committee on Agriculture, Nutrition, and Forestry and the House Committee on Agriculture on the terms of, and reasons for negotiating, the agreement.

These provisions will assure congressional involvement in the development of any new bilateral commodity supply agreements.

The bill includes provisions to discourage the use of subsidies by foreign countries to promote the export sales of their agricultural commodities. Under the bill, the Secretary of Agriculture will be required to formulate a special stand-by export subsidy program for U.S. agricultural commodities and products to be used as needed to neutralize the effects of export subsidies instituted by foreign countries.

I would hope that we will never be forced to use this program; but it will give our trade negotiators an additional tool to assure fair treatment of U.S. agricultural commodities in international markets.

The bill also includes provisions designed to protect producers when the Federal Government imposes a national security or foreign policy embargo on the export of U.S. agricultural commodities. These provisions will give farmers some protection against being singled out to bear the brunt of a partial embargo.

The 1977 farm bill included permanent legislation that provides protection for farmers against short supply embargoes. These provisions of the bill will complement that legislation.

Protection under the bill would be made available if the embargo is not a complete embargo of all exports to the other country involved, and the other country imported more than 3 percent of the total exports of the agricultural commodity involved during the preceding year.

The Secretary would be required to make payments available to producers of agricultural commodities for which price support is authorized. The payments would equal the difference between 100 percent of parity for the commodity involved and the market price for the commodity that prevails during the 60-day period following the imposition of the embargo. Payments would be made available as long as the embargo is in effect, for production affected by the embargo.

As an alternative to payments, the Secretary could make loans available to producers for the period that the embargo is imposed. Loans would be made available on the commodities involved in the embargo, if a loan program is in effect for the commodity, at 100 percent of parity.

The Secretary would also have authority to implement a program that combines payments and loans.

The bill also includes a number of provisions dealing with Public Law 480, which provides authority for the food for peace programs.

The goals of the Public Law 480 programs are to expand international trade, develop and expand export markets for U.S. agricultural commodities, combat hunger and malnutrition, and promote the foreign policy of the United States.

Over \$30 billion in U.S. food commodities have been sold or donated abroad under the programs since they were established in 1954.

The bill would extend the programs for another 4 years, through December 1985. In addition, there are a number of technical amendments that would eliminate references to outdated language relating to repayment in foreign currency.

There are also changes in title I of Public Law 480 that are designed to make certain that the self-help measures that recipient countries must take under the program are more effective, can be monitored, and are in addition to other development programs already being undertaken.

RURAL TELEPHONE BANK

The bill will continue, for another 10 years, the authority for the Federal Government to purchase stock issued by the Rural Telephone Bank. The Government would be authorized to buy \$30 million worth of stock annually during the additional 10-year period.

Money from the Government's stock purchasers, added to funds from non-Federal sources, will enable the Rural Telephone Bank to lend funds at an intermediate rate of interest. This rate is above that provided under the Rural Electrification Administration's low-interest loan program, but below commercial rates.

Unless the Government provides this injection of capital, interest rates for Rural Telephone Bank loans will escalate dramatically. This would greatly increase the demand for Rural Electrification Administration low-interest loans.

The stock purchases are, in effect, like much of the assistance provided to rural communities; they are loans that will be repaid with interest when the Rural Telephone Bank buys back the outstanding shares of stock. This buy back of stock

is required by law; and when 51 percent of the stock is redeemed, the Rural Telephone Bank will become a quasi-independent banking corporation.

RESEARCH, EXTENSION, AND TEACHING

A major part of the bill focuses on supporting and improving food and agricultural research, extension, and teaching.

Federal support of the development of agricultural science and technology is a public investment that has paid huge dividends for this Nation and the world; and the development and dissemination of new agricultural technology are fundamental missions of the Department of Agriculture.

Congress has the responsibility of providing the necessary tools by which the Department and the scientific community can meet the agricultural research, extension, and teaching needs of our Nation.

Congress first addressed the needs of the food and agricultural sciences in a unified manner in title 14 of the 1977 Farm bill.

The bill will not make radical changes in the Federal policies and programs established under title 14. The bill will continue—through fiscal year 1987—funding authorizations for agricultural research, extension, and teaching programs provided under title 14, and will update and fine tune the operation of a number of these programs.

Also the testimony of witnesses from the agricultural research, extension, and teaching community at the farm bill hearings was clear that coordination of agricultural research and education activities could be improved.

The great strength of our decentralized system of agricultural research and education has been that diverse needs can be addressed. Yet, that decentralization can be a weakness if coordination of efforts is lacking.

Also, a better system for communication between the Federal and State research systems, and between the research community and the users of that research, is needed.

To better focus the expenditure of funds and insure greater communication and coordination within the food and agricultural sciences, the bill restructures the Joint Council on Food and Agricultural Sciences; adds four additional producer members to the Users Advisory Board; and extends the terms of the Council and Board. In addition, the responsibilities of these key panels are more carefully defined, to insure the concentration of research and extension efforts in those areas of greatest national needs.

The bill will strengthen the role of the States in the research, extension, and teaching programs. It also will give the Secretary of Agriculture additional authorities to improve higher education in the food and agricultural sciences.

I am pleased that the bill includes the provisions of my bill to strengthen the rural development and small farm research and extension programs.

RESOURCE CONSERVATION

The bill contains a number of provisions that address the serious stresses placed on our agricultural land and water resources by

the growing demands for agricultural commodities and biomass energy, and by conversion of farmland to nonagricultural uses.

During the 1970's, millions of acres of land were brought into production to meet new demands for farm exports. It is anticipated that more farmland will be brought into production as the world demand for food and fiber continues to increase and the use of ethanol for energy expands.

These previously idle parcels of land tend to be highly susceptible to erosion. Of the acreage presently under cultivation, 25 percent already suffers from erosion problems. If not checked, erosion can cause irreversible soil damage.

To address these problems, the bill will create a new program to target conservation resources to areas suffering from severe erosion problems.

In addition, new legislative authority will be provided for the resource conservation and development program. Under the bill, the program will assist local organizations in preparing and implementing local conservation programs.

In addition to the damage caused by erosion, agricultural land is being lost to housing developments, factories and other facilities, and highways at the rate of 3 million acres per year. Studies indicate that the Federal government may be the largest single contributor to the conversion of agricultural land to nonagricultural uses.

Most development on agricultural land is necessary and desirable. However, simple modifications in Federal policies and programs could reduce the conversion of farmland by Federal agencies.

Therefore, the bill includes provisions establishing a farmland protection policy that will require Federal agencies to consider the negative effects of their actions and policies on agricultural land; and to consider alternatives before taking actions that would result in the conversion of agricultural land to nonagricultural uses. The bill will not, however, regulate or affect actions or use of agricultural land by states or private persons.

Our Nation's most valuable natural resource is its abundance of fertile agricultural land. This resource provides the foundation for a strong economy and supplies food and fiber not only for Americans but also persons in many other countries.

The resource conservation provisions in this bill will provide a basis for the improved stewardship of our limited agricultural land.

CONCLUSION

The Federal farm programs must provide some measure of stability and income protection for U.S. farmers. That means that there should be reasonable supports that address sky-rocketing production costs and the uncertainties of nature and the economy that farmers face, without reducing the competitiveness of the U.S. farmer in the world market.

The approach taken by the bill is to continue, within the budget constraints and with appropriate modifications and improvements, the program mechanisms developed in the 1977 farm bill. This approach provides, I believe, maximum assurance that the programs, with proper management by the administration, will achieve their goals over the next 4 years.

Mr. President, the bill—with the amendment I mentioned earlier—will meet the budget requirements; it will provide the Secretary of Agriculture a great deal of flexibility, within specified

policy limits, to respond appropriately to changes in the needs of the farm economy; it retains the price support loan and farmer-held reserve programs that farms need; and it contains other provisions that will assure the continued vitality of our agricultural sector. I urge its adoption by the Senate.

Mr. President, I ask unanimous consent to have printed in the RECORD a summary of the major provisions of S. 884, as reported by the Committee on Agriculture, Nutrition, and Forestry.

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

SUMMARY OF THE MAJOR PROVISIONS OF S. 884, AS AMENDED BY THE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

TITLE I—DAIRY

Title I establishes permanent authority for the inclusion of seasonal base—excess plans and seasonal takeout—payback (Louisville) plans in milk marketing orders (but does not extend the authority for Class I base plans).

Title I provides for milk price support as follows: Permanent law, which requires that milk be supported at a level between 75 and 90 percent of the parity price for milk, would again become effective October 1, 1981. However, for each fiscal year in the period beginning on October 1, 1981, and ending on September 30, 1985, whenever the Secretary of Agriculture estimates for any fiscal year that net Government price support purchases of milk and dairy products will (1) cost more than \$500 million or exceed 3.52 billion pounds (milk equivalent), the minimum milk price support level at the beginning of that fiscal year would be 70 percent of parity.

Title I also requires an adjustment of the support price of milk upward to 70 percent of parity on April 1 of each year during the 1982 through 1985 fiscal years if the support price has fallen below 70 percent of parity.

Title I requires the Secretary, to the maximum extent practicable, to use authorities available to him to reduce inventories of dairy products held by the Commodity Credit Corporation (CCC) so as to reduce net CCC expenditures under the milk price support program in any fiscal year to the budget outlays for the program established under the Congressional Budget Act of 1974 for that year.

Title I extends, through December 31, 1985, the provision of law requiring the CCC to donate dairy products acquired under the price support programs to veterans hospitals and the military.

Title I extends, through September 30, 1985, the authority for the Secretary to make indemnity payments to dairy producers who sustain losses of milk contaminated by pesticides (indemnities also available to milk manufacturers), other chemical and toxic substances, or nuclear radiation or fallout.

TITLE II—WOOL AND MOHAIR

Title II extends, through December 31, 1985, the requirement for a price support program for wool and mohair, but changes the level of support for shorn wool from 85 percent to 75 percent of the price support formula set out in the National Wool Act of 1954 (the support levels for pulled wool and mohair are based on the support price for shorn wool).

Title II also deletes provisions of the National Wool Act limiting payments under the wool price support program to an amount equal to 70 percent of wool customs receipts.

TITLE III—WHEAT

Title III provides for a loan and target price program for the 1982 through 1985 crops of wheat. Loans and purchases will be

made available to wheat producers at a level, not less than \$3.50 per bushel, that the Secretary determines will maintain the competitive relationship of wheat to other grains. The minimum target prices (per bushel) will be: \$4.20 for the 1982 crop; \$4.40 for the 1983 crop; \$4.60 for the 1984 crop; and \$4.80 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing wheat. Target price payments will be computed as under existing law.

Title III makes prevented planting and reduced yield disaster payments available, for each of the 1982 through 1985 crops of wheat, for producers for whom Federal crop insurance is not available. Disaster payments will be computed as under existing law. Also, the Secretary will have discretionary authority to make such disaster payments available to any wheat producer if disaster losses have created an economic emergency that cannot be alleviated by crop insurance and other assistance programs.

Title III authorizes acreage limitation and paid diversion programs for the 1982 through 1985 crops of wheat, if needed to protect against overproduction. Producers who plant wheat in excess of that permitted under an acreage reduction program will not be eligible for program loans, purchases, and payments; and participation in the paid diversion could be required as a condition of eligibility for such loans, purchases, and payments.

TITLE IV—FEED GRAINS

Title IV provides for a loan and target price program for the 1982 through 1985 crops of feed grains. Loans and purchases will be made available to producers of corn at a level, not less than \$2.60 per bushel, that the Secretary determines will encourage the exportation of feed grains and not result in excessive total stocks of feed grains. Loans and purchases for barley, oats, rye, and grain sorghum will be made at levels that are fair and reasonable in relation to the level of loans and purchases for corn. Target price payments will be made available for corn, grain sorghums, oats, and (if designated by the Secretary) barley. The minimum target prices for corn (per bushel) will be: \$2.80 for the 1982 crop; \$2.95 for the 1983 crop; \$3.10 for the 1984 crop; and \$3.25 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing corn. The target prices for the other feed grains will be set at levels that are fair and equitable in relation to the target price for corn. Target price payments will be computed as under existing law.

Title IV makes prevented planting and reduced yield disaster payments available for each of the 1982 through 1985 crops of feed grains in the same manner as for wheat.

Title IV authorizes acreage limitation and paid diversion programs for the 1982 through 1985 crops of feed grains in the same manner as for wheat.

TITLE V—UPLAND COTTON

Title V provides for a loan and target price program for the 1982 through 1985 crops of upland cotton. Loans will be made available at the lower of (1) 85 percent of the average U.S. spot market price for upland cotton during the preceding five years and (2) 90 percent of the average Northern Europe price for upland cotton, as determined under formulas set out in the bill; however, in no case could the loan level be less than 55 cents per pound, and the Secretary could adjust the loan level upward (when it is based on the average Northern Europe price) to not in excess of the level based on the average U.S. spot market price. The loan level must be announced by November 1 of each year and could not thereafter be changed. Loans could be extended beyond

the normal ten-month term, at the producer's request, for an additional eight months unless the average price of upland cotton for the preceding months exceeded 130 percent of the average price for the preceding three years, in which event a special import quota would be proclaimed.

The minimum target prices (per pound) will be: \$0.709 for the 1982 crop; \$0.76 for the 1983 crop; \$0.85 for the 1984 crop; and \$0.93 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing cotton. Target price payments will be computed as under existing law.

Title V makes prevented planting and reduced yield disaster payments available for each of the 1982 through 1985 crops of upland cotton in the same manner as for wheat.

Title V authorizes acreage limitation and paid diversion programs for the 1982 through 1985 crops of upland cotton in the same manner as for wheat.

Title V requires the Secretary to make available to producers of the 1982 through 1985 crops of upland cotton loans on seed cotton, using the authorities he has under the CCC Charter Act.

TITLE VI—RICE

Title VI repeals the provisions authorizing acreage allotment and marketing quota programs, and provides for acreage limitation and paid diversion programs for the 1982 through 1985 crops of rice that are like the programs for wheat, feed grains, and upland cotton.

Title VI also provides for a loan and target price program for the 1982 through 1985 crops of rice. The minimum target prices (per hundredweight) will be: \$11.23 for the 1982 crop; \$12.14 for the 1983 crop; \$12.70 for the 1984 crop; and \$13.50 for the 1985 crop. The Secretary could establish a higher target price for any such crop as appropriate to reflect any change in the per acre cost of producing rice. Target price payments will be computed as under existing law. Loans and purchases will be made available for each crop of rice at a level that bears the same ratio to the previous year's loan level as the target price bears to the previous year's target price, except that, if the Secretary determines that any such loan level will substantially discourage the exportation of rice and result in excess stocks of rice, the Secretary may set the loan rate at a lower level (but not less than \$8 per hundredweight) to avoid excessive stocks.

Title VI makes prevented planting and reduced yield disaster payments available for each of the 1982 through 1985 crops of rice in the same manner as for wheat.

TITLE VII—PEANUTS

Title VII revises and extends—to the 1982 through 1985 crops—the current peanut program.

Under title VI, for each of the 1982 through 1985 crops of peanuts, there will be a minimum national acreage allotment of 1,614,000 acres, and a minimum national poundage quota of 1,300,000 tons (which the Secretary may increase to meet estimated requirements for domestic edible and seed uses during the next marketing year). Acreage allotments may be sold, leased, or transferred only within a county, except that, in States in which the total acreage allotment is 11,000 acres or less, transfers may be made anywhere within the State. Farm poundage quotas will be determined as under current law, except that more than one year's undermarketings (excluding those prior to the 1980 crop) may be carried forward so long as the producer plants at least 50 percent of the allotment.

Title VII retains the peanut program's twotier system of "quota" peanuts (production within a farm's poundage quota) and "addi-

tional" peanuts (production within the allotment in excess of the poundage quota).

Under title VII, the penalty for marketing peanuts in excess of a farm's poundage quota will be 120 percent of the support price for quota peanuts (although additional peanuts may be placed under loans and not redeemed, or marketed under contracts with handlers for crushing or export, without being subject to penalties). State and county committees will be given authority to waive penalties for unintentional violations; and document errors in weight not in excess of one-tenth of 1 percent will generally not be considered to be violations. Also, area marketing associations will have authority to sell, at prices equal to or greater than the minimum CCC sales price, additional peanuts under loan.

Title VII establishes, for each of the 1982 through 1985 crops, a minimum price support level for quota peanuts of \$631 per ton. The price support level for additional peanuts will be set by the Secretary, taking into consideration demand and prices for edible oil and meal and demand for peanuts abroad. However, the additional peanut loan must be set at a level estimated to result in no program losses to the CCC.

The Secretary will be required to make warehouse storage loans available to designated area marketing associations (except cooperatives engaged in other activities with respect to peanuts in addition to handling CCC price support operations), and to use the associations in administrative and supervisory activities relating to price support and marketing. Area marketing associations will be required to operate marketing pools for quota and additional peanuts under loan. Net gains on peanuts in any such pool will be distributed to producers in proportion to the value of the peanuts placed in the pool by each producer.

TITLE VIII—SOYBEANS

Title VIII establishes a price support loan and purchase program for soybeans marketed in each of the 1982 through 1985 marketing years. Loans and purchases will be made available on soybeans at a level equal to 75 percent of the average Chicago cash price for No. 1 yellow soybeans for the five marketing years immediately preceding the then current marketing year (excluding the high and low valued years), except that in no event could the support price be less than \$5.02 per bushel.

Title VIII also provides that the Secretary may not require participation in any production adjustment program as a condition of eligibility for soybean price support under the bill; that 1982 through 1985 crop soybeans will not be eligible for any storage reserve program; and that the Secretary may not make payments to producers to cover the cost of storing 1982 through 1985 crop soybeans.

TITLE IX—SUGAR

Title IX establishes a price support program for the 1982 through 1985 crops of sugar beets and sugarcane.

During the period beginning with the effective date of the bill and ending March 31, 1982, the Secretary will be required to support the price of domestically grown sugar beets and sugarcane (through purchases of processed sugar or other operations) at a level appropriate to approximate a raw sugar price of 19.6 cents per pound.

Beginning October 1, 1982, the Secretary will be required to support the price of domestically grown sugar crops for each of the 1982 through 1985 crops through non-recourse loans to producers, as follows:

- (1) for sugar cane, at not less than 19.6 cents per pound of raw cane sugar; and
- (2) for sugar beets, at a level that is fair and reasonable in relation to the support level for raw cane sugar.

Loans would have to be taken out and repaid in the same fiscal year.

TITLE X—GRAIN RESERVES

Title X makes a number of revisions in the farmer-held reserve program for wheat and feed grains, including the following:

(1) The establishment of a wheat reserve program would be made discretionary with the Secretary (under existing law, the Secretary is required to establish a wheat reserve);

(2) Reserve price support loan levels could be higher than the regular support level; and the requirements under existing law that the reserve loan levels for the 1980 and 1981 crops of wheat and corn be not less than \$3.30 and \$2.40 per bushel, respectively (with loans levels for such crops of the other feed grains to be set at levels comparable to the corn loan level), would be deleted;

(3) The establishment of program conditions relating to interest rates, storage payments, and other loan terms set out in the law would be discretionary with the Secretary, rather than (as under existing law) required of the Secretary; and the requirement that the Secretary waive interest charges on loans made on the 1980 and 1981 crops of wheat and feed grains would be deleted;

(4) Storage payments could be made at levels designed to induce participation in the program, rather than (as under existing law) at levels sufficient to cover storage costs;

(5) Interest rates on reserve loans could be increased as appropriate to encourage the orderly marketing of grain when the "release" level is reached;

(6) The provision in current law establishing "call" levels would be deleted; although the Secretary could require repayment of reserve loans prior to maturity if emergency conditions exist;

(7) The requirements of current law that the wheat reserve be no smaller than 300 million bushels, nor larger than 700 million bushels, would be deleted; the Secretary would be authorized to place upper limits on the size of the reserves, but any such upper limit could not be less than 700 million bushels for wheat and one billion bushels for feed grains; and

(8) The generally applicable CCC sales price for wheat and feed grains when a reserve is in effect would be changed from 105 percent of the then current call level to 105 percent of the then current cost of production (including return for management and land values); and the exception to this sales price restriction relating to sales of corn used in the production of alcohol would be deleted.

Title X repeals provisions of existing law authorizing the establishment of a disaster reserve of wheat, feed grains, and soybeans.

Title X amends the provision of law relating to the CCC farm storage facility loan program to make the program permissive rather than mandatory.

TITLE XI—MISCELLANEOUS

Subtitle A—Provisions applicable to more than one commodity:

Payment limitation: Subtitle A of title XI extends to the 1982 through the 1985 crops the limitations in current law on the payments that a farmer may receive annually under the wheat, feed grains, upland cotton, and rice programs. The annual limitations are: \$50,000 for all program payments except disaster payments; and \$100,000 for disaster payments. Loan and purchase proceeds and compensation for resource adjustment (excluding land diversion payments) are not considered payments for the purpose of these limitations.

Subtitle B—Other miscellaneous provisions:

Subtitle B of title XI would amend a number of provisions of law relating to Department of Agriculture programs, as follows:

Grazing and hay program: extends the

special wheat grazing and hay program to the 1982 through 1985 crops;

Livestock feed: extends to poultry producers eligibility for assistance under the emergency livestock feed program established under the Food and Agriculture Act of 1977;

Farm income protection insurance: Directs the Secretary to appoint a special task force to study the concept of farm income protection insurance and the feasibility of such insurance as an alternative to current price support, income maintenance, and disaster assistance programs of the Department of Agriculture, and report to the Agriculture Committees of Congress (within 18 months) on the results of their study;

Grain inspection: Authorizes the Administrator of the Federal Grain Inspection Service to delegate his authority to perform official grain inspection and weighing at export port locations to any State agency that—

(1) performed official inspection at an export port location prior to June 1, 1976; and

(2) is designated to perform official inspection at locations other than export port locations on the date of enactment of the bill;

Advisory committees: Substantially revises title XVIII of the Food and Agriculture Act of 1977 relating to advisory committees established within the Department of Agriculture to eliminate requirements under title XVIII that are duplicative of the provisions of the Federal Advisory Committee Act;

Rural Telephone Bank: (1) increases—from \$300 million to \$600 million—the limit on the total amount of Class A stock of the Rural Telephone Bank that may be issued to the Government; and extends to September 30, 1991, the authority for the Government to purchase such stock; and (2) extends to September 30, 1995, the date after which Government stock in the Bank must be retired as soon as practicable; and

International consultation: Encourages the Secretary to continue to consult with representatives of other major grain exporting nations on establishing more orderly marketing of grain and achieving higher farm income for grain producers.

TITLE XII—AGRICULTURAL EXPORTS

Agricultural export credit revolving fund:

Title XII establishes an agricultural export credit revolving fund in the Treasury for use by the CCC to finance short-term commercial export sales of agricultural commodities, export sales of breeding animals, and the establishment of handling facilities for agricultural commodities in importing countries, for market development purposes. The term of the revolving fund would expire October 1, 1985.

Congressional consultation on bilateral agreements:

Title XII requires the President to notify (at least 30 days in advance), and consult with, the Agriculture Committees of Congress on proposed bilateral agreements, other than treaties, involving commitments on the part of the United States to assure access by another country to U.S. agricultural commodities and products on a commercial basis.

Standby export subsidy:

Title XII directs the Secretary to formulate a special standby export subsidy program for U.S. agricultural commodities to neutralize export subsidy programs of other countries. The program would be implemented only if the President determines that the export subsidy program of another country is adversely affecting the export marketing of the U.S. agricultural commodities; a manually acceptable resolution of the matter cannot be obtained through consultation; and the special export subsidy program is authorized under dispute settlement procedures in international agreements, if any. However, title XII provides that the special export subsidy program could not be used to promote export sales of U.S. cotton.

Agricultural embargo protection:

Title XII requires the Secretary to make payments or loans available to farmers in compensation for any national security or foreign policy embargo of the export of agricultural commodities to another country that is implemented after the bill is enacted, if—

(1) the embargo is not a complete embargo of all exports to the other country; and

(2) the other country imported more than three percent of the total exports of the agricultural commodities involved during the preceding year.

The Secretary would have to make available, to producers of agricultural commodities for which price support is authorized, payments for the difference between 100 percent of parity for the commodity involved and the market price for the commodity during the 60-day period following the imposition of the embargo. Payments would be made available as long as the embargo is in effect, for production affected by the embargo.

An alternative to payments, if a loan program is in effect for the commodity involved in the embargo, the Secretary could make available to producers, for the period that the embargo is imposed, loans on the commodity at 100 percent of parity.

The Secretary would also have the authority to implement a program that combines payments and loans.

TITLE XIII—PUBLIC LAW 480

Title XIII extends—through December 31, 1985—the authority for the President to (1) make agreements to finance sales of agricultural commodities under title I of P.L. 480, and (2) provide agricultural commodities for programs of assistance in other countries under title II of P.L. 480.

Title XIII deletes the limit of \$1.9 billion on annual appropriations to support the title I export sales program, and increases—from \$750 million to \$1 billion—the limit on annual appropriations to support the title II food assistance program. Title XIII also increases—from \$5 million to \$10 million—the annual limit on the use of title I loan repayments to meet emergency nonfood relief requirements.

Title XIII adds provisions to title I of P.L. 480 to assure that countries receiving title I financing undertake self-help measures to increase agricultural production (including efforts to reduce illiteracy among, and improve the health of, the rural poor) so as to benefit needy people in such countries.

Title XIII provides authority for the domestic distilled spirits industry to participate in foreign market development under P.L. 480.

TITLE XIV—RESEARCH, EXTENSION, AND TEACHING IN THE FOOD AND AGRICULTURAL SCIENCES

Title XIV makes a number of amendments to the National Agricultural Research, Extension, and Teaching Policy Act of 1977 and related statutes.

Findings:

Title XIV revises the findings contained in the 1977 Act to emphasize the importance of the Federal-State partnership in the conduct of agricultural research, extension, and teaching; a strong basic research program; and long-range planning to meet national agricultural research, extension, and teaching objectives.

Joint Council on Food and Agricultural Sciences:

Title XIV extends the term of the Joint Council on Food and Agricultural Sciences to December 31, 1986, and sets the membership of the Joint Council at not fewer than 25 members. At least one-half of the membership would be representatives of land grant colleges and universities, and two of the

members would be representatives of other colleges and universities.

Title XIV provides that the primary responsibility of the Joint Council will be to bring about more effective agricultural research, extension, and teaching by improving the planning and coordination of such activities and by relating Federal budget development and program management to such activities.

National Agricultural Research and Extension Users Advisory Board:

Title XIV extends the term of the National Agricultural Research and Extension Users Advisory Board to December 31, 1986, and increases the number of members from 21 to 25, including eight members who are producers.

Assistant Secretary of Agriculture:

Title XIV authorizes an additional Assistant Secretary of Agriculture to manage research, extension, and teaching activities in the Department of Agriculture.

Competitive, special, and facilities grants for agricultural research:

Title XIV provides authorizations for appropriations of \$50 million annually for each of the 1983 through 1987 fiscal years for the competitive grants program under Public Law 89-106.

Title XIV makes forestry schools receiving funds under the McIntire-Stennis Act and accredited colleges of veterinary medicine eligible for special grants under Public Law 89-106, and includes among the types of research programs that will be eligible for special grants program that facilitate coordination and cooperation of research among States.

With respect to the research facility grant program under Public Law 89-106, title XIV—

(1) limits eligibility for grants to projects (a) to renovate or refurbish research facilities or acquire equipment, or (b) for new construction of auxiliary facilities or fixed equipment used in research; and

(2) makes forestry schools and 1890 land grant colleges eligible for the grants.

Agricultural research facilities:

Title XIV provides authorizations for appropriations of \$31 million annually for each of the 1983 through 1987 fiscal years for the grant program under Public Law 88-74 (the Research Facilities Act).

Higher education in the food and agricultural sciences:

Title XIV directs the Secretary to promote and develop higher education in the food and agricultural sciences by formulating and administering higher education programs; and transfers to the Secretary all the functions and offices of the Secretary of Education and Department of Education under the Second Morrill Act (relating to 1890 land grant colleges).

Title XIV provides authorizations for appropriations of \$50 million annually for each of the fiscal years 1983 through 1987 for grants and fellowships for food and agricultural science education.

Biomass energy research:

Title XIV extends—to the 1983 through 1987 fiscal years—the authorization for appropriations for the biomass energy research program under section 1419 of the 1977 Act. The total amount that could be appropriated for the program over the 10-year period ending with fiscal year 1987 would be \$40 million; and no more than \$5 million of such funds could be awarded to the colleges and universities of any one State.

Expanded food and nutrition education:

Title XIV provides that, beginning with fiscal year 1982, any funds appropriated for the expanded food and nutrition education program in excess of amounts appropriated in fiscal year 1981 will be allocated as follows—

(1) four percent will be available to the Secretary for administration;

(2) ten percent of the remainder will be distributed equally among the States; and

(3) the remainder will be distributed under the formula provided in existing law.

Also, the Secretary could retain up to two percent of appropriations (up to the amount appropriated for the program in fiscal year 1981) for use in conducting the program in States that did not participate in the program in fiscal year 1981.

Extension at 1980 colleges:

Under title XIV, effective beginning in fiscal year 1982, the authorization for annual appropriations to support extension work at the 1980 land grant colleges eligible for funding under the Second Morrill Act would be increased from four percent to five and one-half percent of the amount annually appropriated for extension work under the Smith-Lever Act.

Authorizations for appropriations:

Title XIV provides authorizations for appropriations for agricultural research and extension programs for each of the 1983 through 1987 fiscal years as follows:

(1) For agricultural research and teaching programs (other than research at State agricultural experiment stations) for which there are no specific appropriation authorizations—

\$780 million for fiscal year 1983,
\$835 million for fiscal year 1984,
\$890 million for fiscal year 1985,
\$945 million for fiscal year 1986, and
\$1 billion for fiscal year 1987.

(2) For agricultural research at State agricultural experiment stations—

\$230 million for fiscal year 1983,
\$240 million for fiscal year 1984,
\$250 million for fiscal year 1985,
\$260 million for fiscal year 1986, and
\$270 million for fiscal year 1987.

(3) For the extension programs of the Department of Agriculture—

\$360 million for fiscal year 1983,
\$370 million for fiscal year 1984,
\$380 million for fiscal year 1985,
\$390 million for fiscal year 1986, and
\$400 million for fiscal year 1987.

Title XIV also provides that not less than 25 percent of the funds (1) appropriated for cooperative research under the Hatch and McIntire-Stennis Acts, the special and competitive grants program under Public Law 89-106, the animal health research program under subtitle E of the 1977 Act, and the native latex research program, and (2) appropriated under the Agricultural Research heading, must be appropriated for agricultural research at State agricultural experiment stations.

Contracts, grants, and cooperative agreements:

Title XIV authorizes the Secretary to enter into contracts and cooperative agreements, and award contracts, to further the agricultural research, extension, and teaching programs of the Department of Agriculture without regard to competitive bidding and other procurement requirements of Federal law.

Title XIV also authorizes the Secretary to transfer equipment and other personal property to persons with whom the Department of Agriculture has entered into such contracts or cooperative agreements, or to whom the Department has awarded such grants when the person pays for the property with contract, agreement, or grant funds and the Secretary determines that the transfer will further the agricultural research, extension, or teaching objectives of the Department.

Indirect costs and tuition remission:

Title XIV provides that no funds appropriated (1) under the animal health and disease research and 1890 college research and extension provisions of the 1977 Act, or (2) to carry out the Hatch Act, the Smith-Lever Act, or the McIntire-Stennis Act, may be used for the payment of indirect costs or tuition remission.

Rangeland research:

Title XIV authorizes the Secretary to make grants to land grant institutions, State agricultural experiment stations, and other qualified institutions to carry out research to improve the production and quality of rangeland forage for livestock and wildlife. The grant program would be operated on a matching fund basis, with States required to supply 50 percent of the funding for the research. Up to \$10 million would be authorized to be appropriated annually for the program.

Section 32 funding:

Title XIV amends section 32 of the Act of August 24, 1935, which appropriates to the Secretary in each fiscal year an amount equal to 30 percent of customs receipts during the preceding calendar year, for operations to encourage exports and domestic consumption of agricultural commodities and reestablish farmers' purchasing power. Title XIV would permit the Secretary also to use sections 32 funds to support agricultural research, extension, and teaching.

Excess Federal property:

Title XIV authorizes the Secretary to obtain excess Federal personal property and furnish it to State and county extension services, State agricultural experiment stations, 1890 land grant colleges, McIntire-Stennis forestry schools, and institutions performing animal health and disease research eligible for funding under subtitle E of the 1977 Act. Title to such property would be retained by the Federal Government.

Rural development and small farm research and extension:

Title XIV revises and extends the rural development and small farm research and extension programs under title V of the Rural Development Act of 1972.

Title XIV—

(1) establishes new authority for a special grant program to strengthen research and education on national and regional issues in rural development;

(2) provides a general authorization for appropriations under title V, and deletes the formula for allocation of small farm research and extension funds; and

(3) provides that no State may receive more than \$75 thousand under title V in any fiscal year until all States have received \$75 thousand.

TITLE XV—RESOURCE CONSERVATION**Soil and water conservation policy:**

Subtitle A of title XV reaffirms congressional policy to promote soil and water conservation, improve the quality of the Nation's water, and preserve and protect natural resources through the use of effective conservation and pollution abatement programs; and requires the Secretary to submit a report to Congress by December 31, 1981, setting forth a comprehensive soil and water conservation policy.

Special areas conservation program:

Subtitle B of title XV requires the Secretary to establish a conservation program directed toward identifying and correcting severe and chronic erosion-related or water management-related problems in special areas designated by the Secretary. The program will provide technical and financial assistance to landowners and operators (in special areas that are designated by the Secretary during the 10-year period following enactment of the bill) to effectuate conservation measures set forth in approved conservation plans. The financial assistance, which may also be provided to compensate for lost income due to crop adjustments, is to be provided on a cost-sharing basis under contracts with landowners and operators. The Secretary could use the services of State, county, and local agencies in carrying out the program, and would be required to evaluate the program and report to Congress by January 1, 1986, and every year thereafter on the operation of the program. Participa-

tion in the program would not disqualify a person from receiving benefits under other Department of Agriculture programs.

Amendments to the small watershed program and the Bankhead-Jones Farm Tenant Act:

Subtitle C of title XV makes Indian tribes and tribal organizations eligible to sponsor small watershed projects, and exempts watershed projects that cost the Federal government \$5 million or less from congressional approval requirements (under present law, the exemption is limited to projects involving costs of \$1 million or less).

Subtitle C also provides for energy resources conservation to be included as an element in watershed project agreements, and will allow the development of energy resources to be considered in land conservation and use projects eligible for cost sharing under the Bankhead-Jones Farm Tenant Act.

Reservoir sedimentation reduction program:

Subtitle D of title XV authorizes the Secretary to establish a five-year pilot program to determine the feasibility of reducing excessive sedimentation in publicly-owned reservoirs through the implementation of conservation measures in the watershed drainage areas of the reservoirs. Sedimentation reduction plans for reservoirs would be developed under agreements with State and local agencies. However, the plans could be implemented only after approval by the agriculture committees of Congress.

Volunteers for conservation:

Subtitle E of title XV authorizes the Secretary to use volunteers in connection with conservation work carried out by the Soil Conservation Service.

Resource conservation and development program:

Subtitle F of title XV requires the Secretary to establish a resource conservation and development program designed to assist States, local units of government, and non-profit organizations in developing and implementing plans of land conservation and water management in designated rural areas. Under this program, technical and financial assistance (including cost sharing for works of improvement) will be provided to not more than 225 designated areas. Subtitle F authorizes appropriations, during fiscal years 1983 through 1987, of sums necessary to carry out the program.

Agricultural land protection policy:

Subtitle G of title XV contains provisions to assure that the importance of agricultural land as a national resource and the need to preserve the Nation's agricultural land base are recognized and considered in administration of Federal law and regulations. Subtitle G will require Federal agencies, except in the case of national defense or other overriding national interest, to consider appropriate alternatives before taking any action that would result in the conversion of agricultural land to nonagricultural purposes. Subtitle G will not regulate or affect any nonfederal action or use with respect to agricultural land.

Local search and rescue operation:

Subtitle H of title XV authorizes the Secretary to use the personnel and equipment of the Soil Conservation Service to assist in local search and rescue operations in disaster situations, when such assistance is requested by local officials.

Reclamation:

Subtitle H of title XV authorizes the Secretary to implement experimental reclamation treatment projects under the Surface Mining Control and Reclamation Act of 1977 on a hydrologic unit basis, rather than on individual land parcels of limited acreage, if he determines that treatment of the land on a hydrologic unit basis will achieve a greater reduction in the adverse affects of past surface mining practices.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I yield to the distinguished Senator from Indiana, who has made such a fine contribution to the work of the committee this year.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I wish to make a brief opening statement.

While the Congressional Budget Office is suggesting that the Federal deficit in fiscal 1982 could reach \$80 billion, and while the President is ordering Cabinet members to cut a further 10 percent of their budgets for next year, the Senate Agriculture Committee has presented to the full Senate a 4-year farm bill which exceeds the first concurrent budget resolution by at least \$1.5 billion.

At a time when American farmers and all other citizens are deeply distressed about extraordinarily high interest rates and runaway deficit spending, a farm bill is presented in the name of helping farmers which runs absolutely counter to the Nation's need to cut spending and cut interest rates.

The farm bill is well beyond all budgetary limits because it is a collection of target price supports and other special provisions designed to shore up prices for various commodities which violate not only market economic ideas but any sense of basic fairness among farm groups.

The Senate Agriculture Committee met throughout last week, fashioning a bill to satisfy every Senator who serves as an advocate for a particular crop. Committee members hope that a unanimous consensus might convince the Senate that fairness has been achieved, and that American agriculture will necessarily be well served by any legislation which has been considered by this committee over the course of so many months.

The original administration farm bill had an estimated cost of \$9.197 billion over the course of the next 5 years. Senate bill 884, the product of the committee markup, has a 5-year estimated cost of \$13.007 billion, some 40 percent greater. Even this figure, and all estimates throughout the committee's proposal, are purely speculative because of the presence throughout S. 884 of target price programs, legally obligating the Government to make deficiency payments to all qualified farmers whenever specified conditions exist.

If the Senate is serious about assisting President Reagan to gain a handle on a runaway budget, and serious about considering decreases in defense expenditures and additional cuts in vital social programs, this debate must have a very different and more constructive focus.

In order to assist that process, I plan to offer a series of amendments which would abolish target price supports. In each case, I will offer as substitute language the original administration proposal that the Secretary of Agriculture be given full authority to grant loans and make purchases in accordance with prevailing economic and budgetary cir-

cumstances throughout fiscal years 1982-85.

The administration sought the end of the target price supports because they expose the Federal Treasury to extraordinary and completely unpredictable costs, and because they encourage overproduction of commodities already in substantial supply. That was a good idea last spring. In view of today's interest rates and renewed concern about budget deficits, it is even more important.

A major reason for the deficits and high interest rates we face today is the prevalence of uncontrollable entitlement programs throughout the Federal budget. This is no time to be creating a host of new "uncontrollables." If we are to have any chance of budgetary control, the Secretary of Agriculture must be able to assume a management and not just a cashier's role. He must have a full gamut of options to maintain farm income while restraining overall spending.

I will also introduce an amendment to abolish the current peanut program and substitute for it a loan program comparable to those I am recommending for wheat, soybeans, corn, and other crops. I will support those who advocate the termination of a sugar program which the administration originally opposed.

I continue to favor farm loan rates which give basic income security to producers, strong agricultural research programs, very strong efforts by the USDA to boost export sales, and programs which encourage a farmer-held grain reserve.

As a member of the Agriculture Committee, I represent a State which ranks sixth in the Nation in crop production. Indiana farmers know that there can be no substantial increase in net farm income until interest rates come down and Federal deficit spending is under firm control.

Indiana farmers are eager to join farmers from all other States in putting strong pressure on the USDA and the Department of State to move much more vigorously in the sale of American farm products abroad. Indiana farmers resent attempts by special interests in American agriculture to carve out special support of agricultural production which makes inefficient use of valuable energy and water supplies.

I hope that our efforts during this debate will give some encouragement to the President, other Members of Congress, and the rest of the country that we are not engaged in business as usual here. I hope to give to my fellow Senators a chance to vote for reforms in agricultural legislation which are long overdue.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER (Mr. HAYAKAWA). The Senator from North Carolina.

Mr. HELMS. I yield to the distinguished Senator from Mississippi (Mr. COCHRAN), without whom I do not think we would have a farm bill. I want to express to him, through the Chair, my appreciation for the fine work he has done.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Mr. President, I thank the distinguished chairman of the Senate Agriculture Committee for his fine words and also for the leadership which he has provided to the committee and to the Senate in putting together this very important piece of legislation.

He and the Senator from Kentucky (Mr. HUBLESTON) have worked very hard to bring to the floor a bill that attempts to meet some of the critical needs facing American agriculture.

At the outset, I might say that even though the legislation is called an omnibus farm bill, that title might really be misleading to the extent that the economic well-being of agriculture is not dependent just on what is in this legislation. It is affected in large measure by not only our own domestic economy, but world economies, economies of other nations. Therefore, farmers are really affected by many events which are not directly related to agriculture but which, nonetheless, may have a major impact on farm income.

In spite of the difficulty of bringing to the floor a bill that seeks to do what has to be done if we are to have an economically healthy agricultural economy, I think great strides have been made in this legislation to move in that direction.

The farm bill, with its commodity programs and other provisions, is the cornerstone of our Government's effort to provide protection from economic disasters associated with weather-related swings in production, to help protect our soil and water resources, to develop and expand our markets, and to improve agricultural productivity.

While these are major problems which must be addressed through legislation, farm programs alone cannot guarantee economic health to American agriculture.

One of the major problems faced by farmers has been, and still is, the rapid rise in the cost of production. In a word, inflation. Farmers are not able to pass higher costs to buyers in the form of increased prices. They simply have to take what supply and demand conditions dictate the market prices to be. So in the short run, farmers simply have to absorb higher production costs which result in lower net income.

We saw some of the lowest net income figures for farmers last year, and projected for this year, that we have seen since the Depression. They have been hit hard by inflation, and they get it twice when other businesses sustain that impact only once: First, when their production costs go up, and again when they try to live off the income they have left.

A review of the expense side of the farm income account reveals what has been happening to farmers and why it is so important that inflation be brought under control.

Farmers spent \$132 billion in 1980 to produce this Nation's food and fiber. This represents an average increase in the prices paid by farmers of over 12 percent per year since 1977. If the rate of increase in input costs had been only 6 percent during the same period, farmers could have produced the same goods for \$111 billion. This would have been

a reduction in cost of \$21 billion, and such a reduction would have more than doubled the \$19.6 billion in net farm income in 1980.

Mr. President, I think it is clear from that reference and illustration that farmers have a major stake in the success of President Reagan's economic recovery program and the effort to reduce interest rates which have a stranglehold on many farmers who have to finance planting every year.

At the time the bill S. 884 was reported, it was consistent with the budget ceilings, the spending ceilings, recommended by the President and approved earlier by the Senate. Since then, though, further adjustments had to be made in our effort to bring these spending projections under closer control.

These have been worked out now and will be offered in the form of a committee amendment which this Senator intends to support. While some further reductions are made in the target prices, the bill provides a basic level of price and income support necessary to protect farmers from sharp swings in market prices caused by uncontrolled fluctuation in production. They are set at levels below cost of production and thus do not guarantee farmers a profit, nor will they interfere with the ability of the market to allocate resources.

In addition, the bill contains provisions which allow the Secretary of Agriculture to bring supply and demand into line when stocks become excessive and prices are thereby depressed. He will have this at his disposal, perhaps to expand demand and reduce supply. Either one will strengthen prices when they are depressed.

I think the committee has been responsible, Mr. President, under the leadership of Senator HELMS and Senator HUBLESTON. There are obviously areas in this bill each of us would like to change, but like any comprehensive piece of legislation the details were worked out through necessary compromise and after considerable debate.

I plan to join the managers of this bill, Mr. President, in resisting any amendments which change the basic structure of the bill.

I thank the Senator from North Carolina for yielding.

Mr. HELMS. Mr. President, I thank the distinguished Senator from Mississippi. He has properly outlined some of the problems that those of us who worked on this bill necessarily had to confront. I certainly would not imply any criticism of any Senator who offers any sort of amendment to this bill; however, as the Senator from Mississippi has eloquently stated, the committee had the responsibility of moving the farm program toward market orientation and doing it under the most severe budget restraints and doing it at a time when farmers throughout this country are facing economic collapse on a very personal basis.

I could offer 50 amendments to this bill which would read well in Peoria or some other place and would sound good, and I could take a position now of doing something great for the country, but the

last time I checked, most Americans had a habit of wanting something to eat three times a day. If the farmers are sent the rest of the way down the tube by overt action in terms of this farm bill, by our going too far too fast, we could very well face a tough situation in America in terms of food production. I do hope that Senators will take a close look at what agricultural exports do in terms of the balance of payments.

Mr. President, the general philosophy of the Senator from North Carolina is pretty well known. I say to the Chair and to other Senators present that if I had been a Member of the Senate x number of years ago, when this program or that program was adopted, I probably would not have agreed with it, but the fact is that these programs are in place. The fact is that farmers all over this country, independent as they are, must necessarily depend on these programs as they are being tapered off and as we move toward a more fully market-oriented agricultural sector.

That is precisely what the distinguished Senator from Mississippi was saying, that we have had substantial movement through this bill and the package of amendments or modifications which Senator HUDDLESTON and I shall offer a little later on this afternoon. We are trying desperately to meet every possible objection to this bill. I think that we will meet most reasonable objections. Certainly, we shall do our best. Perhaps we lack the wisdom of Solomon, but we shall come as close to it as we can.

This is all by way of saying, Mr. President, that a number of controversial concepts and topics were considered by the committee, and I hope that, in the ensuing debate on this bill, Senators may understand the reasoning which the committee used in each case.

Mr. President, I yield to the distinguished Senator from Alabama.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. HEFLIN. Mr. President, I join with my other colleagues on the Committee on Agriculture, Nutrition, and Forestry in a call for the enactment of the Agriculture and Food Act of 1981 as recommended by our Committee on Agriculture, Nutrition, and Forestry.

It has been my good fortune to serve on the Committee on Agriculture, Nutrition, and Forestry in this Congress. It is a committee of dedicated Senators who represent 17 States in which farmers and ranchers produce nearly all of the hundreds of different commodities which are grown, marketed, and feed and clothe the people of this Nation and much of the hungry world as well.

I commend the chairman of the committee, the senior Senator from North Carolina (Mr. HELMS) for his leadership, perseverance, patience, and for the manner in which he has presided over the development of S. 884. I think the record will likely show that under the chairmanship of the distinguished Senator from North Carolina, the committee held the most exhaustive and extensive markup sessions that have ever been held or undertaken by the committee in

the quest to develop a sound farm program within strict budgetary limitations. Everyone that wanted to have a say with respect to any feature of S. 884 was given the full opportunity to make his or her contribution and every amendment or suggestion which was propounded was the subject of careful and deliberate consideration.

I believe altogether there were 24 markup sessions. The Department of Agriculture was invited to participate, to be present, as they were during the markup. They were asked of their position in regard to this as to each and almost every provision in the bill as it was being marked up. For some reason or another they chose not to become involved in the process and wanted to follow a different process. The opportunity was available for them in any and every aspect of it to make suggestions and, of course, they would not be bound by it, but rather they adopted a mood of aloofness or "We will not participate" in these 24 sessions, which I feel is sort of an effort to really not go through the committee process.

I also commend the distinguished ranking minority member of the committee, the Senator from Kentucky (Mr. HUDDLESTON), for his personal leadership in helping to fashion the new farm bill. I know of no person who is more dedicated to seeing that the farmers of this great Nation receive a decent and fair income for their labors. Senator HUDDLESTON's service on the committee is to be looked upon as an example of the highest type of public service.

As has been said in this Chamber today, S. 884 is not legislation of partisan design, but rather of bipartisan cooperation. Since I have been in the Senate, I have never seen a group of Senators work in such an atmosphere of cooperation and bipartisanship of give and take. The members of the committee have given their best efforts to forge a bill which will assure Americans of plentiful supplies of food and fiber at reasonable costs while at the same time would be fair and equitable to farmers.

Mr. President, like the other members of the committee, I wish to see greater price protection offered our farmers. I wish to see an increase in the authorization for the expenditure of Federal funds for price supports. I wish to see other changes made in the bill—changes which would benefit not only the farmers of my State of Alabama, but which would benefit every agricultural producer in every part of our Nation. But, Mr. President, I, and the other members of the committee, fully realize that we cannot make such changes and stay within the limitations of the Federal budget. As the report on S. 884 states:

The legislation adopted by the Committee reflects the fact that 1981 was the first year in memory in which severe budgetary constraints were such a prominent factor in the consideration of farm policy. The Committee went to great lengths to fashion a farm bill that would not result in unacceptably large Federal outlays.

I think it should be emphasized, Mr. President, that our work did not stop with the committee markup of S. 884. We went further. In order to make the bill

more palatable and more in line with conditions which have changed since the bill was marked up and reported last spring, the committee has, in recent days, made additional downward spending adjustments. This was not an easy task. I cannot think of a single member of the committee who relished the necessity of making further spending decisions. The record will show, however, that reductions were made in every commodity program. This again points up the bipartisan accord and cooperation, oneness if you will, that exists in the committee.

It should be remembered throughout the floor debate on S. 884 that this legislation is in no way a profit guaranteeing bill. All the measure does is simply recognize the necessity for the food and fiber producers of this country to recover minimum costs of production. I repeat, Mr. President, S. 884 does not assure profits to the farmer—only the means to continue producing toward the goal of realizing a return is reflected in the provisions of the measure.

Therefore, with all the earnestness I can command, I urge the Senate to preserve the delicate balance between the interests of producers and consumers which has been achieved by the committee and to pass the measure promptly without undercutting amendments which would be designed to reduce farm income.

Although S. 884 does not contain all of the provisions which I feel are necessary to round out our farm program, it does contain many features which are designed to give the American farmer a fair return on his investment, skills, and labor, if the opportunities for farmers in domestic and world markets come to fullest fruition. For example, continuation of the target price system and loans as market stabilizing, and loss-reduction mechanisms for most of the principal commodities is a major achievement. The bill also makes preventive planting and reduced yield disaster payments for wheat, feed grains, cotton, and rice. I support the thrust of the Federal Crop Insurance Act of 1981, and I am hopeful that in time this new crop insurance protection program will be expanded to the point where no additional protection likely will be needed by growers. Until the program is fully in place, however, I believe it is necessary to provide some discretion with the Secretary of Agriculture to authorize and make disaster payments under certain conditions, including natural disasters, to alleviate an economic emergency and thereby prevent a farmer from financial ruin. At my suggestion, a proviso along this line was inserted into S. 884, but I still feel that this is one area of S. 884 that needs to be strengthened.

I have no doubt that officials of the Federal Crop Insurance Corporation and their designated agents are doing their dead-level best to phase-in the new all-risk crop insurance program. On the other hand, in my discussions with farmers and farm groups in Alabama this year, it is readily apparent that there are several problem areas relating to the implementation of the new program. For example, because of the complexity of the program and the lack of familiarity

and experience many FCIC agents display in attempting to explain the program, there is a great deal of misunderstanding among farmers concerning the program. We further weakened emergency and disaster relief for farmers in the reconciliation process just before the Independence Day recess of the Congress by increasing interest rates for farmers applying for disaster loans and by limiting the amount that may be loaned under the program to such amounts as are provided in advance in appropriation acts. I am terribly afraid that the crop insurance and disaster programs for protecting our commodity growers from the economic perils which can result from natural disaster will prove to be limited in scope and ineffective in dealing with uncontrollable conditions.

Mr. President, the farmers of Alabama and the communities of my State which depend upon farm income as their principle economic base have a particular interest in several of the commodity programs set forth in the provisions of S. 884.

It may come as a surprise to many people, but wheat is being grown more and more in Alabama as a cash crop. This year Alabama wheat growers will harvest some 600,000 acres of wheat. Much of this land, incidentally, is double-cropped with the second commodity being primarily soybeans. The growth of America's soybean crop in recent years in Alabama and elsewhere is indeed dramatic. For example, 15 years ago soybeans were grown on 240,000 acres in Alabama. It is estimated, however, that Alabama farmers this year will plant 2.3 million acres in soybeans.

Soybeans are the number one cash crop of this Nation and the number one cash export of the United States. In 1979, the latest year for which official statistics are available, more than \$.75 billion of U.S. soybeans went into the export market. The record will show, however, that the tremendous rise in soybean production in our Nation has not resulted from increased yields, but from expanded acreage.

In contrast to certain other agricultural commodities such as corn, whose yield has increased from 26 bushels per acre in 1929, to approximately 110 bushels per acre today, average soybean yields have increased only about one-fourth bushel per acre annually over the past quarter of a century.

This, to my way of thinking, points out the need to increase soybean yields through research and by increasing the efficiency of our farmers through grower education. A few weeks ago, specifically on June 19, the distinguished senior Senator from Indiana (Mr. LUGAR) conducted a hearing in his capacity as chairman of the Senate Subcommittee on Agricultural Research and General Legislation on S. 1295, a bill I have introduced to establish a soybean research institute. The purpose of this bill is to focus attention on the importance of soybeans as a source of food and to step up programs designed to improve the production and marketing practices of this remarkable legume.

A little later on during the course of Senate action on S. 884, I intend to offer a revised version of S. 1295 as an amendment to the farm bill. This amendment will in no way encroach upon the freedom of soybean producers and their representative organizations. It is merely intended to be a means whereby the soybean industry, the Federal Government, and other interested disciplines may join hands and work together toward the desired goal of achieving the full potential of the soybean.

Although cotton is no longer the leading cash crop in Alabama, it is still grown abundantly in my State. In fact, sales of Alabama-produced cotton ranks eighth among the States in terms of cash receipts.

Under the new farm bill the minimum target price for cotton will be 71 cents a pound for the 1982 crop year. The target will increase 76 cents, 83 cents, and 89 cents for the 1983, 1984, and 1985 crop years, respectively. In addition, the bill vests in the Secretary of Agriculture the authority to increase these levels for any such crop to reflect changes in production costs.

The loan level for cotton generally would be calculated as under present law, but in no case could the loan level be less than 55 cents a pound. I should like to stress to the Senate a new feature in connection with the establishment of the cotton loan which will be of interest to those interested in a market-oriented farm program.

Under the loan formula the loan rate for cotton is established for strict law middling 1 $\frac{1}{8}$ inch cotton. Also, the Department of Agriculture publishes a schedule of premiums and discounts, which, added to or subtracted from the base loan rate, establishes the loan rate for other grades and staple lengths of cotton. In the past the method of establishing the quality differentials in the loan-rate schedule has been done administratively by the Agriculture Department with no guidance or oversight by the Congress whatsoever. Unfortunately, as presently administered by the Agriculture Department, the loan differences for the cotton program are not based upon the market-oriented agricultural principles inherent in S. 884.

Mr. President, not only do the loan values assigned by the Agriculture Department bear no relationship to the actual market value of poor quality cotton, they also discriminate against cotton farmers who produce good quality cotton. This is so because through artificial loan discounts the Department of Agriculture is arbitrarily establishing a false criteria for determining the actual market value of poor quality growths of cotton, thereby leading to a weakening of cotton prices in general.

It is my belief that the premiums and discounts established annually for the cotton loan program should be based as closely as possible on the differences paid in the marketplace for the preceding crop. Accordingly, during markup, I introduced an amendment to the upland cotton section of the bill which sets forth the procedure to be followed by the Department of Agriculture to arrive at the

loan differences for the various qualities of cotton.

Mr. President, at this point I should like to read the committee report language which explains this amendment, but before doing so I should like to express my appreciation to the distinguished senior Senator from Iowa (Mr. JEPSEN) for the strong endorsement he gave the amendment in committee. I would also be remiss in my remarks about my amendment and, in fact, the entire cotton program, if I did not also express my gratitude to the junior Senator from Mississippi (Mr. COCHRAN). The farmers of America, particularly cotton and rice growers, have no greater friend than THAD COCHRAN. And I believe that as Senator COCHRAN continues to grow in stature and service his name will stand near the top of Senators who have authored and worked for meaningful farm programs.

The Senate, in the past, has had some Senators who were very much interested in cotton. They had from Alabama a Senator by the name of Heflin who was known as Cotton Tom Heflin. In South Carolina they had a Senator by the name of Smith, and he was known as Cotton Ed Smith. I predict that Senator COCHRAN will be known in the not too distant future as Cotton THAD COCHRAN.

As I have previously stated, Mr. President, I should like to quote the committee report language relative to my amendment requiring the Secretary of Agriculture to establish premiums and discounts under the cotton loan program pursuant to an established formula:

The Committee believes this amendment addresses an inequity now existing in the cotton loan program. The amendment provides a formula to be followed by the Secretary of Agriculture to set on a market-oriented basis the ratio adjustment of premiums and discounts for cotton.

Under current law, for cotton, the Secretary has full discretionary authority to establish these premiums and discounts using various weightings of current market averages and loan values from the preceding year to establish the discounts and premiums for loan rates for the various grades of the upcoming cotton crop. This has frequently resulted in the establishment of artificially high loan rates for lower-quality cotton. Thus, in some instances, it may be more profitable to produce lower grade cotton to be used as collateral for a Commodity Credit Corporation (CCC) price support loan than it is to produce cotton for market consumption. When large quantities of these lower-quality cottons are produced and used by the producers as collateral to receive a CCC price support loan at rates which do not reflect true market value, it may create a distorted cost exposure to the CCC. If the cotton is forfeited, when it is sold by the CCC, the price realized by the agency must, under law, reflect the inflated loan value.

This amendment establishes the equal weighting of market differentials with prior loan rates for all grades of cotton; thus, if prices are strong one year for a particular quality of cotton, the loan program differences for the next year will reflect that demand and strong price for that quality to a greater extent than recent USDA procedures have done. The amendment moves cotton into the market-oriented concept of this legislation and could result in the savings of millions of dollars each year in CCC budget exposure in the cotton loan program.

Mr. President, although I feel that the premiums and differences established annually for the cotton loan program should be based as closely as possible on the differences paid in the marketplace for the preceding crop, I did make provision in the amendment for the Secretary to blend in the loan differences for the preceding crop when determining the premiums and discounts for grade, staple and micronaire so as to give the Secretary some flexibility in this area.

One of the most important objectives of the farm bill is to emphasize the need for greater exports of farm commodities produced in our Nation. I endorse and applaud the avowed intention of the administration to pursue an aggressive program to develop and expand foreign agricultural markets for the bounty of American agriculture. Farm products are a major asset of our Nation in foreign trade and international relations. Export markets have become a major means of U.S. farm income and, as the record shows, the single greatest contributor to our Nation's international trade balance. I think it is widely recognized that our foreign trade debt would be a total shambles if not for the agricultural sales abroad.

Because the tremendous importance of foreign markets to the income of the producers of U.S. food and fiber, I am especially pleased with the mandate in S. 884 providing embargo protection to American agriculture. As stated in the committee report, we do not feel that the U.S. farmer should be singled out to absorb the economic brunt of a foreign policy decision. Under the provisions of S. 884, the embargo protection program would trigger when national security of foreign policy embargoes and trade suspensions are selectively applied to farm commodities. If such an embargo or trade suspension does occur, the Secretary of Agriculture is affected to set commodity loan rates at 100 percent of parity on an interest-free basis at the time of the embargo, or, in the alternative, the Secretary could operate a deficiency-payments program that would entitle farmers to payments representing the difference between 100 percent of parity and the average market price of the commodity for the 60-day period following the imposition of the embargo.

In closing, Mr. President, I should like to briefly discuss the peanut section of S. 884. Like every other section of S. 884, the peanut program was not conceived out of selfish or sectional interest nor was it the product of a single political party. The committee devised and laid down the basic programs in the legislation with bipartisan accord. We worked collectively within severe budget constraints to create a bill which would assure Americans an adequate supply of food and fiber while at the same time providing incentives to our farmers to apply their capabilities to the fullest with a degree of independence based on market demand. It is in this context that the commodity provisions of S. 884 must be judged and it is in this framework that the peanut program meets the test.

The peanut program set forth in the provisions of S. 884, as amended by the committee package of amendments, is in essence, an improved and modified reauthorization of the program established in the 1977 Farm Act when changing conditions made clear the need to make extensive revisions in the old program. With the exception of making needed upward adjustments in minimum price supports to help offset rapid increases in the cost of production, the 1977 peanut program has, for the most part, worked well. A devastating drought which ravaged the entire peanut belt was the first time in a quarter of a century that we have experienced a crop shortfall. Surely, all will agree that the 1981 short crop was certainly not the fault of growers or the program.

It should be noted, Mr. President, that the peanut program does not have a target price mechanism and, therefore, no Federal funds are used for deficiency payments to peanut producers. In addition, there are no Federal outlays for set-asides or land diversion payment programs and because peanuts are a semiperishable commodity, there is no Federal expenditure requirement for reserve programs. In fact, during the 3-year period, 1978-80, program costs have declined 69 percent when compared to the 3-year period immediately prior to the peanut program enacted in the 1977 Farm Act. Thus, we see that the 1977 program has been highly effective in reducing taxpayer costs. More important, S. 884 as amended by the committee package will reduce program costs to zero. There are also other changes in the committee package of amendments which, I feel, will allay the other concerns which have been expressed relative to the peanut program.

Mr. President, I feel strongly that S. 884 should be passed by the Senate without substantive change. I say this not in the belief that this bill is in any way perfect, but because I know personally of the many compromises which have been made during the development of the legislation, including the most recent deliberations which resulted in the committee package of amendments, in order to make the measure fiscally responsible. Mr. President, it is my intention to oppose any and all amendments which may be offered during the course of Senate debate on S. 884 to reduce commodity programs further. With this bill, our committee and American agriculture have met their obligations to achieve the changes in Federal spending policy necessitated by the current economic situation.

Our farmers and our farm families represent the base of rural America. Agriculture was one of man's first employments and it is still the wellspring the basic necessities of life. The bill now before us will have a profound effect upon the livelihood of thousands of farming families, as well as the State and communities that depend on them. For these and other reasons, I urge passage of S. 884.

At this time I yield to the distinguished Senator from Nebraska (Mr. ZORINSKY).

The PRESIDING OFFICER (Mr. COCHRAN). The Senator from Nebraska.

Mr. ZORINSKY. I thank the Chair.

Mr. President, when the Senate Agriculture Committee met for some 25 sessions last spring, the task before us was not an easy one. We were to devise comprehensive farm legislation for the next 4 years. To construct sound policies and effective programs that far into the future for agriculture is always difficult. To do so under the extreme budget constraints we faced this year was a really impossible task.

Still, the 17 members of the Agriculture Committee attempted it, and achieved at least a limited success. The bill which we reported does meet certain necessary criteria.

S. 884 gives the Secretary the discretion he requested and needs to operate efficient, cost-effective farm program for wheat, corn, rice, and cotton.

S. 884 also meets the budget test. Although there is a slight overrun in fiscal year 1982, for all practical purposes S. 884 falls within the goals of the first concurrent budget resolution.

I might also add that—at least to this Senator—S. 884 falls far short of a perfect bill. Indeed in other years and under different circumstances, I might even have said that S. 884 was a bad bill. But it is this year, and this bill is apparently the best that we could do. It has sometimes been said, Mr. President, that the only just laws are the ones no one is satisfied with. If that is so, then surely S. 884 is fair legislation—for no one appears to be happy with it. A rough glance at the list of amendments is enough to show that the 1981 farm bill is being attacked from all sides.

There are amendments to increase target prices and loans and there are amendments to reduce them. Perhaps we should take that as a clue, Mr. President, that S. 884 does strike some sort of middle ground—a compromise which no one embraces, but which we can all perhaps live with.

Mr. President, those who attack S. 884 have advanced a number of arguments in favor of reducing or even eliminating some of the crucial Commodity Credit Corporation programs for commodities. These arguments more often than not are based on false impressions of the programs and their effects. I would like to debunk some of those popular myths.

The first myth is that farm programs are necessarily expensive; that America's producers are draining the U.S. Treasury. Quite simply, this is not true.

Farm programs may be expensive but they do not need to be. As I pointed out during the Agriculture Committee's consideration of S. 884, we have accorded the Secretary of Agriculture an unprecedented amount of discretionary authority. Under the committee bill, Secretary Block can act to raise target prices and loans to encourage participation in USDA programs. He can require a paid diversion or set-aside program to help bring supplies in line with demand. He can stimulate exports and he can set storage payments and interest rates on the farmer-held reserve program.

All of these steps, Mr. President, are within the purview of the Secretary. It is a tremendous kit of tools, and it can—indeed, it should—be used to insure that farm programs provide a stable economy for agricultural producers without an exorbitant cost to the taxpayer.

We have heard it said that under S. 884 Commodity Credit Corporation costs in fiscal year 1982 could exceed \$4 billion. The larger than expected crops this year and extremely low prices may well mean this is true. But I must point out that the bill we are now considering can hardly be responsible for those costs. The crops which are being harvested this summer were planted last fall and earlier this spring. Any program costs on these crops are attributable to the 1977 Food and Agriculture Act, as amended. While it is true that this administration is only partially responsible for the management of 1981 crop programs—and therefore their costs—it would be grossly unfair to blame the fiscal year 1982 costs on the Congress and this bill.

Instead, I would point out that substantially the same authority to make adjustments in farm programs as are in S. 884 are in today's statutes. If Commodity Credit Corporation costs in fiscal year 1983—the first year they will be fully administered under the 1981 farm bill—are as great as fiscal year 1982 costs, it will not be because of this legislation. The means have been given to the administration to run an efficient, cost-effective farm program. If it fails to do so, it is, as they say, a poor carpenter who blames his tools.

A second myth which requires debunking is that target prices interfere with the market. Nothing, Mr. President, could be further from the truth. Target prices do not interfere in the market—that is precisely why the target price concept was developed in the first place. Target prices and deficiency payments are intended to provide an income supplement to farmers in years when large crops and insufficient demand cause price depressions.

In 1973 and again in 1977, Congress wrote farm bills containing target prices. Why? Because farm income could not be allowed to fluctuate as wildly as crop prices sometimes did. The farm sector was too important and too sensitive to abandon entirely to the cold ups and downs of the market. Some sort of floor—designed to help producers through the bad years—was needed; and yet Congress was concerned about unduly interfering in the market and raising food prices for consumers.

The answer, of course, was target prices. They are triggered only in years of extremely low prices and poor farm income. They protect America's farmers from the worst economic catastrophes; allowing producers to survive for another year of business. But at the same time, target prices did not directly increase market prices. They did not decrease our ability to export and to compete in world markets.

The reasons that made target prices sound policy in 1973 and 1977 have not changed. Target prices are still the best solution to the complex problem of pro-

viding price stability without undue market interference.

S. 884 is a compromise which took weeks of committee hearings to develop. The committee has done the best job possible, given the present budget constraints.

I urge that the bill as it was conceived originally, S. 884, as passed out of committee and reported out of the committee to the full Senate, be passed.

Mr. President, I would like to say that if this is not the situation, I will have amendments to offer to reinstate compromises which, as I understand, will be offered to the bill in advance thereof.

Mr. President, I feel that the farmers of America can compete adequately in our free enterprise system. But, unfortunately, they are not competing freely with unencumbered ability, insofar as the Congress of this country. And I go back to the fact that I sat in this Chamber and watched the minimum price wage bill pass with an automatic escalator each year. Who got that as the fruits of their labor? Of course, it was the individual that delivered the bread, it was the baker of the bread, it was the seller of the bread, it was the man in the supermarket that sold the bread, but it was not the farmer whose labor produced the wheat for the bread. That chain cycle started above the farmer.

What that did is it exacerbated inflation which in turn came back and additionally penalized the farmer with increasing his or her cost of production to the extent that the family farm income today in no way is covering the cost of production of the products that the agricultural industry is producing in this Nation.

And what is the consequence of that? The consequence of that is today there are twice as many farm bankruptcies taking place. They cannot all be laid at the doorstep of what we are debating here today. Some of it has to do a great deal with the interest rates confronting this Nation today, also.

But, Mr. President, as I said before and I will say again, when we put the family farm out of business, we have taken the life blood of this Nation and turned it over to conglomerates and foreign countries in the importation of agricultural products to the extent that the day will come, if family farms are no longer available, that the conglomerates and other countries whom we will be dependent upon will set the prices for us, for our consumers in the aisles of the supermarkets of this great country of ours. And I do not think anyone in this room wants to see that happen.

Mr. President, as I said before, I will have some amendments to offer but, as I also said before, I feel in 5½ months we evolved a bill which I think was inadequate but yet was a compromise with the budgetary constraints that we had placed upon us at that time.

Thank you, Mr. President. I yield to the Senator from North Carolina.

Mr. QUAYLE. Mr. President, as we begin debate on the 1981 farm bill, I would like to call attention to the great contribution made by American farmers to our national well-being. American

farmers represent only about 3½ percent of the population, yet are able to feed the entire Nation and much of the rest of the world. As we know, the farming sector has continued to increase its productivity while other segments of the economy have become stagnant. While it took 7 hours of work to grow 100 bushels of corn in the 1965-69 period, the same amount of corn required only 4 hours of labor 10 years later. Higher productivity has also helped to keep food prices down in an age of spiralling inflation.

I feel that one of the principle reasons for continued growth of agricultural productivity is the strength of the free market economy. Indeed, American farming provides us with a textbook case of free market economics: The creativity and hard work of millions of producers results in an abundance of high quality foodstuffs, unprecedented in world history.

We should applaud the success of millions of farmers and work to lessen Government interference in their productive efforts. We have all seen during the past two decades that overregulation of the economy not only serves to reward inefficient producers, but also discourages both investment and individual enterprise.

We should also recognize that many of our trading partners do not share our commitment to free trade. Even though exports of agricultural commodities totaled over \$34 billion last year, we still retain surplus grain, butter and other commodities in Government silos and warehouses. If we are to encourage American farmers to produce as much as they are able, then we should assist them by working to reduce restrictions on international trade and by assuring stable markets for their products.

Mr. President, I believe that the twin goals which should guide our discussion of the 1981 farm bill should be: First, reduce Federal involvement in agriculture, and second, work toward free and stable international trade of agricultural commodities.

American farmers have borne the impact of inflation even more than most other sectors of the economy. Because of the intense competition and high yields of agricultural production, farm prices have not kept pace with the costs of production and with the general inflation rate. The farmer's costs have risen from 70 to 80 percent of farm receipts in the past 20 years. More recently, the cost of fertilizer, which is largely produced from petroleum, and the cost of farm operating loans have skyrocketed. Total indebtedness for farmers has increased from \$53 billion in 1970 to \$157 billion in 1979. High interest rates have dramatically increased the costs of servicing this huge debt.

As we move toward reducing Government involvement in agriculture, we must keep in mind that the farmer's profit margin has been squeezed by inflation. We must not penalize this highly competitive and productive sector of the economy by suddenly eliminating decades-old support programs. Instead, we should allow the producer to recover the

costs of production as we seek to stabilize world markets and control inflation.

In conclusion, Mr. President, I must insist that we begin the process of returning agriculture to the free market system. We cannot continue to support every agricultural crop without regard to its contribution to nutritional needs, its effect on the economy, our balance of payments, its costs to the Treasury, and its inflationary impact. I urge my colleagues to give serious attention to each separate program contained in the 1981 farm bill. At the appropriate time, I will offer an amendment to delete the sugar title from the farm bill, as reported by the Agriculture Committee. It is my firm belief that the sugar title represents an excellent place to begin our drive to reduce counterproductive Government involvement in American agriculture.

Mr. HELMS. Mr. President, I yield to the able Senator from Kansas.

The PRESIDING OFFICER (Mr. DANFORTH). The Senator from Kansas.

Mr. DOLE. Mr. President, I thank the distinguished Senator from North Carolina, the chairman of the committee.

Mr. President, it is not my intention to make a long statement regarding either the Agriculture Committee's farm bill, S. 884, or on the refining amendment approved by the committee last week which the chairman is introducing today.

Both pieces of legislation were developed under the most trying of circumstances—here in Washington and in rural America—and the bipartisan effort to reconcile budgetary restraint and prevailing economic distress speaks for itself.

TODAY'S THREAT TO OMNIBUS FARM LEGISLATION

I would like to state, Mr. President, that the concept of omnibus farm legislation has never faced to my knowledge as severe a test as it has this year.

The commitment which Congress made last spring to bring the growth of Government spending under control has brought into question the entire system through which we protect and support prices of basic agricultural commodities.

We have now seen 6 consecutive years of large global agricultural production, unprecedented interest rates, sustained double-digit inflation, and rocketing fuel and fertilizer costs.

At the same time, we have failed to protect the U.S. farmer's access to foreign markets, and have allowed the price-cutting tactics of our major competitors to reduce America to the world's supplier of last resort.

These events in the years since 1975 have progressively drained both profit and equity from our farm economy, and seriously endanger the future of its cornerstone—the family farm.

It is not only the viability of farm legislation during the next 4 years that we are addressing today, Mr. President, but the more crucial issue of whether the American agricultural system can and will survive the 1980's.

FARM LEGISLATION IS ONLY PART OF THE SOLUTION

As we have seen under the 1977 farm bill which expires with this year's crops, no one piece of legislation can guarantee

prosperity in agriculture. It must be accompanied by aggressive policies in the area of foreign trade, by a revitalization in our Nation's industrial productivity, and by a total restructuring of Government's growth and regulatory function.

No one in 1977 could have foreseen the economic malaise which has pervaded our national spirit and sapped our confidence in the future. No one anticipated the impact which politics and foreign policy decisions would have on international trade and our balance of payments.

It is only by redressing these conditions that we can hope to return our economy, and the agriculture sector which plays such a vital role in its performance, to past levels of prosperity.

AGRICULTURE AND THE REAGAN ECONOMIC PACKAGE

There has been considerable criticism, Mr. President, of the current state of the economy, of the administration's budget and tax cuts passed by Congress in July, of the need for additional savings to bring the Federal budget into balance in 1984, and of continuing high interest rates.

I would only remind the administration's critics, however, that today's problems have been 40 years in the making, and that President Reagan's program for economic recovery is still 3 weeks from beginning to take effect.

It would be far easier to follow in the footsteps of previous administrations—Democratic and Republican alike—by taking short-range actions to put off the inevitable day of reckoning rather than dealing with the root cause of our economic disease—the unchecked growth of deficit spending by Government.

Mr. President, I have just returned from 10 days in my home State during which I was made painfully aware of the crisis conditions in the Nation's farm sector. Many farmers are facing bankruptcy at current financing costs, and many others are preparing to sell out while they can still salvage something from 30 or 40 years of hard work.

Almost all of the producers I met with, however, were steadfast in their belief that the President's program must be given a chance to succeed; that partial solutions and exceptions for special interests would betray the mandate which was made so clearly last November 4.

This Senator intends to keep that pledge, Mr. President, and I hope that my colleagues who shared our commitment during the first 6 months of this administration will not falter at the first signs that the medicine is only beginning to work.

CONCLUSION

In closing, Mr. President, I would only remind my colleagues of the circumstances in which we find ourselves today. There is no doubt in my mind that, if the committee bill and its amendment are not approved in the next few days, farm legislation will be overwhelmed by other issues, including the revised requirements of the second concurrent resolution on the budget and by the 60 or so amendments which may be offered to rewrite various provisions.

I join the chairman and the ranking minority member in asking for your sup-

port. S. 884 as amended will not be the bill requested by the administration, but the Department of Agriculture is not on record opposing it. It does not attain the level of savings we sought, but the additional cost—less than \$100 million per year over the 4-year life of the bill—is a remarkable achievement under unprecedented circumstances.

As many Members are aware, S. 884 as amended will also not be the legislation sought by many of our national and commodity farm organizations. I only ask that you carefully consider the consequences if the opposition of both those who would prefer more and those who would prefer less combine to defeat the measure.

Congress and the Nation must move forward to address questions that will have a tremendous impact on rural America—greater than any minor modifications in the committee bill. It would be far better to enact the legislation as proposed than to perpetuate a debate that will never be resolved to everyone's satisfaction.

Mr. President, having had an opportunity, I guess that is the correct word, to appear on the floor a number of times on farm legislation, this is the first time that we have come to the floor under the new so-called budget constraints where we have a total amount of money and we try to stay within those figures. One thing that adds that we did not have before is a little competition between commodities because if so much goes to one commodity it may mean less for another commodity. I would guess that there are some who may not agree with the sort of loose compromise that the majority of Republicans and Democrats on the committee, as I understand it, agreed to. But it is the hope of this Senator that we can stick together and pass a bill, and pass one very quickly.

I would say to my friends that we are in the process in the State of Kansas, and have been in the States of Texas, Oklahoma, and other wheat-producing States, of making plans now for how much should be planted and how much land should be worked. Even a set-aside announced by the Secretary comes a bit late because many farmers have expended capital, which they do not have much of, I might add, these days, in an effort to prepare the ground.

So we are hoping that we can pass the bill in the next day or so and get it to the House side to see what action the House might take.

I might add that I have spoken this morning with the chairman of the House committee, Congressman DE LA GARZA, who is waiting very anxiously for the Senate to act on what he would hope would be a responsible proposal that might be looked upon with some favor by the House. They are also, of course, concerned about the budget, as we all are.

I have said in my own State, and I have said to farm audiences, that when we talk about the economy, inflation, high interest rates, and the general problems we have, no one can escape the budget constraints, whether it is agriculture, whether it is defense, whether it is food stamps, whether it is education, whatever program it might be.

In my view, the big problem the farmers and those in rural America face are high interest rates and high inflation. I really believe we cannot solve those problems by trying to load up the farm bill.

We have tried to act responsibly. As I understand it, we are not quite in agreement with the administration. But with the exception of dairy, we are so close on the other major commodities that we are talking about, as I add it up, less than \$100 million difference between what the administration may have proposed and what the majority of Democrats and Republicans have loosely agreed to insofar as the dollar amounts are concerned.

If you look over the life of a farm bill, a 4-year program with the major commodities of wheat, feedgrains, cotton, rice, and the other commodities, that is not a great deal of money. Again, these are only estimates, as I was reminded just a few minutes ago by the distinguished Presiding Officer. Those numbers could change. If, in fact, as we believe will happen, interest rates start to subside yet this year, and inflation levels off at about 9 percent and drops even lower next year, then these figures will drop.

I would just suggest that we have a severe test and we now have an opportunity to pass the farm bill.

I thank the distinguished majority leader (Mr. BAKER) for his persistence in urging us to bring the bill to the floor today. We do not have total agreement. There are some who do not like the sugar provision, some who do not like the peanut provision, some who do not like the cotton provision, or whatever. But I would suggest that is always the case in farm legislation. This Senator can never recall a farm bill coming to the floor without a great deal of debate and without some difference of opinion on just how we ought to construct the program. In fact, I think the last time we came here with general legislation we ended up passing two or three bills that affected some crops—sort of a cafeteria approach, everybody taking what they wanted to take.

It was not particularly successful in the final analysis, but it indicates that we have had some concern in the past with farm legislation. As I have said, it is only part of the solution.

I would hope that those who are certainly concerned about the dairy program will take a hard look at some of the suggestions being made.

As this Senator views it, if, in fact, we can pass the bill that I have referred to as sort of a coalition of those of us on the committee in both parties who have addressed the major commodities, and if somehow we can accommodate the interests of those who produce milk as well as the consumers in this country and the taxpayers in this country, as far as that section is concerned, it is the belief of this Senator that we can pass a bill that will go to the House and perhaps receive favorable consideration and be signed by the President.

There has been some discussion that, "Well, this might be a chance for the President to veto his first piece of legislation and indicate his concern about the

economy." I would hope that is not the case. I do not believe that is the case. I do believe that we have acted responsibly in cutting back the cost of the bill that came out of the committee, S. 884.

That has been done, I might add, because of the diligence of the distinguished chairman, Senator HELMS, and the distinguished ranking minority member on the committee, Senator HUBLESTON. They have been working at this for the past several weeks. I might also add because of the efforts of the Department of Agriculture and the personal efforts of Secretary Brock and Under Secretary Lyng, meeting with every farm group in the late days of August and early September and going over the bill with every different commodity group to see if they could reach some agreement.

It is the belief of this Senator that we have just about done that.

I will be speaking later on to certain amendments. I understand the distinguished Senator from Indiana may have a minor amendment which would, in effect, eliminate target prices and go back to the administration's original proposal.

I would say to the Senator from Indiana, to just take the wheat-producing area, since the Senator from Kansas understands that maybe better than some of the other provisions, we do not want payments under the target price program, but we would like some protection. The target price concept does offer some protection. It also has a way of putting pressure on any administration to use every possible effort it can and every tool it can to bring up the market prices.

The farmers in my State, the great, great majority of the farmers in the State of Kansas, do not want Federal payments. They want to make a profit in the marketplace. They cannot do that when the price of wheat is 40 cents, 50 cents, 70 cents, or even \$1 less than the costs of production per bushel. It is our hope that by retaining the target price concept we will not have Government payments but we will have enough pressure on any administration over the next 4 years that will indicate they are going to use the tools in the farm bill to bring up market prices. Whether that is set-aside, diversion, or more aggressive export policies it would seem to me that is one advantage of the target price concept.

Let us take this year, for example. Right now we are 3½ months into the 5-month formula. There may necessarily be target prices paid to wheat producers. To me that is unfortunate.

That, to me, is sort of a legacy of the embargo imposed in January 1980. I hope there will not be any more embargoes or, if there are embargoes, they are going to be across the board and not single out farmers in this country for special consideration. We are reaping the last adverse impact, I might say, of the so-called embargo imposed by President Carter. I do not say that in a partisan sense, because we have had embargoes under other Presidents who were Republican. But they have all ended up having the same adverse impact on the American farmers. We have had to come to Congress, and the American taxpay-

ers have had to put up billions of dollars to offset the adverse impact of the embargoes.

We go back to the soybean embargo under President Nixon. What was the final result? We almost lost the market to Brazil. We go back to the embargo imposed by President Ford. That did not do anything as far as the Soviets were concerned. There were great pressures on the President to impose embargoes, but the net result was that we lost part of our markets to other countries. I do not have the figures before me, but in such countries as Argentina, Australia, Canada, and other wheat-producing countries, not as large as the United States, if we look at their increase in exports to the Soviets in the past year or so, we understand just what an impact the embargo had.

If we look at the low prices in the marketplace, we understand today what an adverse impact the embargo had on American farmers. I believe President Reagan kept his campaign promise. He lifted the embargo. Not everybody agreed on that. It seemed to me what the President might do to lessen the target price exposures, even though only about 45 days remain, is to indicate that it is administration policy up and down the line—State Department, USDA—that if we have a big, big surplus of wheat, corn and other grains, we are prepared to sell at least 10 million tons, hopefully more, to the Soviets on commercial terms.

This, in itself, would not cost the President anything, but it would, I think, have a good impact on market prices. It might even save the administration millions of dollars when they have to compute what target prices might be after the 5-month period as provided in the law.

Finally, Mr. President, I remind my colleagues of the circumstances in which we find ourselves today. There is no doubt in my mind that unless we do something soon, this farm bill is going to be overwhelmed by other issues. In other words, if we reach a stalemate on the floor and cannot proceed with the farm bill, if the distinguished chairman of the committee decides after 3 or 4 days that we can just not pass the bill and has to pull it down, then other issues are going to be closing in on the time that we have remaining this year.

There is not any great interest, as we understand the term "great," as far as monumental issues in farm legislation. That does not mean it is not of importance to America, but it is hard to drum up a great deal of support for farm legislation outside those of us who come from farm States and farmers and consumers—some consumers. It is something that comes along every 4 years or less and we deal with it. We do the best we can under the circumstances. But there are a number of issues—all the appropriations bills, the debt ceiling, social security legislation, new budget cuts, and other matters that I think the distinguished majority leader outlined when Congress reconvened last Wednesday which would indicate that now is the time for the farm bill not only to

be brought up in the Senate but to be passed in the Senate so we might move on to other business and go to conference on the farm bill. Hopefully, the House will see fit to move very quickly. Then we can say to the American farmer that we did act, we acted responsibly. We did not try to bust the budget with the farm bill.

I know that some find it difficult to vote for farm legislation and I know that some farmers themselves would like 100 percent of parity, they would like loan rates at 100 percent, they would like target prices at 100 percent. But the taxpayers have an interest, too.

On the other hand, as you travel across most farm States, you do not see a great number of young farmers. Even the percentage that there are, I think, has probably fairly well stabilized. Hopefully, it is going to increase in the next few years. But we need to do what we can to protect farm income—not to shovel it out of the Treasury; there is nothing in the Treasury—but to protect farm income. This Senator believes we shall be able to do that under the chairmanship of the distinguished Senator from North Carolina, with the so-called modifications that he will present at some time later on in the discussion of this proposal.

Mr. President, it is the hope of the Senator from Kansas that we can, for the most part, accommodate the wishes—in fact, the hopes—of the administration. Again, I remind those who may be listening in their offices and may be voting on some of the amendments that they look at S. 884 and then the so-called countercompromise offered by the administration, presented by Secretary Block to the members of the committee just a few days ago, then the modifications that will be offered with the exception of dairy in the next few hours, probably by the distinguished Senator from North Carolina. If we add up the difference in cost, we find, as the Senator from Kansas—I hope accurately—outlined, less than a half billion dollars total, probably \$100 million for the next 4 years above what the administration indicated they would accept.

Now, \$100 million is a lot of money and \$100 million should be scrutinized carefully. But these are estimates. We believe that in the final analysis, they will come within the numbers projected by the administration. We are talking about major farm crops—peanuts, sugar, cotton, wheat, and feed grains. Hopefully we can work out some accommodation on the dairy section. If we cannot, it is the view of this Senator that we just ought to bring up dairy by itself. If the dairy people want to go it alone, they are going to have an opportunity. If they do not want to compromise, they are going to have a chance to go it alone.

It seems to me it would be in the best interests of the farmers and consumers in this country to try to reach some accommodation on the dairy section. If that cannot be done—and I hope there are some of us who believe we can support agriculture, support dairy producers, dairy farmers, and consumers—we can ourselves offer some modification of

the dairy provision now contained in S. 884 to lower the cost. If that is not done, it is the opinion of this Senator that that would increase the cost over the next 4 years by about \$1 billion. Instead of \$400 million added cost or \$500 million, we are going to have about \$1.5 billion of added cost because of the one section.

I hope that those who look after the interests of American dairy farmers will understand that if there is no inclination to go along, they may have to go alone. I am not certain what the outcome of that might be on the Senate floor.

Again, Mr. President, I indicate that there are certainly some concerns about this bill on the House side. This Senator is not certain what will happen on the House side, but I am told that they feel very strongly on the House side that they have to stay within the so-called Gramm-Latta budget constraints. If that is the case, if they exceed that, I am advised, they might have great difficulty in passing a bill on that side.

Again, Mr. President, I thank both the Senator from North Carolina (Mr. HELMS) and the Senator from Kentucky (Mr. HUDDLESTON) for their bipartisan effort in getting this bill before us and getting it passed in the next few days.

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

Mr. DOLE. I yield.

Mr. HELMS. Mr. President, I commend the able Senator from Kansas for his analysis of where we stand. I ask him if it is not correct that S. 884, as it will be modified by the package, moves the bill \$1.3 billion closer to the administration's proposal. Is that correct?

Mr. DOLE. That is correct. The Senator has even a somewhat more accurate figure. I was sort of rounding off figures, but he is correct. It is about \$1.3 billion.

Mr. HELMS. That does not leave very much difference. As a matter of fact, for fiscal year 1982, the administration proposal and the revised Senate proposal will cost the same thing, within the CBO figures.

Mr. DOLE. That is right.

Mr. HELMS. The Senator mentioned what will be an absolute necessity if we do not move along and pass a farm bill in any reasonable length of time. We are going to have to pull it down, and the likelihood is that there will not be a bill. Then what will happen?

Mr. DOLE. I am not certain anything will happen, but we go back to the 1949 act. I say to the Senator from North Carolina that we do not want that to happen.

I am speaking now not for Senators but for farmers and others who would have to comply with that act. In addition, as I understand it, the cost would be out of sight.

Mr. HELMS. Twenty-four billion dollars for the 4-year period.

Mr. DOLE. That is out of sight. [Laughter.]

Mr. HELMS. It is out of sight. I thank the Senator for his comments.

Mr. President, I yield to the able Senator from Indiana.

Mr. LUGAR. Mr. President, I believe it is important that we review the bidding

as to how we came to this point, prior to getting into these amendments.

Clearly, the chairman of the committee, the distinguished Senator from North Carolina, and the ranking Republican member, Mr. DOLE, have outlined the efforts of the committee to try to bring about income security for farmers and at the same time to do so within the constraints of the budget process.

Those who witnessed the initial hearings and the markup will recall the press coverage during the days of the markup, in which it was apparent that amendments being made to the original administration proposal were adding substantial sums of money. Indeed, each day of the markup, it became a question of trying to gage how far we had marched up the hill.

The distinguished chairman of the committee kept assuring the committee and the press and Americans that we were marching up the hill rapidly but that, indeed, we would have to march down again; that we were under constraints, as are all other committees, of the general budget consideration of the Senate.

Unfortunately, the markup concluded; and S. 884, which came as the vehicle for our consideration on the floor today, arrived with a very large price tag on it at that point. The administration may have been thinking in terms of an overall cost for fiscal 1982 of between \$1.5 and \$2 billion. It ended up, apparently, somewhere between \$2.1 billion and \$2.3 billion, according to USDA estimates.

Our dilemma is compounded as we come to this debate in the month of September because USDA now estimates that the same bill that was worth \$2.3 billion, more or less, when we completed it in the spring, is now worth over \$4 billion. The compromises that the administration and the Agriculture Committee have attempted to fashion would shave that \$4 billion plus by \$200 million or \$300 million at most.

I suspect that throughout the consideration of the debate, differing figures will be offered as to how much money is to be expended in the course of this multi-year bill. However, for the sake of the record, let me offer estimates that have been made today.

The administration, as of 1 p.m., has released its estimate of the cost of the committee proposal, and this is the substitute that will be offered shortly, sometime today, with or without dairy attached to it. The estimate is \$12.2 billion, as compared to an estimate of \$9.01 billion for the administration's original proposal. The cost of S. 884 is still estimated by the administration at \$13 billion.

So the administration is suggesting that the committee proposal over a 5-year period does shave the \$13 billion down to \$12.2 billion; but it is still clearly in excess, by over \$3 billion, of the administration proposal, which in itself presumably is barely inside the guidelines of the first concurrent resolution.

The CBO has different estimates. It estimates the committee compromise at \$13.2 billion. That is a full billion dollars

higher than the USDA estimates. But the CBO also estimates the administration proposal at \$12.3 billion.

Thus, the dialog that just ensued between Senator HELMS and Senator DOLE, suggesting that the two are coming close together—indeed they are, both at an extraordinarily high level.

I point out that the differences between the administration and the CBO estimates are apparently due to the higher CBO estimates of dairy and wheat and lower CBO estimates of rice.

The dairy and wheat situations point up the general course that the committee followed and the general course that I believe the committee should not adopt today, and it is hoped that the Senate will amend it if the committee persists.

There is no way of estimating the cost of this bill so long as the uncontrollables represented in the target prices remain. There is absolutely no way of making an estimate.

The distinguished Senator from Kansas has pointed out that he does not want direct cash payments to Kansas wheat farmers, that that is abhorrent to him—the thought that the Federal Government would be shelling out hundreds of millions of dollars to Kansas wheat farmers under this bill or any other bill.

He points out, however, that they should have some protection, and others have pointed out the need for some basic way of covering production costs.

The dilemma is, of course, that at this moment the 5-month average of wheat prices points to a situation in which not only Kansas wheat farmers but also wheat farmers all over our country, on a 2.75 billion bushel crop, will be receiving so many cents for each of those bushels.

The way the target price system works is that you take the 5-month average of cash prices in the field, at the local market, and if that average is less than the target price, every farmer in the country who produced a bushel of wheat is eligible for that spread times the number of bushels his local agricultural stabilization committee gives him credit for producing on historical averages of his farm acreage and his normal production. It makes no difference whether he sold the crop a long time ago, went into the futures market and made a profit. He is entitled to an uncontrollable factor that the target price represents.

The USDA believes that that will be \$500 million of payments in this crop year, if a wheat crop already harvested is playing its way out now through the 5-month averages.

The fact of life is, as pointed out in the dairy situation, that the Federal Government is buying half the butter produced in the country. There are enormous oversupplies. Yet, the committee, in its wisdom, is still attempting to do what it calls a finely-tuned job of compromising.

The only compromise is within the members of the committee, sitting around the table, each trying to protect a specific commodity. That is the only compromise. There is no compromise with the Treasury, with the rest of the

Senate having passed a budget resolution, with the consumers in this country, or with any of the normal factors of the market.

The question always was; Could you get a compromise within the committee so that nobody would seep out and say, essentially, "This won't work"? Here are uncontrollables sprouting in every direction; costs for the next 5 years beyond anyone's prediction. How in the world would a Senator know what the weather is going to be like for 5 years, what the predilections of various factors may be as to whether to plant or not to plant?

Of course, the U.S. Department of Agriculture is not defenseless against this situation. Already, to take a very concrete example that is not hypothetical, wheat has acted and said that if there is going to be a target price, if they are going to run up the cash register and pay out \$500 million, then next year the farmers in this country will be prohibited from planting 15 percent of wheat average if they want to participate.

In other words, the wheat crop was up 14 percent this year. The USDA is saying that we are going to cut out 15 percent of the wheat crop. That means that if you are a wheat farmer, and I am—and there are not too many on this floor who are—my fields will be measured row by row. We will have the inspectors out again with the aerial photographer. In the event we should misplant two or three rows, we knock it out, all the way back, with the complications of controls and invasion into the workings of our farms, and we cannot use that acreage for other purposes. We cannot plant corn there. We cannot plant soybeans. We do not do anything.

In short, this bill, with target prices supposedly to help farmers, is a destruction of the use of productive land that cannot be used while the USDA tries to control the excesses that all of this has spawned. We know that and it was argued within the committee that the USDA's new course, the Secretary's new course was absolutely right: Get rid of the target prices. Let the Secretary of Agriculture be a manager, not a cashier passing out money, a manager, so that we have some chance using farmer-held reserves, using loan rates, using all of the efforts that we have to push exports and finally coming to a conclusion, that simply saying, "My production costs is x number of dollars is not a justification for me to be paid that amount of money." That is not the way the market works and in my judgment it is not the way the market should work.

In short, if there is not a demand for certain supplies in this country, the market should indicate to many farmers they should not be producing. There is no God-given right every year to go out and plant and simply to say "I will be guaranteed because of target prices x number of dollars because it costs me so much to do something the market did not need."

I think all of us appreciate the adjustments that have to be made as we

move from one style of agriculture to another. But the Secretary of Agriculture, given full flexibility under his original proposal to set low rates, to move into farmer-held grain reserves with vigor, offered some excellent floors and possibilities for that adjustment. I appreciate that a long time ago the Secretary in the face of this bill abandoned that situation, but I wish to read a letter he wrote to me this morning to make certain that it appears in this part of the debate.

This is dated September 14, 1981, today, from the U.S. Department of Agriculture.

DEAR DICK: Thank you for your letter requesting the Administration's view on your proposed amendments which would substitute our original commodity provisions for the current language contained in S. 884, as reported by the Committee on Agriculture, Nutrition, and Forestry. The Administration finds your amendments to S. 884 consistent with our original bill. Based on a prior commitment, however, the Administration has agreed not to take a position on peanut and sugar legislation at this time.

As you know, the Administration was willing to work with the Congress in a mutual effort to write a farm bill that not only would help our farmers and ranchers but also be responsible from a budgetary standpoint. Recently we proposed a package of amendments to S. 884 that would achieve these goals. As you know, the Senate Committee on Agriculture, Nutrition, and Forestry, while coming closer, failed to meet our objectives.

We support your efforts to bring prosperity to American agriculture through a greater market orientation. It is important that we restore profitability for American farmers.

Sincerely,

JOHN R. BLOCK,
Secretary.

Mr. President, I simply say that I intend at the proper time, and I am fully prepared to enter into time agreements on each of my amendments, to expedite the debate. I think after one goes through on a target price debate we will be able to reach decisions on the others, ad seriatim, very rapidly. It appears to me that the peanut issue has been well debated for a long time and by this time most Members of the Senate have an idea what they are going to do.

I am prepared to move expeditiously in that area, also, as may be required. I hope all other Senators will share my desire to move expeditiously.

I think we must now get back to market orientation and get rid of the target prices. This is where the money lies. Until we do, this bill, I think, is in jeopardy, and even more in jeopardy is the faith of the American people that do not receive kindly special interests, as good as these interests may be, self-dealing as we might be accused of dealing if we are to front for each commodity. In my State corn is big and wheat is big, but I am perfectly prepared to take on, as each Senator knows, the fact that target prices in those two areas are wrong in a market sense, a budgetary sense, and the uncontrollable sense that we are trying to get away from in overall budgetary considerations, and I am hopeful that in due course the majority of our colleagues will agree with that position.

I yield the floor.

Mr. HELMS. 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. LUGAR. 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. LUGAR. Mr. President, it is my understanding that the distinguished Senator from Iowa, a member of the Agriculture Committee, has been engaged in some research that I think is very important. I was intrigued by mention earlier on of the consequences if we did not pass a farm bill and mention of restoration of certain provisions of the act of 1949 and others.

I wish to ask the Senator from Iowa if it true that he has put pencil on paper and tried to come up with some of the costs that are involved in the event that we should not be successful in passing legislation this month?

Mr. JEPSEN. I have. The Senator mentioned that the projected costs under current plans and suggestions, target prices, and so on, for wheat would be somewhere in the neighborhood of \$500 million for next year. If indeed we should not have a farm bill, as I feel strongly we must have of some kind, indeed then, as the law states, we revert back to the farm legislation of 1949.

I point out that under the present projections of the new wheat crop, the cost next year to the Department of Agriculture, to the Government and to the taxpayers would be \$1.8 billion.

That is nearly as much in 1 year for one commodity under the 1949 farm legislation as the entire proposed bill as it came out from the Senate committee was for 4 years for everything.

So when we hear talk of possibly not arriving at some type of a farm bill or the possibility of reverting back to the 1949 bill, I think that under any circumstances should not be used either as a lever, as a threat or as a fallback because it is unthinkable. It is not realistic, it is just not acceptable to even have that under consideration.

Mr. LUGAR. I would like to ask the Senator from Iowa, out of curiosity, whether he has asked the U.S. Department of Agriculture for their reactions with regard to moving back to that legislation?

Mr. JEPSEN. I did as late as 2 o'clock this afternoon in a Joint Economic Subcommittee hearing on the economic value of the agricultural sector to our economy of this country.

The Secretary appeared, and I asked the Secretary as to what thoughts they had about possibly reverting back to the 1949 program. He replied that as a matter of course and to be prepared for any eventuality that might happen they have people working on the possibility of having to implement that.

At that point I did ask the Secretary if he thought that under any stretch of the imagination there was any realistic rationale at all for thinking we could

live or exist under that program, and pointed out to them the fact that the costs for just 1 year for the wheat program would cost nearly as much as 4 years for the entire program as reported from the Senate committee, and he indicated he was familiar with that. He indicated they were aware of that, and expressed the opinion it would be not realistic at all to consider reverting to the 1949 act.

Mr. LUGAR. I thank the Senator from Iowa, who is a distinguished member of the Joint Economic Committee and who has worked so hard on general economic problems in this country.

I would just add my own comment, Mr. President, that clearly those of us who visited with our constituents throughout the month of August came back to Washington, as did many others, with the thought that Congress would be serious about budgets, that the President clearly would be serious about offering cuts and not additions; that we would all be serious about the lowering of interest rates. One of the ways that has been found to bring some potential for less governmental borrowing is to cut Federal spending.

It is amazing that we meet in this Chamber—this may be off the beaten track to all the rest of the debate—and we still throw out ideas with the thought that without an agricultural bill at this time we could go into as much as \$84 billion for spending.

If I heard the Senator from North Carolina earlier in his estimate of the 4-year consequences, it truly is unthinkable. If the American people find this bill now to be a dubious exercise of special interests, clearly figures such as the distinguished Senator from Iowa or the distinguished Senator from North Carolina have been propounding are even more outrageous. It brings me back to a central thought that I have, and that is that American agriculture really needs friends right now, not people doing in agricultural legislation by overreaching, by special arrangement.

We are going to have to be responsible in the course of this debate. The country is watching this as the first money bill out of the box following the recess, the very first one, and if the response of the Senate is to spend more and more and add on, that is not the response, in my judgment, the public was looking for or hopeful, I think, that the majority of Senators would look the other way.

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

Mr. LUGAR. Yes, I am happy to yield.

Mr. MELCHER. First, I thank the Senator for yielding. It is my impression, and I would be delighted to be corrected if I am wrong, that the amount of the bill we have brought before the Senate is less than the President's budget.

Mr. LUGAR. I think that is incorrect by all estimates. It is clearly much more than the budget that this Senate passed.

Mr. MELCHER. What was in the President's budget for agriculture when he presented it to Congress? Would the Senator enlighten me?

Mr. LUGAR. The distinguished Senator from Montana was present during the old days of that debate when we

were talking about \$1.5 billion; that was escalated to \$2 billion by the time it got out of committee.

Mr. MELCHER. Can the Senator enlighten me further then as to the dollar figure the Senator is proposing as the President's budget for this bill?

Mr. LUGAR. I am proposing—

Mr. MELCHER. Whenever he presented the budget, the first of June or whatever sequence you can enlighten me on?

Mr. LUGAR. I am proposing a series of amendments and, hopefully, all would pass, and all would go away with target prices for corn, wheat, rice, and cotton, and by eliminating the target prices and giving the Secretary flexibility, the Secretary can then by definition make certain he stays within the administration's budget, and he eliminates the uncontrollable feature.

Mr. MELCHER. I appreciate the response of the Senator from Indiana. I would like to be enlightened as to what was the President's first budget request, the modified budget request prior to the recess, and what is the President's budget request now in terms of dollars.

Mr. LUGAR. I am sorry I cannot furnish that information to the distinguished Senator. I expect it will be illuminated in the course of the debate. My purpose is simply to make certain that we get whatever the budget turns out to be by giving the Secretary flexibility to manage it.

Mr. MELCHER. Am I to interpret that to mean that there have been several different budget figures and that they keep changing and that they keep changing downward?

Mr. LUGAR. Yes, that is right. I think that is the nature of the budget process throughout the year, and it is still apparent it will continue to be as the President tries to grapple with a deficit that continues to grow rather than gets smaller.

My understanding is that the deficit of \$42.5 billion is in danger of not being met, and it seems to me we ought not to contribute toward escalating that any higher.

Mr. MELCHER. Well, I will ask one further question and I again thank the distinguished Senator from Indiana.

Do we have much chance, any chance, of passing a farm bill which is for 3 years' duration which will satisfy whatever the changing budget figures are of the President?

Mr. LUGAR. Yes, I think there is a good opportunity to pass a farm bill provided the Secretary of Agriculture has the flexibility to set loans and make purchases as opposed to being locked into target prices.

Mr. MELCHER. I beg the Senator's pardon. I may not have stated my question properly.

Has the Senate a decent chance of passing a farm bill with a certain set of figures that has been agreed upon by CBO as being the cost, and satisfying whatever the President's changing budget requirements will be or are we going to continue to revise—I am advised that the administration recommended \$3.9 billion as the budget costs for fiscal 1982; that we passed, the committee passed, slightly higher than that, \$200 million

more than that, slightly more; and then there is going to be a revised Senate figure of \$3.9 billion or almost \$4 billion.

The point of my question is: Since the President's budget changes no matter what we face here, might there be some readjustment and are we not still subject to the usual procedure of appropriation bills being the determinative factor?

Mr. LUGAR. Well, the Senator's question is well taken. I would suppose there would be many further changes in the estimates of the cost of the bill and maybe even of the President's requests of us during the course of this, and the appropriation process follows, as the Senator points out.

It just seems to me that the nature of the debate in which we are engaged is an impossible one trying to quantify the unknowable. It appears to me, since the known uncontrollables are in the target price areas, that the elimination of that particular area makes it possible for a Secretary of Agriculture and a President to stay within the range of an acceptable budget that becomes more knowable, as opposed to the weather and the wheat crops and all the other things for 4 or 5 years that are unknowable.

Mr. MELCHER. I thank the Senator for yielding. I think he is raising some very worthwhile points.

I wonder what time we could look at the Senator's amendment with a total dollar figure which would purport to represent what the administration today would like to see as the budget figure, say, for fiscal 1982 or a combination of fiscal years 1982, 1983, and 1984?

Mr. LUGAR. This Senator would simply reply that my purpose would be to make certain we were within the limits of the first concurrent resolution this body has already passed. I am offering a course of action that I am certain will bring us to that point by elimination of the target prices in four areas.

Mr. MELCHER. I thank the Senator.

Mr. President, in discussing what the administration's budget is in reference to this bill and to the farm program, it is a little bit difficult because it has changed from time to time.

I can understand that, but we have to use some sort of figures that we are talking about being the same. What the administration is now suggesting is that there be some changes in the farm bill that will reflect lowered costs, lowered outlays, for commodities, and those programs that are connected with commodities.

I would like to list, for the benefit of the Senate and for the benefit of the public which reads the Record, what the 1982 proposed budget was as presented by the administration at the time the Senate Agricultural Committee drafted S. 884 for these commodities and costs that are connected with these commodities. I will now read them.

Dairy, wheat, feedgrains, cotton, rice, soybeans, peanuts, tobacco, sugar, export credit, storage facility loans, net interest, working capital, administration, other, sunflowers, and wool.

It should be noted that in working capital, in sugar, and in sunflowers for

fiscal 1982 the administration recommended zero in each area.

That total as recommended by the administration for fiscal 1982 came to \$2.182 billion.

The committee bill, S. 884, as reported, added \$101 million to dairy. That was a semiannual price adjustment on dairy as the price fell below 70 percent on March 1.

The committee deducted or changed in their bill from the wool program a deduction of \$15 million. So the net difference is an increase over and above what the administration recommended of \$86 million.

Now if we come in with a lower figure that is up, the President or the administration are certainly entitled to lower their budget estimates, their budget requests. I expect that is what Senator LUGAR would like to do with his amendment, to reflect those lower budget requests. But it is important to identify where we are starting so far as the administration requests and what they are asking for in these reductions and the areas in which they are asking for reductions.

In either case, it ought to be obvious that we are talking about a very minuscule part of the total Federal budget.

I would like to now turn to a couple of different subjects, some amendments that I shall offer and on which we can perhaps agree.

I have been in Congress for 12 years plus, and during all those 12 years I have been concerned that the inspection process we have on imported meats left a lot to be desired. Over the course of the 12 years the Department of Agriculture has made some effort to tighten up those processes with respect to imported meats but has not been successful in making certain that we do not have some catastrophe befall this country. A recent escapade deserves our attention and, I think, warrants that we tighten up our process again.

A few weeks ago we learned that imported meat labeled as beef from Australia actually contained some horse-meat. When it was found that it contained horse-meat, the meat was taken out and removed from the market. Some got into the processing chain and, in some instances, was actually being sold as beef. One particular chain of taco-burrito sandwich retailers was identified as having a large amount of the horse-meat.

It is very harmful, of course, for the business of that particular chain. It is a situation where the public would be alarmed at the possibility that the fast food they were purchasing from this chain actually contained horse-meat rather than beef. It was a very damaging economic fact of life for that particular chain.

Besides that, it is an outrage to the consumers, who believe that they are eating beef and are told they are eating beef, and then find out that it is horse-meat.

Beyond that, Mr. President, it is an outrage for the entire meat industry of this country that we allow a process of

importing meats falsely labeled, illegally labeled. It is obviously a breakdown in our inspection program.

First of all, to be licensed to sell meat in this country from another country, the establishment where that meat is slaughtered must be licensed and must meet the same requirements that we would make of a similar establishment in this country.

We do not use horse-meat here for human consumption. We do not process it into any type of hamburger or any type of sausage of any type of prepared food. It is obvious that an establishment, no matter where it is, Australia or anywhere else, that is licensed to sell in this country knows when they are slaughtering horses and knows when they are breaking the requirement established upon that licensed institution to sell meat to the United States. They know that they are breaking our law. It is no secret to them.

Unfortunately, also, it was found at about the same time, a week or two later, that some of the imported meat labeled as beef from Australia turned out to be kangaroo meat. We can all make a lot of very cute remarks about up jumped the kangaroo, or the box was jumping, the meat was very lively, and so on, but my purpose is a little bit more serious here today. Again, the establishment in Australia that was licensed to sell beef in the United States was well aware that the meat they were processing was not beef, that it was kangaroo. Again, it is a breakdown in our inspection system. First of all, Mr. President, the establishment that does that, whether it is in Australia or some other country—I guess if you are going to slaughter kangaroo and box it up, debone, and label it as beef, that probably has to be an establishment in Australia.

(Mr. WARNER assumed the chair.)

Mr. MELCHER. Whatever that establishment is that is licensed to sell meat here, in this country, must stand the scrutiny of our inspection. We require, under our law and under the regulations by the Department of Agriculture that carry out that law, that those establishments be inspected by our own inspector, routinely. It is obvious to me that the 200 or more or less establishments that are licensed to sell meat in Australia can bear a lot tougher scrutiny than what they have been getting.

It is obvious to me that the timing of the inspection could be better made so that there is a frequency that would discover when the horses are in the process of being slaughtered and deboned and packaged and labeled as beef so that they will be discovered by our inspectors. The same thing is true of kangaroo meat.

So, Mr. President, that is one part. We should tighten up that process by our frequency of inspection and thoroughness of inspection of those establishments abroad that are licensed to sell their product here.

Second, we should tighten up the process of inspection once the meat reaches our shores. I have been on the docks and watched the procedures of inspection. When the meat is unloaded from a ship

and is inspected on the docks, there is a hurrying and scurrying about to get rid of it quickly, and only a very minute sampling of the imported product is ever viewed by our inspectors. It varies on how big a shipment is. The bigger the shipment is, you look at a few more boxes. But let me tell you that only about 1 percent of the meat is ever viewed at the time it enters our country. That is a small percentage.

But even on what is viewed, Mr. President, we do not require species identification. We do not require that the meat be looked at to find out if it really is beef. In the case of the horsemeat that was discovered, the inspector observed that the meat did not look right. It looked too stringy; it had a different color; it was a different texture than beef. But it was all visual and there was no real procedure to identify what the species was.

Is it necessary? Yes, I think it is necessary. I think the episode has proved that it is necessary to add species identification to the process of inspection here in this country. I shall offer an amendment to do that. The amendment also will require that we establish a little more erudite, a little more detailed residue sampling procedure for harmful chemicals or drugs that might be in the meat. We are a little bit lax on that, also. This amendment, I believe, Mr. President, is necessary. I hope that the Senate can accept it.

I cannot project what the cost of adding species identification as a requirement of inspection on this shore, in the United States, at the docks, of imported meats would be. But I would say it would be minimal.

I would say that if we require a bit more detailed residue sampling of the meat that is imported for harmful chemicals or drugs, perhaps we are talking about an increase in cost of \$3 to \$5 million. I would say that if we tighten up our inspection by the inspectors that operate abroad, the veterinarians that do inspect foreign plants abroad that are licensed to sell meat in this country, if we increase their visitations and tighten up on that process, it is probably going to add another million dollars to the budget also—perhaps a little bit less for that particular additional cost.

But what does it do for us, Mr. President? It provides some protection for the people who buy this meat, whether it is an individual consumer or it is a chain of sandwich shops or taco shops that buys the product.

I believe it is absolutely essential that we do that. We should protect our consumers and our businesses from dishonest practices in connection with imported food products.

A second amendment I intend to offer deals with commodities that are in huge surplus and which are costing our Government storage costs.

I will propose an amendment that those commodities be made available to schools and to senior citizen nutrition centers as bonus commodities. I will propose that dried milk, cheddar cheese, and butter, all of which are in huge surplus, and wheat products such as flour, which

will be in huge surplus this year, be made available under our usual procedure of bonuses for schools and senior citizen nutrition programs.

I also draw the attention of the Senate to the fact that I will offer an amendment to restore the Wool Act to its present status. I see no reason to tinker with the program that has worked best and has been the most successful and has caused the least criticism of Congress over the past 10 years.

I note that the House, in its bill, maintains the Wool Act exactly as it is. The wool people feel that it has worked successfully. I believe that the users of wool in this country are in favor of the Wool Act as it is. I believe that to tinker with it will cause some disruption. Yet the committee bill, as it is presented to the Senate, does tinker with it and does reduce it slightly. We would be better off leaving the act exactly as it is and not changing it.

Another amendment I will offer, which I hope will receive the consideration of the Senate and will be adopted, would require that the President consult with the Federal Reserve Board, with the idea of reducing interest rates within 90 days; discuss with the Federal Reserve Board the open market activities, the Federal Reserve Board's requirement on the rediscount rate, and the Federal Reserve Board's requirement on reserves that member banks must carry—with the idea that joint action between the President and the Federal Reserve would reduce rates by 3 to 4 points within 90 days.

I point out to the Senate that we have reduced inflation 3 to 4 points, comparing 1981 with 1980; so it seems to me that we could reduce interest rates by changing the monetary policy, at least to the extent that we reduce the rates by 3 to 4 points.

The amendment would be binding on the President to consult with the Board, but that is as far as the requirement would go. I hope it would be a fruitful consultation and that we would see some reduction in rates during that period of time. It is considered a mild step, but I believe it is time we take some action jointly, among Congress, the President, and the Board, to bring about a reduction in rates.

Mr. PRESSLER. Mr. President, I would like to make some remarks on the farm bill. Let me say that I have been concerned about the effect of eliminating target prices, from both the domestic and international points of view. It seems that our target prices set the price for wheat in the international market. I think we must understand and consider the full international implications which would result if we were to eliminate target prices entirely.

I oppose the elimination of target prices and I have long felt that they are, in fact, frequently too low. In meetings with the Canadians and Australians and other countries, they have indicated that our target prices, in fact, fix the international wheat price or at least the figure around which the international price revolves.

I think it is very important that we take into careful consideration the im-

pact on international grain markets before considering the elimination of target prices. If we do so, we must take other steps, to increase domestic grain prices because we should not be selling U.S. grain abroad at below the cost of production.

I certainly do not advocate some of the tactics used by the Arab oil states in terms of price fixing. But grain and farm commodities are items in the international area that do require a great deal of foreign currency; in fact, they are our largest source of foreign revenue. Particularly in meetings with the Canadians—and we have another meeting scheduled for October regarding grain agreements—it has been emphasized that the target price concept sets the international grain prices. We should keep that in mind in dealing with this.

Also, Mr. President, I know we are in the time of budget cuts and they are important, but we must recognize the importance of agriculture to the total American economy. Agriculture is our No. 1 industry, with assets of \$927 billion; and our Nation's largest employer with between 14- and 17-million people working in some phase of agriculture. Farming itself has 3.6 million workers, which equals the combined payrolls of transportation, the steel industry, and the auto industry. Agriculture in some way accounts for one out of every five jobs in private enterprise.

In 1980, the United States exported \$41.2 billion worth of agricultural products. The agricultural trade surplus was almost \$23 billion, which is a great plus to our Nation's balance of trade. Agriculture exports have increased from \$7 billion in 1970 and further growth is still possible.

Mr. President, let me say that I fear that we are losing the family farmer on the American scene. I know that the phrase family farmer sounds like apple pie and motherhood, but the point is our agriculture sector has been and still is more productive than any other country. Many countries in this world are struggling with a shortage of food and we have been blessed with a surplus of food. Part of that is because we have the incentive system in which people own the land on which they work and own the machinery and own their livestock.

Coming from a farm family myself, I can assure you that even such a thing as the care of livestock is done in a much better fashion if there is ownership involved. But, increasingly, our farmland is being turned into great corporate farms and absentee ownership. This trend will result, eventually, in lessened productivity. So every consumer in America has an interest in this bill.

We call this legislation the farm bill, but we should call it the food and consumer bill, because in no other country in the world are the people provided such an abundant supply of food. This is the result of the family farm system.

I fear we are losing that system to corporate agriculture and absentee ownership and will experience the decreased productivity that has plagued other nations.

In addition, American farmers are also major consumers. Farmers account for the use of 6.5 million tons of steel in some form which accounts for 40,000 jobs in the steel industry. They purchase \$14.4 billion worth of farm equipment which requires 140,000 employees to produce, and \$13.7 billion in petroleum products, more than any other single industry. This just shows the entire economy is based on the success of agriculture.

Mr. President, all Americans also have an interest in preserving our top soil, our shelter belts, and our trees. That is a national heritage. We are losing our prime agricultural land, which is one of our great assets.

I know that consumers, those who live in urban America may have very little understanding as to why this Congress should be interested in soil and water conservation programs, why we should be interested in shelter belts, or a trees program. Every American whether they live in the densest city or in the rural areas, has a great interest in conservation. We should all share in that heritage. It will cost, and that cost should be shared.

I shall be offering amendments relating to shelter belts, to soil and water conservation, meat imports, and certain other areas. I may offer an amendment on dairying, pending certain discussions which are occurring at this moment.

Those are some of the points I would like to make at the beginning of this debate.

Let me add that on the international scene we as Americans have been the good fellows regarding international trade. I participated in the North Atlantic Treaty Organization's economic treaty discussions and have seen firsthand the attitudes of the representatives of other nations. No country in the world is as generous in its trade agreements as the United States. The Common Market is certainly not. Other countries that have agricultural exports act in their own interests. We insist on reciprocity in the general agreement on trade and tariffs in the industrial products area. In the area of our industrial products we are very careful not to give away trade concessions. Every time we give a trade concession, however, it is always in the agricultural area. That means that the American farmer is paying for part of our foreign policy. The farmer is willing to pay for a fair and equitable portion, but he is not willing to pay for such an excessive portion as he is being asked to pay under current policies.

We could be selling our products abroad at a much higher price. We essentially set the world food prices through our target prices. We have been very generous and I think we have reached the time, referring to other countries with regard to their needs, when we can be much tougher.

What happens in international agricultural trade in the next 5 years will affect farm prices more than any target price, more than anything we do on the domestic front.

Mr. President, I yield the floor.

Mr. HUDDLESTON. Mr. President, before I yield to the distinguished Senator from North Dakota, I point out that we are still anxious to have any Member of the Senate who has a statement to make relating to the farm bill to do so now, during this period. Very soon, we hope to have the committee amendments presented for adoption, to modify the bill. From that point on, other amendments will be forthcoming.

There has been a great deal of discussion here about the cost of this bill and much interest in trying to reduce the cost, which certainly the committee has done. Every member of the committee has attempted in some way to reduce it. But I believe we should try to keep in proper perspective what we are talking about here.

Some of my colleagues already have indicated the tremendous value of agriculture to this country and what it means to the economy of this country. I believe there is no question that the agriculture production capacity in the United States is the greatest asset we have. Anything we would do that would be detrimental to that asset could have a long-range implication with respect to the future development of the United States and the future economy that can be devastating.

If we at this time permit large numbers of people to move out of that production field, if we allow at this time increased acreage to be diverted from agricultural production to some other use that could not be returned to agriculture in the future, and if we consider the future population estimates for this country and the world, one need not be a great mathematician to figure out that, somewhere down the line, the problem of supply and demand will reverse, and we will be hard-pressed to supply ourselves in this country, much less meet the needs of the world as we have been doing.

In looking at these figures, you could note that any one commodity returns to the Government in taxes more than the total cost of this bill. We should look as closely at other programs the Government is involved in as part of setting priorities; and that is the game we are playing this year—trying to determine what the priorities are for the resources of the Government, which we realize are limited and should be cut back.

One program in which I have had some passing interest in recent years is the refugee assistance program. It probably will come as a surprise to most people in this body and most citizens that we are going to spend more money for refugee assistance than this farm bill costs. Perhaps not fiscal year 1982, which includes the 1981 crops. But from that point on, the refugee assistance program of the United States will cost the American taxpayers more than this farm bill will cost.

I believe it is time we try to make some determination as to what our obligation is and to whom it is directed; and to make sure that we do not destroy the very assets that make it possible for the United States to be the most generous country in the world, not only in food

assistance but also in refugee assistance and all other kinds of foreign aid throughout the world.

I believe the farm bill costs are modest costs when we are talking about what we are trying to protect and continue to develop, the kind of foundation that will be necessary in order to meet our needs in the future.

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

Mr. HUDDLESTON. I have promised to yield to the Senator from North Dakota, but I yield to the Senator from Montana.

Mr. MELCHER. Mr. President, I concur with what the Senator from Kentucky has said. We seem to be able to spend a lot of money abroad.

I believe we credit ourselves with spending \$10 billion to \$11 billion for foreign aid, in a reconciliation budget resolution and the President's budget, which is virtually the same as we have been spending for the past several years, and a great deal more than involved in any given year, for the farm program. Yet, the farm program is basic to the entire economy of this country and even as presented is a very mild, weak bill. As reported by the committee, it is a very mild, weak bill. I do not believe it is good enough as it came from the committee. I object to it very vigorously. But now we are asked by the administration to whittle away at it some more.

We say whittle some more at foreign aid and we will do our own economy better if we could put more of our dollars into our basic economy such as agriculture.

Mr. HUDDLESTON. I thank the Senator, and I yield to the Senator from North Dakota.

Mr. ANDREWS. Mr. President, I appreciate my colleague and good friend from Kentucky yielding.

Mr. President, I think it should be pointed out this is not a bill for agriculture. This is a bill for the Nation's economy.

I think we make a mistake when we talk about the fact that the farmer needs this help when presenting a farm bill. That is not the only reason we pass a farm bill. In fact, it is one of the lesser reasons we pass a farm bill.

When meeting with some of our colleagues from the European Economic Community, I have asked them, "Why do you support your wheat at \$9.60 and \$9.70 a bushel," almost three times as much as our price supports for wheat in this country.

I asked:

Do your farmers have that much more political weight? Do your farmers represent that much greater percentage of the population than they do here in the United States?

The answer I have consistently gotten back is:

Oh, no, we do not support the price of our agricultural commodities to help our farmers. We support the price of our agricultural commodities to undergird our entire economy because farming is basic. It is the greatest producer of new wealth in our countries. And when the farmer does well the rest of the economy does well.

We have heard a lot of speeches in this Chamber in the last 5 or 6 months about international trade and about the fact that the United States is in a difficult position vis-a-vis our friends in Japan. We cannot compete in steel production, the production of ships, and the production of automobiles. In fact, Japan has a pretty good system going. They are producing consumer goods that the consuming public in the United States seems to prefer and buy by the hundreds of millions of dollars worth each year.

Yet in the nation of Japan their price support for wheat is some \$27.90 a bushel.

I think the American public should be aware, far more aware than we ever seem to be able to make them, that they do have a bargain in the food prices they pay here. The American farm family, in effect, is subsidizing the European Economic Community far more than any foreign aid program that we have ever had.

My colleague from Montana just pointed out that we should think about the farm programs. This is the place we should spend our money instead of expending it in foreign aid. And that is true.

But he did not go on to point out that when we send a boatload of wheat to the European Economic Community and it lands in Rotterdam, our friends in Europe tag an additional tax, an import fee, to it. If that wheat is landed at Rotterdam at \$4.50 a bushel and their threshold price is \$9 they add a tax of \$4.50 to that particular bushel of wheat and that tax goes to pay their governmental expenses.

How many consumers in this country and how many in the press recognize that the farm families of this Nation are doing more to subsidize governments of the European Economic Community than we are doing to help the underdeveloped countries through foreign aid.

For all of these reasons, the reasons so eloquently brought out by my friend from Kentucky and a host of others, I rise in support of the 1981 farm bill.

As several Senators have pointed out, this is a culmination of many weeks of hard work by the Agriculture Committee. We heard witnesses from every segment of the industry, as well as administration witnesses and held some 24 sessions marking-up the final version.

The bill certainly does not contain everything we all want. It is a far cry from what I would have liked to have seen or from some of the amendments that I introduced in the committee. It is a far cry from some of the amendments my good friend from Kentucky put in or even the chairman of the committee introduced in committee. But it balances the needs of farmers, consumers, and everyone else, and in a year of severe budgetary constraints, it comes out very close to the administration's request.

As our distinguished chairman has pointed out, this is the first time in the history of the Agriculture Committee that we have had to write a farm bill under such severe budget constraints.

There will be amendments offered to this bill, but I urge you to keep in mind that this is a fine-tuned piece of legislation and any changes that unbalance the bill, could be disastrous to the American farmer and in the end harm the American consumer the most.

Every American has a stake in a viable agricultural economy. Americans spend less of their take-home pay for food than almost any other nation in the world, and they have been able to do this because of our farm programs and the protection they afford the American farmer. Without these programs many farmers would go out of business.

According to the latest USDA figures the U.S. farm population numbered 6.1 million during 1980, about 2.7 percent of the total U.S. population.

Over the last 2 years, there has been a decline of 450,000 farm residents. This means that 2.7 percent of our population is producing enough food to feed our own people, with enough left over to help feed a great part of the hungry world—this is a success story that would be hard to match by any other industry in our country. This level of agricultural productivity is unmatched by any other nation in the world.

We must be sure that this success story continues. Farmers cannot be expected to stay in business if the prices they receive for their production fail to cover the increasing costs of production. Today we are dangerously close to seeing many of our farmers go bankrupt, brought on by rising costs and declining prices. We can only stop this trend by passing a farm bill which allows our farmers to receive a fair return on their investment. I believe the farm bill we present to you today will afford our farmers the minimal protection necessary at the least possible cost to the Government.

Agriculture is the Nation's largest industry, and the American farmer is industry's and labor's biggest customer. The economic activity generated by agricultural production, processing, and distribution amounts to approximately 25 percent of the total gross national product. The entire Nation has a stake in the economic well-being of agriculture, as it is basic to the American economy and the American way of life.

If the farm income situation is allowed to continue deteriorating, the ripple effects will undermine the administration's economic recovery program. The Federal Government, in behalf of all U.S. citizens, has an obligation to establish a floor under commodity price levels to provide farmers with the marketing tools necessary to achieve supply stability. This stability is extremely important to the American consumer. Food is still the consumer's best buy. Only in the United States can you get an abundant supply of high quality food for 16 percent of your disposable income. This percentage has remained relatively constant in spite of steady increases in transportation, processing, and marketing costs.

But, most important of all, American agriculture has made the United States the "bread basket" of the world. In 1981 we will produce 45 percent of the world's wheat exports, 24 percent of all rice exports, 81 percent of soybean exports, and 72 percent of total exports of feed grains. Agriculture is a major earner of foreign exchange to help offset the staggering costs of oil imports.

I would like to take a few minutes to discuss several sections of this bill. The wheat and feed grains sections of the bill set target prices for these commodities well below the actual cost of production. While we assure this protection of a bottom price for our farmers, we have given the administration many tools to use to avoid having to make any target payments. Our farmers are not looking for a hand-out and the Government is opposed to making any target payments. We, therefore, have included discretionary authority in this bill for the Secretary of Agriculture to impose set-asides or a paid diversion plan to control the size of the harvest.

This is a step Secretary Block has already proposed for next year, by announcing his intentions to implement a 15-percent reduced acreage program for the 1982 wheat crop to offset the effects of record supplies and depressed wheat prices. The Secretary can, also, of course, establish a strong export market development program to increase our exports, creating more demand for our commodities.

The bill also continues the commodity loan programs for wheat and feed grains at minimal levels. USDA has acknowledged that net farm income will fall somewhere between \$20 and \$24 billion. These loans will provide a valuable marketing flexibility for our farmers. The loans lessen the necessity for farmers to sell crops immediately after harvest to pay immediate production expenses. It should be noted that loans are recoverable costs to the Government, rather than direct outlays which are never returned. In addition the farmers pay interest on these loans and during recent history the record of repayment is very good.

For the 1981 crop wheat and corn, the loan rates represent a 6-percent increase of the 1980 levels. Farmers' operating costs, however, actually increased by 14 percent per acre between 1980 and 1981 according to USDA figures.

Between 1981 and 1982, farm operating costs probably will increase at least 10 percent, which, in keeping with the President's promise to reduce inflation, is a conservative figure according to a number of forecasts. The new loan levels contained in the bill—\$3.50 for wheat and \$2.60 for corn—represent less than a 10-percent increase. It is the least we can offer our farmers and expect them to stay in business.

The section of the bill which provides for a nonrecourse loan program for sugar means growers of sugarcane and sugar beets can anticipate at least some measure of the kind of support the bill provides producers of other commodities.

At 18 cents, the loan level represents only about 74 percent of USDA's estimated cost of production so there is no way this level of support can be interpreted as sustaining more than only the efficient producers. At the same time, however, the operation of a domestic sugar program will mean fair and stable prices for consumers and assurance of abundant supplies.

Other Senators have addressed the remaining commodities covered by this bill. I want my colleagues to know that I support the provisions of this bill as they pertain to all farm commodities. Agriculture Department statistics show that the production costs of all major farm commodities are higher than the market price. We must pass a farm bill that will protect these commodities if we are to continue to enjoy having an abundance of food at reasonable prices. This bill is the least we can afford to offer and I urge everyone to vote against any weakening amendments.

This legislation does not only contain our commodity programs, but also the programs necessary to expand our scientific knowledge of agriculture and strengthen our conservation practices to preserve our most precious resource—our land.

With world demand for food expanding and with ever-increasing inflation and other serious threats to our ability to produce an adequate food supply in the future, it is essential that we continue to emphasize those programs which will strengthen food production. Agriculture research plays an integral part in assuring that we can continue to keep up with the demands placed on our agricultural productivity.

The most dramatic of America's achievements has been its agriculture production. If you go back to the founding of this country in 1776, something like 80 to 90 percent of the people were on farms. It took 8 to 9 people, working full time—12 to 16 hours a day—to feed themselves and their families and perhaps one other person. We owe the advances I have mentioned before to agriculture research and scientific advancement.

Contrast the success of America's farmers with the fact that in countries such as Bangladesh, India, and Pakistan, 70 to 75 percent of the population is still in agriculture. In many of the new African nations 80 to 90 percent of the population is engaged in subsistence agriculture. These conditions continue to exist because those countries do not have the scientific know-how to increase their production, freeing up their people for other occupations. We must continue to expand our scientific knowledge.

The conservation programs authorized in this bill have and must continue to make a major contribution to the preservation of our soil and water resources. It is important that we preserve our agricultural system and protect this natural resource for future generations. When land is scarce, people often go hungry.

We must be good managers of our land by wisely planning its use.

For years it was believed that cheap raw materials made the United States a great Nation. However, we must remember that during the early years of our country's existence we wore out, used up, and destroyed vast amounts of this plentiful supply of natural resources. The continuation of such abuse could eventually reduce this country to a barren wasteland, incapable of feeding ourselves, much less a great portion of the rest of the world.

Aware of this task, we have recommended strong conservation programs to assure that our Nation continues to invest a portion of its wealth in the protection of our food production capacity and its preservation for future generations.

I hope that my colleagues will join me in supporting this bill. It is basic to our economy and way of life. A financially healthy agriculture is extremely important to the national economy, as it helps provide for financially healthy industry and labor.

I yield back my time.

Mr. HUDDLESTON. Mr. President, I yield to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. EXON. Mr. President, I rise to express my deep concern to the Members of the Senate on the current depressed state of agriculture and on S. 884, the Agriculture and Food Act of 1981, and its impact or lack thereof on the serious problems of the family farmer.

Plummeting market prices resulting from excessive stocks, insufficient and unstable demand, and unprecedented high interest rates are plaguing our food plant as never before. I cannot stress enough to my colleagues in this body the severity of the problems in rural America. I cannot remember a time in the recent past when the future of our agriculture community has been so threatened or our food producers more discouraged. They realize that this is not a situation of their own making but essentially a product of our ongoing international cheap food policy.

The Senate is now considering legislation, S. 884, which is supposed to provide an environment of stability through market oriented programs designed to bolster our sagging agriculture sector and provide it with a program which will enable it to regain its economic health.

But, Mr. President, I wonder just how many of my colleagues are aware of, and if not they should educate themselves on, the tremendous escalation in farm costs just since the 1977 act was passed and to what extent S. 884 will fail to actually address these cost problems if enacted. I suggest that the commodity programs in this legislation are insufficient to cover even the most conservative cost of production estimates and will do little to improve the current situation on the farm. I am well aware of the budgetary constraints Congress has mandated for

the Federal Government including agriculture, but I must point out to the Senate, Mr. President, that S. 884 as reported by the Agriculture Committee is, in this Senator's mind, the rockbottom figure. Further reductions in commodity program levels will only exacerbate an already dire situation.

At this point, Mr. President, I recall for my colleagues my remarks of March of last year in which I addressed the agriculture situation citing a study which compared agriculture outlays to the total Federal outlays from 1948 to 1983 and the significant decline in the Government support for agriculture.

In particular, I shall point out a few very interesting figures on agriculture spending from 1975 to the present. Agriculture budget outlays in 1975 were \$1.6 billion of the total Federal budget of \$326.7 billion or 0.51 percent of the total. We see that from this time frame through 1978 an increase in agriculture outlays which in 1978 peaked at \$7.7 billion or 1.71 percent of the total national budget. It should be noted that this period from 1975 through 1978 was a time when the agriculture industry was experiencing a particularly severe decline in prices brought about by the farm programs of massive production in the early 1970's resulting in excessive domestic stocks. In 1979 we see a decline in agriculture outlays of \$1.5 billion or 1.26 percent of the Federal budget. As we look on to 1980 and beyond we see a marked reduction in outlays. We are once again in a period of oversupply and ever-declining market prices. These factors coupled with excessive interest rates and reduced in relation to our total Federal budget have produced the depressed economic conditions on the farm today. Estimates of Federal outlays for 1981 expenditures for agriculture are 0.41 percent of the total budget, less than a fourth of the 1948-79 average or over 2 percent.

I ask a rhetorical question, Mr. President: Has not the agricultural sector already made more of a contribution to the cuts in Federal expenditures than they should? Mr. President, they have already taken it on the chin.

These figures indicate that the American farmer is continuing to be hurt by thoughtless action here in this Chamber and elsewhere. The farmer is not reaping the benefits claimed by many but is in fact in a very serious decline with little hope of a significant upturn in the near future. Certainly, the levels provided in S. 884 are the bare minimum. Amendments to further reduce these supports for our major commodity programs offered under the guise of economic recovery are at the farmer's expense. Mr. President, I say to my friends in this body, agriculture has taken more than its fair share of budget cuts already and to suggest that we continue to slice away in the name of fiscal responsibility is folly on our part and will spell disaster for many farming operations in the farm belt of America.

Mr. President, to emphasize the points I have made regarding the seriousness of

the current agriculture situation, I would bring to the attention of the Senate the decline in overall farm income in recent years. Net income dropped from \$31 billion in 1979 to \$22 billion in 1980, a decrease of some 29 percent. Real net farm income in 1980 plunged to \$12.1 billion from \$19.1 billion in 1979, a drop of 37 percent. I fear that the 1981 income figures will show a continuation of this decline.

The American farmer is an invaluable part of our Nation's economy. Agriculture is one of the last things this country does well as a result of the genius of the American family farmers. Our food producers have shown their ability to adapt and vastly improve yields. This efficiency, however, is not guaranteed to last. We cannot expect our farmers to continue to produce with little or no opportunity to realize their costs plus enough profit to feed their families.

I know of no farmer who expects the Government to guarantee him a living. What he does ask for is a Federal program which will enable him to plan ahead with the knowledge that there is a program available to provide a reasonable floor and to assist when it becomes necessary. I am not convinced, at this juncture, that S. 884 as reported from the Senate Agriculture Committee will be such a pragmatic program but I am sure that amendments seeking to emasculate further these commodity programs will surely drive the number of family farming operations in this Nation ever downward.

I would like an explanation, if I could have one, Mr. President, from those who are proposing to reach some kind of a "compromise" on this bill, to explain to this Senator from Nebraska what essential changes have been made in the farm bill on peanuts. I suspect very little change has been made.

I recognize and realize that tobacco is not a part of this bill, but it is aligned and akin thereto. I suspect there is going to be no change in the tobacco program.

I was prepared earlier as one Member of the Senate to basically vote against some of the attacks in the form of amendments that were going to be offered by several Members of this body because I felt it was important, frankly, to hold together the compromise, the coalition, if you will, that has tried to serve the American family-sized farmer.

But I see some cracks in that coalition; I see some cracks in that coalition with the advice and help of obviously the President of the United States. I suspect that peanuts and tobacco are not included essentially in the cuts because they are a part of the deal that was cut by the White House to make sure the President's tax and budget bill were passed.

As one Senator, I do not have the authority to make deals as does the President of the United States, but I think that, when we are talking about the fairness of a farm program or any other pro-

gram we had better realize and recognize that whoever is at 1600 Pennsylvania Avenue should not be dictating to the U.S. Senate or the House of Representatives what we should have in a farm bill.

Mr. HUDDLESTON. Mr. President, will the Senator yield at that point?

Mr. EXON. I am happy to yield.

Mr. HUDDLESTON. Let me comment just briefly on the question of peanuts and tobacco. Peanuts are in the bill. The program has been scaled down, and the proposal that will be submitted as a committee package of amendments has been scaled down not only from its original version by the Senate Agriculture Committee but also from the House version.

I have read newspaper reports that the administration had agreed with somebody on the House side that it would accept the House version of the peanut bill. That has not been communicated to me, and I do not know whether it has been communicated to anybody else on this side of the Capitol. At any rate, the peanut program is in the bill at a lesser cost, and it is in the package of amendments at a lesser cost than was in the bill.

Tobacco is not in this bill. Tobacco is under a separate program and, consequently, is not covered by this farm bill. Tobacco has, however, sustained a reduction, if we might want to call it that, because the tobacco growers have had to pick up the costs of grading and inspection that previously the Government had been paying.

Also, the interest rate that is used by the Commodity Credit Corporation for the loans that are made by the co-ops to take the tobacco into pools has also been increased.

So, tobacco has sustained a reduction too, in keeping with the idea that, across the board, all programs are going to suffer some kind of reduction.

I mention it at this particular point since the Senator has made reference to it.

Mr. EXON. I thank my friend from Kentucky and I appreciate very much his explanation.

If he wishes to respond further, I would very much appreciate it because I, for one, am seeking a little bit of information, and there may be other people who are seeking other information.

I do not know anything about peanuts, we do not raise peanuts in Nebraska, but I have been led to believe that the peanut program is one of the best programs for the producers that you can imagine, and I would suggest that anybody looking at the meager modifications that I see on the bottom part of this sheet called the Committee's Compromise would have to agree that peanuts are not hurt very much.

I am not suggesting that they should be, but I am suggesting that if there is a farm program today that could be cut substantially as opposed to other farm programs it is peanuts.

I certainly said in my remarks that I recognized and realized that tobacco

was a separate program. The committee has taken action on this bill with the committee amendments that I understand are going to be offered by the chairman of the Committee on Agriculture, and have been agreed to by the ranking minority member.

Has the committee discussed or taken up what changes are going to be made in the tobacco program?

Mr. HUDDLESTON. Well, the committee has not because the tobacco program is not in this bill. There is some anticipation that there may be an amendment affecting the tobacco program offered before final consideration of this bill is completed. Speaking as one Senator, I know what position I am going to take, but the Committee on Agriculture, so far as I know, has taken no position on it.

Mr. EXON. Would my friend, the ranking member of the Agriculture Committee, tell me when the Agriculture Committee met and agreed to this "compromise" that I understand was shoved on the committee by the White House?

Mr. HUDDLESTON. The Agriculture Committee met in informal sessions on Wednesday, Thursday, and Friday of the past week; and it was on late Friday afternoon that that part of the package which could be agreed to was agreed to, which included all of the commodities with the exception of the dairy program. No agreement was made on dairy and that is right now being considered by certain members in an attempt to put together a workable position there.

Mr. EXON. Do I understand the ranking minority member to say that there was actually a majority vote on the Agriculture Committee and it was held sometime Friday?

Mr. HUDDLESTON. Yes, there was a vote taken of those present.

Mr. EXON. May I inquire for the record as to what was the vote? What was the vote to agree to this compromise?

Mr. HUDDLESTON. The vote was: Do you agree to this compromise? Aye. And do you not agree to it? Nay. And the majority present agreed to it. I do not have the actual numbers and I do not have the individuals.

Mr. EXON. Was it a rollcall vote or just the yeas and nays?

Mr. HUDDLESTON. It was not a rollcall vote. Ten members have signed the proposal, so that would indicate more than a majority.

Mr. EXON. How many members are on the Agriculture Committee?

Mr. HUDDLESTON. Seventeen.

Mr. EXON. Was the vote unanimous?

Mr. HUDDLESTON. Ten voted for it.

Mr. EXON. All 10 there voted for it?

Mr. HUDDLESTON. Ten signed it and obviously voted for it. I am not the secretary of the committee, I say to the Senator.

Mr. EXON. At this time would it be appropriate for me to ask the ranking minority member to read into the Record those 10 people who signed this compromise?

Mr. HUDDLESTON. I do not know that it is appropriate or not appropriate.

Mr. EXON. Why would it not be appropriate?

Mr. HUDDLESTON. If I have the names here, I will be glad to read them.

Senators HELMS, HUDDLESTON, DOLE, PRYOR, COCHRAN, DIXON, JEPSEN, HEFLIN, HAWKINS, and ANDREWS.

Mr. EXON. And the rest of the committee was absent and not voting?

Mr. HUDDLESTON. No, I did not say that.

Mr. EXON. Is it possible for me to find out if there was any opposition in the committee to the reporting out of this amendment?

Mr. MELCHER. Will the Senator yield?

Mr. EXON. I will be glad to yield, but I do not want to preempt my friend from Kentucky.

Mr. HUDDLESTON. There are other Members on the floor who can speak for themselves. Obviously, there was opposition.

Mr. MELCHER. Will the Senator yield?

Mr. EXON. I am glad to yield to the Senator from Montana.

Mr. MELCHER. I am a member of the committee. I am adamantly opposed to the package.

Mr. EXON. I thank my friend for the explanation.

Just let me close then by saying, Mr. President, I have a number of supporting documents that prove out on the facts that I have made with regard to the ever-declining portion of the Federal budget that is going to agriculture programs. I ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. EXON. Mr. President, my final word on this subject then is simply to

say that I hope that the compromise which has been forced on the U.S. Senate, I suspect, by the White House is not agreed to and that we will back the original decision of the Agriculture Committee by not going below S. 884 as they reported out to this body and was what most of us thought would be in place as the committee recommendation when we were to take up this bill today.

I was, frankly, quite surprised and a little bit shocked to find that after all of the deliberations and all of the hearings that I am sure the Agriculture Committee held, that suddenly, out of meetings on Wednesday, Thursday, and Friday, a rather significant change had been made in some of the programs. I object and I hope that enough of my colleagues will agree.

Mr. President, I thank the Chair, and I yield the floor.

EXHIBIT 1

OMB HISTORICAL TABLES OF FEB. 1, 1980
AGRICULTURE OUTLAYS COMPARED TO TOTAL FEDERAL OUTLAYS, 1948 TO 1983 (ESTIMATE)

[In millions]

Year	Agriculture outlays	Federal outlays	Percent	Year	Agriculture outlays	Federal outlays	Percent
1948	69	29,773	0.23	1966	2,439	134,652	1.81
1949	1,924	38,834	4.95	1967	2,981	158,254	1.88
1950	2,049	42,597	4.81	1968	4,539	178,833	2.54
1951	-323	45,546	0	1969	5,780	184,548	3.13
1952	176	67,721	.26	1970	5,161	196,588	2.63
1953	2,253	76,107	2.96	1971	4,288	211,425	2.03
1954	1,817	70,890	2.56	1972	5,280	232,021	2.28
1955	3,514	68,509	5.13	1973	4,852	247,074	1.96
1956	3,486	70,460	4.95	1974	2,227	269,620	.83
1957	2,288	76,741	2.98	1975	1,659	326,185	.51
1958	2,411	82,575	2.92	1976	2,504	366,439	.68
1959	4,508	92,104	4.90	1977	5,532	402,725	1.37
1960	2,623	92,223	2.84	1978	7,731	450,836	1.71
1961	2,641	97,795	2.70	1979	6,238	493,673	1.26
1962	3,553	106,813	3.33	1980 estimate	4,636	563,583	.82
1963	4,376	111,311	3.93	1981 estimate	2,802	615,761	.46
1964	4,601	118,584	3.88	1982 estimate	3,006	686,279	.44
1965	3,947	118,430	3.33	1983 estimate	3,852	774,335	.50

Note: Average percentage, 107,125/5,305,432 equals 2.02 percent, 1948-79.

USDA—WHEAT PRODUCTION COST, UNITED STATES

Cost item, yield, production covered	1978	1979	1980	1981	Cost item, yield, production covered	1978	1979	1980	1981
Dollars per acre					Bushels				
Variable:					Land allocation:				
Seed	4.00	5.01	6.34	6.97	Composite, current value	46.97	59.66	69.52	78.82
Fertilizer	8.02	9.90	13.42	15.72	Composite, acquisition value	24.16	30.73	32.09	35.68
Lime	.12	.16	.19	.22	Dollars per bushel				
Chemicals	2.12	2.08	2.49	2.79	Yield per planted acre	29.9	32.4	29.9	29.9
Custom operations	2.35	2.68	2.76	3.04	Variable	1.24	1.39	1.86	2.14
Labor	8.06	8.63	9.13	10.13	Total, excluding land	2.48	2.79	3.62	4.13
Fuel and lubrication	5.06	7.64	10.52	13.02	Total to a renter:				
Repairs	5.72	6.47	7.02	7.95	Share renter	3.68	3.94	5.08	5.80
Miscellaneous	.12	.14	.18	.20	Cash renter	3.72	4.04	5.55	5.54
Purchased irrigation water	.18	.25	.24	.26	Average renter	3.69	3.97	5.21	5.75
Interest	1.39	2.09	3.21	3.68	Total, including land:				
Total	37.14	45.05	55.50	63.98	Composite current value	4.06	4.74	6.25	6.77
Machinery ownership:					Composite acquisition value	3.29	3.72	4.82	5.32
Replacement	14.64	16.87	18.21	20.41	Secondary product credit	.13	.11	.12	.13
Interest	6.62	9.97	13.40	15.38	Total, after credit	3.16	3.61	4.70	5.19
Taxes and insurance	2.00	2.36	2.56	3.01	Percent				
Total	23.26	29.20	34.17	38.79	Production covered	97.3	96.8	95.8	FA
Farm overhead	7.15	7.90	8.63	9.52					
Management	6.75	8.21	9.83	11.23					
Total, excluding land	74.30	90.36	108.13	123.52					

Note: 1978 and 1979 final; 1980 preliminary; 1981 projected. NA = not available. Composites include land allocation at average of share rent, cash rent, and charge based on current or acquisition value of owner-operator land, Mar. 28, 1981.

WHEAT: NATIONAL SUPPORT PRICE AND GOVERNMENT PAYMENTS

Crop year	Production (million bushels)	National average support price ¹ (per bushel)	Average price to farmers (per bushel)	Farm value (millions)	Government payments (millions)
1960	1,354.7	\$1.78	\$1.74	\$2,361.2	
1961	1,232.4	1.79	1.83	2,254.7	
1962	1,092.0	2.00	2.04	2,225.7	\$285.5—Diversion.
1963	1,146.8	2.00	1.85 (2.03)	2,125.3	\$242.5—Diversion and pr. sup.
1964	1,283.4	2.00	1.37 (1.80)	1,757.0	\$442.9—Diversion and certificates.
1965	1,315.6	2.00	1.35 (1.79)	1,774.5	\$509.2—Diversion and certificates.
1966	1,304.9	2.57	1.63 (2.22)	2,129.9	\$681.3—Diversion and certificates.
1967	1,507.6	2.63	1.39 (1.87)	2,090.1	\$727.1—Certificates.
1968	1,556.7	2.63	1.24 (1.79)	1,929.1	\$746.0—Certificates.
1969	1,442.7	2.77	1.25 (1.89)	1,795.7	\$855.9—Diversion and certificates.
1970	1,351.6	2.82	1.33 (2.08)	1,803.2	\$871.0—Diversion and certificates.
1971	1,618.6	2.93	1.34 (1.88)	2,166.7	\$885.7
1972	1,546.2	3.02	1.76 (2.23)	2,704.1	\$858.7—Diversion and certificates.
1973	1,710.8	3.39	3.95 (4.17)	6,719.2	\$478.2—Diversion and certificates.
1974	1,781.9	2.05	4.09	7,287.0	\$ None—Diversion or deficiency.
1975	2,126.9	2.05	3.56	7,553.0	\$ None—Diversion or deficiency.
1976	2,148.8	2.29	2.70	5,870.0	\$ None—Diversion or deficiency.
1977	2,045.5	2.90	2.33	4,766.0	\$996.4—Deficiency.
1978	1,775.5	3.40	2.97	5,280.6	\$632.5—Deficiency, Hay, & Grazing.
1979	2,134.1	3.40	3.78	8,070.4	\$ None.
1980	2,369.7	3.08/3.63	3.95-4.15	9,437.0	\$ None.
1981		3.81	3.20/3.50		

¹ For 1960 through 1963 crops, support outside the commercial area was 75 percent of the rate reflecting the U.S. average level.

² Total support.

³ Price support payment.

⁴ Loan rate.

⁵ Blended average price to program participants, reflecting national average price received by farmers and the marketing certificate value averaged for participants total production.

⁶ Support for wheat used for domestic food.

⁷ Domestic marketing certificate value.

⁸ Export marketing certificate value.

⁹ The marketing certificate payment rate was the difference between the price received by farmers the 1st 5 mo (July–November) of the marketing year and 100 percent of wheat parity on July 1. An advance payment equal to 75 percent of the estimated face value of the certificates was made to eligible producers.

¹⁰ Established target price, guaranteed on production from allotment acreage.

¹¹ Established target price on planted allotment acreage; established target price on unplanted allotment acreage was \$2.47.

¹² Established target price.

¹³ Preliminary.

¹⁴ Target price \$3.63 if planted within NCA; \$3.08, if exceeded NCA.

¹⁵ Loan rate for regular loans/loan rate for wheat in the farmer-owned reserve.

Note: For statistics for 1933 through 1959, see Wheat Commodity Fact Sheet for 1979.

Mr. MELCHER addressed the Chair. The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MELCHER. Mr. President, the abundance of this country has provided a great amount of surplus commodities at times. At this particular time, we have a great abundance resulting in a great surplus of dairy products. We have dried milk, butter, and cheddar cheese in storage in huge quantities.

The butter that we have in storage was a subject of negotiation by several countries during the past several weeks. Russia would have liked to have purchased a sizable amount of butter that we have in storage at a little over a dollar a pound.

We ended the grain embargo with Russia. The grain embargo, when established by President Carter, met with mixed feelings in this country. Grain producers felt that it unjustly penalized their particular industry while other types of American goods were still being sold to Russia. It became an item in the campaign, and President Reagan during the campaign, on several occasions, said if elected President he would end that grain embargo. He fulfilled that promise after considerable hemming and hawing by various members of the White House and the President's Cabinet adviser advising him one way or another. But he did end the grain embargo.

Among those that were recommending that the grain embargo not be ended in the President's Cabinet was Secretary of State Haig. When the situation arose on the possibility of selling butter out of storage to Russia, Secretary Haig very vigorously opposed it as, I believe, using his terminology "sending the wrong signals."

Other countries offered to purchase butter from the United States. The question arose: Would these other countries in purchasing butter from the United States then resell it to Russia?

New Zealand offered to purchase butter from the United States in large quantities. They made an offer of some 70 cents a pound for half of the butter surplus that we have in this country in storage as of August. The world price on butter is \$1.05 per pound. So their offer of about 70 cents, 70 point something cents, was not an attractive offer.

Their offer, in effect, if accepted, as compared to the world price of butter, would mean that we would lose \$30 million accepting their offer.

Secretary Haig seemed to find favor in the offer, however. Having blocked any sale to Russia or any other country that he found some problem with, he was silent, seemingly, to approve the sale to New Zealand. The term of the sale to New Zealand was that they would not resell the butter to Russia. But the term of the sale left open this great big loophole that it could be sold from New Zealand to Russia as butter oil. What difference it makes, I am not aware. Whether that would send a "wrong signal" to Russia, I do not know. It is obvious that a small country, a very tiny country, which as a dairy surplus of their own really does not need half of the excess butter that we have in the United States.

Offering slightly over 70 cents per pound in getting the agreement for us to sell it to them obviously gives them quite a bit of leeway between 70 cents and \$1.05, the world price. They would probably be able to return a very neat profit on the deal.

But that is not the worst of it. The worst of it is that part of the contract of the sale with New Zealand is that we would agree not to sell any other butter abroad for approximately 1 year.

We can get around that by asking them for their permission.

I do not really know what this means, why we first of all turn down offers from other countries at the world price, and, second, make the agreement with New Zealand saying, "Well, no, you cannot sell the butter to Russia but you can convert it into butter oil and sell it to Russia." And, furthermore, saying to ourselves that we also accept as a contract that we will not sell any more butter abroad unless New Zealand says it is all right.

It seems to me that, on the face, we sort of give up a little bit of our sovereignty. We are not only suckers for selling below the world market, though we had offers; we also say to New Zealand, "You can control whether or not we sell anything more abroad, even though we have it in storage and it costs us dearly to keep it in storage."

This leads me to a further point. We have had a very rapid drop in the price of wheat. Granted, we have had a large crop, another bountiful harvest, a huge crop. We thank the Good Lord for that abundance. But the price has dropped very rapidly.

We raised about 2 billion bushels of this huge crop to sell abroad. We will probably have a crop somewhere in the neighborhood of 2.6 billion or 2.7 billion bushels this year, and we will use 600 million to 700 million bushels for our domestic needs. It means that about 2 billion bushels of the 1981–82 crop is only grown here in the United States to sell abroad.

The rapid drop in the price leads me to wonder whether or not the Secretary of State, Mr. Haig, is involved in blocking, in disrupting, in sidetracking, in preventing in any way he can any negotiations with Russia, which has a severe shortage of grain; whether, as Secretary of State, he is thwarting any effort on our part to have grain sales to Russia. If so, he is inflicting on this country not only a staggering loss for wheat producers, with a declining market, but he is also hurting the economy of the United States and hurting our balance of payments.

The situation smells, Mr. President. The action by the Secretary of State in selling commodities that are in surplus in this country is a very harmful action in the case of the butter sales.

I ask unanimous consent to have printed in the RECORD at this point a document showing the details of the New Zealand butter sale.

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

NEW ZEALAND BUTTER DEAL

220,460,000 pounds of butter (100,000 metric tons). This is 80 percent butterfat product. The price was \$1,550 per ton (70.3 cents per pound). The cost to New Zealand Dairy Board, ex warehouse is \$155,000,000.

Making the following assumptions concerning transport, handling and conversion costs, the Dairy Board would be looking at a cost structure as follows:

(1) Movement of product from warehouse to ocean port and loading aboard ship. Trade sources indicate five cents per pound fully adequate to cover these costs. Add \$11,023,000.

(2) Ocean freight to north European port. It is probable that shipment would go that way rather than to New Zealand as it would be closer to the ultimate destination. Again, trade sources indicate eight cents per pound will cover these costs. Add \$17,636,800.

(3) Cost of conversion to butterroll. Estimated at six cents per pound. Add \$13,227,600.

Total cost of product, converted to butterroll and positioned at north European ports is:

Butter	\$155,000,000
Land transport.....	11,023,000
Ocean transport.....	17,636,800
Conversion	13,227,600
	<hr/>
	196,887,400

Butterroll is 99.8 percent butterfat. The 220,460,000 pounds of 80 percent fat butter would yield 176,721,440 pounds butterroll. The above would mean the butterroll would have a cost of \$1.114 cents per pound.

Traders indicate that butterroll prices on the world market are currently in the \$1.19 to \$1.25 per pound range. At \$1.19 per pound, the butterroll has a value of \$210,298,510.

The contract calls for payment within 180 days of invoicing. Billing is to be done monthly. If, on average, there is a 15-day lag between removal from warehouse and the date of payment. Assume a 45-day period for transit, reprocessing and resale. This would give the Dairy Board 150 days average to use the funds before paying the Commodity Credit Corporation. If interest during the period average 15 percent, the funds from the resale would yield \$12,963,607 prior to payment being due.

Thus, total potential return would be:

Butterroll	\$210,298,510
Interest	12,963,607
	<hr/>
	223,262,117
Less	196,887,400
	<hr/>
Margin	26,374,717

CONTRACT FOR SALE OF BUTTER

Agreement, made in the City of Washington, District of Columbia, on August 5, 1981, by and between the New Zealand Dairy Board, a quasi-governmental agency of the Government of New Zealand (hereinafter called New Zealand Dairy Board), and the Commodity Credit Corporation, an agency and instrumentality of the United States within the Department of Agriculture (hereinafter called the "CCC").

Whereas, the parties to this agreement mutually agree as follows:

Quantity

CCC agrees to sell and the New Zealand Dairy Board agrees to buy 100,000 metric tons of butter, 10 percent more or less at buyer's option.

Quality

A. Butter shall be U.S. Grade A or higher at the option of CCC. The U.S. grades will be determined in accordance with the United States Standards for Grades of Butter, effective April 1, 1977.

B. Butter shall not have been manufactured more than 40 months prior to date butter is loaded out from the U.S. warehouse.

C. The last certificate of grade for the butter shall not have been issued more than six months prior to the date the butter is loaded out from the U.S. warehouse. New Zealand Dairy Board, at its option, may request, prior to loading out from the warehouse, regrading of any butter which was last graded more than 90 days prior to the date of load out from the U.S. warehouse. Such regrading will be for the account of CCC.

D. New Zealand Dairy Board may at its option reject at time it is loaded from U.S. warehouse, butter with peroxide values in excess of 0.25 meg oxygen per kilogram.

E. Testing procedures in determining the grade, weight, and fat content shall be in accordance with the following CCC procedures:

1. Notice to Graders dated January 25, 1980 (DA Instruction No. 918-11).

2. General Instructions for Inspection, Grading and Grade Labeling of Butter dated June 12, 1980 (DA Instruction No. 918-10).

3. Methods of Laboratory Analysis for Moisture, Fat, Salt, Curd, and PH dated November 30, 1972 (DA Instruction No. 918-101-1).

Packaging and packing

A. Package Description—Butter will be packed in units of 68 pounds marked net weight in fiberboard shipping containers (1.1 cubic feet per container). Each container shall be lined with a vegetable parchment paper or a polyethylene bag or wrapper accepted by Food and Agriculture Organization/World Health Organization.

B. Package Markings—Containers will be marked to show name and location of manufacturing plant or plant number, name of product, churn number, and marked net weight.

C. Damaged Packaging—Buyer has the right to reject at time it is loaded from U.S. warehouse butter in damaged packaging.

Price

A. The purchase price of the butter shall be U.S. \$1,550 per metric ton f.o.b. conveyance designated by buyer, at U.S. warehouse where

stored. Ownership shall pass when the butter is loaded and a carter's receipt (bill of lading) is issued detailing the tonnage loaded and the date. The purchase price is based on the understanding that in order to market the butter it will have to be converted to butterroll.

B. Should the buyer claim that the butter fat percentage is less than 80%, the seller has the option to agree to the buyer's assessment or dispute it. Any dispute will relate only to quantities that the buyer can produce for re-testing and will be resolved by drawing samples and re-testing to CCC testing procedures prescribed in Section Two, E hereof. The number of samples and the testing authority will be determined by mutual agreement. No claim for reduced butterfat content will be recognized if made more than three months from load out date. The discount for reduced butterfat content will be US \$2.60 per 1/10 of each percent of butterfat reduction. Cost of re-testing will be borne by seller if the butterfat content is less than 80%; otherwise the cost of re-testing will be borne by buyer.

Payment

The CCC will invoice the New Zealand Dairy Board for butter on a monthly basis and the New Zealand Dairy Board will pay cash against documents at 180 days from invoice date. Payment will be against the following documents:

- Seller's invoice and three copies.
- Certificate of Origin and three copies.
- Certificate of Quality and three copies.
- Veterinary Certificate and three copies.
- Specification and three copies.
- Warehouse Packing List and three copies.

Delivery

A. The Buyer will uplift from CCC warehouses at a rate of not less than 5,000 tonnes per month on a cumulative basis September 1981 through June 1982.

B. Within the constraints of CCC's desire to move oldest product, CCC will do all possible to keep the buyer's costs to a minimum by providing product from warehouses as close to the buyer's nominated load port as possible and in sufficient volumes to keep transport costs to a minimum.

C. The buyer and seller will agree on warehouses for load out and for each warehouse the rate at which load out can take place and will agree on the timing of the load out before the buyer presents transport to the warehouses. The buyer will present transport on time and of sufficient capacity. Should either party fail to meet his obligations, then, subject to force majeure, the consequential costs will be for the failing party.

D. Load out temperature will be no greater than zero degrees Fahrenheit.

Export requirements

A. New Zealand Dairy Board shall export and shall take such precautions as are necessary to prevent reentry of the butter into the United States. New Zealand Dairy Board shall, within a reasonable period from taking delivery of the butter from the U.S. warehouse, furnish evidence of such exportation. The evidence of export may be in the form of a signed onboard ocean bill of lading.

B. If the butter or any part thereof is not exported or is reentered into the United States, the purchase price specified in Section 4 with respect to the quantity of the butter which is not exported or which is reentered into the United States shall be adjusted to domestic unrestricted use price of \$1.67 per pound.

C. Any upward adjustment of the purchase price stated in Section 4 for the butter not exported or reentered into the U.S. will not be made to the extent that the General Sales Manager determines that:

1. the butter acquired from CCC was lost, damaged, destroyed, or deteriorated and the physical condition thereof was such that its entry into domestic market channels will not impair CCC's price support operations, but if insurance proceeds or other recoveries such as from carriers exceed the purchase price of the quantity of the butter lost, damaged, destroyed, or deteriorated, plus other costs incurred by Buyer in connection with such butter prior to the time of its loss, the amount of excess shall be paid to CCC, or

2. the butter was reentered into the United States due to causes without the fault or negligence of Buyer and was subsequently actually exported in accordance with the provisions of this agreement.

D. Any upward adjustment of the contract price under the foregoing Subsection (C), with respect to any butter exported, will not be made to the extent that the General Sales Manager determines that the butter was, subsequent to exportation, lost, damaged, destroyed, or deteriorated so that it could not be used.

Force majeure

Neither the New Zealand Dairy Board nor the CCC shall be liable for any failure or delay in complying with their respective responsibilities under this agreement caused in whole or in part by force majeure which shall include, but not be restricted to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; however, in every case the failure to perform must be beyond the control and without the fault or negligence of the party to the contract seeking excuse from liability.

Special terms

A. The New Zealand Dairy Board will not sell this butter to the USSR.

B. In the event of a major change in international market prices during the period of this agreement, both parties shall consult as to its effects, and agree on equitable adjustments to the prices for subsequent shipments. Should opportunities be found to sell some USA butter as such, then the Board would be willing to discuss with CCC an appropriate price adjustment.

C. Except for official aid or for restricted welfare uses, CCC agrees not to sell for export any butter until July 1982, unless approved by the New Zealand Dairy Board.

D. The buyer has no wish to frustrate special sales provided both parties are agreed that such sales do not in any way affect the international butter market or the buyer's rights under this agreement. The parties will confer on such sales which will not take place without mutual agreement.

E. The seller agrees that should it be deemed necessary to offer for export sale any tonnage of butter after July 1982 then the New Zealand Dairy Board will have the first option to purchase such offerings up to December 31, 1982.

F. To facilitate the smooth execution of this contract it is envisaged that the buyer's representative will be present at the CCC store before and during the load out. The CCC will make all reasonable efforts to assist the buyer's representative in such endeavours.

Contingent fees

New Zealand Dairy Board warrants that it has not employed any person for the purpose of obtaining under this contract a commission, percentage in the way of a brokerage fee, or additional fees, with the exception of trusted employees and trusted commercial agencies established by New Zealand Dairy Board with the object of obtaining such contracts and that it has not made and will not make any such payment. Without limiting the other rights which it may have, breach

of this provision will allow CCC to cancel this contract, with no responsibility on its part, and at its discretion, to add to the * * *

Mr. MELCHER. Mr. President, I now wish to turn to other matters that are in the farm bill, one of which is the soil and water conservation program. I point out to the Senate that one of the most important and difficult topics facing America today, one that is certain to become more and more important in the years to come, is the protection of our Nation's productive agricultural lands.

This issue has always been difficult to fully comprehend. How can this Nation have a problem when we have a record wheat and corn crop in 1981? Why should we be concerned with the protection of farmland productivity when there is an abundance of food in America—when we are able to export billions of dollars worth of farm commodities each year—and when farmers face depressed prices because of the abundance of this year's crop?

The answer, of course, is that we have abundance for many reasons: The productivity of our resource base; our ability to pour large amounts of capital and technology into each acre; and last, but not far from least, favorable weather.

In the early spring of 1981, the United States faced the distinct possibility of a drought that would have had calamitous effects on our farmers, on food prices, and on our national economy. Virtually every area of the Nation was vulnerable, and it seemed like only a miracle could prevent disaster. We got that miracle in most areas. By May and June, heavier-than-normal rainfall had occurred over much of the Nation, and crop prospects had gone from dismal to very bright.

It would be extremely shortsighted, however, to base national policy on the need for a miracle each year.

As the weather has been showing tendencies to be more and more variable and unpredictable, and as inflation and high interest rates have driven up the costs of modern farming to astronomical levels, we really only have one asset upon which to depend.

That is the productivity of our farmlands.

When fertilizer gets so expensive that farmers and ranchers apoly less, and when the weather falls a little short of optimum, the land must have the resilience and natural productive strength to yield a profitable crop. If it does not, we face serious challenges, both at home and in our dealings with the rest of the world.

Today, we debate a new farm bill, one that not only looks at the Federal programs that affect the growing and marketing of crops, but which also takes a hard look at the programs that help farmers keep the topsoil in place and the soil productive for this and future generations. It is important that we not be superficial in this debate, and that we not take for granted the sufficiency of our resource conservation efforts.

It is my view—borne out by the appraisal carried out by the Department of Agriculture under the auspices of the Resource Conservation Act—that soil erosion, water, waste, and other forms of

resource damage are occurring at intolerable rates.

Soil erosion is worse today, in terms of its effect on our Nation's most productive lands, than it was in the dust bowl days of the 1930's. We are producing record crops, but we are causing record damage in the process. This cannot continue.

Our conservation programs, which largely date from the 1930's and the 1950's, have changed little in the past decade. Most of the trends, in terms of effectiveness, have been downward.

As Federal funds have become harder and harder to obtain, and the purchasing power of each available dollar has diminished, it has been more difficult to appropriate enough money at the Federal level to keep the Federal effort from withering away.

As a result, Congress enacted the Soil and Water Resources Conservation Act of 1977. In this landmark conservation legislation, we asked the Department to take an intensive look at the Nation's soil and water.

We requested a report on the condition of our lands, the trends that are affecting them and what these trends might mean for the future. That final report is now available. The scenario it paints of the future is not comforting. Let me cite a few examples.

Despite a significant investment in conservation practices by private landowners, as well as Federal, State, and local governments, soil erosion from agricultural lands is estimated to be nearly 4 billion tons per year, with half that loss occurring on croplands.

Some lands are being severely damaged. On 12 percent of our Nation's croplands, and 17 percent of our rangelands, we face the task of either stopping those losses or writing those acres out of our productive inventory within a few short decades.

We are ruining a significant portion of our productive strength.

While it is difficult to predict with any certainty, it has been estimated by several experts that the loss of productivity on the Nation's croplands over the next 50 years will be the equivalent of between 25 and 62 million acres.

To get some idea of the magnitude of that loss, 25 million acres could produce 50 to 75 million metric tons of grain, or half the total exported from the United States in 1980.

If we lose 62 million acres, it could represent the loss of virtually all of 1980's exportable surplus. Such losses would be an economic tragedy to American agriculture and to the American economy.

In addition to soil erosion and cropland conversion, there are other forces at work that push down productivity. These include the loss of organic matter, soil compaction, increasing salinity and alkalinity of both soils and irrigation waters, and the loss of economical supplies of irrigation water.

In the past few years, the effect of soil losses has been hidden by new crop varieties, fertilizers, better control of pests and diseases, improved tillage, irrigation and the shifting of crops from

marginal lands to new, more productive acres.

Some opportunities to increase productivity still exist. But they are getting more and more limited each year. In particular, it may become more difficult to find new lands that will be highly productive and economically profitable. We are rapidly nearing the end of the supply of good cropland.

In 1977, USDA estimated there were some 127 million acres of potential cropland remaining in the Nation. That, added to the 413 million acres already in cultivation, would give us a total of 540 million acres to use for crops.

That seems like a tremendous resource, but we should not be complacent. Several regional studies indicated that the 1977 estimate was too high. Since 1977, many millions of acres have been converted to crops. At the same time, conversion of cropland and potential cropland to other uses continues at a rate estimated to be somewhere in the range of 1 to 2 million acres each year.

In other words, by 1982, we may very well see that the farmers of the United States are farming most, if not all, of the lands that are economically feasible for crops. The Nation's productive resource base is huge and fantastically productive, but it is not limitless.

Water supply will become a greater problem, particularly in the arid and semi-arid regions where it is already short and where the competition from urban growth, energy production, and other industrial efforts is growing.

Agriculture is by far the Nation's largest single consumer of water, accounting for 83 percent of total water use, some 89 billion gallons each day.

Irrigated agriculture produced 27 percent of the value of farm crops harvested in 1980, on only 12 percent of the harvested acres. Most of that irrigation takes place in the 17 Western States, which harbor 5 out of every 6 irrigated acres in America.

The Water Resources Council has estimated that water consumption will increase almost 27 percent between 1975 and 2000. In regions where water supplies are limited, that means increasingly intense competition for the available supply.

Most of the time, that means agriculture will lose out, because other uses can nearly always afford to pay more for water.

What all this means is that the Nation faces a limit on the amount of farm products that can be grown for sale at home and abroad. Based on the rates of loss experienced in the decade between 1967 and 1977, our total land available for economic production could shrink to somewhere in the range of 500 million acres by the turn of the century.

What is really uncertain is how much crop we can grow, for that is almost entirely dependent on the yields we are able to coax from the land. American farmers have, with the aid of Government, industry, and their own hard work and ingenuity, steadily raised crop yields over the years. If that trend could continue, we would need less acres to meet

our growing needs. But a look at the numbers and the forecasts are not particularly comforting on this point.

Average crop yields have recently been rising at the rate of about 1 to 1½ percent a year. If they continue to trend upward at the rate of about 1 percent per year until the turn of the century, producing the basic food and fiber that we need here at home, plus a level of exports equal to what we sold abroad in 1977, would only take somewhere in the range of 400 million acres of cropland in the year 2000.

If we get those yield increases, we could double the 1977 level of exports by using about 500 million acres. Since we have already increased exports over half since 1977, a doubling by the year 2000 would represent a very slow growth over the next two decades. Some experts feel 500 million acres is about all the land we should realistically count on for economically productive cropland by the year 2000.

In other words, the recent rate of growth in farm exports may have to slow dramatically, and average per-acre yields will have to continue to rise, because of the limits on our land base and the rates of damage it is currently suffering.

One more word about the importance of agricultural research and development—if those per-acre yield increases are not realized—if we should somehow get to the year 2000 with average production somewhere near 1977 levels, we would be hard pressed to meet domestic needs and export even the relatively small amounts that were exported in 1977. Such a situation could force us to cut today's export levels dramatically.

These are the projections that the Resources Conservation Act have given us. They are not predictions—they are the extension of trends we see in motion today.

Those trends must be slowed immediately, and reversed wherever possible. The conservation measures in the 1981 farm bill before us can start that process, but I must, in all candor, admit that they will not meet the challenge. They are only a beginning. However they are an important beginning that the Senate should strongly support.

Several sections of the bill are important in this effort. We must have accelerated agricultural research and education—particularly in methods of producing higher yields with less soil damage and water waste. We can no longer continue the trend of mining more soil as we grow more grain. In several places, this bill urges the improvement of both the research and educational programs in USDA.

But research and education are strategies for the mid-term future, 10 to 20 years away. New research, started tomorrow, may yield a practical result that is available to farmers, but only after several years of effort.

The new technology that will come on line in 1982 will be the product of research in the 1970's, a decade when research budgets were shrinking, and new scientists were rarely hired, and new projects were difficult to start.

What we can do immediately to meet

our need for productive land is accelerate efforts to protect the soils we have.

Topsoil that does not wash or blow away this winter will be available to help bring added crops to harvest next fall.

Prime farmlands saved from a shopping center or airport will continue to produce, both in 1982 and beyond.

Newly irrigated lands will grow more crops than before, and wet croplands that are drained will produce quick yield increases. These are steps that can be taken now, and we will see immediate results in productivity.

It is time we faced the facts. Productivity in American agriculture is absolutely essential to national strength, but it is no accident. Productivity is the result of the investment of time, care and proper management by millions of American farmers.

We must support those efforts, today more than ever before, if we expect this Nation to continue to grow and prosper in these difficult economic times.

Making new investments in productivity will not be easy, in the face of competing national priorities. We have just gone through an anguishing process of cutting Federal spending in many areas and holding it down virtually everywhere.

I point out that when we cut out money for agricultural conservation practices, we are cutting out the very future of this country. We have been doing that over the period of years by holding steady at \$190 million a year for agricultural conservation practices, and this year we are even reducing that amount. I believe we are cutting off our nose to spite our face. We are damaging the future of this country. We are placing in jeopardy the opportunity to increase our capacity for more production, and we are placing in jeopardy the opportunity to remain as productive as we are right now.

But we must be very careful in this process of budget cutting. I believe we have gone too far with respect to agricultural conservation practices. If I had my way, we would be increasing it, not decreasing it.

We decry the need to reduce social programs, but food—at affordable costs—is the most basic social need of all, and if we do not protect the productive lands that can produce that food, we are going to be in trouble.

I support the need for a strong national defense, but we cannot simply build a ring of missiles around the Nation and pretend that we have protected its strength. There must be productive strength inside that border to make defense necessary, and the basic elements of that strength must come from the land, no matter what the weather or the world markets or the national economy.

It was with these concerns in mind that the Agriculture Committee has drafted title XV of S. 884. We were painfully aware that the program changes we propose are only part of what is needed. We did not, and still do not, have an official proposal from USDA as to how they would like to improve the conservation programs.

We did not have the chance to hold the extensive hearings, and take the time, that development of a whole new program might take.

But we did have the concern of the members of the committee, and the results of many hearings, and the input of many witnesses. We developed some modest steps that can be taken, and that we feel must be taken, to begin the process of strengthening the national soil conservation effort.

Subtitle A of title XV requires the Secretary of Agriculture to submit a report to Congress not later than December 31, 1981, outlining a comprehensive national policy on soil and water conservation with recommendations on improvements of existing program authorities. This was contained in the administration's farm bill proposals and has been consistently supported by Secretary of Agriculture John Block. Tentative proposals for this policy and program document have already been made public, and we anticipate that they will be finalized in time to meet the deadline.

We look for this to provide the basis for Congress to continue beyond the relatively modest efforts outlined in S. 884 and consider a complete overhaul of the total soil conservation program. This report is similar to the one required by December 31, 1979, by the Soil and Water Resources Conservation Act of 1977. Since it will be late by at least 2 years, many of the elements it will contain have had a great deal of public discussion and debate.

For that reason, we in the committee feel confident about moving forward at this time with the remainder of the proposals contained in title XV. They are reforms and directions consistent with the needs shown by the RCA study, as well as the public response to the many proposals that have been tested by USDA.

Subtitle B establishes the special areas conservation program to provide accelerated technical and financial assistance in areas presently affected by serious erosion problems.

Such areas have been identified in many areas of the Nation, in virtually every State. They are areas where the severity of the soil erosion or water conservation problems is so bad the standard soil conservation programs have been unable to stem the flow of resource loss. We need to have a way to increase our efforts in those areas if the long-term productivity of the land is to be maintained.

The program proposed in S. 884 is modeled after the highly successful Great Plains conservation program, which requires long-term commitments through a contract between the landowner and USDA. It would allow local organizations and USDA people to identify serious problems, determine the kinds of practices and incentives needed in the region, develop an administrative pattern that fits their needs and capabilities, then come to the Secretary of Agriculture and the Congress with their proposal. Upon approval by the Secretary and the Agriculture Committees of both Houses, it would be authorized to seek funding for the special effort.

This is a way for national conservation programs to target specific problem areas without abandoning the vital preventative conservation programs on other lands that must have continuing care and maintenance to keep from deteriorating.

This is a very important principle: We must address serious problems in critical areas, but we must do so without abandoning other regions which could, themselves, become critical if we slow down our current efforts.

This program has strong bipartisan support in both Houses of Congress, and is totally consistent with the USDA's proposal to improve the targeting of Federal efforts.

Subtitle C has several sections that make minor, but needed, changes in the ongoing programs at USDA:

Section 1513(a) amends the Watershed Protection and Flood Prevention Act (Public Law 83-566) by authorizing Indian tribes and tribal organizations to become sponsoring local organizations for this program.

Tribes and tribal organizations have previously been precluded from sponsorship because of the definition of sponsoring local organization in the existing law.

This provision would allow them to cooperate in projects, provide land rights for needed structures, and work with other local organizations in solving flooding problems.

Section 1513 (b), (e), and (f) amends the small watershed program to authorize the Secretary of Agriculture to administratively approve those projects which have a total Federal cost of less than \$5 million. The current ceiling is at \$1 million, and projects with higher dollar figures are required to come before the Agriculture or Public Works Committees of Congress. As USDA has sought ways to reduce costs by speeding up project implementation, it has become clear that the current limits are too low.

This amendment should reduce the administrative paperwork on relatively small projects. The Soil Conservation Service has, in recent years, placed greater emphasis on projects which have more land treatment measures involved and fewer large earth-moving construction projects.

Many of these land treatment projects will undoubtedly be in the cost range of less than \$5 million, and administrative approval can hasten the establishment of needed conservation measures.

Section 1513(c) amends the small watershed program by adding energy as a purpose of the program. Small hydroelectric generation facilities can, in many instances, be incorporated into dams and reservoirs constructed for flood control and other purposes at relatively little additional cost. This amendment would authorize this activity.

Section 1513(d) amends the small watershed program to authorize the Secretary of Agriculture to share up to 50 percent of the cost of land rights acquired by local sponsors for the purpose of mitigating fish and wildlife habitat losses.

Requirements of other Federal statutes

have forced local project sponsors to acquire lands or land rights on which fish or wildlife mitigation measures will be performed. This provision would authorize the Federal Government to share in the costs involved.

Section 1514 amends the legislation under which the resource conservation and development program presently operates to authorize energy resource development as a project purpose.

Subtitle D establishes a new experimental program within USDA for reducing sediment loading or publicly owned reservoirs. Plans for sediment reducing activities are to be developed jointly by the Secretary of Agriculture and local concerned governments. This experimental program is authorized for funding 4 fiscal years, at which time the Secretary will report to Congress on the results of the program and suggestions for improvements.

Subtitle E authorizes the Secretary of Agriculture to provide tort claims and workers compensation coverage for persons providing voluntary services in programs administered by the Soil Conservation Service. This would allow SCS to use unpaid volunteer help in engineering surveys, soil surveys, inventory and monitoring, and other field activities where a great deal of help is needed.

Volunteers have been willing in the past to help, but SCS was precluded from accepting such help because of the uncertainties surrounding possible liability in the event of accidents.

This subtitle would clear up that problem. Similar legislation has been passed in recent years to cover volunteers in programs of other Federal agencies. It is a no-cost way of increasing the potential of the current programs, and should be enacted.

Subtitle F authorizes the Secretary of Agriculture to establish a resource conservation and development (R.C. & D.) program. The present R.C. & D. program has been developed administratively over a period of years based upon a hodgepodge of Federal legislative authorities, including the Soil Conservation and Domestic Allotment Act, the Watershed Protection and Flood Prevention Act, the Bankhead-Jones Farm Tenant Act, and the Rural Development Act of 1972. This subtitle consolidates existing authorities into one enabling act, adds increased emphasis for erosion and sediment control activities and water conservation and management. It also establishes a policy board within USDA to coordinate R.C. & D. policy within the Department.

Subtitle G establishes national policy relative to the importance of agricultural land. Although not a strict prohibition, it will require all Federal agencies to consider, and, where prudent and feasible alternatives exist, assure that their actions do not cause the unnecessary conversion of agricultural land to other uses.

Recent studies have shown that agricultural land is being converted to other uses at a rate which, if continued, will affect the Nation's ability to produce the food and fiber needed to meet domestic and export needs. These studies have also shown that Federal actions have caused

a significant amount of this conversion of agricultural land to other uses.

This section was drafted with strong bipartisan involvement in the Agriculture Committee. We feel it is a vital part of the farm bill which is before you.

Section 1543 establishes authority for the Soil Conservation Service to provide emergency assistance to local public agencies in search and rescue operations under specified disaster conditions. This section is necessary to provide the SCS with freedom from liability in providing such assistance. There is similar legislation covering other agencies of the Department of Agriculture.

Section 1544 amends the Surface Mining Control and Reclamation Act to authorize experimental reclamation projects on an entire hydrologic unit (watershed) without regard to the acreage limitation of 320 acres in the present law where it is determined that greater reclamation benefits can be achieved.

Mr. President, I commend the conservation provisions of this bill to the Senate.

CAN AGRICULTURE SURVIVE?

Mr. TOWER. Mr. President, agriculture in Texas will undergo major transformations in the 1980's. The impact of energy cost, inflation, and limitations in natural resources threaten both productivity and the ability of Texas agricultural producers to remain competitive in the marketplace.

Agriculture today faces both short- and long-term problems which actually threaten its future production potential. The cost-price squeeze brought on by increasing energy prices and unprecedented inflation has created a short-run income and liquidity crisis for farmers.

TEXAS AGRICULTURE IN PERSPECTIVE

The value of farm assets in Texas totals more than \$62 billion. Cash receipts from agricultural commodities in Texas were \$9 billion in 1980. Suppliers of farm inputs, food processors, distributors, and others also benefit from agriculture production; every \$1 of farm sales leads to more than \$3.40 in the Texas economy.

The estimated economic impact of agricultural production and agribusiness activities on the Texas economy is more than \$33.7 billion per year—1.3 times the value added by all manufacturing.

Texas ranks among the top 10 States in production of 16 of the Nation's top 25 commodities. Texas is third in the Nation in agricultural receipts.

FUTURE OF THE FAMILY FARM

Agriculture in general, as well as agricultural demand, is dominated by four forces: Weather, livestock cycles, world crop supplies, and agricultural policies. As we consider the legislation to S. 884, farm policy for the next 4 years will be established. This farm policy comes at a time when our Nation's economy is stumbling, and the farm sector is faced with economic uncertainty. Net farm income in 1980 fell to approximately \$20 billion, down 39 percent from 1979 and the lowest in constant dollars since 1964. These factors have a particularly substantial impact upon the future of the family farm.

Families living on smaller farms obtain a higher percentage of their income from off-farm work than do families on larger farms.

There is a growing concern with the current trend toward business, that the very foundation of our agricultural heritage, the family farm, will be driven out of business. If 1981 is as poor a year as current projections indicate, this will be the worst 2-year period in 45 years—a crisis situation for U.S. agriculture by any standard.

The aim of a Federal farm policy is to induce elements of predictability into an inherently unpredictable business. Agriculture products are subject to some of the most unpredictable free market conditions prevailing. Prices can fluctuate widely, depending on supply, demand, and other forces in the economy.

Yet, the farmer must rely on many other segments of the economy which are regulated—labor, energy, and a host of industries which manufacture needed equipment and supplies. That means his costs do not fluctuate with the price he receives for his product.

In order to make it possible for the farmer to stay in business—and thus continue to supply adequate amounts of food for our people and the export markets, the Federal Government provides basic economic stability through its farm policies.

1981 FARM BILL

I wish to commend the sincere efforts of the members of the Senate Agriculture Committee under the direction of Chairman HELMS. It is a very difficult task to formulate a farm program and minimize budgetary exposure of the Treasury. Many of the agreements reached by the producers, the Agriculture Committee, and the administration exhibit a commitment by all to place our economy on the road to recovery—as President Reagan states, "A new beginning."

However, problems still exist in the legislative proposals to the farm bill. Our producers have their backs to the wall, they seek merely the opportunity to produce abundant amounts of food and fiber for our needs, and ask only for a fair return on their investment and hard work. When one receives less for his product than the cost of producing it, the writing is on the wall—"Go Broke."

As an elected representative, I am committed to support the interests of my constituents to the best of my ability. In Texas, we are very proud of our accomplishments in contributing to the agricultural success of America. Our producers are accustomed to hard times and prepared to accept their fair share of budget cuts to guarantee the survival of our economy. As I join my colleagues in considering the 1981 farm bill, I am thankful we as Americans live in a land of plenty.

Mr. THURMOND. Mr. President, today I rise to indicate my firm support for the Agriculture and Food Act of 1981. This legislation is designed to extend reasonable price protection to farmers and thereby insure a degree of economic stability within this agriculture sector of our Nation for the next 4 years.

Too often the American people forget

how fortunate we are to have an abundant variety of foods available at a reasonable cost. We also tend to overlook the fact that agriculture is a very unique industry, and that farmers are extremely susceptible to fluctuating market conditions and other forces over which they have little or no control, such as harmful weather and crop pests.

We need only to review recent events to illustrate this point. The imposition of the embargo on grain trade with the Soviet Union by the Carter administration threw our domestic grain markets into sudden turmoil. It was unfortunate that American farmers were asked to shoulder a disproportionate and unfair burden with respect to this grain embargo, which President Reagan has since lifted. Drought in much of the Southeast last year devastated crops and drove many farmers into bankruptcy. The Mediterranean fruit fly disaster in California clearly proves the amount of destruction pests can do to an important agricultural industry.

Mr. President, this legislation seeks to reduce the effects of these elements of unpredictability. Its provisions would establish loan and target price programs, disaster payments, price support levels, as well as acreage limitations and allotments. These programs will assist the farmer in making planting and marketing decisions more efficiently.

We must continue to develop an atmosphere in which the agricultural sector will be able to prosper and provide for the growing needs of consumers in this Nation and in other countries which buy our farm exports or receive food aid. Without these programs, many small, efficient farmers will be mercilessly forced out of business, and agricultural production will become concentrated in the hands of a few large growers and corporations.

The tools provided in this legislation will allow farmers to continue their chosen lifestyle, by enabling them to operate at a profit. It is time for this Nation to stand firmly behind the agricultural sector. We cannot desert the industry that we so greatly depend upon for our food and fiber needs. Accordingly, Mr. President, I hope the Senate will give its full support to this legislation.

UP AMENDMENT NO. 355

(Purpose: To further revise the programs to provide price support and production incentives for farmers)

Mr. HELMS. Mr. President, on behalf of 10 members of the Committee on Agriculture, Nutrition, and Forestry, Senator HUDDLESTON, the distinguished ranking member of the committee, and I have at the desk a package of modifications to S. 884.

The PRESIDING OFFICER. Without objection, the amendment is agreed to and the committee substitute is so modified.

The modification is as follows:

On page 139, lines 13 through 15, strike out "\$4.20", "\$4.40", "\$4.60", and "\$4.80" and insert in lieu thereof "\$4.10", "\$4.30", "\$4.50", and "\$4.70", respectively.

On page 153, lines 5 through 7, strike out "\$2.80", "\$2.95", "\$3.10", and "\$3.25" and in-

sert in lieu thereof "\$2.75", "\$2.90", "\$3.05", and "\$3.20", respectively.

On page 170, line 5, strike out "\$0.85" and "\$0.93" and insert in lieu thereof "\$0.83" and "\$0.89", respectively.

On page 183, lines 22 through 25, strike out "\$11.23", "\$12.14", "\$12.70", and "\$13.50" and insert in lieu thereof "\$10.98", "\$11.63", "\$12.28", and "\$12.93", respectively.

On page 197, beginning with line 12, strike out all that follows through line 2 on page 212 and insert in lieu thereof the following:

TITLE VII—PEANUTS

ANNUAL MARKETING QUOTA AND STATE ACREAGE ALLOTMENT

SEC. 701. Section 358 of the Agricultural Adjustment Act of 1938 is amended as follows:

(a) Subsections (a) and (e) shall not be applicable to the 1982 through 1985 crops of peanuts.

(b) Subsection (c) (1) is amended, effective for the 1982 through 1985 crops of peanuts, by striking out the period at the end of the second sentence and inserting in lieu thereof the following: "Provided, That the peanut acreage allotment for the State of New Mexico shall not be reduced below the 1977 acreage allotment as increased pursuant to subsection (c) (2) of this section."

(c) Subsection (d) is amended by inserting "(1)" immediately after the subsection designation and adding a new paragraph (2) reading as follows:

"(2) If, in the case of any farm for which a farm acreage allotment has been established, the Secretary determines that such farm does not have sufficient tillable acreage equal to the allotment, the portion of the allotment that is less than the tillable acres shall be lost to such farm and shall be placed in a pool. Acreage in such pool shall be made available for allocation to new farms in the same county as the farm from which the allotment was lost or, in the case of any State for which the peanut acreage allotment is eleven thousand acres or less, to any farm within the same State."

NATIONAL ACREAGE ALLOTMENT; NATIONAL POUNDAGE QUOTA; FARM POUNDAGE QUOTA; AND DEFINITIONS

SEC. 702. Effective for the 1982 through 1985 crops of peanuts, section 358 of the Agricultural Adjustment Act of 1938 is amended by adding at the end thereof new subsections (k) through (p) as follows:

"(k) The Secretary shall, not later than December 1 of each year, announce a national acreage allotment for peanuts for the following crop taking into consideration projected domestic use, exports, and a reasonable carryover: *Provided*, That such allotment shall be not less than one million six hundred and fourteen thousand acres.

"(l) The Secretary shall, not later than December 1 of each year, announce a minimum national poundage quota for each of the marketing years 1982 through 1985 which shall not be less than one million two hundred forty thousand tons. If the Secretary determines that the minimum national poundage quota for any marketing year is insufficient to meet total estimated requirements for domestic edible use and a reasonable carryover, the national poundage quota for the marketing year shall be increased by the Secretary to the extent determined by the Secretary to be necessary to meet such requirements.

"(m) For each farm for which a farm acreage allotment has been established, a farm yield for peanuts shall be determined. Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1973 through 1977: *Provided*, That if peanuts were not produced on the farm in at least three years during such five-year period or there was a substantial change in the op-

eration of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yields established for similar farms which are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the production of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(n) For each farm, a farm base production poundage shall be established equal to the quantity determined by multiplying the farm peanut acreage allotment by the farm yield determined in accordance with subsection (m) of this section.

"(o) For each farm, a farm poundage quota shall be established by the Secretary for each marketing year equal to the farm base production poundage multiplied by a factor determined by the Secretary, such that the total of all farm poundage quotas will equal the national poundage quota for such marketing year. The poundage quota so determined, beginning with the 1982 crop for any farm, and continuing through the 1985 crop for any farm, shall be increased by the number of pounds by which marketings of quota peanuts from the farm during the immediately preceding marketing year, beginning with 1981, were less than the farm poundage quota: *Provided*, That any such increase, to the extent that it may not be fully applied to the farm poundage quota for the marketing year following the marketing year in which such undermarketings occurred, shall be applied to the farm poundage quota for subsequent marketing years: *Provided further*, That the grower must have planted in such preceding marketing year at least 50 per centum of the farm allotment in order to qualify for such undermarketing carry forward: *Provided further*, That total marketings shall not exceed actual production from the farm acreage allotment: *Provided further*, That if the total of all such increases in individual farm poundage quotas exceeds 10 per centum of the national poundage quota for the marketing year, the Secretary shall adjust such increases so that the total of all increases does not exceed 10 per centum of the national poundage quota.

"(p) For the purpose of this part and title I of the Agricultural Act of 1949, as amended—

"(1) 'quota peanuts' means, for any marketing year, any peanuts which are eligible for domestic edible use as determined by the Secretary, which are marketed or considered marketed from a farm, and which do not exceed the farm poundage quota of such farm for such year;

"(2) 'additional peanuts' means, for any marketing year, any peanuts which are marketed from a farm and which are in excess of the marketings of quota peanuts from such farm for such year but not in excess of the actual production of the farm acreage allotment;

"(3) 'crushing' means the processing of peanuts to extract oil for food uses and meal for feed uses, or the processing of peanuts by crushing or otherwise when authorized by the Secretary; and

"(4) 'domestic edible use' means use for milling to produce domestic food peanuts and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c) of this Act, are unique strains, and are not commercially available."

SALE, LEASE, AND TRANSFER OF ACREAGE ALLOTMENTS

SEC. 703. Effective for the 1982 through 1985 crops of peanuts, section 358a of the

Agricultural Adjustment Act of 1938 is amended by—

(1) in subsection (a)—

(i) striking out "if he determines that it will not impair the effective operation of the peanut marketing quota or price support program"; and

(ii) striking out "may" each place that word appears and inserting "shall" in lieu thereof; and

(2) adding at the end thereof new subsections (i) and (j) as follows:

"(i) Notwithstanding any other provision of this section, transfers shall be on the basis of the farm base production poundage, and the acreage allotment for the receiving farm shall be increased by an amount determined by dividing the number of pounds transferred by the farm yield for the receiving farm, and the acreage allotment for the transferring farm shall be reduced by an amount determined by dividing the number of pounds transferred by the farm yield for the transferring farm."

"(j) Notwithstanding the provisions of subsections (b) (1) and (g) of this section, in the case of any State for which the peanut acreage allotment is eleven thousand acres or less, all or any part of a farm acreage allotment may be transferred from a farm in one county to a farm in another county in the same State and the fifty-acre limitation on the total peanut allotment transferred to any farm shall not apply."

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

SEC. 704. Effective for the 1982 through 1985 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938 is amended by—

(1) striking out in the first sentence of subsection (a) "75 per centum of the support price for" and inserting in lieu thereof "120 per centum of the support price for quota";

(2) inserting after the first sentence of subsection (a) a new sentence as follows: "The marketing of any additional peanuts from a farm shall be subject to the same penalty unless the peanuts, in accordance with regulations established by the Secretary, are placed under loan at the additional loan rate under the loan program made available under section 108(b) of the Agricultural Act of 1949 and not redeemed by the producers or are marketed under contracts between handlers and producers pursuant to the provisions of subsection (1) of this section;"

(3) striking out "normal yield" in subsection (a) and inserting in lieu thereof "farm yield";

(4) inserting a new sentence at the end of subsection (a) reading as follows: "Any marketing penalty imposed under this section is a civil penalty only."; and

(5) adding at the end thereof new subsections (f) through (k) as follows:

"(f) Only quota peanuts may be retained for use as seed or for other uses on a farm and when so retained shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanuts seeds of peanuts that are used to produce peanuts excluded under section 359(c), are unique strains, and are not commercially available. Additional peanuts shall not be retained for use on a farm and shall not be marketed for domestic edible use. Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(g) Upon a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that would reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal

to 120 per centum of the loan level for quota peanuts on the peanuts which the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(h) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108(c) of the Agricultural Act of 1949. Quota and additional peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(i) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchases of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area association) for approval not later than March 15 of the year in which the crop is produced.

"(j) Subject to the provisions of section 407 of the Agricultural Act of 1949, as amended, any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary. Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as inspection, warehousing, shrinkage, and other expenses, plus (1) not less than 100 per centum of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season upon delivery by and with the written consent of the producer, or (2) not less than 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer but not later than December 31 of the marketing year, or (3) not less than 107 per centum of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year: *Provided*, That between date of delivery of additional peanuts to Commodity Credit Corporation for loan and April 30 of the marketing year, the area association shall, unless otherwise agreed to by the association and the Commodity Credit Corporation, be responsible for deciding whether to accept or reject lot list bids when the price offered equals or exceeds the Commodity Credit Corporation minimum sales price specified in this subsection.

"(k) Notwithstanding any other provision of this section, the amount of any penalty assessed under this section with respect to marketing of quota or additional peanuts or otherwise shall be reduced or waived completely to the extent that the Secretary, through the local committees, determines that the marketing subject to penalty was done unintentionally or unknowingly: *Provided*, That weight errors with respect to marketing of quota or additional peanuts not exceeding one-tenth of 1 per centum per marketing document shall not be considered an excess marketing and shall not be subject to penalty."

REPORTS AND RECORDS

SEC. 705. Effective for the 1982 through 1985 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 is amended by inserting immediately before "all brokers and dealers in peanuts" the following: "all farmers engaged in the production of peanuts,".

PRESERVATION OF UNUSED ALLOTMENTS

SEC. 706. Effective for the 1982 through 1985 crops of peanuts, section 377 of the Agricultural Adjustment Act of 1938 is amended by inserting after the words "farm

acreage allotment for such year" the following: "or, in the case of peanuts, an acreage sufficient to produce 75 per centum of the farm poundage quota".

PRICE SUPPORT PROGRAM

SEC. 707. Effective for the 1982 through 1985 crops of peanuts, title I of the Agricultural Act of 1949 is amended by adding at the end thereof a new section 108 as follows:

"PEANUT PROGRAM

"SEC. 108. Notwithstanding any other provision of law—

"(a) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts for each of the 1982 through 1985 crops. The national average quota support rate for the 1982 crop of quota peanuts shall be the national average cost of production, including the cost of land on a current value basis, for such crop, as estimated by the Secretary, but in no event less than \$596 per ton. The national average quota support rate for each of the 1983, 1984, and 1985 crops of quota peanuts shall be the national average quota support rate for such peanuts for the preceding crop, adjusted to reflect the change, during the period January 1 and ending December 31 of the calendar year immediately preceding the marketing year for which a level of support is being determined, in the national average cost of peanut production, excluding the cost of land. The levels of support so announced shall not be reduced by any deductions for inspection, handling, or storage: *Provided*, That the Secretary may make adjustments for location of peanuts and such other adjustments as are authorized by section 403 of this Act.

"(b) The Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1982 through 1985 crops. In determining support levels, the Secretary shall take into consideration the demand for peanut oil and peanut meal, expected prices of other vegetable oils and protein meals, and the demand for peanuts in foreign markets: *Provided*, That the Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to insure that there are no losses to the Commodity Credit Corporation on the sale or disposal of such peanuts. The Secretary shall announce the level of support for additional peanuts of each crop not later than February 15 preceding the marketing year for which the level of support is being determined.

"(c) (1) In carrying out subsections (a) and (b) of this section, the Secretary shall make warehouse storage loans available in each of the three producing areas (described in 7 CFR 1446.10 (1980)) only to a designated area marketing association of peanut producers which is selected and approved by the Secretary and which is operated primarily for the purpose of conducting such loan activities. Such associations, and no others, may be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938. Loans under this subsection shall include, in addition to the price support value of the peanuts, such costs as an association reasonably may incur in carrying out its responsibilities in its operations and activities under this section and section 359 of the Agricultural Adjustment Act of 1938: *Provided*, That cooperative marketing associations engaged in handling, shelling, or dealing in peanuts in any manner, other than the area marketing associations selected and approved by the Secretary under this paragraph, may not conduct loan, diversion or any other activities under this section and section 359 of the Agricultural Adjustment Act of 1938.

"(2) The Secretary shall require that each

association designated in paragraph (1) establish pools and maintain complete and accurate records by type for quota peanuts handled under loans and for additional peanuts produced without a contract between handler and producer described in section 359(1) of the Agricultural Adjustment Act of 1938. Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed in proportion to the value of the peanuts placed in the pool by each grower. Net gains for peanuts in each pool shall consist of (A) for quota peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool plus an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts and (B) for additional peanuts, the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts less any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (A) of this paragraph. Notwithstanding any other provision of this subsection, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such grower."

On page 212, line 16, strike out "average Chicago quoted cash price for number 1 yellow" and insert in lieu thereof "simple average price received by farmers for".

On page 214, line 22, strike out "19.6 cents per pound for raw cane sugar" and insert in lieu thereof the following:

"18 cents per pound for raw cane sugar for the 1982 crop, 18.5 cents per pound for the 1983 crop, 19 cents per pound for the 1984 crop, and 19.5 cents per pound for the 1985 crop".

On page 215, strike out line 9 and all that follows through line 24 and insert in lieu thereof "years".

On page 219, line 9, strike out "less than 105" and all that follows through the word "crop" on line 19, and insert in lieu thereof the following: "less than 110 per centum of the then current price level at which the Secretary may encourage repayment of producer storage loans with respect to the commodity prior to the maturity dates of such loans, as determined under clause (5) of the third sentence of subsection (b) of this section".

Mr. HELMS. Mr. President, I was thinking a moment ago that it was exactly 4 months ago yesterday—on May 13—that the Senate Agriculture Committee ordered reported S. 884. Our earnest belief at that time was that the bill we reported was sound and effective farm legislation.

That belief has not changed one iota. S. 884 was a good bill in May, and it is a good bill today.

It preserves the most worthwhile elements of existing programs. It makes improvements in current law in a number of ways. And, in some significant ways, it makes even further advancements from current law toward market orientation, which Senator HUBLESTON and I have been talking about this afternoon. Its provisions enhance the prospects for increased agricultural research and more effective soil conservation in response to urgent national needs in those areas, among other things I have already described in detail this afternoon.

Mr. President, S. 884, especially as now modified, represents a compromise of interests represented on the committee, and is a product of give-and-take. Its provisions have been tested in careful debate in committee to assure that they not only provide for the enhancement of the farm sector of our economy, but that they do so in a manner entirely consistent with the broad and diverse national good.

Senators should be aware that S. 884 was reported as a "bare bones" bill. The committee met in more than 25, 4-hour markup sessions. We "marched up the mountain and back down again" in terms of meeting the strictest of budgetary constraints. S. 884 met the test of the first concurrent budget resolution when it was reported.

We were successful in drafting a compromise that won the respect of virtually every farm, agribusiness, and consumer group in the country.

Many of the farm organizations which had desired higher price support levels than are included in S. 884, accepted and even endorsed S. 884 as the best bill achievable under incredibly tight budgetary circumstances.

This was a truly responsible action on the part of these organizations, and I highly commend them for it. I joined them in the commitment to avoid divisive amendments so as to keep the structure of the committee bill intact.

All of these developments gave Senator Huddleston and me ample reason to build support for S. 884 without amendment. We diligently pursued such a course, and I feel certain we have persuaded most Senators and the agricultural community that the fundamental structure of our bill ought to remain unchanged.

This is important because a unified agriculture will make a strong agriculture, and a strong agriculture is the basis for a strong national economy. Unity and balance, then, was and is our objective.

Now, 4 months have passed since S. 884 was ordered reported. During that time economic conditions have changed. Crop forecasts have changed. Budgetary estimates have changed.

But the basic worth of the programs which our committee adopted has not changed.

On September 9, Agriculture Secretary Block met with the members of the committee in an informal caucus. We discussed the most recent cost estimates and all of the other economic and budgetary factors which affect farm programs provided for in our bill.

The Secretary described for Senators a set of proposals to reduce the cost of S. 884, principally through lower commodity support levels.

I was impressed that the proposals from the administration dealt strictly with the level of supports for a number of commodities. The package did not deal with the structure of the supports. In other words, the administration essentially proposed changes in the numbers provided for in the bill, but not in the fundamental conceptual structure of the legislation itself.

The proposal was not a total substitute bill, or some other alternative which would disrupt the careful compromise and delicate structure of the fabric of the committee bill.

In effect, by indicating its acceptance of the concepts our committee approved, the administration joined the ranks of virtually every other group knowledgeable of and interested in farm legislation.

At the same time, however, the economic and cost data was not encouraging. Due to lower than expected farm prices—brought about by the favorable vagaries of especially good harvest weather—there will be additional costs from the old expiring farm bill that will register in the 1982 budget. Such extra costs should not be charged against S. 884, of course.

However, the committee recognizes that it makes the adoption of the higher support levels provided for in S. 884 more difficult for the Senate to justify and accept. This is purely a question of greater potential costs than the committee originally anticipated.

In this setting, the committee decided to make a good faith effort to further reduce the cost of S. 884 as reported.

Once again, the members of the Agriculture Committee put in long hours in daily caucuses which seemed almost interminable. We met daily from September 9, the very day we returned from recess, until our last meeting ended at just 5 p.m., Friday, September 11.

In the course of those additional joint caucuses, the committee developed a package of amendments which is designed to bring our bill in line with reasonable budgetary constraints. It does not go as far as the Secretary of Agriculture first suggested on September 9, but it more than meets his goals halfway. In fact, our informal estimate is that the new Senate committee package achieves 56 percent of what he requested in the areas it addresses.

DESCRIPTION OF THE NEW COMMITTEE PROPOSAL

The compromise carefully crafted in the lengthy committee caucuses I just described is designed to reduce program costs in seven key commodity areas, and results in savings from S. 884 of \$1.2 billion over the 4-year life of the bill.

WHEAT

In the case of wheat, the committee proposed to set the first year target price at \$4.10, which is 10 cents per bushel less than S. 884. This level would increase each year in the same increments as in both S. 884 and the administration's proposed compromise.

According to the Congressional Budget Office, this results in savings of \$427 million. The amount would be 80 percent of the savings resulting from the administration's proposal, as calculated by CBO.

FEEDGRAINS

For feedgrains, we propose to set the 1982 corn target price at \$2.75 per bushel, 5 cents below S. 884, with increases of 15 cents in each of the other 3 years of the bill—the same as the administration proposal. According to

CBO, this provides savings of \$22 million over S. 884.

COTTON

In cotton, the cost-savings resulting from the various proposals which the committee considered is virtually the same. Our proposal will change the target price to 83 cents in 1984 and 89 cents in 1985. This is 2 cents above the administration's proposal in 1984 and 3 cents above in 1985. According to CBO, the cost difference between S. 884 and the administration's proposal is less than a half a million dollars.

RICE

In the case of rice, we propose to set the target price for each successive year of this bill at \$10.98, \$11.63, \$12.28, and \$12.93 per hundredweight. CBO estimates show that this provides a cost savings of \$120 million, from S. 884 as reported. This is 75 percent of the savings which would result from the administration's proposal.

SUGAR

The sugar program provided for in S. 884 is designed so that there is practically no direct cost to the Treasury resulting from the sugar loan program. Even so, the committee proposes to reduce the sugar rate to 18 cents per pound, increasing it by one-half cent per year. The administration took no position on sugar, finding the House bill acceptable.

In addition to this reduction in the support rates, the committee compromise also includes a technical amendment requested by Senators HAYAKAWA and ANDREWS of our committee to strike the definition of the crop year and loan periods for sugar beets and sugarcane. Current law leaves determination of the crop year to the discretion of the Secretary. This amendment would provide for his continued discretion, on the grounds that various crop cycles exist for sugar beets and sugarcane production in the States of Idaho, California, North Dakota, Louisiana, and Hawaii. In California, the crop year begins on July 1 and ends on June 30.

Hence, a specifically defined crop year of April 1 through March 31 of the following year as provided for in S. 884 leaves 3 months of harvest—April, May, and June—outside that particular crop year. That obviously presents confusion and problems with part of the same crop arbitrarily falling in one crop year and part in another.

In order to avert this disparity, the committee believes it is in the best interest of sugar producers to leave crop year determination to the Secretary's discretion.

SOYBEANS

As to soybeans, we propose to change the base data from which the loan rate will be calculated. Loans would be based on the national simple average price received by farmers as reported by the Statistical Reporting Service of USDA, rather than the average Chicago quoted cash price.

This change is really technical in nature, and is supported by the American Soybean Association, and was suggested by the administration to be proposed in this package.

PEANUTS

In the case of peanuts, the committee proposes the peanut provisions of the House of Representatives version of the farm bill with several modifications. This measure has been declared acceptable to the administration.

So that peanut farmers will not be exempted from any sacrifices asked of producers of other commodities, and to assure Senators that the peanut program has undergone meaningful reform, a number of further modifications are provided for.

The minimum national poundage quota will be reduced from 1.3 million tons provided for in S. 884, and 1.44 million tons provided for in the administration's original bill, to 1.24 million tons. This is done to virtually eliminate all Federal outlays for the peanut program. The quota loan rate will be reduced from \$631 in S. 884 to \$596 per ton. The committee proposes to clarify provisions in current law which provide that there will be no criminal penalties—only civil penalties—for violation of peanut marketing quotas. Further, we provide that no person may exercise allotment rights without sufficient tillable land to support the allotments. Any allotment or quota surrendered for lack of tillable land shall revert to a pool to be distributed to new growers. The program ought to benefit farmers and consumers, and not other business interests and corporations.

Although Secretary Block did not suggest cuts or changes in the peanut program when he met with us on September 9, this change would reduce taxpayer costs of the peanut program to virtually nothing. A 100-percent reduction in budget exposure is a remarkable contribution, indeed. This should result in about \$100 million in savings in the peanut provisions of S. 884 and S. 943—the original administration farm bill. No other commodity has made such a substantial sacrifice.

FARMER-OWNED GRAIN RESERVE

In regard to the farmer-owned grain reserve, we propose to allow the Commodity Credit Corporation to resell grain which it has acquired only if market prices for that commodity exceed 110 percent of the reserve release price, when a reserve is in effect. S. 884 as reported would not allow CCC resale until prices reached 105 percent of the average projected cost of production for growing grain in that year as calculated by USDA. The administration proposed 105 percent of the release price, but our proposal increased that to 110 percent in order to allow market prices more room to function without being influenced by Government action.

Mr. President, Senators will note that one commodity with rather large relative Treasury exposure has not been mentioned, and that is the dairy program.

The Secretary told us on September 9 that it was essential that the costs of the dairy program as provided for in S. 884 be reduced substantially. He emphasized that the cost exposure of that program is most critical, and the reductions in costs which he contemplated were so substantial that the com-

mittee could not reach agreement as to what it should propose for this package of amendments.

Now I believe that tells something very important about our package. The items addressed in the package represent an effective compromise that Senators took the time and effort to hammer out in excruciating detail. The fact that we have not included dairy in this package is evidence, I believe, that what we have here is a serious compromise. We were not able to move dairy sufficiently close to the administration position to warrant it being included, so we left it out.

So, the Senate will work its will on dairy. The dairy provisions provided for in S. 884 seemed reasonable to the committee when they were adopted, as did all other provisions. They represent sound policy in concept and structure. If the Senate wishes a less expensive program it will have to be achieved outside what is the committee compromise.

In summary, Mr. President, the administration has in essence accepted the structure of S. 884. However, the Secretary of Agriculture has pointed out that the cost of S. 884 is too high, and I agree with him.

Therefore, let us reduce the cost of these programs as the committee proposes to do. Such action will preserve the integrity of the legislative branch of Government, and will serve the interests of both the farmer and the taxpayer.

I urge the Senate to adopt this compromise package. If it does that, and wants to consider other items such as dairy, it will not really be necessary for the Senate to spend much further time on this bill. We will have achieved a bill suitable for immediate approval because of its effective programs, and because of its budget worthiness.

Mr. GRASSLEY. Mr. President, I commend the members of the Senate Agriculture Committee for their long, hard work in reaching necessary compromises over various portions of the 1981 farm bill. As in the past, the committee has attempted to draft a bill that will continue to assure an abundance of food and fiber at reasonable costs to the consuming public, as well as to provide adequate protection to our Nation's farmers against volatile swings in market prices in order to assure a reasonable income.

This has been a particularly difficult task, for unlike in the past, the work on this farm bill has had to take place under the severe budget constraints that are necessary if we hope to control Government spending and bring our economy back to its feet.

As a member of the Senate Budget Committee, I know all too well how unpleasant this effort can be—on one hand we want to protect and preserve programs and the people affected by the programs that are dear to us, but on the other hand, we realize that if budget constraint is not practiced, all people of this country will continue to suffer from the devastating effects of inflation, high interest rates, dwindling economic productivity, and high unemployment.

Consequently, as with most other Government programs, those addressed by this piece of legislation have been drafted with fiscal restraints in mind. I believe the committee did a remarkable job of meeting congressional budget targets with the bill as reported.

However, recent budget estimates have required even further cost reductions, and therefore, the committee and the administration have met during the last few days to iron out differences and to develop a bill that the negotiating parties could find acceptable. This compromise was difficult for all involved, but we are facing difficult times and these revisions were necessary. I may not be completely satisfied with this legislation. But it is not because I believe the committee did a poor job; it is because of the tight fiscal environment under which we must operate. There are I intend to support this legislation for the most part, and I hope my colleagues of the Senate wisely choose to do the same.

Furthermore, I urge my Senate colleagues to resist the temptation of supporting amendments that will disrupt this delicately balanced compromise or that will add significantly to the cost of the legislation. It may be politically attractive to do so, but it is in the best interest of the people of our country—including our farmers—to resist this temptation.

Before closing, I would like to make two additional points. First, I just returned from my home State of Iowa where I had the opportunity to talk to a large number of farmers, many of whom are balancing precariously on the edge of disaster. The immediate reason for this is that corn prices are dropping sharply. For this, I urge the Secretary of Agriculture to activate the farmer-held reserve for feed grains immediately.

The second problem, but equally pressing, is the problem farmers are facing with high interest rates. This, of course, is not unique to only the farm sector—others are hurting, too. One of the major goals of our economic plan is to bring interest rates down. Congress and the administration have taken, and will continue to take, major steps toward this end by curbing Government spending, thus reducing inflation. I firmly believe that we will soon see positive results from our efforts with interest rates falling possibly 2 to 4 points by the end of the year.

There is one factor, however, over which Congress and the administration has no direct control—the policies of the Federal Reserve Board. There is definitely the need to restrain the growth of our money supply. It is essential, however, that the Board keep its policies in line with the administration's monetary growth rules where the growth of our monetary supply will not be greater or less than changes in the growth of our economic productivity. I strongly urge the Board to keep a close eye on the fiscal situation facing our farmers and other sectors of our economy to take heed to my message.

Second, I want to reiterate my position that food should not be singled out as a foreign policy tool. I believe it is in the best interests of our Nation to allow our farmers to seek out and to sell to coun-

tries wanting to buy our agricultural products. After all, you cannot convince me that agricultural products are sensitive strategic material. Thus, in cases where the U.S. Government involves itself with agricultural export negotiations, the Secretary of Agriculture, not State, should be given the lead.

Many of Iowa's farmers feel that no one in Washington really understands or recognizes the severe problems they are facing as a result of the three issues I just discussed. I stand here, today, to assure them that I fully understand and that I hope my colleagues in Congress, the administration, and the members of the Federal Reserve Board are listening as well.

Mr. HUDDLESTON. Mr. President, the chairman of the committee, the floor manager of the bill, has just submitted modifications to S. 884, which have been accepted. These modifications have been worked out by the members of the Agriculture Committee.

FISCAL RESTRAINT NEEDED

We all know that we are now faced with forecasts of huge budget deficits in the next several fiscal years; and a concerted effort is underway to limit the projected deficits. I strongly support the need for a balanced budget, and believe that Congress has the responsibility to lead in the effort to achieve fiscal responsibility.

The budget for Federal agricultural programs must be subjected to the same budgetary scrutiny now being given to other Federal programs.

SUPPORT AND TARGET LEVELS

As Chairman HELMS has indicated, the Department of Agriculture recently informed us of their concerns about possible spending obligations that may result from the price support and target price provisions of the committee-reported farm bill if recently developing trends in the agricultural economy, including lower prices, continue.

In response to those concerns, we developed a proposal to lower the minimum target price levels for the 1982 through 1985 crops of wheat, feed grains, upland cotton, and rice, and lower the minimum price support levels for sugar and peanuts. These steps should reduce the possible outlay exposure under the commodity programs to levels that meet the budget requirements.

PROGRAM INTEGRITY

I believe that the stronger support and target levels under the committee-reported bill will better serve the needs of agriculture and, in the long run, the economic interests of all our Nation's citizens.

However, I am willing to make the proposed cuts to assure that we pass a farm bill the President will sign and because I believe that the modification will not adversely affect the price stabilization features of the farm programs, nor prevent the Secretary of Agriculture from using the target price programs effectively to meet the needs of farmers.

I point out that all the modification does is lower minimum support and target levels. The Secretary of Agriculture will have the discretion to set the support

and target rates at whatever levels, above the minimum, needed to respond to economic conditions.

Also, under S. 884 and existing law, the Secretary is given other tools, including the land diversion, farmer-held reserve, and export development programs, to strengthen farm prices.

STRONGER COMMODITY PRICES

Farmers do not want Federal handouts to stay in business. They prefer to make their return in the marketplace.

In fact, the purpose of the commodity programs is to enable farmers to receive fair prices in the market, not to funnel Federal money to farmers.

Farmers are now in a desperate economic position. More than ever, they need the protection of strong commodity prices. The administration will have a heavy responsibility, with respect to the next four annual crops, to adopt effective policies and programs to stabilize the agricultural economy.

The modification will not absolve the administration of this responsibility. But, I believe that Secretary Block realizes this and will do all he can to solve the problems that farmers face due to low commodity prices and high farm production costs.

NEED FOR MODIFICATIONS

To those Members who have indicated some concern that we have changed directions here so quickly, when we left for the August recess, after reporting out S. 884 some weeks prior to that, let me say that we acted earlier on the basis of a certain set of economic assumptions, just as the entire Congress had gone through the exercise of putting into place a budget and economic package including expenditures and projected tax revenues that made certain economic assumptions.

During that period of time, the month of August, there came about a reassessment and a reevaluation of some of those assumptions; and it was because of that that we felt compelled to take a look again at this package, as the administration requested us to do, to see whether or not we could reduce the potential costs. That is what we have attempted to do. We have not gone as far as the administration preferred but the modifications that have been now made to S. 884 were as far as the majority of the members of the Agriculture Committee felt we could go. Indeed, as has been expressed here on the floor, some Members did not want to go that far at all, or wanted to go in the other direction and actually increase both the target price levels and the loan levels for the various commodities.

S. 884 in itself was a compromise. There are many members of the committee who felt at the time it was reported out that it was more modest than it should have been or could have been. There again, we were working back in the spring under a different set of economic assumptions. The bill now is a product that has evolved during a period of time when the concern of the American people has turned to the budgetary situation, the deficit of the Federal Government and the projected deficits in the future, and the inflation rate and the high interest rate.

What we have tried to do was to reach that happy middle ground, if it is indeed possible to do so, of trying to provide at least a minimum assistance and safety net for the agricultural producers without placing too great a burden upon the budget that we are operating under. I think that the modification represents the best effort that can be made at this time in that direction; and as someone has said, it is a bill that does not please everyone and very likely may not please anyone. But that just happens to be the nature of legislation. The legislative process in my experience has always been sort of a compromise between what is most desirable and what is possible. I think we have now about reached the point here in this bill of what is possible.

I yield the floor.

Mr. DOLE. Mr. President, the Senator from Kansas was in another meeting and was not present when the modifications were made, but I am wondering if dairy has been included in the modifications?

Mr. HELMS. No, it is not, I say to the Senator.

Mr. DOLE. It is the understanding of the Senator from Kansas that when we left the meeting dairy would be included. I am not going to quarrel with whether or not it was, but I wish to point out what I think may be a real problem, if dairy is not part of the agreement. That is to say if all of us are able to retain what we would like for the commodities we have a direct interest in and dairy is left to the final vote, I assume many would then feel free not to change the dairy section because they preserve what they are interested in in addition to dairy and that would mean that we would add about a billion dollars to the cost of the program and jeopardize it being signed by the President.

It was the hope of some of us that we would have the dairy modification as well as the modifications in the other programs and then if some wanted to add to the dairy program they could offer an amendment to do that.

In view of that, I think some of the rest of us may have to reassess our position on the modifications, because it was my understanding less than 30 minutes ago that dairy would be a modification in the dairy program, unless we can work out some order in which the amendments will be called up so that dairy will come first and not last. I just say as a practical matter around here if I have gotten everything I wanted why should I vote to anger anyone in the dairy business? I mean to preserve everything else we may as well throw in a little extra for the dairy program. That is the big problem, as I understand it, from everyone who is concerned with the program, if we are going to modify everything else we are also going to modify the dairy section, not to cause any adverse impact on dairy producers but to make certain we get a bill that can be signed.

Mr. ZORINSKY. Mr. President, having spent the last 5 weeks in my home State of Nebraska, and having listened to the plight of the people in agriculture not only in my State but in numerous Midwestern States, it occurs to

me that as a member of the Senate Committee on Agriculture that I have sat in hearings, in debates with respect to the evolution of a new farm bill for the last 5½ months.

We have had many people from the agricultural industry testify before our committee. We have had a lot of debate, we have had a lot of rhetoric, we have had a lot of give and take, and especially a lot of compromise, and that is why, as initially stated, I felt, inasmuch as there are many unhappy people on both sides of the issue, that this was the best acceptable compromise we could evolve.

That is just what the bill was as it came out of the Senate Committee on Agriculture, a bipartisan coalition acknowledging the fact that it is the best deal we could strike under the current budgetary constraints and requirements. It was a compromise.

Last Thursday I was in Omaha, Nebr., and I received a call from my staff indicating that the members of the Senate Committee on Agriculture were meeting to talk about the substitution of an administration farm bill for the one we had worked on very hard for 5 months and with a compromise evolving.

It concerns me that after 5½ months of debate and serious consideration, in approximately 5 to 6 hours one afternoon agreements were reached. Obviously I was not there. I had a staff member represent me.

I feel what is happening to the farmers of this country, in addition to the citizens of this country, is the fact that when we make budget cutting a semi-annual event or one that takes place every 3 or 4 months, going back to various sectors in our society and saying, "We missed this target, we miscalculated," and here we come again for more budgetary cuts, I think we are eventually destroying the credibility of the people of the United States in their Government, in our own ability to assess the goals that we all seek.

Obviously, this additional budget cutting came as a result of miscalculation on interest rates for next year, and from what I heard this is one of the initial targets which was sought out, and that was agriculture once again. We are sought out on embargoes and sought out on everything imaginable because we are an easy target. Less than 4 percent of the American people earn their livelihood by producing food and fiber, so obviously politically we do not have that much clout. We may have parity in the U.S. Senate since New Jersey and Nebraska have two Senators apiece, but then you get over into the House of Representatives, and that parity vanishes because, according to population, you are assigned Congressmen in a State and, therefore, numerically those denser populated cities which have large metropolitan areas far outnumber the sparsely populated areas of the Midwest.

So I think we are telling the American people by this action that we take on the floor of the Senate this week that—First, we do not know where we are going with respect to the budget cuts and what they ultimately were going to ac-

complish or, second, if we do know where we are going, we are going to pick out agriculture to be the shock troops to test those experimental economics on.

I certainly, for one, do not feel the time has come for agriculture and the farmers of America to accept a compromise of a compromise. The bill as it came to the Senate was a compromise consensus, a bipartisan consensus, and as of last Thursday an additional compromise began to evolve on the compromise.

I just want to see other areas of concern treated in like manner. The farmers of America do not mind taking their fair share of budgetary cuts, but, this reminds me of the exercise in our own neighborhood back in Omaha, Nebr. My wife serves on many committees and commissions, and there are numerous fundraisers for good causes like the Lung Association, the Heart Association, the Cancer Society, the Salvation Army, and numerous other well-worth fund drives.

My wife went door to door collecting contributions for those drives until finally those people started being out of the house when they saw her approaching, a little area having to make that additional contribution.

I think that is what we are imposing not only on the farmers of America but on the people of America; here we come again 4 months later after tremendous emotional and psychological exercises—and I support the President, and I support balanced budgets, and I support the direction we are taking. But when that direction begins to have indirection within itself because of miscalculation of numbers, I say we had better get our act together.

The reason I say we had better get our act together is that the constant trek back home to the farm areas of America is one which says, "Here I come again. We are going to cut budgets more severely and more deeply again." I think politically, psychologically, emotionally, and in the best interests of this country we had better look to see where we are going, what we need to get there, do it, and get it over with.

But I am not going to participate in these semiannual events or, as it turns out, about every 3 to 4 months to go back and tell the people of America, "We made a mistake, we miscalculated. We did not know that interest rates were going to be that high."

When, as a part of the formula for the budget next year, we ascribe a numerical number for the interest rates to service the debt of this Nation, which is approaching \$1 trillion, as 8.9 percent, I think certainly any economist would prefer to have the historical average of the last 3 years of interest rates to be used as the guess factor for interest rates for next year.

So these items and many more are complicating the process that is taking place in this Chamber, and I, for one Senator, intend to attempt to return this bill to the original compromise that was evolved on a bipartisan basis in the Senate Committee on Agriculture, and that is to return target prices on wheat back

to \$4.20 a bushel for 1982, and to return feed grains to their original position as compromised out in that original bill.

I think we spent far too much time evolving that bill in good faith in conjunction with the support and participation of all the farm groups of this Nation for us to tell them now that it is no deal, that we discovered new numbers, new figures, and we are going to change the ball game.

I thank the Chair and I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. GRASSLEY). 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.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction for routine morning business.

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

PROPOSED CHANGES IN THE CRIMINAL LAWS OF THE DISTRICT OF COLUMBIA

Mr. THURMOND. Mr. President, on September 9, 1981, the distinguished Senator from Alabama (Mr. DENTON) introduced a resolution, Senate Resolution 207, to disapprove the recent action of the District of Columbia City Council in repealing local criminal laws against sodomy, adultery, fornication, and seduction. I commend him for that action and have joined with him as a cosponsor.

I have always been a strong advocate of local government. For that reason, I believe that only under extreme circumstances should Congress intrude into the local affairs of the District government. In this instance, however, the circumstances are extreme.

Washington is a special city. Washington is not only home for those who live in the city; it is also the Capital of our Nation and the leading city of the free world. Washington cannot be a laboratory for social experimentation, and the Congress must not allow it to become one. It is our responsibility to take whatever steps we can to prevent a clearly irresponsible action in an important area of criminal law.

If we do not act against the proposed legalization of criminal activity, we will send to the American people and to the world a signal that our moral standards have been again lowered.

I am disturbed with the action of the District Council which would decrease the penalty for rape from life to 20 years. This would mean that a convicted rapist could be out on the streets again after as little as 3 or 4 years. I am amazed that some have so little respect for women and so little concern for the seriousness of the crime of rape.

Other aspects of the proposed law are

equally distressing. If Congress permits the Council action to stand, then in the Capital of the United States, there would be no criminal sanctions against sodomy, bestiality, and other forms of deviant, although consensual, sexual activity involving persons over 16 years of age.

At some point, the concern we all feel for effective home rule in the District of Columbia must be outweighed by our responsibility to both the city and to the country. In this instance that point has been reached.

Some will undoubtedly argue that the City Council ordinance should be allowed to become law on the basis of respect for the power of the city government. Nevertheless, under the Home Rule Act, Congress expressly reserved the power to review and veto certain actions of the Council, notably with respect to criminal statutes. Since that reservation was one of the bases for the enactment of home rule for the District of Columbia, Congress must have anticipated occasions when it would be appropriate to utilize this reserved power.

A sweeping overhaul of criminal penalties such as that envisaged in the proposed law passed by Council is a matter which is particularly appropriate for congressional intervention. By law, the welfare of our Capital City is a matter of continuing responsibility for Congress. On that basis, I urge that the Senate promptly adopt Senate Resolution 207 and thereby disapprove the unwise and dangerous action of the District government. To do less would invite the deserved criticism of the entire country.

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.)

MESSAGES FROM THE HOUSE

At 12:30 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 4209. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1982, and for other purposes.

ENROLLED BILLS SIGNED

At 12:50 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bills:

H.R. 2120. An act to facilitate the ability of product sellers to establish national product liability risk retention groups, to facili-

tate the ability of such sellers to purchase product liability insurance on a group basis, and for other purposes; and

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.

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

HOUSE BILL REFERRED

The following bill was read twice, and referred as indicated:

H.R. 4209. An act making appropriations for the Department of Transportation and related agencies for the fiscal year ending September 30, 1982, and for other purposes; to the Committee on Appropriations.

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-1917. A communication from the Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on budget rescissions and deferrals dated September 1, 1981; pursuant to the order of January 30, 1975, referred jointly to the Committee on the Budget and the Committee on Appropriations.

EC-1918. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report with respect to converting the family housing maintenance function at Griffiss Air Force Base, New York, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-1919. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report with respect to converting the family housing maintenance function at March Air Force Base, California, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-1920. A communication from the Assistant Secretary of the Air Force (Research, Development, and Logistics), transmitting, pursuant to law, a report with respect to converting the commissary shelf-stocking function at Lackland Air Force Base, Texas, and the decision that performance under contract is the most cost-effective method of accomplishment; to the Committee on Armed Services.

EC-1921. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Improved Management of Fleet Supplies and Spare Parts Can Save Millions Without Affecting Readiness"; to the Committee on Armed Services.

EC-1922. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, a report entitled "Report to Congress on the Need for Further Legislation in the Area of Real Estate Settlements"; to the Committee on Banking, Housing, and Urban Affairs.

EC-1923. A communication from the General Counsel of the Federal Emergency Management Agency, transmitting a draft of proposed legislation to amend the Disaster Relief Act of 1974, as amended; to the Committee on Environment and Public Works.

EC-1924. A communication from the members of the Commission on the Review of the Federal Impact Aid program, transmitting, pursuant to law, a report on the administration of Title I of Public Law 874; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-403. A petition from a citizen of Houston, Tex., favoring congressional support for the President in upgrading the Nation's military power; to the Committee on Armed Services.

POM-404. A petition from a citizen of Houston, Tex., favoring congressional support for the President in upgrading the Nation's military power; to the Committee on Armed Services.

POM-405. A petition from a citizen of Houston, Tex., favoring congressional support for the President in upgrading the Nation's military power; to the Committee on Armed Services.

POM-406. A petition from a citizen of Katy, Tex., favoring congressional support for the President in upgrading the Nation's military power; to the Committee on Armed Services.

POM-407. A petition from a citizen of Windsor, Mo., favoring congressional support for the President in upgrading the Nation's military power; to the Committee on Armed Services.

POM-408. A petition from a citizen of Fort Worth, Tex., favoring congressional support for the President in upgrading the Nation's military power; to the Committee on Armed Services.

POM-409. A resolution adopted by the House of Representatives of the Second Northern Marianas Legislature; to the Committee on Energy and Natural Resources:

"HOUSE RESOLUTION No. 144

"Whereas, the Clean Air Act (42 USC 7401) was approved in order to reduce air pollution and improve air quality in continental United States; and

"Whereas, under the Commonwealth Covenant (U.S. Public Law 94-241) the Clean Air Act is made applicable to the Northern Marianas; and

"Whereas, the Commission on Federal Laws under U.S. Public Law 94-241 is mandated to study and recommend to the United States Congress which federal laws and regulations should be extended to or amended to suit the circumstances and environment of the Northern Marianas Commonwealth; and

"Whereas, the Governor and Northern Marianas Senate have requested that the application of the Clean Air Act to the Northern Marianas be suspended; now, therefore,

"Be it resolved, by the House of Representatives, Second Northern Marianas Legislature, Fourth Regular Session, 1981, that the President and the U.S. Congress are hereby respectfully requested to exempt the Northern Marianas from the application of the Clean Air Act until the Commission on Federal Laws has determined whether the Clean Air Act should apply to the Northern Marianas; and

"Be it further resolved that the Speaker of the House shall certify and the House Clerk shall attest to the adoption of this resolution and certified copies be transmitted to the President, the presiding officers of United States Congress, the Chairmen of the U.S. Senate Committee on Energy and Natural Resources and the U.S. House Committee on Interior and Insular Affairs, the Chairman of the U.S. Senate Committee on Environment and Public Works, the Admin-

istrator of the U.S. Environmental Protection Agency, the Secretary of the Interior, the Northern Marianas Representative to the United States, the Executive Director of the Commission on Federal Laws, and the Governor."

POM-410. A resolution adopted by the Universities Council on Water Resources, Inc., favoring passage of programs supporting water resources planning and research; to the Committee on Environment and Public Works.

POM-411. A resolution adopted by the Political Action Committee of the Congress of Filipino American Citizens favoring appointment of the National Chairman of the Congress of Filipino American Citizens as U.S. Ambassador to the Philippines; to the Committee on Foreign Relations.

POM-412. A resolution adopted by the National Sheriffs' Association favoring direct Federal grants to local law enforcement agencies; to the Committee on the Judiciary.

POM-413. A petition from the Mayor of the city of Brainerd, Minn., expressing the opposition of the city council to the bill S. 898; ordered to lie on the table.

POM-414. A resolution adopted by the Municipal Assembly of Carolina, supporting re-authorization of the Airport and Air Routes Development Project; to the Committee on Commerce, Science, and Transportation.

POM-415. Joint resolution adopted by the First Olbil Era Kelulau, Thrid Regular Session, providing for Olbil Era Kelulau (National Congress) contract with the U.S. Congress; to the Committee on Energy and Natural Resources.

POM-416. Joint resolution adopted by the Legislature of the State of Alabama; to the Committee on the Judiciary:

"S.J.R. 41

"Whereas, there is a great need for a government of laws and not of men in this country; and

"Whereas, many federal justices and judges have strayed in their rulings from strictly interpreting the Constitution of the United States as it was intended, passed and ratified; and

"Whereas, such straying from the intent of the Constitution is in effect judicial legislation by means of judicial extrapolation; and

"Whereas, members of the federal judiciary have been able to follow this course of action because they are not answerable to the people because they are appointed for lifetime tenure; and

"Whereas, this country was founded in order to escape the awesome power of lifetime appointments from nonelected rulers and royalty; and

"Whereas, the federal judiciary is the last remaining vestige of such awesome, lifetime political patronage in this country; and

"Whereas, the public has always been under the impression that federal judges aided and abetted criminals and criminal activity in America by giving the criminals more rights than the victims; now therefore,

"Be it resolved by the Legislature of Alabama, both Houses thereof concurring, That the Legislature of Alabama hereby petitions the Congress of the United States to convene a convention, pursuant to Article V of the Constitution of the United States, for the specific and exclusive purpose of proposing an amendment which would prohibit lifetime appointments of federal supreme court justices and all other federal judges and require that they be elected and re-elected every six years by the people.

"Be it resolved further, That the legislature of each of our sister states is urged to give the most serious consideration to the problems arising from lifetime judicial ap-

pointments, and to petition the Congress of the United States to call a convention for the specific and exclusive purpose of proposing an amendment which would prohibit lifetime appointments of federal supreme court justices and all other federal judges and require that they be elected and re-elected every six years by the people.

"Be it resolved further, That the Secretary of the Senate transmit duly authenticated copies of this resolution to the President of the United States, to the President of the United States Senate, to the Speaker of the United States House of Representatives, to each member of Congress, both Senate and House, and to the executive authority of each of our sister states for transmittal to its legislature."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOLE, from the Committee on Finance, with an amendment in the nature of a substitute, and an amendment to the title:

S. 754. A bill to require that most-favored-nation treatment be granted only to the products of countries which have not expropriated United States citizen's property without compensation therefor (Rept. No. 97-189).

By Mr. HATFIELD, from the Committee on Appropriations:

Special Report entitled "Allocation To Subcommittees Of Budget Totals From The First Concurrent Resolution On The Budget" (Rept. No. 97-190).

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs, with amendments, and an amendment to the title:

H.J. Res. 223. Joint resolution to provide for the awarding of a special gold medal to Fred Waring.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HATCH, from the Committee on Labor and Human Resources:

Clarence Eugene Hodges, of Indiana, to be an Assistant Director of the Community Services Administration; and

Lawrence Y. Goldberg, of Rhode Island, to be an Assistant Director of the Community Services Administration.

(The above nominations were reported from the Committee on Labor and Human Resources, with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. BENTSEN:

S. 1617. A bill to require that imported meat and meat food products be subject to certain examination and inspection requirements, and to require the labeling of such imported products; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HEINZ:

S. 1618. A bill for the relief of Augustine Chi-Kuen Au, D.D.S., and Adrienne Au, hus-

band and wife; to the Committee on the Judiciary.

S. 1619. A bill for the relief of William Kubrick; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BENTSEN:

S. 1617. A bill to require that imported meat and meat food products be subject to certain examination and inspection requirements, and to require the labeling of such imported meats; to the Committee on Agriculture, Nutrition, and Forestry.

REQUIREMENTS FOR IMPORTED MEATS

● Mr. BENTSEN. Mr. President, I am today introducing legislation to protect consumers of meat from unknowingly being sold meat that is not up to the high quality standards that we demand and expect to get in this country. At the same time, this bill will protect the reputation for high-quality products which the American cattleman has built over the years with major investments of time, effort, and hard-earned money.

The need for this legislation is underscored dramatically by the recent discovery by the U.S. Department of Agriculture that meat from two foreign plants that was being imported as beef was in fact not beef, but contained horsemeat and kangaroo meat.

Secretary of Agriculture Block is to be commended for his decision to impound and test all Australian meat in this country and to halt all meat imports from these plants. Further testing of meat from plants in the State of Victoria, the location of the two problem plants, is now underway. I hope that there will be a thorough and complete investigation of this incident and that decisive action will be taken to prevent it from happening again.

My bill would attack this problem by:

First, requiring all imported meat to be labeled as such;

Second, requiring all imported meat to meet the same standards as domestic beef for drugs, feed additives, and other residues;

Third, requiring species verification; and

Fourth, authorizing fees on imported meat to cover the costs of these inspections.

Mr. President, consumer acceptance is vital to the cattle industry. U.S. producers have invested years of effort and millions of dollars in promoting beef as a healthy and nutritious product. They have succeeded, and U.S. beef is renowned as the finest in the world. U.S. producers are not resting on their laurels—they are still working hard to produce a top-quality product and to maintain that reputation. Texas beef producers within the last few months have set up a statewide voluntary checkoff program and are contributing 25 cents per head on all cattle sold in the State. These funds are being used to promote beef consumption.

The Texas cattle industry is not taking this money out of its profits. In most cases these contributions are merely adding to losses. These ranchers are

making very real sacrifices for the good of their industry, yet their efforts are threatened by scandals such as this one.

Why should years of effort on the part of American ranchers be wiped out by a small group of criminals in a foreign country? There is simply no justification for allowing this.

U.S. consumers should know what they are getting. If imported meat was labeled today this scandal would be of no concern to American ranchers, because the housewife would know which meat is imported and which is domestic. Without labeling, all meat becomes suspect in the wake of such wrongdoing. Without labeling, the well deserved reputation for quality which the American rancher has built over many years cannot be protected as it should be.

Mr. President, by law all meat consumed in the United States, whether produced in this country or abroad, must be processed in plants which are either inspected by the U.S. Government or are under inspection systems at least equal to our Federal system.

In this country, State-inspected meat packing plants are subject to unannounced inspections by Federal inspectors, and State systems are closed down by USDA if they fail to measure up to Federal standards. These plants are mostly small, family-owned businesses. They produce a top-quality product. However, these American plants are not allowed to ship their product in interstate commerce.

By contrast, USDA has only 17 inspectors to supervise some 1,159 foreign meat plants which are certified to export to the United States. Some of these plants are inspected only once every 2 years, and these inspections are preceded by advance notice to the foreign government.

However, the meat produced in these foreign plants, which amounts to about 7 percent of our total domestic consumption, is merely sampled when it enters the country and then is permitted to move freely in interstate commerce, the only label it now carries is USDA inspected—the same label carried by American beef processed in federally-inspected plants.

Mr. President, these problems have been known for too long. It is past time to do something about them, to tighten up our inspection standards so that the U.S. consumer can be assured of the quality and wholesomeness of all the food products sold in this country.

This issue is not new to the Senate, and it is not new to the Senator from Texas. I have introduced legislation in the past, and I have cosponsored legislation in the past, to achieve these same goals. I now hope that the time has come for this legislation. We have had a dramatic focusing of public attention on the problems of our meat inspection system, and I hope that those who in the past have dismissed these problems will take a second look now.

I hope that this bill will be recognized for what it is. This is a consumer protection bill. This is a consumer interest, a consumer concern, and it is not

limited at all to cattle producers, I hope that my colleagues will recognize the pressing need to maintain our high food quality standards and will join me in supporting this legislation. ●

ADDITIONAL COSPONSORS

S. 398

At the request of Mr. ARMSTRONG, the Senator from Oklahoma (Mr. NICKLES) was added as a cosponsor of S. 398, a bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek; and for other purposes.

S. 569

At the request of Mr. JEPSEN, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 569, a bill to amend the Internal Revenue Code of 1954 to provide an investment tax credit for certain soil and water conservation expenditures.

S. 675

At the request of Mr. THURMOND, the Senator from Georgia (Mr. NUNN) was added as a cosponsor of S. 675, a bill to establish a Federal Jurisdiction Review and Revision Commission.

S. 701

At the request of Mr. BENTSEN, the Senator from Michigan (Mr. RIEGLE) was added as a cosponsor of S. 701, a bill to amend the Internal Revenue Act of 1954 to provide for the exclusion from taxation of interest earned on deposits which are used for residential mortgage lending purposes.

S. 873

At the request of Mr. BENTSEN, the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 873, a bill to strengthen Federal programs and policies for combating international and domestic terrorism.

S. 1348

At the request of Mr. SASSER, the Senator from South Carolina (Mr. THURMOND), the Senator from Nevada (Mr. CANNON), and the Senator from New Jersey (Mr. BRADLEY) were added as cosponsors of S. 1348, a bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds.

S. 1366

At the request of Mr. WEICKER, the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 1366, a bill to provide for fair commercial credit reporting.

S. 1533

At the request of Mr. WEICKER, the Senator from Vermont (Mr. STAFFORD), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Ohio (Mr. METZENBAUM), the Senator from New Jersey (Mr. WILLIAMS), the Senator from Missouri (Mr. DANFORTH), the Senator from Maryland (Mr. MATHIAS), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Pennsylvania (Mr. HEINZ), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Connecticut (Mr. DODD), the Sen-

ator from North Dakota (Mr. BURDICK), the Senator from Hawaii (Mr. INOUE), the Senator from Maryland (Mr. SARBANES), the Senator from New York (Mr. MOYNIHAN), the Senator from Massachusetts (Mr. TSONGAS), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of S. 1533, an original bill to authorize the appropriations for the Legal Services Corporation for fiscal years 1982, 1983, and 1984, and to encourage the use of private attorneys in the provision of legal services under that act, and for other purposes.

S. 1604

At the request of Mr. PROXMIRE, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of S. 1604, a bill to require the enactment of special legislation to continue the expenditure or obligation of funds on any major civil acquisition whenever the cost of such acquisition has increased or, on the basis of estimates, will increase by 25 percent or more.

SENATE JOINT RESOLUTION 101

At the request of Mr. DOLE, the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of Senate Joint Resolution 101, a joint resolution designating "National High School Activities Week."

SENATE JOINT RESOLUTION 103

At the request of Mr. HOLLINGS, the Senator from Alabama (Mr. DENTON) was added as a cosponsor of Senate Joint Resolution 103, a joint resolution to authorize and request the President of the United States to issue a proclamation designating the 7 calendar days beginning October 4, 1981, as "National Port Week."

SENATE JOINT RESOLUTION 105

At the request of Mr. LAXALT, the Senator from Mississippi (Mr. COCHRAN), the Senator from New York (Mr. D'AMATO), the Senator from South Dakota (Mr. ABDNOR), the Senator from Texas (Mr. TOWER), the Senator from Minnesota (Mr. DURENBERGER), the Senator from Idaho (Mr. SYMMS), the Senator from Kansas (Mrs. KASSEBAUM), the Senator from Oregon (Mr. HATFIELD), the Senator from South Dakota (Mr. PRESSLER), the Senator from North Carolina (Mr. EAST), the Senator from Iowa (Mr. GRASSLEY), the Senator from Utah (Mr. HATCH), the Senator from Arkansas (Mr. PRYOR), the Senator from Arkansas (Mr. BUMPERS), the Senator from New York (Mr. MOYNIHAN), the Senator from Florida (Mr. CHILES), the Senator from Alabama (Mr. HEFLIN), the Senator from Montana (Mr. BAUCUS), the Senator from Mississippi (Mr. STENNIS), the Senator from Illinois (Mr. DIXON), the Senator from North Dakota (Mr. BURDICK), the Senator from Montana (Mr. MELCHER), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Nevada (Mr. CANNON), the Senator from Washington (Mr. JACKSON), and the Senator from South Carolina (Mr. THURMOND) were added as cosponsors of Senate Joint Resolution 105, a joint resolution to designate October 1981 as "National PTA Membership Month."

SENATE RESOLUTION 175

At the request of Mr. BOREN, the Senator from Virginia (Mr. HARRY F. BYRD, JR.) was added as a cosponsor of Senate Resolution 175, a resolution to congratulate the State of Oklahoma on the celebration of its Diamond Jubilee.

AMENDMENTS SUBMITTED FOR PRINTING

AGRICULTURE AND FOOD ACT OF 1981

AMENDMENT NO. 534

(Ordered to be printed and to lie on the table.)

Mr. KASTEN 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.

AMENDMENTS NO. 535 THROUGH 538

(Ordered to be printed and to lie on the table.)

Mr. BAUCUS submitted four amendments intended to be proposed by him to the bill S. 884, supra.

AMENDMENT NO. 539

(Ordered to be printed and to lie on the table.)

Mr. GRASSLEY submitted an amendment intended to be proposed to the bill S. 884, supra.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. ROTH. Mr. President, I would like to announce, for the information of the Senate and the public, that the Committee on Governmental Affairs will hold a meeting to mark up the Regulatory Reform Act of 1981, S. 1080, on Tuesday, September 15 at 9:30 a.m. and on Wednesday, September 16 at 2 p.m. in room 3302 of the Dirksen Senate Office Building. For further information, please contact Dan Bensing at 224-4751.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to hold a business meeting during the session of the Senate on Monday, September 14, at 2 p.m. to consider the nominations of:

William Vaughan to be Assistant Secretary of Energy for Environmental Protection, Safety and Energy Preparedness; Ray Hanzlik to be Administrator of the Economic Regulatory Administration; Dallar Peck to be Director of the Geological Survey;

Guy Fiske to be Under Secretary of Energy; and

Robert Horton to be Director of the U.S. Bureau of Mines.

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

ADDITIONAL STATEMENTS

THE VOTING RIGHTS ACT—THE NEED TO CONTINUE

● Mr. CHILES. Mr. President, the opportunity to vote is the most fundamental right that a democracy can extend to the citizenry. Voting is unquestionably the cornerstone of our elective process. The framers of the Constitution gave considerable attention, not only to concept of voting, but who should vote.

Basically, the States were recognized as having the primary responsibility for determining voting qualifications subject to specific limitations set forth in the national Constitution. For example, article I, section 2, provides that Members of the U.S. House of Representatives shall be chosen by "the electors of the most numerous branch of the State legislature."

And section 4 provides that Congress may alter the times and manner of holding elections for U.S. Senators and Representatives. Beyond these provisions of the original Constitution, however, the type and extent of congressional control over the election process has been a much later development.

In colonial times, ownership of property was the condition for exercising the suffrage. After the formation of the Republic, however, the States began to replace the property qualification with a taxpaying requirement. And this, in turn, almost completely disappeared during the Jacksonian era. However, nonproperty qualifications such as race, sex, and residence continued in effect with little interference until the Civil War.

The adoption of the 14th and 15th amendments to the Constitution ushered in a new franchised era for southern blacks. This same era was characterized by resistance to black suffrage. The techniques of resistance included the use of literacy tests, lengthy residence requirements, and poll taxes. During the period of time from the 1870's until the early 1960's the most effective Federal institution for striking down these obstacles was the U.S. Supreme Court. In landmark court decisions the high court struck down the "grandfather clauses," the white primary laws, and upheld the authority of Congress to regulate primaries in which Federal candidates are nominated.

In the early sixties Congress got into the act by passing the provisions of the 24th amendment, abolishing the poll tax and, of course, the Voting Rights Act, in 1965.

Few Chief Executives have been more eloquent than President Dwight Eisenhower who in 1960 included these remarks in his State of the Union Address.

"In the long perspective of history, the right to vote has been one of the strongest pillars of a free society. Our first duty is to protect this right against all encroachment."

President Johnson, on March 15, 1965, speaking before a joint session of Congress urged enactment of effective legislation to grant full voting rights to all citizens. The Senate, after much debate, passed the voting rights bill on May 26,

1965 and President Johnson signed the bill into law on August 6, 1965.

The bill was extended in 1970 and again in 1975. Each time the vote has been overwhelmingly supportive of the act.

I am aware of the concerns that have been voiced by the persons who oppose the act. I, too would like to see some kind of process where covered jurisdictions can work their way out of coverage by the act. I believe that if a jurisdiction demonstrates good faith and does not have any complaints lodged against it, then it will no longer have to submit to the provisions of the act.

Certainly the key consideration is not to punish States or covered jurisdictions. The key consideration is to protect the right to vote for all citizens. That consideration is the paramount reason for my support for the Voting Rights Act. ●

TAX DEFERRAL

● Mr. HART. Mr. President, last week I introduced legislation designed to address this Nation's rapidly deteriorating economic situation by deferring the massive personal income tax cuts passed by Congress earlier this summer until the Federal budget is in balance.

The views of a number of financial leaders interviewed this weekend provide strong support for the approach embodied in my bill. For example commenting on the recently announced reductions in defense spending, John D. Paulus, senior financial economist at Goldman Sachs and Co. said:

The defense trims may be a step in the right direction but they will not solve the problem that is weighing heavily on the financial markets. The trims don't address the hard numbers and facts the Street will have to face Monday morning. For instance, the numbers are that the Administration's three-year tax cut will deprive the Treasury of \$280 billion while the budget trims thus far projected for this period total some \$135 billion.

Other Wall Street experts were also skeptical about the prospects for economic recovery so long as huge personal income tax cuts increased the Federal deficit. According to Richard Scott-Ram, vice president and economist at the Chemical Bank:

The defense cuts are woefully inadequate to produce any significant reduction in the Federal deficit. Reductions three times that announced by the President or an equivalent increase in Federal revenues could be a significant move in the right direction. And confidence in the financial community will not be restored unless these spending cuts or additional revenues are enacted immediately. . . . Investors cannot, understandably, see where the funds are coming from to finance both a soaring Federal deficit and the borrowing needs of business so necessary to revitalize American industry.

Mr. President, the administration and this Congress have already gone a long way toward reducing Federal spending. The massive personal income tax cut enacted earlier this year, however, flies in the face of a broad consensus of opinion in the financial community that additional revenues are also needed.

It is for this reason that I have introduced legislation to postpone the personal income tax cuts until the Federal budget is balanced. Congressional support on this measure is essential if we are to convince the financial community that we are serious about achieving a balanced budget.

I ask that two articles from the New York Times describing Wall Street's reaction to our current economic situation be printed in the RECORD. I believe they indicate strong support for my tax cut deferral bill.

The articles follow:

[From the New York Times, Sept. 13, 1981]
REAGAN FINDS IT HARD TO ALLAY WALL STREET FEARS OVER CONFLICT
 (By Leonard Silk)

The Reagan Administration is struggling to decipher an apparent and annoying contradiction:

Why, if Mr. Reagan has done so much for business, isn't its applause rolling in? Why, if Wall Street supported his tax cuts, budget cuts and restrictive monetary policies, is the Street now so critical of the Reagan program and driving down the values of stocks and bonds?

Part of the explanation emerges from comments by a broad range of Wall Street figures. This is that the Reagan program did in fact give most of what it wanted to Wall Street—that assemblage of stockbrokers and bond dealers, bankers, investment counselors, financial economists, investors, traders, speculators, corporate treasurers and chief executives who buy and sell securities. But the comments show that Wall Street also woke up with more than it expected, and that "extra" has revived fears of Federal deficits running out of control.

\$750 BILLION IN TAX CUTS

Wall Street supported the tax program, including 25 percent in cuts in personal income taxes over three years, cuts in the top income tax rate to 50 percent from 70, cuts in estate and gift taxes, accelerated depreciation, tax breaks for savers and investors and much else. But then it took fright when it saw tax cuts totaling \$750 billion over the next five years, plus climbing military and nonmilitary spending, even after the Reagan trims in social programs. In Wall Street's view, that all means a string of budget deficits as far as the eye can see.

"Clearly, the budget is heading in a trend toward a large deficit, rather than less," Michel David-Well, senior partner of Lazard Frères & Company, the investment house, said. "This is inflationary in and of itself."

Not everyone on Wall Street is critical of the President. Morris Cohen, an economic consultant, describes Mr. Reagan's leadership as "almost breathtaking" and predicts that his program "should prove highly beneficial to the economy in the next 12 to 18 months."

But Mr. Cohen is an exception on the Street. The thinking of many of those who have put their remarks on the record is that budget deficits mean heavy Government demands on the credit markets, and that means trouble. With the Federal Reserve holding a tight rein on money and credit, it means persistently high interest rates. That is bad news for stocks and bonds, and bad news, too, for autos, housing, state and local governments, small businesses and all others dependent on credit and the price of money.

"ADVERSE IMPACT" ON MARKETS

"The big concern is insuring that the President's program doesn't result in a massive budget deficit," John K. Castle, president of Donaldson, Lufkin & Jenrette Inc., said last Thursday. "If in fact the outcome were a larger debt and larger deficit, there is no doubt it would continue to have an adverse impact on the securities markets."

"I don't believe the market is rejecting the Reagan program, per se" Thomas Johnson, executive vice president of Chemical Bank's Treasury group, agreed. "It is saying that the increases being proposed in defense spending, combined with the size of the budget so far and the prospect of zero cut-backs in Social Security, can only mean a deficit that will put continued pressure on interest rates."

The Reagan White House has reacted with increasing exasperation—and Republican leaders in Congress with increasing anger—to Wall Street's negative reaction, as though the financial community had let down its man. Senator Howard Baker of Tennessee, the majority leader, even warned Wall Street of reprisals in the form of "credit controls, reorganizing the Federal Reserve, a wind-fall-profits tax on interest income, and wage and price controls."

But if Washington's Reagan supporters were disappointed in Wall Street, they should not have been surprised.

CONNALLY HAD MOST SUPPORT

Ronald Reagan was not Wall Street's first choice for President, most importantly because it feared the risks of his proposals for large tax cuts in the face of high inflation. If anyone, John B. Connally, Secretary of the Treasury in the Nixon Administration, commanded most support from the business and financial establishment. And it was George Bush, another establishment Republican candidate for President, who called Mr. Reagan's proposed economic program, especially the huge tax cuts, "voodoo economics." According to the supply-side school of economics, the Reagan tax cuts would give business and investors new incentives and thereby touch off a burst of economic activity that would more than make up for the lost tax revenues. This expectation has required a leap of faith that conservative Wall Street has been unwilling to venture.

Most recently Wall Street's alarm was intensified by analyses of the budget for fiscal 1982, which begins only two weeks from now on Oct. 1, showing that the Reagan Administration's forecast of a deficit of \$42.8 billion was too optimistic. The Congressional Budget Office estimated that the deficit would be about \$65 billion in the new fiscal year.

Wall Street's most respected economists generally agreed with the Congressional estimate. The mounting cost of interest payments by Government would alone account for most of the underestimate by the Reagan Administration.

LARGE FISCAL IMPACT SEEN

The Conference Board, a nonpartisan business research body, placed the deficit for fiscal 1982 in a range of \$57.5 billion to \$62.5 billion, but said the true picture was far more stimulative than such figures implied. It predicted that large increases in military expenditures and tax cuts would give the economy a "massive" fiscal thrust of \$107.3 billion, or 3.33 percent of gross national product, in fiscal 1982. That compared with only \$34.6 billion in fiscal 1981, or 1.25 percent of gross national product.

Beyond fiscal 1982, analysts warned that the Reagan program was highly unlikely to produce the balanced budget the President had advertised on fiscal 1984. Data Resources, Inc. estimated that the budget deficit would climb from \$62.5 billion in 1981 to \$75.7 billion in 1984—and that it would continue to climb, reaching \$90.8 billion in fiscal 1985.

"They are trying to turn around overnight a system and spending patterns we have lived with for decades," said Seth Glickenhau, director of Glickenhau & Company, a Wall Street investment advisory firm. "It's just not that simple."

As painful as such appraisals were to the stock market, which tends to look only months, or maybe minutes, ahead, they were lethal to the long-term bond market. That market, already sinking before Wall Street

analysts had added up the budgetary implications of the Reagan tax cuts and the military buildup, sank to record lows.

BOND YIELDS SOAR

Yields on bonds soared to record levels, as did interest rates on long-term mortgages. Unless something was done to bring down those rates, the implications for both capital investment and housing construction would be severe.

"In 1979, when all the investors were promised a balanced budget, a \$1,000 Treasury bond came out at 9½ maturing in the year 2009," Robert L. Shoemaker, manager of the Government trading department of Paine, Webber, Jackson & Curtis Inc., said last week. "Today that same bond is selling for \$635. This market is going to seek a level to hide at until it has some proof positive that inflationary deficits are not going to continue to eat away at the value of bond coupons."

Wall Street's doubts did come as something of a surprise in Washington. For one thing, very few Wall Street leaders criticized the President publicly. Some swallowed doubts because they sought favors—in the tax legislation, for instance—but also they were plainly reluctant to attack a President they like and heartily agree with on many issues.

It is also true that the White House has not been especially attentive to Wall Street or to big business. According to one of the President's long-time business friends from California, Mr. Reagan has yet to develop close new ties to leading business figures. He still listens to old friends, who typically are self-made entrepreneurs, not from the Wall Street or corporate establishment.

APPOINTMENTS BY REAGAN

During his campaign, in an effort to forestall criticism from the financial establishment, Mr. Reagan gave influential roles to such economists as Alan Greenspan, the Wall Street economist and chairman of the Council of Economic Advisers under President Ford, and George P. Shultz, president of Bechtel, the big international construction firm and Secretary of the Treasury under President Nixon.

The effort to reconcile the views of these traditional conservatives with the unorthodox supply-side economics produced the campaign budget document of Nov. 9, 1980, in which steep cuts in the budget were combined with the big tax cuts to achieve budget balance by 1984.

It was like trying to square the circle. From the beginning, such traditionalists as Mr. Greenspan expressed grave doubts about the tax cuts and the sudden economic surge that was supposed to follow. The true significance of the tax cuts, Mr. Greenspan said, was not the promised spur to business, but rather the cuts in Federal spending that would have to follow, to keep the budget in balance.

It was also an effort to reassure the monetarists of the financial world—disciples of the belief, most forcefully promulgated by Prof. Milton Friedman, that slowing the growth of the money supply is the only true way to stop inflation—that led Mr. Reagan to appoint both monetarists and supply-siders to his Administration. He named a monetarist, Beryl Sprinkel, a close Friedman disciple, to be Under Secretary of the Treasury for Monetary Policy, and a supply-sider, Norman Ture, to be the Under Secretary for Tax Policy.

REAGAN NAMED TREASURY HEAD

Indeed, Mr. Reagan named a Wall Streeter, Donald T. Regan, the former chairman of Merrill Lynch, Inc., to be his Secretary of the Treasury, to yoke these contradictory theories and theorists together.

Yet Wall Street was unconvinced. By May the markets had made clear that they found the President's design for restoring budget balance and reducing interest rates incredi-

ble. Despite the President's demonstration that he could win Congressional approval for his deep cuts in nonmilitary spending—a showing his supporters said would strengthen the markets—long-term bond prices plunged, short-term interest rates climbed and equity markets weakened.

For a while, Mr. Reagan's top economic officials argued before Congress that the prospective deficits did not matter; only the money supply mattered. Mr. Regan, the Treasury Secretary, told the Senate Finance Committee in mid-May not to worry that the Administration's tax bill would be inflationary, because "inflation can be controlled through the money supply."

Whatever effect this had on the Senate, Wall Street was unimpressed. President Reagan criticized the Street as unintelligent in economic matters, a truth he said he had picked up from Secretary Regan.

But one of the top Wall Streeters, Peter G. Peterson, chairman of Lehman Brothers Kuhn Loeb Inc., who had been Secretary of Commerce in the Nixon Administration, responded on June 25:

"Wall Street has been told once again at the highest levels, that it does not offer good advice," Mr. Peterson said. "Yet, because the Street is not a message, but only a medium, the concept of Wall Street advice, like the concept of a Wall Street spokesman, is a kind of contradiction. The Street speaks only on tape—in prices and spreads—and these signals come from all over the world.

"Blaming us for the implicit message," Mr. Peterson concluded, "is like the fat man blaming his obesity on the waiter."

Though such criticism by the Wall Street establishment annoyed the White House, President Reagan sought to oblige by reducing the fiscal stimulus in his budget. This led him into one of his few political blunders: the hasty effort to cut an additional \$46 billion from Social Security benefits over the next five years.

The President again sought to appease Wall Street by scaling down his proposed tax cut from 30 percent over three years to 25 percent, and this proposal stuck. But in the bidding war with the Democrats over the tax bill in Congress, sufficient additional cuts were added to make the tax cuts at least as big as Mr. Reagan had originally proposed.

Mr. Reagan's advisers fully expected that, once the tax bill, with its benefits to business and the financial institutions, was in place, Wall Street would celebrate. It certainly had got most of what it wanted, both directly in lower tax rates and indirectly through the impact on after-tax corporate earnings and the encouragement to individual as well as corporate savers and investors. Though it did not get a shorter holding period for long-term capital gains, this seemed only a small part of its persistent distress, which is linked primarily to budget deficits and high interest rates.

What Wall Street now wants is a stricter budget and fiscal policy, which would remove some of the burden from tight money and high interest rates. The traditional conservatives of Wall Street, including many pragmatic monetarists, are calling for major cuts in the military budget, amounting to \$30 billion or more, by fiscal 1984, as well as further cuts in nonmilitary programs.

Although Mr. Reagan has indicated his willingness to trim his military budget, he is still struggling to minimize the military cuts or even to insist that he will meet his aim of 7 percent annual increases in military spending, adjusted for inflation. And he has renewed his promises to cut nonmilitary spending as well.

His current aim is to reduce the fiscal 1982 budget by an additional \$10 billion to \$15 billion, and to cut \$75 billion more from the budgets for fiscal years 1983 and 1984. But how this is to be done is still to be decided, and Wall Street, betting its own as well as its customers' money, is not yet convinced.

[From the New York Times, Sept. 14, 1981]

WALL STREET EXPERTS SKEPTICAL ABOUT IMPACT OF MILITARY CUT

(By H. J. Maldenberg)

President Reagan's decision to trim military spending over the next three years as part of a drive to balance the Federal budget by 1984 evoked cautious reactions among Wall Street economists yesterday.

While the economists welcomed the \$21 billion reduction in arms spending announced by the White House on Saturday, none thought the action would be sufficient to materially change the gloomy mood in the nation's financial markets.

"The defense trims may be a step in the right direction but they will not solve the problem that is weighing heavily on the financial markets," said John D. Paulus, senior financial economist at Goldman, Sachs & Company.

"The trims don't address the hard numbers and facts the street will have to face Monday morning," he added. "For instance, the numbers are that the Administration's three-year tax cut will deprive the Treasury of \$280 billion while the budget trims thus far projected for this period total some \$135 billion."

COSMETIC JOB "WILL NOT WORK"

Edward E. Yardeni, chief economist at E. F. Hutton & Company, summed up the views of several of his colleagues: "I hope" the military spending trims aren't "the beginning of a cosmetic approach to solving the soaring budget deficit, but a real start to bringing Federal spending into line with revenues. If it is a cosmetic job, it will not work because the financial community will see right through it in no time and react even more negatively than it has in recent weeks."

Others interviewed supported the view held by Richard Scott-Ram, vice president and economist at the Chemical Bank, who said: "The defense cuts are woefully inadequate to produce any significant reduction in the Federal deficit. Reductions three times that announced by the President or an equivalent increase in Federal revenue could be a significant move in the right direction. And confidence in the financial community will not be restored unless these spending cuts or additional revenues are enacted immediately."

President Reagan's cuts in military spending are part of the \$75 billion of additional reductions in Federal spending he believes are necessary to balance the budget by 1984. The deeper budget cuts are needed because the Administration's previous estimate of a deficit of \$42.5 billion for the 1982 fiscal year alone is now widely held to be at least a third below projections by private economists.

Mounting fears of substantially higher Federal budget deficits have battered the securities markets in recent weeks, with stock and bond prices falling sharply.

Chemical Bank's Mr. Scott-Ram summed up his view of investor sentiment: "Investors cannot, understandably, see where the funds are coming from to finance both a soaring Federal deficit and the borrowing needs of business so necessary to revitalize American industry."

What is worse than the official Federal deficit figures, he added, "is the even greater rise in 'off-budget' borrowings by Government agencies that are not included in the Government debt figures." These agencies include the Federal Home Loan Board and the various entities serving agriculture. ●

THE COMMISSION ON MORE EFFECTIVE GOVERNMENT

● Mr. ROTH, Mr. President, public support for S. 10, to create a Commission on More Effective Government, continues to grow. The persistent failure of

our governmental programs and agencies to perform at a satisfactory level underscores the need for a comprehensive review of our Federal Government's procedures and the manner in which it relates to State and local units and the private sector. S. 10, a bill that Senator EAGLETON and I introduced earlier this year will create the Commission that will carry out this review.

In an article that appeared recently in the Christian Science Monitor, Brad Knickerbocker caught the essence of the Commission effort, and the manner in which it can effectively improve the performance of our Government at all levels. I ask that Mr. Knickerbocker's article be included in the RECORD.

The article follows:

[From the Christian Science Monitor, Sept. 10, 1981]

U.S. ADVISORY BODY WILL TRY TO UNRAVEL BUREAUCRATIC KNOT—LIKE HOOVER COMMISSION, PANEL SEEKS TO STREAMLINE GOVERNMENT

(By Brad Knickerbocker)

One can argue persuasively that this year's startling actions on budget, taxes, regulations, and intergovernmental relations are proof that the "Reagan revolution" is already reality.

But there is widespread movement afoot in Washington to make it even deeper and more lasting changes in government operations.

Its model is the Hoover Commission, a blue-ribbon panel that had significant impact on the structure and business of government in the years following World War II. It enjoys broad bipartisan support ranging from conservatives enjoying new-found power to unrepentant liberals. The White House likes the idea, and so does the "citizens' lobby," Common Cause.

Specifically, bills progressing through Congress will establish a new Commission on More Effective Government. The commission's broad mandate would be to probe the management, organization and operations of the executive branch of federal government as well as Washington's relations with state and local governments and the private sector.

The 18-member commission would be appointed by the President, Senate majority leader, and House speaker, with some members representing state government and others not involved in any partisan political activity. Given the party loyalties of today's political leadership, there likely would be 10 Republicans and 8 Democrats unless expected amendments prevail and an even 9-9 membership is required.

The commission would have 30 months to hold hearings and formulate recommendations before reporting to Congress and the President.

"We've tinkered here and there with the governmental machine, but what we've ended up with is a Rube Goldberg arrangement that costs the taxpayers more and more in wasted money and gives less and less service to the people," says Sen. William Roth (R) of Delaware, chief Senate sponsor. "Now is the time to have the best minds in America comprehensively review government . . . so that we can start making it work better."

Liberal Democratic Sen. Thomas Eagleton of Missouri agrees and has signed on as one of many cosponsors. Deputy White House budget director Edwin Harper told a Senate Committee the Reagan administration "heartily endorses" the proposal.

To those cynics who say the commission's report would simply gather dust, the bills' supporters point out that the Hoover Commission (appointed by President Harry Truman in 1947 and chaired by former President Herbert Hoover) saw 72 percent of its recommendations adopted. Among these

were the Military Unification Act and the State Department Reorganization Act.

"I was here in time to help implement the Hoover Commission recommendations," recalls Rep. Richard Bolling (D) of Missouri, veteran lawmaker and chairman of the influential House Rules Committee. "I'm completely convinced that this is the only possible way that this country can reform its government."

The growing bulk and complexity of government in this country is a source of increasing concern. Federal spending is 15 times greater today than it was 30 years ago. While the number of federal civilian employees has remained fairly constant since the late '60s, the number of workers in other levels of government has shot up. In 1950 there was one government job-holder for every 24 Americans; now, the ratio is one for every 14.

Many attribute this increase to federal programs and requirements. Between 1949 and 1979, there was a net gain of 529 federal departments, agencies, bureaus, offices, administrations, institutes, services, and other organizational subdivisions. The size of the Federal Register (one measure of the increase in federal regulatory activity) has increased nearly 300 percent in the past decade.

"Intergovernmental relations today have clearly crossed a new threshold of complexity and confusion," the Advisory Commission on Intergovernmental Relations, a highly respected bipartisan group, warned last week. "The looming fear is one of unrestrained intergovernmentalism, of government pragmatism out of control."

The Hoover Commission did its important work at a time when the United States was entering a new era in both foreign and domestic federal activity. Supporters of a new "Commission on More Effective Government" say the time is ripe for another look at the fundamentals of how Washington operates. ●

THE WAITSFIELD-FAYSTON TELEPHONE CO.

● Mr. LEAHY. Mr. President, the tradition of American invention and innovation is a very long one, and Vermont has always been a part of that tradition.

With industry spending billions for research and development, there is a widespread belief in the United States that the age of individual ingenuity has passed. But there is a small company in Vermont that believes otherwise. The Waitsfield-Fayston Telephone Co. has fewer than 3,100 subscribers, 24 employees, and a service area that includes only a part of one Vermont valley. Yet this little company was computerized 15 years ago and is the only phone company in Vermont that transmits voice messages digitally. It has developed innovative solutions to problems like the looting of coin boxes and is applying its ingenuity to keeping its customers' monthly phone bills down. There are many other ways in which this small business has proven to be a pioneer in a field thought to be exclusively the domain of giants.

I am very proud of this Vermont business and its officers, Dana and Eleanor Haskin. Mr. President, I request that a news story about the Waitsfield-Fayston Telephone Co. from the Burlington Free Press edition of Sunday, August 23, 1981, be printed in the RECORD.

The article follows:

IT'S LIGHT YEARS AHEAD—PHONE COMPANY COMPUTER IS "VOICE" TO ITS CUSTOMERS

(By Nell Davis)

If Waitsfield-Fayston Telephone Co. disconnects a customer for nonpayment of a bill, he is told what has happened by the computer, which switches on a recorded message when the customer tries to make a routine call.

With the help of the computer, the company is able to leave the otherwise disconnected customer with emergency service, so he can call the police, ambulance service, fire department or telephone office.

State Public Service Department telecommunications specialist Charles Larkin said he would like such service offered universally. "Waitsfield is light years ahead of every other phone company in Vermont, including Ma Bell's," he said. "It is really a pioneer."

The small, old, family-owned telephone company has fewer than 3,100 customers and only 24 employees, but it has been computerized for 15 years. In February, it became the only Vermont phone utility transmitting voice messages digitally.

The digital system, which converts spoken words into bits of computer language and back instantaneously, makes the business of routing a call from one phone to another much faster and more efficient than the older electronic system.

Creative use of its state-of-the-art data processing equipment has allowed the Mad River Valley company to offer its customers services unavailable elsewhere in the state or anywhere, in some instances.

About 10 years ago, before the Bell system began to offer charge-a-call service, the Waitsfield-Fayston company developed a forerunner.

To solve the problem of rampant looting of coin phones, the company asked the state Public Service Board permission to make the phones payless.

The costs of repairing and replacing the looted phones and of collecting the money from coin phones in general was greater than the income from local calls on those phones, so the company decided to make local calls cost-free.

Long-distance calls were allowed only if charged to a credit card or another phone.

In contrast to Waitsfield's coinless public phones, their counterparts in the rest of the state cost a dime, a figure New England Telephone has tried unsuccessfully to persuade the Public Service Board to double.

"The Public Service Board told us to try it for six months 10 years ago, and it was such a success they let us do it permanently," said Waitsfield-Fayston vice president, Eleanor Haskin.

"In a small company, you can make innovative decisions and see how they work out," she said. "In the Bell system, they can't do that as easily. It's harder for them to offer something in Vermont and not in the rest of the system."

She said rising labor costs may make it profitable for other phone companies to switch to coinless public phones to avoid having to send out money-collectors and repairmen.

Another unique service offered by the Waitsfield-Fayston company is semipublic phones, dubbed "condominium service."

The computer recognizes calls from phones in rented housing units for which the owner has asked to be protected from having to pay for long-distance calls by the tenants.

Although toll calls from those phones can be dialed directly, without operator assistance, they must be charged to a credit card or another phone.

For local calls, the phones operate the same as typical private lines.

Waitsfield-Fayston is about to begin offering "custom calling services," offered al-

ready by New England Telephone Co. but only in certain localities, such as Burlington.

The small independent will be the first phone company in Vermont to offer those services systemwide.

Among custom services are speed-calling, call-forwarding and three-party conference calls.

Soon Waitsfield-Fayston may pioneer another service made possible by advanced computer programming—metered service.

Whereas phone companies conventionally group their customers into geographic zones for purposes of determining tolls, the computer has the capability of computing distances between phones precisely and determining charges on that basis.

Mrs. Haskin said her husband, company president Dana Haskin, is considering converting to a more cost-specific method of figuring out monthly phone bills.

People could keep monthly phone bills very low by keeping their calls short, both in distance and time.

"With the growing problems facing low-income and fixed-income people, there has to be a way to provide service at a threshold rate," she said.

"We're almost ready to go ahead with this, but it's going to raise a lot of hackles with New England Telephone and other companies. The Bell system says: 'Please wait.'"

HIGH INTEREST RATES

● Mr. BOREN. Mr. President, I hope that all of my colleagues have been following closely the various statements that have been made since the Congress returned from the August recess concerning high interest rates.

The statements and the minidebates which have occurred since we returned last week have been very instructive and I commend them to any who have not yet read them.

The statements have contained a wide variety of views centered around the common theme that interest rates are too high and that something must be done to bring them down quickly.

There have been several recommendations for action, ranging from a proposal by the distinguished Senator from Mississippi, Senator STENNIS, calling for the creation of a commission to study the problem and make recommendations, to the proposal entered in the RECORD yesterday by the junior Senator from Florida, Senator HAWKINS, calling for a complete restructuring of the Federal Reserve Board, to a proposal by Senator MELCHER from Montana—a proposal, Mr. President, which I have enthusiastically cosponsored—calling for a meeting between the President and the Federal Reserve Board to modify the Board's monetary policy so as to significantly reduce interest rates within the next 90 days.

There have been useful exchanges between distinguished Senators such as Senators LONG and BYRD of Virginia, and thoughtful individual statements such as the one introduced in the RECORD yesterday by Senator PROXMIRE.

Mr. President, I cannot say that I have agreed with all of the statements that have been made, nor all the proposals advanced—but I believe it is extremely useful that these dialogs are taking place and that they continue as we search for an effective solution to this

commonly perceived economic calamity. It is highly significant that all speakers agree on the basic premise—that interest rates must come down. The only debate is over how this is to be achieved.

Mr. President, I would issue only one cautionary note to my colleagues, and that is that as useful as the rhetoric of these past several days has been, we must not lose sight of the imperative need for action—for quick action.

As I said last week, the distinguished majority leader, Senator BAKER, was absolutely correct in his assessment that action needs to come now, within days, not within months or weeks.

That is why I believe that the proper place for action to take place is within the executive branch. The problem is short-term need to reduce interest rates, and even with a complete consensus between the House and Senate and among the Members of the two bodies, it would take several weeks to move effective legislation through the legislative process. We do not have that kind of time.

I would hope that the President and others within the executive branch who have the capability to voluntarily address this problem, without being mandated to do so by the Congress, would recognize the need and proceed apace. If they do not, and if they force the Congress to seek its own solution, the result will very likely be additional bankruptcies both for individuals and businesses across the country, and legislation whose necessarily hasty enactment may not be totally satisfactory to all concerned.

In other words, Mr. President, the best solutions for the short-term difficulties we face rest within the grasp of the administration.

The Congress can and will address the long-term needs through budget cutting and eliminating the Federal deficit so as to remove the Federal Government from the credit market. But the short-term cure, to carry us to the long-term solution, must come from the executive branch, and it must come soon. ●

RUTH LOVE FORMAN

● Mr. HEFLIN. Mr. President, I wish to call to the attention of the Senate the outstanding achievements of a dedicated educator of my State, Mrs. Ruth Love Forman, an elementary school teacher in Birmingham, Ala.

Recently, Mrs. Ruth Love Forman was selected to appear in the American Biographical Institute's 12th edition of "Personalities of the South." Personalities of the South recognizes thousands of outstanding southerners in various fields of endeavors. Each year a copy of the volume is placed in the Library of Congress and in all State Libraries of the South. Personalities of the South has been nationally acclaimed as a valuable research document for business leaders, genealogists, biographers, historians, librarians, and journalists.

I ask that a copy of a recent newspaper article pertaining to the accomplishments of Mrs. Forman be printed in the RECORD, along with my remarks.

The article follows:

PROFESSIONAL WOMAN CITED

(By Rev. T. Thornes)

The Ebenezer Baptist Church, Pastor Rev. T. Thornes, the City of B'ham, State of Alabama, B'ham Times Newspaper, and Friends congratulate Mrs. Ruth Love Forman on her recent historic achievement.

Mrs. Ruth Love Forman's name was recommended to the Institute's Governing Board of Editors for biographical inclusion in the 12th Edition of Personalities of the South book. This recommendation was brought forward by the Research Division after they reviewed a newspaper article written on her in the B'ham Times. The south recognizes thousands of outstanding southerners in various fields of endeavor. Each year a copy of Personalities of the South is placed in the Library of Congress (Washington, D.C.) and in all state libraries of the south. This book has been nationally acclaimed a valuable research document for business leaders, genealogists, biographers, historians, librarians, and journalists. Mrs. Forman will appear in the 1982 volume. It comes out in the winter of that year.

Mrs. Ruth Forman received her high school diploma from Dunbar High School, Bessemer, Ala. She received her B.S. degree from Ala. A&M University, Huntsville, Ala. She has done extensive study at Auburn University, Auburn, Ala. She attends from one to three workshops each summer in Jefferson County.

She is presently employed by the Jefferson County Board of Education as an elementary school teacher. She teaches 4th grade math at Fultondale Elementary School, Fultondale, Ala. She has made a lasting contribution to the field of education. Her fourth graders head the list of winners in Jefferson County for the annual Math Fair for grade 4. That county competition lasted for 5 years. Her students won more trophies and ribbons than any fourth graders in Jefferson County. In March of 81 her fourth graders entered an Alabama Math League for the state of Alabama. Her students competed against students in Alabama. They received certificates for their efforts. Her classes participate in Metric Week each year during the month of May. They are awarded certificates at the completion of their metric projects. Mrs. Forman has received letters of commendation for this from the state department and local officials. Several times some of her metric booklets were chosen by the Elementary Math consultant to be used during her math workshops across the state of Alabama. In May 1981, her fourth graders won 2nd place in the Mexican Fiesta School Contest. He wrote an essay on Mexico. He was competing against county, city and catholic schools. She led the tract meet one year and brought her school in the top 10 number. She had many top winners in the county competition when she was over the 4-H Club (Girls). Mrs. Forman was awarded the 4-H female leader award for the year 1972. She has been a judge for an elementary math fair and cheerleaders for a Jr. High School.

Mrs. Forman is a member of the Ebenezer Baptist Church, 3510 Todd Ave. S.W. B'ham, Rev. T. Thornes, Pastor. There she is very active. She is faithful in all of her endeavors. She teaches the Jr. Boys Class in Sunday School, she reads the 11:00 announcements on Sunday morning, she attends Bible Class on Friday evenings. She has narrated the Rev. T. Thornes Ministry 3½ yrs. each Sunday evening at 6:00 p.m. over radio station WSMQ 1450 on your dial. She has received over 21 Bible certificates from completing Bible courses all over the U.S., she has made two inspiring speeches to the Jefferson County Sunday School Congress during the last five years. Mrs. Forman has directed yard and church weddings, she is blessed with many talents and uses them all to perfec-

tion. She has made several women day speeches in Baptist and Methodist churches and is booked for more before the year is out. Mrs. Forman has cooperated with churches all over the city of Birmingham and Bessemer, and has taught classes, acted at Superintendent, reviewed Sunday School lessons, given meditations and acted as mistress of ceremonies.

The Ebenezer Baptist Church, her husband and family is proud of Mrs. Forman for the pride, honor and respect she has earned. She achieved all these merits because of the four basics (home, church, school, and community). She has done church work since she was very young. Mrs. Forman gives the credit to her parents, minister and above all God. This wisdom have surely paid off. All these things grew up in Mrs. Forman. She is a good example of a good, law abiding citizen, and is a qualified voter and have been for a long time. She has excelled in all areas. Ebenezer is blessed to have this wonderful personality that have produced all of these great things to be a part of us. Mrs. Forman has gone down into national history. Generations unborn will read about her contributions to society and call her blessed. She has traveled nationwide, this have therefore given her rich experiences in many areas. She is also the church writer for the Birmingham Times.

I would like to commend the Research Division on a job well done. For we realize what a great honor it was just to be nominated even if she had not been accepted. But this deserving young lady was accepted. What a mighty act of God. Giving unselfish service to God and mankind have surely paid off for Mrs. Ruth Love Forman. Again congratulations to this worthy celebrity. ●

INTEREST RATES

● Mr. GARN. Mr. President, I would like to take this opportunity to call to my colleagues' attention an article that appeared most recently concerning interest rates.

In the Washington Post yesterday, columnist David Broder argued that President Reagan's economic plan "is being mauled by the money markets even before it gets a trial run."

This morning's Wall Street Journal adopted a somewhat different perspective, calling for congressional leaders to stop "wasting their energies scaring the life out of the capital markets," and "devote them instead to thinking of ways to see to it that the anti-inflation fight succeeds."

Mr. President, this editorial makes some very important points.

One is that President Reagan's economic program has not yet been given a chance. The tax cut does not even become effective until next month.

Given that today's high interest rates are the result of years of irresponsible Government spending, years of ballooning Federal deficits, years of running the monetary printing presses far too fast and years of mounting Government regulations, I believe the Reagan economic package should be given at least a few months to prove its ability to begin reversing the consequences of years of irresponsibility.

A second important point made by the editorial I have here is that the private sector of our economy has a great responsibility in bringing interest rates down and helping our economy regain a

sure footing. After all, interest rates are determined by the private sector and capital investment decisions are made by the private sector.

The Reagan administration's economic package is removing the Government from our economy as an engine of inflation and offering incentives to the private sector to focus its attention on productivity-enhancing capital investments. The private sector has a responsibility to incorporate lower inflationary expectations in its decisionmaking, and the private sector has a responsibility to respond to the new incentives.

The third important point made by the editorial is that inflation and high interest rates are truly political phenomena. Both result from Government policies that have political support from certain quarters. Moreover, an essential part of lowering high interest rates is a demonstration of a political will that is unquestionably strong enough to resist those parties with a vested interest in seeing high inflation persist.

I ask that this article be printed in full in the RECORD.

The article follows:

BLAME WALL STREET
(By David S. Broder)

Despite the handicaps of being a non-lawyer, a non-financial expert and a non-partisan of the Reagan administration, it is plain even to me that the White House has grounds to sue Wall Street for non-support. Ronald Reagan's economic plan is being mauled by the money-managers even before it gets a trial run. If the assault weren't so recklessly selfish and stupid, you could really laugh.

If ever there has been a government in Washington eager to do acrobatics to please the business and financial big shots, it is this one. It has taken the biggest whack at federal spending in 50 years, and every nickel of it from "people programs" that the monied folks don't need, don't want, don't use and don't support.

It has cut taxes generously for rich folks and even more generously for corporations. And the response has been one sulky bear of a market, a tailspin in stocks and bonds and a run-up in interest rates that have given the country the shakes and cast a pall over the bright economic future Reagan and his allies projected. Thanks a bunch, Wall Street.

However much Reagan and Co. have contrived to get government off business' back, the mighty men of the financial markets have said, "It's not enough, We want more."

Although Reagan never advertised it, the tax bill he bulled through Congress goes a long way toward eliminating the corporate income tax as a significant source of federal revenues. A top lobbyist for the bill says it will cut the corporate tax bills in half. But a lawyer I know has a client company that paid \$42 million last year and will pay somewhere between \$2 million and nothing next year. Given the creativity of corporate accounting, I'll bet that is far from unique.

The smart guys in Wall Street know this—even if most of the average Joes who were phoning their congressmen to pass the Reagan tax bill did not. The smart guys know what the tax bill means for corporate cash flow and future after-tax profits.

They know these are the ingredients for a booming stock market that would funnel billions into job-creating investment. But they ain't buying stocks. Why? Because they can make even more money cashing in on the incredible interest rates they can extract from government and private borrowers in the current debt-refinancing crunch.

As a top Washington business lobbyist put it, "They can make 20 percent, with virtually no risk, buying short-term government obligations, so why should they take the risk of equity investments?"

From one viewpoint, you could say Reagan is getting exactly what he deserves, as a true believer in the historically dubious theory that there is a "natural harmony" between business advantage and the public interest. Having exalted the virtues of the marketplace, he is now seeing his own program victimized by men who calculate everything by the bottom-line calculus of that coldly impersonal market. For Reagan to "jawbone" the financiers for lower interest rates, as congressional Republicans suggest, would not just be ineffective, it would be thoroughly inconsistent with his own principles.

And yet it is stunning to see the big wheels of Wall Street so callously scuttling the very program that American business, in a literally unprecedented fashion, had pressured Congress to pass just a few weeks ago.

I asked my lobbyist friend, a key figure in that effort, "Don't they realize they have bought in on Reagan's program and they have a stake in its working?" It was, apparently, a naive question.

"Let me tell you," he said, "there is no more shortsighted set of people than the Wall Street financial community. I'd really like to see Reagan tell these people to shove it. They didn't elect him and they don't own him."

But, of course, Reagan is not doing that. Instead, he is going back to Congress for yet more cuts, to convince the money-managers that he will somehow balance the budget.

I thought to myself: the people who are imposing these demands are people who proclaim the virtues of risk-taking. But they won't take risks themselves. They are the ones who say it's time for school-lunch users and subway riders to pay their own way and even make some sacrifices. But they will shortchange American enterprise's long-term capital needs in order to make a little more fast money from high interest rates.

My grandmother used to talk about people who know the price of everything and the value of nothing. If these money-men don't understand that they will never have a government more eager to please than this Reagan outfit, and they sink its policies by their own shortsighted selfishness, then they deserve what they will get.

It's just too damn bad a lot of other people will get hurt in the process. ●

ST. JOSAPHAT COMMANDERY

● Mr. LEVIN. Mr. President, September 12, 1981, marked the 100-year birthday of the Michigan Grand Commandery No. 65 as an individual unit of the Knights of St. John. Commandery No. 65, now known as the St. Josaphat Commandery was established one century ago expressing a deep sense of public duty by performing charitable deeds for members of the surrounding community. Since its birth, it has successfully upheld the pledge to provide continual guidance and support for its citizens.

Commandery No. 65 was originally formed as St. George Commandery No. 65 of the Knights of St. John. It later became known as the Bohemian Commandery of St. Wenceslaus and finally the St. Josaphat Commandery of the Knights of St. John.

The Knights of St. John united many different local Catholic organizations previously organized in various cities in 1879, thus forming a national organization under the name of Roman Catholic

Union of the Knights of St. John. The organization has grown steadily since 1879, always upholding its high standards of religion and citizenship.

Mr. President, I would like to take this opportunity to congratulate St. Josaphat Commandery for its success on its 100 birthday celebration. I would also like to commend the organization and its loyal members for 100 years of fine charitable service, and wish them much success in the future. ●

DR. RICHARD RUTLAND—FAMILY DOCTOR OF THE YEAR

● Mr. HEFLIN. Mr. President, I am very pleased and honored to inform my colleagues that a family physician from a small town in Alabama has been named the "Family Doctor of the Year" by the American Association of Family Physicians and Good Housekeeping magazine.

Dr. Richard O. Rutland, from Fayette, Ala., has brought a great deal of honor to his community and to the State of Alabama. I wish to take this opportunity to salute him upon his receiving this most prestigious award.

While the entire community of Fayette takes pride in having one of its leading citizens receive this honor, no one in Fayette or in the west Alabama County that bears the town's name was surprised to learn of the award. Dr. Rutland, who founded the McNease-Hodo Medical Clinic in Fayette, has been a smalltown doctor and distinguished leader in the field of family medicine for nearly 30 years.

Dr. Rutland is committed to rural health care and he established Fayette as a rural preceptorship site for the University of Alabama School of Medicine in Birmingham, as well as for the students and residents at the College of Community Health Sciences in Tuscaloosa.

Dr. Rutland has delivered more than 1,800 babies and regularly works a 70-hour week as a family doctor. Dr. Rutland sees an average of 30 to 35 patients each working day and he regularly makes house calls.

Mr. President, I can think of no doctor who deserves this prestigious award more than Dr. Rutland.

And Dr. Rutland has passed his love of people and dedication to medicine and family health on to his children. One of Dr. Rutland's children, Dr. Richard O. Rutland III, is a practicing pediatrician in Gadsden, Ala. Dr. Rutland's daughter, Cynthia Lyn McBrearty, is married to Dr. Michael McBrearty, a practicing family physician in Fairhope, Ala. Dr. Rutland has two other children, Melissa Babb White, whose husband, Rick, is a sergeant in the U.S. Army stationed in Germany, and Craig Douglas Rutland, a senior at Fayette County High School.

Mr. President, I am very proud of this dedicated and skilled physician from my home State. I regret that I was in Alabama and was unable to attend the awards ceremony that was held at the Department of Health and Human Services building on August 22, 1981.

Mr. President, I ask that a letter of congratulations written to Dr. Rutland by President Reagan, a Birmingham

News newspaper article written about Dr. Rutland, the news release written by the American Academy of Family Physicians and a detailed description of the "Family Doctor of the Year Award" be printed in the RECORD following my remarks.

The material follows:

THE WHITE HOUSE,

Santa Barbara, Calif., August 21, 1981.

DR. RICHARD RUTLAND,
Fayette, Ala.

DEAR DR. RUTLAND: I am very proud and happy to commend your outstanding contributions to the field of Family Medicine.

Your friends have brought to my attention your 30 years of dedicated service as a family practice physician in Fayette, Alabama. I know you take pride in this service and particularly in the more than 1,800 babies you have delivered. Your leadership in the medical profession as reflected by your contributions to the founding of the College of Community Health Services at the University of Alabama is truly outstanding.

The family practitioner is a fundamental and important part of our primary health care network. It is most fitting that we honor you, Dr. Rutland, and, at the same time, pay tribute to those in your profession who have given so much to their fellowman.

Congratulations on being named "Family Doctor of the Year." You have my best wishes and warmest personal regard.

Sincerely,

RONALD REAGAN.

RURAL ALABAMIAN NAMED AS "FAMILY DOCTOR OF THE YEAR"

WASHINGTON.—An updated version of the "old-time rural family doctor," whose own family brackets the state of Alabama with health care service, is the 1981 Good Housekeeping "Family Doctor of the Year."

Announcement of the fifth "Family Doctor of the Year" was made here today by Dr. Edward N. Brandt, Assistant Secretary for Health of the Department of Health and Human Services. The 1981 honoree is Dr. Richard O. Rutland, Jr. of Fayette, Ala. The national citation of the country's prototypical family physician is cosponsored by the widely known women's magazine and the American Academy of Family Physicians.

Symbolic of the award is an original bronze sculpture of the Greek god of medicine, Asklepios, by James Taylor of Cincinnati. The 17-inch figure mounted on limestone was presented to Dr. Rutland by Dr. Brandt at the DHHS ceremony.

The Good Housekeeping "Family Doctor of the Year" award thus returns to rural America after having been held for the past year by a big-city family doctor.

Dr. Rutland, 55, conducts a full-time family practice in the west central Alabama town of Fayette. He is the father of a pediatrician in Gadsden, in east central, Alabama and father-in-law of another family doctor in Fairhope, Ala., on Mobile Bay in the extreme southern part of the state.

Dr. Rutland is committed to rural health care as a partner in the McNease-Hodo Clinic at Fayette. A board certified specialist in family practice, he was an early diplomate in the specialty (1971) and was recertified in 1977.

He is a graduate of Tulane University School of Medicine in New Orleans and attended both the University of Alabama and Duke University as an undergraduate. He interned in Birmingham, and took residency training in Bakersfield, Calif., and in Colorado. He served in the Navy in both World War II and the Korean War.

He established Fayette as a rural preceptorship site for the University of Alabama School of Medicine in Birmingham and later for the students and residents at the College of Community Health Sciences in Tus-

caloosa. He served on the active faculty of the College of Community Health Sciences from 1973 to 1978, and has been on the visiting faculty since 1978.

In the early 1970's, the small community of Berry was in desperate need of medical care. Dr. Rutland agreed to assist the community leaders in organizing a medical board and planning committee. In the interim, he provided medical care in Berry in his "spare time" and on his day off. A modern clinic now has been built in Berry and a physician recruited.

Dr. Rutland does a broad-spectrum family practice, including assisting in surgery, in his 70-hour-a-week practice. He has delivered some 1,800 babies in his career. He is family physician to some 30 elderly patients in local nursing homes and sees an average of 30-35 regular patients in his office daily. He makes housecalls regularly.

Dr. Rutland is married to the former Nancy Babb of Texas. Besides the son and daughter involved in Alabama medicine, they have two other children, a daughter in Germany, and a son in high school. Dr. and Mrs. Rutland were simultaneously "Man" and "Woman" of the year in Fayette in 1961, the only time this has occurred in the local competition.

Dr. Rutland and his four predecessors will be honored September 21 by their peers in the AAFP Congress of Delegates at the medical organization's annual meeting in Las Vegas, Nev. Identical bronze castings of the Asklepios sculpture will be presented to the previous awardees at that time.

THE FAMILY DOCTOR OF THE YEAR AWARD (Cosponsored by Good Housekeeping Magazine and American Academy of Family Physicians)

The Family Doctor of the Year is selected each year from among members of the American Academy of Family Physicians, the national association of family doctors. The Kansas City-based Academy has 50,000 members throughout the United States. Candidates are submitted by state chapters of the AAFP, which is the nation's second largest medical organization (next to the all-doctor AMA) and the largest medical specialty society.

Announcement of the physician selected has been made from the White House by the President or the First Lady and also by the Department of Health and Human Services. Announcement traditionally has been in the late Spring or Summer. Thereafter, the doctor is honored by the Academy's Congress of Delegates at its Annual Meeting in the Fall. An article honoring the winner and finalists appears in Good Housekeeping magazine.

The Family Doctor of the Year is selected by the editors of Good Housekeeping from a panel of 10 finalists determined by a screening group of doctors from the AAFP. Candidates are submitted to the screening group by the leadership of the various state chapters. The Family Doctor of the Year thus is truly chosen by his or her peers in family practice, with the final determination made by Good Housekeeping on the basis of evidence presented.

The purpose is to personify to the nation, through the announcement from Washington and subsequent news coverage and related activities, the concept of the emerging new type of American family doctors, whose numbers are increasing dramatically only a decade after approval of family practice as a primary medical specialty.

There have been five Family Doctors of the Year named to date: Robert Boyer, M.D., Kingman, Kansas; Mario Ramirez, M.D., Roma, Texas; J. Roy Guyther, M.D., Mechanicsville, Maryland; Eugene Fanta, M.D., Brooklyn, New York; and Richard O. Rutland, M.D., Fayette, Alabama.

[From the Birmingham (Ala.) News]
FAYETTE PHYSICIAN PUT "FAMILY" BACK INTO MEDICAL PRACTICE

(By Harold Kennedy)

FAYETTE.—Arising at 5 a.m. is "old hat" for Dr. Richard O. Rutland Jr. As a family doctor, he has been doing it for years to meet his seemingly impossible schedule of seeing scores of patients, conducting staff meetings and doing any number of other professional and civil duties.

But it was with a certain amount of apprehension Monday that the 55-year-old physician pushed back the bed covers in the pre-dawn hours and swung his legs to the floor for another long day.

His schedule at McNease-Hodo Medical Clinic, a \$500,000 facility he helped build, called for cramming about three days of work into one . . . And there was the packing and other preparation for the trip to Washington, D.C. The trip would consume those valuable three days in the life of this physician described by many in Fayette as one of the best and most dedicated family doctors anywhere.

Many outside Fayette apparently agree. His trip to the nation's capital was to receive the coveted Good Housekeeping national award of "Family Doctor of the Year." He earlier had been named Alabama's "Family Doctor of the Year."

Rutland, as anyone who knows him will quickly point out, didn't earn these honors in one year, as the title would indicate. It came for 25 years of uninterrupted service to his community and state.

The Eufaula native has been a driving force behind the family doctor concept from the time he, his wife Nancy and their children chose Fayette as their place in 1954. And he was instrumental in organizing and starting the state's present program of educating and training physicians for family practice, with particular emphasis on serving in rural areas of the state.

"It seems entirely appropriate that the nomination for 'Family Doctor of the Year' go to a man whose interest and competence began at home," said longtime Fayette Mayor Guthrie J. Smith. "Family has a special meaning to Dr. Rutland."

"His lovely wife and marvelous children have established, with his support, special places in the life and fabric of our community."

It take but a brief glance at the Rutland family to realize the truth in the mayor's statement. The oldest child, Richard III, also is a physician and is practicing in Gadsden.

Cindy, the second child, is married to a family doctor, Missy, the third child, lives with her military husband in Germany, and Craig, the youngest, is a pre-medical student at the University of Alabama.

Mrs. Rutland, the former Nancy Babb, of Denton, Tex., has, besides raising their four children, been involved in civic work for years.

One year the couple was named "Man and Woman of the Year" of Fayette. And the town named a swimming pool for Mrs. Rutland. She taught youngsters swimming for more than 20 years and has been involved in all phases of park and recreation work.

One of his few regrets in the past 25 years, says the physician, is that his practice and other duties have kept him away from his family too much. "Credit for raising children has to go mainly to their mother," he readily added. "That has been my most difficult problem—how to devote enough time to my practice, to my family, myself and community."

A look at the physician's background makes one realize his dilemma. He, his fellow doctors and the community built one of the most modern medical clinics in the state, greatly with the hope it will attract more physicians. They are particularly in need of another surgeon.

Rutland also was instrumental in establishing a smaller clinic in the Berry community of 800 some 18 miles away in east Fayette County. For years he drove to Berry on his day off to see patients after the community lost its only doctor in the early 1970s.

"The new clinic in Fayette is something he (Rutland) had dreamed of I suppose since he came here," said Bob Sanders, a Fayette insurance executive and close friend to the doctor. "If Doc had died the day the clinic was dedicated he'd have died happy."

His efforts in establishing a family doctor program, though, perhaps stand out above all else, say his friends and associates.

Under his leadership, Fayette has served as a general "preceptorship" site for the School of Medicine of the University of Alabama in Birmingham and the College of Community Health Sciences of the University of Alabama in Tuscaloosa.

It involves allowing medical students and family practice residents to spend from one to three months in Fayette to learn the various aspects of a rural medical practice.

"We get them out here and teach them about country life, as well as what will be expected of them as a rural family doctor," said Rutland, who grew up in Eufaula in Barbour County the son of a railroad conductor. (Most of his medical education was obtained at Duke and Tulane universities, and he interned in California and Colorado.)

Another unique aspect of family practice, added Rutland, is that treating physical ailments is but one phase.

"The family physician has to cope with the whole family—the whole person. He has to deal with all types of family problems," added Rutland. "I strongly believe that in the future it will play a vital role in helping to correct the breakdown of the family in this state and nation."

The concept often is referred to as "behavioral medicine."

Rutland often spends an hour or so counseling a patient. "There's no rushing them through. He takes his time and makes sure that all the patients' needs are met before he lets them go," said David Poyner, editor of the Times-Record, a weekly newspaper in Fayette.

Equal attention is given to patients by his associates at the clinic, Drs. Henry G. Hodo Jr., Harold E. Breitling, John E. Sanford and Peter Peacock.

Rutland gives equal credit for his national award to his associates at the clinic, his family and the community. "The other doctors have taken up the slack time and time again to allow me the time to push for a state family practice program," he said.

"And this community has cooperated 100 percent in our preceptorship program, helping us to educate more than 30 future family physicians in all areas of rural living. And if your family doesn't support you in something like this, you can forget it."

He also praises the state chapter of the American Academy of Family Physicians for its efforts in developing a family physician program in Alabama.

It was mainly through this organization that the medical profession was made to realize that more stress was needed on family practice and less on specialization, he said.

"When I first came back to the state and set up practice no one would listen to you about the need of more family physicians," added Rutland, who has tried to pattern his practice and life after that of Dr. Paul Salter, his hometown doctor when growing up in Eufaula.

"The emphasis on specializing that began in the late 1940s had snowballed and it was like talking to a brick wall. There wasn't even a family practice residency in the state. Now we have several located throughout the state."

For more than a year, Rutland was director of the family practice residency at Tuscaloosa.

He once considered specializing but abandoned the idea because "I just couldn't restrict myself to one thing."

He figures the "big break" came during former governor George Wallace's close race with Albert Brewer for the state's top office in 1970.

Wallace encountered so much talk about the need of doctors in rural areas that he made it a major campaign issue, recalled Rutland. And when elected, Wallace kept his word, approving additional medical education facilities at Tuscaloosa, Huntsville and a new medical school at Mobile.

Ironically, the most "satisfying" thing over the years concerning Dr. Rutland's practice has nothing to do with the above accomplishments. "I suppose my most satisfying thing is looking at the list of names graduating each year at the local high schools. Usually about 50 of them I delivered."

The physician, who still makes house calls, has delivered more than 1,800 babies. ●

AWARD OF GOLD MEDAL TO FRED WARING, LOUIS L'AMOUR, AND MRS. JOE LOUIS

Mr. BAKER. Mr. President, I have one other matter I call to the attention of the Senate, which I understand is cleared on the other side. I inquire of the distinguished acting minority leader if he is prepared at this time to proceed to the consideration of House Joint Resolution 223.

Mr. CRANSTON. Yes, this has been cleared by the minority on the Banking Committee and on this side. We are prepared to proceed.

Mr. BAKER. I thank the Senator. Mr. President, in view of that, I ask unanimous consent that the Senate now proceed to the immediate consideration of House Joint Resolution 223.

The PRESIDING OFFICER. The joint resolution will be stated by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 223) to provide for the awarding of a special gold medal to Fred Waring.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the joint resolution?

There being no objection, the Senate proceeded to consider the joint resolution which had been reported from the Committee on Banking, Housing, and Urban Affairs with amendments, as follows:

On page 2, line 18, strike "made", and insert "used";

On page 2, line 18, after "of", insert "this";

On page 2, line 19, strike "(a)";

On page 2, line 21, strike "Act", and insert "section";

On page 2, after line 23, insert the following:

SEC. 2. (a) The President of the United States is authorized to present, on behalf of the Congress, to Louis L'Amour, a gold medal of appropriate design in recognition of his distinguished career as an author and his contributions to the Nation through his historically based works. For such purpose, the Secretary of the Treasury is authorized and directed to cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary of the Treasury. There are authorized to be

appropriated not to exceed \$15,000 to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

(c) The medals provided for in this section are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

SEC. 3. (a) The President is authorized to present, on behalf of the Congress, an appropriate gold medal to Mrs. Joe Louis in recognition of the quiet and unsurpassed dignity and grace of her late husband and in recognition of his contributions to the Nation as heavyweight boxing champion of the world. The Secretary of the Treasury shall cause to be struck a gold medal with suitable emblems, devices, and inscriptions to be determined by the Secretary. There are authorized to be appropriated not to exceed \$15,000 to carry out the provisions of this subsection.

(b) The Secretary of the Treasury may cause duplicates in bronze of such medal to be coined and sold under such regulations as he may prescribe, at a price sufficient to cover the cost thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the appropriation used for carrying out the provisions of this subsection shall be reimbursed out of the proceeds of such sale.

(c) The medals provided for in this section are national medals for the purpose of section 3551 of the Revised Statutes (31 U.S.C. 368).

Mr. HEINZ. Mr. President, Fred Waring is an individual for whom I have the greatest respect. This man has been a musical institution in Pennsylvania for the last 65 years. Because of his contributions to the world of music and especially because of the great debt of gratitude which Pennsylvania owes Mr. Waring, I introduced, along with Senator SPECTER, a joint resolution to award a gold medal to commemorate Fred Waring's achievements.

Today, the Senate Banking Committee acted on House Joint Resolution 223, which passed the House on July 27 by voice vote on an amended form. As September 15 commemorates Pennsylvania's 300th anniversary, I know of no better way to thank a man who has helped make Pennsylvania one of our country's best known musical centers.

I ask that the Senate approve this joint resolution as one small token of our esteem for perhaps the finest entertainer of the last half century, Fred Waring.

I ask unanimous consent that a short biographical sketch which was written for a recent Fred Waring Kennedy Center Concert be printed in the RECORD.

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

MEET THE ARTIST

Fred Waring is known to generations as the "Man Who Taught America How to Sing"—"America's Singing Master"—or the man who helped make the popular song a classic American Art Form. He's one of the most fascinating and interesting figures in the history of show business.

Through over six decades of sharing his distinctive blend of beautiful music, he has always been up to date and, in actuality, ahead of his time. His fans, young and old, are awed by his contributions to the music industry via Vaudeville, Movies, Radio, Recordings, Broadway, Television and Love of the Concert Stage. His all new show, "Best of the Best," is as young and exciting as are his long lists of musical accomplishments and innovations, inspiring. Here, briefly, is his story . . . the story of a man, his love of music, and his famous Pennsylvanians.

It all began on June 9, 1900, in Tyrone, Pennsylvania, when Frederic Malcolm Waring was born, and from his first stage appearance, at age five, to becoming leader of the Boy Scout Drum Corp in his home town of Tyrone, Fred Waring has been making music. As a teenager, he and Freddie Luck joined the "Waring-McClintock Snap Orchestra," composed of Fred's younger brother, Tom, and his partner/drummer (still touring with the show), Poley McClintock. The quartet grew . . . became "Waring's Banjo Orchestra," and toured colleges . . . playing fraternity parties, proms and local dances.

Word spread that an exciting new band was available. They sang together! (an innovation at the time), and played everything faster than anyone else!

As engagements came pouring in, Fred, who was booking and managing the band while studying architecture at Penn State, put aside his pursuit of a degree and became leader of the band. In the twenties the name "Fred Waring's Pennsylvanians" was officially adopted. The band continued playing the top colleges and toured the B. F. Keith, Comersford, and Orpheum Vaudeville Houses and played the Loews and Paramount Movie Theatres for weeks at a time. The Pennsylvanians became the rage in Hollywood, starring in the first musical motion picture, *Syncopation*. They were featured in the first "talkie" shorts and starred in their own musicals; *Hello Yourself*, *Rah Rah Daze*—a Cole Porter Show in Paris, and in Cole Porter's *The New Yorkers*!

In the thirties Fred Waring's Pennsylvanians, as a 55 piece jazz orchestra, scored one of their greatest theatrical successes with an un-precedented six month run at New York's famous Roxy Theatre. They auditioned for, and won, the feature slot on a weekly Old Gold Radio Show. This was the beginning of live musical spectaculars on network radio.

Waring's Pleasure Time programs for Chesterfield and General Electric Concerts are remembered still as classic chapters in the history of broadcasting. During World War II the Pennsylvanians added, to their daily radio show, a steady stream of appearances at war bond rallies, their own New York Canteen, Army camps and Naval training stations. They were available at any time for any worthy cause.

With the lifting of travel restrictions at the war's end, Fred's aggregation hit the road for their first concert tour in ten years. They drew tremendous crowds, and via "remotes" the Pennsylvanians were still being heard coast to coast on radio. April, 1949, was the start of the Pennsylvanians' TV performances when Fred Waring introduced "spectaculars" for General Electric.

During the summer of 1957, he made time for a series on CBS. Fred Waring has been a pioneer in the recording industry ever since his first record audition in the early 1920's for Thomas Edison. His Pennsylvanians' many recording "firsts" include the first "vocal dance recordings" and the first electronic recording. The group has recorded over 1,500 songs and put together over 100 albums. To share his wealth of choral arrangements, he established the Shawnee Press Music Publishing Co., and to foster better singing, he

organized the Fred Waring Choral Music Workshop in 1946.

Today, he teaches many classes while personally supervising this Workshop and its staff of "working show business professionals." The Fred Waring Choral Music Workshop is now held each summer on the campus of East Stroudsburg State College, East Stroudsburg, Pennsylvania. For the third consecutive summer, all of the "Young Pennsylvanians" were featured at E.S.S.C. as Artists-in-Residence.

Music is not the sole interest in the life of this dynamic man. He is married to the lovely, former concert pianist, Virginia Morley, and has five children, 14 grandchildren, and two great grandchildren. With his early background in architecture and engineering at Penn State, Fred became the developer of the famous Waring Blendor and the instant steam iron. His favorite sport is golf, and he plays almost daily . . . still able to break his age—79.

During the 1960's and 70's, Fred Waring has become known as the "King of the Road", touring some 40,000 miles every year, mostly by bus. He believes that there is "no substitute for live entertainment." His musical innovations are countless, having recently added the contemporary sounds of the "Today's Pennsylvanians Group" and the close harmony and blend of the "Waring Blendors Group" to the road show. His young, talent discoveries are always the "cream of the crop". His remaining six veteran performers (called the "VFWS" . . . Veterans of Fred Waring Shows) are an inspiration to audiences everywhere. Their service to the Pennsylvanians adds up to 284 years.

On June 9, 1977 (Mr. Waring's 77th birthday), Governor Shapp, of Pennsylvania, saluted and paid tribute to "Pennsylvania's Music Man" by proclaiming "Fred Waring Day" throughout the Commonwealth of Pennsylvania. On March 15, 1978, Fred Waring received several awards marking the Pennsylvanians 63rd anniversary in show business by chapters of the American Choral Director's Association and the Music Educator's National Conference. One was suitably inscribed, "He Taught America How to Sing."

On March 15, 1979, Fred Waring began his 64th year in the entertainment business, and on June 1, 1979, Maestro Waring was named "America's Singing Master" by the Association of Professional Vocal Ensembles. On August 19, 1979, The Fred Waring Show, *More About Love*, was video-taped by the Public Broadcasting Service before a special audience in Hershey, Pennsylvania. The telecast is slated for national re-broadcast in December of 1979 on PBS.

● Mr. SPECTER. Mr. President, I rise today to join my colleague from the State of Pennsylvania, Senator HEINZ, in honoring a popular and influential musician from our State, Fred Waring. Mr. Waring is receiving the Congressional Gold Medal for his extraordinary work as a composer, musical director, and educator over the past 50 years. The presentation of the Congressional Gold Medal exemplifies our Nation's recognition for the unique and enduring commitment to quality that Fred Waring has expressed throughout his long and rewarding career.

Like the sound from a finely tuned engine, Fred Waring's superb compositions and musicianship have set a standard of excellence which millions have enjoyed through the tens of thousands of miles traveled by this popularly appointed "King of the Road." From Mr. Waring and his dance band "The Penn-

sylvanians" appearance in Hollywood's first musical motion picture, "Syncopation," back in the 1920's to the Waring Choral Music Workshop at Pennsylvania State University campus started some 34 years ago, America has enjoyed this treasured national resource.

I am pleased to join my fellow colleagues of the Pennsylvania congressional delegation in honoring Mr. Waring with the Congressional Gold Medal on "Pennsylvania Day 1981." ●

● Mr. RIEGLE. Mr. President, today the Senate is considering an issue that is close to my heart, and to the hearts of all my constituents. The concept of a special honor for Joe Louis has been widely supported, as evidenced by the rapid consideration that the legislation received from the Banking Committee.

The professional boxing record for Joe Louis is impressive, and no one has yet challenged his unbroken reign as the heavyweight champion of the world. Joe Louis was more than a boxing champion, for he wore the crown during a troubled period in the world's history. His fights frequently took on political aspects, and the boost that he gave to our country's morale after defeating Max Schmeling in 1938 was enormous.

His life was full of victories, and the symbol that he created served to inspire millions of people around the world. He epitomized the struggle of the man who rises from destitute surroundings, in a world full of obstacles and barriers to any form of achievement, and gains the height of success. Yet, Joe Louis never lost his feel for the common man, and he joined the ranks of millions during World War II to aid in our common struggle for peace in the world.

Mr. President, this medal is but a small token of our thanks and appreciation to a man who gave this Nation so very much. The excitement, thrill, joy, and hope that he gave to America are treasured by us all in our own ways, and this medal will continue that symbol for generations to come. I want to thank the distinguished chairman of the Senate Banking Committee for his assistance with this bill, and I urge that the Congress take quick action to insure its passage. ●

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on agreeing to the committee amendments.

The committee amendments were agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the committee amendments and third reading of the joint resolution.

The amendments were ordered to be engrossed, and the joint resolution to be read the third time.

The joint resolution was read a third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, Shall it pass?

So the joint resolution (H.J. Res. 223) was passed.

The title was amended so as to read: Joint resolution to provide for the awarding of special gold medals to Fred Waring, Louis L'Amour, and Mrs. Joe Louis.

ORDERS FOR TUESDAY

ORDER FOR RECESS UNTIL 10 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 a.m. on tomorrow.

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

ORDER FOR THE RECOGNITION OF CERTAIN SENATORS

Mr. BAKER. Mr. President, I ask unanimous consent that, after the recognition of the two leaders under the standing order, the Senator from Missouri (Mr. EAGLETON) be recognized for not to exceed 15 minutes.

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

Mr. BAKER. Mr. President, after the Senator from Missouri (Mr. EAGLETON) has been recognized, I ask unanimous consent that the Senator from Texas (Mr. BENTSEN) be recognized for not to exceed 15 minutes.

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

Mr. BAKER. Mr. President, after the Senator from Texas (Mr. BENTSEN) has been recognized, I ask unanimous consent that the Senator from South Carolina (Mr. HOLLINGS) be recognized for not to exceed 15 minutes.

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

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I now ask that following on after the recognition of these three Senators designated for special orders on tomorrow, there be a brief period for the transaction of routine morning business to extend not more than 5 minutes in length, during which Senators may speak for not more than 1 minute each.

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

ORDER TO RESUME CONSIDERATION OF S. 884

Mr. BAKER. Mr. President, I ask unanimous consent that, at the hour of 11:15 a.m. tomorrow, the Senate resume consideration of the farm bill, S. 884.

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

PROGRAM

Mr. BAKER. Mr. President, tomorrow the Senate will convene at 10 a.m. After the recognition of the two leaders under the standing order, there will be three special orders, one each in favor of the Senator from Missouri (Mr. EAGLETON), the Senator from Texas (Mr. BENTSEN), and the Senator from South Carolina (Mr. HOLLINGS).

After the recognition of these three Senators under the special orders thus provided for there will be a brief period for the transaction of routine morning business.

RECESS UNTIL 10 A.M. TOMORROW

Mr. BAKER. Mr. President, I inquire of the distinguished acting minority leader if there are other matters that he wishes to call to the attention of the

Senate today. I have no further business on this side.

Mr. CRANSTON. We have no further business.

Mr. BAKER. I thank the Senator.

In view of that, I move that the Senate, under the order previously entered, stand in recess until 10 a.m. tomorrow.

The motion was agreed to, and, at 6 p.m., the Senate recessed until Tuesday, September 15, 1981, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate September 14, 1981:

DEPARTMENT OF DEFENSE

John S. Herrington, of California, to be an Assistant Secretary of the Navy, vice Joseph A. Doyle.

DEPARTMENT OF TRANSPORTATION

Harold E. Shear, of Connecticut, to be Administrator of the Maritime Administration (new position).

U.S. POSTAL SERVICE

Frederic V. Malek, of Virginia, to be a Governor of the U.S. Postal Service for the term expiring December 8, 1989, vice Wallace Nathaniel Hyde.

U.S. ADVISORY COMMISSION ON PUBLIC DIPLOMACY

Tom C. Korologos, of Virginia, to be a Member of the U.S. Advisory Commission on Public Diplomacy for a term expiring July 1, 1984, vice John Hope Franklin, term expired.

DEPARTMENT OF STATE

The following-named persons in the Departments of State, Agriculture and Commerce, Agency for International Development and International Communication Agency, for appointment as Career Members of the Senior Foreign Service as indicated, in accordance with sections 2103 and 2105 of Public Law 96-465, approved October 17, 1980:

For appointment as Career Members of the Senior Foreign Service of the United States of America, class of Career Minister: Morton I. Abramowitz, of Massachusetts. O. Rudolph Aggrey, of the District of Columbia.

Alfred Leroy Atherton, Jr., of Florida.
Harry George Barnes, Jr., of Maryland.
William Tapley Bennett, Jr., of Georgia.
Richard Joseph Bloomfield, of Maine.
Walter Leon Cutler, of Maryland.
Nathaniel Davis, of New Jersey.
John Gunther Dean, of New York.
Lawrence S. Eagleburger, of Florida.
Thomas O. Enders, of Connecticut.
Arthur Adair Hartman, of New Jersey.
Deane R. Hinton, of Illinois.
Arthur W. Hummel, Jr., of Maryland.
Roger Kirk, of the District of Columbia.
Stephen Low, of Colorado.
William Henry Luers, of Illinois.
Edward E. Masters, of Ohio.
Robert J. McCloskey, of Maryland.
Richard W. Murphy, of Maryland.
Robert Bigger Oakley, of Louisiana.
Thomas R. Pickering, of New Jersey.
Robert Marion Sayre, of Virginia.
Harry Walter Shlaudeman, of California.
James W. Spain, of California.
Ronald I. Spiers, of Vermont.
Walter J. Stoessel, Jr., of the District of Columbia.

Terence A. Todman, of Virgin Islands.
Nicholas A. Veliotes, of California.
George Southall Vest, of Maryland.
Richard David Vine, of California.

For appointment as Career Members of the Senior Foreign Service of the United States of America, class of Minister-Counselor:

Anthony C. Albrecht, of Maryland.
J. Bruce Amstutz, of Virginia.
Robert Anderson, of the District of Columbia.

George Roberts Andrews, of Tennessee.
Nicholas G. Andrews, of Maryland.
Julio J. Arias, of Arizona.
Terrell E. Arnold, of California.
Diego C. Asencio, of Florida.
John Alexander Baker, of Connecticut.
Robert E. Barbour, of Tennessee.
Malcolm R. Barnebey, of Texas.
William G. Barraclough, of Virginia.
Robert L. Barry, of New Hampshire.
Maurice Darrow Bean, of California.
Robert Mann Beaudry, of Maine.
S. Morey Bell, of Maryland.
Earl W. Bellinger, of Florida.
Natale H. Bellocchi, of New York.
Richard Elliot Benedick, of California.
Harry E. Bergold, Jr., of Florida.
David Anderson Betts, of California.
James Keough Bishop, of New York.
Robert R. Blackburn, Jr., of California.
Melville E. Blake, Jr., of Mississippi.
John Blane, of Illinois.
J. Donald Blevins, of Florida.
Archer K. Blood, of Maryland.
Justin L. Bloom, of the District of Columbia.

Richard Wood Boehm, of the District of Columbia.

Michael Phillip Boerner, of Maryland.
Charles Arthur Borg, of New York.
Thomas D. Boyatt, of Ohio.
Robert Allyn Brand, of Connecticut.
Charles W. Bray III, of Maryland.
Marshall Brentam, of Arizona.
Peter Scott Briggs, of Louisiana.
Everett Ellis Bridges, of Maine.
John Andrew Brogan III, of the District of Columbia.

Carroll Brown, of Virginia.
Frederick Z. Brown, of the District of Columbia.

Robert Lyle Brown, of Virginia.
William Andreas Brown, of New Hampshire.

Robert R. Brungart, of Florida.
John Richard Burke, of Virginia.
John A. Bushnell, of Connecticut.
Patricia Mary Byrne, of Ohio.
Paul J. Byrnes, of the District of Columbia.

Harry Amory Cahill, of Virginia.
Michael Calingaert, of New York.
Frederic L. Chapin, of New Jersey.
Maxwell Chaplin, of California.
Christian Addison Chapman, of the District of Columbia.

Herman J. Cohen, of New York.
John Condayan, of Virginia.
Peter Dalton Constable, of New York.
Goodwin Cooke, of Connecticut.
Carleton S. Coon, Jr., of New Hampshire.
John J. Crowley, Jr., of West Virginia.
Allen Clayton Davis, of Tennessee.

John R. Davis, Jr., of California.
Jonathan Dean, of Virginia.
Willard A. De Free, of Michigan.
John Wainwright DeWitt, of Florida.
Francois M. Dickman, of Wyoming.
Robert Sherwood Dillon, of Virginia.
Morris Draper, of the District of Columbia.

Robert W. Drexler, of Maryland.
Robert Werner Duemling, of California.
Thomas John Dunnigan, of Ohio.
William Jennings Dyess, of Alabama.
William L. Eagleton, Jr., of Washington.

Samuel D. Eaton, of the District of Columbia.

John Eaves, of New York.
William Brockway Edmondson, of Nebraska.

Michael Eugene Culver Ely, of New York.
Raymond Charles Ewing, of California.
James Polk Farber, of Florida.
Harvey J. Feldman, of Florida.
John Arthur Ferch, of Ohio.
James Ferrer, Jr., of California.

- Rudy V. Fimbres, of California.
 Charles Conway Flowerree, of Virginia.
 Arva C. Floyd, Jr., of Maryland.
 Alan W. Ford, of California.
 Richard K. Fox, Jr., of Minnesota.
 Albert Allen Francis, of Oregon.
 Abraham S. Friedman, of New York.
 Robert E. Fritts, of Maryland.
 Robert Holmes Frowick, of Texas.
 Robert Lloyd Funseth, of Virginia.
 Fred J. Galanto, of Massachusetts.
 Paul Fisher Gardner, of Texas.
 J. L. Gawf, of Oregon.
 Robert K. German, of Texas.
 Wever Gim, of Utah.
 Maynard Wayne Giltman, of Vermont.
 Raymond Emmanuel Gonzalez, of California.
- James E. Goodby, of New Hampshire.
 Brandon H. Grove, Jr., of the District of Columbia.
- William Cowles Hamilton, of Virginia.
 Holsey Gates Handyside, of Ohio.
 Kenneth Oliver Harris, of West Virginia.
 William C. Harrop, of New Jersey.
 Samuel F. Hart, of Virginia.
 Kenneth Allen Hartung, of California.
 Roy T. Haverkamp, of Missouri.
 Lucian Heichler, of Virginia.
 Gerald Bernard Helman, of Michigan.
 Brewster R. Hemenway, of New York.
 Robert Thomas Hennemeyer, of Illinois.
 George Borman High, of Virginia.
 John H. Holdridge, of Maryland.
 Henry Allen Holmes, of Kansas.
 John William Holmes, of Massachusetts.
 Hume A. Horan, of New Jersey.
 Herbert E. Horowitz, of Florida.
 Robert Bigelow Houghton, of the District of Columbia.
- Heyward Isham, of the District of Columbia.
- George Calvin Jenkins, of Montana.
 Ernest Barnwell Johnston, of Alabama.
 Betty-Jane Jones, of the District of Columbia.
- William Bowdoin Jones, of California.
 Lewis D. Junior, of Maryland.
 Herbert Kaiser, of Maryland.
 Abraham Katz, of Florida.
 Robert V. Keeley, of Florida.
 Charles Stuart Kennedy, Jr., of Virginia.
 George R. Kenney, of Illinois.
 Lowell Charles Kilday, of Virginia.
 Barrington King, of Georgia.
 David A. Korn, of Maryland.
 Milton Kovner, of Maryland.
 Paul Wesley Kriebel, of Maryland.
 Sheldon J. Krysz, of Maryland.
 Dennis Kux, of New York.
 Lowell Bruce Laingen, of Maryland.
 Denis Lamb, of Virginia.
 Robert E. Lamb, of Georgia.
 George W. Landau, of Maryland.
 Peter W. Lande, of New Jersey.
 George Mirick Lane, of Massachusetts.
 Lyle Franklin Lane, of Washington.
 Clint A. Lauderdale, of California.
 Loren E. Lawrence, of Maryland.
 John Charles Leary, of Virginia.
 Stephen J. Ledogar, of Connecticut.
 Nelson C. Ledsky, of Maryland.
 Wolfgang J. Lehmann, of Maryland.
 Donald Charles Leidel, of the District of Columbia.
- Burton Levin, of Maryland.
 Ralph Emil Lindstrom, of New Jersey.
 John Andrew Linehan, of Maryland.
 James Gordon Lowenstein, of the District of Columbia.
- Alan W. Lukens, of Pennsylvania.
 Samuel Eldred Lupo, of California.
 Stephen R. Lyne, of Maryland.
 Frank E. Maestroni, of Connecticut.
 Gifford Dumas Malone, of Virginia.
 Robert John Martens, of Maryland.
 Richard Cavins Matheron, of California.
 Jack Foust Matlock, Jr., of Florida.
 H. Freeman Matthews, Jr., of Maryland.
 Vernon D. McAninch, of Texas.
- John Warlick McDonald, Jr., of Virginia.
 Ruth Ann McLendon, of Texas.
 Francis J. McNeil, of Florida.
 Frazier Meade, of the District of Columbia.
 Francis J. Meehan, of the District of Columbia.
- Harry R. Melone, of the District of Columbia.
- Robert Hopkins Miller, of Washington.
 Robert Marden Miller, of California.
 Hawthorne Quinn Mills, of California.
 Jay P. Moffat, of New Hampshire.
 John C. Monjo, of Maryland.
 Richard Bartlett Moon, of Connecticut.
 Robert W. Moore, of Virginia.
 James B. Moran, of Virginia.
 William D. Morgan, of Virginia.
 Robert J. Morris, of Iowa.
 Leo John Moser, of California.
 John Dimitri Negroponte, of New York.
 Harvey Frans Nelson, Jr., of California.
 James Clifford Nelson, of Illinois.
 Michael Holt Newlin, of Maryland.
 Daniel A. O'Donohue, of Virginia.
 Herbert Stuart Okun, of Maryland.
 Arthur J. Olsen, of the District of Columbia.
- Frank V. Ortiz, Jr., of New Mexico.
 Robert P. Paganelli, of New York.
 Ronald DeWayne Palmer, of Maryland.
 Stephen E. Palmer, Jr., of California.
 Edward L. Peck, of California.
 Frank H. Perez, of Virginia.
 Raymond L. Perkins, of Virginia.
 Jack Richard Perry, of Georgia.
 Donald K. Petterson, of California.
 Lawrence Anthony Pezzullo, of California.
 William Plez, of Virginia.
 Larry Gordon Piper, of Texas.
 James A. Placke, of Nebraska.
 Nicholas Platt, of the District of Columbia.
 Sol Polansky, of California.
 Richard Saint Francis Post, of Connecticut.
 Henry Precht, of Maryland.
 Ernest Henry Preeg, of Virginia.
 Anthony C. E. Qualnton, of Washington.
 Nancy Vivian Rawls, of Florida.
 Francis K. Ready, of Virginia.
 Robert G. Rich, Jr., of Florida.
 Rozanne L. Ridgway, of the District of Columbia.
- Lloyd M. Rives, of Rhode Island.
 George B. Roberts, of Pennsylvania.
 Stephen Hitchcock Rogers, of Virginia.
 Gerald A. Rosen, of New York.
 James D. Rosenthal, of California.
 John Hall Rouse, of Virginia.
 Edward Morgan Rowell, of California.
 Claus W. Ruser, of Maryland.
 Robert J. Ryan, Jr., of Maryland.
 Paul Sadler, of Tennessee.
 Richard T. Salazar, of Virginia.
 William Cooper Salmon, of Virginia.
 John Douglas Scanlan, of Hawaii.
 Howard Bruner Schaffer, of New York.
 Carl W. Schmidt, of New Jersey.
 David Taylor Schneider, of Florida.
 Peter Sebastian, of Maryland.
 Albert L. Seligmann, of Virginia.
 William Courtney Sherman, of Virginia.
 Thomas P. Shoemsmith, of Pennsylvania.
 David E. Simcox, of Kentucky.
 Kenneth N. Skoug, Jr., of Virginia.
 Frederick Smith, Jr., of Virginia.
 Walter Burges Smith II, of Rhode Island.
 Michael Brackett Smith, of Maryland.
 Richard J. Smith, of Virginia.
 Thomas W. M. Smith, of Maine.
 Roger A. Sorenson, of Utah.
 Christopher A. Squire, of Maryland.
 Montea Stearns, of California.
 Andrew L. Steigman, of Maryland.
 Michael Edmund Sterner, of New York.
 Edward J. Streater, of New York.
 Jack A. Sulser, of Virginia.
 Peter Tarnoff, of New York.
- Harry E. T. Thayer, of the District of Columbia.
- Herbert B. Thompson, of California.
 Arthur T. Tienken, of Virginia.
- Donald R. Toussaint, of California.
 Frank M. Tucker, Jr., of Maryland.
 James Lewis Tull, of Iowa.
 Joseph Wright Twinam, of Virginia.
 Marten Herman Alexander Van Heuven, of Connecticut.
- Richard Noyes Viets, of Vermont.
 Julius Waring Walker, Jr., of Texas.
 Lannon Walker, of California.
 E. Allan Wendt, of California.
 Robert H. Wenzel, of Maryland.
 James William White, of Florida.
 Charles R. Wilds, of Texas.
 William Mohrmann Woessner, of Virginia.
 William Down Wolle, of Iowa.
 Parker Drummond Wyman, of Maryland.
 Charles Thomas York, of Maryland.
 Warren Zimmermann, of Virginia.
- For appointment as Career members of the Senior Foreign Service, class of Minister-Counselor, Consular Officers, and Secretaries in the Diplomatic Service of the United States of America:
- Dwight C. Babcock, of California.
 John H. Baker, of Massachusetts.
 John L. Beahler, M.D., of Texas.
 William B. Brown, M.D., of Virginia.
 Eben Howard Dustin, M.D., of New Hampshire.
- Edward Etzel, of California.
 David Arthur Hungerford, M.D., of California.
- Deane Lawrence Hutchins, M.D., of Virginia.
- Jerome Michael Korcak, M.D., of Virginia.
 Austin L. Moede, M.D., of Washington.
 Frank L. Pettinga, of Michigan.
 Stuart C. Scheer, of New York.
 Jonathan Dayton Stoddart, of Virginia.
 Sam Zweifel, M.D., of Kansas.
- For appointment as Career Members of the Senior Foreign Service of the United States of America, class of Counselor:
- Madison Monroe Adams, Jr., of Florida.
 Sharon Erdkamp Ahmad, of California.
 Thomas William Ainsworth, of Pennsylvania.
- Dwight R. Ambach, of Maryland.
 Donald Milton Anderson, of the District of Columbia.
- Alfonso Arenales, of Maryland.
 Merle E. Arp, of Maryland.
 James Howe Bahti, of Virginia.
 George M. Barbis, of California.
 Henry Bardach, of Maryland.
 Richard Clark Barkley, of Michigan.
 Robert South Barrett IV, of Florida.
 Adrian A. Basora, of New Hampshire.
 Alf E. Bergesen, of the District of Columbia.
- Alan D. Berlind, of New York.
 Gordon Robert Beyer, of Florida.
 Jack Robert Binns, of Washington.
 John Dale Blacken, of Washington.
 Robert D. Blackwill, of Maryland.
 Felix S. Bloch, of North Carolina.
 William Bodde, Jr., of Maryland.
 Parker W. Borg, of the District of Columbia.
- Donald J. Bouchard, of Maine.
 A. Donald Bramante, of New York.
 M. Lyall Breckon, of Oregon.
 L. Paul Bremer III, of Connecticut.
 James Ethelbert Briggs, of North Carolina.
 Kenneth Lee Brown, of California.
 Harvey Alexander Buffalo, Jr., of Virginia.
 Pierce Kendall Bullen, of Florida.
 James Richard Bullington, of Tennessee.
 Garrett C. Burke, of Washington.
 Pratt Byrd, of the District of Columbia.
 Paul Francis Canney, of Massachusetts.
 Thomas J. Carolan, Jr., of Maryland.
 Walter Leon Carter, of California.
 Glenn R. Cella, of Florida.
 James Richard Cheek, of Arkansas.
 William Clark, Jr., of the District of Columbia.
- Paul Matthews Cleveland, of Virginia.
 John R. Clingerman, of Michigan.
 Wat T. Cluverius IV, of Maryland.
 Harry L. Coburn, of New York.

- Robert Deville Collins, of California.
 Elinor Greer Constable, of New York.
 Philip R. Cook, Jr., of Virginia.
 Jane Abell Coon, of New Hampshire.
 Edwin Gharst Corr, of Oklahoma.
 John R. Countryman, of the District of Columbia.
 Marlon V. Creekmore, Jr., of Virginia.
 Trusten Frank Crigler, of Arizona.
 Carl Copeland Cundiff, of Nevada.
 William Joseph Cunningham, of Maryland.
 Francis De Tarr, of California.
 Robert Grant Deason, of California.
 Edmund DeJarnette, of Virginia.
 Walter A. Diamanti, of Utah.
 Carl Edward Dillery, of Washington.
 Jerrold Mark Dion, of Washington.
 Theodore B. Dobbs, of Arkansas.
 John C. Dorrance, of California.
 Robert Bruce Duncan, of Delaware.
 David J. Dunford, of Virginia.
 W. Lawrence Dutton, Jr., of the District of Columbia.
 James M. Ealum, of Oklahoma.
 John Joseph Eddy, of Virginia.
 William H. Edgar, of the District of Columbia.
 Charles Edward Emmons, of California.
 Emil P. Ericksen, of South Dakota.
 David Meredith Evans, of Pennsylvania.
 Robert E. Ezelle, of California.
 James Raymond Falzone, of California.
 Edward B. Fenstermacher, of Virginia.
 John Raymond Ferchak, of New Jersey.
 Donald C. Ferguson, of California.
 John Pierce Ferriter, of Florida.
 David C. Fields, of California.
 Thaddeus J. Figura, of Ohio.
 Robert L. Flanegin, of Maryland.
 Robert A. Flaten, of Virginia.
 Bruce August Flatin, of Minnesota.
 Ludlow Flower III, of California.
 Francis Anthony Forgiome, of Florida.
 Richard de Vere Forster, of Colorado.
 Charles Wellman Freeman, Jr., of Rhode Island.
 Jay P. Freres, of Florida.
 Gerald A. Friedman, of Florida.
 Jack Friedman, of Virginia.
 Samuel Edwin Fry, Jr., of Washington.
 Alexander S. C. Fuller, of Connecticut.
 Ronald A. Gaiduk, of Florida.
 Marvin L. Garrett, Jr., of Texas.
 Herbert Donald Gelber, of Florida.
 Bryce McGregor Gerlach, of Virginia.
 Stephen Richard Gibson, of California.
 Dirk Glevsteen, of New York.
 Robert Herman Goeckermann, of Virginia.
 Louis P. Goelz, of New Jersey.
 H. Kent Goodspeed, of California.
 Roderick N. Grant, of California.
 Allen S. Greenberg, of Florida.
 Myles L. Greene, of Florida.
 Olaf Grobel, of Tennessee.
 Charles Wyman Grover, of New Hampshire.
 Herbert George Hagerty, of New Jersey.
 Paul Julian Hare, of the District of Columbia.
 John Houston Hawes, of Maryland.
 Theresa A. Healy, of Virginia.
 Martin G. Heflin, of Florida.
 John Paul Heimann, Sr., of Connecticut.
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EXTENSIONS OF REMARKS

ROSENTHAL APPLAUDS DINE'S ADDRESS

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. ROSENTHAL. Mr. Speaker, there has been some public debate this year about the role of those Americans who, for reasons of cultural, religious, or ethnic ties, have a strong interest in particular areas of American foreign policy. The presence and activity of such lobbies have been a part of American political life since the founding of our country, and today they are vitally involved in the public debate on the policy choices facing the Nation.

A valuable contribution to this debate has been made by Thomas A. Dine, the executive director of the American-Israel Public Affairs Committee. Mr. Dine demonstrates how a special interest group can espouse its chosen cause with dignity, and with responsibility to the Constitution of the United States. It is with great satisfaction that I commend his address to my colleagues.

A CALL TO POLITICAL ACTION

(By Thomas A. Dine, Executive Director, AIPAC to the National Association of Jewish Legislators Meeting, State Senate Chamber, State Capitol, Atlanta, Ga., July 30, 1981)

The Jewish community in the United States is under attack. We are accused of possessing too much power, of having parochial interests and dual loyalties. Some believe that the friends of Israel pressure Congress into making decisions that are contrary to what our critics call the "objective national interest." Our convictions regarding America's moral and strategic necessity in preserving the security of Israel are doubted, as is our premise that the United States and Israel are allies and share common interests.

And the criticism comes from abroad as it does from inside. Just this morning in the Washington Post, George Ball writes, "... Europeans are disturbed that America, having pre-empted Middle East diplomacy, seems disabled by domestic constraints from effectively promoting peace or restraining Israeli adventurism."

Indeed, criticism is aimed at the exercise of our first amendment rights of political association and lobbying. Senator Charles Mathias of Maryland, in the current issue of "Foreign Affairs," has challenged ethnic interest groups in the United States. He denies the sacred historical and philosophical traditions of free association and participation so basic to the European and North American systems.

Alexander De Tocqueville, considered by scholars and politicians alike, after 150 years, to be the best foreign observer of the democratic process in the United States,

said in 1832: "In no country in the world, has the principle of association been more successfully used or applied to a greater multitude of objects than in America... the right of association appears almost as inalienable as the right of personal liberty. No legislator can attack it without impairing the foundations of society."

Senator Mathias tries to draw a distinction between ethnicity, "which enriches American life," and organized ethnic interest groups, which "sometimes press causes that derogate from the national interest." He argues that ethnic groups cannot conceptualize an objective national interest, and regrets their involvement in political action.

Do special interests groups subvert the national interest?

Are ethnic political interests separate and parochial?

The Senator applies arbitrary definitions and qualifications that are but similitudes and shadows of basic democratic ideals. Are ethnic groups only beneficial to society when they display their costumes, traditions, folklore and language, which may be colorful, but should not get in the way? Are ethnic groups like the children of aristocrats that should be seen and not heard?

Ethnic groups are, according to Senator Mathias, not as beneficial when they display "ethnic political activity." He questions the right of political activity that is preceded by the word "ethnic." General political activity is seen in the tradition of De Tocqueville, Mill, and Madison. Black political activity, Greek political activity and Jewish political activity are ipso facto harmful. I believe, however, that political theory so manipulated subverts our creative and unique pluralistic democracy.

All societies contain groups of citizens with specific and diverse interests. Even undemocratic regimes cannot forestall the development of this phenomenon. The Soviet Union's politburo, party apparatus, and government are all subjected to the pressures of special interest groups. But few societies truly resemble ours:

Interest groups ranging from Mobil Oil and ChrisCraft Industries seeking special tax advantages to those promoting the Family Protection Act;

A population constantly being mixed and challenged by relatively recent arrivals to the point that immigration policy is the domestic base determining foreign policy;

Decision making depending on the consensus of hundreds, if not thousands, of special interest groups, dramatically competing within the governmental sphere itself.

But the single most disturbing issue raised by our detractors is the charge of ethnic dual loyalty. The implied contention here is that the Jewish community supports out of a purely emotional zeal, void of any logic or pragmatic political sense, its co-religionists in Israel and the Soviet Union, in opposition to the "objective good" of all Americans. The late Hubert Humphrey answered this allegation in a 1976 speech: "We've heard careless, and I think, reckless things about the powerful Jewish Lobby, the Greek Lobby, the Turkish Lobby, the Baltic States Lobby—you mention it; as if somehow or an-

other, it was against the law in this country to speak up for what you believe in."

Responding to those who cry about dual loyalty and seek to remove certain groups from our democratic midst, I wish to explore three areas:

1. The concept of a so-called objective national interest,
2. The imperative for individual, and especially group, political participation, and
3. The specific importance of ethnic political action.

John Stuart Mill warned against the adoption of a so-called objective national interest which he equated to the "tyranny of the majority." He strongly advised protection "against the tendency of society to impose, by other means than civil penalties, its own ideas and practices as rules of conduct on those who dissent from them."

Who determines, defines, and creates a national interest that is objective? Who possesses the answers? Who knows what's good for the United States? General Motors? The Council on Foreign Relations? The oil industry headquartered in Houston? The Trilateral Commission? The Department of State or the Department of Defense? An all-wise all-just body of patriotic aristocrats? Contemporary political scientists, elaborating on Mill's theme, warn us of the concept of the "average American." Which group speaks for the average American? What is an average American? Will a group's views of America's national interest be neglected because of the group's size, skin color, religion or country of origin? Can anyone be excluded from the formation of a true national interest? If so, we would be undermining our democracy and cutting ourselves off from an extremely valuable, if not indispensable source of national creativity and sensitivity.

As you well know, government is competing factions, each having their own concepts, ideas and motivations. Members of Congress feel a variety of pressures, depending on region, philosophy, experience, committee assignment, that are different from those of the White House, the Departments, or independent agencies. Within the Congress there are subcommittees and caucuses and personal relationships that compete with each other. And there are alliances between parts of one bureaucracy and a congressional subcommittee that often stand up to the political leadership heading an Administration or the Congress. All are interest groups and are affected by competing interest groups. All attempt to influence and shape national policy. These add up to in-house interest groups.

From my own professional experience, I can reaffirm the analytical observations of three generations of noted scholars; Arthur Bentley, David Truman, and Stephen Krasner, that our government is "pluralistic," United States officials debate, formulate, and make decisions: They act and react. Government is not an autonomous actor, appearing on a stage so high above the audience that it is not affected by the applause—or lack thereof. The government—in our case the legislative and executive branches—must play the role of actors immersed in a huge theatre in the round,

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

where the pulse of the audience guides their movements and forces them to react. There is sharing of ideas and moods; and shared manipulations.

The government is composed of many interests, so whom does it represent? Its motivations and aspirations must not be above a consensus of associations. I reject the notion of national interest that has not been processed by associational interests. The pro-Israel lobby helps define a moral, fair, and representative national interest in the Near East. The American Israel Public Affairs Committee is not just a domestic lobby, it is a professional foreign policy house composed of experts and supported by serious, thoughtful citizens in all 50 states. Is a State Department consensus really an objective national interest just because it, as a specific interest group, happens to be located within the direct government structure?

I am not shortchanging the crucial role of government, but the Constitution sets up a framework where associations can contribute to the formation of consensus, which is both responsible and responsive. The government cannot be an island, isolated from the sea of public opinion. To a certain extent, it is an efficient and moral computer integrating the components that make up society, continuously processing inputs and outputs, to the point policy is finally agreed to.

This leads me to my second point. Political awareness and participation, for the individual and the interest group, are not matters of choice. Political activity is survival, and one does not choose to survive—it is a feeling that is levied on us by nature. Political involvement is a societal imperative. It is not only a right, it is an obligation. If we are to survive in an open society, it is imperative that we fully take part in the system. Should its foundations crumble from neglect, the freedom that our political structure offers will disappear. If we neglect politics, we invalidate politics and we will have no shelter, no defense, when we finally realize that our case must be heard. We have an obligation that transcends singular issues to maintain a strong posture and stature in the political arena. Just as politics may complicate our lives, so will it defend us with its associational and democratic ideals. Strength stems from involvement in the system, with the system, through the system, and for the system.

But how? De Tocqueville witnessed the power of the political structure of the United States in transforming immigrants into exemplary citizens. This phenomenon is due to people participating actively in the government of society, each according to his capabilities, each in his own sphere.

Thucydides aptly and bluntly described the importance of political participation. He noted that "those who are politically apathetic can only survive if they are supported by people who are capable of taking action." The quote continues in an ominous vein: "Those who are politically apathetic are quite valueless in a city which controls an empire, though they would be safe slaves in a city that was controlled by others."

When we advance this obligation, we see just how deeply rooted ethnic interest groups are within American society. Professor Truman makes the point clearly: "Society is nothing other than the complex of the groups that compose it." De Tocqueville called the right of association "the most natural privilege of man." Mill lists this right alongside the liberties of thoughts and pursuits.

So basic is the right to form political interest groups.

So intrinsic is this right.

So incumbent and obligatory is this right.

Government operations, says Mill, are all the same. They lack variety; they are boring. Individuals and associations, on the other hand, have "varied experiments and endless diversity of experience." The Government must circulate and diffuse. It must take advantage of these varied experiences. For that reason all foreign policy must be rooted in American soil. Any formation of a true national interest not derived from the sum of society's particularistic and specific societal aims will not receive domestic support and cannot, I submit, be sustained.

What about the point of ethnic political activity? How applicable is it to our community? On one level, a most basic level, often taken for granted, Jews as a group are involved. We care passionately about politics. We have to, for history has taught us the price of apathy. Two thousand years of painful experiences have forced us into round-the-clock political activity. Just contemplate this thought: What if the Jews of the Weimar Republic had been passionate participants in politics 50 years ago, as the six million of the United States are today which this audience demonstrates:

We vote in the highest proportion of any other identifiable group in the United States.

We generously contribute our time, energy and money to candidates with whom we can identify.

We are concerned with issues clear across the spectrum.

We are hearty defenders of the process.

We ask questions—and call for policy explanations—of decision makers at the local, state, and federal levels.

We lobby on behalf of policies and programs that intertwine our communal interests with those of the nation.

Gerald Ford, as Vice President, saluted American Jews in 1973, saying that no single group of citizens are more steadfast in standing up for the United States.

These actions are manifestations of what journalist Cynthia Ozick calls our "spectacular citizenship." "This portrait of majority Jewish political behavior," says Ozick, "may seem romanticized to skeptics. Nevertheless it has been true from the start. Idealism—the aspiration to repair an imperfect world—continues to be a vivid impulse in the American Jewish community, and it is buttressed by wide ranging philanthropy." Hubert Humphrey, too, spoke in this same vein. "There is nothing new about lobbying on behalf of causes in foreign places," he said a year before he died. "It's as American as a hot dog or apple pie, spaghetti, gefilte fish or Polish sausage. We are a nation of immigrants, even into our 200th year."

Are unions, insurance companies, or tobacco groups allowed to lobby, while Jews, Greeks and Poles are to refrain from practicing pluralism? Look at this morning's insider's account in the Atlanta Journal of how the Administration persuaded seven of Georgia's nine Democratic House members to buck their party and, in some cases, "their own best judgment," and vote for the President's tax-cut bill. Businessmen and a White House backing off from a drastic cut in the peanut price support program, it is reported, were used to lobby and bring over wavering Georgians. To emphasize the problem, let me rephrase the questions: Are corporations, trade associations, or country clubs allowed to press their cause to their

representatives while Presbyterians, Baptists, Episcopalians and Jews are arbitrarily excluded from this most basic of rights?

The interests of ethnic political action groups are not antiethnic to what is good for Americans at large. Such an attack is nonsense. Jews, the Chrysler Corporation, the National Council of Churches, the Irish, Exxon, various retailers and the real estate industry, whomever, lobby as concerned Americans for other Americans, in order to share their unique insights, knowledge and experience. Let's hear Senator Humphrey again: "It is good for the basic democratic process that people who have convictions about what American policy should be, take time to get their fellow Americans and their public officials to understand what they believe and to urge their support. That's what we mean by free speech in this country."

These groups sensitize the nation as a whole to those concerns about which they feel most acutely. Otherwise they would be less well understood. Sidney Hillman, the labor leader who emigrated to the U.S., once replied to a Senator who questioned his Americanism: "Unlike you, Senator, I chose to be an American." Even Senator Mathias admits that if it were not for lobbying by Black citizens, the United States would be less sensitive to South Africa's racial policies. It is the ethnic interest groups, because of their ties, passions and preoccupations, that sensitize the relevant parts of government. It is the ethnic interest groups that remind U.S. officials of the moral considerations in our foreign policy. Such considerations have always, and will always, differentiate us from our enemies. It is ethnic interest groups that ask the government challenging questions and remind the bureaucracy and politicians of past and future commitments. Can less than 3 percent of the population really force its views on the remaining 97 percent? Nonsense! Our public actions meet the test of the public interest.

AIPAC is an American organization lobbying as an association of concerned American citizens, sharing with the Congress and the Administration our foreign policy concerns:

1. That Israel and the United States share a common system of government—representational democracy.
2. That we both attempt to determine policy based on the rule of law and our moral principles.
3. That we share a common biblical heritage.
4. That the United States is committed to support a homeland for the Jewish people.
5. That Israel has proven military capabilities and needs.
6. That Israel is of strategic value to the United States and NATO.
7. That Israel is a stable government.
8. That Israel is a proven and reliable ally.

We must not forget that all Americans benefit from the strong and consistently close relationship between Israel and the United States, based on shared values and geopolitics together.

Saudi Arabia is an important Arab country, upon whose oil we depend. But do the Saudis lobby for the good of America's national interest? They are a foreign lobby! They hire foreign agents like Fred Dutton to do their bidding. Their support is not rooted in American soil!

The House of Saud boycotts American businesses that deal with Israel, thus compromising American values.

The Saudis delve out harsh punishment on countries that broadcast television shows

about princesses; disrespecting our precious right of free speech.

The Saudis, while claiming judicial modernity and progressive government, reject justice and democracy.

The Saudi royal family, that demands the most sophisticated weapons in the world, is among the most feudal and unstable regimes in the world. Imported technology that was created in the spirit of scientific revolution, is used according to principles of religion that negates the spirit in which this technology was created. This dichotomy is creating confusion and unrest among Saudi Arabia's subjects. A mosque is captured and French soldiers must be secretly flown in to assist in its recapture. Is this stability?

The same Saudis who vehemently oppose America's foundation stone of a stable Middle East peace—the Camp David accords.

The same Saudis who generously fund the anti-U.S., Soviet supported, terrorist Palestine Liberation Organization that has as its policy to kill Israelis, all Israelis, civilian or military.

The same Saudis who declare Jihad against Israel.

The same Saudis who seek the downfall of America's real Arab ally, Anwar El-Sadat.

Mr. Abu Dawood, the President of the Council of Saudi Arabian Chambers of Commerce and Industry, recently threatened the United States explicitly, saying that the AWACS and F-15 enhancement equipment sale is connected to that share of the Saudis projected \$258 billion oil economy development which will wind up in the United States. Are such threats in our national interests? Where are the critics of the Saudi lobby?

Conscious of all of these facts, should Jews only contribute to the United States our ethnicity, as Senator Mathias suggests? Would that be advisable? Should we contribute only our writers, artists, and scientists as took place in Weimar Germany, withholding our political activity—our very American support for Israel? Is this the objectivity? You and I know that the United States would not benefit from such a situation.

It is a privilege—and a humble responsibility—to be a good Jew and a good American at the same time. This dualism enriches the United States, indeed is in its best interest, and we shall not, and must not, be deflected or deflect ourselves from living and acting this dualism.

Political action is the key to our survival. To neglect such activity would be most devastating to Jewish citizens and to the United States as a whole. For without protecting ourselves, through political action, we will never be secure.

Bernard Malamud, in his book "The Fixer," poignantly articulated this imperative. "There's no such thing as an unpolitical man, especially a Jew. You can't be one without the other, that's clear enough. You can't sit still and see yourself destroyed."

You in your elected positions are active and assertive; we at AIPAC are also. All of us must reach out to those near and far who are not yet involved and pull them in. We must publicize and push Jewish political action and energize many more in the community. This is our calling. This is the best contribution I know to improving our lot—and that of America's and Israel's.●

AN AMERICAN'S LAST WILL AND TESTAMENT

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. WOLF. Mr. Speaker, I would like to bring the following essay to the attention of my colleagues. It was submitted to me by Mrs. Jack C. (Mollie) Pamplin, Falls Church, Va., whose inspirational writings have received statewide attention:

AN AMERICAN'S LAST WILL AND TESTAMENT

I hereby leave to every American citizen: The American flag, wherever she flies, on land or at sea; "The Stars and Stripes", "Old Glory", her 50 stars signifying one united Nation stretching from ocean to ocean, from the Atlantic to the Pacific, from Virginia to California, from Maine to Louisiana, from Washington to Texas, flying in every large city and every small town, and the right to thrill at the sight of her in every parade, on every patriotic holiday and every time you view her every day of your life.

The National Anthem, "The Star Spangled Banner," written by Francis Scott Key during a naval bombardment during the War of 1812. Never mind if you can not hit the high note. When you sing out "O'er the land of the free," your heart will soar, and when you think of the valiant dead and the veterans of all the wars to hold fast to that freedom, you will truly cherish "the home of the brave."

The colossal statue of the lady with the torch, the Statue of Liberty, possibly the best known symbol of the United States, given to us by the French people. One hundred and fifty-one feet high, millions of new citizens have first viewed their future home where they would live in freedom with their first glimpse of this famous lady. Keep her torch aglow. Never let her light die away. She proclaims liberty for every one of us.

The Liberty Bell, that historic relic of the American Revolution on display in Independence Hall in Philadelphia. Never forget it rang out in July 1776, proclaiming adoption of the "Declaration of Independence." That bell is our birthright. Tell your children to keep its promise to "Proclaim liberty throughout all the land to all the inhabitants thereof."

Our massive, graceful Capitol, home of the U.S. Congress, a major symbol of self-government. Its white dome, 88 feet above the Potomac River, looms over you and you are the one who enters the voting booth and decides the identity of those who will sit there and speak for you.

The White House, official residence of the President of the United States, which belongs to you, the people. You may visit it and reflect upon your country's past and reach forward toward its future. Many men have lived there and many more will live there in the future. Some will be great men. Some will not, but all will become a part of the history of this Nation. The choice is yours to make as to their identity but the White House itself is the personal possession of every American citizen, for it is your vote which determines the occupant.

The "Pledge of Allegiance to the Flag," written in 2 hours on an August evening by Francis Bellamy and published in the Youth's Companion on September 8, 1892.

It was written for the 400th anniversary of the discovery of America. Stand erect when you say it. Recite it with pride. Think on its meaning and never forget we are "one Nation, under God, with liberty and justice for all."

And last, I leave to you the motto on our currency, "In God We Trust." Whatever your religious beliefs, whatever your own personal creed, I leave to you the inspiration of the belief in a higher power, a divine creator, to whom you may look for solace and comfort in time of grief and trouble and to whom you may offer prayers of Thanksgiving for your many blessings both to you and to your Nation.

As my beneficiaries as American citizens, I have left to you the best that I have, for they are mine as well as yours. I leave to you these national treasures. Guard them well. They are priceless.●

THE LEGACY OF HAROLD KEEN

HON. DUNCAN HUNTER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. HUNTER. Mr. Speaker, it was with great sorrow that San Diegans learned June 26 of the death of Harold Keen, a distinguished journalist and one of the pioneers that gave west coast media the substance and credence only recently recognized nationally.

I had the pleasure of knowing Mr. Keen personally. However, everyone who heard or read his work knew what Keen was all about: professionalism, honesty, insight. This is the Harold Keen legacy.

My predecessor as Congressman from California's 42d District, the Honorable Lionel Van Deerlin, knew Harold Keen from his own years as a broadcaster. His testimonial to Keen appeared recently in the San Diego Evening Tribune. I commend it to the Members of the House.

KEEN'S LEGACY, TELEVISION'S DILEMMA

(By Lionel Van Deerlin)

WASHINGTON—Over most of the U.S., said Charles Kuralt, local television news is delivered by handsome young men with pleasing ways, who wouldn't recognize a real news story "if it came up and hit them in the coiffure."

Harold Keen was not one of these. He slouched. He delivered his material too fast. He stuck with his horn-rimmed glasses instead of using contact lenses, also eschewing the huge prompter rolls just under the camera that make it seem the newscaster has memorized an entire script.

No, Harold was content to look up and down from typed sheets clutched in his hands—if crowded for time, he'd seem to be bobbing for apples. He made no effort to be chatty. The robust vigor of more youthful days had long since left him. Yet there never was a time, probably, that his techniques would have pleased the casting-office types whose advice now sets the tone for local news departments.

It might be said that Keen had only one thing going for him—credibility. If you had

watched TV only a few months in San Diego, or for the third of a century that Keen was a part of it—you came to know you could depend on this man. Not just on this knowledge, but on his judgment too. It was something the smart out-of-towners never fully understood.

Both at the network level and among the 750 or so commercial TV stations that serve communities across the land, news programming has undergone radical changes over the years. It was first regarded (and logged for licensing purposes with the Federal Communications Commission) as "public service." This slant was reflected in the very style of news presentation in the early years—usually stilted and pontifical. News film, when available, was modeled on the old movie theater newsreels.

No station manager expected to make money on news. Most were pleased if their early evening reports commanded enough audience to carry sizable "numbers" into the nighttime entertainment schedule—a key to the real riches.

NBC launched Chet Huntley and David Brinkley in the late '50s as the first half-hour of local news. Millions of Americans were getting into the habit of dinnertime news-watching. Two major economic changes ensued: the circulation of long-dominant evening newspapers went down, and TV news began making money. Camera crews, editors and producers represented an investment, and owners still logged news as public service—but it no longer had to be justified as a loss leader.

Today many stations wrap an hour—and some, 90 minutes—of locally produced news around the network slot—for a purely economic reason: selling commercial time at station rates is far more remunerative than their piddling share of time sold by the network. This is why local licensees have resisted the desire of all three networks to stretch the national news time to 45 minutes or an hour, as Walter Cronkite recommended so strongly on retirement.

Formats have changed too, though they remain much alike from station to station. The general newscaster of early days came to be designated an "anchor man." The new style is co-anchors, usually a man and woman. Generous segments always have been provided for sports and weather, which advertising solicitors find especially saleable, because they command viewer interest and seem certain to offend no one.

As more stations were licensed, intense competition developed for news leadership. Station management auditioned widely for on-screen personalities, scores of whom are now represented by agents. Remote trucks and jacketed camera crews became a conspicuous part of station promotion. The nature of television as a business usually meant that top management had come up via the business side. Executives thus were less inclined to judge a news operation by its validity than by the "show business" qualities that shaped their other programming judgments.

Inevitable, then, was the emergence of professional consultants—teams of experts to review a station's news operation, rate the performers and suggest changes. A half-dozen such firms have prospered, under names like Frank Magid, Media Associates and Research, Inc. And if you were to ask what they know about San Diego's needs in such places as Marion, Iowa, or Southfield, Mich., or Fairfax, Va.—which are some of the bases from which these firms operate—they'd answer that broadcasters have

common problems overriding individual differences from community to community.

A station pays anywhere from \$40,000 to a quarter-million for their advice; many surrender to it totally. Thus a traveler discovers that almost every city has an "Eyewitness News" or "Action News." On-air talent is seldom much older than 30, and the women are stunning. It's virtually forbidden to allot more than 45 seconds to any story—and near the start of any newscast there should be some appealing file featuring animals or children.

But the real hallmark among all these practitioners is the informality, the "happy" touch. When calling in the sportscaster or the weather expert, the anchorman is expected to add light comment, with the effect of suggesting that these auxiliaries are not to be taken too seriously. Everyone on the set then joins in laughter, often far heartier than seems justified by the level of wit.

It was here that Keen felt least at ease under the new format. Harold's forte being serious stuff, he could be visibly put off by an introduction about a flat tire he might have experienced on the way to work.

Television, obviously, is not the newspaper business, where Keen had honed his reportorial skills. Ease on the set is surely preferable to the stiff formality and doomsday delivery of those early days. But a good deal of what we need to know as informed, intelligent citizens cannot be conveyed through "happy talk."

San Diego's immense loss in the passing of Keen should prompt the decision-makers to ponder the dilemma his example poses for television news.

Sure, his skills, his knowledge and his integrity were well enough established that Keen survived an era of change.

But suppose this were 1948 again—would Keen be offered a job in television?●

CALIFORNIANS WANT A SECRETARY OF THE INTERIOR FOR ALL THE PEOPLE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. BROWN of California. Mr. Speaker, while the last months have clearly indicated the concern of the American people over the state of the economy, I have been gratified to find that protection of the environment and stewardship of the public lands have retained their prominence as priority issues. It is for this reason that I will be holding a town hall meeting on the environment in my district this weekend.

In part, this meeting is in response to the overwhelming opposition I have heard to the actions of the present Secretary of the Interior, James Watt. I think that the alarm over his policies is by no means particular in my area. I am honored that the former Secretary of the Interior under Presidents Kennedy and Johnson, the Honorable Stewart Udall, will join me in California for the meeting. Although I have had policy disputes on various issues

with many past Secretaries of the Interior, including Stewart Udall, Wally Hickel, Rogers C. B. Morton, and Cecil Andrus, I have never doubted that these men supported the basic thrust of the laws they administered. Contrary to this, the current Secretary seeks not to manage the public's natural resources for all Americans, but rather he proposes to limit acquisition of new wilderness and parkland while turning over other areas to special interests.

Secretary Watt is not serving as a proper steward of the public lands. The laws designed to protect our natural heritage and preserve it for future generations have traditionally enjoyed bipartisan support. I believe they will continue to be supported by this Congress as I believe the public is overwhelmingly in favor of laws to protect the public interest in a cleaner environment and adequate public lands, now and in the future.●

UNFINISHED BUSINESS—NATIONAL AUTO POLICY—PART I

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. PEASE. Mr. Speaker, reviving our moribund auto industry is crucial to a bona fide economic recovery in America. But Detroit is languishing in the third year of its deepest crisis since the Great Depression.

A few weeks ago in an address to the sixth annual Automotive News World Congress, the president of the United Auto Workers, Douglas A. Fraser, issued a reasoned appeal to all Americans—in our corporate boardrooms, in our industrial boiler rooms, in our showrooms, and in our living rooms—to contribute toward establishment of a national auto policy.

The current voluntary restraints on imported Japanese cars represent a significant step forward. The next step was recently taken with the enactment of the largest corporate tax relief bill in American history. No doubt persists about the availability of huge sums of investment capital to be applied toward modernizing and retooling the means of production on our basic industries.

Now two further steps need to be taken to reverse the decline of our auto industry and the many related industries.

First, we must insist upon fair trade as well as free trade among the world's leading auto-producing nations. Open access to our market should carry with it an obligation to provide our people with some of the jobs flowing from that commerce.

Second, public pressure and Government pressure, if necessary, should be

brought to bear upon the corporate managers of the American-based multinational auto companies to invest in America. Until 1980, our country was the leading auto-manufacturing nation in the world. We attained that position largely through the hard work and productivity of American workers as well as the resourcefulness of enlightened, compassionate management. Surely with 160,000 American auto workers unemployed and with Japan having surpassed us in production, the American-based multinational auto companies ought to invest in the auto industry at home first. These companies in their past glory thrived on American freedom and enterprise in their fledglings stages. Now if our auto industry is to regain its vitality, these business leaders ought to respond as patriotic Americans and invest in America where the jobs are needed.

I commend Doug Fraser's address to my colleagues for careful consideration. It will be reproduced in three installments.

SPEECH BY UAW PRESIDENT DOUGLAS A. FRASER TO THE SIXTH ANNUAL AUTOMOTIVE NEWS WORLD CONGRESS

I'd like to talk with you tonight about what can be done to help bring a recovery to what has been the worst period auto workers have experienced since the Great Depression.

All of us here care about what happens to the North American auto industry. Most of us strongly hope that our sick auto industry will regain its health.

But after 27 straight months, the fever continues unabated. And, even worse, the medicines prescribed by the Reagan Administration and the auto companies will only make the patient worse.

Two years ago, when I spoke at the Automotive News World Congress, we were beginning to feel the impact of the import offensive by the Japanese and the contracting of the economy overall.

Today, more than two years after it began, the auto depression goes on. In fact, the true extent of the damage to the industry and its workers really remains understated.

Much of that damage is permanent and, if it continues, will result in a further disastrous unraveling of the nation's fraying industrial fabric.

I'm sure that you winced, as I did last week when the sales figures for the first ten days of July were announced. General Motors down 13.8 percent. Ford down 34.2 percent. American Motors down 18 percent. Volkswagen of America down 14.6 percent.

Only Chrysler showed a gain over the year earlier—with sales up 13.6 percent.

Those are the figures you read about in the newspapers and hear on TV. But they really don't give you an adequate picture of how bad sales are.

A more interesting comparison is to examine how current sales stack up against a good year in the auto industry like 1978, rather than a depressed year like 1980.

Looking at the first ten days of July, GM sales are off a whopping 40.3 percent compared to 1978.

Ford was down 42.6 percent. Chrysler, instead of being up 13.6 percent was down 24.4 percent.

Those figures give us a more revealing insight into what the auto industry is experiencing.

The annual sales rate for domestic new car sales for the first ten days of July was 5.6 million—far below the comparable annual rate in 1978 of 8.8 million.

Let's look at the first six months of this year. Compared with the first six months of 1978, U.S. sales of North American-built cars during the period January-June 1981 were down 30.4 percent, sales of domestically produced trucks were down a staggering 50.7 percent.

Sales of imported cars, by contrast, were up 21 percent compared with the first six months of 1978.

This boosted the imports' share of the total U.S. passenger car market to 27.8 percent for the first six months of 1981, up from 18.1 percent during the same months of 1978.

Truck imports comparing the same periods, soared 50 percent.

To make matters worse, between 1970 and 1980 the value of motor vehicle parts imported into the U.S. from countries other than Canada skyrocketed 768 percent, albeit from a very low base.

Two-thirds of the increase has occurred since 1975. Substantial increases in the volume of imported parts have been recorded from Europe, Japan and Latin America.

Two disturbing developments account for these huge increases.

First, the U.S. companies have reduced the domestic content of cars assembled in the U.S. and Canada.

Second, as the number of imported cars and trucks on our roads has grown, more replacement parts have been imported from their countries of origin.

Too often, foreign auto companies have unfairly denied domestic parts produces the opportunity to sell replacement parts to local dealers of foreign cars.

Our principal Japanese automotive competitors were adding capacity during 1980—despite a downturn in their own home market—at a time when the U.S. industry's capacity utilization had plunged to a post-war low of 58 percent, down from 89 percent for 1978.

Those same competitors scheduled heavy overtime, while hundreds of thousands of U.S. auto workers stood in quarter-mile long unemployment lines.

Presently, over 160,000 auto workers remain out of work, counting only the laid-off hourly workers at General Motors, Ford, Chrysler, and AMC.

At Chrysler alone, more than 40,000 UAW members are presently laid off; for every three UAW members on the job at that corporation, two others are not.

Some laid off workers have been recalled by the auto companies, but of the 240,000 auto workers on layoff at the Big Four in June 1980, barely over a third had been called back to work as of June 1981. By contrast, a year after the trough of the severe 1974-75 recession—until now the worst auto slump since the Great Depression—three-fourths of the laid off workers were back on the job.

The impact of the current crisis extends well beyond massive prolonged unemployment among workers at the Big Four. According to the Bureau of Labor Statistics, every job in auto creates 2.3 additional jobs in steel, rubber, glass, textiles and other industries.

In terms of employment, the auto industry constitutes the largest single industrial

sector in the U.S. economy; it used 21 percent of the steel consumed in the United States; more than 50 percent of the malleable iron produced; 34 percent of the zinc; 12 percent of the primary aluminum; 13 percent of the copper, and 60 percent of the synthetic rubber.

The auto crisis has reverberated throughout this entire closely linked chain of production, leaving innumerable plant closings, economic devastation and massive unemployment in its wake.

All told, the collapse in domestic motor vehicle sales in the past two years has raised national unemployment by an average of a full percentage point, at an estimated cost to the treasury of at least \$25 billion in tax receipts forgone, unemployment benefits and other forms of income support.

In Michigan, the unemployment rate is the highest of any state in the nation and has been in double digits for 18 consecutive months. Trade Adjustment Assistance and extended unemployment insurance exhaustions in Michigan have been running at the rate of 20,000 per month.

Countless thousands of unemployed parts workers never obtained any benefits under TAA, due to a cruel inequity in that program. Now the TAA program, which cushioned the hardships somewhat for jobless workers and their communities, is falling victim to the budget cutters' meat axe. The City of Detroit, since 1914 the nerve center of the nation's—and the world's—auto industry, has faced a potential financial collapse.

The bleakness of the past two years is made even more stark by the heavy weight of uncertainty which clouds every auto worker's future and that of every person with a stake in the industry's future. Some experts have begun expressing doubts publicly about whether there will be a significant domestic motor vehicle industry by the turn of the century. Considering that the U.S. is the world's largest motor vehicle market by far and, until 1980, the largest producer, that would be an industrial debacle with no parallel in economic history.

The UAW does not share this extreme pessimism, but we fully agree with the conclusion that only a rational and coherent national auto policy—oriented toward maintaining employment—can be relied upon to stave off industrial catastrophe.

The only auto policy our country has today is the lack of one. I guess that is consistent with the overall world view President Reagan has of getting government out of the way so the hallowed free market can solve all the problems.

Fortunately, there are enough people around with common sense who have begun to speak out against the view that market forces alone can solve the auto industry's problems. They understand that the "invisible hand" of Adam Smith actually is a fist pummeling the auto industry and its workers day after day with body blows doing permanent damage.

What we need is a government which has the same degree of concern for auto workers and the auto industry as the governments of our major competitors in this sector. We need an auto policy that aims to create a climate in which industry doesn't just limp along, but thrives instead. That means a policy that enables us to be competitive not on the basis of reducing wages to the lowest common denominator, but rather by improved productivity, quality and innovation. ●

A FARM POLICY SHOWDOWN

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. PEYSER. Mr. Speaker, in the next few weeks the House will consider the farm bill of 1981. The sugar loan program, peanut allotment program, and dairy price support program contained in this bill are unnecessary and indefensible special interest programs which are intolerable to the American consumer. An editorial in the September 21 issue of *Business Week* points to the ridiculous nature of these runaway programs. I commend this article to my colleagues and at this point would request it to be inserted in the record.

[From *Business Week*, Sept. 21, 1981]

A FARM POLICY SHOWDOWN

The omnibus farm bill now coming up in Congress will be a major test of the Reagan Administration's determination to cut government spending and of its power to do so. The bill will set farm policy for the next four years. With farm income softening, every IOU the Administration issued in its struggle to get the budget cuts and the tax bill through Congress will now be presented for payment. Unless it can hold out for a program that ties farm prices to the market instead of propping them at unreal levels, the Administration's whole campaign against inflation will lose credibility.

There are plenty of opponents of such provisions as the support programs for tobacco, peanuts, and sugar. But the Administration has already conceded privately that it would not veto the whole package to knock out individual provisions. And it is already obvious that the two biggest groups within the agricultural sector—grain farmers and dairymen—are not thinking in terms of restraint. Drafts of the milk program already adopted by committees of both the House and the Senate could cost as much as \$1 billion in federal outlays in 1982. Direct payments to wheat growers in the same period threaten to hit \$325 million under the target price program, which compensates farmers when market prices drop below specified levels.

For most of this century, the government has given the farmer special help—at the expense of the consumer and the taxpayer. But agriculture is a strong industry now. The typical, mechanized U.S. farm is the envy of the world for its efficiency and the income it generates. There is no excuse for pushing up prices and piling on government spending to assist an economic sector that is capable of standing on its own. It is time to start turning farm prices back to the free market. ●

EXTENSIONS OF REMARKS

THE HELEN KELLER NATIONAL CENTER: GOING FORWARD WITH VIGOR AND SUCCESS

HON. JOHN LeBOUTILLIER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. LeBOUTILLIER. Mr. Speaker, the nationally distributed Sunday supplement, *Parade* magazine, ran an article in its September 8, 1981, edition that deserves the attention of my colleagues and all of our constituents who might benefit from the information which it contains.

The article, about the Helen Keller National Center in Sands Point, N.Y., is as concise, informative, and moving a description of this unique center as I have yet to see in print.

The Helen Keller National Center is a national institution, and a unique one at that. It is a pioneering center for a successful and unprecedented level of rehabilitation for the blind, deaf, and verbally impaired youths and adults of America. Since the center's beginning in the mid-1960's, the Helen Keller National Center has become an internationally recognized institution not only for its successful individualized training activities, but also for its unique preparation and dissemination of teaching materials for the world's similarly impaired.

The Helen Keller Center serves deaf, blind, and verbally impaired people from every State and territory. I am pleased that this truly national center is located in my congressional district.

Earlier this year, I personally intervened with Office of Management and Budget Director David Stockman to dislodge the center from inclusion in a block grant that would incorporate many programs for the handicapped. I was successful in this effort, as the center was so removed within the second budget reconciliation bill which we passed.

I impressed Mr. Stockman and his staff into supporting efforts to excuse the Center from the block grant because of its unique national status, nationwide clientele, successful record, prudent use of appropriations, and production of vital and excellent teaching materials for national and international use.

I felt that inclusion in the block grant would, as the Center's management indicated in testimony before the House Committee on Appropriations' Subcommittee on Labor—Health and Human Services, jeopardize continued special funding, and would fail to allow the Center to grow with demand and accomplishment. A truly national Center should not have been left to the possible whims and caprices of block grant funding.

I would also like to point out to my colleagues that this institution deals

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with a most serious set of physical handicaps, and successfully trains and occupationally places most of these clients. While the Helen Keller Center cannot reach each of the more than 15,000 eligible clients, it stands as a beacon of realistic hope for all such persons. In addition, the methods developed and in progress in Sands Point will reach out to help scores of similarly afflicted people the world over.

This task would appear to be prohibitively expensive, but due to fiscal responsibility practiced by the Center, it is not.

The Center operates on a budget of \$3.5 million. It could use more, as it has done optimal work in training and communicating. Hence, the demand for inclusion and expansion is justified. For once, a justification for an increased government appropriation squarely rests on the ground of needing more to continue doing an excellent job. More is needed, as a great deal was done with less.

At this time, Mr. Speaker, I would like to offer Ms. Carpentier's article, "Beyond Help?" to my colleagues and their interested constituents for their attention:

BEYOND HELP?

(By Fran Carpentier)

Imagine yourself trapped inside a room with no windows, no doors, no phones or clocks or radios. A room so dark that when you try to escape you stumble into the unseen furniture, and so silent that you cannot hear the signal when someone comes to rescue you. You desperately want to get out, but what can you do? You collapse and pound your frustration into the floor. Or else, you just sit. And wait.

More than 15,000 deaf-blind Americans are waiting to be freed from their silent, colorless worlds. Some are institutionalized. Others stay at home, day after day. The luckier ones attend classes for the deaf or schools for the blind, which are sadly inadequate for the special needs of their double handicap. Yet all of them are victims of a popular myth that the hardships of being deaf-blind were wiped out 100 years ago when Helen Keller learned to see and hear and talk with her fingers.

The public has to be reminded that the deaf-blind are still with us, says Susan Hajjar, head of the communications skills department at the Helen Keller National Center for Deaf-Blind Youths and Adults in Sands Point, N.Y. But we also have to show them, says Hajjar, "that the limitations of the deaf-blind do not preclude a whole range of possibilities."

Most of the deaf-blind—about 50 percent—have Usher's Syndrome, a congenital disease in which the child is born deaf then, without warning, loses his sight in his teen years. Under federal law, each state is responsible for educating these handicapped to age 16. The Helen Keller Center, the only national facility that exclusively serves the deaf-blind, picks up where the states leave off. There, deaf-blind clients (or "trainees") from the 50 states and territories each receive an individually tailored schedule of daily classes in such communications skills as sign language, Braille, or print-on-palm spelling. Also taught at the 25-acre wooded

complex on Long Island's north shore are daily living skills—cooking, housekeeping, handling paper currency, budget balancing—and mobility training, industrial arts and recreation therapy.

"Isolation is still the biggest problem for the deaf-blind because they are so cut off from everything," says Terry Carr, a communications skills instructor. "The first time I meet my client, I introduce myself by forming my name into his hand," Carr says. "If no communication is possible, we just hold hands and be together. The most important thing to do is to establish trust. A person who's been isolated—maybe neglected or even abused—for so long needs to feel that there's somebody out there who cares. Touch is really the most important communicator we have here."

Associate Director Jules Côté says that "Helen Keller type" miracles really do happen at the center. "We had one 42-year-old client with only the very slightest hearing who had been in an institution since he was 5. When we started working with him, we were amazed at how much knowledge he had. He told us about the American Revolution, the Civil War and all the space flights!

It seems that nobody in his ward had ever paid any attention to him. Every day he used to move his chair way up close to the TV where he'd be able to distinguish the sounds. Then he would turn to the public television station and listen. All the education he ever got was on his own! "And" says Côté, "his is not a rare story."

"You wonder how the deaf-blind survive. Think of the amount of guts it took that man to survive like that for 37 years and still have an intact mind. It's like being in solitary confinement. You know," says Côté, who is legally blind himself, "it's beautiful what the human spirit can endure."●

VOODOO ECONOMICS THREATEN DEFENSE

HON. STEVE NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. NEAL. Mr. Speaker, as we begin to consider the administration's proposals to cut back on defense spending for the next few years, I think we must find the answers to several important questions.

The first of these questions is: If the administration's original projections of our defense needs were correct, is it in the best interests of the United States to reduce them by \$13 billion to \$30 billion?

The second question arises from an affirmative answer to the first. If it is in the best interests of the country to cut back on defense spending just 2 months after a barebones budget was adopted, were our defense needs accurately portrayed in the first place?

It is not sufficient to say that we must provide the best defense establishment that we can afford—and that, unfortunately, we cannot now afford the weapons that 2 months ago were deemed essential to close the so-called window of vulnerability. Nor does it make sense to provide more than we

need in this time of economic insecurity, when a top priority must also be given to balancing the budget, lowering Government spending, bringing down interest rates, and winning the war against inflation.

It seems to me, Mr. Speaker, that the administration did not give sufficient consideration to the interrelationship of economic strength and military preparedness. We cannot maintain a strong national defense with a weak economy; and a strong economy may be a transient prosperity without a military establishment sufficient to protect ourselves and our allies.

We are led to wonder, then, if something of our national defense capability is about to be sacrificed for a tax cut whose economic benefits are now being seriously questioned.

Mr. Speaker, a recent edition of the Washington Post contained an excellent article along these lines by James R. Schlesinger, who was Director of the CIA and also Secretary of Defense under President Nixon, as well as Secretary of Energy under President Carter. At this point, I would like to commend Mr. Schlesinger's comments to my colleagues and to insert them in the RECORD.

[From the Washington Post, Sept. 9, 1981]

REAGAN'S BUDGETARY DUNKIRK

(By James R. Schlesinger)

The last rites have now been pronounced over the great rearmament boomlet of 1981. Its demise had been expected by the diagnosticians for some time. Like Halley's comet, it visited us and then departed quickly, trailing only a long (though quite insubstantial) tail deserving further observation.

For the past six months the defense debate has focused on the wrong issue: could the "immense" funds ostensibly being made available to the Department of Defense be usefully spent in significantly enhancing the security of our international position. With the Soviet Union outspending the United States by some 50 percent on defense generally and by a disturbing 85 percent in the critical area of military investment (procurement), with conventional capabilities in Europe porous and relatively weak and theater nuclear forces now overshadowed by those of the Soviet Union, with deterrence flimsy (at best) in the region of the Persian Gulf despite the West's enhanced interests and responsibilities, with the naval balance deteriorating in the Far East, and with trouble even in the Caribbean (and an evanescent threat "to go to the source")—not to mention concern about the strategic balance, Minuteman vulnerability and aging B52s—that should have been an issue in principle easy to resolve. Yet, all along the real question should have been—given the administration's fiscal proposals—how to maintain adequate deterrence with growing responsibilities in the Indian Ocean and with resources dramatically less than those invested by the Soviet Union.

Seven months have been wasted on an irrelevant debate. We shall now have to make do with a smaller growth in defense resources than that projected by the Carter administration—previously denounced as

hopelessly inadequate. So much for "making America strong again," "closing the window of vulnerability" and the vaunted "superiority" so casually endorsed in the Republican platform.

The unavoidable outcome, given its fiscal goals, seems genuinely to have surprised the Reagan administration. Disregarding the normal laws of arithmetic, and bemused by its own distortions of supply-side economics (alternatively known as "voodoo economics," snake oil or the Tooth Fairy), it lulled its pro-defense supporters (and itself) with farfetched projections supposedly demonstrating that the proposed rearmament effort could be achieved in the face of a massive shrinkage of the tax base.

According to the initial mythology, dramatically lower interest rates and cutting the "balance of government" almost in half (everything beyond interest payments, defense and the "social safety net") would permit the achievement of a balanced budget by 1984. But interest rates have risen rather than fallen, and only so much blood can be squeezed from the "balance of government" turnip, so the cuts unavoidably must now come from the fenced "social safety net" or from defense. More significantly, the recent tax legislation—which seems likely to go down in history as the single most irresponsible fiscal action of modern times—reduced the tax base to 19 percent of the GNP by 1984 (with expenditures running some 22 percent of the GNP), a revenue reduction of \$150 billion or roughly 17 percent. As an offset, some \$35 billion in non-defense expenditure reductions have now been achieved—less than one-third of those projected for 1984, less than one-fourth of the revenue loss.

The budget director, occupationally debarred from an abiding faith in the Tooth Fairy, has now read the grim arithmetic—the equivalent of a Budgetary Dunkirk. The fiscal consequences may be briefly, if sadly, stated. Unless the tax reductions are reversed—which seems unlikely—on the basis of present legislation and projected defense spending, the nation faces growing budget deficits of \$65 billion in 1982, \$90 billion in 1983 and \$120 billion in 1984. Non-defense reductions will be increasingly hard to achieve. Thus, only the total jettisoning of the administration's goal of a balanced budget will permit even a modified defense buildup to survive.

Nor should one believe that with the half-announced cuts for defense of \$20-\$30 billion we have reached the end of likely defense reductions. The best current estimate for fiscal year 1982 outlays is \$715-\$720 billion (\$20-\$25 billion over ceiling). The ceiling for fiscal year 1983 in the revised Reagan budget is \$732 billion—a total increase over 1982 of \$12-\$17 billion. Limiting spending to this ostensible ceiling, given probable inflation rates, would imply a reduction of real federal expenditures by 6-7 percent. Not very likely. Far more probably 1983 expenditures will run roughly to \$775 billion—a sum \$45 billion over the presumptive ceiling. Substantially to reduce the out-year deficits, given the growing difficulty in achieving non-defense cuts, would probably require that some three out of four dollars in reductions come from defense.

One can always spend less—by doing less. Gone now are the fancies of nine additional tactical air wings, of three additional Army divisions. Gone, too, in all probability, is the 600-ship Navy—unless, like Jefferson, we provide mostly frigates or gunboats. Embarking on major new systems like MX or

B1 or new acquisitions like carrier task forces will ultimately lead to an ill-balanced force by leaving insufficient funds for operations, readiness and sustainability.

The planned buildup for NATO will have to be reduced—especially so in light of Indian Ocean requirements. What an ideal moment, given the anti-nuclear tide running in Europe, to increase the degree of dependence on nuclear weapons and diminish conventional capabilities.

The international ramifications are disquieting—to say the least. The already apprehensive Europeans will conclude that, while the United States is prepared to disturb the international scene by threatening to launch an arms race, it is now seen to be unwilling to provide the resources either to run the race or to provide additional military muscle. The Soviets will not be loath to exploit those European apprehensions. Moreover, the Soviets will conclude that, despite American bluster, they have little to fear in terms of additional forces to narrow the growing disparity in military capabilities. As for the Japanese (and others), this notable example implies that we might as well abandon the effort to persuade them significantly to increase defense spending.

In creating and maintaining forces, wishful thinking is no substitute for an adequate tax base. In this ill-fated venture the cycle from bold words to budget cuts has been the shortest on record—a kind of instantaneous New Look. The historic failure lies in so casually dissipating the carefully forged national consensus supporting higher defense spending—while leaving in the public mind the illusion that a sizable new defense effort has actually been launched.●

CALL TO CONSCIENCE—ILYA
ESSES

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. SCHUMER. Mr. Speaker, I am proud to rise today and voice my concern for a particular Soviet "refusenik" as part of the continuing Call to Conscience Vigil, 1981. As you know, the Call to Conscience Vigil is a meaningful and effective congressional effort to draw attention to the ceaseless oppression of Jews and others in the Soviet Union, and to demonstrate bipartisan congressional support for individuals and families who wish to emigrate to the free world. As a participant in the Vigil, I would like to call the attention of my colleagues today to the plight of Mr. Ilya Esses and his family who have been seeking to emigrate from the Soviet Union since 1973.

Trained as a mathematician, Ilya Esses was employed at the Academy of Sciences in Lithuania, and later as a lecturer in mathematics in a Moscow medical institute. Since his application to emigrate, however, he has been unable to find a job. During this time he has devoted himself to studying the tenets and customs of Judaism, a difficult task in a country which frowns on religious study and practice. With a

handful of materials from the West, he taught himself the Hebrew language, Torah, and Talmud. He has now become the unofficial "rabbi" of Jewish activists in Moscow, organizing gatherings around Jewish holidays and using these occasions to teach his friends about Jewish traditions.

Ilya has consistently been harassed by the KGB for these activities. His home has been raided and materials confiscated. A Hebrew class that he teaches has been regularly disrupted, and he has been threatened with arrest on several occasions. With the recent Soviet crackdown on the flourishing Jewish cultural movement and the arrest of a number of its prominent leaders, Ilya's situation continues to worsen.

Soviet officials have repeatedly denied Mr. Esses and his wife Anya the right to emigrate on the grounds that Anya Esses was allegedly exposed to "secrets" while she was employed in the construction industry in 1971. It is difficult to see how information that Anya Esses may have been exposed to over 10 years ago could still be relevant to her application to emigrate. The Esses and their three small children have been waiting for over 8 years to be reunited with Mr. Esses' parents who reside in Israel. According to the provisions of both the U.N. Declaration on Human Rights and the 1975 Helsinki Final Act, which the Soviet Union has signed, the Esses have the basic right to be reunited with the rest of their separated family.

The recent dramatic decline in Jewish emigration from the Soviet Union—to its lowest level in 10 years—and the arrest of a number of prominent Jewish activist leaders is of great concern to our entire Nation. The granting of permission to emigrate to Ilya Esses and his family—and to the estimated 50,000 others who have also been denied such permission—would be an important step to improving the strained relations between our two countries. Forty-nine Members of Congress have joined me in petitioning Soviet officials for the release of the Esses family. It is my hope that other Members of Congress will continue to join me in my efforts to secure emigration rights for the Esses family and others who seek reunion and freedom.●

ANGOLA INVADED

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. RANGEL. Mr. Speaker, on Friday I introduced a resolution, House Resolution 212, that both condemns the South African Government

for its illegal incursion into Angola this August, and disapproves the U.S. veto of the United Nations resolution condemning the South Africans. I take these steps because I feel that first, the South African invasion presents a serious danger to the peace and stability of that region, and second, that the American reaction to the raid was irresponsible, and damaging to our interest in Africa. Let me elaborate.

On August 24, the South African Armed Forces invaded southern Angola from its bases in Namibia. This act of aggression was in violation of international law, and is of significant concern to the international community. The circumstances surrounding South African involvement in Namibia add to this concern. The South African Government has been administering the trust territory of Namibia for the past 61 years. They were first given this privilege by the League of Nations in 1920, and it was held legally until 1967, when the United Nations, which took over the responsibility for trust territories from the defunct League of Nations, revoked South Africa's mandate for administering the territory. Since then, South Africa's claim to the territory can only be described as illegitimate. Yet, they have continued to administer the territory, and have denied the majority people of the territory the opportunity to determine their future. Further, they have set up an apartheid system similar to that in South Africa, reserving the resources and the political control of the territory for the white minority. Finally, to preserve their control, they have stationed thousands of troops in the territory. They have refused to recognize the organization that represents the native population, The South West Africa People's Organization, (SWAPO), which has been recognized by the United Nations as a legitimate representative of the Namibian people. Namibia is run like a colony; a small majority dictating to a disenfranchised majority, with South African military might supplying the only legitimacy for the government.

It was from Namibia that the Angola raid was launched. The raid was purportedly to protect Namibia from the SWAPO guerrillas operating out of Angolan bases, and the South Africans claim that they were forced to invade Angola to stop the violence in Namibia. This defense has two flaws. First, in January of this year the South African Government was approached by SWAPO President Sam Nujoma with an offer of a cease fire. The South Africans rejected this offer, which undercuts their claim of being interested in peace in the area. Second, it is the existence of a repressive apartheid system in Namibia that has precipitated the violence there. South African policy in Namibia has denied a people

their right to self-determination, and it has embroiled another sovereign state in the dispute. For these reasons, and because of the potential for further instability in the region, the international community is rightly concerned with the situation in southern Africa, and its potential for disrupting other nations on the continent as well. The U.N. resolution was a responsible expression of this concern.

The American response to the raid was chilling to anyone who is interested in achieving racial and political equality in South Africa, and a settlement to the Namibia situation. On the one hand, the Assistant Secretary of State for African Affairs has claimed that the administration did not want to choose between black and white in South Africa, meaning I suppose that it does not matter that the apartheid regime in South Africa is politically and morally indefensible, its interest in preserving itself is as important to the administration as the interests of the 17 million people who exist there without political or human rights. On the other hand, it refuses to condemn the South African regime for its raid in Angola, saying that they are not responsible for all of the violence there, ignoring the fact that the South African military presence is the reason for violence in Namibia.

We have critical, strategic and political interests in Africa. On this issue, the administration and I would agree. However, I must state emphatically that one of those interests is the elimination of the abhorrent apartheid policy that exists in South Africa, and which the South Africans have instituted in South-West Africa. Not only is this goal important to us as a democratic, multiracial society; it is a basis for our ties with the rest of black Africa, which considers the elimination of this most egregious system of government as the No. 1 political issue on the continent. Our prestige as a free and just nation, and our relationships with black Africa, are dependent on continued active opposition to the system of apartheid. The administration, judging from its reaction to the South African raid, seems to be hedging on the American commitment to racial equality in southern Africa. The reasons the administration gave for not strongly criticizing the South Africans could have been written by the South African Foreign Ministry. The South Africans have been trying for years to convince the American people and Government that the Communist threat in southern Africa should be our real concern, and that their internal policies should not be the basis for our relations with them. They have insisted that they are the bulwark of anticommunism in the region, and that we should be allied with them.

This rhetoric is strikingly similar to what we hear from the Reagan admin-

istration; the emphasis on combatting Soviet influence in Africa, and a backing away from any criticism of the South African Government. The administration has made a number of remarks mildly critical of the apartheid system, but nothing that could be characterized as supportive of efforts to end that system. Now, in the wake of an act of international aggression, undertaken from bases in a territory held in defiance of international law, the United States has seen fit to hide behind the cloak of anticommunism to soft-pedal criticism of the South African action. I contend that this position is dangerous. The administration is clearly moving toward the policy in southern Africa that the Botha government desires; a tacit military alliance with South Africa, with little or no pressure on the South African Government to reform its internal racial policies. Not only is this policy suspect for moral reasons, it is politically unwise. It is not in the American interest to alienate black Africa and our Western allies for the sake of an alliance with South Africa against a rather small Soviet presence in Angola.

What is in the best interests of the United States is to pursue a policy in southern Africa that will lead to enlightened development of that continent's vast resources, and encourage and foster democratic principles among the nations there. The administration's recent action on Angola suggests that it is moving away from this goal, and toward a policy centered on military alliances. We have worked too long to improve our relations with Africa to the level which we now enjoy to see the Secretary of State shatter our progress for the sake of a global anti-Soviet strategy that does not apply to Africa in the first place. The resolution that I have introduced seeks to show Africa and the world that there is still a significant part of this country that is opposed to what South Africa is doing in Namibia and at home. I urge my colleagues to support it.●

SALUTE TO THE CITY OF
NEWPORT BEACH, CALIF.

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. BADHAM. Mr. Speaker, today it is my rare privilege to stand before this honorable body to salute the city of Newport Beach, Calif., which I represent in this Capitol and which is my hometown. The purpose of this salute is the celebration now going on in Newport Beach in honor of the city's 75th birthday anniversary.

Newport Beach is a great jewel of a city along California's incomparable coastline, with a beautiful pleasure boat harbor which has the greatest number of boats of any city in the United States.

Newport Beach has beautiful beaches, to which hundreds of thousands of southern California residents flock each year to swim, sun, and surf. It has lovely residential areas which hug the many miles of shoreline inside the harbor and have commanding views from heights above the city.

There are scores of restaurants, yacht clubs, small shops, and great stores, centers of commerce, and industry and a quaint waterfront, the highlight of which is the world-renown Balboa Pavilion, recently named a "Place of Historical Interest" by the State of California.

Above all, Newport Beach is rich in history, paralleling in many respects the growth of southern California, all the while maintaining a coveted reputation as a resort while providing an unusual atmosphere for year-round living for its residents.

It was on September 1, 1906, that Newport Beach became a city, with a population of just 230 souls. Since that time there has been steady, if unspectacular growth to the point that the 1980 census showed 63,475 permanent residents of the city.

In the intervening years the city has been the scene of many movies, the home of many movie stars and the Rendezvous Ballroom the home of many great orchestras, who came to play for thousands of soldiers, sailors, and marines during World War II.

One of the most famous names associated with Newport Beach is that of James Cagney, who, along with members of his family, own large sections of land in the city. It was Jimmy Cagney's home on Balboa Island that became the headquarters for the U.S. Coast Guard after the onset of World War II in 1941.

John Wayne was a fixture in Newport Beach, where he maintained a beautiful home until his recent death and where he kept his yacht, a converted Navy minesweeper. Not long after Wayne's death, the Orange County Board of Supervisors renamed the county's regional airport in his honor.

Andy Devine, the lovable, gravel-voiced comedian and veteran of more than 400 films, lived for years in Newport Beach until his death. He was known and loved by thousands of local citizens, who enjoyed meeting him in the grocery store or at one of the city's country clubs.

Buddy Ebsen, an avid sailor whose sailboat once won the Transpac race to Hawaii, lives on Balboa Island and is a tireless worker for local charities and other causes. At various times

Shirley Temple, Dick Powell, Ray Milland, and Erroll Flynn lived in Newport Beach. Claire Trevor, star of many films, still lives in the city, as does Ruby Keeler.

Stan Kenton, the late, great band leader, got his start at the Rendezvous, while other notables who played there were Benny Goodman, Count Basie, and Bob Crosby. Even today music of the 1940's can be heard coming from the Balboa Pavilion as oldtimers gather for nights of nostalgia.

Glenn L. Martin, the aviation pioneer, flew a seaplane from Balboa Pier to Catalina Island in 1912; setting a record for the longest and fastest over-water trip of 27 nautical miles in 37 minutes.

Newport Beach, with its vast array of wealth and influence, has become a mighty center of business, finance, and industry on the west coast. Acclaimed by some as the "American Riviera," I find it a great honor to represent the city and participate in its 75th birthday celebration, for in many respects there is none like Newport Beach in these United States.●

WESLEYAN, IN 150TH YEAR, FINDS MUCH TO CELEBRATE

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. GEJDENSON. Mr. Speaker, Wesleyan University of Middletown, Conn., has been providing one of the finest educations in the country since the early 1800's. I am proud to say that throughout its entire history, Wesleyan has maintained its excellent standards and its commitment to teaching students how to think for themselves. This year marks Wesleyan's 150th anniversary. In honor of this occasion, I would like to submit for the record an article written by Matthew Wald of the New York Times.

WESLEYAN, IN 150TH YEAR, FINDS MUCH TO CELEBRATE

(By Matthew L. Wald)

MIDDLETOWN, CONN.—Wesleyan University is beginning its 150th anniversary year this month with fireworks, lectures, history exhibits and something not seen on its campus for a decade: a balanced budget.

The school year that began this month is the first since 1970 in which the endowment is not being depleted.

It is also a year in which the college will celebrate its liberal roots as an institution founded partly in reaction against the rigid classicism of other universities in the early 19th century.

"There is a greater doubt today about liberal education," said Colin Campbell, the school's president, in a recent interview. But he added that the "sesqui," as the sesquicentennial celebration is known, should help counter that by boosting academic morale in a celebration.

As Nathanael Greene, the vice president for academic affairs, told the parents of incoming freshmen in an address, "The courses prudently chosen in pursuit of a career may not be the wisest if they blunt intellectual curiosity."

A STRUGGLING PHILOSOPHER

Indeed, many upperclassmen seem not to be particularly vocationally oriented. One junior, Kate King of Garrison, N.Y., described her plans like this: "I'll be a struggling philosopher. But I'll be happy."

Campus debate may be turning more heavily to academic questions because some of the most pressing financial ones have been resolved. One of the wealthiest and most prestigious universities in the country, Wesleyan went through an ambitious period of expansion in the 1960's, but following increasing expenses and reverses in its stock portfolio, the college began a retrenchment program in 1979. Some feared the cuts would save the institution only by eliminating what made it distinctive, and the campus was shaken at times by the debate over what to cut.

"Wesleyan was a millionaire spending like it was a two-millionaire," said Jeffrey J. W. Baker, a senior fellow in the Science in Society program who first came to the stately, ivy-covered campus 20 years ago.

Over that period, the college has grown rapidly, increasing its student body by 250 percent. In May 1965, it swapped American Education Publications, which it had developed, for 400,000 shares of Xerox Corporation common stock, and added more than \$100 million to the endowment, allowing it to take on faculty members even faster than students.

The ratio of faculty to students dropped from a peak of 8.5 to 1 in 1965-66 to 7 to 1 at the beginning of the last decade. Counting instructors, visiting faculty, and other staff, this gave Wesleyan the ratio of one teacher for every 6.1 students; educators consider a ratio of 12 to 1 to be very favorable.

But at about the same time, university planners calculated that if current income and spending continued, the endowment would be spent by 1981. Accordingly, the college turned to raising student fees to the level of the Ivy League schools with which it competes for students—this year by 16.7 percent, to \$10,920—and to paring the size of the faculty while increasing the student body.

This year's freshman class comprises 650 men and women, bringing enrollment to 2,600, including about 100 graduate students. With 10 faculty members cut in the last two years and 15 more due to go in the next three, the student-teacher ratio is now to 11 to 1 and is headed for 12 to 1. "There certainly is a tendency to larger classes," President Campbell said, adding that this was true "at almost all colleges, including the most selective, with which we are identified." But, he said, "The less favorable ratio is not the total answer to quality education."

CUTTING-ESOTERIC COURSES

Mr. Campbell is also stressing better use of the faculty by discouraging some of the most esoteric courses with the smallest enrollments. Last fall, for example, 52 courses attracted fewer than four students each.

The university is proud that it offered 1,917 individual tutorials last year, up substantially from previous years, and that the number of classes with 10 or fewer students is still 35.1 percent of the total. The peak

was in 1971-72, when 53.8 percent of all courses fell into that category.

Both faculty and students notice the change in the institution, which Mr. Campbell habitually refers to as "the little university."

Prof. Spencer J. Berry recalls when his course in cell biology had 40 sophomores; now it has 100, and he shares it with a colleague.

"I probably interact as extensively with about the same number of students, but there's a whole class of students whose names and faces I never put together," he said. "It loses a great deal, but maybe the old system was uneconomic. Maybe we couldn't sustain that."

Mr. Berry also feels that faculty salaries, which start at \$18,500 for assistant professors, should be increased.

Students feel the crush at the beginning of each semester, and the feeling is intensified by an eight-day "shop-around" period when they sample as many courses as they wish and choose the four or five in which they will enroll. They do not get all their first choices.

"Maybe it's been a little tougher to get into courses," said Gale Gold, a junior from Rosemont, Pa., who has seen enrollment rise by 150 since her arrival. But, she added, "I don't feel the quality of teaching has gone down. Everybody's terrific."

Two years ago, Mr. Campbell proposed academic changes that set off protests, but many have not come to pass. The debate fostered by his proposals, he said, is healthy and should continue. "Those academic debates go on forever," Mr. Campbell said. "They are part of what makes these places what they are."●

WHY FOOD LABELS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. COLLINS of Texas. Mr. Speaker, I just read an interesting statement in the National Enquirer. They said that an Enquirer poll finds that 94 percent of the people do not understand common food labels. Why do we put all of this information on the package if people do not understand it and do not use it?

I buy cereal that is all natural and it states it is all natural. If they want to feature one of these particular terms in their advertising, they can feature it. What I want to do is see us eliminate so much unnecessary labeling that means nothing to the average citizen. Here is what Blincow wrote in the Enquirer about lack of understanding of common food labels.

ENQUIRER POLL FINDS 94 PERCENT DON'T UNDERSTAND COMMON FOOD LABELS

Processed, homogenized, pasteurized. Know what they mean? Don't feel bad if you don't. Virtually no one in an Enquirer poll correctly defined any of seven terms commonly found on food labels.

We surveyed 100 people shopping for groceries. Only 22 dared to make guesses—and only six guesses were correct.

Fortified, enriched, refined and smoked were the other terms in the poll.

HERE'S WHAT THEY MEAN

Here, in case you have been wondering, are the correct explanations as provided by food technologist Debbie Schwartz of the U.S. Department of Agriculture:

Processed—"Almost all food is processed—changed or altered to take it from a raw or natural state to another state. Even slicing is processing."

Pasteurize—"Heating milk or other liquids to certain temperatures to kill harmful bacteria."

Homogenize—"To reduce food particles to the same size and distribute them evenly. Raw milk, for example, contains fat globules of different size. These have to be broken down and blended so that you have a relatively consistent end product."

Fortify—"Adding nutrients to food which were not originally in them."

Enrich—"Replacing nutrients lost in processing."

Smoking—"Originally a method of preservation done by exposure to smoke but now done as much to give it a special flavor as to preserve it. You could say it's a method of preservation and enhancing the flavor."

Refine—"To purify, clarify or distill."●

HEAD START WORKS IN DES MOINES AREA

HON. NEAL SMITH

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. SMITH of Iowa. Mr. Speaker, at a time of stringent and necessary fiscal austerity, I think it is encouraging that the Head Start preschool program emerged from the reconciliation process with an increase in its funding levels. For here, if ever, is a program that has proved its worth as a sound investment in our country's future.

In this context, I would like to call to the attention of my colleagues the extraordinary success of the Head Start program in the Des Moines, Iowa, area. Administered by the Drake University Education Department, this program now works with county and city governments and school districts in six Iowa counties—Boone, Marion, Jasper, Story, Polk, and Warren.

The central objective of Head Start is to bring disadvantaged children into a stimulating learning environment so that they can compete successfully with more fortunate children when they commence school. For a number of years, the Des Moines program has done an outstanding job of meeting this goal. Mr. Speaker, I ask unanimous consent to have printed in the RECORD an editorial entitled: "Head Start Works in Des Moines Area" which appeared in the Des Moines Tribune of July 29, 1981.

It is as follows:

HEAD START WORKS IN DES MOINES AREA

Joan Beck says in an accompanying column that Head Start has strayed from

its original purpose. That purpose was enriching the environment for low-income children to develop their learning abilities so they could enter school ready and eager to learn. A look at local Head Start programs indicates that Beck's criticism does not apply to the six-county program administered in Des Moines. The Des Moines program is a heartening example of cooperation among public schools, a private university, parents, community organizations and federally financed officials.

Head Start locally is run by Drake University's Education Department, which took it over four years ago and now works with county and city governments and school districts in Boone, Marion, Jasper, Story, Polk, and Warren counties.

The program takes low-income children (10 percent of the pupils must be handicapped) and provides three-hour sessions in a classroom four days a week in the year just before the children enter kindergarten.

There was financing last year for 360 pupils; 424 went through the program because of departures and late arrivals. Each child receives a physical examination and help in getting whatever medical care is needed. The program pays for meals, transportation, speech and language services, parent and home services and a one-to-five ratio of adults to children in the classroom: all this for a cost of \$709,000 this year—including \$58,000 that Head Start was allowed to carry over from last year.

Those who run Head Start here stress two things: The core of the program is education, contrary to what Beck says, and the rest is tailored to the needs of the individual children and parents.

The director of education, a former Head Start parent who has been with the program for 15 years, believes that educational levels have been stepped up since she came into Head Start. Drake has drawn up an education plan based on performance standards to follow national guidelines for achievement. In Des Moines, the program is linked directly into the kindergarten curriculum that follows it.

Parents meet once a month and elect from their ranks a council to help set policy for the six-county area. Parents run their own meetings, set their own agendas and receive help from Head Start officials on bringing in expertise in whatever area they decide they need it, from nutrition to career planning.

The spillover from the program includes home-school workers who work with parents—the children's "first teachers" who are indispensable in the Head Start educational program; health-care visits for the children where parents, too, inevitably learn about their own health needs and those of other members of the family, and where preventive health care is stressed; and the sense of community involvement that comes from sharing in such undertakings as fund-raising to enable the children to have special trips or to buy equipment for the centers.

The central purpose of Head Start is bringing disadvantaged children into a stimulating learning environment so that they can compete successfully with more fortunate children when they get to school. The latest data indicate that this is happening. In a study of a Michigan Head Start program released last year, tracking children through the age of 15, those who had been in the program showed higher scores on reading, mathematics and language achievement than a control group who had not.

They showed fewer anti-social and delinquent tendencies. Preliminary data follow-

ing the students through age 19 show that the early learners were more likely to finish high school and get jobs or go to college than those in the control group, and less likely to end up on welfare.

Results like this led President Reagan to include Head Start in his "safety net" programs and to request \$950 million for it for 1982. The popularity of the program brought a bipartisan outcry when it was left out of the Federal budget, some say inadvertently. There seems to be little doubt that legislation reinstating the money will be acted on separately.

But Head Start does not stand alone. Some Head Start teachers are CETA employees, some of the children rely on federally financed nutrition programs, some need Medicaid for health care, and some benefit from federally financed education programs for disadvantaged children once they reach elementary school.

To date, local Head Start officials have brought an extraordinary degree of resourcefulness and cooperation to the aid of low-income children. They have more than earned the active support of the community as they face the new test created by social-program cutting now going on in Washington.●

PENTAGON THREAT INSULTS CONGRESS

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. GREEN. Mr. Speaker, the threat by the Defense Department to withhold military aid to Israel if Congress rejects the AWACS sale to Saudi Arabia is insulting to Members of Congress who oppose the AWACS sale. It grossly misconceives the basis of our opposition.

We do not oppose the AWACS sale because Israel opposed it.

We oppose the AWACS sale because it is not in the best interest of the United States.

Surely, after our experience in Iran, the Pentagon ought to understand the risk inherent in giving top secret military equipment to a despotic regime that could crumble as quickly as did the Shah—and thus permit the AWACS to fall into unfriendly hands.

Surely, after our experience in Iran, the Pentagon ought to understand the folly of relying on Saudi Arabia to maintain military stability in the Mideast.

To threaten our one truly stable ally in the Mideast—Israel—with retribution if Congress exercises its statutory right to veto the AWACS sale is to cut off one's nose to spite one's face. It is an insult to Members of Congress exercising the independent judgment for which their constituents send them to Washington.●

MACARTHUR THE DIPLOMAT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. McDONALD. Mr. Speaker, much has been written and discussed about General MacArthur's talents in military strategy and his flair for public relations, but to date very little has been written to evaluate his talents as a diplomat, which were considerable. MacArthur had a great sense of history and knew Asia as few men knew the area. His magnificent handling of Japan in the postwar years was described in a recent article in the *Asia Mail* by Marie D. Strazar. It also discusses MacArthur's role in the peace settlement with Japan in the August 1981 issue. The article entitled: "Dulles Versus Yoshia" is included in part, for the edification of my colleagues.

One man with a clear strategic view of Japan's importance to the U.S. was General MacArthur. His role in the San Francisco Peace Treaty negotiations was an interesting one.

MacArthur held a particular vision of how postwar Japan should be treated, and what its international position should be at the conclusion of the Occupation. Dulles, as chief negotiator of the Japan-U.S. treaty, seems to have given considerable weight to MacArthur and his views on Japan.

MacArthur felt that Washington's vision was fixed too narrowly on Europe; not enough attention was being given to Asia. He was determined to correct the astigmatic vision of the United States towards Asia.

MacArthur deliberately thrust the peace treaty issue into the public spotlight in March 1947 by accepting a standing invitation to lunch with the Foreign Correspondent's Association in Japan. Afterward, when MacArthur offered to answer questions "on the record", for publication, the surprise was so genuine that many a newsman had neither paper nor pencils. Russell Brines, AP bureau chief in Japan at the time, remembers the meeting. "The General's highly articulate and well prepared comments on a peace treaty were . . . astounding, for the Occupation was still too vigorous to permit much speculation or much thought among foreigners in Tokyo over the basis for an eventual settlement. MacArthur's gesture succeeded, however, in implanting the subject so firmly that speculative stories on the peace were not unusual thereafter. I have no doubt that this was his major purpose."

Back in February 1946, Secretary of State James Byrnes had indicated in a press conference in Washington that when work on the treaties with Italy and the Balkan States was completed, work on those with Germany and Japan would commence. But until MacArthur's sally, nothing else specific to a Japanese peace treaty had been formally enunciated.

During the course of his press conference, MacArthur had indicated that the military phase of the Occupation was essentially completed. Japan was demilitarized and her troops demobilized. The political phase of establishing democracy in the country had proceeded about as far as it could under an

Occupation. Economically, Japan needed help to attain stability or she would become even more dependent upon the United States. A peace treaty, MacArthur declared, should be negotiated as soon as possible. Spoken in early 1947, at a time when the designs for Japan were still punitive ones, MacArthur's proposal for the conclusion of an early peace held out new hopes for the Japanese.

Prime Minister Yoshida recognized an important ally in the General. MacArthur could be used to help Japan as well as the U.S.

Yoshida expressed outright admiration for sophisticated wielders of power like MacArthur. He mentioned to friends that he "found the Supreme Commander remarkably quick in sizing up a situation and acting on it." Yoshida's feelings toward other U.S. Occupational officials—especially liberated idealists—is revealing.

"If I did not get on well with the Government section, or with those whom I have called idealists," he wrote, "I did for some reason or other establish many friendships among men who were professional soldiers . . . Though they were military men, many had cultured backgrounds and, what was more to the point, they were people who placed the actual effects of the Occupation administration above theories, so that, once convinced that a proposed measure had practical value, they were prepared to help and encourage us without troubling themselves with what had gone on before."●

RECOMMENDATIONS TO IMPROVE SERVICES FOR THE ELDERLY

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. ROYBAL. Mr. Speaker, the No. 1 issue affecting older Americans today is a retirement income crisis that already affects millions of persons 65 and older and threatens to engulf many more.

However, income alone will not solve all the problems of the elderly. Older Americans also need services. Consequently, it is imperative that our Nation develop a sound and comprehensive social services strategy to complement an effective income strategy.

Services can be cost effective for our Nation, particularly those that enable older persons to continue to live independently in their own homes rather than being placed in a nursing home at a much higher public cost. Most older persons would prefer to remain in their own homes if at all possible. And many can, if appropriate in-home services are available.

Transportation is also a valuable service for the elderly. Many now live under a form of house arrest, cut off from friends and service providers. Without transportation services, large numbers of elderly experience serious problems.

In addition, the elderly need legal services. Most persons 65 or older have

had little contact with Government during their younger years, except, of course, to pay their taxes or perform their military obligation.

But upon reaching age 65, Government programs, such as social security, medicaid, and others, become vitally important for them. Unfortunately, these programs are oftentimes expressed in legalistic language which is not readily understandable by senior citizens. This problem is intensified for Hispanics, Asians, and other groups of senior citizens who may have limited English ability.

Legal services can help assure that older Americans receive benefits to which they are entitled. This is only fair because they typically have paid taxes during their working years with the expectation that these benefits, such as social security, will be available when they retire.

The legislative council of the National Retired Teachers Association and the American Association of Retired Persons recently developed recommendations to improve services to the elderly.

I am especially pleased that the council favors continuation of the congregate housing services program, which allows frail and temporarily disabled older persons to remain in their homes and not be forced unnecessarily into a nursing home.

The recommendations of the legislative council deserve the close and careful attention of the Congress.

For these reasons, Mr. Speaker, I submit the service recommendations of the NRTA and AARP Legislative Council to be printed in the RECORD.

NRTA-AARP 1981 FEDERAL AND STATE LEGISLATIVE POLICY RECOMMENDATIONS HOUSING

For the elderly, adequate housing at an affordable price is essential to other aspects of their lives such as maintenance of health and protection against crime. Since the cost of housing consumes nearly one-third of their family budget, government financial assistance that helps them afford adequate housing also helps them afford adequate food, fuel, and medical care.

The government must assure an adequate supply of shelter—with related services—for the elderly and should financially assist low and moderate-income older persons with the cost of housing. Any elderly housing program should be flexible in both the types of housing made available and eligibility standards. In addition, government programs should promote living arrangements, such as group homes, as alternatives to institutionalization and give special attention to the housing needs of the rural elderly.

The Section 202 Housing for the Elderly Program and the Section 8 Rental Subsidy Program represent the government's policy response to the elderly's housing needs. The Section 202 program should remain the primary vehicle for influencing the supply of housing and should be expanded. Section 8 funds, which provide rental subsidies to low-income individuals, should continue to be available in increasing amounts for use with

Section 202 projects. In addition, to stimulate construction, rehabilitation and use of existing housing, the Department of Housing and Urban Development (HUD) should continue efforts to expand the role of State Housing Finance and Development Agencies and Local Housing Authorities.

Sufficient funds should be appropriated to the congregate housing services program under the Housing and Community Development Act. Since this program provides shelter along with nutrition, housekeeping and personal care assistance for the elderly in public and private, non-profit housing projects, it can enable many older persons to remain in a residential setting and out of expensive nursing homes. In implementing this program, coordination of support services needs attention. HUD must cooperate with the Administration on Aging (AOA) in evaluating the impact of home maintenance, nutrition, transportation and home-maker/home health services programs that enable the elderly to remain in their homes. In addition, HUD should emphasize demonstration projects dealing with residential security and reduction of crime.

As an adjunct to government efforts to help the elderly remain in their homes, the concept of the reverse annuity mortgage should be thoroughly explored. Under this concept, older homeowners would be able to convert their home equity into current income while still retaining title and possession for life. However, appropriate safeguards must be established to protect older homeowners against fraudulent loss of both home and equity in such actions.

Seemingly at variance with government efforts to help the elderly remain in their homes is the recently released HUD report recommending that federal grants be withheld from cities which have rent control laws in place. Such controls, opponents charge, discourage investment in new rental properties, encourage conversion of existing properties to condominiums or cooperatives and prevent landlords from generating enough income to maintain rental properties. Although the Associations are sympathetic to some of these arguments, rent controls could not be lifted abruptly without causing severe hardship to and perhaps displacement of low income renters, many of whom are elderly. Therefore, the Associations oppose the HUD recommendation. However, we would support tax incentives to encourage development of moderately priced rental units and subsidies to community agencies to develop plans for developing sufficient rental property to meet local needs. Once these tax incentives and plans produce additional units, rent controls could be removed.

Finally, minimum national standards for disclosure and consumer protection of purchasers, owners and tenants in condominium sales and conversions should be established. These same consumer protections and improved warranty service should be extended to those living in mobile homes and mobile home parks.

LEGAL SERVICES

Legal service programs are particularly important to the elderly because large numbers of them cannot afford to purchase legal representation privately. Legal service programs tend to be responsive to the unique legal problems of the elderly, such as problems involving government program benefits or instances of age discrimination. Since these programs provide needed and valuable assistance, the Associations support the expansion of legal service programs

under the Legal Service Corporation and the Administration on Aging (AOA).

NUTRITION

Balanced, nutritional diets can help older persons avoid chronic ailments and high medical expenses. However, such diets require that the elderly be able to determine the nutritional ingredients of packaged foods, have no severe income limitations, and be informed as to what constitutes proper diet.

Mandatory labeling standards should be developed listing nutritional values, ingredients by percentage and other essential consumer information. Descriptive illustrations on product or shelf should be used to convey such information. The food industry should also be encouraged to offer products which contain minimum or negligible quantities of salt and/or sugar to accommodate those who are on restricted diets. Food retailers should utilize both unit and item pricing.

The AOA Nutrition Program, with its home-delivered meals aspects, provides needy elderly with at least one nutritional meal a day, five days a week. Although outreach is required under the program, it is often not attempted since the program is already operating at the maximum level permitted by funds available. Better information is needed to determine the potential number of eligible participants and thus the maximum program cost. Once that information is obtained, the funding deficiency should be remedied. A study should also be undertaken to determine the extent to which home-delivered meals, particularly in rural areas, can be supplied in frozen form so that they could be delivered less often.

To date, nutrition education has been minimal and rarely directed toward the elderly. Therefore, nutrition education programs should be developed with special focus on low-income and minority elderly groups.

THE OLDER AMERICANS ACT AND SOCIAL SERVICES

The Older Americans Act (OAA), the only categorical, federal, social service program for the elderly, should be expanded in funding and scope to meet present and future needs. Increased funding is particularly needed if the innovations and improvements made by the 1978 OAA Amendments are to be implemented. It is important that each state designate a single-purpose agency, or a multi-purpose agency (which is required to designate a single organizational unit) and delegate to such agency responsibility for the major aging matters within the state. The community focal point concept emphasized by the 1978 Amendments reflects Congressional dissatisfaction with the lack of service information and service coordination.

The 1978 Amendments added focus on home-delivered meals for shut-ins in the Nutrition Program. Although this is a step forward, it must not result in a de-emphasis of congregate meals. The balance between congregate and home-delivered meals should depend upon the need in each planning and service area as determined by area agencies in consultation with Nutrition for the Elderly Program administrators.

While the federal and state governments must be urged to increase funding of OAA programs, the state and area agencies on aging structure must be relied upon to stimulate and coordinate local resources for the delivery of services. States are required to develop an intra-state formula for distribu-

tion of Title III funds under area plans. Besides taking into account the population age 60 and over, a new formula ought to provide a minimum funding base for each area plan and reflect distribution of older persons with the greatest economic needs. This last requirement would help correlate funding with racial and minority needs.

With respect to social services under Title XX of the Social Security Act, administrative linkages should be strengthened between state plans under OAA and state social services plans under Title XX. Also, older individuals and local programs should participate in the Title XX planning process as well as in the commitment of Title XX funds to carry out the goals of state and area agency plans. Funding and Congressional oversight of the Title XX program should be increased to ensure that services are received by the most needy and that arbitrary "cutoffs" are avoided. The Title XX provision for protective services and information and referral services (which should be available to all persons without regard to income) should be strengthened to ensure that states provide these services.

Although many state and local social service programs are supported by revenue sharing funds, the elderly have received less than their fair share of these funds. To correct this, the federal government should require that greater consideration be given to the elderly's needs in distributing revenue sharing funds and that they be given opportunities to be involved in the fund allocation process.

Federal policy should encourage and strengthen the provision of social services by families, volunteers and community groups. Families and unrelated persons who provide care for older persons should be helped financially (see HEALTH POLICY and TAX POLICY for further discussion), educated in methods of caring for dependent members and made eligible for social support services.

New and expanded roles should be created for volunteers and adequate training, supervision and some compensation for expenses should be provided for them. The use of volunteers can be encouraged through Area Agencies on aging, community mental health centers, and ACTION programs, such as the Retired Senior Volunteer Program (RSVP) and the Senior Companion Program (SCP).

Finally, there should be a comprehensive national study of social services most needed by and provided to the elderly. This should include an examination of the different ways of providing services, how services provided by families and informal support networks can be strengthened, and overall financing and manpower needs. Problems of underserved groups should be examined, especially minorities and those in rural areas.●

AMERICAN SYSTEM OF FREE ENTERPRISE—NEVADA LEGISLATURE

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. SANTINI. Mr. Speaker, I take this opportunity to make my colleagues aware of a piece of bipartisan

legislation that was passed in the recent session of the Nevada State Legislature. This legislation requires that instruction be given in public high schools in matters concerning the American system of free enterprise.

For the information of this Congress, I would like to highlight the most significant points of this State bill.

First, the economics of the American system of free enterprise must be taught in all the public high schools in this State.

Second, the lessons must: (a) Emphasize the benefits of free enterprise as compared to other economic systems; (b) teach the principles of the profit motive and competition and the way in which investments generate progress and growth in the economy; (c) introduce pupils to the principles of owning and operating a small business; and (d) provide instruction in personal finance, including services available from financial institutions and the methods of obtaining and using those services.

The bill also directs the school districts to perform this economics instruction in cooperation with the people in the community who are engaged in business, and with labor organizations, chambers of commerce and other service organizations to obtain speakers and other assistance in carrying out the requirements of this section.

Mr. Speaker, this kind of legislation is needed at the local level in order for our school districts to properly prepare our young people to live in a world that is becoming ever more complex. I congratulate the Nevada Legislature on the insight and dedication to proper education which they have shown with the passing of AB-396 of the 1981 legislative session. I am proud to share information about this new State law with my colleagues in the House of Representative. ●

DNC CHAIRMAN MANATT DENOUNCES REAGAN ECONOMIC PLAN

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. PHILLIP BURTON. Mr. Speaker, once again Congress is being asked by President Reagan to thoughtlessly slash funding for programs which have been effective and valuable for millions of our citizens. The Reagan economic plan was recently denounced in a rousing speech by Democratic National Committee Chairman Charles Manatt before the convention of the United Brotherhood of Carpenters and Joiners of America. The speech follows:

I am delighted to join you for your historic centennial convention. The craft unions are as old as America. And no union has done more to make our nation strong and just than this great organization of Carpenters and Joiners.

This is also a historic day for you because you have been honored by a visit by the President of the United States.

Whatever our political differences, we Americans respect and revere that great office, and in time of need we rally behind our President.

But it is precisely because I respect the office of the President and the great promise that it holds for America that I must speak candidly to you today about the policies of this Administration.

You have seen firsthand today why President Reagan is called the "great communicator." My fellow Californian truly knows how to give a speech.

But my friends in the Carpenters Union, there is an old saying in America. Actions speak louder than words. At this time we need to review not the President's words but the actions of this Administration.

Go down the list of every benefit, protection, and gain that you have fought to win for working people in your proud history, and look what this Administration has done.

Social security benefits, slashed; Davis-Bacon protection, gutted; unemployment insurance, cut; health and safety standards, weakened; food stamps for striking families, eliminated; loans to educate your children, reduced; and federal programs to build houses—programs that mean jobs—cut back, cut out, and crippled beyond repair.

Now we know why they took down Harry Truman's picture from the Cabinet room and put up a picture of Calvin Coolidge instead.

This is the most anti-union, anti-labor Administration in Washington since Calvin Coolidge was President more than 50 years ago.

Actions speak louder than words.

Remember all those beautiful television commercials the Republicans ran last year showing Mr. Reagan outside all of those shut down factories promising jobs, promising growth, promising lower interest rates.

Now the Republicans economic program is enacted and let us look at what it means.

The prime rate hovers near 20 percent and they are talking recession again. One million fewer homes will be built in America this year under the Republicans than were built three years ago. And one out of every six construction workers in this country cannot find a job.

Let us take a vote of this convention: Is that your idea of economic recovery?

The Republicans say they have a new idea called supply-side economics. This is how it works.

If you earn \$200,000 a year, your net taxes will be cut over \$4,000 by 1984. If you earn \$15,000 a year, your net taxes will go up more than \$1,000 during that same time.

As the old saying goes, a rose by any other name is still a rose. Trickle-down economics is still old fashioned Republican trickle-down economics.

One year ago in this very city, President Reagan gave the major economic speech of his campaign. And this is what he said:

"The time has come for the American people to reclaim their dream."

Last quarter, the gross national product of our country declined 2 percentage points. Annualized inflation jumped over 15 percent last month. And now they are talking

about \$100 billion federal deficit in 1984 or maybe sooner.

Is that your idea of the American dream?

It sounds like a Republican economic nightmare to me * * * trickle-down economics.

The President will blame anyone but the White House for the economic situation. But his Secretary of the Treasury, Donald Regan, spoke more candidly on "Face the Nation" just a few weeks ago about the interest rates that are killing the housing industry. He said:

"We're not happy with these high interest rates, but it's like bitter medicine. It's one of the side effects of our fight against inflation."

Well, I have news for the Republicans. When you go to a doctor and the medicine he gives you makes you sicker than you were before, you get yourself a new doctor just as quickly as you can. And that is exactly what the American people are going to do to the Republicans on election day.

Part of that American dream the President spoke so eloquently about is the dream of owning a home, and your members have the skills to make that dream come true.

But go down the list of federal housing programs and this Administration, still the bastion of trickle-down economics, has cut them down to the bone.

Section 8—100,000 fewer homes will be built under the Republicans.

Section 235-mortgage assistance—cut out entirely.

FHA home mortgages—\$3 billion less. The Administration first asked Congress to cut nine.

And over \$2.5 billion in federal backing for new construction—(Ginny Maes)—cut by the Republicans.

Actions speak louder than words, my friends. We don't have home builders in the White House today. We have a Republican wrecking crew.

In that same economic speech one year ago, President Reagan promised the American people, and I quote: "The integrity of the Social Security system will be defended by my Administration and its benefits once again be made meaningful." That promise won the Republican a lot of votes. Now look at their actions rather than their words.

3 million older Americans—100,000 of whom are over 90 years of age—cut off from their \$122 a month minimum benefit by this Administration.

2 million children of American workers disabled on the job—their Social Security benefits cut by 25 percent.

And 1,300,000 young Americans—trying to work their way through colleges and trade schools—all their Social Security benefits cut by 1982.

Action speak louder than words. The Republican Party is a friend of Social Security the way Colonel Sanders was a friend of chickens.

This Administration—and its spokesmen like David Stockman—talk as if Social Security recipients were statistics. But you know they are flesh and blood human beings.

Take one of your members here in Chicago—a carpenter who has worked 40 years on the job helping to build America.

That union brother has paid his taxes; supported his family; and been a law abiding American all his life. But now that that carpenter is getting on in years. He wakes up every morning and his bones ache with arthritis. Or maybe that back injury he suffered years ago is giving him more and more pain. And like a lot of your members, that

carpenter just may not be able to find steady work anymore because of this Administration's policies.

The one thing that carpenter thought he could depend on in this world of uncertainty was receiving that Social Security retirement check that he had contributed toward all those years. Now this Administration and the Republicans want to take that check away. If the program proposed by the Reagan Administration becomes law, that carpenter—and every other American worker who retires before age 65—will lose 40 cents out of every dollar in his Social Security retirement check.

My friends, it is wrong. It is inhumane. And we are not going to let the Republican Party destroy our Social Security system.

That Social Security retirement check is a contract between the government and the people—just as solemn as the contracts you sign and administer every day.

And with all due respect, it strikes me as a little strange that a President who fires 12,000 air traffic controllers because he says they broke their no-strike pledge does not seem very troubled about breaking his pledge to millions of American workers not to cut their Social Security benefits.

I am not going to stand before you and defend every action PATCO has taken or even their decision to strike. But this much I will say.

The President of the United States ought to be a bigger individual than to praise Polish workers for striking against their government and then jail American workers for doing the same thing.

This strike could be settled by negotiations, but this Administration is not interested in talking with organized labor.

Right now, the Department of Housing and Urban Affairs, is acting to foreclose immediately on any federal mortgage held by a striking air controller. It wasn't enough to fire 12,000 workers. Now the Administration wants to throw them out of their homes.

My friends; those are not actions befitting the government of the United States.

Unfortunately, those actions are typical of Republican attacks today on the labor movement.

It is the Republicans who want to bring the Justice Department and FBI into local labor disputes by amending the federal Hobbs Act—but only against the union side.

It is the Republicans who want to forbid unions from using treasury money for any political activity—but give the companies a green light.

And it is the Republicans who want to break your bargaining power with antitrust laws, but look the other way while the largest corporations in America gobble each other up.

Is that your idea of a birthday present on the 100th anniversary of the Carpenters' Union?

President Reagan may have had a union card once, but actions speak louder than words. The radical right Republican Party is no friend of organized labor today.

I do not stand before you as Chairman of my Party claiming Democrats have simple answers to every problem facing America today. But this much I can say.

From Social Security to the Voting Rights Act, we Democrats and the labor movement have fought side by side for social justice in America and opportunity for all.

No Democratic President would preach the virtue of hard work and then throw one million Americans out of their jobs through savage budget cuts.

No Democratic President would drive the federal deficit skyhigh and then try to balance his budget on the backs of those dependent on Social Security.

No Democratic President would make high interest rates and tight money the centerpiece of his economic program and then sit back and do nothing while construction workers and home builders watched their livelihoods destroyed.

And no Democratic President would go before the American people and proclaim that our government is the cause of every social evil that we face and that the only way to solve our problems is to unleash the forces of selfishness and greed.

We Democrats are proud to be known as the Party of the people. We believe that all Americans deserve a chance to share in the bounty of our nation and all Americans must be a part of solving the problems we face. But that is not the mirror of America you see reflected in this Administration.

This is an Administration that came to Washington in private jets and limousines, and cannot understand why some people need to use public transportation.

This is an Administration whose members strive to outdo one another with lavish private parties, but says America's first priority is to cut food stamps for the poor.

This is an Administration that calls our Vietnam veterans heroes one day and then cuts all their psychological counseling clinics on the next.

On every issue you can name—from the tax cuts to human rights—this is an Administration of privilege and profit—that chooses the haves over the have-nots; the rich over the middle class; and the powerful over the vulnerable.

Are those the values you have fought for all your life in the labor movement? Are Jesse Helms, Strom Thurmond and Orrin Hatch the kind of leaders America needs to solve the problems that we face?

My friends in the labor movement. We must hold fast to the pillars of our beliefs. It is time to take a stand.

Let us join together, labor and the Democratic Party and progressive Americans everywhere. Let us say "no" to trickle-down economics, and no to Social Security cuts. No to the Republican Party's war on labor's rights. And no to the Jesse Helms and Orrin Hatch of this land.

In every state, local and congressional election, in every Governor's and Mayor's race: let us give the Republicans a chance to enjoy the early retirement that they have so richly earned.

Let us restore to America the kind of government our people need and deserve; a government that respects the labor movement; fights for the working family; and strives to uphold the ideals of social justice and decency that make us proud to be Americans.

Franklin Roosevelt gave us our marching orders in the last words he wrote before he died. He said:

"The only limit on our realization of tomorrow will be our doubts of today. Let us move forward with strong and active faith. ●

LET US SOLVE THE SLOW-PAY PROBLEM

HON. LES AU COIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. Au COIN. Mr. Speaker, with so much attention being paid to bringing financial discipline to the Federal Government, we have overlooked one of the more shocking practices of the Federal bureaucracy, a practice that affects millions of small businesses all across America.

Simply put, the problem is that the Federal Government does not pay its bills on time.

I rise today, Mr. Speaker, to call attention to this problem and urge my colleagues to support a bill, H.R. 2036, that offers a solution to it.

While most businesses pay their bills in 30 days or less, about 39 percent of the Federal Government's bills are paid late, according to the General Accounting Office. While this may seem like a harmless oversight on the part of Federal managers, it is actually a pernicious business practice that robs small business of millions of dollars. Looked at another way, the Federal Government is actually borrowing from small business without permission \$11 billion a year by not paying its bills promptly. Because 90 percent of the everyday products purchased by the Federal Government come from small firms, the largest chunk of this \$11 billion problem lands in the lap of small business.

Small business in my own State of Oregon is not much different from small business elsewhere in the country. But in Oregon the economy has been severely shaken by high-interest rates; our timber and housing based economy is on its last leg. For the State's small businesses that must fight high-interest rates and a general decline in sales, the Federal Government's slow-pay policy means the margin of difference in surviving these hard times. In fiscal year 1980 for example, the Federal Government had a total procurement tab of \$403 million—sizeable for a small State, and even greater if you were the owner of a small company trying to get by in hard times.

H.R. 2036, of which I am a cosponsor, offers a solution. This bill would require Federal agencies and persons carrying on federally assisted programs to pay interest to business concerns on overdue bills and lease agreement payments, and to take early payment discounts only when payments are made in a timely way.

Some might say that this bill will cost the Federal Government money. But there will be no cost to the Government if its bills are paid in a timely

way. Moreover, it would act as an incentive to encourage agencies to review their procedures so payments can be disbursed efficiently. This can only work to save the Government money.

Mr. Speaker, when our constituents are late in paying taxes or other bills owed to the Federal Government, they must pay interest. It seems only fair that when the Federal Government is overdue in its bills that interest should also be paid.

I am pleased to see the widespread support for this legislation; more than 20 trade associations endorse this bill. I am also pleased that 93 Members of the House are cosponsoring the bill but I want to encourage those who have not to look carefully at the slow pay problem and to get behind the solution this bill offers. ●

NATIONAL CONFEDERATION OF AMERICAN ETHNIC GROUPS REQUESTS RESOLUTE FOREIGN POLICY TOWARD THE U.S.S.R.

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. DORNAN of California. Mr. Speaker, since 1956, the National Confederation of American Ethnic Groups, Inc., has been the voice of uncompromising Americanism and resistance to Marxist-Leninist totalitarianism.

This organization, representing 18 different groups of Americans of European, Asian, and Latin American heritage constitute in 34 national and State organizations, held its national convention on May 31, 1981, which re-elected President Edward S. Yambrusic, Esq., Executive Vice President Z. Michael Szaz, Ph. D., and Secretary-Director of Activities Radi Slavoff. It also elected George Georgiev as treasurer and the following vice presidents: Nicholas Grego, M.D., Mrs. Valentyna Kalynyk, Ph. D., Dean Blair Kolasa, Ph. D., J.D., Mrs. Angela Luvara, John Mahar, Ph. D., Mrs. Lilia Piaticia-Rastrigin, Le Phuoc Sang, Ph. D., and Hon. Olive S. Stoker. Chairman of the National Assembly of Representatives remained Joseph C. Swider and the two vice chairmen are Cynthia Maleski, Esq., and Helmut Kister.

The policy statement reflects the views of the 18 ethnic groups and form a cohesive blueprint for consideration of policies vis-a-vis the Soviet Union and its surrogates in Europe, Asia, and Central America. I insert at this time the text of the policy statement which was also sent to Secretary of State Alexander Haig.

POLICY STATEMENT

The National Confederation of American Ethnic Groups, Inc., constituted of 34 na-

tional and state organizations representing 18 different groups of Americans of European, Asian and Latin American heritage, congratulates the Reagan Administration on its recent initiatives to confront Soviet expansionism in the Middle East, Asia, Africa and Central America.

The NCAEG considers Soviet aggression, whether direct (Afghanistan), or indirect (Angola, Ethiopia, South Yemen) as the major threat to world peace. The NCAEG asserts that strong economic, political and military countermeasures are necessary to maintain the balance of power and the freedom and territorial integrity of the nations of the free world.

The NCAEG has specific concerns on foreign policy, reflecting the views of its constituent organizations.

First, many of us, or our parents and grandparents, arrived from areas which now form parts of the U.S.S.R., or its East Central European satellites. Thus, we remember the erroneous moves of the Roosevelt Administration offering political and territorial concessions to the Soviet Union for entering the war against Japan and for maintaining the illusion of the Grand Alliance. These concessions profoundly affected the region, allowing Soviet political and military control of East Central Europe in return for empty promises of free elections which were either never held or later aborted by Soviet intervention.

Despite the executive agreement character of the Yalta Agreement, it was invoked by Ambassador Dobrynin on August 27, 1968 while announcing Soviet invasion of Czechoslovakia to President Johnson. Thus, at least the U.S.S.R., considers the agreement still in force. Soviet efforts to secure the Helsinki Accords of August 1, 1975 were also based on Soviet insistence that the territorial changes and the political status quo in Eastern and Central Europe must be fully recognized by the United States and its NATO allies.

We must end exportation of high technology items which could be of direct, or even indirect use, to the military efforts of the Soviet Union and its satellites. Detente produced the Kama river project, undertaken by the Italian Fiat and French Renault works and financed partially by the Ex Im Bank of the United States. It produced the trucks transporting Soviet troops to Afghanistan and to the borders of Poland. Not only should we act unilaterally, but also influence our allies in NATO to enlarge the COCOM list of exports forbidden to the Soviet bloc.

We must also give second thoughts to Ex Im Bank and private financing of trade with the Soviet Union. According to recent press reports, Western governments and banks have extended more than \$80 billion in loans to the U.S.S.R. and its satellites, creating a financial bond that could be rent only at the risk of financial collapse of the West.

Human rights have been a leitfaden in our policy toward both our allies and adversaries. Yet, in doing so, we paid disproportionate attention to deserving religious and dissident groups in the Soviet Union underplaying other religious groups and ethnic nationalities within the Soviet Empire. In the U.S.S.R. more than half of the population is non-Russian and, in addition to the deprivation of their human rights, they enjoy little, if any, cultural rights and no national self-determination.

We would like the Administration to concentrate more on the public denunciation of the grievous human rights violations com-

mitted by the governments of the U.S.S.R., Czechoslovakia, East Germany, Romania and Bulgaria. The persecution of religious groups, including the Catholic and Protestant churches and the takeover and misuse of the Orthodox churches in Romania and Bulgaria should be exposed in detail together with the brutal suppression of workers' dissent in the U.S.S.R. and Romania.

In addition, the U.S. should encourage the awakening national self-determination ambitions of the peoples of the U.S.S.R. We must condemn forced Russification and the oppression of the non-Russian peoples in European and Asiatic Russia, including the Ukrainian, Byelorussian, Baltic, Cossack and various Caucasian peoples in the European, and the Mongolic and Turkomen peoples in the Asiatic part of the Soviet Union and speak out in favor of the eventual freedom and self-determination of these captive peoples.

In the long run, the only alternative to a major nuclear war with its inconceivable destruction remains the dissolution of the last colonial empire: the Soviet Union. In showing sympathy for the aspirations of these peoples, we would be acting within the guidelines of the U.S. Decolonization Resolution.

It is both our opinion and that of our constituent organizations that the principle of national self-determination, without the reservations contained in the Helsinki Accords, should form the backbone of our foreign policy toward the Soviet bloc. Aligning ourselves with the aspirations of these captive nations we would be acting in line with our finest traditions while helping destabilize the U.S.S.R.

For neither the Soviet Union nor its East Central European satellites are monolithic. The revolts of East Berlin (1953), Poznan (1956), Hungary (1956) and the Prague spring of 1968 in Czechoslovakia were past reminders of the continuance of the flame of freedom and democracy among the satellite peoples. The modest, but significant and concrete, achievements of the Polish workers since August 1980 demonstrate that even overwhelming military power is unable to arrest the struggle for human rights and a better economic existence. We must provide the Polish people with moral support, and economically, we must encourage reforms but also help the Poles with debt rescheduling and other assistance so that they may obtain economic improvements within the present framework of government.

In relation to the other satellite nations, we must show our empathy for their political and economic aspirations to decrease their dependence upon the Soviet Union. The details of this policy must be left to the Administration and to exigent circumstances. The long-term aim, i.e., the return of these states with traditions of nationhood over a millennium to national independence unfettered by Soviet military presence, should never be lost.

We particularly miss coverage of human rights violations in Bulgaria and Yugoslavia. While Yugoslavia is not Soviet-controlled, it shares a Communist government and severe ethnic and economic problems with the Soviet bloc. We should encourage liberalization trends and the recognition of ethnic rights of the constituent nationalities in Yugoslavia to a greater extent.

Besides the Soviet Union and Yugoslavia, there are at least two other nations with significant ethnic problems in East Central Europe. They are Czechoslovakia with its several million Slovaks and some Hungar-

ians, and to Romania with its two and a half million Hungarians and some Germans. In both cases, these ethnic groups are not only subject to political, but also to cultural oppression and are deprived of their self-government and national self-determination rights.

We salute the gallant freedomfighters of Afghanistan and call upon the Reagan Administration to extend any assistance needed and possible to them. We welcome the Administration's statement on Afghanistan. The invasion of Afghanistan was naked aggression adding a new chapter to Soviet aggression since World War II.

The Turkomen and Mongolic nationalities of the Soviet Union must be remembered in our policies. Increased VOA broadcasts in their languages would be an immediate step in developing an integrated policy toward them. We must, in general, upgrade our VOA and RFE/Radio Liberty broadcasts by satellite transmitters and strengthen our broadcasts in every major nationality languages spoken in the Soviet Union.

Several of our constituent organizations came from Vietnamese, Laos and Cambodian refugees. We believe, with President Reagan, that our involvement in Indochina was a noble cause aborted by internal domestic considerations, particularly by the United States Congress.

The end of our military engagement in Indochina must not mean the loss of our interest in the region. We must play an active role politically, diplomatically and economically to hasten the day of Indochina's liberation from the Communist regime in Hanoi. Special attention must be paid to the non-Communist elements in Cambodia as an alternative to both the genocidal regime of Pol Pot and the Vietnamese-backed puppet regime of Hang Samarin.

Finally, we must focus attention of the burden created by the exodus of the Vietnamese boat people, the Laotian refugees and the Cambodians in Thai camps on the border upon the countries of first asylum and the entire free world. Their presence, increasing every month, should encourage us to follow policies to create political and economic circumstances rendering escape unnecessary.

The NCAEG has concerns in Central America, too, as we represent free Cuban organizations. Cuba must be the central focus, as it is the Castro regime which spreads subversion to the Caribbean countries. We urge a policy of increased psychological warfare against the Castro regime, including the establishment of Radio Free Cuba, in order to bring hope to the Cuban people. The recent exodus from Muriel demonstrated the lack of support of the people for the Castro regime. Unless we can change the situation within Cuba, we might wind up with newer exoduses severely straining our hospitality, and serving as a safety vent for the Castro regime.

This is not opposite our policies in El Salvador and Guatemala. Assisting those fighting Communist and other Marxist subversion is in line with the Truman Doctrine and policies pursued ever since, and we congratulate the Secretary of State for his resolute stand on these issues.

All in all, we trust that the Reagan Administration, under the able foreign policy leadership of Secretary of State Alexander Haig, will produce indeed a new beginning in international relations. We hope that it will be based on the pursuit of national interests within the framework of the timeless values of our Judeo-Christian heritage

which is ably expressed in the Declaration of Independence and the Constitution: peace with freedom and justice.

The NCAEG will try to contribute its share to the success of these policies and asks the Reagan Administration to consider our specific suggestions in formulating and implementing the foreign policy of the United States. ●

CONGRESSMAN BOLLING OF MISSOURI WILL BE MISSED

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. SKELTON. Mr. Speaker, the recent news about our colleague from Missouri, RICHARD BOLLING, will end one of the most outstanding congressional careers in the history of our country. At a later date, I will more fully express my thoughts and respect for our retiring colleague, but I do wish, at this time, to insert into the RECORD an editorial from the Kansas City Times, dated September 2, which is a reprint from the Boston Globe concerning DICK BOLLING:

Congress, as its students know, is a slow-moving beat, slouching reluctantly toward resolution. Its "image" today might still be the Claghorn caricature of decades past were it not for the diligence and determination of one of its members, Richard Bolling of Missouri, who announced last week that this, his 17th term in Congress, would be his last.

Bolling is 65, one of the youngest congressmen in this century to serve as chairman of the House Rules Committee. Throughout the 1960s and 1970s, he was the most persistent and persuasive critic of the congressional seniority system, calling it "abusive to democratic principle." Long before the post-Watergate infusion of rectitude, he labored to make Congress more democratic and responsible, while others preferred the lethargy of the status quo.

Bolling was blunt, a trait he shared with his fellow Democrat from Kansas City, Harry Truman. He did not suffer fools gladly, as demonstrated during two losing contests for House majority leader, in 1962 and 1976.

His two books on congressional power angered colleagues who enjoyed the mindless, automatic progression of the system. "Those who best profit by this untenable system naturally are the Southern Democrats snugly entrenched in their safe, one-party districts," he wrote. "Not even a garden club would let itself be run this way."

In the 1960s, one of the notable rivalries in the House was between Bolling, a protege of the late Speaker Sam Rayburn, and Thomas P. O'Neill Jr., protege of Speaker John W. McCormack. The two did not agree on approaches to changing congressional rules until the 1970s, when O'Neill successfully sponsored Bolling's proposals to make voting in the House more accountable.

When O'Neill became speaker, he received Bolling's total loyalty and dedication. "No two people in the House know, understand and like each other more," O'Neill said at Bolling's retirement announcement last week. "He is my strong right arm."

As chairman of the Rules Committee last year, Bolling was more effective than others in the House leadership by at least guaranteeing a fair fight against the tide of Reaganomics. The Ways and Means Committee chairman, Dan Rostenkowski, could not persuade members of his committee to support a Democratic compromise. House Majority Leader Jim Wright lost eight of his fellow Texans to the Reagan tide.

Speaker O'Neill will miss him and the country, too, will lose an eloquent and persistent voice of common sense in Congress. Fortunately, Dick Bolling is unlikely to be inactive or silent for very long. ●

THE CHINA CARD

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. SOLOMON. Mr. Speaker, I would like to draw the attention of my esteemed colleagues to some abstracts from "Symposium on ROC-U.S. Relations" by A. James Gregor published in Asian Outlook. Mr. Gregor brought out the fact that the Carter administration's hasty decision to establish formal diplomatic relations with Peking were based on two assumptions: First, that the People's Republic of China, given Western technology and military aid, would have the capability of containing Soviet expansion and that this capability would compel the Kremlin to assume a more defensive and détente-oriented foreign policy; and second, that the armed forces of mainland China would not be able to successfully attack the Republic of China or extend Communist Chinese power beyond the confines of its present borders. Mr. Gregor argues that these assumptions are faulty and presents some very solid points in his refutation.

In our determination to contain Soviet imperialism, let us not forget the fact that mainland China is still a Communist country whose political system represents everything that is contrary to the principals upon which our Nation was founded. Therefore, we must be especially prudent, lest we overlay the so-called China card.

At this time, I would like to insert Mr. Gregor's article into the CONGRESSIONAL RECORD.

SYMPOSIUM ON ROC-U.S. RELATIONS

THE REAGAN ADMINISTRATION'S CHINA POLICY OPTIONS

(By A. James Gregor, University of California, Berkeley, Dec. 8, 1980, Taipei, Taiwan, ROC)

At the commencement of a new administration one can only venture upon educated guesses concerning the course of its subsequent foreign policy. In any given situation an indeterminate number of variables influence major foreign policy outcomes. As a case in point, it would have been difficult to anticipate the Nixon Administration's East Asia policy at the commencement of Rich-

ard Nixon's term of office. In retrospect we can begin to sort out, with some plausibility, the impact of domestic influences, economic and strategic concerns, personality variables and institutional factors in shaping the Nixon foreign policy. But when asked, in prospect, what any administration's foreign policy might be, at best we are invariably left with educated guesses.

Given such disclaimers, however, it does seem possible to suggest some of the major constraints and some of the real options open to a new administration. In the case of the Reagan Administration such suggestions are particularly interesting for the citizens of the Republic of China on Taiwan—since they, perhaps more than any others, have reason to hope for some relief as a consequence of a "new China policy."

Ronald Reagan's personal political commitment to, and personal affection for, the Republic of China is common knowledge. But how this might translate into specific foreign policy choices is very difficult to anticipate. In the first place it has already become obvious that the semi-official spokesmen of the new administration have made it plain that the new President will not embark on any radically new policies in East Asia. It seems clear that whatever the new President's views might be concerning American policy vis-a-vis Peking or Taipei, his most trusted advisers have counselled grave circumspection in dealing with mainland China. Many of them are primarily concerned with the strategic and political threat mounted by the Soviet Union—and conceive mainland China as an asset in the global balance of power. The same reasons that moved the Nixon Administration to open the path that ultimately led to "normalization" are operative in the post-Carter global environment. Under almost any foreseeable circumstances the Reagan Administration could not be expected to do anything that would significantly alter the present relations between Washington and Peking.

On the other hand, within those relations there is latitude for a considerable shift in emphasis in particulars and a not insignificant change in the character of those relations themselves. For one thing, while the general relations between Washington, Peking and Taipei will be determined by the same general factors that led to the diplomatic recognition of the one and the derecognition of the other, there are two assumptions central to the deliberations that led the Carter Administration to its hasty "normalization" that can no longer be defended.

The two assumptions upon which the Carter Administration's unseemly haste to enter into formal diplomatic relations with Peking were predicated include: (1) that the People's Republic of China, given Western technology and military aid, would have the capability of containing Soviet expansion and that that capability would compel the Kremlin to assume a more defensive and detente-oriented foreign policy; and (2) that the armed forces of mainland China would not be able to successfully attack the Republic of China or extend communist Chinese power beyond the confines of its present borders.

That the advisers to the Carter Administration held both assumptions to be true is now reasonably well attested. In February 1979, Justin Galen (a pseudonym for a "highly placed" foreign policy adviser in the Carter Administration) attempted to make a case in support of the first assumption in an issue of the "Armed Forces Journal Interna-

tional." During the Senate Foreign Relations Committee hearings before the markup of the Taiwan Relations Act, Carter Administration spokesmen, both military and civilian alike, attempted to support the second.

In retrospect it is difficult to understand why either assumption was conceived credible. But even if both were true, any policy pursued by the Carter Administration would generate dilemmas. If the force levels available to the Mainland regime were sufficiently enhanced to constrain the military of the Soviet Union, it would be hard to believe that Peking would no longer be in a position to undertake a successful military attack on Taiwan or any of its noncommunist neighbors. Every increment in the force capabilities of the military of continental China would generate a correlative threat to the security of every non-communist littoral and insular state in Asia. More ominously, as mainland China became more secure in terms of its military capabilities, it has given every evidence that it would be less and less concerned with American interests or the integrity of its neighbors. Peking has made it manifestly clear that its relationship with the United States is tactical at best. For the leadership of Peking the United States remains an "oppressor" destined to be "overthrown" at the first opportunity. In that regard the officials in Peking have been remarkably candid. As long as the mainland regime requires the capital, technological and military assistance of the United States, "friendship" will obtain between Peking and Washington. But once mainland China feels sufficiently secure from any Soviet threat, Peking plans to unite with the "revolutionary forces of the world" to overthrow both "imperialism" and its "client states" in Asia as well.

Any "flow of Western technology" to mainland China that would make it a major military power would ultimately work against the best interests of the United States in the Pacific. But more important than that is the fact, now generally acknowledged, that any conceivable "flow of Western technology," could not enhance the force levels of the mainland Chinese military to the point where the integrity of the land boundaries of the People's Republic of China could be assured against determined Soviet attack. Even the officials in Peking have acknowledged that continental China will continue to remain exposed to a range of Soviet attacks for the remainder of this century. The dearth of foreign exchange, the constraints of indigenous industry, the lack of requisite skills, all indicate that no effort made by the West could make mainland China secure against Soviet military initiatives or force the Soviet Union to be more conciliatory than it is now disposed to be. Northern and northwestern China will remain grievously exposed to Soviet armor and air attacks for the remainder of the century irrespective of Western assistance, military sales and technology transfers.

The upgrading of communist Chinese military capabilities would have made sense if such an enterprise promised constraint of Soviet power—even at the cost of making Peking a threat to its neighbors. But if mainland China cannot conceivably be shaped into such a power, then any force enhancements would be counterproductive as far as America's general interests are concerned. The Soviet Union would remain as much of a threat as ever and those nations in Asia that now look to the United States

for security would be driven into other arrangements not necessarily compatible with American strategic, economic and political interests.

In effect, the United States and its allies have already received every strategic and military benefit they could expect to receive from the mainland Chinese connection. The PRC has and will continue to tie down about forty Soviet divisions and their support elements along its borders. It is very unlikely that in the foreseeable future relations between the two communist powers will improve sufficiently to allow for massive reductions along their shared borders. Beyond that the United States can expect little more from mainland China. Bilateral trade will probably improve somewhat, and joint ventures may return some profit to American investors, but there will be little that would warrant significant changes in the present relations between the United States and the "People's Republic of China". There is no way in which the PRC could be fashioned into a military power of the first rank in this century.

*** any major military sales and transfer of critical dual purpose technology to the PRC could only serve to increase the threats to the Republic of China and the other non-communist states on mainland China's periphery without improving the United States' strategic position with respect to the Soviet Union. In substance, if the second assumption that subtended the Carter Administration's China policy was ever true, making arms and military technology available to Peking would rapidly degrade its credibility.

In fact, the second assumption—that the armed forces of mainland China could not attack the Republic of China or extend Peking's power beyond its present borders—was never true. At the very time of "normalization" even the Carter Administration's spokesmen admitted that mainland China had the military capability of undertaking armed attacks on its neighbors—particularly the Republic of China on Taiwan. While a combined amphibious invasion of the island was ruled out by virtue of mainland China's limited sea and air-lift capabilities, the possibility of naval invasion of Taiwan was recognized as constituting a real option for Peking in its announced policy of "restoring Taiwan to the arms of the motherland."

As though calculated to drive the point home, almost immediately after Washington extended official recognition to the regime in Peking, communist Chinese forces invaded the Socialist Republic of Vietnam in an extensive military power beyond the immediate borders of mainland China. While Washington had no intrinsic interest in specifically protecting the integrity of Vietnam—a Soviet ally in Southeast Asia—it became clear that the PRC did possess the military power and the disposition to destabilize the balance in a region in which the United States had significant general interests. More to the point, the military activity of the PRC in Southeast Asia confirmed the judgment of American strategists that mainland China had the capabilities, should it choose to employ them, to sorely try the defenses of the Republic of China on Taiwan. Should the Western allies upgrade mainland China's military capabilities that enhanced capability could not be directed against the Soviet Union—but could only threaten Peking's non-communist neighbors. ●

THE ALL-VOLUNTEER FORCE: IT IS NOT WORKING

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

Mr. BEARD. Mr. Speaker, in 1973 this Nation ended the draft and instituted the All-Volunteer Force (AVF). After 8 years of the AVF, I believe that the facts show it to be failing. It is not my purpose in this article to advocate any particular alternative to the AVF; it is instead to detail how I believe the AVF is failing and to describe briefly my proposal for a first step toward achieving a consensus on solutions for the AVF's problems.

After 8 years, the AVF has shown that it can attract neither the quantity nor the quality of personnel needed to defend this country. The skilled, midcareer, noncommissioned officers who form the backbone of any military organization are leaving in droves, and not just because of inadequate pay. The junior enlisted personnel in the front-line combat units—the troops who will actually do the fighting—are, to an uncomfortably high degree, comprised of America's poor and poorly educated. We face a situation in which the casualty lists from the first few weeks of the next war will show the majority of the dead and wounded to be poor blacks and Hispanics; in other words, those with the least stake in our society will be paying the highest price to defend it.

QUANTITY PROBLEMS

The AVF is a failure simply in terms of numbers. It has neither attracted enough recruits nor retained enough career NCO's and junior officers to do its job in a major war.

This failure is worst in the Army. In fiscal year 1979, the Army fell 16,000 men short of its recruiting goals. It met its needs in fiscal year 1980 only by lowering its goals and by further lowering its entrance standards. The Army has reduced its standards so much under the AVF concept that currently more than one out of every three recruits drops out before completing his first term of enlistment. This phenomenon obviously complicates the numbers problem, because not only is the Army falling short of recruiting goals, but many of the soldiers it does recruit wash out in their initial term.

Seven of the Army's 10 U.S.-based divisions were recently rated "not fully ready for combat," or lower, due to manpower shortages, including two divisions which are in the so-called Rapid Deployment Force.

Even more important than overall manpower shortages, the people who make the Army work—the skilled NCO's—are in critically short supply in the combat units. For example, the

1st Cavalry and 2d Armored Divisions both lack at least a third of their required NCO's. Stateside units are so short of NCO's that the Army was recently forced to transfer several thousand back from Europe. The Army is also some 28 percent short of needed junior officers. It is indeed a "hollow Army," as Army Chief of Staff Gen. E. C. Meyer has so aptly characterized it.

The other branches are not free of critical personnel problems either. The Navy, Marines, and Air Force are all facing mounting shortages of pilots, air traffic controllers, avionics and radar specialists, jet mechanics and flight line personnel. The Navy is nearly 20,000 short of its requirement for petty officers. This lack of skilled supervisory personnel has already delayed, and in some cases canceled, ship deployments. Others have deployed with less than a full complement. At a time when the Reagan administration is planning to increase the fleet by over 100 ships, we cannot even adequately man the ones we now have.

The Navy has a particularly acute problem with regard to the retention of skilled petty officers. Because the Navy regularly sends men to sea for long deployments, a vicious cycle has developed. As the shortages increase, the cycle gets worse. Those personnel with essential skills have to go to sea more and more often as the Navy scrambles people to keep ships at sea. These added tours of duty at sea—with their attendant family separations—vastly increase the likelihood that the midcareer sailor will fail to reenlist after returning home from deployment.

All of the services are suffering serious shortages of doctors. This is perhaps the cruelest and most moral-damaging shortage of all, because a lack of doctors means the serviceman too often finds that his family does not receive adequate and timely medical care. As the shortage of physicians grows, those remaining must shoulder an ever increasing workload.

All active-duty personnel, their dependents, and retired personnel are entitled to medical care. Yet at many bases around the country, the shortage is so acute that retired personnel are turned away as low priority patients, and dependents must wait for months for nonemergency medical and dental care. Many potential careerists see retired military people being turned away and wonder why they should stick out a full career for an ephemeral reward. I should note at this point that with many doctors in civilian life making incomes well into six figures, I seriously doubt we could afford to raise military pay high enough to attract enough doctors voluntarily. My own study of the situation, which included a number of interviews with military doctors, has convinced me that merely raising pay

would not significantly improve the situation, even assuming massive pay increases would be affordable.

However, damaging these medical shortages are to morale, they should also be considered within the context of the primary mission of maintaining the health of the troops in wartime. If the military medical community does not have adequate manpower to prevent infectious diseases or quickly treat the wounded, combat commanders will soon face precarious shortages of troops. Under the AVF, if we were to mobilize today, we would be short 50,000 combat medical corpsmen, 2,200 general anesthetists, and over 6,000 trained operating-room assistants. These shortages would lead to countless deaths and permanent disabilities which would be entirely preventable.

The numerical shortages in the military place a heavy burden on recruiters. The pressure to meet quotas has been so great in recent years that the Congress learned of recruiters resorting to falsifying test scores and education certificates to get unqualified recruits qualified. These pressures can only get worse because the 18- to 21-year-old population will drop steadily over the coming decade, shrinking the manpower pool from which new recruits must come. Both current and projected shortfalls in our active-duty Forces are serious enough to call into question the ability of our military to survive heavy losses in the first weeks of a major war. But even if the AVF active-duty units manage to hold their own against the first onslaught, the eventual outcome of the conflict would almost certainly be negative, because the Reserves, which provide the key to stopping prolonged aggression, have become dangerously inadequate after 8 years of the AVF.

The AVF was organized on the total force concept. It was understood by AVF planners that the Active-Duty Forces would not—and could not—be maintained at numerical levels sufficient to fight a prolonged war. In the case of such a war, the Active Forces were to be quickly reinforced by a mobilized reserve. Without that reserve mobilization capacity, the AVF would not be able to fight effectively beyond the initial few weeks.

The state of our Reserve Force today is frankly appalling. The organized reserves—those units which train once a month—are at only 85 percent of required strength. The Army Reserve, for example—which is crucial, because in a European war the Army would have the most casualties in the shortest time, thus needing the most replacements—currently stands at only 72 percent of its requirements. The Individual Ready Reserve (IRR) is comprised of those who, though not members of organized reserve units, are trained and ready to be called up

on short notice. Unfortunately, the IRR is over 700,000 men short of wartime requirements. In 1973, when the AVF began, the IRR had 1.2 million members; today it is down to 220,000. I might add that the IRR had fallen to 150,000 before the Army began counting first-term dropouts who had finished their basic training as part of the IRR.

The Army, under the social engineering mentality of its previous secretary, Clifford Alexander, attempted to alleviate its numerical shortfalls by recruiting more women and putting them into actual combat support roles. No other major military organization in the world—including the Israelis—has gone so far as to put women into roles such as truck drivers, field communications specialists, military police, and mechanics. These types of duties will inevitably expose women to hostile fire. Alexander even ordered unisex boot camps with physical training standards reduced to the level of the weakest female.

In 1972 women made up only 2 percent of the Army, almost wholly in medical or clerical positions. Today there are nearly 70,000 women in the Army. The 1984 goal is 96,400, which represents 12 percent of the total force. At any given time, 14 percent of the Army's women are pregnant; many more provide the sole support of a child or children. The fact is that one in five women in the Army would be unable to deploy with their unit in an emergency. The extremely damaging effect this phenomenon would have on the Army's ability to mobilize quickly for major action is obvious, not to mention the damage to unit morale that comes from knowing many of your fellow soldiers do not bear the same burdens.

I want to emphasize that women have always played and will continue to play vital roles in the military, but I simply must oppose this recent practice of putting women into roles for which the great majority are physically incapable. Our Armed Forces should not be used for this type of social experimentation. Some might call this assertion sexist; I call it realistic.

QUALITY PROBLEMS

These numerical deficiencies are frightening enough, but even more deleterious to the potential combat effectiveness of the AVF is the quality of the personnel who will be expected to win a war in which they will almost certainly be vastly outnumbered by both men and machines.

In any war with the Warsaw Pact powers, U.S. forces would face tremendous disadvantages in numbers of tanks, planes, artillery tubes, and other conventional weapons. Nonetheless, Defense Department planners hope that these quantitative disadvantages will be offset by superior Ameri-

can weapons technology. But the superior weaponry—assuming it is superior, an assumption increasingly more tenuous—is highly complex and difficult to operate and maintain. To illustrate rather simply the problems our military faces, consider the following: In World War II, the most advanced American fighter plane of the war, the P-51 Mustang, was operated by a college graduate pilot. Today our military is preparing to deploy the XM-1 tank, a weapons system in many ways more complex and difficult to operate and maintain (with its laser and computer technology) than the World War II P-51 fighter. Yet these tanks will be manned not by college graduates but by soldiers who in many cases will not even be high school graduates or able to read on levels any higher than the seventh grade. Technologically superior weaponry is useless without personnel who are able to operate and maintain it. The hard, cold, incontrovertible fact is that the AVF does not have enough capable personnel.

The Armed Forces classify recruits into four categories of intellectual ability based on entrance examination scores. Category IV is the lowest range of scores that allows an individual to enter the military. Those who score in category IV come from the lower 30 percent in intelligence test scores of the overall American population. After 4 years of denials, former Assistant Secretary of Defense for Manpower Robert Pirie revealed last year that the percentage of Category IV's among recruits was far higher than previously admitted by the Defense Department. In 1979, to take a recent example, 46 percent—nearly half—of all Army recruits were category IV's. This frightening figure contrasts with the figure of only 10 percent which was the Defense Department's assertion before Assistant Secretary Pirie's remarkable admission.

The Navy and Marine Corps fared somewhat better, with 18 and 26 percent respectively, but those are still unacceptably high percentages for today's high-technology military. Even the Air Force, the most technology-dependent service of all, had accepted 9 percent from category IV.

The Army has been forced to rewrite all its training manuals at a seventh-grade level. Even so, a third of its soldiers reportedly still have difficulty comprehending them. Two percent of the Army cannot even speak English well enough to communicate with superiors.

In the draft Army of 1965, about one-fourth were high school dropouts. Today that figure is one-half. As I have previously mentioned, one in three Army recruits are so unsatisfactory that they never manage to complete their first term of enlistment.

During his tenure as Army Secretary, Clifford Alexander contended

that intelligence test scores were "irrelevant" to job performance and even went so far as to order them removed from the soldier's individual records. But the Army has examinations which are directly related to job performance. They are called skills qualifications tests (SQT), and they measure a soldier's ability to do the job to which he will be assigned in the event of war. The Army's own figures show massive failure rates on SQT's. For example, in 1979 only 18 percent of artillery target spotters could pass their SQT's, only 28 percent of ammunition specialists, and only 15 percent of helicopter repairmen. While these are only a sample of test score results, they are representative. Their import is shocking because they show an Army comprised of personnel who simply cannot do the job they will be entrusted to do in a war.

Our European allies are increasingly worried about the ability of our forces to fight. The performance of the AVF in recent NATO training exercises has frightened them. Even American troops selected from the best units have performed execrably in comparison to other NATO units.

For example, in the 1977 NATO tank gunnery competition, U.S. tankers finished dead last, behind the Canadians, Germans, Belgians, British, and Dutch. Two years later the Army attempted to improve its performance by putting together an elite competition team, one not at all representative of its Regular Forces. That elite team lost to the Germans, Belgians, and British. In a recent armored cavalry competition, U.S. forces lost to the Germans, Canadians, and Dutch. These are not just cases of small differences among crack units; German observers who regularly attend these events state that the American performances caused them to doubt the ability of U.S. troops to perform in war against the vastly larger Warsaw Pact forces.

These poor performances are no enigma, however; in fact, they should be perfectly understandable. The Germans, for example, as do all our allies except the British, have a draftee force which makes available the full range of intelligence abilities to its army. Only those who score in the upper 40 percent intelligence rank can be a tank commander or gunner. In contrast, according to the 1978 Army training study, the majority of U.S. tank commanders and gunners are below that upper 40-percent range. Fully one-quarter of the tank gunners could not operate their battlesights. That study showed that tank crew proficiency in the U.S. Army in Europe was 40 percent below combat readiness minimums; the situation with stateside units was even worse.

Thus we can see one significant cause of the exodus of skilled, mid-career NCO's from the services: their complete lack of faith in the troops they must supervise. I go on active duty as a reservist 2 weeks every year, and I have heard NCO's and junior officers often say that they were getting out because the quality of the enlisted personnel assigned to them was so poor that they simply could not get an adequate job done. As more than one put it: "It would be suicide to go into combat depending on some of these guys."

Nor is this observation limited to my personal experience. Numerous indicators bear it out. In an August 1979 survey of 3,000 Army officers, fully 83 percent named the low ability of personnel under their command as a current problem. Even more officers saw a problem with leadership and motivation among junior NCO's. The Defense Department recently released a report showing that those junior enlisted personnel who scored lowest on intelligence tests were the most likely to reenlist, thus eventually moving up into the NCO ranks to replace those now getting out. Therefore, what is occurring is that the most untrainable are becoming trainers themselves.

In 1975 70 percent of the Army's junior officers opted to stay in after their first-term obligation was up. Four years later, less than half—44 percent—agreed to stay in. Among regular, career officers the percentage resigning in early and midcareer has doubled during that time period. Even among West Pointers, the number resigning in early and midcareer has increased by 150 percent. If one believes, as I do, that people, vote with their feet, then the decline in retention rates among NCO's and officers is a massive vote of no confidence in the AVF from people in the best position to know, not the generals and DOD bureaucrats, but the sergeants and lieutenants.

The Reagan administration has tentatively adopted a policy of support for the AVF. It has stated that the AVF has never been given a real opportunity to work due to inadequate pay. There is certainly no question that military pay scales were allowed to fall behind inflation in an unconscionable way during the late 1970's. Allowing GI bill educational benefits to expire was also irresponsible.

Increasing pay drastically, particularly in the NCO and junior officer ranks, would no doubt ease the retention problems somewhat. But I strongly question whether this Nation can afford the massive and regular pay increases it would take to attract enough capable recruits to man our Active-Duty Forces adequately. I also doubt that higher active-duty pay will do enough to improve the atrocious state of the Reserves. Nor do I believe that

higher pay will substantially alter the socioeconomic makeup of our military and make it more representative of our society as a whole. I must also state that in addition to the huge financial costs of constantly raising pay to fill recruiting quotas, I see serious moral problems with a nation which practices this type of checkbook patriotism. This policy is ultimately based on the premise that our society's middle and upper classes can buy their protection while avoiding service themselves.

MY PROPOSAL

In this article I have sought to explain why I believe the AVF is failing and must be altered. However, I do not know at this point what particular alternative would be best. To simply say we need a draft is only the beginning of the inquiry, not the end, because there are numerous and wildly different forms of conscription. The choices would include, to name a few, a lottery system dispensed with in 1973, a draft for the Reserves only, or some type of universal youth service. I would add though, that I would oppose including women in any new draft, and I would oppose exemptions for special groups, such as college students. Two facts are incontrovertible. First, it is time to act on the AVF's problems. Second, finding a politically feasible solution will require the broadest possible consensus. Thus, I have reintroduced in this Congress, House Concurrent Resolution 28, a proposal to establish on a temporary basis a select committee of both Senators and Representatives which would be tasked with identifying the problems of the AVF and recommending solutions. I favor such a joint select committee because I believe that any decision as politically volatile as reinstating some form of compulsory service must have the support of both parties and both Houses of Congress.

A single subcommittee of either the Senate or House Armed Services Committee which made such a recommendation would simply not command as much respect or attention as the bipartisan, bicameral panel that I am proposing. That is not in any way to denigrate those panels. I am a member of the House Armed Services Committee and have the utmost respect for my fellow members. But both those committees are regarded, rather unfortunately, as the repositories of all the congressional "hawks." Thus, any recommendation from them advocating a new draft would be dismissed by too many segments of society—especially the national media—as just another case of the "hawks screaming 'the Russians are coming.'" That charge could not be leveled at a joint select committee, and the diversity of its cosponsorship—from TOM DOWNEY and GEORGE MILLER to BOB DORNAN and JACK KEMP—bears this out.

CONCLUSION

In this article I have underscored many negative aspects of today's military. Before closing I want to emphasize, however, that there are tens of thousands of hard-working, capable men and women in the military trying their best to give this Nation an adequate defense. Their efforts should not be overlooked. But many of them will be the first to agree with me that the all-volunteer concept has failed. It is time to get on with the business of finding a more effective means of recruiting and retaining enough people of sufficient ability to meet the needs of the Armed Forces of the United States.●

NATIONAL BOY SCOUT JAMBOREE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, September 14, 1981

● Mr. DORNAN of California. Mr. Speaker, I would like to bring to the attention of my colleagues the following article written by Brian Rothenberg of El Segundo, Calif., a member of Boy Scout Troop No. 709, who recently participated in the National Boy Scout Jamboree 1981 held this summer in Virginia.

Scouting has always been a rewarding experience for those involved. In reading about the experiences of Brian at this year's jamboree, I can see that it still is. I know you will agree.

[From the El Segundo Herald, Aug. 27, 1981]

NATIONAL BOY SCOUT JAMBOREE, 1981—A SUCCESS

The 1981 National Boy Scout Jamboree was held on July 27th to August 5th, 1981, at Fort A. P. Hill in the State of Virginia.

This is a once in a lifetime experience for a Boy Scout as the Jamboree is held once every four years so that all scouts of all ages can have a chance to participate in this spectacular event.

Forty families signed up to send forty Boy Scouts and leaders from El Segundo, Redondo Beach, Palos Verdes and Torrance. During the six months before the Jamboree, these boys met, camped together, were evaluated by their leaders and formed Troop No. 709 from the Los Angeles Area Council of the Boy Scouts of America.

It cost over one thousand dollars to go to the Jamboree for each Scout. This included round trip air tickets, meals, supplies, tents, tours and lodging in Washington, D.C. and the right to participate in all the activities at the Jamboree.

A "DC-10 load" of Scouts and leaders left LAX at 2:30 a.m., July 23rd. We arrived at Baltimore Airport at 9:00 a.m. and went to the American University. We only had enough time to put our bags in our rooms, pick up our box lunch and board the bus to begin our tour of Washington, D.C. Our tour included the Lincoln Memorial, Iwo Jima Memorial, Arlington National Ceme-

tery and the changing of the guard, Jefferson Memorial, the Space Museum and many other National Buildings. We rode to the top of the Washington Monument but were allowed to walk down the many steps and bypass the elevator.

Congressman Robert K. Dornan, who represents the 27th Congressional District where our Troop is from, was kind to arrange admission for all forty scouts and leaders to visit the Gallery of the House of Representatives as his guests on the afternoon of the 23rd. We did not sleep very much on the plane so some of us grabbed a few winks while sitting in the gallery. The guards woke us up and explained that there was no sleeping allowed because if the Representatives should see someone sleeping in the Gallery then he or she might feel that what was going on on the floor of the House was boring to those in the Gallery!

On Wednesday, July 27, we made our way to the Jamboree site at Fort A. P. Hill in Virginia. Our gear was waiting for us in the right spot and we set up our tents, our gateway, our kitchen and settled into Camp.

Our Troop Gateway had the Pacific Ocean as a theme and with fish nets, fishing poles, surf boards, etc., our Gateway represented the sports and inhabitants of the Pacific Ocean. My patrol Flag, the Barracudas, was one of the 10 finalists judged from all the patrol flags at the Jamboree.

We were given our food each day which we had to cook ourselves and the chores of camping were rotated among all the scouts in each patrol.

On the first night, all 30,000 scouts and leaders walked to the big Arena for the opening ceremonies. A show was presented called "American Heritage." It told how America became free. We were also shown a valuable painting by William H. Wilcox called "One Hundred Years Ago." Mr. Wilcox painted this in 1876. It dropped from sight in 1885 and in a small shop in Vermont in 1980 it was again found.

During the day we were kept busy. A scout could take advantage of one or all activities available: badge trading, swimming, fishing, rifle and shotgun, archery, activity booths, hiking, climbing, rafting, canoeing, knot tying, orienteering, the list goes on and on. Of course this included meeting, talking with and becoming involved with scouts from every part of the United States and some International Countries as well.

Our troop was invited to become involved in a "see and do." We cooked what we thought was the most popular food from our neighborhood—Burritos. Another troop held a skyrocket show. This is only one of the many activities which were held to involve the boys at the Jamboree.

The Jamboree was honored by the presence of King Carl Gustaf XVI of Sweden. He was a guest at the Jamboree for 2 days and he mixed with the scouts and asked questions and I hope he had a good time.

We were called upon to use our scouting abilities on at least two occasions. A strong wind and a heavy rain visited us and with tents going down and water flooding our campsites our good training and lots of patience saw us through the storms and through all the mud we still continued to have the adventure of a lifetime.

Although the days were filled with work and learning adventures the nights were the most fun. There were regional campfires, sub-camp campfires and troop campfires. We sang, had skits and had lots of good fun.

On our last day in camp we were busy along with 50 other troops in our area

taking down and packing our camp. All you could hear was the hammering and voices of all of us.

When our gear was packed and loaded on the busses going back to the Airport, we were then ready to walk the two miles to the big arena for the closing ceremonies. The big show was called "America's Future." They had skydivers, parachutes and balloons flying everywhere and even a helicopter landed near the stage. The show included the performance of the Oak Ridge Boys and Mr. Burl Ives sang and played the guitar.

After the closing ceremonies, it took us over two hours to push through the sea of scouts and make our way to the busses waiting to take us to the Airport and our flight home.

Before we loaded on the busses we picked up our breakfast and some of us slept for three hours and then picked up our box lunch, did the final packing, loaded the busses and took off for a four hour bus ride to the Airport.

The above was a brief account of the adventures of Troop 709. The other Los Angeles Area Troops, 710, 711, 712 and 713 along with 654 Troops came as far as Hawaii and China to join in this experience of a lifetime.

My two older brothers each went to a National Jamboree and I listened to their stories about their experiences and wondered if I would ever have the chance to go to a National Jamboree. I did have the chance, I did go to a National Jamboree and I will always remember it for the rest of my life.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, September 15, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 16

- 9:00 a.m.
Foreign Relations
International Economic Policy Subcommittee
To hold hearings on East/West economic relations.
4221 Dirksen Building
Select on Intelligence
Closed briefing on intelligence matters.
Room S-407, Capitol
- 9:30 a.m.
Appropriations
Labor, Health and Human Services, and Education Subcommittee
Business meeting, to mark up proposed legislation appropriating funds for fiscal year 1982 for the Departments of Labor, Health and Human Services, and Education.
1114 Dirksen Building
- *Veterans' Affairs
Business meeting, to mark up S. 5, S. 7, S. 25, S. 26, S. 48, S. 105, S. 248, S. 417, and S. 742, bills providing educational assistance to members of the Armed Forces, and S. 266 and amendment No. 62 of S. 636 (Veterans' Administration Health Care Amendments), measures implementing procedures and guidelines for the interagency sharing of health resources between the Department of Defense and the Veterans' Administration.
412 Russell Building
- 10:00 a.m.
Budget
To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.
6202 Dirksen Building
- Conferees
Closed, on S. 815, authorizing funds for fiscal year 1982 for military procurement programs of the Department of Defense.
Room H-405, Capitol
Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building
- 10:30 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to mark up S. 708, clarifying the intent and modifying certain provisions of the Foreign Corrupt Practices Act of 1977, and S. 1230, authorizing the minting of special coins commemorating the 1984 summer Olympic games in Los Angeles, California.
5302 Dirksen Building
- 2:00 p.m.
Budget
To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.
6202 Dirksen Building
- Governmental Affairs
Business meeting, to continue markup of S. 1080, to improve and modify the Federal regulatory process.
3302 Dirksen Building
- Special on Aging
To hold hearings on social security reform and retirement income policy.
6226 Dirksen Building

2:30 p.m.
Conferees
Closed, on S. 815, authorizing funds for fiscal year 1982 for military procurement programs of the Department of Defense.

Room S-407, Capitol
SEPTEMBER 17

9:30 a.m.
Armed Services
Manpower and Personnel Subcommittee
To hold open and closed hearings on proposed Flag and general officers strength of the Department of Defense.

212 Russell Building

Labor and Human Resources
Aging, Family and Human Services Subcommittee

To hold hearings on primary intervention in addressing societal problems.
4232 Dirksen Building

9:45 a.m.
Foreign Relations
To hold hearings on U.S. foreign policy and the current situation in the Persian Gulf.
4221 Dirksen Building

10:00 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to continue markup of S. 708, clarifying the intent and modifying certain provisions of the Foreign Corrupt Practices Act of 1977, and S. 1230, authorizing the minting of special coins commemorating the 1984 summer Olympic games in Los Angeles, California.

5302 Dirksen Building

Energy and Natural Resources
Energy and Mineral Resources Subcommittee

To hold hearings on S. 1457, S. 651, S. 466, S. 383, and S. 1605, bills providing for the reinstatement and validation of certain U.S. oil and gas leases.
3110 Dirksen Building

Judiciary
*Constitution Subcommittee

To hold hearings on proposed legislation to establish a Commission to plan and develop a program to commemorate the bicentennial of the U.S. Constitution.

318 Russell Building

2:00 p.m.
Budget
To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.

6202 Dirksen Building

Conferees
Closed, on S. 815, authorizing funds for fiscal year 1982 for military procurement programs of the Department of Defense.

Room S-407, Capitol

Energy and Natural Resources
Energy and Mineral Resources Subcommittee

To hold hearings on S. 1575, proposed Combined Hydrocarbon Leasing Act.
3110 Dirksen Building

Foreign Relations
To hold hearings on the nominations of Nyle C. Brady, of New York, to be an Assistant Administrator of the Agency for International Development, and John A. Bohn, Jr., of California, to be U.S. Director of the Asian Development Bank.
4221 Dirksen Building

Judiciary
Constitution Subcommittee
To hold hearings on proposed legislation to amend the Federal Criminal Code with respect to the circumstances under which a person charged with or convicted of a crime may be released on bail or personal recognizance.
2228 Dirksen Building

3:00 p.m.
Governmental Affairs
To hold hearings on the nomination of Charles A. Bowsher, of Maryland, to be Comptroller General of the United States.
3302 Dirksen Building

SEPTEMBER 18

9:30 a.m.
*Governmental Affairs
Federal Expenditures, Research, and Rules Subcommittee
To hold hearings on S. 719, requiring the disclosure of Federal agency use of consultants.
3302 Dirksen Building

10:00 a.m.
Foreign Relations
To hold hearings on the nominations of Robert P. Paganelli, of New York, to be Ambassador to the Syrian Arab Republic, David E. Zweifel, of Maryland, to be Ambassador to the Yeman Arab Republic, Michael H. Nelin, of Maryland, to be Ambassador to the Democratic and Popular Republic of Algeria, and other pending nominations.
4221 Dirksen Building

SEPTEMBER 21

9:30 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.
235 Russell Building

10:00 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings on the implementation of the photovoltaic program of the Department of Energy.
3110 Dirksen Building

Foreign Relations
To hold hearings on the nominations of George S. Vest, of Maryland, to be the Representative to the European Communities, with the rank and status of Ambassador, Jack F. Matlock, Jr., of Florida, to be Ambassador to the Czechoslovak Socialist Republic, John E. Dolibois, of Ohio, to be Ambassador to Luxembourg, and Raymond C. Ewing, of Virginia, to be Ambassador to the Republic of Cyprus.
4221 Dirksen Building

2:00 p.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings to examine the impact of media on juveniles.
2228 Dirksen Building

SEPTEMBER 22

9:00 a.m.
Office of Technology Assessment
The Board to hold a general business meeting.
Room S-138, Capitol

9:30 a.m.
Commerce, Science, and Transportation
Business, Trade and Tourism Subcommittee
To hold hearings on the State Department's plan to implement a visa waiver program for foreigners who are required to apply for American visas.
235 Russell Building

Special on Aging
To hold hearings to explore the scope of criminal activities against the elderly.
6226 Dirksen Building

10:00 a.m.
Environment and Public Works
To resume mark up of an original bill authorizing funds for the municipal wastewater treatment construction grant programs of the Clean Water Act.
4200 Dirksen Building

Governmental Affairs
To hold hearings on S. 1417, establishing a Commission to recommend policies and standards to reduce the risk of criminal assaults against the President, and review the criminal laws relating to the safety of the President.
3302 Dirksen Building

Judiciary
To hold hearings to review the President's proposal to admit refugees to the United States in 1982, and to receive the President's annual report to Congress on U.S. refugee programs.
2228 Dirksen Building

Select on Indian Affairs
To hold hearings on S. 503, providing for the purchase, sale and exchange of lands by the Devils Lake Sioux Tribe of the Devils Lake Sioux Reservation, North Dakota.
5302 Dirksen Building

10:30 a.m.
Governmental Affairs
Governmental Efficiency and the District of Columbia Subcommittee
To resume hearings on S. 744, authorizing the District of Columbia to issue general obligation bonds to pay specified eligible liabilities.
Room to be announced

11:00 a.m.
Veterans' Affairs
To hold hearings on fiscal year 1982 legislative recommendations of the American Legion
318 Russell Building

2:00 p.m.
Foreign Relations
To hold hearings on the nomination of John G. Dean, of New York, to be Ambassador to Thailand, and M. Virginia Schafer, of Washington, to be Ambassador to Papua, New Guinea, and to serve concurrently as Ambassador to Solomon Islands.
4221 Dirksen Building

Governmental Affairs
To hold hearings on the nominations of Charles M. Girard, of Virginia, to be an Associate Director of the Federal Emergency Management Agency, and Bruce Chapman, of Washington, to be Director of the Census.
3302 Dirksen Building

Judiciary
Criminal Law Subcommittee
To hold hearings on S. 904 and S. 907, to provide penalties for the assassination, kidnaping, and assault of Presidential, and Vice Presidential staff members.
2228 Dirksen Building

Labor and Human Resources

To hold hearings on the nominations of Gary L. Jones, of Virginia, to be Deputy Under Secretary for Planning and Budget, Department of Education, Edward A. Curran, of Maryland, to be Director of the National Institute of Education, Jean Tufts, of New Hampshire, to be Assistant Secretary for Special Education and Rehabilitative Services, Department of Education, and William M. Bell, of Michigan, to be a Member of the Equal Employment Opportunity Commission.

4232 Dirksen Building

SEPTEMBER 23

9:00 a.m.

Select on Intelligence
Closed business meeting.

Room S-407, Capitol

9:30 a.m.

Commerce, Science, and Transportation
Merchant Marine Subcommittee

To resume hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.

235 Russell Building

Governmental Affairs

Civil Service, Post Office, and General
Services Subcommittee

To hold hearings on proposed legislation to apply the medicare tax to Federal employees and to increase the Government contribution to the Federal employees health benefit program.

1318 Dirksen Building

Judiciary

Constitution Subcommittee

To resume hearings on proposed legislation to amend the Federal Criminal Code with respect to the circumstances under which a person charged with or convicted of a crime may be released on bail or personal recognizance.

2228 Dirksen Building

Small Business

To hold hearings on the impact of high interest rates on small business, and to examine their future credit needs.

424 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Governmental Affairs

Governmental Efficiency and the District
of Columbia Subcommittee

To continue hearings on S. 744, authorizing the District of Columbia to issue general obligation bonds to pay specified eligible liabilities.

Room to be announced

Labor and Human Resources

Investigations and General Oversight Sub-
committee and Labor Subcommittee

To hold joint oversight hearings on the activities of the Occupational Safety and Health Administration.

4232 Dirksen Building

SEPTEMBER 24

9:00 a.m.

Commerce, Science, and Transportation

To hold hearings on S. 1402, establishing uniform width and length standards for commercial motor vehicles on interstate highways.

1224 Dirksen Building

9:30 a.m.

Commerce, Science, and Transportation
Merchant Marine Subcommittee

To continue hearings on S. 1593 and S. 125, bills revising and clarifying U.S. regulation of international liner shipping in the U.S. foreign trade.

235 Russell Building

Judiciary

*Constitution Subcommittee

To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the protection of certain confidential information from the disclosure requirements of the Freedom of Information Act.

2228 Dirksen Building

Small Business

To continue hearings on the impact of high interest rates on business and to examine their future credit needs of business.

424 Russell Building

10:00 a.m.

Foreign Relations

To hold hearings on the proposed Convention with Canada with Respect to Taxes on Income and Capital (Ex. T. 96th Cong., 2d sess.).

4221 Dirksen Building

2:00 p.m.

Foreign Relations

To hold hearings on pending tax treaties.

4221 Dirksen Building

SEPTEMBER 25

9:30 a.m.

Finance

Taxation and Debt Management Subcom-
mittee

To hold hearings on miscellaneous tax proposals.

2221 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy Research and Development Sub-
committee

To hold hearings on the viability of the domestic uranium mining and milling industry.

3110 Dirksen Building

Judiciary

Juvenile Justice Subcommittee

To hold hearings to explore certain issues relating to the early detection of juvenile crime.

2228 Dirksen Building

SEPTEMBER 28

9:00 a.m.

*Select on Indian Affairs

To hold hearings on S. 874, providing for additional protection of steelhead trout as a game fish.

1202 Dirksen Building

9:30 a.m.

Foreign Relations

International Economic Policy Subcom-
mittee

To hold hearings on international investment policy.

4221 Dirksen Building

Labor and Human Resources

Aging, Family, and Human Services Sub-
committee

To resume oversight hearings on the role of the Federal Government in family planning programs of Title X of the Public Health Services Act.

4232 Dirksen Building

10:00 a.m.

Judiciary

To hold hearings on proposed legislation to reform the Federal criminal laws and streamline the administration of criminal justice.

2228 Dirksen Building

1:00 p.m.

Judiciary

*Juvenile Justice Subcommittee

To hold hearings to examine media response regarding its impact on juveniles.

2228 Dirksen Building

SEPTEMBER 29

9:30 a.m.

Veterans' Affairs

Business meeting, to mark up S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans, and H. Con. Res. 76, expressing the sense of Congress that the Secretary of the Army provide for a plaque in Arlington National Cemetery honoring members of the U.S. Armed Forces who died during the rescue attempt in Iran.

412 Russell Building

10:00 a.m.

Governmental Affairs

To hold hearings on proposed legislation to extend certain provisions of the Inspector General Act of 1981 to the Departments of Justice, Defense, and Treasury.

3302 Dirksen Building

Judiciary

Business meeting, to consider pending calendar business.

2228 Dirksen Building

2 p.m.

Judiciary

To continue hearings on proposed legislation to reform the Federal criminal laws and streamline the administration of criminal justice.

2228 Dirksen Building

SEPTEMBER 30

9:30 a.m.

Commerce, Science, and Transportation

To hold joint oversight hearings with the House Committee on Science and Technology on Federal patent policy.

235 Russell Building

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

3110 Dirksen Building

Judiciary

Immigration and Refugee Policy Subcom-
mittee

To hold hearings on matters relating to the hiring of illegal aliens.

412 Russell Building

*Judiciary

Separation of Powers Subcommittee

To hold hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on the social impact of busing.

2228 Dirksen Building

OCTOBER 1

9:30 a.m.

Labor and Human Resources

To resume hearings on S. 234, to encourage the establishment of home health care programs and to provide expand-

ed coverage of home health services under the medicare and medicaid programs.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources
Energy and Mineral Resources Subcommittee

To resume hearings on S. 1542, prohibiting a company operating a common carrier railroad from holding Federal coal leases unless the coal is used for railroad purposes.

3110 Dirksen Building

Judiciary

Separation of Powers Subcommittee

To continue hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on the legal and constitutional issues of busing.

OCTOBER 5

9:30 a.m.

Judiciary

*Constitution Subcommittee

To resume hearings on proposed constitutional amendments relating to abortion issues.

2228 Dirksen Building

Labor and Human Resources

Labor Subcommittee

To resume hearings on S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.

4232 Dirksen Building

2:00 p.m.

Judiciary

*Criminal Law Subcommittee

To hold hearings on S. 101 and S. 751, bills to eliminate and establish an alternative to the exclusionary rule in Federal criminal proceedings.

6226 Dirksen Building

OCTOBER 6

10:00 a.m.

Commerce, Science, and Transportation

To hold hearings on S. 709, prohibiting the sale of beverage containers without a minimum refund value, and prohibiting the sale of metal beverage containers with detachable openings.

235 Russell Building

OCTOBER 14

9:30 a.m.

Judiciary

*Constitution Subcommittee

To resume hearings on proposed constitutional amendments relating to abortion issues.

2228 Dirksen Building

OCTOBER 15

9:30 a.m.

Judiciary

*Constitution Subcommittee

To resume oversight hearings on the implementation of the Freedom of Information Act, and on S. 1247, S. 1235, and S. 587, bills providing for the protection of certain confidential information from the disclosure requirements of the Freedom of Information Act.

2228 Dirksen Building

OCTOBER 16

10:00 a.m.

Judiciary

Separation of Powers Subcommittee

To resume hearings on proposals to restrict the power of Federal courts in matters of school busing, focusing on certain community problems.

2228 Dirksen Building

OCTOBER 20

9:00 a.m.

Labor and Human Resources

To hold oversight hearings on the implementation of the Comprehensive Employment Training Act (CETA).

4232 Dirksen Building

10:00 a.m.

Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee

To hold hearings on S. 1233, establishing a service industries development program in the Department of Commerce.

235 Russell Building

OCTOBER 21

10:00 a.m.

Commerce, Science, and Transportation
Business, Trade, and Tourism Subcommittee

To continue hearings on S. 1233, establishing a service industries development program in the Department of Commerce.

235 Russell Building

Labor and Human Resources

Alcoholism and Drug Abuse Subcommittee

To hold hearings to examine the impact of marihuana on youth, focusing on the areas of health and education.

4232 Dirksen Building

OCTOBER 22

9:30 a.m.

Labor and Human Resources

To hold oversight hearings on activities relating to affirmative action of the Office of Federal Contract Compliance Programs, Department of Labor.

4232 Dirksen Building

OCTOBER 27

9:30 a.m.

Labor and Human Resources

To hold hearings on S. 1483, proposed Radiation Exposure Compensation Act.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy and Mineral Resources Subcommittee

To hold oversight hearings on America's role in the world coal export market.

3110 Dirksen Building

OCTOBER 28

9:30 a.m.

*Labor and Human Resources

Labor Subcommittee

Business meeting, to consider S. 1182, improving the administration of the Longshoremen's and Harbor Workers' Compensation Act by removing certain inequities, reducing incentives for fraud and abuse, and assuring immediate compensation benefits and competent medical treatment for injured employees.

4232 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy and Mineral Resources Subcommittee

To continue oversight hearings on America's role in the world coal export market.

3110 Dirksen Building

NOVEMBER 2

10:00 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold oversight hearings on the implementation of Title I, establishing wellhead prices for natural gas, of the Natural Gas Policy Act (P.L. 95-621).

3110 Dirksen Building

NOVEMBER 3

10:00 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To continue oversight hearings on the implementation of Title I, establishing wellhead prices for natural gas, of the Natural Gas Policy Act (P.L. 95-621).

3110 Dirksen Building

CANCELLATIONS

SEPTEMBER 16

9:30 a.m.

Governmental Affairs

Intergovernmental Relations Subcommittee

To resume hearings on State implementation of Federal standards of the Clean Air Act.

224 Russell Building

SEPTEMBER 17

10:00 a.m.

Budget

To continue hearings on proposed second concurrent resolution revising the congressional budget for the Federal Government for fiscal years 1982, 1983, and 1984.

6202 Dirksen Building

SEPTEMBER 23

10:00 a.m.

Judiciary

Separation of Powers Subcommittee

To hold hearings on S. 481, restoring the right of voluntary prayer in public schools and to promote the separation of powers.

2228 Dirksen Building

SEPTEMBER 24

10:00 a.m.

Judiciary

Separation of Powers Subcommittee

To continue hearings on S. 481, restoring the right of voluntary prayer in public schools and to promote the separation of powers

2228 Dirksen Building

Labor and Human Resources

Investigations and General Oversight Subcommittee

To continue oversight hearings on the activities of the Occupational Safety and Health Administration

4232 Dirksen Building

