

## SENATE—Monday, November 9, 1981

(Legislative day of Monday, November 2, 1981)

The Senate met at 12 meridian, 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.  
*Lord God almighty, Judge of all the earth.—Genesis 18: 25.*

Great art Thou and greatly to be praised.

*Justice and judgement are the habitation of Thy throne.—Psalm 89: 14.*

*Thou shalt execute judgement and justice to the earth.—Jeremiah 23: 5.*

*Thou shalt judge the world in righteousness and truth.—Psalm 96: 13.*

Make us sensitive, O Lord to Thy righteousness and our accountability to Thee, personally and nationally. Help us to order our lives consistent with Thy justice, for judgment can fall so suddenly, so subtly, so unexpectedly, so catastrophically.

Help us, O Lord, to heed the warning of Moses to Thy ancient people, Israel:

*Beware that you forget not the Lord, your God in not keeping His commandments and His judgements; lest, when you have eaten and are full, and have built goodly homes and dwell therein; and when your herds and your flocks multiply, and your silver and your gold has multiplied, and all that you have is multiplied; then your heart be lifted up, and you forget the Lord, your God . . . And you say in your heart, "My power and the might of my hand has gotten me this wealth."*

*But you shall remember the Lord, your God, for it is He that gives you power to get wealth. . . and it shall be, if you do at all forget the Lord your God. . . I testify against you this day that you shall surely perish. As the nations which the Lord destroyed before your face, so shall you perish.—Deuteronomy 8: 11-20.*

So help us God. Amen.

## RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

## THE JOURNAL

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

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

## ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I believe there is a special order in favor of the

distinguished Senator from Oregon (Mr. PACKWOOD) this morning and also an order for the transaction of routine morning business to begin after the expiration of the time allocated to the Senator from Oregon. Is that correct?

The PRESIDENT pro tempore. The Senator is correct.

Mr. BAKER. Mr. President, I believe there is an order as well at 1:30 p.m. to begin consideration of S. 1112, Calendar Order No. 115, the export administration bill. Is that correct?

The PRESIDENT pro tempore. The Senator is correct.

## TIME AND TIME PAST

Mr. BAKER. Mr. President, weekends were made for scheduling the activities of the Senate, and before we look ahead to this week's legislative calendar, I thought we might pause and reflect on T. S. Eliot's "Burnt Norton," and I ask unanimous consent that it be printed in the RECORD.

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

## BURNT NORTON

(From "Four Quartets")

I

Time present and time past  
Are both perhaps present in time future,  
And time future contained in time past.  
If all time is eternally present  
All time is unredeemable.  
What might have been is an abstraction  
Remaining a perpetual possibility  
Only in a world of speculation.  
What might have been and what has been  
Point to one end, which is always present.  
Footfalls echo in the memory  
Down the passage which we did not take  
Towards the door we never opened  
Into the rose-garden. My words echo  
Thus, in your mind. But to what purpose.  
Disturbing the dust on a bowl of rose-leaves  
I do not know.

## Other echoes

Inhabit the garden. Shall we follow?  
Quick, said the bird, find them, find them,  
Round the corner. Through the first gate,  
Into our first world, shall we follow  
The deception of the thrush? Into our first  
world.

There they were, dignified, invisible,  
Moving without pressure, over the dead  
leaves,  
In the autumn heat, through the vibrant air,  
And the bird called, in response to  
The unheard music hidden in the shrubbery,  
And the unseen eyebeam crossed, for the  
roses

Had the look of flowers that are looked at.  
There they were as our guests, accepted and  
accepting.

So we moved, and they, in a formal pattern,  
Along the empty alley, into the box circle,  
To look down into the drained pool.  
Dry the pool, dry concrete, brown edged.  
And the pool was filled with water out of  
sunlight,

And the lotos rose, quietly, quietly,  
The surface glittered out of heart of light,  
And they were behind us, reflected in the  
pool.

Then a cloud passed, and the pool was empty.  
Go, said the bird, for the leaves were full of  
children.

Hidden excitedly, containing laughter.  
Go, go, go, said the bird: human kind  
Cannot bear very much reality.  
Time past and time future  
What might have been and what has been  
Point to one end, which is always present.

## SENATE SCHEDULE

Mr. BAKER. Mr. President, I had hoped today to be able to take up S. 881, the Small Business Act, which is not cleared, I understand, on the calendar and which we shall continue to try to clear.

I inquire of the minority leader, and on Friday I put this question to him: Is he aware of amendments to that measure to be offered on his side of the aisle? If so, could he give us some idea of the nature of those amendments so that I might facilitate the clearance process?

Mr. ROBERT C. BYRD. There will be amendments on this side of the aisle. I know of only two or three. I understand that there is some concern on the premises that there might be some tax amendments. I know of none on this side that will deal with taxes.

Mr. BAKER. I thank the Senator.

Mr. President, could the minority leader favor me also with some idea as to whether or not we might be able to get a time agreement on this SBA bill?

Mr. ROBERT C. BYRD. I think the prospects might be pretty good. We on this side wish to proceed with the bill.

I might say that I have an amendment that would provide that the President appoint a small businessman to the Federal Reserve Board's next vacancy.

There are one or two other amendments I know of. I will be very happy to try to identify them for the majority leader, but I do not believe that there is going to be any effort on this side of the aisle to tack on any tax amendments.

Mr. BAKER. I thank the Senator.

Mr. ROBERT C. BYRD. I may be wrong. There may be some lurking around, but I will try to ascertain that.

Mr. BAKER. I thank the minority leader.

Mr. President, this is a measure that we should address if we can and that had been tentatively scheduled for today.

I will canvass on this side to determine any amendments. I will be happy to share the result of that canvass with the minority leader. I hope he might favor me with a similar list and perhaps the staff on both sides could try to explore the possibility of a time limitation.

Mr. President, in addition to that measure which I hope we might clear, I would very much wish to get to the State, Justice appropriations bill which is scheduled now for tomorrow.

But if we could get to that this afternoon at least with opening statements, I

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

believe it might facilitate what otherwise appears to be a very busy Tuesday.

So I hope the minority leader might share with me his insights on that at a later date, as well.

Mr. ROBERT C. BYRD. Mr. President, I will be glad to do that.

I hope that the Senate could proceed to at least begin action on that bill, and I also hope that before the week is out the Senate could proceed with the small business innovations legislation.

I shall try to supply the majority leader with as much information as I can ascertain as to amendments on this side of the aisle, so he will be in a position to move ahead as rapidly as possible with the Small Business bill.

Mr. BAKER. Mr. President, I am very grateful.

I might repeat what I said at the end of last week: Wednesday is Veterans' Day this year for the first time restored to its position in the middle of the week instead of being coterminous with the weekend. While that is a situation I supported, it also offers the danger of playing hob with the schedule. So the leadership has announced that there will be no votes on Tuesday after 1 p.m. and none before 3 p.m. on Thursday.

I urge Senators to consider, however, that does not mean the Senate will recess or adjourn at 1 p.m. on Tuesday.

I hope that we will continue with the consideration of the State, Justice appropriations bill or with other matters which may be before us during the remainder of the day on Tuesday and prior to 3 p.m. on Thursday even with the prospect of stacking votes as necessary in order to accommodate to that schedule.

Mr. President, we also have the possibility of taking up the foreign assistance appropriations bill which is not yet fully cleared, but that is a matter that has been tentatively scheduled for this week as well and I believe on tomorrow.

So if we could give some attention to the possibility of taking up and disposing of that matter, I believe it would expedite things materially.

Mr. President, we also have the Labor, HHS, and Education appropriations bill which must be dealt with. I had thought that would be available to begin on Friday, November 13, and I still hope for that, but if for some reason that is not the case, Members should be on notice that it would come up then on the following Monday, November 16.

Mr. President, that is as far as I can go with the schedule at this moment.

If we stay on this schedule as we have been doing remarkably well, I do not foresee the likelihood of late sessions this week with the exception perhaps of Thursday which is our regular late day.

Mr. President, I have no further need for my time remaining under the standing order. If any time does remain, I am prepared to yield it to the minority leader or to any Senator.

#### RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER (Mr. WALLOP). The minority leader is recognized.

#### THE SOVIETS IN AFGHANISTAN

Mr. ROBERT C. BYRD. Mr. President, next month will mark the end of the second year since 85,000 Soviet troops invaded the non-aligned, Moslem nation of Afghanistan.

Yet, for all the modern military equipment at its disposal, the Soviet Union is stalemated in Afghanistan. The ill-equipped rebels have fought Russia's finest to a standstill.

The October 5 issue of U.S. News & World Report provided a fascinating account of the fighting inside Afghanistan. The article noted:

The guerrillas are waging a successful war against Communist forces, and for Russia the comparison with America's Vietnam experience daily becomes more apt. Barring a drastic increase in the number of Soviet troops in Afghanistan, the Kremlin faces the prospect of an endless stalemate. Rebels have no real chance of driving the Russians out of the country, but they are imposing a heavy toll on the alien occupiers and thwarting Moscow's attempts to impose a puppet Communist government over all of Afghanistan.

The rebels, called Mujeheddin, or Holy Warriors, have abandoned the clumsy and ineffectual scatter-gun tactics of earlier days. Now they attack in tightly knit units with movements carefully planned and coordinated. They are as highly motivated as ever, but are better trained than those who first met the Russians in battle after Soviet forces invaded Afghanistan in December, 1979.

The article further notes that while the Soviets still have the capacity to take temporary control of rural districts, the rebels quickly return once they have left. The Soviets travel the main roads only in well-defended convoys which come under attack, and are afraid to venture forth at night, even in the major cities.

A large-scale Soviet effort to capture control of the fertile Panjshir Valley northeast of Kabul failed. The Soviets massed 10,000 to 14,000 Russian and Afghan soldiers, 1,500 armored vehicles, and substantial air support, but could not even breach the valley due to rebel resistance.

Mr. President, the tenacity of the rebels is most impressive. But it is also a tribute to their strong desire to recapture their status as a free and independent nation. They just will not allow themselves to become another satellite of the Soviet Union.

As the article pointed out:

With the partisans becoming steadily more aggressive, Kremlin leaders must soon make a decision: Slug it out with the rebels in an expanded conflict—a move that experts estimate could require up to 300,000 additional Soviet troops—or seek a diplomatic solution that might enable the Russian forces to withdraw gracefully.

Whatever course it takes, Moscow is far from achieving its goal of turning Afghanistan into another compliant satellite state. That is not likely to happen as long as the spirit of Afghan independence thrives in places like the Panjshir valley.

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

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

[From U.S. News & World Report, Oct. 5, 1981]

#### INSIDE AFGHANISTAN: A WAR RUSSIA IS LOSING

In the short space of a year, a ragtag army of Moslem tribesmen has become a disciplined guerrilla force that has fought Russian invaders to a standstill and gained control of huge swaths of this Soviet-occupied land.

The dominance of rebel forces over their Russian foes was clearly evident throughout a 700-mile trek with partisan forces across several northern provinces. What is happening here today is a radical turnaround from what I saw in my last visit just over a year ago.

The guerrillas are waging a successful war against Communist forces, and for Russia, the comparison with America's Vietnam experience daily becomes more apt. Barring a drastic increase in the number of Soviet troops in Afghanistan, the Kremlin faces the prospect of an endless stalemate. Rebels have no real chance of driving the Russians out of the country, but they are imposing a heavy toll on the alien occupiers and thwarting Moscow's attempts to impose a puppet Communist government over all of Afghanistan.

Nowhere do the guerrillas seem stronger, or more determined, than here in the Panjshir Valley, a farming area that symbolizes this country's determination to be rid of the Russians.

The rebels, called Mujeheddin, or Holy Warriors, have abandoned the clumsy and ineffectual scatter-gun tactics of earlier days. Now they attack in tightly knit units with movements carefully planned and coordinated. They are as highly motivated as ever but are better trained than those who first met the Russians in battle after Soviet forces invaded Afghanistan in December 1979.

Soviet troops and the weakened forces of Prime Minister Babrak Karmal still take temporary control of rural districts. But rebels quickly return once the enemy has left. The Soviets can travel main roads only in well-defended convoys, and even then they come under regular attack.

Assaults on Russian supply lines provide the guerrillas with many of their weapons and much of their ammunition. In some provinces, supplies can be delivered to Russian outposts only by air. As a result, Communist offensives are becoming less frequent.

#### NO HAVEN

The Kremlin's 85,000 occupation troops have been forced to take refuge in garrisons and cities. But even there they are far from safe. At night, cities belong to the rebels.

The Afghan Army is of little help. Defections are occurring at a rapid rate, and enlistment drives are flagging. Manpower has dropped by nearly 80 percent since the invasion, and many officers are in league with the rebels. Morale is at rock bottom, and the Russians cannot count on Afghans to back them up in battle.

As the Communists have faltered, the rebels have gained strength, becoming a force



to be reckoned with in this land of deserts and mountains.

I witnessed the latest attempt by Soviet and Afghan troops to seize the Panjshir Valley, about 40 miles north of Kabul, in a battle that pointed up Russian failure to defeat the rebels.

Massed on the Communist side were 10,000 to 15,000 Soviet and Afghan soldiers, 1,500 armored vehicles and substantial air support. But despite their overwhelming superiority, Communist forces ran into trouble even before the main fighting began.

Units from different guerrilla bands in the surrounding regions mobilized quickly to harass and slow the movement of the Soviets along roads leading to the Panjshir. For the Russians, getting to the battlefield was as perilous as the combat that lay ahead. Rebel groups, many armed with captured Soviet weapons, entrenched themselves in the mountains around the mouth of the valley. From the start, this strategic advantage discouraged Soviet pilots from flying too close. They knew from experience that, while the rebels have only a few anti-aircraft guns, their aim is mostly true.

When Soviet tanks tried to break into the Panjshir, government forces launched devastating barrages of mortar, rockets and cannon fire against villages and partisan concentrations.

Soviet forces, bent on victory at any cost, left the relative safety of their armored vehicles for the first time and tried to establish positions in the imposing mountains overlooking the valley. But they were no match for partisans fighting in their own element—a wilderness of tall peaks threaded with a confusing network of paths.

At one point, Communist troops managed to take a jagged, rocky ridge, from which they lobbed mortar shells at key guerrilla positions, bringing the rebels under withering fire. Minutes after I had left to seek shelter outside, the hut in which I was staying was blown up by a mortar round.

#### NIGHT FIRE

While the sun was up, the guerrillas made no attempt to counterattack. But shortly after nightfall, several guerrilla units, commanded by a charismatic young rebel known only as "Massoud," suddenly struck back.

"The Russians don't like to fight at night," the thin, hawk-faced guerrilla commander explained. "We'll keep them busy by launching a diversionary assault against the Salang Highway. We have got to keep hitting them from all sides. Already, they are getting tired and demoralized." The plan worked. By dawn, the ridge was back in guerrilla hands, the Communists routed.

But the Russians refused to call off the attack, and fighting went on for weeks. Yet the valley remained under control of outgunned rebels, who relied on clever strategy as much as firepower. Though denied by Afghan and Soviet commands, the victory was verified by Western diplomats, who reported that the Mujaheddin had captured large amounts of Soviet equipment and inflicted "unprecedented casualties" on their Communist foes.

Soviet reaction to mounting military frustration—underscored by the Panjshir siege—has been to increase the cruelty inflicted on the Afghan population. Among new Russian tactics: The booby-trapping of the country. Airplanes and helicopters regularly drop bushels of deadly plastic gadgets called "butterfly" mines, which explode when picked up by Afghans from goat paths and in the fields. Children, including an 8-year-old boy who recently lost a hand, are frequent victims.

Another favorite Soviet ploy is the planting of lethal explosive devices disguised

to look like compasses and watches. The injuries that they inflict are all the more deadly because medical care throughout most of Afghanistan remains primitive at best. Some wounded, however, receive treatment at a carefully concealed hospital staffed by French doctors working for the Paris-based Aide Médicale Internationale.

Booby traps have only stiffened the partisans' resolve to drive the Soviets from Afghanistan. There is no shortage of committed rebel recruits—only a shortage of arms and ammunition.

Massoud has 1,000 men under his command in the Panjshir Valley. "We are certainly better equipped than before," says the rebel leader, a onetime engineering student. "But we could field thousands more against the Communists if we had more guns."

Most guns and ammunition used by the Panjshir rebels are captured from the Soviets and Afghan forces, but some military gear comes from Pakistan.

#### ROLE FOR UNITED STATES?

During my time with the rebels, I saw no sign of American aid, even though Egyptian President Anwar Sadat has said that the U.S. has been buying Russian weapons from Egypt and giving them to the guerrillas. Rebel leaders could not—or would not—confirm this disclosure.

So far at least, most training appears to be a local affair in which few outsiders are involved. Since the invasion, Massoud has schooled more than 5,000 Mujaheddin in guerrilla warfare and weaponry. Many were instructed at a "guerrilla academy," which sound much more impressive than it looks. The school is housed in a scattering of mud and brick huts tucked away in a Panjshir village.

"Graduates" fight for two weeks, then rotate out of combat areas for a rest period. It is a common sight to see groups of rebels toting Soviet-made Kalashnikov rifles and laden with heavy cartridge belts trudging into the mountains, en route to battle.

Top rebel leaders are largely self-taught, though there is some talk of a clandestine training camp along the Pakistan border where the most promising fighters are taught combat skills by former Afghan Army experts. Massoud claims to have picked up everything he knows about fighting from reading about guerrilla warfare.

The two-month "academy" run by his lieutenants is serious business. Carefully selected recruits in their late teens or early 20s sit on the closely cropped grass of a cow pasture outside the school and watch intently as an instructor dressed in rough denims and a woolen cap shows them how to fire a Russian AK-47 assault rifle.

A few yards away, another group of trainees carries out close-combat exercises—how to choke or stab an enemy to death. In nearby buildings more-experienced fighters are taught commando tactics by ex-Army officers, using large wall maps and a film projector to show footage of anti-Soviet guerrilla operations.

Results of the training are strongly evident among front-line fighters, all of whom carry Russian weapons. They are a hardened bunch who have earned a reputation as ferocious and merciless warriors. They seldom take prisoners.

Guerrilla leaders report unconfirmed cases of injured Russian soldiers committing suicide or shooting each other rather than face the wrath of their Afghan captors. There also are reports of Soviet helicopters deliberately machine-gunning encircled Russian soldiers

who faced certain capture. Whether such reports are true or not, the Geneva Convention counts for little in this war. On both sides, there are many stories of atrocities.

"There is little we can do," comments a partisan commander. "Hatred for Russians is just too great. Many of us have lost families or homes through Communist terror. The first reaction when coming across a Russian is to kill him."

Much of the time, the face of Afghanistan is deceptively placid. For instance, I encountered no Russian or government patrols on my trip into the country from Pakistan. Nor did I see many Russian warplanes. Only rarely does a Soviet MIG jet thunder overhead. And seldom do Russian soldiers venture out of their garrisons or scattered mountain strongholds. "The Russians have a base up there," said one rebel in scornful tones, pointing to a distant peak. "But they don't dare come down here any more."

Outwardly, the country seems as it has always been. Many of the scenes are peaceful. As fall approached in the Panjshir Valley, farmers threshed wheat with teams of cattle. Young women in shawls harvested stalks of oats and barley among the terraced fields. Young boys stole apples and pears from roadside orchards.

#### DAILY ROUTINES

Residents of the Panjshir, like those throughout Afghanistan, have shown an implacable determination to resist the Communists. But they try hard to lead normal lives regardless of the threat of attack.

Newly plastered dried-mud walls and brightly colored window frames of reconstructed houses stand out among the ruins. In the dozen primary schools that have been re-established in the valley, rows of schoolboys sit bobbing rhythmically back and forth, reciting Koranic verse or confronting arithmetic problems on black slates.

The Communists have done all they could to bring the Panjshir to its knees. They have even tried to blockade the valley by erecting a kind of rustic Berlin Wall—a 6-foot high barricade that lies across the mouth of the Panjshir. But that did not stop goods from the outside world from entering or fresh guerrilla fighters from filtering in. Village bazaars still sell the necessities of ordinary life.

Money sent by relatives and friends living and working in Kabul has become vital to the survival of the valley and other parts of Afghanistan. Goods from Pakistan and Kabul are brought into the valley by horse and mule caravans, foot travelers and merchants who hike a secret network of mountain trails. The same trails serve as a conduit for guns, ammunition, medicine and other military supplies from Pakistan.

The countryside is littered with destroyed Russian vehicles. Yet a rebel public-transport service still exists. Rickety, windowless buses and patched-up trucks captured from the Afghan Army ply the potholed, battle-scarred dirt road that runs the length of the valley. The presence of a regular bus service helps give the Panjshirs a sense of normality.

If the Russians launch a surprise attack, local residents can mine the road at short notice. Gasoline for the buses is taken from ambushed government convoys and transported back to the Panjshir in canisters.

#### STEADFAST RESOLVE

The most impressive characteristic of the resistance—in Panjshir and all Afghanistan—is the determination of the anti-Communist population to continue fighting.

Under present circumstances, the conflict is a no-win situation for both sides. Despite the improved fighting ability of the Muje-

heddin, they cannot hope to push the Russians from Afghan soil. Nor can the Russians or the Kabul regime hope to crush the rebels.

With the partisans becoming steadily more aggressive, Kremlin leaders must soon make a decision: Slug it out with the rebels in an expanded conflict—a move that experts estimate could require up to 300,000 additional Soviet troops—or seek a diplomatic solution that might enable the Russian forces to withdraw from the country gracefully.

Whatever course it takes, Moscow is far from achieving its goal of turning Afghanistan into another compliant satellite state. That is not likely to happen as long as the spirit of Afghan independence thrives in places like the Panjshir Valley.

Mr. ROBERT C. BYRD. Mr. President, I have no further need for my time under the order, so I yield it back.

Mr. BAKER. Mr. President, I yield back my time remaining.

#### RECOGNITION OF SENATOR PACKWOOD

The PRESIDING OFFICER. Under the previous order the Senator from Oregon (Mr. PACKWOOD) is recognized for not to exceed 15 minutes.

#### THE U.S. TIMBER PROBLEM

Mr. PACKWOOD. Mr. President, the Members of this body are well aware of the deep depression being experienced by this Nation's housing industry. My own State of Oregon with its heavy dependence upon the lumber industry is suffering unprecedented unemployment. The impact upon industry, business, and individuals is staggering.

And, Mr. President, I regret to report that an already critical problem is being exacerbated by actions of our Canadian neighbors.

Now, it is not my intention to blame Canada for high interest rates in the United States. Those interest rates are the principal reason for the extraordinary depth of the timber industry depression. Certainly I am reluctant to suggest that the Canadians are intentionally taking advantage of economic adversity in the United States to shore up their own economy.

But the evidence is substantial, Mr. President, of dramatically increased export of lumber and lumber products into the United States from Canadian forests and mills. It is shocking to learn that fully one-third of the lumber used in the United States now comes from Canada.

As recently as 1975, Canadian imports represented only 18.7 percent of the lumber used for housing and other construction in the United States. Today, Canada's share of the U.S. market stands at roughly 32 percent and is steadily rising.

More importantly, it should be noted, Mr. President, that the Canadian lumber is not being imported to supply new markets in the United States. To the contrary, the Canadian lumber is being sold in markets which in the past have been supplied wholly or nearly so by products of our own forests.

Nor are the Canadians providing lumber to our own markets because we lack an adequate supply of timber. We have the trees, Mr. President, to meet the demand and the quality of timber from the Pacific Northwest is, by any measure, fully competitive with if not superior to that of the bulk of the Canadian imports.

Why, then, are so many Canadian sawmills humming while ours are shutting down, and taking whole communities with them?

The paramount reason, as I already have noted, is high interest rates which have put the cost of home ownership beyond the reach of millions of Americans.

But those high interest rates have not halted all construction in the United States. If they had, we would not be looking at figures which reflect the startling growth of Canadian lumber imports. Despite the interest rates, houses are being built, and they are being built in increasing numbers with Canadian forest products.

Mr. President, we cannot afford as a Nation to ignore the plight of our timber industry and all who are dependent upon its health. We must address effectively all of the issues which are contributing to our timber depression, and that is what I propose that we do.

First, I will introduce in the Finance Committee a resolution directing the International Trade Commission to investigate Canadian exports of lumber into the United States. The Commission's investigation will determine whether Canada is competing unfairly in U.S. markets. We already know, Mr. President, that Canadian lumber is less costly because of lower stumpage prices and transportation costs.

Second, I have scheduled for November 24, a joint hearing of the Trade and Tax Subcommittees of the Finance Committee. Our purpose is to explore—for the record—the problems which are contributing to the distress of Oregon's timber industry.

The hearing also will hear testimony on the use of public timber as a tax shelter by limited partnerships.

Third, I am introducing legislation today to revise the Reforestation Tax Incentive and Trust Fund which Congress enacted in 1980. I believe we have a continuing need to assure a long-term timber supply through increased reforestation on both public and private lands.

The bill I am introducing increases the dollar limit for the reforestation tax incentive from \$10,000 to \$25,000. It allows for a 3-year carryover of reforestation expenses, and it changes the funding source for the trust fund from tariffs on certain forest products to the funds derived from cutting fees from Federal timber sales.

Although our attention is focused upon the conditions our industry faces today, we must not lose sight of the future. That means we must address not only the is-

ues of high interest rates and imported lumber, we also must look ahead to the day when the demand for logs and finished lumber cannot be matched by the trees available for harvest.

That day will come, Mr. President, if we do not move forward to insure a healthy industry now, and one that will remain healthy for generations to come.

The carpenters, the pipefitters, the electricians, the loggers, and the millhands who today are standing in unemployment lines expect action from us. They know there is no panacea. But they want us to do what we can, not only for themselves but for those who will come after—their children and grandchildren.

At this point, I should like to explore in greater detail these issues which are so critical to the people of my State, and indeed the whole Nation.

Let us consider first, a table showing the increasing levels of Canadian lumber imports, and I ask unanimous consent, Mr. President, that this table be included in the RECORD at this point.

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

U.S. CONSUMPTION OF SOFTWOOD LUMBER<sup>1</sup>

Year	United States production	Canadian imports	Total United States consumption	Canadian percent of United States consumption
1975	24,569	5,666	30,380	18.7
1976	27,608	7,905	35,558	22.1
1977	29,668	10,344	40,054	25.8
1978	29,623	11,769	41,464	28.4
1979	27,791	11,068	38,909	28.4
1980	22,831	9,514	32,370	29.4
1st half 1981	11,334	5,308	16,654	31.9

<sup>1</sup> Thousand feet board measure (MFBM).

Source: Western Wood Products Association.

Mr. PACKWOOD. Mr. President, the level of Canadian lumber imports into this country is not happening by accident. Canada makes no secret that its current economic policy depends heavily on the export of lumber. The following quotation from the July 1979 newsletter of the Royal Bank of Canada makes this clear:

As in decades past, our forests continue to generate more foreign earnings than any other commodity sector, helping Canada to pay its way in the world. The industry's contribution to the trade balance is about \$7 billion annually, nearly as much as that of mining, agriculture, fishing and fuels combined.

The United States is far and away the biggest market for Canadian lumber—much larger than Canada itself. Nearly one-half of Canada's total lumber production is sold in the United States. About one-third of it is sold in Canada.

I have a table which illustrates clearly Canada's dependence on the U.S. lumber market. All of us should note that not only are we Canada's biggest lumber market, but we take nearly as much lum-



ber from them as all their other markets combined. This table is based on data put together by the Western Resource Alliance, headquartered in Eugene, Oreg.—a group which has done an excellent job of compiling data on our Canadian lumber imports.

I ask unanimous consent to have the table printed in the RECORD.

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

*Canadian softwood lumber distribution*

	Million board feet, 1980
U.S.A. exports .....	9,281
Canadian use .....	6,523
Other exports .....	1,712
ECC exports .....	1,268
<b>Total .....</b>	<b>18,784</b>

Source: Western Resource Alliance.

Mr. PACKWOOD. Let us look now at the outstanding reasons for this penetration of the U.S. market by Canadian lumber. In general, the production and transportation of Canadian lumber to the United States is a Canadian Government monopoly. Virtually all Canadian lumber production comes from royal forests, owned by either the Provincial or National Governments. Most of this lumber is then transported by railroads owned and operated by the Canadian Government.

There is little doubt that the major reason for the great surge in Canadian lumber imports is the method Canada uses for pricing its timber. The United States uses a free market—competitive bidding—to price its timber for sale to timber companies. The Canadians do not. They use a government price. The government "appraises" the timber and sets the price. They can set the price wherever they want.

The Canadian pricing method results in an enormous difference between Canadian and U.S. stumpage prices. Stumpage is the price paid to the owner of a forest for the right to harvest his timber. For example, there is a huge price difference between timber produced in U.S. forests in the Pacific Northwest and in competing forests across the border in British Columbia. Last year, 1980, the average stumpage price in Oregon and Washington was \$285.50 per thousand board feet, while the same price for British Columbia, which produces two-thirds of Canada's timber, was only \$13.06. This disparity is absolutely astounding.

This stumpage price disparity has been going on for years. I asked the U.S. International Trade Commission to provide historical data on this subject for me. The table the ITC produced shows this enormous price disparity over the last 5 years. Mr. President, I ask unanimous consent that the ITC table appear at this point in the RECORD.

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

COMPARISON OF UNITED STATES AND CANADIAN STUMPAGE PRICES

Year	United States <sup>1</sup>	Canada <sup>2</sup>
1976 .....	\$113.20	\$1.65
1977 .....	153.80	3.49
1978 .....	185.00	10.88
1979 .....	270.00	17.85
1980 .....	285.50	13.06

<sup>1</sup> Average stumpage prices for Oregon and Washington timber from National Forests. (United States dollars per thousand board feet.)

<sup>2</sup> Average stumpage prices for British Columbia timber from Provincial Forests. (Canadian dollars per thousand board feet.)

Source: U.S. International Trade Commission.

Mr. PACKWOOD. Canadian authorities on timber pricing recognize that Canada's refusal to use competitive bidding results in a much lower stumpage price, which in turn results in a lower price for lumber. Here is what David Haley, an associate professor of forestry at the University of British Columbia, had to say on the matter:

Between 1963 and 1978, real stumpage prices in the Pacific Northwest (i.e., net of inflationary increases) showed an upward trend of 11 percent per annum compared to a slight downward trend for British Columbia . . . (emphasis added). There is little doubt that the principal reason for higher stumpages in the Pacific Northwest is that all public agencies involved in timber production encourage competitive bidding, whereas in British Columbia competitive sales of public timber have been virtually eliminated.

In other words, Professor Haley is saying here that over a 15-year period, 1963-78, Canadian stumpage prices have actually been falling, and this is a direct result of Canadian Government policy. To say this policy is incredible is an understatement. How many of us can think of another natural resource whose price has actually fallen over the last 15 years?

The Government of the Province of British Columbia, which owns 95 percent of the timber there, makes no secret of the relationship of its stumpage pricing method and the ability to compete in the world lumber market. In a paper titled, "Alternatives for Crown Timber Pricing," the British Columbia Ministry of Forests out that—

The charges for crown timber will normally be set by a legislatively-described pricing system rather than by open competition . . . the pricing system has to encourage a vigorous, efficient and world-competitive timber processing industry. . . .

Canada clearly recognizes the competitive advantage their pricing policy provides. The original estimate by the government is the final price of stumpage, not the basis for bidding as it is in this country. If Canada's public timber were sold competitively, stumpages would be considerably higher.

I believe Canadian stumpages are the biggest single factor responsible for the alarming penetration of Canadian lumber into the U.S. market. There are other factors involved, especially Canadian rail transportation costs. This is clearly an advantage to Canadian producers. The rate structures of the government-

owned Canadian railroads gives western Canadian lumber producers a significant cost advantage over their U.S. competitors when shipping to eastern U.S. markets. In British Columbia, the transcontinental rail costs are \$25 per thousand board feet lower than the rates available to a producer in the Pacific Northwest. I know that for Oregon lumber producers it is adding insult to injury to watch their Canadian competitors pay government-set rail rates after paying ridiculously low prices for stumpage.

Mr. President, I will hold hearings on the problem of Canadian lumber imports on November 24. These hearings will be sponsored jointly by Senator DANFORTH's Trade Subcommittee and the Taxation Subcommittee, which I chair. In addition, at the earliest opportunity I will ask the Senate Finance Committee to request an investigation of Canadian lumber imports by the International Trade Commission in accordance with 19 U.S.C. 1332.

I ask unanimous consent that the text of my proposal to the Finance Committee, and the bill, be printed in the RECORD.

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

PACKWOOD RESOLUTION FOR SECTION 1332 INVESTIGATION

Pursuant to 19 U.S.C. 1332, the Committee on Finance of the U.S. Senate hereby requests the U.S. International Trade Commission (ITC) to investigate the importation of Canadian softwood lumber into the United States.

The final study will be transmitted to the Congress not later than 4 months after approval of this request by the Finance Committee.

The ITC investigation will analyze the conditions, causes and effects of recent large increases of imports of Canadian softwood lumber into the United States. The ITC investigation will include, but not be limited to, an assessment of the following aspects of Canadian softwood lumber importation:

1. Changes in the volume of Canadian softwood lumber imports compared to U.S. domestic production.
2. Relative softwood stumpage prices in Canada and the United States, both current and in historical perspective.
3. The effect of the use of different methods for determining the selling price of softwood stumpage in Canada and the United States especially the relationship between appraised prices and prices set by competitive bidding.
4. Relative rail transportation costs faced by United States and Canadian softwood lumber producers, and preferential rates, if any, which exist.
5. The impact of Canadian softwood imports on the lumber products industry of the United States, particularly in the Pacific Northwest.
6. Canadian Federal and provincial government policies and provisions of law which enhance the competitive position of Canadian softwood lumber in the U.S. market.
7. Any unique aspects of this issue relative to softwood lumber production in the province of British Columbia and in the States of Washington and Oregon.

8. The prospects for future imports of softwood lumber from Canada relative to total U.S. consumption.

S. 1824

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.

SECTION 1. AMORTIZATION OF REFORESTATION EXPENDITURES.

(a) IN GENERAL.—Paragraph (1) of section 194(b) of the Internal Revenue Code of 1954 (relating to amortization of reforestation expenditures), as added by section 301(a) of the Act of October 14, 1980 (94 Stat. 1989), is amended to read as follows:

"(1) MAXIMUM DOLLAR AMOUNT.—The aggregate amount of amortizable basis acquired during the taxable year which may be taken into account under subsection (a) for such taxable year shall not exceed the sum of—

"(A) \$25,000 (\$12,500 in the case of a separate return by a married individual (as defined in section 143)), plus

"(B) any unused limit carryover to such year."

(b) CARRYOVER OF UNUSED LIMIT.—Subsection (c) of such section 194 (relating to definitions and special rules) is amended by adding at the end thereof the following new paragraph:

"(5) CARRYOVER OF UNUSED LIMIT.—

"(A) GENERAL RULE.—The excess of—

"(i) \$25,000 (\$12,500 in the case of a separate return by a married individual (as defined in section 143)), over

"(ii) the aggregate amount of amortizable basis acquired during the taxable year which is taken into account under subsection (a), shall be an unused limit carryover to each of the three succeeding taxable years.

"(B) AMOUNT CARRIED TO EACH YEAR.—The amount of the unused limit carryover from any taxable year which may be taken into account in any succeeding taxable year shall be the amount of such carryover reduced by the amount of such carryover which was used in prior years.

"(C) SPECIAL RULES.—For purposes of subparagraph (B)—

"(i) the amount of amortizable basis acquired during the taxable year shall be treated as first using up the \$25,000 (or \$12,500) limit of subsection (b) (1) (A), and

"(ii) then shall be treated as using up unused limit carryovers to such year in the order of the taxable years in which the carryovers arose.

"(D) TRANSITIONAL RULE.—For taxable years beginning after December 31, 1979, and before January 1, 1982, subparagraph (A) (1) shall be applied by substituting '\$10,000 (\$5,000)' for '\$25,000 (\$12,500)'."

(c) TECHNICAL AMENDMENTS.—

(1) Part VI of subchapter B of chapter 1 of such Code is amended by redesignating section 194 (relating to contributions to employer liability trusts), as added by section 209 (c) (1) of the Multiemployer Pension Plan Amendments Act of 1980, section 196.

(2) The table of sections for part VI of subchapter B of chapter 1 of such Code is amended—

(A) by striking out the item relating to section 194, as added by section 209 (c) (2) of the Multiemployer Pension Plan Amendments Act of 1980, and

(B) by adding at the end thereof the following new item:

"SEC. 196. CONTRIBUTIONS TO EMPLOYER LIABILITY TRUSTS."

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by subsection (a) shall apply with respect to

additions to capital account made after December 31, 1981.

(2) DETERMINATION OF CARRYOVERS.—The amendment made by subsection (b) shall apply with respect to taxable years beginning after December 31, 1979.

(3) TECHNICAL AMENDMENTS.—The amendments made by subsection (c) shall take effect on the date of enactment of this Act.

SEC. 2. REFORESTATION TRUST FUND.

(a) IN GENERAL.—Paragraph (1) of section 303 (b) of the Act of October 14, 1980 (94 Stat. 1991) is amended to read as follows:

"(1) Subject to the limitation in paragraph (2), the Secretary of the Treasury shall transfer to the Trust Fund—

"(A) 65 percent of the amounts received in the Treasury during any fiscal year from any sale made after December 31, 1981, by the Secretary of Agriculture under section 14 (a) of the National Forest Management Act of 1976 (90 Stat. 2958; 16 U.S.C. 472a (a)), and

"(B) all amounts received in the Treasury during any fiscal year from any sale of trees, portions of trees, or forest products located on Federal lands (other than lands held in trust for any Indian tribe) by the Secretary of the Interior which is made after December 31, 1981."

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on January 1, 1982.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business, for not to exceed 30 minutes, with statements therein limited to 5 minutes each.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. CHAFFE). Without objection, it is so ordered.

THE DEPARTMENT OF DEFENSE AUTHORIZATION BILL

Mr. HAYAKAWA. Mr. President, I express my appreciation to my colleagues who served on the conference committee for S. 815. I believe they have done an excellent job in reconciling the Senate and House Department of Defense authorization bills. I was especially pleased to note that they have decided to retain the funding levels for three programs which I believe are crucial to our national security. These three programs, the NAVSTAR global positioning system, the KC-10 tanker aircraft, and the CX/airlift enhancement package, are all important to the defense of the United States in the 1980's.

The NAVSTAR global positioning system will greatly enhance the ability of our forces to navigate with precision. This capability will provide increased efficiency and better use of our military forces. Furthermore, the NAVSTAR sys-

tem has the potential for significant application within the civilian system. It is a pleasure to support a defense program which can also improve transportation safety and increase fuel savings and operating efficiency in a large number of civil and commercial enterprises.

In an age of uncertain oil supplies and general international tension in remote areas of the world, I am glad that the members of the conference committee realized the importance of our ability to project our influence to farflung corners of the Earth and the role the KC-10 tanker and the CX cargo plane will play in this role. A rapid deployment force will not do us any good if we cannot get it to where it is needed. I am convinced that these two planes are central to any efforts to project our influence away from our shores.

The KC-10 tanker represents a significant improvement in our ability to ferry tactical aircraft to a combat zone, and it will also greatly increase our strategic refueling capability. Likewise, the CX cargo plane is the best way to get to the combat zone the heavy equipment our forces will need. Napoleon said that the winner of any battle will be the one who "gets there the firstest with the mostest." That maxim still applies today, and the CX cargo plane is the best way to insure that we are the side that gets the most tanks, armored personnel carriers, and heavy guns to the battle before anyone else.

I support this Defense authorization bill, and I congratulate my colleagues on the fine work they have done.

JAPANESE DEFENSE

Mr. HAYAKAWA. Mr. President, we often hear calls from our executive leaders, Members of Congress, and journalistic pundits for a greater defense effort on the part of Japan. The standard Japanese response has been that such a buildup is inhibited by budgetary problems, constitutional restraints, and a strong antiwar attitude among the people. While those familiar with the problem recognize the validity of these arguments, there is a wide current of U.S. public opinion which feels Japan is over-reliant on the U.S. nuclear umbrella and is not doing its share. It is refreshing, therefore, to note the views of a Japanese thinker supporting an increased Japanese defense effort.

In the October 19, 1981, issue of the Wall Street Journal, Mr. Shin Kanemaru, president of the Japanese Center for Strategic Studies and former minister of defense, argues that Japan must join the United States in the defense of the Pacific and Indian Oceans. Stressing the vulnerability of the Japanese sea lanes to vital Middle Eastern oil, Kanemaru cites several factors which threaten Japanese security:

First, declining superiority of United



States over Soviet naval forces in the Pacific-Indian Ocean theater;

Second, the rapid buildup of Soviet conventional forces stretching from the maritime province and Sakhalin to the Soviet-held Kurile Islands off Northern Japan;

Third, the stepped-up transformation of Vietnam into a Soviet military base; and

Fourth, the persistent threat posed by North Korea's formidable military forces.

Kanemaru recommends a reassessment of Japanese defense policy and a series of immediate steps to enable Japan to contend with short-term emergencies, while continuing to rely on the United States-Japan security arrangement in the long run.

As I believe my colleagues will find Mr. Kanemaru's views and recommendations of interest, I ask unanimous consent that his article be printed in the RECORD.

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

#### JAPAN MUST BOLSTER DEFENSE

A significant transformation in the international situation is taking shape. This change could vitally affect the peace and security of Japan.

During the coming decade, as the Soviets approach a peak in their military power, the U.S. may find itself in an inferior position in the overall balance of power. Not only would this contribute to the Soviet Union's freedom of military action on a global scale, it also could encourage the Soviets to attack Japan—with a ground, naval, and air onslaught for which Japan is grossly unprepared. One could also imagine strategic or theater nuclear forces being employed by the Soviets to either threaten or destroy Japanese cities and installations.

Both the U.S. and Japan regard access to the oil-producing Persian Gulf as vital. Given their overwhelming reliance on Middle East petroleum, the Japanese should agree with a statement made by former Defense Secretary Harold Brown that Soviet domination of the Gulf would amount to an occupation of Japanese territory.

Because the Pacific and Indian oceans constitute a single strategic region, both Japan and the U.S. must defend both oceans simultaneously. Right now, however, American military strength in the Far East is insufficient to secure the military stability of both oceans simultaneously. Thus the possibility exists that a military confrontation between the U.S. and the Soviets in the Middle East might spread to other areas: Western Europe, the Atlantic, East Asia, and the Western Pacific.

If such an escalation were to take place, innumerable logistical problems would arise. In the Far East, for example, the three straits around Japan would have to be blocked to prevent the southward and eastward swing of the Soviet Pacific fleet.

For a variety of reasons, analysts believe that Asia is entering a dangerous phase of development. Consider, for example, the declining superiority of U.S. naval forces over those of the Soviet Union in the Pacific-Indian Ocean theater; the rapid buildup of Soviet conventional forces in the area stretching from the Maritime Province and Sakhalin to the Northern Territories off Japan; the stepped-up transformation of Vietnam into a Soviet military base; or North

Korea's persistent policy of "southward venture" and its steady military buildup.

Over the years Japan has relied primarily on the Japan-U.S. security system, placing limitations on her defense efforts while giving priority to other policies. Now, however, it is imperative that Japan be able to fight on her own. Japan should upgrade her ability to deal effectively with the early stages of an emergency, and improve her defense sustainability for a period longer than heretofore acknowledged. Reliance upon the U.S.-Japan security system arrangement should be considered only in the long run.

Given the foregoing assessment, Japan's defense policies should be revised accordingly:

National defense should be constructed so as to be able to effectively deter a variety of possible threats;

Security needs, not budgetary considerations, should be paramount in the formulation of defense policy; and

The U.S.-Japan security system should be clarified with respect to responsibilities and limitations for both Japanese and U.S. forces.

Japan needs to immediately establish military readiness; the government also must encourage a greater awareness of the value of civil defense and the importance of certain land projects, roads, railways, harbors, ports, etc.

As a first step the enactment of espionage-prevention laws must be hastened. Since we are in an era of intelligence warfare, the absence of such laws makes difficult the preservation of essential secrecy and impedes the exchange of intelligence with friendly nations.

To accomplish the needed buildup, armed forces personnel should be increased about 100,000. This would necessitate recruiting about 30,000 men annually, upgrading the social status of uniformed defense personnel and granting of career advantages to enlistees.

Major equipment is now procured from the U.S., but significant adjustments need to be made. Equipment acquisition must not be decided on a single-year budgetary basis, but rather on a middle-term basis (three to five years or more). It is also essential that there be an expansion of production lines for domestic procurement. To this end, speculative investment in the private business sector and adequate training of personnel are imperative.

Political restrictions of the utilization of nuclear power for vessels and the use of space must be removed, and a research and development program immediately launched.

Finally, strong government policies regarding bases must be adopted. It is imperative that bases, exercise areas, training areas and other such facilities be maintained and used.

National defense must now be at the very heart of national policy, and patriotic sentiments and a spirit of national defense—now so absent in Japanese society—must be fostered through strong national leadership.

#### AFGHANISTAN

Mr. HAYAKAWA. Mr. President, I have recently had the opportunity to read a most thorough and analytical account of the situation in Afghanistan. It was written by Dr. Richard S. Newell of the University of Northern Iowa, and delivered at the meeting of the Association for the Advancement of Slavic Studies held in Monterey, Calif., on September 20, 1981.

Dr. Newell is the author of the widely acclaimed book, "The Struggle for Afghanistan," which was published last year.

In Dr. Newell's assessment, the situation has changed from a stalemate to a gradual deterioration of the Soviet position. The Afghan resistance is now better armed and has achieved considerable coordination among the disparate tribal, ethnic, and regional groups fighting the Soviets. Soviet forces, on the other hand, are plagued by poor intelligence, cumbersome command structure, continuing collapse of regular Afghan Army units, and low morale. Their forces are now confined to major towns, roads, and military installations. Even the towns are dangerous for Soviet personnel at night, as urban campaigns of assassination, sabotage, and anti-Soviet propaganda increase.

Dr. Newell believes that some sort of political settlement may become possible in which the Babrak Karmal regime would be "neutralized." He sees signs that the government is running more smoothly now that the Karmal faction (Parcham) has achieved ascendancy over the former Khlaq leadership. One result is that the government is able to pursue a more "accommodationist" policy toward its internal enemies.

Unfortunately, Newell is doubtful that the expatriate resistance organizations based in Peshawar will be able to contribute much to a political solution as they remain mired in propaganda, constant bickering, and failures to find a credible formula for unity and a political alternative. As these groups are held in contempt by the internal resistance leaders, Newell reasons that they may become superfluous in the national struggle, especially as the former become better equipped and politically organized. Furthermore, leaders who emerge from the fighting—and possibly as negotiators who eventually may parley with the Soviets should the latter recognize a military impasse—are much more likely to have popular credibility.

Because of this schism, Newell foresees the possibility of a transitional period following Soviet withdrawal, during which exiled King Zahir Shal—"the last surviving national figure without implacable enemies"—might lead a government that could replace Karmal's and mediate regional and cross-ethnic rivalries. In the long term, however, Newell concludes that the nucleus of a federated political system is likely to be built upon an association of internal resistance leaders. At this time, we in the West are only dimly aware of who these leaders might be.

I commend this most interesting analysis to my colleagues and ask unanimous consent that it be printed in the RECORD.

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

THE STRUGGLE FOR AFGHANISTAN BY MID-1981  
(By Richard S. Newell)

(Meeting of the Association for the Advancement of Slavic Studies Paper to be read at Monterey, Calif., Sept. 20, 1981)

Writing in mid-1980 Nancy Peabody Newell and I concluded that the contest between the Afghan resistance movement and the Soviet occupation forces had reached a stalemate. The mujahidin lacked the weapons and organizational coherence to drive the invaders out and the Soviet units could not eliminate the guerrillas entrenched in the countryside without escalating their intervention to a level they found too costly in casualties, expense and political unpopularity to risk.

Both sides were seriously hampered by political liabilities; the resistance by leadership rivalries and their inability to achieve coordination in combat; the Soviets by the weakness of their client in Kabul, the Parcham government, which had been unable even to unite Afghanistan's tiny minority of Marxists behind it.

In this paper I attempt a provisional assessment of the situation one year later. I find that a stalemate is still evident, but that after nearly two years enjoyment of overwhelming superiority in arms, the Soviet position now appears to be in danger of eroding. Such deterioration may force the Kremlin to confront difficult alternatives in its Afghanistan policy in the near future.

The danger to the Soviet position lies in the fact that given the ongoing level and nature of the fighting, Afghan resistance capabilities are growing stronger. The celling which Moscow has placed on the number of Soviet combat troops and the failure of Soviet tactics to inflict serious damage on the resistance have permitted the insurgency to spread, to consolidate its control over the great majority of the population thus denying the Karmal government the demographic base it needs for popular support and to begin to develop the tactical capacity to seize the initiative in combat.

Despite occasional reports of large reinforcements, the Soviet troop level has remained at approximately 85,000 inside Afghanistan with elements equivalent to two divisions immediately available north of the Amu River. Troop rotations have resulted in considerable change in the composition of Soviet forces; they have consisted of first line units, mostly manned by European troops, since Central Asian reservists were experimented with in the first weeks after the invasion.

Deployment has involved eight divisions and ancillary units distributed as follows: three motorized infantry divisions in Kabul, two motorized infantry divisions distributed in the south between Kandahar and Farah, two motorized infantry divisions distributed in the north between Badakshan and Balkh, one airborne division based at Jalalabad and elements of another airborne division and infantry units stationed near Herat and Shindand Air Base in the west.<sup>1</sup>

Surviving units of the deteriorating Afghan Army are largely concentrated in outposts along the eastern border with Pakistan. There no longer is a large number of them stationed near Kabul.<sup>2</sup>

Their great superiority in mobility and firepower has yielded few results for the Marxist forces. They have tended to take stationary positions protecting the major towns, roads and principal military and civil installations. Most of their combined air and armor assaults have come as responses against mujahidin attacks on district or provincial capitals, ambushes of convoys on the main roads, and the so far rare moves against the major military bases. This posture concedes

to the resistance control over nearly the whole of the population which is overwhelmingly rural.

There is insufficient Soviet infantry to hold strategic territory and deny to the resistance bases for collecting food and other supplies after their armored forces have swept through a targeted area. There have been few occasions when a sizable number of guerrillas has been trapped and mauled by Soviets operating on foot as happened in the Kunar region in September, 1980 as described by Gerard Chaliand.<sup>3</sup> Even in the areas of most intense Soviet activity, especially the Kunar, Nangarhar, Paktia and Ghazni provinces of eastern Afghanistan, mujahidin groups have generally remained free to roam and raid.

The reactive character of the Soviet operations is aggravated by the cumbersomeness of the Soviet command structure which continues to suffer from the inflexibility of overcentralization reported by Stuart Auerbach in August of 1980.<sup>4</sup> Despite the use of specially trained counterinsurgency units, the failure of Soviet or Parcham intelligence to discover the location and planned movements of resistance groups has meant that their vastly faster mechanized and aerial forces have rarely caught them in the open by surprise.

The pacification effort has thus been seriously crippled by the failure to develop Afghan infantry units which would be reliable enough to carry out the search and destroy operations that the Soviet units do not have the manpower and the inclination to do. If such Afghan units had been available in early 1980, the resistance might have been decimated, at least in several regions, before it had time to learn how to cope with the weapons superiority of the Marxist forces.

The melting away of the Afghan army to perhaps one-fourth of its pre-invasion strength has thus had a great deal to do with the loss of initiative to the resistance.

Soviet attempts to retain the initiative have been focused upon the strategically vital region between Kabul and the Pakistan border, mostly inhabited by Pushtun tribes. A mixture of political and military tactics have been tried. Bombing and shelling have been used to drive whole populations from the more recalcitrant sectors. Other Pushtun groups have been offered bribes and favored treatment.

At times this policy has been contradicted by searches for army recruits involving operations in which villages are surrounded and young men, even adolescents, are seized.<sup>5</sup> The results of such measures have usually been to denude some areas of population and to accelerate refugee movement, mostly into Pakistan. The most spectacular instance of this was the flight of the Sabari tribe, some 35,000 families, to the Kurram region of Pakistan this spring.<sup>6</sup> The bombardments and strafing have caused a heavy incidence of non-combatant casualties and a heavy human toll upon the young, old, and disabled fleeing to Pakistan and Iran.

Attempts to deny territory to the resistance have also reportedly included destruction of crops in some areas,<sup>7</sup> although most of the serious decline in grain harvests in Afghanistan can be attributed to disruptions created by the hostilities. There is little indication that depopulation and scorched earth tactics have been effective; mujahidin units have filtered back into their home areas, often assured that their families are secure and provided for in Pakistan.

The failure to hold the initiative has begun to weaken the military position of the Soviets and their Kabul clients. The resistance has been able to increase its penetration of the cities. Abandoning the extremely costly tactic of organizing largely unarmed public demonstrations, mujahidin groups

now operate cells to carry out assassinations, sabotage offices, distribute instructions and information, and where limitations on Marxist forces make it possible, outright takeover of neighborhoods and bazaar areas, as has happened in Herat late in 1980 and Kandahar in the spring of 1981.

The effectiveness of these urban campaigns has forced the Parcham government and the Soviet occupation authorities to concentrate further on defensive security measures, particularly the organization of militia forces to control neighborhoods.

Meanwhile, mujahidin groups have grown bolder in their harassment of the fertile valleys around Kabul itself. Since repulsing heavy armored attacks on their villages in the Panj Shir Valley late in 1980, Tajik groups have mounted increasingly aggressive attacks in Parwan province climaxed by the successful raid on Soviet air headquarters at Begram in mid-June in which the fuel dump and several planes were set afire.<sup>8</sup> A few weeks before, several resistance groups combined to attack a military recruit training camp at Paghman just outside Kabul's suburbs.<sup>9</sup>

Such pressure on the main cities has been accompanied by greater cooperation and coordination between the operational resistance groups. This has been especially true between the Hazaras, who have been entrenched in the mountainous central core of Afghanistan since 1979, and their Tajik, Almak, Uzbek and even Pushtun neighbors who are distributed around them along the edges and corners of the country.<sup>10</sup>

While the leadership of most resistance groups remains rooted in the primordial affiliations of family, lineage clan, tribe and regional/linguistic community (recently some effective mujahidin units have rallied around ex-Afghan army officers),<sup>11</sup> they have made ad hoc arrangements for coordination of operations and, more rarely, joint operations.

They remain jealous of their own turf, in traditional Afghan fashion, but the value of cooperation has been compelling to ignore in operating against towns, as in Parwan province and against major concentrations of troops in the field, as in Nangarhar, Kunar and Badakshan provinces. This increased willingness to work together inside Afghanistan has applied on occasion even to units closely affiliated with the often squabbling expatriate organizations headquartered in Pakistan.

In fact, the high visibility of the Peshawar quarrels to the world press tends to obscure the degree of cooperation which has been achieved among the groups actually doing the fighting.

Reports of increased and improved stocks of weapons in the hands of resistance groups have been persistent since early spring of 1981.<sup>12</sup> Rifles and light semi-automatic weapons manufactured in a variety of countries appear now to be distributed throughout Afghanistan. They supplement the Lee-Enfield 303 sniping rifle whose manufacture has long since been taken over by Pathan gunsmiths in Pakistan. Grenade launchers, anti-tank rockets and plastic mines have become extensively used in roadside ambushes.

Bernstein argues that clandestine American agents are coordinating the supply of such weapons from Chinese, Egyptian, Persian Gulf, Western and Pakistani sources.<sup>13</sup> Whatever the arrangements for assistance are, the mujahidin are benefitting tactically and psychologically even from slight amounts of outside support. Much of their ammunition, light arms and nearly all of the heavier equipment, such as anti-aircraft batteries, mortars and heavy machineguns has come from Afghan and Soviet units through desertions, theft and capture

Footnotes at end of article.



These improvements have not brought anything like a balance in firepower; the resistance is now suffering more from a lack of ammunition than weapons. Several observers report that despite the increased flow of arms, the cost of bullets for standard hand weapons remains almost prohibitively high in Pakistani markets.<sup>14</sup>

These signs of improved equipment for the resistance do not signify a transformation of the military situation; they do suggest that the Soviets face a protracted struggle which neither side can win under existing conditions. The mujahidin have rarely been able to shoot down the MI-24 gunships, the most devastating of the Soviet attack weapons. Unless their supply of ammunition greatly improves, resistance groups will not be able to seize and hold cities and military bases.

Yet, the increased military capacity of the resistance has pushed the war to the threshold of a new plateau of competition. Should their equipment and tactical coordination continue to improve, Soviet authorities will be confronted by the choice of either increasing the size and intensity of their military operations or seeking a political solution to their predicament in Afghanistan.

By the summer of 1981, evidence was surfacing of nervousness among leading Parcham officials in Kabul over the possibility of a Soviet "sell out" in favor of a neutralization scheme.<sup>15</sup> It still appears that the resistance is a long way from exerting enough pressure to force the Kremlin to choose between talking or escalating but a trend in that direction is materializing.

The dynamics which drive the political situation are more obscure. Since Babrak Karmal named Sultan Ali Kishmand Prime Minister in June the Kabul government has given the appearance of running more smoothly. This may be partially the result of the success of the Parcham faction in finally gaining ascendancy over the Khalq leadership.

Much energy has been displayed by the government in mobilizing popular support through its National Fatherland Front. A large part of its propaganda effort is directed toward publicizing rallies in the provincial and district capitals at which government officials may be perhaps too prominent. They attend so relentlessly, that they lend substance to the opposition claim that Soviet officials do the actual governing.

The government has also called a great deal of attention to the functions of its Islamic Institutions Office as it attempts to undo the damage which identification with Marxism has done to its popular support. The precariousness of its position is evident even in its own propaganda. Kabul Radio frequently reports "requests" by high school students and boys in their early teens to be inducted into militia and army units to fight the mujahidin. Even more remarkable is the admission that such recruits are immediately given arms and sent to combat units!<sup>16</sup>

The government's greatest recent victory was its capture of many members of the SAMA organization, one of the most active of the resistance groups in Kabul. This success could bring short term relief from sabotage and assassinations, but cannot change the circumstances likely to give rise to similar urban underground operations.

Apart from Soviet force, the Karmal regime places its hope for eventual control over Afghanistan on accommodationist tactics. Its latest attempt has been the announcement of an amendment to its land reform decree which guarantees retention of land by religious institutions and private landlords if they render service to the revolution.<sup>17</sup> It continues to issue amnesty decrees for "mislabeled" mujahidin and refugees.

Now that it apparently is less disturbed by factionalism, the government has been

able to concentrate more fully on going through the motions of ruling and of offering reconciliation to its opponents. The reality of its estrangement and isolation from the population continues. If the Soviet Union were eventually to reach the conclusion that Karmal and his associates are obstacles to a political solution, the Parcham government could disappear as quickly as it emerged at the end of 1979.

Military trends and their own weaknesses might bring about a similar denouement to the expatriate resistance organizations mostly headquartered in Peshawar. Their extravagant propaganda, constant bickering and failures to find a credible formula for uniting and offering a political alternative for Afghanistan have led many groups engaged in combat to view them with contempt.

The conviction that the Peshawar leaders are too vain and greedy to follow applies especially to resistance groups among the minority communities which have the least dependence on the organizations based in Pakistan. Thus, as the resistance becomes better equipped and organized internally, the Peshawar groups could be threatened with the possibility of becoming superfluous to the national struggle.

Except for the Pushtun region adjacent to the Pakistan border, they have had little practical impact on the fighting inside the country. Their control over outside supplies of weapons and equipment, so far their most potent lever of influence, can be increasingly circumvented as operational resistance groups arrange their own international contacts.

The unreality in which the Peshawar groups themselves operate is indicated by the pattern of their maneuvering over the past year. After the National Liberation Front of Sayaf and Mujadid failed to win general support, competition hardened between the moderate and fundamentalist organizations. The most recent effort to unite came in late June when the six most publicized leaders agreed to disband their separate organizations and to accept the authority of an Islamic Council, created by themselves.

This council is to govern on the basis of an Islamic Revolutionary Charter which denies any form of popular sovereignty and derives its authority totally from religious sanctions. All groups which accept secular doctrines are explicitly excluded; the ruling council reserves all power to itself. Whatever its pretensions, such a council and its supporters could end up as a side-show.<sup>18</sup> Leaders which emerge from the fighting—and possibly as negotiators who eventually may parlay with the Soviets should they recognize a military impasse—are much more likely to have popular credibility as the struggle progresses.

Regional and cross-ethnic rivalries are almost certain to complicate the achievement of a national consensus making it still feasible that Zahir Shah, as the last surviving national figure without implacable enemies (among the non-Marxists), could play a transitional role as the leader of a government that could replace Karmal's. The Pushtuns can be expected to insist on dominating the political system, but will be confronted by armed minorities whose contribution to the deliverance of Afghanistan, either by arms or negotiations, will be demonstrably equal to or greater than theirs. The danger of a resulting conflict could generate an important mediating role for the king or possibly Mujadid of the Peshawar groups, but they would be responding to situations created within the country, not to processes that they had come to control. Accordingly, I believe that our prognosis of a year ago that the Peshawar groups would become major factors in strengthening the ability of the resistance to wage war is no longer valid.

Time is not on the side of the expatriate leaders.

If the war continues indefinitely, their influence is likely to decline in favor of an association of internal leaders who could form the nucleus of a federated Afghan political system in the indistinct future. The best chance for the Peshawar leaders to have a major part to play would then come from an impasse between victorious ethnic communities.

#### FOOTNOTES

<sup>1</sup> Francis Fukuyama, "The Future of the Soviet Role in Afghanistan: A Trip Report," Rand Corporation, Santa Monica Calif., 1980, p. 4.

<sup>2</sup> Ibid. p. 10.

<sup>3</sup> Gerard Chaland, "Bargain War," *New York Review of Books*, April 2, 1981, p. 31.

<sup>4</sup> *Washington Post*, August 10, 1980, p. A22.

<sup>5</sup> Della Denman, *Far Eastern Economic Review*, May 29, 1981, p. 22.

<sup>6</sup> Ibid. pp. 21-22.

<sup>7</sup> *The Economist*, May 23, 1981, p. 35.

<sup>8</sup> *Newsletter of the Afghanistan Council of the Asian Society*, June, 1981, p. 6.

<sup>9</sup> Edward Girardet, *Christian Science Monitor*, August 4, 1981, p. 10.

<sup>10</sup> Anthony Hyman, "Afghan/Pakistan Border Disputes," *Asian Affairs* 11, Part 3 (October, 1980), p. 272.

<sup>11</sup> Ibid. p. 271.

<sup>12</sup> Jay Peterzell, "The New Afghanistan," *Newsletter of the Afghanistan Council of the Asian Society*, March 1981, p. 49; Della Denman, *Far Eastern Economic Review*, May 8, 1981, p. 21; Carl Bernstein, "Arms for Afghanistan," *New Republic*, July 18, 1981, pp. 8-10.

<sup>13</sup> Bernstein Op. Cit. pp. 9-10.

<sup>14</sup> Hyman, Op. Cit. p. 270.

<sup>15</sup> Kabul Radio Monitoring Service (Maidan, Delhi), August 9, 1981.

<sup>16</sup> Ibid. August 13 and 18, 1981.

<sup>17</sup> Ibid. August 10 and 13, 1981.

<sup>18</sup> Charter of the Islamic Revolution, Peshawar, June 25, 1981. I have argued elsewhere that the character of Afghan society and politics does not lend itself to rule by a religious leadership. See Richard S. Newell, "Islam and the Struggle for Afghan National Liberation" in C. K. Pullapilly, *Islam in the Contemporary World*, Notre Dame, Indiana, Cross Roads Books, 1980.

Mr. HAYAKAWA. I thank the Chair. Mr. FORD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HAYAKAWA). 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.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

#### EXPORT ADMINISTRATION AUTHORIZATION, FISCAL YEARS 1982 AND 1983

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of S. 1112, which the clerk will state by title.

The legislative clerk read as follows: A bill (S. 1112) to authorize appropriations for the fiscal years 1982 and 1983 to carry out

the purposes of the Export Administration Act of 1979, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing, and Urban Affairs, with an amendment:

On page 2, striking line 6, through and including line 7, and insert the following:

"(1) \$9,659,000 for fiscal year 1982, and \$3,454,000 for fiscal year 1983; and".

So as to make the bill read:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Export Administration Amendments Act of 1981".

SEC. 2. (a) Section 18(b)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2417(b)(1)) is amended to read as follows:

"(1) \$9,659,000 for fiscal year 1982, and \$3,454,000 for fiscal year 1983; and".

(b) The amendment made by subsection (a) shall take effect on October 1, 1981.

SEC. 3. Section 12(c) of the Export Administration Act of 1979 (50 U.S.C. App. 2411(c)) is amended by adding at the end thereof the following:

"(3) Notwithstanding any other provision of law, no department or agency may withhold confidential information from any other department or agency with enforcement responsibilities under this Act which requests that information in any case in which the information is considered by the department or agency requesting the information to be necessary for the enforcement of this Act. Any such department or agency requesting such confidential information shall be subject to the same statutory restrictions on disclosing the information to other persons as is the department or agency from which the information is requested. The provisions of this paragraph shall not apply to information subject to the restrictions set forth in section 9 of title 13, United States Code."

SEC. 4. (a) Section 11(b)(1) of the Export Administration Act of 1979 (50 U.S.C. App. 2410(b)(1)) is amended by striking out "purposes," and all that follows through the period at the end thereof and inserting in lieu thereof the following: "purposes—

"(A) except in the case of an individual, shall be fined not more than five times the value of the exports involved or \$1,000,000, whichever is greater; and

"(B) in the case of an individual, shall be fined not more than \$250,000, or imprisoned not more than ten years, or both."

(b) Section 11(b)(2) of that Act (50 U.S.C. App. 2410(b)(2)) is amended by striking out "Defense," and all that follows through the period at the end of the first sentence and inserting in lieu thereof the following: "Defense—

"(A) except in the case of an individual, shall be fined not more than five times the value of the exports involved or \$1,000,000, whichever is greater; and

"(B) in the case of an individual, shall be fined not more than \$250,000, or imprisoned not more than five years, or both."

(c) Section 11(c)(1) of that Act (50 U.S.C. App. 2410(c)(1)) is amended—

(1) by striking out "not to exceed \$10,000"; and

(2) by adding at the end thereof the following new sentence: "The civil penalty for each such violation may not exceed \$10,000 in the case of an individual and may not exceed \$100,000 in the case of any person other than an individual."

(d) The amendments made by this section apply with respect to violations occurring after the date of the enactment of this Act.

SEC. 5. Section 12(c)(2) of the Export Ad-

ministration Act of 1979 (50 U.S.C. App. 2411) is amended to read as follows.

"(2) Nothing in this Act shall be construed as authorizing the withholding of information from the Congress or from the General Accounting Office. All information obtained at any time under this Act, or previous Acts regarding the controls of exports, including any report or license application required under this Act, shall be made available upon request to any committee or subcommittee of Congress of appropriate jurisdiction or to the chairman or ranking minority member of such a committee or subcommittee. No such committee or subcommittee, or member thereof, shall disclose any information obtained under this Act or previous Acts regarding the control of exports which is submitted on a confidential basis unless the full committee determines that the withholding thereof is contrary to the national interest. Any information referred to in the second sentence of this paragraph shall also be made available to any representative of the General Accounting Office duly authorized by the Comptroller General of the United States to request such information. General Accounting Office representatives shall not disclose in an individually identifiable manner any such information which is submitted on a confidential basis except to a congressional source entitled to the information under this paragraph, to a Federal official involved in the administration of this Act, to the Attorney General of the United States, or to any other party or in any other manner with the concurrence of the Secretary of Commerce."

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I ask unanimous consent that Bill Reinsch of my staff be accorded privileges of the floor during debate, rollcalls, and any other consideration of S. 1112.

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

Mr. HEINZ. Mr. President, today we take up the Export Administration Act amendments. I think we are all aware of the advantages of exports and what they bring to our economy. Quite simply, they provide jobs, they finance energy imports, they provide strength for the dollar, they bring economies of scale to U.S. industry, and they generally result in lower prices and greater selections of goods and services. Indeed, a considerable part of the agenda of the International Finance and Monetary Policy Subcommittee in this Congress has been devoted to legislation encouraging U.S. exports. Last February and March, our subcommittee held extensive hearings on the export trading company legislation which this body ultimately passed unanimously on April 8 of this year.

Shortly after that, the subcommittee, in conjunction with Senator D'AMARCO's Subcommittee on Securities, began very thorough and prolonged hearings on amendments to the Foreign Corrupt Practices Act. Those hearings, as well, have resulted in the Banking Committee reporting legislation, and I hope that legislation, too, will soon be before the Senate for its consideration.

At the same time, Mr. President, it is our responsibility to be alert to the potential problems exports might cause with respect to national security, foreign

policy considerations, and inadequate domestic supply.

The Export Administration Act—that is the legislation before us today—will fund for another 2 years the export administration system of this country. This act exists to make certain that those factors, the ones I mentioned a moment ago—national security, foreign policy, and inadequate domestic supply—are fully taken into account in our national export policy by providing a carefully constructed system of export controls.

Mr. President, we are very fortunate that no more than a very small fraction of total potential U.S. exports need be affected by export control. The promotion of U.S. trade and the purposes of export administration are entirely reconcilable in my view. We need not sacrifice from export in order to guard our national security. There is no either-or question involved. The United States can and must have both a strong export position and foreign and defense policies that are effective as well. The present bill, S. 1112, will be a significant aid in achieving both of those goals.

As I remarked in the hearings on this bill, one cannot escape a sense of déjà vu when considering the Export Administration Act. Two years ago, we were faced with the same problems and the same complaints that we seem to be hearing once again today.

We heard a report from the GAO on the inadequacy and inefficiencies of the export control process. Two years ago we heard complaints that the process was inconsistent, plagued by uncertainty and vagueness, threatening to undermine our representation as a reliable supplier in the world marketplace. Others warned that significant technology would still slip through the export control net, which would strengthen the warmaking capacity of our adversaries.

Unfortunately—although I believe the 1979 act was a significant improvement over its predecessor and that the new Department of Commerce staff has made improvements—the complaints about the process have not yet gone away. The administration of this act has not been all that it could have been, or all that the authors, such as myself, envisaged.

We need not be faced with the unpleasant choice of inefficiency and delay or the leakage of sensitive national security-related technology. Export sales and security can, by good administration and perfection of the law, be reconciled. That is what my colleagues and I intended in writing the 1979 act, and that is what good administration of the act ought to achieve and what Secretary Baldrige and his able staff are trying to achieve. It is my hope that our colleagues will bear with us once again and support this bill.

As President Reagan has noted, we are ill served by controls which hurt us more than they do the intended target. Wisely applied—particularly if they are multilateral—export controls can be a vital and effective tool of foreign policy, but done on an ad hoc basis, or in a fit of pique, export controls can be terribly counterproductive. Indeed, they can sig-



nal the opposite of the strength they are intended to project.

I am firmly of the belief, however, that the President must have the ability to impose foreign policy controls when he deems them necessary to promote the national interests of the United States. Not only must the President have that power, but must also be credible when he uses it or threatens to use it.

That is why I am troubled, and deeply troubled, I might add, by an amendment that has been proposed by one of my very, very distinguished colleagues. I will have more to say on that amendment later on. Suffice it to say, Mr. President, that export controls must be imposed sparingly and only after full consideration of both their intended and their probably unintended consequences.

I do believe that export controls may be, under some circumstances, the only nonmilitary option available to a President who wants to send a strong diplomatic signal.

I think Congress should reject moves to weaken or dilute that power. Forcing the President to obtain a joint resolution of approval in order to continue to impose a partial agricultural embargo is a move toward weakening the institution of the Presidency and should be rejected.

President Reagan has repeatedly stated his intention to not single out agricultural products for restriction in any trade embargo. I think it would be a mistake to tie his hands in the manner which the amendment I understand will be offered by Senator PERCY and Senator DIXON contemplates.

I will have more to say on that issue when it comes up for consideration.

Returning to the bill which we will be considering, S. 1112, I would say that it is a bill designed to continue the progress in our export control procedures contemplated by the Export Administration Act of 1979. First, it stiffens the penalty structure for violations of the act, thus increasing the act's deterrent effect. Second, it provides for greater interagency cooperation, which should result in more effective enforcement of the act. Finally, it makes clear the oversight and investigative authority of Congress and the General Accounting Office.

Mr. President, these are the modest but necessary changes in the Export Administration Act that S. 1112 makes. We do so along with reauthorizing funding for the program for fiscal years 1982 and 1983. I believe S. 1112 is a good bill. I believe it is a necessary bill. I urge all my colleagues to join with us in supporting this legislation and passing it in this body.

Mr. PROXMIER. Mr. President, this legislation extends existing authority for the regulation of exports as provided in the Export Administration Act by authorizing appropriations to cover the expense of administering the act for fiscal years 1982 and 1983.

As introduced, this legislation provided for appropriations of \$9,659,000 for fiscal years 1982 and 1983. The Banking Committee accepted my amendment to cut the fiscal year 1983 authorization to \$8,454,000. Funding for fiscal year 1982 reflects the need to establish a capacity

to assess foreign availability of military sensitive products and technology, for streamlining regulations, and for expansion of computer capacity to process and track export licenses applications.

Mr. President, the Export Administration Act is important legislation because it provides our national policy governing export controls. We have the greatest free market economy in the world. Free trade is of immense benefit to our Nation as well as to other nations.

Imports enhance our lives and provide keen competition to our domestic industries. Particularly at a time of inflation, exports, of course, are helpful to our economy. Exports add jobs here at home and bolster the strength of the dollar overseas.

Many of the nations of the world provide handicaps to our exporters based upon no demonstrable national need.

This morning, the distinguished chairman of the subcommittee who is the manager of this legislation on the floor, Senator HEINZ, scheduled hearings and they were very good hearings, to point out some of the difficulties we have in making our exports abroad.

Such restrictions on our exports, solely for the purpose of giving a competitive advantage to their own domestic industries, have no place in an open international system and I hope that the work the Banking Committee is doing to lay out on the public record these abhorrent practices will bear fruit.

Our export policy is to encourage exports. Our controls apply only where the interests of national security, foreign policy or short supply of a commodity are at stake. Surely no one can argue with the need to proscribe our companies from coming under foreign domination in connection with the Arab boycott of Israel. The grain embargo against the U.S.S.R. had demonstrable adverse effects on the U.S.S.R.

We had hearings on that, and I think there is no question but that it worked to punish the Soviet Union about the most effective way we could without going to war with the Soviet Union.

I disagreed with this administration's handling of the embargo. But no one can argue with the need for such authority in law. And national security considerations certainly have a high place in any national policy on exports. Supplying our enemies with goods which increase their war machine or war capability is self-defeating.

What our export policy needs is greater cooperation between ourselves and our allies in developing uniform export policies for dealing with our adversaries and greater capability at home for enforcing our own laws so that violations do not go undetected.

This legislation moves in both directions. It provides funds to enhance our foreign availability capacity. It requires greater cooperation among domestic enforcement agencies and it provides adequate penalties for national security violations for the first time.

Mr. President, I yield the floor.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

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

Mr. PERCY. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. There is a committee amendment pending.

Mr. PROXMIER. Mr. President, can we temporarily lay aside the committee amendment so that the amendment of Senator HEINZ will be in order?

The PRESIDING OFFICER. It will require unanimous consent.

Mr. HEINZ. Mr. President, I withdraw the amendment I just sent to the desk and 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. HEINZ. 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. HEINZ. Mr. President, I ask unanimous consent that the committee amendment be agreed to and be considered as original text for the purposes of amendment.

The PRESIDING OFFICER. Is there objection?

Mr. PROXMIER. Mr. President, reserving the right to object.

Mr. HEINZ. 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. HEINZ. 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. HEINZ. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HEINZ. Is it correct that my unanimous-consent request for the adoption of the committee amendment and that it be treated as original text for the purpose of amendment is now pending?

The PRESIDING OFFICER. The Senator is correct.

Mr. HEINZ. Mr. President, I ask unanimous consent that that be agreed to.

The PRESIDING OFFICER. Is there objection? Without objection, the committee amendment is agreed to; and without objection, it will be treated as original text for the purpose of amendment.

Mr. HEINZ. Mr. President, I thank all my colleagues.

#### UP AMENDMENT NO. 594

(Purpose: To clarify requirements for agency sharing of information to improve enforcement of the Export Administration Act)

Mr. HEINZ. Mr. President, it is my intention to offer two technical amendments, which both the minority manager of the bill and I have discussed. This should take just a minute or two. I send the first of these amendments to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes an unprinted amendment numbered 594.

Mr. HEINZ. I ask unanimous consent that further reading be dispensed with.

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

The amendment is as follows:

On page 2, strike line 15 and all that follow through and including line 4 on page 3 and insert in lieu thereof the following:

"(3) Departments or agencies which obtain information which is relevant to the enforcement of this Act shall furnish such information to the department or agency with enforcement responsibilities under this Act to the extent consistent with the protection of intelligence, counterintelligence, and law enforcement sources, methods, and activities, and sensitive diplomatic information. The provisions of this paragraph shall not apply to information subject to the restrictions in section 9 of title 13, United States Code; and return information, as defined in section 6013 of title 26, United States Code, may be disclosed only as authorized by such title."

Mr. HEINZ. Mr. President, this is a technical amendment to section (3) to clarify requirements for agency sharing of information for improved enforcement of the Export Administration Act.

The revised language of paragraph 3 expresses the intent that other departments and agencies of the Government which obtain information relevant to the enforcement of the act should furnish such information to the agency carrying out enforcement responsibilities under the act, specifically the Department of Commerce. In addition, the Congress in this section recognizes the need for the protection of law enforcement, intelligence, and counterintelligence sources, methods, and activities, and sensitive diplomatic information. The language makes it clear that the desired dissemination of information to the Commerce Department should provide for the legitimate protection of these interests.

This amendment also adds a provision which would prohibit interagency disclosure of confidential return information not connected with an ongoing criminal investigation.

Mr. PROXMIRE. Mr. President, I have serious doubt as to the wisdom of this amendment. The IRS receives boycott reports which it does not share with the Commerce Department. This amendment will perpetuate that circumstance. I am very sensitive to the problem of civil liberties in sharing IRS information, yet I am concerned that one agency has information which may be useful to another agency but it is not shared.

Fortunately, the House bill has a strong provision. The conference on this bill will, therefore, have a strong obligation to scrutinize this matter carefully.

Mr. President, under the circumstances, I believe it is best to take this amendment to conference with a good deal of reservation.

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

The amendment (UP No. 594) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 595

Mr. HEINZ. Mr. President, I send an amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes an unprinted amendment numbered 595:

Strike on page 4, line 15 and everything thereafter through and including line 15 on page 5 and insert in lieu thereof the following:

"(2) Nothing in this Act shall be construed as authorizing the withholding of information from the Congress or from the General Accounting Office. All information obtained at any time under this Act, or previous Acts regarding the control of exports, including any report or license application required under this Act, shall be made available to any committee or subcommittee of Congress of appropriate jurisdiction upon request of the chairman or ranking minority member of such committee or subcommittee. No such committee or subcommittee, or member thereof, shall disclose any information obtained under this Act or previous Acts regarding the control of exports which is submitted on a confidential basis unless the full committee determines that the withholding thereof is contrary to the national interest.

"Notwithstanding paragraph (1) of this subsection, information referred to in the second sentence of paragraph (2) of this subsection shall, consistent with the protection of intelligence, counterintelligence, and law enforcement sources, methods, and activities, and sensitive diplomatic information, as determined by the originating agency, and consistent with the provisions of the Budget and Accounting Act, 1921, as amended, be made available only by the originating agency upon request to the Comptroller General of the United States or to any of his duly authorized assistants or employees. General Accounting Office representatives shall not disclose in an individually identifiable manner any such information which is submitted on a confidential basis except to a congressional source entitled to the information under this paragraph."

Mr. HEINZ. Mr. President, this is a technical amendment to section 5 of the bill to clarify authority of the General Accounting Office to obtain information concerning export administration.

Section 5 gives GAO access to information obtained under the act on a substantially equal footing with congressional committees. This amendment would make only a slight technical alteration to section 5. It would preserve section 5 insofar as it gives GAO access to confidential information covered by section 12(c)(1) without the prior finding of the Secretary of Commerce, but would add a provision that GAO access to classified or law enforcement or sensitive diplomatic information must be consistent with the protection of intelligence and law enforcement sources, methods and activities, and with the provisions of the Budget and Accounting

Act of 1921, as amended. In this connection the amendment contemplates that, in response to GAO requests for classified or law enforcement information, the executive branch would continue to follow the third agency rule, under which the agency originating the document controls its distribution to insure that information is not disclosed improperly.

Mr. PROXMIRE. Mr. President, I wish to ask the distinguished manager of the bill two questions: First, as I understand it, the purpose of this amendment is to make sure the GAO has greater access to Commerce Department information that it now has. It is to solve the problem of GAO access to information at the Commerce Department that the Senator worked so long on. Is that correct—that GAO would have greater access under the amendment than it now has?

Mr. HEINZ. The Senator is correct.

Mr. PROXMIRE. If the amendment passes, would the Senator feel assured that GAO has sufficient access to Commerce Department files on sensitive information that it will be able to do its job for Congress?

Mr. HEINZ. This Senator believes that to be the case.

Mr. PROXMIRE. I thank the Senator. Mr. President, I have no objection to the amendment.

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

The amendment (UP No. 595) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PERCY. Mr. President, I should like to put a question to the managers of the bill and possibly to alert Senators and members of the staff. As I understand it, we do have two amendments to be offered today.

Senator DIXON and I would be agreeable to an hour's limitation on our amendment if that could be entered into, and we would try to do it even more expeditiously than that.

Would it be possible to clear on both sides of the aisle a unanimous-consent request to be offered by the manager of the bill to have a time certain for voting on passage of the bill if there are no other than these two amendments?

Each of them could be disposed of, possibly, within an hour, aiming toward passage by 5:15? Could that request be put on the intercom system so Senators who might have an objection would register their objection with managers of the bill?

Mr. HEINZ. Mr. President, if the Senator will yield, this Senator wishes to see a time agreement on this bill.

I wish the time agreement, in addition to limiting debate on amendments in order to expedite the passage of this bill, also to include that the time agreement be in what we refer to as the usual form, thus precluding nongermane amendments. It is my belief unless we get a time agreement that is in the usual



form and does take care of nongermane amendments it would be very unwise for Senators to agree to a time certain to vote on this bill because we would not simply know how many amendments we might have to dispose of.

I do not think anyone wishes to have one of those situations where we have five or six amendments that have gotten stockpiled after being offered and voted on before anyone really understands what they are.

So, let me just say to my distinguished colleague I would not hesitate to ask for a time agreement on amendments to the bill provided that that time agreement includes the prohibition on nongermane amendments as most time agreements do.

Mr. PERCY. I thank my distinguished colleague. On this side of the aisle I know of none that would fall within those limitations. But I will not press the matter any further.

Mr. HEINZ. If the Senator cares to make a unanimous consent request along those lines, I have no reason on this side of the aisle to object that I know of if the agreement is in the usual form.

Mr. PERCY. I at this time make such a unanimous-consent request.

Mr. PROXMIRE. Mr. President, if the Senator from Illinois will yield, I could not agree to that request because we are trying to find out now, and it will take some time to determine whether there is objection on the minority side or not. We hope to know within a relatively short time and will certainly let the Senator from Illinois know as soon as we do know. Meanwhile, I have to object to any time agreement.

The PRESIDING OFFICER. Objection is heard.

Mr. PERCY. I thank my distinguished colleague.

Mr. President, if there be no further committee amendments, is it in order now for the Senator from Illinois to send to the desk and ask for immediate consideration an amendment that he offers on behalf of himself and his principal cosponsor, my distinguished colleague from Illinois, Senator DIXON, and Mr. PRESSLER, Mr. GORTON, Mr. BAUCUS, and Mr. ROTH?

The PRESIDING OFFICER. The Senator is correct.

UP AMENDMENT NO. 596

(Subsequently numbered amendment No. 624.)

(Purpose: To amend the Export Administration Act of 1979)

Mr. PERCY. Mr. President, I send forth such an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Illinois (Mr. PERCY), for himself and Mr. DIXON, Mr. PRESSLER, Mr. GORTON, Mr. BAUCUS, and Mr. ROTH, proposes an unprinted amendment numbered 596.

Mr. PERCY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

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

The amendment is as follows:

At the end of the bill, add the following:  
SEC. (a) Section 5 of the Export Administration Act of 1979 (50 U.S.C. App. 2404) is amended by adding at the end thereof the following:

"(m) EXCLUSION FOR AGRICULTURAL COMMODITIES.—This section does not authorize export controls on agricultural commodities, including fats and oils or animal hides or skins."

(b) (1) Section 6 of such Act (50 U.S.C. App. 2405) is amended by adding at the end thereof the following:

"(1) AGRICULTURAL COMMODITIES.—(1) If the authority conferred by this section is exercised to prohibit or curtail the export of any agricultural commodity to carry out the policy set forth in subparagraph (B) of paragraph (2) of section 3 of this Act, other than in connection with the prohibition or curtailment of all exports, the President shall immediately report such prohibition or curtailment to the Congress, setting forth the reasons therefor in detail and specifying the length of time the prohibition or curtailment is proposed to remain in effect.

"(2) (A) If the Congress, within 60 days after the date of its receipt of such report, adopts a joint resolution approving such prohibition or curtailment pursuant to paragraph (3), then such prohibition or curtailment shall remain in effect for the period specified in the report, for one year after the close of the 60-day period, or until terminated by the President, whichever occurs first.

"(B) If the Congress, within 60 days after the date of its receipt of such report, fails to adopt a joint resolution approving such prohibition or curtailment pursuant to paragraph (3), then such prohibition or curtailment shall cease to be effective upon the expiration of such 60-day period.

"(3) (A) For purposes of this paragraph, the term resolution means only a joint resolution the matter after the resolving clause of which is as follows: 'That pursuant to section 6(1) of the Export Administration Act of 1979, the Congress approves the exercise of the authority conferred by section 6 of such Act as reported by the President to the Congress on \_\_\_\_\_, with the blank space being filled with the appropriate date.

"(B) On the day on which a report is submitted to the House of Representatives and the Senate under paragraph (1), a resolution with respect to such report shall be introduced (by request) in the House by the majority leader of the House, for himself and the minority leader of the House, or by Members of the House designated by the majority leader and minority leader of the House; and shall be introduced (by request) in the Senate by the majority leader of the Senate, for himself and the minority leader of the Senate, or by Members of the Senate designated by the majority leader and minority leader of the Senate. If either House is not in session on the day on which such a report is submitted, the resolution shall be introduced in that House, as provided in the preceding sentence, on the first day thereafter on which that House is in session.

"(C) All resolutions introduced in the House of Representatives shall be referred to the Committee on Foreign Affairs and all resolutions introduced in the Senate shall be referred to the Committee on Banking, Housing, and Urban Affairs.

"(D) If the committee of either House to which a resolution has been referred has not reported it at the end of 30 days after its introduction the committee shall be discharged from further consideration of the resolution or of any other resolution introduced with respect to the same matter.

"(E) (1) A motion in the House of Representatives to proceed to the consideration

of a resolution shall be highly privileged and not debatable. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(ii) Debate in the House of Representatives on a resolution shall be limited to not more than 20 hours, which shall be divided equally between those favoring and those opposing the resolution. A motion further to limit debate shall not be debatable. No amendment to, or motion to recommit, the resolution shall be in order. It shall not be in order to move to reconsider the vote by which a resolution is agreed to or disagreed to.

"(iii) Motions to postpone, made in the House of Representatives with respect to the consideration of a resolution and motions to proceed to the consideration of other business shall be decided without debate.

"(iv) All appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a resolution shall be decided without debate.

"(v) Except to the extent specifically provided in the preceding provision of this subparagraph, consideration of a resolution in the House of Representatives shall be governed by the Rules of the House of Representatives applicable to other resolutions in similar circumstances.

"(F) (1) A motion in the Senate to proceed to the consideration of a resolution shall be privileged. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(ii) Debate in the Senate on a resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 20 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

"(iii) Debate in the Senate on any debatable motion or appeal in connection with a resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

"(iv) A motion in the Senate to further limit debate on a resolution, debatable motion, or appeal is not debatable. No amendment to, or motion to recommit, a resolution is in order in the Senate.

"(G) In the case of a resolution described in subparagraph (A), if prior to the passage by one House of a resolution of that House, that House receives a resolution with respect to the same matter from the other House, then—

"(i) the procedure in that House shall be the same as if no resolution had been received from the other House; but

"(ii) the vote on final passage shall be on the resolution of the other House."

(2) Section 7(g) (3) of such Act (50 U.S.C. App. 2406(g) (3)) is amended by adding at the end thereof the following new sentence: "This paragraph does not apply to the prohibition or curtailment of the export of any agricultural commodity pursuant to section 6(1)."

Mr. PERCY. Mr. President, on February 2, I introduced along with my distinguished colleague from Illinois, Senator ALAN DIXON, the Agricultural Export Protection Act of 1981.

The sole purpose of this legislation was to prohibit restrictions on the export of agricultural products to any country for foreign policy or national security reasons, unless such an embargo is in conjunction with an across-the-board ban on all trade with that country.

Never again would the agricultural sector of our economy be singled out by Presidential order alone to bear a disproportionate share of the burden made necessary by difficult foreign policy decisions.

On January 4, 1980, when President Carter, in response to the brutal invasion of Afghanistan, canceled contracts for the sale of 17 million metric tons (MMT) of U.S. corn, wheat, and soybeans to the Soviet Union he signaled a willingness on the part of this country to use food as a "tool" or "weapon" in furthering U.S. foreign policy objectives.

This was, to my knowledge, the very first time the United States had embargoed or suspended sales of agricultural products to any major trading market for foreign policy purposes. I am confident this action was not taken lightly, but it has had, nonetheless, a tremendous impact on the farming community in this country, an impact that may well be if not permanently felt for many, many years.

President Carter exercised his authority under the Export Administration Act of 1979, as amended, to impose Government restrictions on U.S. exports for both foreign policy and national security reasons. According to the act, the Congress had a 30-day disapproval mechanism for any foreign policy controls placed on the export of agricultural products.

However, by exercising the authority for national security controls as well, the President effectively avoided a congressional review and possible veto of his action.

On January 2, 1981, President Carter, in one of his last official acts as President, extended the partial embargo on grain shipments for another year. This action was given extensive review by the new administration, and on April 24, 1981 President Reagan lifted the grain sales suspension.

It is not my purpose here to debate or discuss the pros and cons of the grain embargo. I believe there is wide recognition that there exist circumstances in which the economic benefits and the presumption against Government interference with participation in international commerce by U.S. citizens are outweighed by the potential adverse effect of particular exports on the national security, foreign policy, or economy of the United States.

While the general need for export controls has been consistently reaffirmed by successive administrations and Congresses, the way in which controls are administered has generated considerable controversy.

The so-called grain embargo has engendered a great deal of rhetoric, especially during the recent Presidential campaign; it has been the subject of heated debate all across America. The debate centers not on this particular action alone, but on the whole question

of the use of food as a tool in the conduct of foreign policy.

Representing our Nation's largest agricultural exporting State, I have felt a special responsibility to monitor this particular foreign policy action. The farming community in Illinois and the agricultural machine industry centered in Illinois have been particularly outspoken on the subject of grain embargoes, including this one.

Over the past 2 years, I have met with farm families, in their homes, to discuss this issue and other matters of particular interest to farmers.

In addition, at two meetings of my agricultural advisory committee last year the grain embargo was the major topic of discussion.

From these discussions, one message is communicated loud and clear. Upon reflection, it is an understandable concern and one that leads us to this action today. The tens of thousands of Illinois farmers, and their fellow farmers across the country, are patriotic Americans. They support a strong national defense and a strong America. However, the American farmer is puzzled and confused about a society that restricts trade in their product while allowing business as usual in the trade of other nonagricultural goods, particularly when it is their product alone that meets basic human needs.

Mr. President, when Senator DIXON and I first discussed the need for changes in the Export Administration Act we agreed that the prior approval of Congress should be required before any partial or selective embargo of agricultural products is ever imposed again.

However, in discussions over the past year the administration has strongly made the case that it is important to preserve for the President the flexibility and discretion that the law now provides.

The administration feels that without that flexibility and discretion, a prompt and forceful economic response to a specific foreign policy or security challenge would be extremely difficult if not impossible to develop, and efforts to work out effective multilateral economic sanctions with our allies, even on a contingency basis, would be greatly impeded.

In an attempt to accommodate these concerns, Senator DIXON and I agreed to modify our amendment in such a manner as to allow for a 60-day period in which the President could act, but requiring an affirmative resolution of approval for a selective agricultural embargo to continue.

We believe, while allowing for Presidential flexibility, this change assures that a President would take such an action only after full consultation with the Congress, its leadership, and the national agricultural community in order to assure congressional approval when the vote on the resolution took place. That vote could occur the very day following the Presidential action, but certainly no later than 60 days after the President acts.

Our amendment provides for very specific and expedited procedures which assure a timely vote after a period of reasonable debate.

Mr. President, we believe that by adopting this amendment we will preclude in the future the restriction of agricultural exports in other than a total trade embargo. If for some foreign policy or national security reason agricultural products were singled out for export control, the approval of both Houses of Congress would be required.

There is every justification for congressional involvement when a sudden change of policy is made with respect to agricultural commodity exports.

In effect, the adoption of this legislation would say to all farmers and their customers around the world that if we embargo agricultural products for foreign policy reasons, one group will never again be asked to bear the full burden of such an action.

Mr. President, I ask unanimous consent to have printed in the RECORD two letters, one from Robert B. Delano, president, American Farm Bureau Federation, in which he strongly supports the amendment, and the other from Michael L. Hall, National Corn Growers Association, in which they also strongly support the amendment.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

AMERICAN FARM  
BUREAU FEDERATION,

Washington, D.C., November 9, 1981.

A Farm Bureau speedline message for:

HON. CHARLES H. PERCY,

U.S. Senate,

Washington, D.C.

DEAR SENATOR PERCY: American farmers suffered severe economic hardship from the 1980 embargo on U.S. farm commodities to the Soviet Union. The effects of that embargo on farm income are still being felt as trade patterns have shifted in favor of trade with the Soviets by our competitors.

Farm Bureau policy regarding embargoes is as follows:

"Should a trade embargo be declared for national security or foreign policy reasons, the embargo should apply to all trade, technology and exchanges, except those needed to maintain diplomatic relations. Any embargo should not be declared without the consent of Congress except in time of U.S. declared war. . . ."

Farm Bureau strongly supports the amendment by you and Senator DIXON to the Export Administration Act which would require congressional approval for certain embargoes on agricultural exports if imposed by the President.

Sincerely,

ROBERT B. DELANO,  
President.

NATIONAL CORN GROWERS ASSOCIATION,

Washington, D.C., November 9, 1981.

HON. CHARLES H. PERCY,

U.S. Senate,

Washington, D.C.

DEAR SENATOR PERCY: In accordance with past efforts and decisions by various administrations to either restrict or selectively embargo agricultural exports, the National Corn Growers Association supports your and Senator DIXON's efforts to limit the authority of the Executive branch in such future matters. While there are numerous possibilities that must be considered in using U.S. trade in general and U.S. agricultural exports in particular in foreign policy options, our organization believes that the approach by you and Senator DIXON has genuine merit and should be adopted by the U.S. Senate.

It is for these reasons that the National Corn Growers Association supports the pro-



posal that would require the Executive branch to obtain within 60 days, joint congressional concurrence for the imposition of selective embargoes against agricultural exports. If the Congress does not concur with such Executive branch initiatives, then the initial selective embargo would terminate at the end of the 60-day period.

We fully support your amendment to the Export Administration Amendment of 1981, S. 1112, as a measure that will provide additional discipline on the Executive branch prior to engaging in any further selective embargoes on U.S. agricultural exports.

Sincerely,

MICHAEL L. HALL,  
Washington Representative.

Mr. PERCY. Mr. President, I wish to say this in conclusion: We are talking about the national security interests of this country. But the national security interests are very broad, indeed, and I know of no group in America that is contributing more to the strength of our balance of payments, that is providing virtually half of the export needed to pay for all of the oil imported from abroad, no group that has greater promise and hope in the future of creating the kind of dynamic growth in export markets that will meet the economic needs of America than the farmers. But you cannot introduce instability into agriculture when our main job in Government is to do research on one hand and handle export sales on the other because after all the farmers cannot go out individually and sell their products. It has to be many times on a government-to-government negotiation basis, certainly in the large markets of the People's Republic of China and Eastern Europe and the Soviet Union. But you cannot introduce into that an instability such that we are not looked upon as a steady, reliable supplier particularly for food. When you do that you destabilize the condition in every country into which we export.

We have seen what has happened to export sales as we have done this for the first time for foreign policy reasons under the Carter administration. That action was denounced by then Governor Reagan. He felt it was wrong. This administration has made clear it will not ever single out agriculture and make it be the sole bearer of the burden of carrying out foreign policy when we try to send a message to someplace like Moscow.

So I feel we should create conditions where if it is fair to embargo one group it is fair to embargo all of them, no restrictions of any kind if the President wishes to embargo everything across the board. But certainly we must find a way to give stability to our export markets.

We offer this amendment in the hope we will provide that degree of stability.

I am happy at this time to yield to my distinguished colleague from Illinois who has proven what a fine legislator he is, what an outstanding Senator he has been; and representing all agricultural interests, but certainly the agricultural interests of Illinois, as a member of the Committee on Agriculture, he has indicated his firm commitment to agriculture and to the principles we are attempting to espouse in this amendment.

I am very pleased to yield the floor to my distinguished colleague.

The PRESIDING OFFICER (Mr. GORTON). The Senator from Illinois.

Mr. DIXON. Mr. President, I thank my warm friend and distinguished colleague, the senior Senator from our State, for his kind remarks and for his excellent explanation of what this amendment does. I am happy to join him in support of this amendment.

As my colleague, the Senator from Pennsylvania, knows, I offered an amendment to this bill in the Banking Committee generally based on the proposals originally contained in S. 354, which was introduced by my colleague, Senator PERCY, and myself.

The amendment we are offering here today also requires the President to obtain congressional approval for future selective embargoes of agricultural commodities.

It effectively prohibits restrictions on the export of agricultural products to any country for foreign policy reasons unless the embargo is either:

In conjunction with an across-the-board ban on all trade with a country; or

The Congress affirmatively approves the restrictions by joint resolution, signed by the President.

It also clarifies that the President does not have the authority to embargo agricultural products for national security reasons. The Senate never intended that authority to apply to food, only to high-technology items.

The amendment does not change the President's authority to embargo agricultural commodities if those commodities are in short supply in the United States.

The amendment preserves the President's ability to manage foreign policy, and to respond to rapidly changing events overseas. It permits the President to impose a selective embargo on agricultural products for a period of 60 days, while Congress is determining whether to extend it for a longer period. It provides expedited procedures, similar in many respects to those contained in the Trade Act of 1974, to insure a timely decision on whether to impose an embargo.

It also insures that Congress is involved in the decision on whether or not to impose an embargo in a meaningful manner. Under current law, the President can impose an embargo and Congress has 30 days to overturn it by concurrent resolution. If Congress attempts to do so, the President argues that Congress is undermining Presidential conduct of foreign policy. I am sure my colleagues are very familiar with that argument. It was used with great effect in this Chamber recently in connection with the arms sale to Saudi Arabia under the Arms Export Control Act.

This amendment would continue to permit the President to impose an embargo without advance congressional approval. However, Presidential action would be effective for only 60 days, and could only be taken if the President requests the Congress to approve the embargo. If Congress, within the 60-day period, does not affirmatively vote to

approve the embargo, it expires automatically at the end of the 60 days. Renewal for additional 1-year periods would also require congressional approval by joint resolution.

Changing from a negative veto to an affirmative approval process insures that Congress will be consulted before an embargo decision rather than after, as has been too often the case in past similar situations. This change will allow for congressional input in the decisionmaking process when it counts. Rather than, as now, when it is too late.

Mr. President, I believe the need for this amendment is clear. American Presidents, both Democratic and Republican, have imposed three embargoes of agricultural commodities in recent years.

Two of the embargoes were designed to insure adequate supplies of grain in the U.S. market at reasonable prices. The third was designed to punish the Soviets for their invasion of Afghanistan. There has been considerable controversy over the question of whether any or all of these embargoes succeeded in the short-term. Over the longer term, however, I think that the answer is much more clear; the embargoes were, and are, generally poor public policy for a number of reasons.

First, embargoes feed the general impression that the United States is impulsive and an unreliable supplier of goods and services. The result has been that, increasingly, nations come to the United States for the purchase of food and other goods and services only as a last resort.

Embargoes, or even the possibility of embargoes, make it more difficult for our farmers to meet increased foreign competition. Embargoes act to increase the volatility of the marketplace, making it difficult for farmers to plan intelligently. They can result in a period of depressed prices for agricultural commodities, undermining farm income. American farmers are extremely efficient producers, but they operate on a thin margin of profit. A drop in prices due to an embargo can act to make their entire year's work unprofitable.

Embargoes can also have adverse impact on the U.S. balance of payments. They can act to weaken the dollar, already under serious assault. Embargoes require taxes and Treasury borrowings to finance. In short, the economic costs include inflation, economic stagnation, and unemployment, the full extent depending in part upon the uncertain duration of the embargoes.

Mr. President, I am not suggesting that an embargo is never sound public policy. I do believe, however, that farmers should not be singled out as targets for export controls except under exceptional circumstances. Agricultural exports are too important to the U.S. economy for decisions on embargoes to be made without prior congressional approval.

Mr. President, I believe it is particularly appropriate to amend the Export Administration Act to try to insure that agriculture embargoes are imposed only when the need is clear and compelling because of the changes now under con-

sideration in Federal agricultural commodity programs.

The farm bill now in conference represents an attempt by the current administration to reduce Federal funding for agriculture—an attempt to place increasing reliance on the free market. However, farmers cannot be confident of leaving their fate to free market prices with the possibility of an embargo always on their minds.

We need to approve this amendment in order to reassure farmers that they will be allowed to compete in the world market. American agriculture is among the most competitive segments of our economy—the most successful in foreign markets. If we are to reduce Federal spending on agriculture, we should make it as clear as we can that we are going to permit the free market to operate—in other words, that we are not going to embargo food except in the most extreme situations.

Mr. President, I believe the facts warrant going considerably farther in providing assurances to American farmers than Senator PERCY and I are proposing to go here today. S. 354, which we introduced earlier this year is, I believe, a preferable solution to the embargo issue. This bill prohibits the President from imposing any selective embargo on agricultural commodities for any period of time unless Congress first approves of the embargo by concurrent resolution.

However, the administration opposes S. 354, arguing that it unwisely limits presidential flexibility and that it raises constitutional questions. The compromise amendment that we are offering here today is an attempt to address those concerns.

I must confess that I was extremely reluctant to modify S. 354. That measure is broadly supported by the agricultural community—they still prefer it to this amendment. However, in order to try to accommodate the administration's concerns, we have modified S. 354.

I believe that the modified amendment provides the President with the flexibility he needs. All agree it is clearly constitutional. At the same time, I believe it will work to effectively prevent unnecessary agricultural embargoes.

Mr. President, the amendment Senator PERCY and I are offering will not prohibit the President from ever imposing an embargo on the export of agricultural commodities to any country. It simply says, that if the President wants to embargo only agricultural commodities for foreign policy reasons—for more than 60 days—Congress must first pass a joint resolution of approval. In view of the problems caused by embargoes, I believe it is entirely reasonable to require congressional approval, rather than relying on a veto after the fact. Further, as I stated earlier, the President would retain his authority under existing law to embargo agricultural exports to a country as part of a total embargo without first seeking congressional approval.

The amendment is sound and does not unduly restrict the President's authority. Although it does not deal with embargoes proposed for short-supply rea-

sons, it does represent a step forward. It helps provide additional assurance to the American farmer that the United States is committed to increasing agricultural exports.

I think it should be clear to all of my colleagues, and particularly those from the farm States and those who are concerned about the agricultural communities in their States, what an important distinction this amendment would mean to American agriculture, as distinguished from the procedure now followed. Under current law, an embargo is effective unless Congress, both Houses, votes to disagree within 30 days.

Here the reverse would be true, and for the President to go forward with an embargo against agricultural products it would be necessary to have the concurrence of both the House and the Senate within 60 days of the time of the declaration of the embargo.

I suggest to my friends and colleagues that this would put the burden upon the administration of meeting with congressional leaders on both sides in both Houses to sense that there is support in the country and in Congress for an embargo for foreign policy purposes before such an embargo would be declared. Is that not what we want here in the Senate?

I would like to refer my friends in the Senate to some remarks recently made by my good friend, the distinguished Secretary of Agriculture from the State of Illinois, Jack Block, who said in Des Moines, Iowa, on May 1 of this year:

I could not say what would prompt a future embargo but I could say that the impact would be felt across the board and not just by the American farmer.

Now, Mr. President, and my friends in the Senate, let me say this as a new Member on the minority side who has been in this place only a short while but in public service a long time, more than three decades: I can understand the natural reluctance of an administration and of a President to accept further impositions of any kind upon his general powers. That is a human response that one would ordinarily expect from any chief of state.

But let me say as sincerely as the junior Senator from Illinois can say it that I did not come to this place in any way to impose specifically on the powers of a specific President. I said during my campaign in 1980 that I did not know who the President would be, the next President, but I felt that this power should be restricted in the sense that Congress ought to play an integral part.

Let me finally say this: the existing congressional veto forcing Congress to vote to overturn an embargo that the President has already imposed is ineffective and unworkable. Voting to overturn a President's decision is difficult, if not impossible, even if the embargo is not justified, because of a legitimate reluctance of the Congress to undermine the President's conduct of foreign affairs.

We only need to look to our most recent experience, the discussion about the sale of AWACS and enhancement devices for the F-15's to Saudi Arabia.

Let me just say, in conclusion, that I thank my colleague, the distinguished senior Senator from Illinois (Mr. PERCY), for joining me in this amendment. I understand the difficulty it presents to him as a leader on the other side and one of the great supporters of this President. I wish to express here my knowledge and the knowledge of all of us of his genuine support for this President that has been reflected so many, many times on this floor and in his committee. He is here with me in this cause because we are convinced it is right, we are convinced it leaves the President with the necessary flexibility—and I would want to underscore that, Mr. President and Members of this Senate—it leaves the President with the necessary flexibility to go forward if he feels strongly, but requiring him to test the will of the Congress by talking there first with the leadership.

I think this is in the interest of the country. It is in the interest of our economy. It is fair. It is clearly constitutional. I think the objections earlier sent to my distinguished friend and colleague, the Senator from Pennsylvania, and others by those who did object ought to be re-evaluated in light of the changes embodied in this amendment.

I wish to thank everyone here for their consideration of what has been said and urge my colleagues to support this amendment offered by my senior colleague and myself.

Mr. HEINZ addressed the Chair. The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Does the Senator from Illinois still have the floor?

Mr. PERCY. No, I yield the floor.

Mr. HEINZ. Does the Senator seek recognition?

Mr. PERCY. I believe Senator JEPSEN would like to speak at some point.

Mr. HEINZ. I yield to the Senator from Illinois.

Mr. PERCY. I yield to the Senator from Iowa.

Mr. JEPSEN. Mr. President, I thank my distinguished colleague from Illinois.

Mr. President, I am pleased to join my colleagues from Illinois in cosponsoring this amendment. The amendment very simply states that the President may not impose an embargo on agricultural exports to any country for foreign policy reasons unless the embargo is approved by the House and the Senate. The amendment would not apply if the President imposed an embargo on all trade with a country.

When President Reagan kept his promise to the American farmer and lifted the Soviet grain embargo, people across the country and around the world, especially in the agriculture community, hailed the decision as an example of credibility and integrity, whereby a world leader kept a promise he made to his people when he presented himself for election.

Now that the embargo is over, we must look to the future to insure that America's farmers will never again be economically victimized and forced to stand alone in the name of resolve and retaliation for a politically failing foreign policy.



With this in mind, Congress has been working on various measures to discourage future administrations from being tempted to isolate and penalize the American farmer by using food alone as a single tool of implementation of foreign policy. The Senate-passed version of the 1981 farm bill contains an amendment I sponsored requiring the Secretary of Agriculture to compensate farmers if that ever happens.

This legislation will not take effect if we cut all trade with a country—only if we chose to single out and embargo a farm commodity to a major customer. In the event of an embargo of farm commodities alone, it requires that the loan rates on the embargoed commodity be increased to 100 percent of parity—or that deficiency payments equal to the difference between the average market price for 60 days after imposition of the embargo and 100 percent of parity be made to the farmers.

I had someone come up to me and say: "Senator, with that language, it seems like it would be nearly impossible to put an embargo on, with the agriculture community being utilized individually as the implement or the tool in placing this embargo on." My answer to that was: "You got it; that is right."

Farmers must not be left out in the cold as they were during the Soviet grain embargo. Plummeting prices and dried-up markets hit farmers at a crucial time—a time when many needed the money just to stay afloat and pay off loans on land, seed, and equipment. The result of the embargo plus the high interest rates and lack of credit in the spring of 1980 proved to be permanent economic death to many farmers.

It is for this reason that I believe we all need to support Senator Dixon's and Senator Percy's amendment. I intend to support any and all amendments on any bills whatsoever anywhere in this Congress that will, once and for all, put an end to this grossly unfair meddling into the economic welfare of the agriculture community of this Nation by singling it out to implement foreign policy. Senator Dixon and Senator Percy's amendment was originally approved unanimously by the Senate Agriculture Committee to become a part of the 1981 farm bill, but later had to be withdrawn because of a jurisdictional problem.

By imposing this amendment, we are not tying the President's hands, but we are asking that Congress also have some input if the administration feels compelled to single out the farmer to again bear foreign policy alone.

Agricultural embargoes are bad news. They tell the world that we are an unreliable supplier of food—and as a result, nations will come to the United States only as a last resort.

And right now every single food producer in this Nation is still feeling the very dramatic negative, disastrous economic impact of this last imposed embargo.

In closing, Mr. President, I would say that the farmers are a proud and patriotic people, and they are more than willing to stand up and sacrifice for the good of the country. All they are asking for is

a fair shake. Farmers want to be treated fairly. They want to know that their sacrifice will make a difference. They do not want to be abused simply because they make up 3 percent of the population.

So, I urge my colleagues to support this legislation. We need Congress input and debate if the agriculture community is ever again asked to stand alone to implement foreign policy.

Mr. PRESSLER. Mr. President, I support this amendment, which significantly enhances our agricultural trade posture. This amendment would prohibit the imposition of an agricultural embargo to any country for foreign policy reasons, unless it is a total embargo on all products or Congress adopts a resolution approving the restrictions. This amendment is essential to our agricultural sector and our foreign agricultural products consumers.

The last grain embargo, which was imposed on the Soviet Union by President Carter on January 7, 1980, proved to be a disaster to the American farmer, but did not significantly hurt the Soviets. As a result of the embargo, the American farmer has received depressed prices for his products, which decreases his income and impacts the entire economy. For example, the farm income reduction has resulted in a decrease in farmers' replacement of farm machinery and other products. This has placed this country's farm machinery companies in great financial difficulties. For example, International Harvester, the Nation's second largest farm equipment manufacturer, is on the verge of bankruptcy.

The United States also lost hundreds of millions of dollars in grain exports. The embargo represented a loss of at least 17 million metric tons of grain sales to the Soviets. The rural elevator and farmer sales losses amounted to at least \$2 billion. These are only direct losses. It is impossible to estimate the losses the United States experienced in potential grain sales because many countries no longer perceived us to be a reliable source of grain. This is especially true now that we are once again exporting grain to the Soviet Union. They are fearful of another grain embargo. We must assure our grain export customers that another grain embargo will not be imposed unless the President and Congress both endorse the action.

The embargo also cost the Federal Government hundreds of millions of dollars in additional price support programs to partially alleviate the impact of the embargo on farmers. The Government purchased 14.5 million tons of grain from American farmers for \$2.5 billion. The grain was then sold at a loss of half a billion dollars.

While the United States suffered these major costs from the grain embargo, the impact on the Soviets did not appear to be as large. First of all, the Soviets are still in Afghanistan and show every indication of staying there for a long time. The Soviets were also able to find other sources of grain, but had to pay slightly higher prices for it. The United States still sold the Soviets 8 million metric tons of grain, while Argentina and other grain

exporters also increased their exports to the Soviets. In fact, the Soviets imported a record 31 million metric tons of grain in the 1979-80 marketing year.

These examples and facts show that the Soviet grain embargo was a disaster to the United States. I feel we should learn from our mistakes and not make them again. The Soviet grain embargo was a terrible mistake and we must assure the American farmer and people that another such embargo will not be imposed. This amendment would assure the American farmer that they will not have to carry the full load of our foreign policy again unless the Congress also approves the President's action or it is part of an embargo of all exports.

I feel this is a good amendment, and I urge my colleagues to join me in support of this amendment.

Mr. PERCY addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Does the Senator from Illinois seek recognition?

Mr. PERCY. Will the Senator yield for a unanimous-consent request?

Mr. HEINZ. I yield to the Senator.

Mr. PERCY. Mr. President, I ask unanimous consent that the distinguished Senator from Iowa (Mr. JEPSEN) be added as a cosponsor of the amendment.

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

Mr. PERCY. Mr. President, I know of no other Senators on this side of the aisle that wish to speak.

Mr. HEINZ. In support of the amendment.

Mr. PERCY. I do want to reply in a moment to my distinguished colleague. Maybe Senator ABNOR would wish some time. We would be happy to yield to the floor manager of the bill on the amendment. Hopefully, for the advice of other Senators, we could vote by 3 o'clock. We will be aiming for that, anyway.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. PERCY. Mr. President, we would like the yeas and nays. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, I understand what both Senators from Illinois have in mind here. They obviously feel, understandably, very protective about agriculture in the United States and, indeed, in their State. All of us who come from rural and agricultural States must, necessarily, be concerned that our particular States, for whatever reason, are not discriminated against or asked to sacrifice unequally when it comes to a question of this Nation taking a firm stand on a national security issue.

I come from a State that has the largest rural population of any State in the Union. Pennsylvania has 3¼ million of its citizens who live in rural areas. Indeed, I have, on many occasions, discussed with them the kinds of prohibitions, restrictions, and other constraints

that we should or should not place on our Chief Executive when it comes to guiding the national security interests of this country.

I can report to my colleagues that the general feeling is that the President of the United States should have just as free a hand as possible when it comes to dealing with our adversaries, and there are some, unfortunately, in this troubled world of ours.

And they are agreed that it is terribly important for the President of the United States not only to have as much flexibility at his disposal as possible, but, indeed, to have the maximum amount of credibility.

Often a President does not need to exercise his authority, he does not need to resort to actions, he does not need to resort to force, if he has the credible threat of doing so.

It seems to me, and I will speak more about this in a few minutes, that the fatal flaw of this amendment is that it undercuts the President of the United States and undercuts him very dangerously by taking away, as we now give him under the law, the authority to make certain decisions when there is a question of national security.

Just so we all know what we are talking about, existing law permits the Congress to take action to vitiate a Presidential embargo or other action restricting the export of agricultural commodities for foreign policy or short supply purposes. I might add that that is actually a very special preference we have in the law today, applying solely to agricultural commodities. Therefore, it is not without some understanding of the issue that we wrote that into the act in 1979. We did so because we did not want a President coming along without a very high priority, a very real, a very important reason to threaten or impose anything as severe as an embargo unless it was literally a matter of national security. We did not want a President to come along and embargo grain for human rights reasons. That is what the foreign policy override was for. We would permit such an embargo, but we would reserve the right to disapprove it within 30 days. That is the current law.

We also did not want to upset relationships with our trading partners. A few years ago there was an embargo, an unwise one, of soybeans to Japan for short supply purposes. We wrote into the existing act a provision that Congress could disapprove the use of Presidential authority to withhold agricultural exports for short supply purposes.

My first point, Mr. President, is that we are not at all insensitive to this problem. We have recognized it, and we have taken care of it. We have reserved only to the President this credible threat in cases of the utmost consequence to our country; namely, those involving national security.

Second, I have also tried to determine what the attitude of this administration is toward grain embargoes. I think one would have to have been either deaf, blind, or dumb not to realize that this President has spoken out foursquare against any policy that would have as its effect a restriction on the export of

grain or other agricultural products that in any way would cause them to be singled out.

I submit to my colleagues that this amendment is absolutely unnecessary. The President, as a candidate, spoke out against singling out agricultural products. In office he has affirmed and reaffirmed his opposition to ineffective grain embargoes. Indeed, in a letter to Senator DOLE as recently as September 14 of this year, the President stated:

I assure you that the administration fully intends to pursue the best interests of the United States and our farm sector by maximizing agricultural exports to all foreign buyers. Sales of grain and other agricultural products will in no way be singled out for restriction in any trade embargo that may be imposed by this administration.

Mr. President, I ask unanimous consent that the President's letter to Senator DOLE, dated September 14, be printed in the RECORD at this point.

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

SEPTEMBER 14, 1981.

Hon. ROBERT J. DOLE,  
U.S. Senate,  
Washington, D.C.

DEAR BOB: Your letter of September 10 has been received, and your interest in maintaining a free and unrestricted policy for agricultural trade is appreciated.

I assure you that the Administration fully intends to pursue the best interests of the United States and our farm sector by maximizing agricultural exports to all foreign buyers. Sales of grain and other agricultural products will in no way be singled out for restriction in any trade embargo that may be imposed by this Administration.

In view of our current abundant supplies of corn and wheat, and prospects for record harvests this year, the Administration intends to offer a large additional amount of grain for sale to the Soviet Union when consultations are held September 30, on the one-year extension of the U.S./U.S.S.R. Grains Agreement. These quantities will be in addition to the specified minimum and maximum levels.

I trust that this letter serves to clarify our policy regarding agricultural trade and to express the Administration's wholehearted support for this vital part of the Nation's economy.

Sincerely,

RON.

Mr. HEINZ. For that reason, too, Mr. President, this amendment is unnecessary.

Third, Mr. President, I truly believe that as this amendment is written, it would unduly bind and dangerously undermine the authority of the President of the United States. The announcement of a grain embargo, such as was implemented by President Carter a couple of years ago, if this amendment were in place today, would absolutely guarantee the failure of any embargo, even if Congress thought it was a good idea.

Let me repeat that:

The adoption of this amendment would absolutely guarantee the failure of any grain embargo even if Congress 60 days later thought it was a good idea.

Why do I make such a statement like that? Mr. President, I will tell you why.

We are not the only country in the world that grows grain. It may seem like

that at times when the farm bill is up. But, no, Mr. President, there are many other countries—Argentina, Australia, New Zealand, Canada, and others—that grow and export substantial quantities of grain. The only way any grain embargo can be effective is if you get the other major grain-producing countries to go along with you. If they think for 1 minute that there is a very good chance that the Congress is not going to go along with the President, that the embargo is not going to fly, they are never going to sit down and make the kinds of tough commitments, commitments that will involve sacrifice and hardship on the part of their farmers, that are necessary, and, hence, you might be building into what otherwise may be a necessary embargo the seeds of its failure from the outset. That, I submit, Mr. President, would be really shooting ourselves in the foot.

We need to ask whether a weakened ability of the President to conduct the national security affairs of this country is a desirable effect. I submit that the 60-day approval requirement would almost positively foreclose allied participation in any kind of agricultural embargo.

I think it is ironic, Mr. President, that the sponsors of this amendment, I think quite correctly but nonetheless ironically, complain about the futility of unilateral embargoes.

I agree, I think a unilateral embargo is absurd. It only permits other nations to take advantage of the situation. What concerns me is that with this provision in the law, even though we might not intend it to be so, we would have an amendment that would virtually assure that all U.S. efforts would in practical terms, in the future, be no more than unilateral.

Mr. President, I said a moment ago that the foreign relations of a country are really based much more on what a nation is capable of doing as opposed to what it is actually doing or is actually going to do.

We do not have to engage in an embargo in order to obtain political capital from the possibility of implementing an embargo. Yet this amendment would utterly destroy U.S. credibility when it came to the threat of an embargo of grain.

But you do not have to take my word for it. I have some other authorities who feel just as strongly about it as I do, and they are the two authorities that we charge, first, with the conduct of our national security affairs, and, second, with the commerce and trade of this country; namely, Secretary Haig, Secretary of State, and Secretary Baldrige, Secretary of Commerce.

I ask unanimous consent to have printed in the RECORD, at this point, their letter to me dated June 29, 1981.

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

THE SECRETARY OF COMMERCE,  
Washington, D.C., June 29, 1981.

Hon. JOHN HEINZ,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR HEINZ: Thank you for the opportunity to respond to S. 354, a bill to



"Amend the Export Administration Act of 1979."

S. 354 would require prior Congressional approval of foreign policy controls on the export of agricultural commodities to any foreign country unless such controls were imposed in connection with a prohibition of all exports to that country. In addition, it would prohibit controls on the export of agricultural commodities for national security reasons.

The Administration has previously expressed its concerns relative to this legislation in a May 11 letter from Sherman Unger, General Counsel of the Department of Commerce, to Senator Garn. Although that letter was actually drafted before the President lifted the partial embargo on grain sales to the Soviet Union on April 24, the lifting of the embargo has not altered our opposition to the enactment of this bill. The Departments of State and Commerce, with the concurrence of the Department of Agriculture, agree that by conditioning agricultural export controls on either a total export ban or prior congressional approval the bill would unduly limit the ability of the President to impose flexible, prompt and effective export controls in response to a specific provocation or need.

A total embargo would not be an effective policy response under most circumstances because controls would include lower performance manufactured items which are readily available for purchase from a large number of nations. On the other hand, the application of selective controls to a few items can be relatively effective either on a unilateral basis where the United States is the primary source for the item, or with the cooperation of the major suppliers of those items. The existence of authority under the Export Administration Act to impose promptly selective foreign policy or national security controls could in some cases serve as a deterrent against other nations taking actions unfavorable to us.

It should also be noted that the agricultural products which we continued to sell to the Soviets in 1980, while the partial grain embargo was still in place—primarily the 8 million tons of wheat and corn allowed under the bilateral grain agreement—accounted for 70 percent of total U.S. exports to the USSR. Thus, if the proposed bill had been in effect when sanctions were imposed, a total embargo on exports to the Soviet Union would have still affected agricultural commodities more than manufactured products.

Sincerely,

Mac,  
Secretary of Commerce.

AL,  
Secretary of State.

Mr. HEINZ. Mr. President, in this letter, which is jointly signed by Secretary Baldrige and Secretary Haig, they indicate in no uncertain terms their opposition to the original bill introduced by Senators PERCY and DIXON. I will get to their views on the amendment in a second letter which was received on November 9, which says, in effect, that they feel the same way about this amendment as they do about S. 354.

I ask unanimous consent that that letter be printed in the RECORD at this point as well.

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

THE SECRETARY OF COMMERCE,  
Washington, D.C., November 9, 1981.

HON. HOWARD H. BAKER, JR.,  
U.S. Senate,  
Washington, D.C.

DEAR HOWARD: Senator Dixon intends to introduce a floor amendment to S. 1112, a

bill authorizing appropriations to carry out the purpose of the Export Administration Act of 1979 (Act), and making other amendments to the Act. The purpose of Senator Dixon's amendment is similar to that of S. 354, which the Senator co-sponsored. This legislation would prohibit the President from using the national security authority under the Act to control the export of agricultural commodities. It would also require the President to obtain Congressional approval of foreign policy controls unless such controls were imposed in connection with a prohibition of all exports to a country. The major difference between S. 354 and Senator Dixon's amendment is in the form of Congressional approval which is required. S. 354 requires a concurrent resolution before controls become effective. Senator Dixon's amendment permits such controls to be effective for 60 days but requires a joint resolution of approval in order for such controls to be effective beyond that period.

The Administration has expressed its opposition to S. 354 on several occasions. Attached is a copy of a letter Secretary Haig and I sent to Senator Heinz detailing the reasons for our opposition to that bill. These apply equally to Senator Dixon's amendment.

The Administration's position regarding trade in agriculture commodities is clear. This Administration terminated the grain embargo. It fully intends to pursue the best interests of the United States and our farm sector by promoting agriculture exports worldwide. Sales of grain and other agricultural products will in no way be singled out for restriction in any trade embargo that may be imposed by this Administration.

At the same time, it is not in the national interest to enact legislation that would tie the President's hands and deny him the ability to react decisively and selectively to any future international crisis that could affect this country's vital foreign policy and national interests.

We would appreciate your support in this matter.

Sincerely,

Mac.

Mr. HEINZ. What this letter says in sum, Mr. President, is this, quoting from Secretaries Haig and Baldrige:

The existence of authority under the Export Administration Act to impose promptly selective foreign policy or national security controls could in some cases serve as a deterrent against other nations taking actions unfavorable to us.

Mr. President, the administration, for all the reasons I have enumerated, strongly opposes the Percy-Dixon amendment. This is an administration, as I have stated, that is a friend, not an enemy, of agriculture. Indeed, time and again, I believe this administration has shown great sensitivity to the needs of the farm sector. This is a proagriculture administration. While it is not unsympathetic to the intent of the amendment, namely, that agriculture should not be forced to bear the brunt of U.S. trade sanctions, it is united in its recognition of this amendment as being an unwise formulation, even if it is for an admittedly worthy cause.

To quote once again from the letter from Secretaries Baldrige and Haig:

The Departments of State and Commerce, with the concurrence of the Department of Agriculture, agree that by conditioning agricultural export controls on either a total export ban or prior congressional approval the bill would unduly limit the ability of the President to impose flexible, prompt and ef-

fective export controls in response to a specific provocation or need.

Mr. President, I think it is clear that this amendment does not, to paraphrase my good friend and colleague, the Senator from Illinois (Mr. DIXON), leave the President the flexibility that I think the Senator intends and which the President needs. It seems to me that that is precisely the reason that the President's chief foreign policy adviser, Secretary Haig, is opposed to this amendment. He simply does not agree that the amendment "preserves the President's ability to manage foreign policy and to respond to rapidly changing events overseas."

To the contrary, his opinion is that the amendment "would unduly limit the ability of the President." As I mentioned, he has been joined by two other Cabinet Secretaries, those of Treasury and Commerce.

Finally, Mr. President, I think it is ironic that, had this amendment been in effect when President Carter imposed the grain embargo on the Soviet Union growing out of its invasion of Afghanistan, the chances are extremely good that the farmers, our grain producers, would have been hurt twice as badly. The exports of grain to the Soviet Union were only partially embargoed—of about 17 million tons that were programed to be shipped, only about half, about 8 million tons, were affected by the Carter embargo.

The Percy-Dixon amendment, as I read it, would require a total, thorough, complete embargo, not a partial embargo. A partial embargo, for better or for worse, is what President Carter imposed in the case of Afghanistan. He only embargoed about half of what was shipped. We all know exactly how that worked out.

I do not think the sponsors of this amendment would intend to be associated with or have the intention of offering an amendment that would hurt their farmers. They want an amendment that is going to help their farmers. I do not blame them. It seems to me, Mr. President, that this amendment, had it been in effect, would have been more deleterious to the interests of our farmers than the situation that existed when President Carter imposed the embargo a year-and-a-half or so ago.

Mr. PERCY. Mr. President, will the Senator yield for a comment on that point?

Mr. HEINZ. In one second, as soon as I put one other letter into the RECORD, then I shall be happy to yield to my good friend.

Mr. President, I wish that we could support this kind of amendment. Frankly, I do understand the goals, the objectives, of the authors. They just do not want agriculture singled out.

I do not think anybody wants to see any portion of our economy singled out. I do not think Senator PERCY's grain farmers would like to be singled out; I do not think Senator BOSCHWITZ or my dairy farmers would like to be singled out. I do not think my steel producers in Pennsylvania would like to be singled out. I do not think any Senator from California or Florida would like to have his cit-

rus growers singled out. I do not think that people in Massachusetts or Texas would like to have their semiconductor industries singled out. Understandably, because we all ought to be in the same boat on this.

Nonetheless, the consequences of putting everybody in the same boat is to say to the President, "We are going to put you in the same boat, and we are going to take away your oars; you are not going to be able to move ahead. You are just going to have to sit there with everybody else, and I am sorry, Mr. President, you will not be able to do what you need to do."

And do not think for a moment that those people who want to take advantage of situations around the world are not going to notice. Indeed, they are going to notice a good deal. I think people have been looking at this country very, very hard, trying to decide whether, when we say something today, we mean it or not.

We have been through some very difficult years, over the last 10 or 15 years, where people were not exactly sure that when Uncle Sam said something, he really meant it. Here we are, Mr. President, with a President who obviously is a man of his word, obviously is proagriculture, obviously has said time and again that he is not going to single out agriculture. And what are we doing? We are tying his hands.

Mr. President, I submit that that is not the right way to proceed. I urge my colleagues to defeat this amendment.

I yield to my friend and colleague from Minnesota (Mr. BOSCHWITZ).

Mr. BOSCHWITZ. Mr. President, there is no more fervent supporter of the farm community in the Senate than myself. Agriculture in our State is probably the most varied in the Nation. We are sixth or seventh in production of wheat; we are fourth or fifth in the production of corn; we are fourth, or sixth in the production of every other commodity. We are one of the most diversified States in the Nation because of our large area from the north to the south. In the north, we cannot produce corn, we can only produce wheat, sunflowers, potatoes, or sugar beets, in all of which we find ourselves among the leading States of the Nation.

Why does the Senator from Minnesota get up, then, and oppose an amendment that is going to restrict embargoes? Because, in my judgment, it does not restrict embargoes at all. As a matter of fact, it legitimizes embargoes. This Senator is very much opposed to embargoes. I take the same view that my predecessor in the U.S. Senate, Senator Hubert Humphrey, took when he said that we should sell anybody anything that they cannot shoot back at us. We get hard currency from the Russians. These commodities are not sold on loans, they are not sold on grants, they are sold for hard currency. No Senator is more opposed to embargoes than this Senator, but this Senator will not vote for an amendment that will legitimize embargoes for 60 days, for 50 days, for 40 days, or for any days. I oppose any amendment that legitimizes embargoes, even though I understand that under the present law, there is no restriction at all.

However, Mr. President, very frankly, I just do not want the Senate and the administration to get off this cheaply. If we are going to pass an amendment with respect to embargo, we have to put some teeth in it, so that we have an amendment that, in fact, prevents embargoes.

What is going to happen under this amendment? An embargo will be imposed for 60 days. Then the President has to come to the U.S. Senate and the House of Representatives for the purpose of continuing the embargo. The President does not have to wait 60 days. He can come at the end of 10, 12, 15 days, and for those of us who remember the situation following the invasion of Afghanistan, when that embargo was imposed, who among us would have said that, 10 days or 20 days after that invasion, the embargo could have been successfully reversed here, on the floor of the Senate? No chance of it.

So this amendment, in my opinion, does not go far enough. This amendment is not strong enough. This amendment will not prevent embargoes. Indeed, whatever other punitive provisions there are in the law will probably be negated by this amendment, and therefore I have to oppose it.

I also agree with the Senator from Pennsylvania to the effect that if an embargo could be imposed for 60 days and there were no certainty that it could be continued among our allies and among the other nations of the world that ship wheat and grain, then we probably would be in a position in which we could get no cooperation from those nations.

For those reasons, Mr. President, the Senator from Minnesota, who feels himself to be firmly allied with the farmers not only of his State but also of the Nation, will oppose this amendment and will ask the manager of this bill to make a motion to table it at the appropriate time.

(Mr. ARMSTRONG assumed the chair.)

Mr. PROXMIER. Mr. President, I oppose the amendment and support the distinguished manager of the bill.

What we have forgotten in discussing this amendment is the fact that President Reagan is the President who rescinded the embargo. He not only campaigned against the action of President Carter in the 1980 campaign, but also, as we know, he has rescinded it. He called it off.

The author of the amendment, Senator Percy, says that President Reagan has pledged never to single out agriculture—never. That is his pledge. Can we believe him? He said he would not do it. Then, what do we need the amendment for? I think most of us expect President Reagan to serve out his term.

People say, "Never, ever in the future should a President have a partial embargo or an embargo that might single out agriculture."

Mr. President, I mistrust legislation that goes that far. We do not know what the situation may be in 1985 or 1990 or the year 2000. The situation could change very dramatically in this fast-moving world in which we operate.

As the distinguished manager of the

bill has pointed out, both the Secretary of Commerce and the Secretary of State point out that a selective embargo may be of great utility because there are only certain things that an enemy country may need, and it may be wise for the President to single out those particular products that may be essential to that country.

I read a part of the letter from Secretary of Commerce Baldrige that the Senator from Pennsylvania did not read:

The Administration's position regarding trade in agriculture commodities is clear. This Administration terminated the grain embargo. It fully intends to pursue the best interests of the United States and our farm sector by promoting agriculture exports worldwide. Sales of grain and other agricultural products will in no way be singled out for restriction in any trade embargo that may be imposed by this Administration.

At the same time, it is not in the national interest to enact legislation that would tie the President's hands and deny him the ability to react decisively and selectively to any future international crisis that could affect this country's vital foreign policy and national security interests.

That emphasis on the importance of this particular kind of embargo, which would be effectively proscribed, in my judgment, by the amendment of the Senators from Illinois, would be a mistake.

I will read a portion of the joint letter of June 29 from Secretary of State Haig and Secretary Baldrige:

A total embargo would not be an effective policy response under most circumstances because controls would include lower performance manufactured items which are readily available for purchase from a large number of nations. On the other hand, the application of selective controls to a few items can be relatively effective either on a unilateral basis where the United States is the primary source for the item, or with the cooperation of the major suppliers of those items.

Again, it is not only a matter of our being the only supplier in the circumstances. It is a matter of the judgment of the President and the Secretary of State as to whether or not we could win cooperation from other countries producing a commodity that could be selected for an embargo.

I cannot think of a more effective or a wiser kind of foreign policy action against a country that is engaged in aggression than some kind of embargo. What is the alternative? The alternative is to use military force.

I do not know anybody who would have advised military force against the Soviet Union when they move into Afghanistan, terrible and outrageous as that action by the Soviet Union was. We did not want to go to war. What do we do? We talk about it. The Olympic boycott was one kind of action we could take, and it was a painful action but wise. It did not really hurt the Soviet Union.

A grain embargo does. The Soviet Union is enormously dependent on the import of grain.

The Soviet Union is a country that has been an abject agricultural failure. They put 30 percent of their people on their farms, in agriculture, and produce far less food than we, and they have to im-



port their food. It is the No. 1 economic failure. We should exploit that failure. We should play to our strength and their weakness.

So I believe that the action taken by President Carter has not been defended on the floor today, and I want to defend it. It was wise.

I differ from the Senator from Minnesota, who discussed the embargo that the Carter administration imposed, because, in my judgment, when President Carter imposed that grain embargo on the U.S.S.R., Congress probably could have and would have overridden if it had had the Percy-Dixon amendment in place. Maybe I am wrong and maybe the distinguished Senator who opposes is right; but, in either event, it would have been a blow for our country.

What a signal for the world—the President of the United States imposes an embargo, and the Congress of the United States vetoes it. What division, what lack of decisiveness, what pitiful inadequacy on the part of our President if the Congress of the United States, under those circumstances, punishing an aggressor such as the Soviet Union, is overruled, overridden by Congress.

Let us not underestimate the power of the agriculture interests. They are strong in my State, as I have found out, and as I appreciate. Often they are right, and I support them most of the time because they often are right. They have great political power. They might have been able to overrule the President in a foreign policy decision of that kind through action which would be enabled by this amendment.

Mr. President, the distinguished manager of the bill, Senator HEINZ, has said very well that the present law provides an embargo without possible congressional veto only in national security cases, not in other foreign policy circumstances—not for human rights purposes, for example; not for any other purpose but national security.

If we believe in a strong President and a strong country and in a country that can take action against Communist aggression, effective action, it seems to me that we should defeat this amendment.

Mr. President, I yield the floor.

Mr. PERCY. Mr. President, so that we can move right along, I will be very brief, and we will have this vote very quickly.

I point out, first of all, that we appreciate the position of the distinguished Senator from Minnesota. I particularly like the fact that he said it is not strong enough. But in order to accommodate some of the problems of the administration, Senator DIXON and I did make several efforts to accommodate those concerns.

First, we provided for a joint resolution in order to accommodate certain constitutional concerns the administration had, and I believe those constitutional concerns have been met.

Second, we built into the amendment a 60-day grace period to accommodate the arguments about Presidential flexibility, similar to that in the War Powers Act.

We have simply clarified the national security authority. We clarify it to the

extent that the President does not have the authority to selectively embargo agricultural commodities for national security reasons. But with respect to the authority for foreign policy reasons, he still has the authority to embargo across the board. He can do that for foreign policy reasons. But if he selectively picks agriculture, then it would be only 60 days; and, under expedited procedures, Congress would have to approve it at the end of 60 days or it would lapse.

We felt that the farmer has made clear he does not mind for foreign policy reasons being part of a total package. What he does not want is to be selected out.

Also in looking at all past embargoes, they are generally effective for short periods of time. But over a period of time people adjust to them. Over a period of time Canada and Argentina signed 5-year agreements with the Soviet Union which I think in effect will permanently injure American agriculture. So over too long a period of time accommodations are made, adjustments are made, and we end up being the one really punished and really hurt.

If we do not do something then the existing authority continues and the President has the right unless reversed by Congress, and that is a tough action to take; the President would continue to have the authority to selectively embargo and embargo indefinitely unless it is overturned by both Houses of Congress.

Senator PROXMIER commented that this President has said he will not embargo. I have no doubt about President Reagan's attitude. He denounced the embargo at the time it was put on, and he steadfastly says he does not intend to do that. But we are a nation of laws rather than men. This President will not be President forever and I think we need to take action in law, in statute, to reinforce what he said he will not do and to then make it a set procedure that can be followed by every President in the future.

So I feel that most of the objections that have been raised in the Chamber have been answered by the authors of the amendment.

Does my distinguished colleague wish to comment further?

Mr. DIXON. Mr. President, will the Senator from Pennsylvania yield briefly in connection with his remarks on the national security questions involved in this bill and the amendment that has been offered by the senior Senator from Illinois and myself?

Mr. HEINZ. I am happy to respond to any questions.

Mr. DIXON. We had a short exchange in the Banking Committee, I believe, concerning that question.

I wish to call the distinguished Senator's attention to the colloquy that took place on July 21, 1979, involving himself and others in the RECORD at page 19961. The others involved were my predecessor, Senator Stevenson, Senator HEINZ, and Senator JACKSON. At that time, in connection with this very question, Senator Stevenson is quoted as saying, regarding food:

On the other hand, the substitution of the expression "capabilities for military systems"

strikes me as being entirely too broad. Most anything contributes to the capability of a foreign nation, and most any articles even including wheat or corn, could make a significant contribution—

And so forth.

Food is essential, shoes are essential. Et cetera.

In talking about shooting in the foot, as Senator HEINZ suggested, he goes on to say:

Here we are at some risk of shooting ourselves in the foot again. . . .

Senator HEINZ was involved in that colloquy, the substance of which, I must say, suggests to me that it was the intention of Senator HEINZ and his colleagues at that time to not permit embargoes of food under the section 5 National Security Authority.

Mr. HEINZ. Mr. President, I must say to the Senator I do not have the advantage of the RECORD of that date in front of me, but I tried to listen as carefully as I could to what Senator Stevenson had to say.

Let me answer my colleague this way: I think it was Napoleon who said that an army marches on its stomach.

I think that is as plain an expostulation of what can be involved with a grain embargo as anything I might say.

A few days ago Senator MOYNIHAN, being critical of an additional plan to sell a lot of grain to the Soviet Union, said that that grain was going to feed the Soviet Army on its march into Poland. I hope the Senator will forgive my paraphrase of his remarks, but I do not think that it is possible to make a neat, clear separation between what in fact is purely military and what is not.

The fact is that many wars have been fought simply to obtain sufficient supplies of food; many wars have been fought and won or lost because of adequate or inadequate food supplies.

Whether one considers food a military material or not in a specific case, it can clearly have strategic importance, and it is in that regard that I think we would be well advised not to constrain the President in his authority to impose these kinds of embargoes.

I agree with the Senator. I do not want to see them imposed unnecessarily or unwisely, but I wish to see him continue to have this authority for national security reasons.

Mr. DIXON. May I only say in response to my distinguished friend from Pennsylvania that I do not know what Napoleon might have said on that subject but on July 21—

Mr. HEINZ. I guess we are even because I have not read that excerpt from the RECORD.

Mr. DIXON. I say we are even in that regard. But on July 21, 1979, Senator STEVENSON suggested food was not to be considered under the national security provision. The Senator from Pennsylvania stated then:

I fear that the word "capabilities" is a bit too broad. There is practically no technology I can think of that does not have some indirect bearing on military capability.

And the Senator from Pennsylvania goes on to indicate that he did not believe that items such as buttons, belts, and

boots could be embargoed under section 5.

The point I am trying to make here is that those parts of the distinguished Senator's argument here today relating to national security, I think, are not pertinent to this amendment.

Here I think the one question is whether the American farmer will be better off after the adoption of this amendment than he is now.

I respect my distinguished friend, the Senator from Minnesota, who has spoken briefly and who I listened to with utmost respect on many occasions in the Agriculture Committee. However, I suggest that the first thing that we did in this amendment is to accommodate those aspects of the administration's objections to our original bill that we thought were meritorious—first, the constitutionality question which one has to listen to and, second, the question of giving the President some flexibility in foreign policy. We took those things into account.

But I ask my distinguished colleague would he not believe this to be true: That if the President declares an embargo, both Houses must act against it within 30 days or it goes forward forever. But under the amendment of the senior Senator from Illinois and myself, if the President declares an embargo, unless both Houses approve it, it fails. It fails, I say to the Senator from Minnesota, within 60 days.

For every farmer who tills soil, whatever he may grow, from sugar beets to corn or wheat, giving him that simplistic issue, the farmer from Minnesota, Illinois, Pennsylvania, Iowa, or from throughout this country will cry out, "Give me this amendment."

Mr. HEINZ. Mr. President, will the Senator yield so that I might respond to his last comment?

Mr. DIXON. I yield.

Mr. HEINZ. If the Senator were to ask me if his amendment and that of the senior Senator from Illinois was in a sense a liberalization of section 6 of the Export Administration Act of 1979, section 6 being that section that deals with foreign policy controls, and that it was a liberalization in the sense that instead of having a 30-day, two-House veto which is in the law today and substitute for that a 60-day affirmative approval, I would say that the 60 days is a liberalization over 30 days.

I would equally say that the requirement to act affirmatively is probably tougher on balance than a decision to veto. It is probably tougher to say yes. Think of when you got married—it is probably tougher than saying no.

Mr. DIXON. I wish the Senator would not use that point. My wife is in the gallery. [Laughter.]

Mr. HEINZ. I did not say it was the wrong decision. I just said it was a tough decision.

So I think with respect to section 6 on foreign policy controls it is probably some of each, a little more liberal, a little tougher, a little easier.

Where the amendment definitely constrains the President unequivocally is in its application to section 5, the national

security controls, where we do not have this kind of restriction today. So in that respect it is not an improvement if you are for Presidential flexibility, and I am on this issue.

The Senator also said it is a question of whether you are for the farmers. I would say what makes his amendment difficult is that it makes the question whether you are for the farmers or whether you are for the President, whoever happens to be President, because this is going to be law not just for the term of Ronald Reagan, but whoever is President.

The Senator from Wisconsin made a very profound point. He said this amendment reaches out to 1990, 1995, 2000, and we just do not know what the conditions are going to be like in those years, and he expressed reservations about the Senator's amendment on those terms. I think he is absolutely right.

Mr. DIXON. Mr. President, will the Senator yield to this extent? I would be the first to suggest we are all for the farmer, we are all for the President. That is not the issue here. Surely that this would be directed against this President has no value. We are not offering this as a criticism of this President. As the Senator from Wisconsin has pointed out, he did lift the embargo, and we are all grateful to him for that. This is not suggested as a response to him or to his administration. This is suggested as a proposition concerning what the law ought to be under this President, under the prior President, under the next President, under any President.

Mr. PROXMIRE. Mr. President, if the Senator will yield, this is a slap at the President. He has said he does not want it, he does not want his power to be interfered with. He made a promise, he has kept his promise, and we should not have to pass legislation to make sure he does.

Sure, if we had a different situation with a President who indicated he might impose a selective embargo, then the amendment would be in order. We do not have that kind of a situation. When we find the situation may change in the future then it may be necessary for us to take that kind of action.

Mr. DIXON. Then the Senator is suggesting that immediately upon the next election should this President be succeeded by another President, that this is the first order of business we ought to attempt here?

Mr. PROXMIRE. I am not suggesting that at all. I am saying as far as I am concerned under no circumstances should we permit interference with the President's power to use a selective embargo for national security purposes.

Mr. DIXON. I respect that.

Mr. PROXMIRE. But I say particularly when we now have a President of the United States, President Reagan, who has given a solemn promise and who has a solid track record of opposing the selective embargo, under these circumstances it is now academic.

Mr. DIXON. I respect the Senator's opinion on the issue, but with respect to whether it is this President or another

President, I think it has no value in disposing of this issue.

Mr. HEINZ. Mr. President, does the Senator from Illinois yield the floor?

The PRESIDING OFFICER. The Chair will point out that the junior Senator from Illinois has the floor.

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

Mr. DIXON. I certainly will yield.

Mr. PERCY. So far as I know we are ready to vote. Inasmuch as I have a 4 o'clock plane I would like to make if it is at all possible, we could go ahead and vote, I would hope up or down, on the amendment. I am prepared to vote.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Illinois yield the floor?

Mr. PERCY. Yes. If the Senator from Kansas would like to speak certainly we will yield to him.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, a number of us who represent farm States have been studying the amendment. Maybe we should not have been surprised, but we were not aware that the amendment was coming up until late this morning.

At first blush it would appear to me that anything—I think the Senator from Iowa indicated that it might prevent embargoes—and anything that does so is worth our attention.

But there is another matter, and that is we are now in conference on the farm bill, and we have an embargo provision in the Senate farm bill which, I might add, is much stronger than the embargo provision here, plus the argument made by the Senator from Wisconsin which, I think, has a great deal of merit.

So a number of us have been trying to determine how our vote on this particular amendment might be construed. We are opposed to embargoes, have been opposed to embargoes.

As I understand the amendment it would give Congress a chance to review the embargo and, I assume, that is not unprecedented. We just reviewed the AWACS sale, and I see this same expedited procedure being used as in AWACS, is that correct? The same procedure?

I have just read a hot line from the American Farm Bureau Federation in support of the amendment, which was received at 1:30 today. But I am of the opinion that if we adopt this amendment we, for all practical purposes, my first impression is, we may have weakened our efforts in the Senate Agriculture Committee.

The amendment in the Senate-passed farm bill was discussed by Senator JEPSEN and Senator BOSCHWITZ, I believe, who were the authors of that amendment and, frankly, the Senator from Kansas has some reservations about that amendment because it would, in effect, make it attractive for farmers to encourage an embargo. But, as Senator JEPSEN correctly points out, it is so unattractive to the Government that you probably will never have an embargo, so that is the other side. But in one instance—loans at 100 percent of parity—is that correct or is there an option, deficiency payments?



Mr. BOSCHWITZ. Mr. President, if the Senator will yield to us for a moment, you know farmers would be hard pressed to encourage an embargo. I do not know exactly how they would go about doing that.

Mr. DOLE. I do not suggest they would have a lobby, but they probably would not cry too long if you had one with those provisions.

Mr. JEPSEN. Mr. President, will the Senator yield? I appreciate the quick, the ready, and the very effective use of wit that the Senator from Kansas always has. I always have admired that. But it is something—to say that because of the way this amendment is in the Agriculture Committee against embargoes is worded that it would be costly for the Government if they were going to single out the farm economy, the food producers individually and singularly to implement farm policy, they had better doggone well pay for it. There is not anybody else in this society, this great free country of ours, that literally has been blackjacked, stabbed in the back economically, has seen the family farms and the things they worked for with blood, sweat, and tears for all their lives be wiped out with one edict because somebody wanted to look good or throw on something for a failed foreign policy, singled them out.

When you are absolutely, 100-percent correct, when you say that you have, that the language in the agriculture bill says, it does not seem like there would ever be an embargo, well, to make that totally correct, there would never be an embargo where farmers were singled out. If the President wants to embargo across the board they are as patriotic as everybody else. But to be singled out to carry out foreign policy, the Senator is exactly right, I hope that language in that bill says never again will anybody under any circumstances, Democrat, Republican, independent, in the next century be able to single out the American farmer again and make him a tool in implementing foreign policy and to economically literally devastate him.

Mr. DOLE. I yield to the Senator from South Dakota.

Mr. ABDNOR. I thank the Senator for yielding.

I would just like to say that the first time I viewed the amendment, I thought any kind of a prevention of an embargo was better than what we have today. I am not a member of the Committee on Agriculture so I was not aware of the possible conflict the embargo protection provision of the Senate farm bill could possibly have with this amendment. I would not choose to jeopardize the language in the Senate's bill dealing with this matter.

But as I hear this debate unfold, I find myself inclined to support the proposal of the Committee on Agriculture. They have a very positive amendment, and I would be a little fearful that the pending amendment before us at this time could hinder passage of the Agriculture Committee's provision.

The farmer certainly needs some protection. While I feel confident that this administration probably will not impose an embargo, I think it is good that we have something like the proposal in the

Agriculture Committee is put permanently into law.

I just think I would feel better if we had the right kind of precaution written into legislation that made sure, once and for all, that if the farmer was going to be singled out as some kind of a tool for foreign policy that we did something to protect the farmer. I think the Agriculture Committee has the right concept.

Mr. DOLE. Mr. President, before the Senator from South Dakota makes a final judgment, I wonder if the authors of this amendment intend for this amendment to, in effect, supersede what we have done in the Agriculture Committee.

Mr. DIXON. Not at all. May I say to the Senator from Kansas that I voted for the section of the farm bill, both in committee and on the floor, and supported it on my side enthusiastically.

I am an attorney. I do not represent that I am an authority on matters of this sort, but I would suggest to the Senator from Kansas, whose opinion on this subject I hold in the highest regard, and who I recognize to be a moving force in the conference committee, that I see nothing at all in the language adopted by us in the farm bill we passed in the Senate, presently under consideration in the conference committee, that would be at war with this amendment.

May I further remind the Senator from Kansas that we did not proceed further with this question in the Agriculture Committee because we were all satisfied that the farm bill was not the vehicle for the question of congressional input into the declaration of an embargo by the Chief Executive. We addressed in the farm bill, as my distinguished friend and colleague knows, only the question of imposing the kind of constraints in the farm bill that would make the administration reluctant to declare an embargo in a manner in which the Senator from Kansas and others have suggested, with high parity prices and things of that kind, an altogether different approach having nothing to do at all with the question of Congress responding in kind with the Chief Executive on the central issue.

Mr. DOLE. Is there a precedent for an amendment of this kind? Here it is a little different than AWACS was, I think, because there the President wanted us to sell and here the President would not want us to sell. Is there precedent for an amendment of this kind?

It is my view that there are all kinds of precedents for positive activity by the Congress subsequent to an act by the President, the War Powers Act being one, may I say to the Senator from Kansas.

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

Mr. DOLE. I yield to the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, the Senator is a member of the Agriculture Committee, I know, and has great concern for the farmers. I know he also cares a good deal about the taxpayers' pocketbook and he has done a remarkable job in trying to balance those two concerns.

My question to the Senator from Kansas is this: There is, as we all know, a provision in the Senate agriculture bill that deals with, in a sense, the holding

harmless of farmers in the event of an embargo. As I understand it—and I am not on the committee; maybe someone will correct me if I am wrong—but the farmer, as long as you deal within the scope of the conference, is going to come out of that conference committee all right.

I do not know whether he is going to get 90 percent of parity or 100 percent of parity in the event of an embargo, but he is going to come out a lot better than my dairy farmers who, I guess, are down to about 73 percent of parity, at least those are the reports I have.

You get only so many bites at the apple. My question is—I do not know if apples are in the bill—my question is which, really, do you want? Do you want to take care of the farmers and hold them harmless, which it sounds like you are going to do, or, in addition to that, do you want to take some authority away from the President that no longer, if you do what I think you are going to do in the farm bill, is going to hurt the farmer? How much protection is enough?

Mr. DOLE. Well, that is a question some of us are wrestling with.

Mr. HEINZ. We protected the peanut farmers and we protected the tobacco acreage specialists. I mean, how much protection is enough?

Mr. DOLE. I think the problem is it is always the grain farmers who feel the brunt of the embargo, wheat, feedgrains, and corn. And it has been a bipartisan effort, I might say. The Nixon embargo on soybeans when we lost the market to Brazil; President Ford embargoed the sale of wheat. He was pressured, I think, some by Congress, who thought wheat prices were too high, and that was devastating to the farmer. Then President Carter imposed an embargo in January 1980, and we are still feeling the effect of that.

So, some of us have to decide—and I think that is the thrust of the Senator's question—what should be our policy.

Well, as far as I am concerned, and other Senators from farm States who are gathered here in the rear of the room—we do not want any embargo, period. And Senator JEPSEN and others took the lead in encouraging the President to lift the embargo, President Reagan to lift the embargo imposed in January 1980. The President did that earlier this year. We did not have the market reaction we expected, but at least the embargo is lifted. We are now negotiating with the Soviet Union, for example, for additional sales. We have offered 15 million tons. It is my belief that that will have an impact and the market prices are getting stronger.

On the other hand, we have a provision in the Senate Agriculture Committee bill that does not only keep farmers whole, 100 percent of parity, loans that would be more than dairy—I think wheat is now about 51 percent of parity. So it would be a rather substantial benefit to the farmer.

Mr. HEINZ. At which point, the farmer may want an embargo.

Mr. DOLE. That was my comment in the committee discussion. I felt we had gone too far. I do not want embargoes,

but I do not want to make them attractive, not to the Government and not to the farmer.

So we are now trying to find out in the Senate Agriculture Committee how we can compromise that embargo provision where it will serve the farmer but still not overdo it. This might be the cleanest way. Adoption of this amendment might do away with any need to worry about the provision in the farm bill. I assume people will come in and say, "We don't need any protection now that you adopted this on the Senate floor. It had broad bipartisan support. The embargo question is put at rest. The farmer is protected without any exposure to the Treasury."

So, Mr. President, I think the Senator from Kansas will vote against tabling the amendment while I try to think whether or not it could be amended in some way to avoid a possible pitfall that we may have. I am aware of the time pressures on the distinguished Senator from Illinois. I really have not had a chance to see if we can amend this amendment. It is open to amendment. There might be a way to amend it that could make it acceptable to everyone in the room.

Mr. DIXON. Mr. President, I wonder if the Senator from Kansas would further yield on the very point he made for a moment.

Mr. DOLE. Yes.

Mr. DIXON. I say again that I respect the Senator's opinion on this subject. The Senator from Kansas pointed out the problem we had with soybeans and when we had the embargo on that that put Brazil in the soybean business.

I would remind the Senator from Kansas that even if we have some type of parity in the farm bill, a punitive approach, and I would support that, I presume it would not be high enough to be as discouraging as some would hope. The fact that I would like to call to the attention of the Senator from Kansas is this: When one of those embargoes ends, even if the soybean farmers get a decent return while it is in place, what does he do if he has lost all of his markets in the meantime?

That was what happened in the last embargo with reference to Brazil and something that I think this amendment addresses in a far better way than the farm bill itself has addressed that problem.

Mr. HEINZ. Mr. President, I know there are many Senators who are trying to make planes and meet other commitments. I do not want to foreclose debate but as soon as I can do so I would like to make a motion to table the amendment.

Mr. DOLE. I understand the need of the Senator, but I cannot think of any other more important issue to farmers than the issue of embargoes.

I wonder if we might have 2 or 3 minutes to take a quick look at this and see if there might be some way to make it better.

Mr. JEPSEN. Will the Senator yield for a question?

Mr. HEINZ. I do not have the floor.

Mr. DOLE. I yield the floor.

Mr. JEPSEN. Will the Senator yield for a question?

Mr. HEINZ. Yes.

Mr. JEPSEN. Maybe the distinguished Senator from Wisconsin would want to answer this, too. Let us say that we pretend for a minute. Let us pretend that the Senator is an attorney, though I do not think he is, and the Senator from Wisconsin is an attorney.

Mr. PROXMIRE. That is not a qualification to be a Senator. I am not an attorney.

Mr. JEPSEN. Let us all three pretend for a minute that we are going to have an embargo in which case we would single out all members of the American Bar Association in this country and the effect of this embargo would be to reduce, as long as the embargo was on, all the fees of all the members of the American Bar Association by 50 percent, as long as the embargo was on.

Would the Senator think they would consider that as being fair and equitable?

Mr. HEINZ. If the Senator will yield, I understand the thrust of the Senator's question. As I understand it, it is whether singling out anybody for anything is fair. That is the thrust of his question.

Mr. JEPSEN. Not anything. I am singling out people, to ask them to take an economic loss. History shows that. That is what happened when they put an embargo on feed grains. They have had to stand catastrophic economic losses that go along with depressed prices, lack of credibility for future markets, for developing markets, destabilizing whatever future there is in a very unstable future right now, certainly, in the agricultural area.

I am just asking, does the Senator honestly feel that is fair?

Mr. PROXMIRE. Will the Senator yield on that?

Mr. JEPSEN. I yield.

Mr. PROXMIRE. Where national security is concerned, we ask sacrifices that are very unfair. The Senator knows in war sometimes we draft people into the military and send them out to give their lives for our country. They do it. It is terribly unfair. The majority of the people are not asked to make any sacrifice like that at all, and some even profit from it. But national security is so important, so extremely important, that we have to demand sacrifices which in some cases are unfair and people feel very bitter about it.

But certainly an embargo should not be imposed, as the manager of the bill has said, for foreign policy reasons or human rights reasons but only for national security reasons.

Under those circumstances, it seems to me it is proper for us to call upon a segment of the population, maybe a very large segment, to make a very serious sacrifice. In this case the farmers were asked to make a sacrifice.

Mr. JEPSEN. Would the Senator be agreeable to an amendment which read in the event of a declaration of war? National security is a pretty broad subject. I think we ought to have a railroad built from Los Angeles to New York, transcontinental, because if something happened to the Panama Canal we would

wish we would have it for our national security.

Mr. PROXMIRE. Even after the declaration of war we ask people to make serious sacrifices in the interest of national security. We believe it is proper and that that has to be done. That is what we are talking about here.

Mr. JEPSEN. That is not what we are talking about. The Senator is saying whoever decides we have a problem with national security.

Mr. PROXMIRE. Not anyone. Just the President of the United States.

Mr. JEPSEN. But in 1980 it caused many American farmers to go bankrupt. It singled out the agricultural community to carry out a macho-fostered foreign policy and they are still paying for it. All I am saying is if the Senator is really going to be serious about national security, really make a point about Afghanistan, why did we not stop exporting technology and all the other things we were exporting instead of singling out the American farmer?

Mr. PROXMIRE. We did stop that.

Mr. JEPSEN. Let us put an embargo across the board unless we have a declaration of war. In a declaration of war, nobody will question what we have to do. People will get behind the President to do whatever he can. I do not think anybody will quarrel with that.

But here we are talking about a very general thing called national security.

As I say, I want a railroad built across this country for national security reasons. We ought to have one. I am serious. If something happens to the Panama Canal, we ought to have it.

But here I do not think the farmers ought to pay for this. Does the Senator?

Mr. HEINZ. If the Senator will yield, I think Senator PROXMIRE has stated the case. This is a national security question. I would say to my good friend from Iowa that we do, in the Export Administration Act, provide very specifically on two occasions, in sections 6 and 7, for special protections to the farmer. We do not do it for anybody else.

The President tomorrow can embargo the shipment of electric razors—I hope we still make a few in this country—to the Soviet Union and there is no question. He can do it for foreign policy reasons or he can do it because of a shortage. There is no congressional veto, no congressional override of that. If he does it for one agricultural product, if he does it for lemons or avocados or for pine cones, that is subject, under sections 6 and 7, the foreign policy and short supply section, to congressional veto.

What we are talking about here is the last string to the bow, after foreign policy and short supply. We are talking about national security.

I listened rather intently to the exchange as to what was and was not national security. I do not think the Senator from Iowa really would have any of us believe that it is war before a question of national security is involved. The Senator is on the Armed Services Committee. He is constantly dealing with questions of national security that do not involve war. Indeed, they involve the prevention of war.



Mr. JEPSEN. Exactly. Knowing me as he does, would the Senator consider me not concerned with national security? I would remind the Senator I was a hawk coming into the Senate long before they were popular around here. I have often said that a dove is only safe until such time as the hawk finds him. I am concerned about national security, all aspects of it, including industrial preparedness.

Mr. HEINZ. And the Senator was not for going to war, but he wanted a strong national defense and still does. Is that right?

Mr. JEPSEN. I do not want the American farmer singled out to carry out foreign policy in this country by way of embargoes. If we are going to have an embargo, if it is that serious, let us embargo all products across the board. That is fair. That is all that any of us have ever said. All we are appealing to here is a good sense of fairness to prevail across the Senate.

Mr. DOLE. Will the Senator yield?

Mr. JEPSEN. Certainly.

Mr. DOLE. I am just wondering. We are right in the middle of the farm conference. The Senator from Kansas is a conferee. We are going to meet tomorrow afternoon at 2 o'clock. I think what has a lot of us in an undecided position is not knowing what the disposition of that provision would be. I would be willing to ask the distinguished chairman of the Agriculture Committee, Senator HELMS, if he would permit us to take up the embargo provision tomorrow afternoon or Wednesday morning if we can postpone action on this.

I know that interferes with orderly procedure, but it is very important to those of us who live in the Farm Belt. We have made a big issue—nonpartisan, I might say, or bipartisan—of this matter. Would the sponsor of the amendment and the manager of the bill object to any delay on this particular item?

Mr. HEINZ. Let me ask my friend from Kansas, on the assumption that a provision is worked out that various Senators here will be conditionally happy with on the farm bill, what would be the Senator's intention? Would he still press for this amendment? I do not mind putting something over, as long as somebody does not put something over on me.

Mr. DOLE. I might say the Senator from Kansas is not trying to have it both ways, Mr. President. My own view is—and I know my colleague from Iowa does not share this view—that the provision in the Senate farm bill is just a bit too generous. It has to be modified some. What happens there would dictate what this Senator does. This Senator is just one vote, but I am a conferee.

If, in fact, we could work out a reasonable provision to protect the farmer—and that is the intent of the Senator from Minnesota, the Senator from Iowa, the Senators from Illinois, the Senator from South Dakota—then it would be my belief we would not need this amendment. But we have not addressed that. It would be up to the chairman of our committee to move that upon the calendar.

Mr. HEINZ. If I may proceed further, Mr. President, under those circum-

stances, this Senator would not object to laying this amendment or this bill aside, but we have a problem, which is a scheduling problem, that this Senator does not control. We are going to have to get our majority leader, I think, to determine whether this would be acceptable to him.

Mr. DOLE. The Senator from Kansas understands that this is the last amendment. Is that correct?

Mr. HEINZ. No, Mr. President, there is another amendment.

Mr. DOLE. If that could be disposed of, then we shall just have this one to dispose of, which I think will happen very quickly once we reach some agreement in the House-Senate agriculture conference.

Mr. PROXMIRE. We have a Chile amendment, also, Mr. President, on interest rates that the Senator from Florida wants to bring up and discuss and act on. I hope that we can act on that if we lay this amendment aside.

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

Mr. DOLE. Yes, I yield.

Mr. JEPSEN. It is a unique position that I am in as a cosponsor of this amendment, having anything to do with bipartisan action on this amendment. As a cosponsor of this amendment and as a coauthor of the one in the agriculture bill, I hope we can do what the Senator from Kansas has requested. That would be the logical and, frankly, the good judgment and commonsense way to handle it.

I see our majority leader is here.

Mr. DOLE. If the Senator from Iowa will yield further, Mr. President, I understand the Senator from Illinois (Mr. Dixon) has no objection to that procedure as one of the sponsors of the amendment. Is that correct?

Mr. DIXON. I do not object at all to laying aside the amendment at this time, Mr. President, in the hope that we can find some accommodation between the different points of view. But I do not want the Senator from Kansas to assure my friend from Pennsylvania that this amendment will be dropped if we do something in the conference. I would rather leave it that we shall put it aside and see if all the honorable people here who want to achieve an accommodation can achieve an accommodation that all the different points of view can live with. That the Senator from Illinois would be delighted to do, and I think it is appropriate.

Mr. DOLE. That statement, to me, would be satisfactory. The Senator is right. We have to agree that if we do a good job in the Senate Agriculture Committee, that is one thing. If it falls short of what the Senators from Illinois want to achieve, it certainly would not have any impact on this amendment, should not have. It would not have any impact on those of us who are undecided, who are torn between the conference and this amendment. We do not want any embargoes, we want them to end. We want to make certain farmers are protected if, in fact, there is an embargo. It is hard to make that choice with two amendments pending.

Mr. DIXON. Mr. President, let me say further to the Senator from Kansas that

the point I was making is that I hope my distinguished friend from Kansas would continue to look at this amendment along with the Senator from Iowa, the Senator from Minnesota, the Senator from Pennsylvania, and others look at this amendment along with what is done in the conference committee that might solve the problem.

Mr. JEPSEN. Will the Senator from Illinois yield?

Mr. DIXON. Yes, Mr. President.

Mr. JEPSEN. We worked on this area of this problem together and we share the same desire to have the same end result, that we do not have any embargoes unilaterally applied to farm producers. I point out that I understand that there is a difference in this amendment from the one that exists in the agriculture conference committee, in that the agriculture conference committee, to sort of paraphrase and sum up what it does, is right when it says unless Uncle Sam wants to really pay through the nose, there will not be any embargoes unilaterally applied. And without an embargo across the board to any particular, given commodity, he cannot unilaterally single out the American farm food producer without paying him 100 percent of parity by way of a loan or 90 percent of parity, and so forth.

This particular amendment that we are talking about now says that the administration may levy an embargo but, within 60 days, we would have to have legislative action here or approval. They are two different things.

Mr. President, I say this respectfully to the Senator from Illinois: If our amendment in the Senate Agriculture Committee passes as it is presently written, this will not be necessary because I do not think anybody is going to lay on an embargo unilaterally in peacetime and single out the farm community for the price tag we put on it. So when people say, "Senator, that is so stringent and rigid; we are not going to be able to have any embargoes," I repeat, my answer will be, "You have got it."

But I think we would all be well advised to wait and see what happens to that one tomorrow. It might well be that some of this language, which I think will meet with the Senator's approval, may be combined to bring that into such a form that it will come out of the Committee on Agriculture and be accepted by everybody.

Mr. DIXON. I understand what the Senator from Iowa is saying, Mr. President, and I appreciate it, and I see the majority leader is here talking with a variety of folks. I would be delighted to put it over.

Mr. ABDNOR. If the Senator will yield, Mr. President, I commend the Senator from Illinois (Mr. Dixon) for his willingness to do that. If it has ever been apparent that time is needed, it is certainly in this situation, on a matter of this magnitude, as important as it is to agriculture. It is certainly something we do not want to be forced to cast a vote on without thinking of all the ramifications or how we might improve the very goals the Senator is trying to achieve. I commend him and Senator Percy for

their willingness to do this and I hope that while they are talking over there in the corner, they will come up with a solution to give us the necessary time so we can properly give it the attention that is needed.

Mr. JEPSEN. I say to the Senator from Illinois (Mr. Dixon) while we are waiting, I pose this question that I posed to the two nonattorneys on the committee: Does he feel the members of the American Bar Association would think it is fair to lay on an embargo where they had to take 50 percent of their fees? Does he think they would feel they are picked on?

Mr. DIXON. Mr. President, I cannot speak for the whole American Bar Association, I say to the Senator from Iowa, but most attorneys would look with disfavor upon any law which deprived them of 50 percent of their fees.

Mr. JEPSEN. Or even 10 percent. Or even be told how much they can charge.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. LUGAR). Without objection, it is so ordered.

Mr. BAKER. Mr. President, in connection with the Dixon-Percy amendment, certain negotiations are going on at this time that look toward the possibility of the consideration of that amendment, or perhaps one amendment to that amendment, and then third reading and final passage may occur not today but on Thursday, at a time certain. Our respective cloakrooms are checking both sides of the aisle, and we will perhaps have an agreement before very long.

In the meantime, in order to conserve time, I ask unanimous consent that the pending amendment be temporarily laid aside, so that the distinguished managers of the bill may proceed to another matter.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

UP AMENDMENT NO. 597

(Purpose: To identify sections of the Export Administration Act that will be subject to higher civil penalties)

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

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Utah (Mr. GARN) proposes an unprinted amendment numbered 597.

Mr. GARN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

Section 4(c) of S. 1112 is amended to read as follows:

(c) Section 11(c) (1) of that Act (50 U.S.C. app. § 2410(c) (1)) is amended—

(1) by striking out the period at the end of the sentence; and

(2) by adding at the end thereof the following: “, except that the civil penalty for each such violation involving national security controls imposed pursuant to section 5 of this Act or controls imposed on the export of defense articles and defense services pursuant to section 38 of the Arms Export Control Act may not exceed \$100,000.”

Mr. GARN. Mr. President, the amendment that I sent to the desk I do believe will meet with the approval of the sponsors of the bill. I hesitate to say that it is a technical amendment. That is an awfully overworked term around here. But it is a simple amendment that corrects something that was not intended in the original drafting of the bill.

The intent of the bill is to enhance the enforcement of the act in the area of national security controls, one of the most vital purposes of the legislation. S. 1112 provides for an increase in the maximum for civil fines from the current \$10,000 limit to a limit of \$100,000. This is an important increase, necessary for the enforcement of the national security provisions of the act. The export of specifically identified technology and goods, in violation of U.S. law and detrimental to the national security, must be met with the heaviest of sanctions. In comparison with the sales of some major exporters the \$10,000 limit in current law just does not pose a significant penalty. It is just a drop in the bucket. This is particularly true with regard to national security controls. These controls must be clear and effective so that not one item slips through to find its way into the arsenals of our adversaries.

Mr. President, I hope that we will finally get out of the business of teaching our adversaries how to destroy us. When we allow one item, be it a computer, or technology for the production of critical alloys, slip into the hands of our adversaries it soon can be copied and disseminated to our serious disadvantage. The penalty for such action must be severe enough to deter its ever occurring. For that reason the bill provides for a tenfold increase in the maximum penalty.

Unfortunately, Mr. President, the wording of the bill seems to provide for a similar increase in civil penalties for transactions unrelated to national security controls, such as controls for foreign policy, short supply, and antiboycott reasons. That would be an unnecessary increase in these areas, where the sanctions currently pose an adequate penalty. The level of fines levied by the Commerce Department recently has risen to about \$5,000 per violation, well within the current \$10,000 maximum.

Moreover, each case often involves multiple violations, making the total a substantial penalty. For example, one company recently agreed to pay a penalty of \$137,500 in one such case. In another case involving violation of the antiboycott provisions of the act, a penalty of \$5,000 per violation for 26 violations was imposed, or in other words a \$130,000 fine.

Mr. President, while all violations of the act are serious and deplorable, a maximum civil penalty of \$10,000, when coupled with the other administrative sanctions available, which include forfeit of export rights, such a sanction would seem to be sufficient at this time for violations not directly related to the national security controls.

Furthermore, an increase applicable to all violations under the act, which often involve administrative oversight by an exporter or freight forwarder, could unnecessarily create an export disincentive in transactions unrelated to national security controls.

Mr. President, for these reasons I say that the amendment is little more than a technical amendment. It follows more fully the original intent of the bill, clearing up what was not intended. It has the support of the administration. It is a simple amendment, and, as I said, I hope that the sponsors of the bill, notably the distinguished Senator from Pennsylvania and the distinguished Senator from Wisconsin will be able to accept it.

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

Mr. GARN. I am happy to yield to the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, my distinguished colleague, the chairman of the Banking Committee, makes a persuasive point about the level of civil fines. My particular concern has been with respect to fines for violations of the antiboycott provisions, but as the Senator from Utah noted, the current \$10,000 ceiling per violation is presently well above current Commerce Department practice. Additionally, since this is a fine per violation, and most cases involve multiple violations, the actual penalty assessed is often significantly larger than \$10,000. I am pleased to note that recent Commerce Department practice seems to be establishing a \$5,000 per incident level of fine. With the hope and understanding that this will generally become the minimum fine levied, I am certainly prepared to accept the Senator's amendment.

I believe very strongly that this country needs a strong antiboycott compliance law, and as the Senator knows, I was deeply involved in the creation of the present statute, which appears to be serving us well. I am sure the Senator from Utah does not intend—and I would not want anyone to conclude—that this amendment implies a lessening of congressional concern over antiboycott violations. It does not. The committee follows enforcement policy with respect to this law very closely, and we are prepared to make adjustments should they be necessary to make clear our commitment to aggressive enforcement. One such change would be increasing the fines,



and while I do not believe that is necessary at the present time, I want to clarify for the record the willingness of this Senator to do that should circumstances change.

I yield to my distinguished colleague from Wisconsin.

Mr. PROXMIRE. Mr. President, as I understand the distinguished chairman of the Banking Committee, Senator GARN, the purpose of his amendment is to provide penalties on national security violations that would be adequate to be a deterrent to these violations, and the Senator feels with respect to other penalties the Commerce Department has the administrative authority to provide the adequate deterrence.

Of course, I am happy to support the amendment and congratulate Senator GARN on the amendment.

Mr. GARN. Mr. President, I thank my colleagues and ask that the amendment be accepted.

The PRESIDING OFFICER. If there be no further debate, the question is on agreeing to the amendment of the Senator from Utah.

The amendment (UP No. 597) was agreed to.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. PROXMIRE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on the amendment of the Senator from Illinois.

UP AMENDMENT NO. 598

(Subsequently numbered amendment No. 625.)

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

The PRESIDING OFFICER. Is there objection to laying aside the amendment of the Senator from Illinois? The Chair hears none, and it is so ordered. The amendment is laid aside.

The clerk will report.

The bill clerk read as follows:

The Senator from Florida (Mr. CHILES) for himself, Mr. SASSER, Mr. MELCHER, Mr. RIEGLE, Mr. ROBERT C. BYRD, Mr. BAUCUS, Mr. BIDEN, Mr. BOREN, Mr. BURDICK, Mr. CANNON, Mr. DECONCINI, Mr. DODD, Mr. EAGLETON, Mr. EXON, Mr. FORD, Mr. GLENN, Mr. HEFLIN, Mr. HUDDLESTON, Mr. INOUE, Mr. JACKSON, Mr. JOHNSTON, Mr. KENNEDY, Mr. LEAHY, Mr. LEVIN, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. MITCHELL, Mr. NUNN, Mr. PELL, Mr. PRYOR, Mr. RANDOLPH, Mr. SARBANES, Mr. WILLIAMS, Mr. ZORINSKY, and Mr. CRANSTON, proposes an unprinted amendment numbered 598.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

Mr. HEINZ. Mr. President, reserving the right to object, are copies of the amendment available?

Mr. CHILES. Yes, they are.

Mr. HEINZ. Could we get a few extra copies?

The PRESIDING OFFICER. Is there objection?

Mr. HEINZ. Mr. President, reserving the right to object, and I hope I do not

have to object, because I just want to save on paper.

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

The amendment is as follows:

At the end of the bill, add a new section, as follows:

"SEC. ( ). EMERGENCY DECLARATION DIRECTING THE PRESIDENT TO ASSURE AN ADEQUATE FLOW OF AFFORDABLE CREDIT TO SMALL BORROWERS.

Since the foremost domestic goals of the United States are healthy growth of the economy and prosperity of the American people; and

Since continued high interest rates are choking off productive investment and causing lasting damage in such key sectors of the economy as:

Housing where prohibitive mortgage interest rates are preventing almost all Americans from buying homes and are crippling the homebuilding, lumbering, building supply and other industries that contribute to home construction;

Automobile manufacturing where high interest rates are preventing consumers from financing basic car purchases, are placing unbearable inventory costs on car dealers and are forcing manufacturers to delay vital investments in more productive plant and equipment;

Farming where interest rates are the largest factor in the farm cost-price squeeze and are frustrating the ability of small farmers to finance land, equipment, feed and fertilizer; and

Small business where many well managed firms are being forced to close because the high cost of borrowing makes it increasingly difficult to finance necessary inventory, minimum working capital and investments needed to remain competitive; and

Since high interest rates are cutting through the entire economy, unleashing such early signs of a severe recession as:

Unemployment mounting in a large number of industries; and

Business bankruptcies rising at alarming rates; and

Since excessively high interest rates are having a damaging effect on virtually every American household, preventing them from buying homes, cars and furniture, from sending their children to college, from maintaining their family farm; and

Since high interest rates are inflationary since they must be passed along from business to consumers as high prices; and

Since high interest rates choke off the steady production of basic goods such as beef cattle and houses, leading to higher prices in future years; and

Since massive sums of credit continue to be diverted to non-productive uses, such as conglomerate mergers and corporate takeovers; and, combined with reduced enforcement of anti-trust laws, this dual credit policy is shifting control of business away from small businessmen and farmers toward a few large corporations; and

Since an inflexible monetary policy supported by the Administration has added to the crisis in the credit markets; and

Since these devastating credit conditions constitute an economic emergency which requires immediate action;

*It is therefore declared by the Senate and House of Representatives of the United States of America in Congress assembled:* That the President in cooperation with the Board of Governors of the Federal Reserve System shall by November 25 exercise appropriate authorities to assure an adequate flow of credit to small borrowers at affordable prices. Particular attention should be paid to reducing home mortgage rates, increasing employment, reducing the excessive financ-

ing cost for auto purchases, halting the rapid rise of small business bankruptcies and reducing the excessive cost of farm equipment and supplies. Such actions shall include voluntary guidelines appropriate to various regions of the country and type of borrowers, which may be altered periodically as necessary to achieve these purposes.

The President shall also take appropriate actions to limit the large-scale diversion of credit to non-productive uses, such as conglomerate mergers and corporate takeovers.

The President in cooperation with the Board of Governors of the Federal Reserve System shall take non-inflationary actions necessary to reduce interest rates which are currently at levels abnormally above the current rate of inflation.

In deciding upon the appropriate actions to assure the availability of credit to small borrowers, the President shall consult with representatives of the small business community, the housing industry, auto dealers and small farm operators.

The President shall report to Congress within thirty days concerning the effect of his actions in protecting an adequate flow of affordable credit to small borrowers and reducing excessive interest rates.

Mr. CHILES. Mr. President, I submit this amendment on behalf of myself, Senator SASSER, Senator MELCHER, Senator EAGLETON, Senator ROBERT C. BYRD, and other Senators. What we are seeking here is to have the President set voluntary guidelines for lending institutions to assure that credit is made available at affordable rates for small businesses, home mortgages, small farmers, and business people.

It also tells him to limit the diversion of credit to the conglomerate mergers and takeovers.

What we see happening here in the situation that we find today in the economy is we sort of have a dual economic system working. We have energy companies booming, some of our defense contractors are booming, a lot of the major and biggest corporations are in the merger and takeover business; credit is being rationed as a point of national policy; the President and the Federal Reserve System are reducing and holding down the growth of money, and that is a national policy to try to get some kind of a handle on inflation.

But, of course, while that is happening we are finding that that rations credit, and so at the smallest denominator, where the small businessman tries to operate, the small farmer, the housebuilder, credit is either not available or it is not available at that rate which they can afford.

We see bankruptcies running at a rate higher than we have seen in a long, long time. We find those interest rates are literally starving people out of being able to do business. Many people are calling me and are as frustrated as they can be. It is interesting, and I talked to young businessmen, who say, "For the first time in my life I cannot control my own destiny no matter how early I get up in the morning or how late I work at night. If the interest rates remain where they are and if credit is not available to me, no one will buy my product and I am going out of business," and they are as frustrated as they can be.

What we are asking in this resolution

is that the President will, with the Federal Reserve System, provide a policy that will provide credit at an interest rate they can afford to some of the small businesses in the small business sector.

We recognize that is probably still going to be much higher than they would like to pay, but our overall system is working that way now, and we are hoping through the fiscal policy to be able to address that and bring down interest rates, bring down inflation.

But that we know is going to take some time. While that is happening we think we need to send a message out to the small business people that we are cognizant of the problems they are having, and we are trying to do something about them.

At the same time, Mr. President, I think we need to have a message sent by the President to the conglomerates that are now in the takeover business and to the financial institutions that are providing the credit and the money for those takeovers that the scarce amount of credit we now have and the scarce money we now have should not be used for that purpose; that that is not, should not be, national policy to have it used for that purpose.

As we know, those mergers and conglomerate takeovers are not providing any new jobs, they are not providing any new technology, they are not providing any new energy, they are not providing any new capital formation. They are now taking from the supply of money that would be available, that is out there, the pool of money that would be available for small businesses, and regardless of what we talk about in the large sector we know that the small businesses still make up anywhere from two-thirds to three-fourths of the jobs that are in our country today.

If we look at the recent figures on unemployment we see that we are now running at 8 percent, with 8.5 million people unemployed in this country today, the highest number unemployed since 1941, I believe, since we were back into that time when we were going into World War II, and an awful lot of those people, I know, we all know, are employed, were employed, in small businesses.

What we find now is that small businesses are scrambling to reduce their employment, scrambling to see if they can survive in a time in which they are being pressed to the wall, and so they are laying off people, they are cutting back on their employees.

The building industry is in its worst plight since many of us can remember in the number of houses we are producing in this country, and it is a direct result of interest rates, a direct result of the fact that because we know we are not overbuilt but we are underbuilt, there is a tremendous demand by people who are seeking money for housing but they cannot qualify, they cannot qualify because of those high payments, and as they cannot we see everything that happens in the building industry from the realtor being out of work to the insurance person who has been selling insurance, to all of the building industry busi-

nesses that are related, back to timber, and now we see some of the biggest cut-backs from our lumber people and timber people.

The same thing, of course, is in the plight of our automobile industry where we find the reason they cannot sell the cars is due to the interest rates.

What in the world can be done about this? Well, by this resolution I am sure we are probably not going to solve the problem overall. But certain things we can do. We do know that in 1973, for example, the then-chairman of the Federal Reserve System, Arthur Burns, directed the banks to set a dual prime rate system so that major corporations would borrow at one rate and small businesses would borrow at a little more favorable rate.

Certainly that was trying to show them we were attempting, as a national policy, to provide interest rates at rates they could afford. We do know that if the President came down hard on corporate mergers, and if he said it is not working in the best interests of this country to have the money that we now have out there, the small amount of rationed funds out there, being locked and put aside for this basis, that we would see some results from that.

We do know when we look at a merger like the Conoco takeover, three major corporations vying for that merger, with DuPont being the eventual winner, and we see the Seagram Corp. and Mobil Corp. also in the game, that each one of those giant corporations went to its banking institutions and had them set aside from \$5 billion to \$10 billion in credit, and that money was taken out of the loans that could be made to any small business, and that money was held aside as that fight went on for a number of months.

And now it is only DuPont being in it and probably only the DuPont line being drawn down, but all of the other money was received.

The same thing happens when LTV goes after Grumman, and the same thing happens with all other mergers we have. We need a signal, Mr. President, to come from the President of the United States that it is not in the best interest of our national policy today to have this happen.

So we are asking for voluntary direction to be given to our banks and our lending institutions as to how they should make credit available. And certainly it should not be made available for these mergers.

We are asking the President—and I think this is very important—to consult with small business and farmers and automobile dealers and those people at the bottom end, to consult with them as to plans and directions and to listen to them as he makes his recommendations and then to report back to the Congress and tell us what he feels that he can do on this subject and what we can do.

Mr. President, this Congress has been backing the President, both sides of the aisle I might say. The Democrats in vast numbers voted for the spending cuts that were requested by the President, some \$35 billion plus, and then supported the tax cut. Again, the vast majority of the Dem-

ocrats as well as the Republicans supported those tax cuts.

Now we want to join with him in helping solve this interest rate problem at the same time. The President has said on several occasions, and once in his message to the joint meeting of the Congress, that he hoped if we had a plan that we would present that plan and come forward with it. So we do not just want to be a part of the problem, we want to be a part of the solution. We want to say that now we feel is the time to have a meeting of the minds between the President, the Chairman of the Federal Reserve Board, and leaders of the Congress, if the President feels it necessary, to consult with and to come up with a direction on which we could and should go to try to do something about interest rates, but also to send a signal to those small business people that we are aware of their plight, we are not going to leave them out there dangling in the wind, saying that a year from now or 18 months from now the economy will turn around and those of you who survived it will be better for it or any of you can start over. We are going to say we feel that the President should recognize that plight and present a plan back to us. And that is what we are seeking, Mr. President, in this resolution.

The fact that 35 Senators have come together on this single resolution indicates the sense of emergency about the conditions of the country's credit markets. This crisis is reaching every family and every small business in America. Anywhere I go in the State of Florida, people tell me that they cannot afford a home mortgage; they cannot afford to finance an automobile; they cannot buy farm equipment and supplies. It is not just a matter of the high price of money.

Small businessmen are telling me that they can no longer get credit at any price; it is just not available to them. We see a dual credit system developing in this country, where tens of billions of dollars are made available to huge companies for conglomerate takeovers that produce no economic benefits. Mergers create no jobs, and are more likely to hurt productivity than help it. Yet the small businesses which create jobs, which develop innovative processes, are being starved of credit. The economic losses from this credit crunch are clear in the new unemployment rate announced this morning—it went up to 8 percent in October.

Mr. President, nowhere is the impact of this crisis seen more clearly than in the housing market. Housing sales have declined at the worst rate since the Depression, new housing starts are down to about 1 million a year, which is only half the 2 million annual level which we need just to replace the old housing stock. Their is no way the average family can afford to buy a new home now. While some people take comfort in the fact that short-term interest rates have come down a couple of percent recently. Well mortgage rates are still up around 18 to 19 percent, and the average family cannot afford a house if the rate is above 13 percent. For example, the Wharton economic forecast projects that long-term rates will come down to 14 percent,



and that will only produce about 1.3 million starts, far below the 2 million we need.

Mr. President, I ask unanimous consent to insert in the RECORD at this point a letter from the National Association of Homebuilders, which endorses this resolution and describes the plight of the housing industry.

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

NATIONAL ASSOCIATION OF  
HOME BUILDERS,

Washington, D.C., November 4, 1981.

HON. LAWTON CHILES,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR CHILES: On behalf of the more than 123,000 members of the National Association of Home Builders, I am writing to express our support for your emergency resolution directing the President to assure an adequate flow of affordable credit to small borrowers.

As you are aware, record high mortgage interest rates are having a devastating impact on the housing industry. Housing starts in September were down to an annual rate of 918,000, 56.2 percent below the peak level of 2.09 million in 1978. We are currently in the midst of the longest housing recession since World War II. The NAHB forecast for 1981, which assumes some moderation in interest rates by the end of the year, estimates that only 1.07 million housing units will be started this year. Housing starts in the 1 million range are dangerously below the projected need of up to 2 million units a year during this decade. And pent-up demand will only build up inflationary pressures on housing prices in the future.

High interest rates have dramatically increased the failure rate in the construction industry. In the first 7½ months of 1981, total failures in the construction industry were up 41 percent over the same period of last year. Failures among general building contractors were up by 28 percent over the same period in 1980. Subcontractor failures were more severe, with the number of failures up by 127 percent. This is particularly significant since the comparisons for 1981 are being made with 1980—the worst year for construction failures on record. If interest rates do not fall in the near future, the unfortunate result will be that many more businesses will fail.

The precipitous drop in housing starts has had a significant impact on the overall economy by raising the unemployment rate in the construction trades. The official construction unemployment rate is 16.3 percent and over 828,000 wage and salary workers are out of jobs.

First-time homebuyers in particular have been priced out of the housing market by high interest rates. Each one percent increase in interest rates puts a median-priced home out of the reach of over 860,000 families. At the current mortgage interest rate of 17 percent, a \$60,000 mortgage carries a principal and interest payment of \$855 per month. Other housing-related expenses bring the monthly housing expenditure to \$1,070. This requires an annual income of \$38,520 and fewer than 10 percent of all first-time buyers could qualify for this median-priced home.

The Federal Reserve Board policies of almost the last two years, along with the rapid deregulation of financial institutions, have led to near chaos in the financial markets, and in credit-sensitive industries such as homebuilding. We believe that non-inflationary action to lower interest rates would reduce inflation by restoring business and consumer confidence in the economy and by increasing production, employment and competition in the marketplace. We believe that the Administration and Congress should

pursue economic policies that reward increased productivity, encourage business investment and consumer savings, and reduce unnecessary and costly government regulations.

For those reasons, we support your resolution which would promote the availability of credit for productive enterprises while limiting the diversion of credit to nonproductive uses such as corporate mergers and takeovers. This would help ensure the financial health of small business and financial institutions as well as the housing industry, and promote productive growth throughout the entire economy.

Sincerely,

HERMAN J. SMITH,  
President.

WHAT DOES THE CREDIT PROTECTION  
RESOLUTION DO?

Mr. CHILES. Mr. President, this resolution instructs the President and Federal Reserve to set voluntary guidelines for lending institutions, telling them to set aside some credit for small borrowers—home mortgages, small business, small farmers—at prices they can afford.

Mr. President, this resolution also tells the President to issue voluntary guidelines limiting the amount of credit being diverted to conglomerate mergers and corporate takeovers. At a time when small businessmen cannot get the credit they need to survive, we see tens of billions of dollars diverted for these takeovers. The evidence has always been that takeovers do not add anything to real economic growth. All they do is concentrate economic power in the hands of a few giant corporations or holding companies.

We have heard a lot of talk recently about what we have to do to improve our productivity and compete better in world markets. When I chaired a special subcommittee on productivity, we found that capital investment is only part of the problem. We have a real problem with a lack of innovative management and worker morale. When a company is taken over by a conglomerate holding company, you usually make this problem worse.

All too often, the new management knows nothing about how to manufacture and sell the product; all they are concerned about is milking the cash flow for short-term profits. When people up and down the line see their companies taken over by a conglomerate, they know that decisions will be made strictly on a financial basis, without regard to the quality of the product, and morale goes down. We have to start turning that trend around if we are going to improve productivity.

Mr. President, we must stop this dual credit system that is engulfing our economy.

The administration does not seem to care about the effects of high interest rates. They have made a tight money policy a central part of their economic plan, and refuse to budge an inch. Just last week I asked the Secretary of the Treasury point blank whether they wanted the Federal Reserve to loosen up, even to meet its own money supply targets. Secretary Regan said "no," they do not want to see any loosening up at all. And that is after the President has said that we are in a recession.

Mr. President, I take no comfort when interest rates come down due to a recession.

When the economy recovers this spring we will face the same pressures, plus another 10-percent tax cut, and interest rates will go back up. The pressures on the credit markets will be coming from:

Huge Federal deficits;

Private investment to carry out our defense buildup;

Private industrial investment in response to the tax cut; and

The administration's tight money policy.

If high interest rates are the problem, why do we not just bring them down? Unfortunately, I do not think that is possible to do in the short term, and small business, housing and small farmers cannot survive until we get to the long term.

Some people say that if the Federal Reserve just eased up on the money supply, rates would come down. While I agree that the Fed has been too rigid in its restraint, running the printing presses full blast would just bring us more inflation in a year or so. When the credit markets saw loose money and large deficits, they would expect tremendous inflation and long-term rates would skyrocket. And that would generate extra pressure in the short-term market, as borrowers refused to pay fantastic rates. We saw this just 2 weeks ago, when the Fed seemed to be easing up for a few days. While short-term rates came down a little, long-term rates actually went up higher.

Why do we not just balance the budget, and take the pressure off monetary policy? While I share that goal, I just do not see the numbers adding up to a balance. The Congressional Budget Office estimates that with the tax and spending cut laws we have enacted as of today, we face deficits of \$80 billion in 1982, \$90 billion in 1983, and \$10 billion in 1984. And CBO's economic assumptions are almost as optimistic as the administration's. On top of those deficits, we have about \$20 billion a year of off-budget outlays, so the total Federal impact on the credit markets will be between \$100 and \$120 billion a year.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a table showing the deficit outlook derived from the data on pages 4, 5, and 32 of CBO's September 1981 update on the economic and budget outlook. Even this dire outlook is relatively optimistic. The Senate Budget Committee estimates that if you use the consensus economic forecast of major private forecasters, the 1984 deficit will be close to \$140 billion.

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

TABLE 1.—PROJECTED DEFICITS, FISCAL YEARS 1982-84

(In billions of dollars)

	Fiscal year—		
	1982	1983	1984
CBO deficit estimates based on enacted tax cut and reconciliation bills	-65	-55	-50
Further cuts assumed in first Budget Resolution, but not yet enacted	-15	-35	-50
Federal deficit based on currently enacted laws	-80	-90	-100

Mr. CHILES. The President's new package announced in September, does not even go halfway toward eliminating those deficits. The numbers are just too great. If we passed the President's cuts in defense and exempted social security and medicare from cuts, we would have to cut 36 percent out of all remaining programs to balance the budget in 1984. That is more than one-third from everything, including veterans' pensions, education programs, highway funds, food stamps, and law enforcement. That 36 percent would have to be on top of the major cuts we have already enacted. I just do not think the public wants that level of cuts, which means dismantling most of Government. So unless the President and the majority of Congress are willing to roll back a significant portion of the massive individual tax cuts, we are not going to get close to a balanced budget.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing how much we would have to cut if we exempted various programs, such as defense and social security.

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

COMPOSITION OF FEDERAL BUDGET (CBO ESTIMATES  
BASED ON FIRST BUDGET RESOLUTION ASSUMPTIONS)

[In billions of dollars]

	Fiscal year—		
	1982	1983	1984
Deficit based on currently enacted laws (total, \$270 billion).....	-80	-90	-100
President's proposed defense cuts.....	(2)	(5)	(6)
Remaining cuts to balance in 1984.....			94
Total Federal outlays.....	720	753	798
Exempt net interest costs.....	70	71	69
Exempt rest of defense.....	170	202	227
Exempt social security: Cash benefits.....	151	166	180
Exempt social security: Medicare benefits.....	46	53	59
Remaining outlays to be cut.....	283	261	263
\$94 billion as percent of remaining outlays.....			(36)
Composition of remaining outlays:			
Veterans benefits.....	24	25	27
Percent.....	8	10	10
Highway funds.....	15	14	14
Percent.....	5	5	5
Education.....	15	16	16
Percent.....	5	6	6
Grants to State and local governments.....	92	94	96
Percent.....	32	36	36

Mr. CHILES. Do deficits make a difference in interest rates. They sure do. Particularly when we are expecting strong demand for private borrowing. Stimulating that demand was the intent of the tax cuts, and the incentives we put in for greater capital investment. The private sector is responding to those signals and borrowing heavily for new plant and equipment, as well as for new inventories. It is a classic case of supply and demand driving up prices; in this case, it is the price of money.

On top of the pressure of Federal borrowing competing with a high private demand for money, we are going to have a great deal of uncertainty. All the decline in inflation so far has been due to lower food and fuel prices. A bad harvest in other parts of the world, or a supply

interruption from any one of the Middle East oil countries could throw a huge monkey wrench into the CBO and administration economic projections which are based on the optimistic assumption that the world will work peacefully and smoothly for the next 3 years. The huge tax cuts have just left no margin for error in fiscal policy. While we all live with uncertainty, the credit markets charge a price for it. I would guess that about 2 percent of the 5-percent spread between inflation rates and interest rates is that uncertainty or risk premium. One budget committee witness from a major Wall Street investment firm recently estimate the risk premium as 4 percent.

After painting such a gloomy picture for continued high interest rates, what do we propose to do?

We believe it is necessary to move on a voluntary basis to a dual system of credit by asking lending institutions to set aside a certain amount of money to lend to small borrowers at a rate they can afford. We have taken as our model the Committee on Interest and Dividends, which was created by executive order and headed by Federal Reserve Chairman Arthur Burns back in 1973. Faced with a similar credit squeeze, they issued voluntary guidelines for lending institutions, telling them to set up a "dual prime rate" structure, with lower rates for small business, housing, and agriculture. The system was not just voluntary, but flexible, with the rates to be determined in accordance with market conditions in each part of the country.

While we do not specify a "dual prime rate" in this resolution, that is what we have in mind by the phrase "affordable prices appropriate to the various regions of the country and type of borrower." We want the administration and Federal Reserve to have the flexibility to apply its expertise to come up with the most practical guideline.

We also instruct the President to consult with representatives of the small business community, the housing industry, auto dealers and small farm operators to insure that the guidelines are practical and effective.

Mr. President, I ask unanimous consent to insert in the RECORD at the end of my statement a copy of the voluntary guidelines issued in 1973, to give an idea of how flexible such a system can be.

What reason do we have to expect lending institutions to respond to voluntary guidelines? There are several reasons. First off, I believe most bankers are responsible businessmen. They care about their communities and the Nation's economic health. They will respond to a call from the President and the Chairman of the Fed.

Second, I know that lending institutions are carefully watching what is happening here in Washington. They know that there is a credit crisis and that in the words of the House minority leader, BOB MICHEL, "something has to give" pretty soon. They know that there is tremendous pressure on the Fed. To roll the presses and inflate the money supply. They know that there is great pressure for mandatory credit alloca-

tion. Either of those two outcomes would be tremendously disruptive to the credit markets.

So, I believe the Nation's lending institutions will respond in good faith to a flexible, voluntary set of guidelines.

I know some Members will be concerned about whether such guidelines constitute credit controls, or credit allocation. I would therefore like to address the issue head on, and explain the difference between the kind of "credit protection" we are seeking, and "credit allocation."

In this amendment we are telling the lending institutions that there is a critical economic need we would like them to respond to. We are letting them set the terms of their response, both in how much they will lend to small borrowers, and at what rates.

A real credit allocation system would set maximum rates and minimum reserves of credit for the designated uses. That could be done in two ways. First, a simple regulatory approach could require each institution to use given percentages of its assets for certain purposes, and set appropriate interest rate charges.

A second approach is already commonly used by the Federal Government. Loans are made directly by Federal agencies or are assured by Federal guarantees. Direct loans allocate their face value of credit to the specified usage. Guarantees allocate credit by providing below-market interest rates. These Federal credit activities have grown tremendously in recent years, and now account for \$147 billion a year. We at the Senate Budget Committee have taken the lead over the last few years to institute a credit budget to limit this growth. President Reagan has proposed major reductions in Federal credit activities, and I support that approach.

But I point out to my colleagues that some of the largest Federal credit programs are in just the areas we are addressing with this amendment: housing, small business, and agriculture. These programs have developed over the years because these are the sectors who always get squeezed by high interest rates. We certainly do not want to cut back on those credit programs right now.

I therefore suggest to my colleagues that if we do not ask the private sector to make credit available to small borrowers on a voluntary basis, we will not be able to withstand the pressures to greatly increase these Federal loan and guarantee programs. In that case, we would have true credit allocation in a very costly form.

Mr. President, I hope my colleagues will respond now to the Nation's credit crisis, and adopt this moderate resolution to assure credit to small borrowers.

I ask unanimous consent that a letter from the National Association of Homebuilders and a report from the Committee on Interest and Dividends be printed in the RECORD.

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



NATIONAL ASSOCIATION OF  
HOME BUILDERS,  
Washington, D. C., November 4, 1981.

HON. LAWTON CHILES,  
U.S. Senate,  
Washington, D.C.

DEAR SENATOR CHILES: On behalf of the more than 123,000 members of the National Association of Home Builders, I am writing to express our support for your emergency resolution directing the President to assure an adequate flow of affordable credit to small borrowers.

As you are aware, record high mortgage interest rates are having a devastating impact on the housing industry. Housing starts in September were down to an annual rate of 918,000, 56.2% below the peak level of 2.09 million in 1978. We are currently in the midst of the longest housing recession since World War II. The NAHB forecast for 1981, which assumes some moderation in interest rates by the end of the year, estimates that only 1.07 million housing units will be started this year. Housing starts in the 1 million range are dangerously below the projected need of up to 2 million units a year during this decade. And pent-up demand will only build up inflationary pressures on housing prices in the future.

High interest rates have dramatically increased the failure rate in the construction industry. In the first 7½ months of 1981, total failures in the construction industry were up 41% over the same period of last year. Failures among general building contractors were up by 28% over the same period in 1980. Subcontractor failures were more severe, with the number of failures up by 127%. This is particularly significant since the comparisons for 1981 are being made with 1980—the worst year for construction failures on record. If interest rates do not fall in the near future, the unfortunate result will be that many more businesses will fail.

The precipitous drop in housing starts has had a significant impact on the overall economy by raising the unemployment rate in the construction trades. The official construction unemployment rate is 16.3 percent and over 828,000 wage and salary workers are out of jobs.

First-time homebuyers in particular have been priced out of the housing market by high interest rates. Each one percent increase in interest rates puts a median-priced home out of the reach of over 860,000 families. At the current mortgage interest rate of 17 percent, a \$60,000 mortgage carries a principal and interest payment of \$855 per month. Other housing-related expenses bring the monthly housing expenditure to \$1,070. This requires an annual income of \$38,520 and fewer than 10 percent of all first-time buyers could qualify for this median-priced home.

The Federal Reserve Board policies of almost the last two years, along with the rapid deregulation of financial institutions, have led to near chaos in the financial markets, and in credit-sensitive industries such as homebuilding. We believe that non-inflationary action to lower interest rates would reduce inflation by restoring business and consumer confidence in the economy and by increasing production, employment and competition in the marketplace. We believe that the Administration and Congress should pursue economic policies that reward increased productivity, encourage business investment and consumer savings, and reduce unnecessary and costly government regulations.

For those reasons, we support your resolution which would promote the availability of credit for productive enterprises while limiting the diversion of credit to nonproductive uses such as corporate mergers and takeovers. This would help ensure the financial health of small business and financial institutions as well as the housing industry, and promote

productive growth throughout the entire economy.

Sincerely,

HERMAN J. SMITH,  
President.

CRITERIA ESTABLISHED BY THE COMMITTEE ON  
INTEREST AND DIVIDENDS FOR INTEREST RATES  
CHARGED BY COMMERCIAL BANKS

1. A major purpose of the criteria described below is to protect small business and farm borrowers against burdensome increases in interest rates, and yet make it possible for rates on loans to large national firms to respond flexibly to changes in money market conditions. It is not intended, however, either in the case of loans to large firms or to small firms, to interfere with normal business practices relating to differentials in interest rates that reflect credit risk and similar factors.

2. Major corporations ordinarily have extensive banking relationships across the country. The "large-business prime rate" is to be understood as the rate charged by a commercial bank on short-term loans to large businesses with the highest credit standing. This rate, which corresponds to what is now usually termed the prime rate, generally will apply to borrowers who have access to national money and capital markets.

3. Small businesses and farms normally are restricted to local banking sources and do not have access to national money markets. The "small-business prime rate," which will apply to such borrowers, is to be understood as the best rate charged by a bank to its most credit-worthy local customers. This rate may vary from bank to bank.

4. The interest rate charged by a commercial bank on a business loan, whether to a large or small firm, is part of its structure of rates reflecting degree of risk, size of loan, and other factors. This structure is to be based on the "large-business prime rate" in the case of large borrowers, and on the "small-business prime rate" in the case of small businesses and farms.

5. For present purposes, a small business is any domestic—commercial, industrial, or agricultural—borrower whose total borrowings outstanding at any one time over the preceding 12 months (exclusive of long-term real estate mortgage debt) did not exceed \$350,000 and whose assets do not exceed \$1 million. This definition covers the great majority of business establishments and farms.

6. Banks may extend application of the small business rate structure to any firm regardless of size.

7. Rates charged by a commercial bank on loans to large firms may respond flexibly to changes in open market interest rates. By keeping the "large-business prime rate" consistent with the cost of borrowing from alternative market sources, the recent large diversion of financing from the commercial paper market to banks would be halted and tendencies toward excessive and unhealthy expansion of bank credit would be moderated.

8. If an increase in the "large-business prime rate" occurs, it should be made in moderate steps in order to avoid disruptive market effects.

9. Rates charged by a commercial bank to small business and farm borrowers should remain at levels no higher than those prevailing on the date these criteria are issued unless an increase can be fully justified by increases in costs. If increases in these rates occur, they are to be decidedly smaller, and are also to be made less frequently, than changes in rates on loans to large firms.

10. Interest rates charged by banks on home mortgage loans and consumer loans should remain under special restraint. They are to continue relatively stable even if the "large-business prime rate" and associated rates move up significantly.

11. Any increase in rates to small business

and farm borrowers, to home mortgage borrowers, and to consumer borrowers must be justified by increase in the cost of lendable funds and other operating costs related to the commercial banking function, to the extent that such increased costs are not offset by higher earnings on large business loans and other loans and investments. Any increase in rates justified by costs should not be unduly concentrated in any single category of loans.

12. Since under the current economic stabilization program, all segments of our society—business firms and wage earners alike—are called upon to forego for the sake of the general welfare some of the earnings that they might otherwise have realized, banks should accept similar restraints. While present criteria provide for flexibility in the "large-business prime rate," increases in a bank's entire structure of lending rates must in no instance lead to undue increases in the bank's profit margin.

13. If increases in interest rates on loans occur, they shall not raise the bank's overall profit margins on domestic operations (excluding revenues from service functions such as trust departments and data processing) above the average of the best two years in the four preceding calendar years. For purposes of this test, the profit margin is defined as the ratio of net operating income, on a fully taxable equivalent basis before income taxes and securities gains or losses, to gross operating income on a fully taxable equivalent basis.

14. Commercial banks are to continue to meet legitimate credit needs of home buyers, consumers, small business, and farmers. Periodic reports will be required to assure that these needs are being met.

Mr. RIEGLE addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. RIEGLE. Mr. President, I rise in support of this amendment. I wish to commend the Senator from Florida and others who worked to draft this legislation. There is a strong and growing consensus within this country to end the interest rate emergency that is damaging our economy and our people. There is overwhelming support for firm action on this side of the aisle in the Senate—and I hope that support will be bipartisan.

The unemployment rate is skyrocketing. It is nearly 13 percent in my State of Michigan. We have more people unemployed in the United States today than we have had at any time since 1939.

The Federal deficit is soaring, and much of the increase is caused by the high interest rates, which inflate the cost of Government borrowing. High interest rates shut down the economy, causing revenues to diminish and Federal expenses to increase, and the deficit is further increased.

Some economists within President Reagan's inner circle have admitted the need for a significant midcourse correction. The need to have a new policy mix. They have admitted the need for a significant easing of monetary policy for a major effort to bring down interest rates and for a new policy to target a sufficient credit into those sectors of the economy that are being crippled and starved by the high interest rates.

Well, it appears that those voices have gone unheard and the administration is determined to continue this monetary overkill, to continue the high interest

rate policy and, in effect, to shut down the economy with a recession. Of course, that means driving those segments of the economy that are interest-rate sensitive into a virtual depression. That is precisely what we see in the housing industry and in the construction industry. It is what we see increasingly in the automobile industry. We see it increasingly among all small business, in farming and in medium-sized manufacturing firms. We see its effect on millions of individuals and families across the country.

There is no absence of credit at very high rates for the big shooters in our society. Big companies, that want to raid other corporations that are temporarily in distressed circumstances, can get credit to finance takeover bids. These corporate raids and mergers produce no new real economic activity, no supply side stimulus, which many of us would like to see. But much of the credit today is being siphoned away for those purposes while key productive sectors of the economy are being starved for credit and are unable to function.

The rate of bankruptcies in the United States is today running at a record level. The rate is increasing. We are seeing a cascade of damage across the land and throughout the economy. I think it will leave us with permanent hardship and weakness for many years to come.

That is why it is essential that the President exercise the leadership that only he can exercise. That is why he should signal a new monetary policy. That is why he should say that we have had enough of the high interest rates, that we have had enough of this policy of deliberate recession, and that it is time to target sufficient, affordable credit into those credit-starved sectors that are now being damaged.

We are confident that the President can use his well-known persuasive powers to convince the Federal Reserve to change the policy mix. I am confident that major steps could be taken not only to provide an ample supply of credit to those sectors that we have mentioned but also to bring down the rates to levels that are more in line with what any fair person could justify at this time.

The current strategy of rationing credit by price is clearly a wrong one. The damage it is wreaking on society goes far beyond anything that possibly can be justified.

Our hope is that the President will take this initiative as an offer of support and help from those of us on this side of the aisle who feel that it is time to change the interest rate policy. Our hope is that this will begin a new, cooperative effort to get these rates down, to start getting people back to work, and to stimulate some of the investment in America that we desperately need to increase productivity and restore real growth in the United States.

The President has enormous persuasive power. We all saw that recently when he was persuading Members to change long-held positions on AWACS and other issues. But the President also has the legal authority under the Credit Control Act to mandate a change in pol-

icy if, in his judgment, the use of that act is the only way to bring about a change in the behavior of the Federal Reserve System.

I am convinced in my own mind that he would not need to invoke the Credit Control Act. I think the Fed would respond to the wish of the President. I think that, by sitting down with the leaders of the various sectors mentioned, the President could, on a cooperative basis, develop targets for the amount of credit needed, over what time period it will be needed, and what constitutes fair and affordable rates. I think the President could quite readily persuade the Federal Reserve that a policy change is in the national interest. I think we could then consider other elements in the policy mix to accommodate the needed change.

I believe the President should have the emergency standby authority that the Credit Control Act now gives him. At a later time I will move to extend the time period of the Credit Control Act so that the President will continue to have that power in reserve if he finds that he needs it to protect the broad national interests.

Nevertheless, I have every confidence that the President can get this job done without invoking that legislative authority at this time.

It would be my hope that our colleagues on the other side of the aisle would respond and join us in an initiative so that he can more quickly succeed in bringing down the interest rates, succeed in channeling credit to key sections of the economy.

If our colleagues on the other side of the aisle would make this a bipartisan initiative, then the President would understand that he has broad backing here for this change in the policy mix. He could understand that he will not be left alone on this, that effective remedies will not meet with criticism or lack of support. He would know that he could count on the active support of Members of this Chamber for this very important policy change.

Certainly, he would have the backing of this Senator.

On the other hand, if the administration holds to the high interest rate policy, if they persist toward a manufactured recession with the mounting bankruptcies and the high unemployment, if they lock in this destructive policy mix, then I think they will lose the support they have enjoyed of a majority of Senators on this side of the aisle. They will lose the support that has been shown for a spending ceiling and for some tax cuts. I think that valuable support will vanish if the administration insists on maintaining the monetary overkill for any additional period of time.

It is my belief that interest rates could come down 4 percentage points over the next 90 to 120 days. I think relief would not have to wait that long in some key sectors if the President and his economic advisers were willing to provide the leadership that is needed. We are prepared to support that change. We are prepared to support that initiative. It would be my hope that the Senate today would vote in favor of this position.

Mr. President, this is a major opportunity for the Senate to take a solid initiative to bring down the high interest rates that are plunging the Nation deeper into recession and are doing massive damage to key sectors of the economy.

The amendment incorporates Senate Joint Resolution 120, which has the backing of 35 Senators. Three of my colleagues—Senators CHILES, MELCHER, and SASSER—have shown real leadership in bringing this matter before the Senate.

The cause of the high interest rates is clear. The Reagan administration is holding to an economic strategy that calls for high interest rates. The President's fiscal policy results in deficit projections of \$100 billion or more in fiscal year 1984. The President tries to offset that stimulus with a tight monetary policy. We are convinced that this policy has to change—we need a more balanced policy mix and we need it fast.

High interest rates are pushing the economy into a serious recession—in fact, some industries and some regions of the country are already suffering a depression. The warning signals of a severe economic decline are flashing all around us.

The Labor Department announced that the unemployment rate in the United States rose to 8 percent last month. That is the highest level of unemployment since the late fall of 1975. And unemployment is expected to continue to worsen in November and December.

Five hundred and fifty thousand Americans lost their jobs last month alone. Many of them are jobless simply because of the Reagan administration's stubborn insistence on high interest rates.

That shows what the administration's high interest rate policy is doing to rank and file people across the country.

It means that 8.5 million Americans who want to work are unable to find jobs. That is the highest number since the Great Depression year of 1939.

In my own State of Michigan the unemployment rate hit nearly 13 percent in October. And it is far worse in several communities and among certain groups of workers, such as women, minorities and youth.

The administration's monetary overkill is creating this massive unemployment and creating a cascade of business bankruptcies that is sending the economy deeper and deeper into recession.

Mr. President, the high interest rates are creating tremendous economic distress in sector after sector of the economy. Small businesses are particularly hurt by high interest rates. But some major industrial sectors are also in deep trouble because of the high interest rates.

I would like to share with my colleagues the data on losses experienced in the auto industry over the last 90 days.

General Motors reported a quarterly loss within the last 10 days of \$468 million. An article in the Wall Street Journal analyzed that loss and pointed out that GM's reported loss was influenced by foreign exchange adjustments and some other special adjustments in the



income statement for the quarter. They estimated that the actual operating loss of General Motors was more on the order of \$900 million. That is \$900 million in 90 days, or \$10 million a day for 90 straight days. That money was lost by one of the biggest manufacturing companies in our country and in the entire world.

The Ford Motor Co. posted a quarterly loss of \$334 million, which again, is an extraordinary amount of money to lose in such a short space of time.

Chrysler reported a quarterly loss of \$149 million.

These companies are losing these huge amounts just when they desperately need to finance massive investments to improve this country's worldwide competitiveness. So if one considers the most recent 90 days of the auto industry, it is obvious that we have an economic emergency on our hands, driven in large part by the very high interest rates.

The same thing is true with auto dealers. Auto dealers are going out of business at a record rate. We lost over 2,000 last year. Some of the most well-managed auto dealerships in the country are failing each day because they cannot afford the high interest rates to have a supply of cars in their showrooms for people to look at and consider buying.

So the situation we face in the auto sector is absolutely at a crisis point.

The same thing is true in another basic sector of our economy, the housing industry. While studies show a minimum of 2 million new housing units per year are needed throughout the 1980's, the annual rates of housing starts as of August 1981 was 937,000, down significantly from the 1,411,000 rate in the same month in 1980.

Housing starts are 43 percent below the 1979 rate and the construction industry has an unemployment rate that is soaring.

One and a half million workers in construction-related industries have been laid off their jobs, resulting in the loss of \$24 billion in annual wages and annual revenue losses of \$6.4 billion.

In my State of Michigan housing related jobs have dropped over 58 percent—that is almost 66,000 jobs.

Housing permits are at the lowest level in over 20 years and they are still falling.

Destructive shock waves spread throughout the entire national economy when the home construction industry shuts down, as it has at the present time because of the absence of long-term mortgage money at affordable rates.

It is not sufficient that the oil and gas companies have easy access to credit. They are able to finance their cash flow needs out of the profits they are earning and some of the tax benefits they have received. They can afford to pay these interest rates. But that ignores the fact that the rest of the economy has been thrown into a tail spin.

This initiative today can be a turning point. The majority of Democrats have supported the effort to put a ceiling on Federal spending. We had different ideas on priorities. We tried to change those

priorities. In some cases we were successful. In some cases we were not, because we are in the minority.

We also cooperated with the administrations' effort to cut taxes. We had different ideas on tax cuts. We offered alternatives. We tried to strike a balance. In some instances we were successful and in other instances we were not successful. But, in the end, most Senators on this side of the aisle supported the tax package despite our reservations.

We did so because we felt that, on balance, it was necessary to try to move the country in a more positive direction.

However, we are saying today that the high interest rate part of the administration's policy is not acceptable. We are saying that it is clearly wrong for this country. We are saying that we, as Democrats, overwhelmingly cannot support that policy. We feel it has to be changed and changed now.

This amendment would initiate that change. It directs the President first, to exercise appropriate authorities by November 25 to assure an adequate flow of credit to small borrowers at affordable prices; second, to limit the diversion of credit to mergers and other nonproductive purposes; third, to bring interest rates more in line with the current rate of inflation; fourth, to consult with representatives of credit sensitive sectors; and fifth, report to Congress within 30 days on the effectiveness of those changes.

We are laying out a responsible way for that to be done. We are calling upon the President of the United States to use his leadership, to use the power of that office, and to use his persuasive ability. We are calling upon the President to change this high interest rate policy, to get these rates down, and to get them down quickly enough to save these sectors that are being crippled and permanently damaged. We are calling upon the President to stop further economic destruction that will haunt this country for years and years to come.

Mr. President, we are trying to be constructive and cooperative. That is why we have framed this legislative response in a way that gives the President the support that he needs to take this step, to change this high interest rate policy and to bring these rates down.

I have no doubt at all that, when the President decides to call for lower interest rates, he will have no trouble persuading the Federal Reserve to follow his lead. In fact the Fed has been following the President's lead. Chairman Volcker recently testified before the Banking Committee that the interest rate policy of the Federal Reserve System is the interest rate policy of the Reagan administration. They are in partnership on this, and the Fed is following the approach to high interest rates that the Reagan administration wants them to follow.

I had an opportunity to cross-examine Federal Reserve Board Chairman Volcker on October 29 in the Senate Committee on Banking. I asked him a series of questions about the signals coming from the White House. This is what was said.

I asked him:

Has the Reagan Administration urged you to ease the monetary policy of the Fed and to bring down interest rates? Has there been any sign from them that they think it's time to change the policy mix and do some monetary easing here?

This is what Chairman Volcker answered:

Is there any direct urging to ease monetary policy? In the sense I think you're talking about, there hasn't been any direct comment to me to that effect.

He was then asked:

In other words, the Administration supports the current monetary policy?

Mr. Volcker responded:

Precisely. This week they certainly have supported the notion that we need persistent restraint on monetary and credit growth over a period of time.

Then I asked:

I guess what I'm asking you then, and I think you answered it, and that is that the President or someone speaking directly for him, has not said to you that they'd like to see a change in the monetary policy?

They have been supportive of the general thrust of policy, if I may put it that way.

Then I asked:

Have they urged you in any way to do any credit targeting to try to get some oxygen to some of these sectors that are starving to death here, the construction industry?

Chairman Volcker answered, "No."

The question then was asked, "None at all?"

Mr. Volcker responded:

No, they have very much—just as a matter of public record, they are much opposed to credit allocation.

I also found out that day that the Federal Reserve's target for the growth in money supply, as measured by M-1-B, for the year is 3.3 percent. We asked them what their actual performance had been over the year with regard to that money growth target of 3.3 percent. In a rather soft voice, he responded that they had achieved a money growth target of 1.1 percent.

So they had achieved only one-third of the money growth goal that had been set as necessary to keep the economy on a strong footing.

We are saying today that it is time to change that part of the strategy. It is time to change the policy mix.

I would make a prediction here today: As events unfold over the next few weeks, as unemployment continues to rise, as bankruptcies continue to multiply in this country—not only of small firms but also of large firms, including thrift institutions—it will become clearer and clearer that the interest rate crisis is the central problem, the fatal flaw in the Reagan economic strategy at the present time.

A vote for this amendment is a vote to stop this damaging slide and a vote to turn toward a more balanced mix of economic policies. It is time for that change to be made. This amendment gives the Senate a way to bring about that change in policy.

We know this approach can work, and we are willing to give the President further support to help make it work.

Mr. SASSER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. SASSER. Mr. President, I rise today in support of the amendment offered by the distinguished Senator from Florida (Mr. CHILES).

The amendment embodies the substance of Senate Joint Resolution 120, which was introduced in the Senate this past Friday on behalf of 34 Democratic Senators.

The amendment sets forth a simple proposition: The President of the United States, in cooperation with the Federal Reserve Board, will set forth a course of action that will bring interest rates down.

Mr. President, as I have stated many times before, the President's economic program will never work until interest rates are brought down. Any talk of an economic recovery program with interest rates staying at the level they are now is just that—talk. Indeed, I believe one of the reasons why the President has now abandoned his goal of a balanced budget—and I never thought in my lifetime, Mr. President, that I would hear a President from a party opposite from mine make a public statement or have his administration make the statement that he was abandoning the goal of a balanced budget—is I think he is forced to do it because of the adverse impact that high interest costs have had on Federal revenues and on spending.

As I indicated last week, recent revenue and spending forecasts indicate that revenues are going to be off by some \$21 billion and interest rate outlays are going to rise by some \$56 billion due purely and simply to higher interest rates between now and 1984. Thus, a forceful Presidential effort to bring interest rates down could have a very salutary effect on the administration's desire to bring interest costs within bounds, gradually moving toward and reaching a balanced budget in the near future.

I also believe that a forceful Presidential program of action on high interest rates could help American business confidence as well.

Mr. President, as Dun's Business Monthly noted recently, in 1961, 8.6 percent of business profits went to pay off interest expenses. But by 1980, interest rate expenses had increased to 31.2 percent or some \$56 billion in business profits eaten up in paying interest rate costs.

Indeed, there are many, many American corporations that are now paying more in interest costs than they are making in profits.

I ask unanimous consent, Mr. President, that tables indicating the interest cost burdens of American corporations be printed in the RECORD at this point.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

#### MORE INTEREST THAN PROFITS

Here are thirty companies for whom interest expense represented more than half of their combined pretax earnings and interest in the first half of 1981. The list includes only companies that paid at least \$30 million in interest and is drawn from

the reports for about 2,100 nonfinancial companies.

[Dollar amounts in millions]

Company	6-month interest	6-month pretax profit
Braniff International	\$49	-\$62
Continental Airlines	30	-39
Chrysler	139	-269
Filmways	70	-111
Pan American World Airways	37	-211
Warner-Lambert	38	-38
Ford Motor	315	-298
United Airlines	69	-43
Coastal	98	-38
Republic Airlines	57	-20
Eastern Airlines	70	0
Jim Walter	81	1
F. W. Woolworth	81	1
Evans Products	135	2
AVCO	203	61
Sears, Roebuck	1710	242
Tiger International	92	33
Lockheed	87	45
GDV	58	30
Ashland Oil	57	33
American Airlines	62	36
City Investing	1154	93
Western Union	44	32
Singer	54	42
Dome Petroleum	193	151
NVF	55	48
RCA	186	168
U.S. Home	31	30
Sharon Steel	147	46
Charter	52	51

\*Net interest after interest income and/or interest capitalization.

#### Wow! WHAT A BILL

The 25 companies that paid the largest bills for interest in the first half of 1981.

[In millions]

Company:	6-month interest
American Telephone & Telegraph	\$2,115
Sears, Roebuck	710*
General Telephone & Telegraph	502
British Petroleum	476*
Tenneco	397
Shell Oil	392
International Telephone & Telegraph	389*
General Motors	365
Exxon	341*
Ford Motor	315
Dow Chemical	285
Mobil	245
Atlantic Richfield	224*
Standard Oil of Ohio	222*
Sun	213*
AVCO	203
General Electric	198
Dome Petroleum	193
RCA	186
Philip Morris	183
International Business Machines	181
Texaco	164*
Standard Oil (Indiana)	161*
City Investing	154*
Sperry	139

\*Net interest after interest income and/or interest capitalization.

Mr. SASSER. So whether you look at the interest rate problem from the public or private sector, it has become increasingly evident that we must bring interest rates down for a strong and enduring program of economic recovery. Indeed, Mr. President, we are at the point now where we have to bring interest rates down not just for economic recovery, but for economic survival.

I submit to my colleagues that the time for action on high interest rates is now. Unemployment is at the 8-percent level. Mr. President, unemployment in my State has been at the 8-percent level for 2 months.

Automobile and housing sales are

plummeting. Last year we lost 2,000 automobile dealers out of our auto dealer network. A significant portion of the auto dealer network in this country last year went bankrupt.

What good does it do us here to try to prop up the Chrysler Corp. or give Chrysler some help during a period of time when it is going through a transition from large automobiles to small, fuel efficient automobiles if, when the time comes to market the vehicle, the small dealer on Main Street has gone bankrupt, primarily because of high interest rates?

There is no immediate recovery forecast for the basic sectors of our economy, automobiles and housing; no immediate recovery forecast that we can put any credence in until interest rates come down for these two very interest sensitive industries.

Small business bankruptcies, Mr. President, have mounted to astronomical levels and consumer confidence continues to plummet. With regard to small business bankruptcies, if bankruptcies continue at the present rate that small businesses were bankrupting in the first 9 months of this year, we shall have more business bankruptcies in the year 1981 than in any year save one since the depths of the depression in the year 1933.

In light of all this economic havoc, Mr. President, I submit that it is eminently reasonable for the President to "jawbone" with the Federal Reserve Board to bring interest rates down. Jawboning simply means looking them in the eye, talking to them, discussing this very vital issue with them and bringing to bear on Mr. Volcker and the other members of the Federal Reserve Board the unusual powers of persuasion that this President seems to possess. Indeed, after 15 or 20 or 30 minutes in the Oval Office with this President, or upstairs in the living quarters, strong U.S. Senators, who have taken strong positions on the floor of this body and elsewhere on issues that come before us, after exposure to this President for 15 or 20 or 30 minutes and his powers of persuasion, find that their minds are changed.

I want to see this President use some of these powers of persuasion that are almost magical on Mr. Volcker, the Chairman of the Federal Reserve Board. That is where we need to have this President's persuasive powers used: on the Federal Reserve Board in an effort to drive down interest rates so our business people can start doing business again, so our farmers can borrow money to put crops into the ground, and so business and the economy can pick up again.

Congress has approved about 85 percent of all the specific spending reductions that the President sent to us in the reconciliation process. We have also approved some 92 percent of the tax reductions that were recommended by the administration in their tax package. So the present program of economic recovery clearly bears the President's stamp, and the American people feel very strongly that this President and this administration have gotten everything they need out of this Congress to get this economy moving again. The President has asked Congress to approve substan-



tial tax and spending reductions in order to get the economy moving again, and Congress has complied. Now, Mr. President, it is the administration's responsibility to take positive action in reducing interest rates.

As I say, Mr. President, the time for action is now. In fact, the time for action is long overdue. In fact, the time for action is too late for literally tens of thousands of small business people across this country.

New home sales, as measured by September 1981 sales, were at their lowest level ever—an adjusted annual rate of some 312,000 units. This occurs at a time when our homebuilders are telling us that we should build some 2 million units a year to house a growing and changing population.

Imagine that, Mr. President: Six out of seven Americans who would be ready to buy a house this coming year may not be able to do so because there may be no housing available for purchase. Mr. President, mark my words: We are going to reap the whirlwind in later years when housing costs inflate due to the pent-up demand for new housing. If this housing slump continues, we may simply find that there are fewer and fewer builders left that are willing or able to build the houses when we need them.

Just today, for example, the Wall Street Journal reports that 2,660 construction contractors have filed for bankruptcy this year, 50 percent more than filed for bankruptcy in 1980 and about 400 more bankruptcies in the construction area than were recorded in 1975 during a deep housing recession. It is not an exaggeration to say, Mr. President, that all this havoc is being created by high interest rates.

I had a friend in the homebuilding industry in Memphis, Tenn., tell me not more than 10 days ago that they attempted to have a meeting of all the homebuilders to discuss what could be done about the economic situation. Almost none of them came. Then they had a meeting of these same homebuilders in order to lay out for them the steps that were necessary for them to take to declare bankruptcy. They had a standing-room crowd of homebuilders come to the bankruptcy session to learn how to go out of business and how to declare bankruptcy. That is the status of the homebuilding industry in my State today.

Mr. President, I ask unanimous consent that today's Wall Street Journal article on the housing depression be printed in the RECORD at this point.

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

**BUILDER'S LOSSES MOUNT AS PROLONGED SLUMP IN HOUSING CONTINUES**  
(By G. Christian Hill)

KANSAS CITY, Mo.—Robert O. McCollom has the wistful, grizzled look of a prospector who once struck it rich only to lose it all to bad luck.

The look fits. The lanky, 39-year-old former schoolteacher began a home-building business in 1969, parlaying \$350 from the sale of an old Chevrolet into a fair-sized fortune by the mid-1970s. He gained a reputa-

tion for building innovative, well-designed homes. But in September, Mr. McCollom filed for bankruptcy, joining hundreds of home builders ruined by two years of high interest rates that have sapped sales.

Nonetheless, Mr. McCollom views his troubles with equanimity. "I made some bad business decisions," he says, "but they wouldn't have been fatal without the economic downturn." He adds, "This fall, we builders will drop like leaves."

**OMINOUS ASSESSMENT**

Most home builders and lenders agree with his ominous assessment. Builders have been hammered by the longest housing slump since World War II. Although many of them shut down early and trimmed inventories, others were caught with raw or developed land and partly built or completed homes, financed at steadily ballooning interest rates. With home sales at record lows, their huge carrying costs have finally exhausted the profits they made in the good years after the 1973-75 recession.

The current housing recession is markedly different from prior ones in the mood of despair it is spread throughout the industry. For the first time in 50 years, this usually optimistic breed doesn't see much chance of a recovery or a boom in the near future.

"Much of the building fraternity is reaching a shocking conclusion," says Merrill Butler, a California builder and past president of the National Association of Home Builders (NAHB). "That is, mortgage rates will stay high through much of 1982, and it is better to take your medicine now than in six months. The small builder is just being wiped out, and it's going to get worse."

In the first nine months of this year, 2,660 construction contractors filed for bankruptcy, up nearly 50 percent from the 1980 period, according to Dun & Bradstreet. In all of 1975, 2,262 contractors filed for bankruptcy. Bankruptcy filings by subcontractors have increased 120 percent so far in 1981 from last year. These trends are likely to continue because lenders' foreclosures on new housing developments have picked up in the last 60 days, especially in previously hot markets such as Texas and Southern California.

**LOSING THEIR SHIRTS**

And lots of builders are losing their shirts in ways that don't show up in the failure statistics. Some are handing projects back to lenders in lieu of foreclosure, which avoids a court action but still wipes out their entire investment. Others are subsidizing home buyers by paying lenders to offer below-market interest rates, or are auctioning off property or selling entire subdivisions to investor groups at cut-rate prices. These agreements cost them much of the equity they have built up over the years.

Builders aren't the only ones hurt by the housing slump. Some financial experts believe the national economy will remain sluggish without a robust recovery in housing, which accounts for 4 percent of the gross national product. The NAHB predicts that housing starts will total only 1.07 million units this year, down 18 percent from last year's 1.31 million starts and the lowest level since 1946. A further slowdown could lead the country into a sharper-than-expected recession.

And there are signs that the true depths of the plunge in housing starts haven't yet shown up in government statistics. Many lenders stopped making residential-construction loans at least two to three months ago. These include Royal Savings & Loan in Dallas, Gibraltar Savings & Loan in Houston and First Interstate Mortgage Co., a unit of First Interstate Bank in Los Angeles and one of the nation's biggest residential construction lenders. About half of the NAHB's 44,000 member builders have stopped building homes.

**PENT-UP DEMAND**

The industry's problems would ease if the recent decline in interest rates results in a sharp drop in mortgage rates from their current level of 17 percent to 18 percent, for builders report tremendous pent-up demand for housing. Such a rapid recovery occurred after the 1974-75 housing slump.

But mortgage rates haven't dropped yet, and they probably won't until lenders are convinced that interest rates will keep falling and stay down. For now, most lenders believe that inflation, the Federal Reserve Board's tight-money policy and huge government deficits promise to keep long-term interest rates chronically high.

So the current decline in housing production, which started in November 1978, is expected to continue at least through mid-1982.

The collapse of housing starts and home sales also appears to be sparking a marked deflation in real estate, although the existence of such a trend is sharply debated by economists. Here in Kansas City, for example, builders say land prices have fallen as much as 25 percent, and labor, materials and other construction costs as much as 25 percent to 40 percent, in the past 18 months.

One real-estate man reports concern among homeowners in the affluent Johnson County suburbs of Kansas City, as partly completed subdivisions are abandoned by builders or neighboring homes are sold for significantly less than a year ago. In Palm Springs, Calif., builder Karl Bergher auctioned off 38 single-family homes last May for an average price of \$205,000, about \$45,000 below the average price paid by buyers of identical units last year.

"No other postwar cycle has seen (such) a deflation in prices of homes and land," says Michael Sumichrast, the chief economist for the NAHB.

The average price of new homes sold in the 1981 third quarter rose just 0.6 percent, the smallest increase since the 1979 fourth quarter and down sharply from the 8.9 percent increase over the past 12 months. However, even these increases are supported largely by subsidies given to buyers through below-market-rate loans. Such loans represent hidden discounts of 5 percent to 10 percent from stated prices. If these costs are taken into account, home prices are falling, some observers say.

Other economists doubt that deflation is widespread. They regard reports of drops in home values as evidence of a short-term cooling of overheated prices in a few areas, rather than a long-term trend. But a staff member of the Federal Reserve Board says its governors are "horribly concerned" about the housing industry and the possibility of widespread deflation in housing. That would endanger both lenders and borrowers, who bank on the continuing value of real estate for their net worth and repayment of loans.

Builders' costly inventory of unsold homes, their most immediate problem, stands at about 300,000 units. That is below the 1974 level, but the annual rate of new single-family home sales also is lower now. As many as 25 percent to 50 percent of reported home sales end up falling through because buyers can't qualify for mortgage loans.

Builders also must compete with the inventory of existing homes for sale, which has swollen to an estimated five million listings as existing home sales have declined by nearly 50 percent from a peak recorded three years ago.

"In my opinion, the future is more bleak than in 1974, even though the oversupply of new housing isn't as great," contends John Opperman, First Interstate Mortgage's chairman. "We have an affordability problem we didn't have then, interest rates are higher and I think there is an overall expectation that housing isn't as good an investment as it has been in the past."

In the last few months, First Interstate

foreclosed on five subdivisions in California, three in the depressed San Diego market. Another big West Coast banker, who has recently foreclosed on seven California projects, says "The end result of the squeeze on small and medium-sized builders will be lenders' repossessing projects." He adds, "I can't see what will stop it, to tell you the truth."

In Dallas, Royal Savings & Loan since July has taken over 56 single-family homes worth about \$6.7 million. Builders handed them over in lieu of foreclosure. The S&L is having trouble selling them at their average appraised value of \$120,000 each, even though it is offering 11 $\frac{3}{8}$  percent mortgage loans with no origination fees and is paying an extra \$1,000 bounty to real-estate agents for each buyer they bring in. So far, it has 10 houses sold or under contract.

Most lenders are leaning over backward to avoid taking back property. In Houston, Superior Homes Co., a large home builder, has defaulted on its construction loans with Gibraltar S&L. The Houston thrift is deferring interest charges on about 60 homes as Superior attempts to sell them with heavily subsidized mortgages.

The outlook is grim, however. "Another six months of these interest rates, with sales volume as it stands, will have a severe impact on any builder's ability to maintain debt service," says Richard Knee, Gibraltar's vice president. "We can prepare ourselves to own some real estate." Superior's president, Donald A. Hall, vows never to return to building tract homes, and instead will concentrate on custom homes.

Mr. McCollom, the Kansas City builder, also won't be building homes again, at least not in the U.S. Up until the fall of 1979, he was constructing 10 to 11 custom homes a year, in the \$100,000 to \$300,000 range. He lived in a fancy house, flew his own airplane, and took lengthy scuba-diving and sailing vacations. "I spent a whole bunch of money," he recalls.

But in a classic case of bad timing, he began sales at a small subdivision in mid-October 1979, when mortgage rates were starting their rapid climb. Mr. McCollom was trapped with seven homes and 10 lots, \$1.2 million of debt and interest expense of about \$450 a day. In the next two years, he managed to sell three of the homes, two at prices as much as \$13,000 below his costs. Other tentative sales fell through as buyers couldn't qualify for financing. His carrying costs didn't fall because interest rates continued to soar.

He kept his head above water by turning to remodeling, which generated enough income to pay his debt interest. But that business evaporated on July 1, when subcontractors underbid him for \$200,000 of construction by 20 percent to 25 percent.

In September, Mr. McCollom, whose home-building business is incorporated, filed for protection under Chapter 11 of the Federal Bankruptcy Act. It is possible under Chapter 11 for a company to survive as a going concern after working out a plan to pay its debts.

Mr. McCollom contends that his liabilities exceed his assets by so much that he expects to lose everything in bankruptcy proceedings, including about \$100,000 invested in his houses. His creditors include four lenders and several subcontractors.

He now is looking for a job in Saudi Arabia, or some other developing nation, managing a residential construction project.

"This sad part about all of this is that when the housing market turns, nobody will be here," Mr. McCollom remarks. "I know I won't be coming back."

Mr. SASSER. In conclusion, Mr. President, let me say that this amendment tells the American people that we in the U.S. Senate are not going to stand by

and let high interest rates ruin this economy; we are not going to stand by and let small business bankruptcies mount to depression era levels. We are not going to let American families be denied affordable housing because of high interest rates. We are not going to let our automobile industry go under because our auto dealers cannot meet interest payments to stock automobiles. We are not going to let American farmers go under because mounting interest rate costs eat into their dwindling profit levels.

The President himself knows that we must get interest rates down and get them down now. That is a course of action that will help him achieve the economic recovery program he has put before the Congress. Now the choice is his. This amendment offers him the opportunity to salvage his economic recovery program, and I urge my colleagues to support this timely and positive amendment.

Mr. RIEGLE. Mr. President, I commend the Senator from Tennessee for his statement and his leadership on this issue. I say to my colleagues on the other side of the aisle, those who are present and those who may be listening in their offices, that this vote will be a landmark vote for this session of Congress. It will be a key vote for the economic future of this country. I urge my Republican colleagues to consider this amendment very carefully. I ask them not to cast an automatic vote against it, as they may be urged to do by some.

Increasingly, the country will come to see this initiative as the effort to change direction on the high interest rates, to help those sectors of the economy that are suffering severe damage. Increasingly, people will become aware of the fact that this is the critical opportunity to adjust the economic policy mix to make it more responsible, to make it more sound, and to make it fairer to all sectors of the economy. This is the critical opportunity to ease the pressures that are causing recession and depression in those lay sectors of the economy that are so vulnerable to high interest rates and that are being badly damaged.

I hope that those colleagues on the other side of the aisle who have expressed their concern about high interest rates will come forward today and join us in this initiative. I hope they will cast their vote to set monetary policy off in a new direction, in a more constructive and positive direction.

Irving Krystal wrote to this effect several days ago in the Wall Street Journal. Numerous other Republican economists are saying that interest rates are unnecessarily high, that the monetary policy is unnecessarily restrictive. The Federal Reserve target for M-1B for the year is 3.3 percent, and their achievement so far has been 1.1 percent. I do not know how any Senator can vote to continue that kind of performance.

So I invite my colleagues to join us on this issue. Let us help the President help the country. More bankruptcies and more unemployment and larger budget deficits, which are the results of the high interest rates policy, do not help the country.

I hope they will understand this vote for what it is, because if this amendment is not adopted, the issue will be raised again and again. We intend to bring this issue back time and time again, if necessary, until we finally have the votes in this Chamber to change this policy. I hope the change will come long before the next election. But if it does not, I am confident that we will have the votes after the next election. The American people will not and should not have to tolerate the kind of monetary madness that we are seeing at the present time. So this is the chance to change the high interest rate policy, and I urge my colleagues on the other side to join us today in getting this job done.

(Mr. SYMMS assumed the chair.)

Mr. HEINZ. Mr. President, the amendment we have before us reminds me of some of the others we have had, which come to the floor whenever we go through a period of economic difficulty. It is always very tempting to look for a simple, easy-to-understand, very appealing solution.

Frankly, I think we all feel that interest rates are high. We all know the problems they are inflicting on our constituents, on small business, on agriculture, on consumers who want to purchase a car or a home. High interest rates are bad for all those people. They are not good for this country. I believe if there were a quick and easy answer, any President or any Congress that did not jump at it and do something about it would be very ill advised not to do so.

I am not about to concede that I like interest rates at 17 percent. At least, that is what the prime rate seems to be headed toward since the Chemical Bank dropped its rate to that level last week. But a 17-percent prime is a lot better than a 20.5-percent prime, which we had just a few months ago; and certainly it is preferable to the kind of high interest rates we had in 1980 on two occasions, in December and March, when I recollect that there were some different people in different places.

I believe it would be fair to characterize the amendment of the Senator from Florida as a credit allocation amendment. We have had a lot of experience with allocating things in this country, and our experience with the Government allocating things has not been a record of total and outstanding success.

When Government imposed wage and price controls back in 1971, I recall a lot of people thinking that it was a nifty idea. It seemed like a simple and easy solution to what was then thought an intolerable rate of inflation. I think Richard Nixon was quoted as saying that 4.7-percent inflation is intolerable. We immediately embarked on those controls, and my recollection is rather vivid of the way they worked. They worked really well on people's wages, but they did not work very well with prices.

Ever since then, we have had our flirtations with allocations and controls, and I have not noticed that things are becoming noticeably better in response to more controls.

It would be extraordinary if there were a quick fix of some kind for today's high interest rates. I should like to think that



there is one, but I have been around long enough by this time to know that there just are not any quick and easy answers, and the answers that really count are the ones that require a good deal of personal and lasting commitment. Simply by wishing, you are not going to bring down interest rates.

I do not know what the sponsors of the amendment truly intend. I believe there is a lot of very appealing language in the amendment of the Senator from Florida, but I get down to the operative language, and what I find is a declaration that certain things should take place. But I do not notice anything that really forces anything on anybody. If this amendment became law and if the President—I am not sure this would be an accurate characterization of what he would do—if the President chose to ignore it, what would be the sanctions that Congress would have?

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

Mr. HEINZ. I yield.

Mr. CHILES. I do not know exactly what position I should answer. On one hand, I felt that the Senator said he was critical about this amendment because it was invoking credit controls. Then the Senator got down to where he was reading the language, and he found that we were calling on the President to exercise, with the Fed, voluntary actions; and the Senator became critical of that because it did not tell the President exactly what he was supposed to do.

Mr. HEINZ. I am just saying that the amendment talks tough, but when you get to the operative clause, it does not seem to do anything.

Mr. CHILES. I think the Senator will find that we are asking the President to have something to say in connection with the Federal Reserve Board. We recognize that the bankers, the heads of financial institutions in this country, are citizens interested in the welfare of their country, just as we are.

We feel that at this stage, you do not have to give the President a gun and tell him he has to blast them out of their policies, where they are. We feel that if the President speaks as the person who is leading this country, those bankers and those financial institutions, which are responsible and care about their communities and care about the Nation's economic welfare, will listen.

He could say to them: "We have to stop making all this money available for conglomerate takeovers and mergers. We are kind of rationing money here. We have a policy. We call on the Federal Reserve Board to hold the money supply down. That is my policy, too. My policy is not going to work if the small amount of money we have is going for these mergers and takeovers. So we want you to quit directing the money there.

At the same time we want you to help us find a way that we can see credit will be available at a rate that is affordable to the small businessman, to the guy that is down there dying.

That is where those bankruptcies are. That is where the farmers are in trouble. That is where the auto dealer is in trouble. That is where the housebuilders

are in trouble. And call on them. We feel they will respond. We do not feel like you have to give him an elephant gun and tell him he has to go blast those bankers. We want him to exercise that Presidential leadership.

Mr. RIEGLE. Mr. President, will the Senator yield at that point?

Mr. HEINZ. I yield to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding because I wish to call his attention more clearly to the operative language here because it is very direct.

I refer the Senator to page 2 of the amendment. It says:

The President in cooperation with the Board of Governors of the Federal Reserve System shall by November 25, exercise appropriate authorities to assure an adequate flow of credit to small borrowers at affordable prices.

I emphasize the verb "shall." Each of the other paragraphs mandates that an action be taken. The next paragraph says:

The President shall . . . limit the large scale diversions of credit to nonproductive uses . . .

The following paragraph says:

The President in cooperation with the Board of Governors of the Federal Reserve System shall take noninflationary actions necessary to reduce interest rates.

And then the remaining two paragraphs also mandate action.

In other words, this is a clear charge to the President to move in this direction.

The force of the legislation is to set in motion a new policy. This is a policy directive on interest rates and monetary strategy. This amendment does indeed say to the President what should be the policy in this area. And it says that the Senate is prepared to support him in taking that new policy direction.

We feel the President has sufficient authority and tremendous persuasive power to meet this requirement. He can do so by sitting down with the appropriate people and discussing this matter along the lines that we have described.

I was surprised a moment ago when I heard the Senator from Pennsylvania defending the current level of interest rates and expressing a sense of relief that they were down to 17 percent. Most small borrowers, as he well knows, must pay prime plus two points or more in many cases. A 19-percent effective rate just does not do it for auto dealers today. They cannot carry sufficient inventory on that basis. The Senator must be hearing that from those auto dealers who are still surviving in Pennsylvania as I am from the ones that survive in Michigan.

I think the Senator must admit that home mortgages are at astronomical levels. Home mortgages are at 17 and 18 percent.

Mr. HEINZ. As the Senator, I think, will note from a careful examination of the record, what I said was I did not endorse the fact that 17-percent interest rates were as low as I wish to see them, but they are a lot better than 20- or 22-percent rates. I do not know if the record will dispute that point.

Mr. RIEGLE. Can we live with 17-percent interest rates?

Mr. HEINZ. I said I think rather clearly that I wish to see interest rates a lot lower.

I have to say that one of the things that troubles me about this is that it seems to abandon any real congressional role of doing much of anything about these problems. If the Senator really believes that we should get the cost of housing down, housing interest rates in particular, what we usually have done is to take a program—Brooke-Cranston was such a program—and we implemented it, and it provided a special kind of secondary market operation to bring interest rates down for home mortgages. It pumped more money into that market.

What is very difficult to understand, and the reason I do not see how I can support this amendment, is that it tells you to bring interest rates down in some areas but does not tell you where to raise them in other areas because sure as the Lord made little green apples if you push them down here something is going to go up there.

I can understand why the sponsors of the amendment do not want to say where interest rates are going to go up because that is going to make someone mad and to the extent you push down in other places I guess I would not want to tell anyone what that was going to do either.

Mr. RIEGLE. Mr. President, will the Senator yield at that point?

Mr. HEINZ. I will not yield at this time. I just yielded to the Senator a moment ago.

It seems to me, if you really are concerned about the automobile industry, maybe you should do what the Senator from Michigan did with the Chrysler bailout. We put aside \$1½ billion and we bailed out an industry, or maybe we can do it to help the consumers and we have some kind of specific subsidy for consumers to buy cars.

But I believe it is legislative hocus-pocus to say that by passing an amendment as this we are going to do anything particularly when it is a declaration of policy and the language, as any reasonable person would understand it, would be laudatory.

I wish to yield, if he is prepared, to my distinguished co-manager of this bill, Senator PROXMIRE, for any comments he cares to make about it.

Mr. PROXMIRE. Mr. President, I oppose this amendment.

I do wish to congratulate the authors of the amendment on the first part of it. It is about as clear, emphatic, and eloquent a criticism of high interest rates as I have read anywhere, and it is an excellent statement down to the first third of page 2 where it says "an inflexible monetary policy." I will get to that in a minute.

I also congratulate Senators CHILES, RIEGLE, and SASSER on their speeches. I thought they were very thoughtful and persuasive speeches, and certainly they are hitting the issue that is the No. 1 issue out in all of our States everywhere we go. I have been back in my State a great deal also, and there is no question

about it. This is what is bothering our people more than anything else. Inflation concerns them deeply, but right now interest rates are just a paralyzing, cruel, terrible problem for our people.

Mr. President, I oppose this because, as the distinguished Senator from Pennsylvania said so well, this is hocus-pocus. It is stop high interest rates now.

There is one way we can take effective action to stop high interest rates, and that is cruel and tough. That is cutting spending and eliminating the deficit; that is increasing taxes perhaps in some areas if we have to do it; and that is balancing the budget and getting the Federal Government not only with a balanced budget but out of the off-budget borrowing. The Federal Government is having a massive effect on the credit markets in this country with \$1 trillion national debt, more than \$1 trillion now, and going up all the time, with enormous deficits increasing constantly, with huge off-budget borrowing which, as a matter of fact, exceeded the budget deficit last year.

All this, of course, has a tremendous effect on interest rates, because that national debt has an average maturity of less than a year. It has to be borrowed all over again every single year.

So for us to argue that we can do this with some kind of Federal Reserve Board magic it seems to me just does not make sense.

I understand that it is appealing, because many people feel somehow the Federal Reserve Board can wave a magic wand and there go interest rates down.

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

Mr. PROXMIRE. I yield to my friend from Florida.

Mr. CHILES. Mr. President, I thank the Senator for his kind remarks, and I know how much work he has done in trying to get spending cuts down, and I certainly agree with him.

I think that the fiscal policy is tremendously important, and we have to work on that side. We are trying to do that in here. I join with him in his efforts to get that spending down.

We do know from everything we see that that is going to take a period of time.

What we are trying to say is while that is taking that period of time where that is working we know monetary policy has a role to play, and certainly the Senator from Wisconsin understands that.

We do not ignore that. But we talk about this being hocus-pocus.

I want to say I think that the President could say: "Hocus-pocus domino-cus, I want mergers to stop. It is not in the national policy of this country to have the big eating up the big. It is not in the national interest of this country to have the amount of money that we are rationing today going for mergers, going for takeovers."

And I believe the President could say that just like that. He might not use the term that we have used, the hocus-pocus, but I believe he has that kind of wand.

I believe he has got that kind of authority. I believe if he stands and speaks on that from a rostrum or from the floor

you are going to see those bankers, because they are good Americans, are going to follow the President on that, and the next time Du Pont calls and says to Chase Manhattan or Citicorp: "I want to borrow \$10 billion, I want to set aside \$15 billion, we are getting ready to go out and take over another company," maybe the ninth largest energy company, as Conoco was, they are going to say: "Wait a minute, the President has asked us not to make money available for that. The President has asked us to be concerned about the plight of the automobile dealers and the small businessmen and the farmers and the companies that are going bankrupt, and he has asked us not to use the money that is being rationed now, and we want to follow the President's lead in this, so we do not think this is the time that you ought to be involved in that merger."

I believe the Senator from Wisconsin would agree with me that the President has got that kind of power.

Mr. PROXMIRE. I want to comment on that a little later. This is the first time since 1961 that we have had no incomes policy, no jawboning down incomes and prices policy, and we should have that.

Mr. CHILES. Yes, indeed.

Mr. PROXMIRE. But this particular amendment is aimed primarily at the Federal Reserve Board and its monetary policy.

Mr. CHILES. I do not think so; no, sir. I think this amendment is aimed at the President of the United States.

Mr. PROXMIRE. May I say that is one difficulty with this, which I do not want to come to, because I do not think the President of the United States has the central role here. I think we do in Congress, we do, and I want to point that out in a minute.

But, first, Mr. President, the fact is that this would put, this resolution really puts, the entire onus on the Fed, on monetary policy, and the only game we have in town now fighting inflation is the Federal Reserve's tight monetary policy. It bites, it hurts, because any anti-inflation policy hurts, and it hurts seriously.

But if you are going to fight inflation you have to fight it, I think we ought to fight it, with a much more effective fiscal policy, and so does the Senator from Florida and other Senators, but I think to give up on a restraining monetary policy when inflation, we know, is so strong, would be a serious mistake and is exactly the wrong way to go.

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

Mr. PROXMIRE. May I say to the Senator from Michigan before I yield, let me just proceed a little further.

The distinguished Senators have also indicated that this amendment would not necessarily require credit controls. Well, now I disagree with that very strongly. If this action resolution, the middle of page 2, is to have any force at all, we would have to invoke credit controls; that would have to be done because here is what you say: "The President, in cooperation with the Board of Governors of the Federal Reserve System, shall by November 25 exercise appropriate authority to insure an adequate

flow of credit to small borrowers at affordable prices."

I submit there is no way, no way, the Federal Reserve Board or the President can do this unless they invoke credit controls formally, as they did in the Carter administration, as they did in 1980, as the Senator will recall, and which did not, of course, achieve the end we all wanted to achieve. It was a disaster.

Furthermore they say: "Particular attention should be paid to reducing home mortgages."

We would love to do that. One way of doing that is, as the Senator from Pennsylvania has pointed out for us, to pass legislation like Brooke-Cranston; another way to do it is, of course, for the Federal Reserve Board to apply different reserve requirements, maybe no reserve requirements for home mortgage rates. But that would require the invoking of the Credit Control Act. There are all kinds of actions that can be taken, but we cannot say it can be done voluntarily.

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

Mr. PROXMIRE. Let me make just one more point before I yield to my friend from Michigan.

Mr. President, this resolution again and again and again calls on the President of the United States. That is a copout. The President of the United States, under the Constitution, does not have power over the Federal Reserve Board. The Constitution makes it very clear in article I, section 8, subsection 5, that the Congress shall coin money and regulate the value thereof. We have the money power. That is what the independence of the Fed is all about. It is a congressional power that we have delegated to the Federal Reserve Board.

For us then to say the President should do all these things—we can do it. What we can do is take this resolution, and wherever it says "the President" knock it out and substitute for that simply "the Board of Governors shall do it," and they had better do it because if they do not do it the Congress of the United States can abolish the Federal Reserve Board. We can reconstitute it, we can make it necessary to appoint all new members to it. We have complete power.

For us to say the President of the United States should do this when the Constitution says he has to keep his cotton-picking hands off of the Federal Reserve Board, that is the responsibility of Congress.

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

Mr. PROXMIRE. I yield.

Mr. RIEGLE. I thank the Senator for yielding. The problem is that the Fed is pursuing the Reagan high-interest monetary policy. The Reagan administration wants this.

Mr. PROXMIRE. This is the policy which has been adopted since October of 1979 when the Chairman of the Federal Reserve Board, Mr. Volcker, appointed by President Carter—and the Reagan administration has not appointed anybody to the Federal Reserve Board—

Mr. RIEGLE. What has that to do with today?

Mr. PROXMIRE. In October of 1979



they said they were going to follow a policy of limiting the increase of money supply and not pay any attention to interest rates.

Mr. RIEGLE. But it is the wrong policy.

Mr. PROXMIRE. It is not the wrong policy.

Mr. RIEGLE. That is the point, we cannot go back and change the policy in 1979, but we can do something with the policy in 1981.

Mr. PROXMIRE. Why bring the President in it?

Mr. RIEGLE. Because this is his policy.

Mr. PROXMIRE. It is not his policy.

Mr. RIEGLE. It is his policy.

Mr. PROXMIRE. It is a policy, as I say—he was not the President of the United States in 1979.

Mr. RIEGLE. He is now.

Mr. PROXMIRE. Sure he is now.

Mr. RIEGLE. He has the power to change this first by active persuasion. I think that would be sufficient. You saw a great exercise of acrobatic skill here in the Senate during the last 2 weeks as Senators changed their positions on the AWACS sale after they were subjected to the persuasive power of the President, and you know darned well if the President of the United States gives a different signal to the Fed they are going to respond.

I asked Paul Volcker that question before the Senate Banking Committee the other day. He was very clear on the point that the administration, the Reagan administration, wants this policy. This is their policy. They want it.

Mr. PROXMIRE. Whether they want it or not—

Mr. RIEGLE. We think it ought to change.

Mr. PROXMIRE. If the Senator from Michigan or the Senator from Wisconsin were chairman of the Federal Reserve Board he would know enough about the Constitution, regardless of what the President tells me to do, I will do what I think is right because I was appointed to that Board—the members have a 14-year term, and it is just as wrong for the President of the United States to tell the Federal Reserve Board what to do as to tell the Supreme Court what to do. We insulated them for that reason so that they could be independent of the President of the United States so they could assert a political policy independent of one administration or another.

Mr. RIEGLE. Let me ask our colleague this: On our side of the aisle there are seven members who serve on the Banking Committee. Of the seven of us, five are cosponsors of this resolution, as I am sure the Senator knows. So a majority of the Members on our side strongly support this legislation. I only cite this because I want everyone to understand that our side of the Banking Committee does not hold the position that the Senator from Wisconsin has stated.

I take it what he is stating is a personal position and not a position of our side of the aisle on the Banking Committee?

Mr. PROXMIRE. Well, this did not go to the committee. The Senator is right in saying that we have five members of the committee who are Democrats who are supporting the resolution.

I admire all five of them. I think they are excellent Senators. I think they are often right. In this case they are wrong. Nobody is perfect.

Mr. RIEGLE. I make the point because I think it is important to understand that a majority of the Members on our side would not support the Senator's position. Clearly the sentiment is to the contrary. We think this authority not only is needed but will work. I cannot believe that the Senator from Wisconsin or, for that matter, the Senator from Pennsylvania favors the policy of sopping up billions of dollars for these corporate takeovers and mergers at this time when many Senators feel we really do need some supply-side economics at work. We need new investment. That is not new investment. We know that is not new investment. That is not creating new jobs. I do not understand why you are not prepared to object to that diversion of credit.

Mr. PROXMIRE. The Senator from Michigan knows perfectly well that we may agree on some parts of this. As I said, some of this language is excellent, and I would agree that the conglomerate mergers and takeovers, which are in the part I said were correct, should not go forward, and I think that is right.

I think then to bring the President of the United States in and say that he should violate the Constitution by telling the Federal Reserve Board how they should operate, and then go down the line with these specific areas which require invoking the Credit Control Act, which we tried before and which did not work, and that really virtually ignores the fiscal policy which is at the heart of our serious problem, and ignores all of the other anti-inflation programs we do not have, including an income policy, including a free trade policy, including an antitrust policy, that is at the heart of the weakness of our anti-inflation program.

Mr. RIEGLE. I agree with the Senator. Those are missing ingredients and those things are needed.

But does the Senator from Wisconsin not know that the Federal Reserve, the Chairman, is sitting down with members of the Reagan administration and the President himself each week to discuss these issues?

Mr. PROXMIRE. That has gone on for a long, long time.

Mr. RIEGLE. I know, but this is—  
Mr. PROXMIRE. But that is sitting down with them. It is not being dictated to them by him.

Mr. RIEGLE. What do they talk about?

Mr. PROXMIRE. They exchange views. They talk about the views of the Treasury Department, which has a tremendous interest in the actions of the Federal Reserve Board.

Mr. RIEGLE. What is the purpose? Is the purpose not to influence?

Mr. PROXMIRE. To say the President of the United States should, in effect, dictate policy, I think this is exactly the wrong way to go.

The Senator from California, a man I greatly respect and admire—

Mr. RIEGLE. He is a cosponsor.

Mr. PROXMIRE (continuing). Has introduced a bill to put the Federal Reserve

Board under the Treasury Department. That is the wrong way to go. We should not do that. The independence of the Federal Reserve Board, the expertise on the Federal Reserve Board, I think, is important. We should have a consistent policy. We had that policy, as I say, that began in the last administration. That should persist. As a matter of fact, I am sure that if we talked to William McChesney Martin or Arthur Burns, or any of the distinguished former Chairmen of the Federal Reserve Board, they would agree that this kind of resolution they could not accept.

Mr. RIEGLE. Arthur Burns did these kinds of things.

Mr. PROXMIRE. Arthur Burns never accepted a dictate from a President of the United States.

Mr. RIEGLE. He did not have to, because he had a President at that time who was willing to support those kinds of initiatives.

Mr. CHILES. If the Senator would yield on this point, Arthur Burns did accept an Executive order from the President in 1973. On that basis, he set up the dual prime interest rate system. I have heard Arthur Burns testify in many committees. He has said he always attempts to work with the President, always attempts to work with the Congress. But he accepted an Executive order of the President in which he set up a dual prime rate system in 1973.

Mr. PROXMIRE. As the distinguished Senators know, we have provided a Credit Control Act, which I think was a mistake, which will expire in June of next year, which does provide for the President ordering or directing the Federal Reserve Board to apply credit controls. I just think that is wrong. I think that is a contradiction of the Constitution. I do not think it is the way to go.

Furthermore, as I say, the heart of this resolution, what is wrong with this resolution is that it ignores the fundamental cause of high interest rates and it assumes that there is some way that the Federal Reserve Board can ease up on credit, allocate credit, redirect credit, that will give relief to farmers and to small businessmen and to homebuilders. I think it is a cruel illusion. I do not think you are going to get it that way. The only way you are going to get it is the tough, painful way by balancing the budget.

I find when I talk to homebuilders in my State—and when I talk to auto dealers, they agree wholeheartedly that the answer to this is a prudent fiscal policy that is tough, hard, but consistent, and that gets the Federal Government out of the credit business.

Mr. CHILES. I might say to the distinguished Senator from Wisconsin that I have not heard any of them say they agree the money should be siphoned aside for mergers or conglomerate takeovers. I do not find any of my homebuilders or automobile dealers agreeing with that.

The PRESIDING OFFICER. If the Senator from Florida would please suspend, the Chair would like to inform Senators that debate should be addressed to the Presiding Officer and not individual Members of the Senate. Senators

should address their questions to a Senator through the Chair.

Several Senators addressed the Chair. Mr. PROXMIRE. Mr. President, I believe I have the floor.

Mr. HEINZ. Mr. President, I think I yielded to the Senator.

Mr. PROXMIRE. I beg the Senator's pardon.

Mr. HEINZ. The Senator is free to continue. He is doing an excellent job, as usual.

Mr. PROXMIRE. I thank my good friend. Because he is being so flattering and so congenial, I yield to him.

The PRESIDING OFFICER. The Senator from Pennsylvania.

UP AMENDMENT NO. 599

(Subsequently numbered amendment No. 626.)

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

The PRESIDING OFFICER. The clerk will state the amendment.

Mr. RIEGLE. A parliamentary inquiry, Mr. President. Would this be a perfecting amendment or is this an amendment in the nature of a substitute?

Mr. HEINZ. If the Senator will allow the clerk to state the amendment, I am sure it will become abundantly clear.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows: The Senator from Pennsylvania (Mr. HEINZ), for himself, Mr. PROXMIRE, and Mr. WEICKER, proposes an unprinted amendment numbered 599.

Mr. HEINZ. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

In lieu of the language proposed to be inserted by the Chiles amendment insert the following:

Since persistent high interest rates are exacerbated by large federal budget deficits and by inflationary expectations,

Since high interest rates are having a disastrous effect on credit-sensitive sectors of the U.S. economy, including housing, automobiles, small business and thrift institutions;

Since the prime interest rate has declined from 22% to 17%;

The Administration shall emphasize and continue to implement policies necessary to sustain the downward movement of interest rates.

Mr. HEINZ. Mr. President, I offer this amendment on behalf of myself, Senator PROXMIRE and Senator WEICKER. It is a substitute for the Chiles amendment. It is different from the Chiles amendment in three fundamental respects.

First of all, the amendment takes cognizance of the fact that interest rates have gone from 22 to 17 percent; not as low as we would like, but they have been reduced by 5 points and that is, by any measure, progress.

Second, the amendment says nothing about credit allocation. We tried allocation in this country before and every time we do we get into worse problems. We should know by now that the market-

place, despite the fact that it does not make people happy all of the time, is still the best allocator of scarce resources.

Third, this substitute places the responsibility for the conduct of policy squarely where it belongs—namely, fiscal policy—with the President of the United States and, of course, with us to encourage the President to look for new ways of handling these problems. There may be some new ways that we have not thought of. At the same time, the amendment comes out four-square for having us maintain the progress on reducing Government spending, reducing off-budget borrowing authority, and, if necessary, doing what we have to do on the revenue side and, hence, to achieve the fundamental goal that I think every homebuilder, every car purchaser, every consumer, and every small businessman really wants us to do, and that is to reduce the size of the Federal deficit.

That is the bottom line, Mr. President. That is exactly, as Senator PROXMIRE suggested, what we hear when we go back home. What I hear when I go back to Pennsylvania, they say, "Get those interest rates down." You say, "How do you want it? What is the best way to do it?" They say, "Get the deficit down." There is no two ways about it.

Mr. President, that is what this substitute is fundamentally about. It is going to make it clear that we do not expect monetary policy to be like the magician's baton and simply by waving it have all of the problems go away. Fiscal policy is the real problem here, deficits are the real problem here, and they are what are driving these interest rates up—deficits and inflationary expectations both.

So I urge my colleagues who believe that we have to continue to have a responsible fiscal policy to support this substitute.

Mr. PROXMIRE addressed the Chair. The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I support this substitute, but I would be happier if the substitute would somehow put more emphasis on accelerating the policies of reducing the deficit and balancing the budget. I feel that we are not moving nearly fast enough. There has been talk, of course, by the President and by others that we will not have a balanced budget even in 1984.

But I can support this. I will support it, because I think it is in the right direction. It is certainly much more responsible than the amendment that it would substitute.

Mr. WEICKER addressed the Chair. The PRESIDING OFFICER. The Senator from Connecticut.

Mr. WEICKER. Mr. President, I rise to support this amendment. I am sure that it does not do all that we would hope for. By the same token, the amendment offered by the distinguished Senator from Michigan, the distinguished Senator from Florida, and others provides a few suggestions, none of which particularly impact on any one of us here on the floor; rather, the amendment gives directions to someone else.

I have disagreed with the President's economic policy, in part, during the past

several months. I would, for example, like to see postponement of the individual tax cut in fiscal year 1983, and I have said so. This amendment of the Senator from Florida does not address that at all.

I would like to see the growth rate of the defense budget which represents an inordinate increase, pulled back. This amendment does not attach to that.

It is fine to say we are going to go ahead and balance the budget, but how are we going to do it?

To me, the initial resolution here is attempting to make the President a scapegoat. I do not think the substitute is all that much better, but at least it does not lodge in the executive branch and the Federal Reserve the solutions to problems which we are now undergoing.

I foresee at the present time, in the absence of a reduction of the deficit, a long and hard recession. Indeed, what I fear is that we are going to go from high interest rates to high unemployment. Then the interest rates will come down.

I do not accept that as being valid economic policy.

It seems to me that rather than pointing a finger we should all be working together on this problem. The Senators on the other side of the aisle know that much of what we are feeling now was originated months and years ago. There is no point in worrying about that now. Let us get the interest rates down by whatever appropriate means. Maybe it is that the administration has to consider the size of the individual tax cut and do something with it. Maybe it is that it has to concern itself with the excessive amounts for defense that it has asked for. I am not saying that any one of these suggestions is the entire solution. But I know that that solution lies both here on the floor of the Senate and down in the White House. I also know that some mid-course correction is required insofar as the basic Reagan economic policy is concerned.

Mr. RIEGLE. Will the Senator yield? Mr. WEICKER. In a minute I will yield to my good friend from Michigan.

He knows, as has been mentioned by my good friend from Pennsylvania, for example, that I fought like the dickens to see that he did not get his bailout for Chrysler. It was just that. It was extraordinarily inflationary. But that is water over the dam, I accept the result. I think the cars Chrysler is producing are fine cars.

Mr. RIEGLE. And cheaper. Mr. WEICKER. I think the fact that we are competing on that basis is important. All that is fine.

But to get back to the essence of what we are arguing about here, I do not want people to think that by "politicizing the Fed" we are going to cure the economic ills of this country. It just is not going to come to pass that way.

I can remember during the energy crisis how in State after State everybody took their wrath out on the public utilities commissions. They wanted the public utilities commissions to make sure the rates stayed low instead of encouraging decontrol and deregulation, instead of encouraging conservation, all of which



would have corrected the problem. They took it out on the public utilities commissions.

That seems to me to be a very good example of what we are doing here with the Federal Reserve, in coming down on their head.

You know the reason for the problem. The problems are far more diverse than the Federal Reserve Board. The origins of our problems are in the White House, the U.S. Senate, the House, and the attitudes of the American people.

I am the one who catches it in the neck as chairman of the Small Business Committee as to what these high interest rates are doing. I have sat up there in that committee and on the floor of the Senate and decried what has been going on. The whole problem I have with Reaganomics is that it is an economic policy for big business and wealthy Americans; it is little business, small business, and small people who are getting crucified. But at least I know that some change in the game plan is in order and like it or not, and I do not like all of it, the administration will put something on the table. If I blame anybody, it is the great herd of sheep in the House and in the Senate that just went along with the President for anything he asked for. Now that we have these results, they do not like it.

I would hope we would support the amendment of the distinguished Senator from Pennsylvania and others, and indicate what it is that we are going to drive toward without trying in any way to give a signal to the American people that their problems are going to be resolved by anyone other than ourselves in cooperation with the executive branch of Government.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WEICKER. Have the yeas and nays been ordered on this amendment?

The PRESIDING OFFICER. They have not been.

Mr. WEICKER. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CHILES. Mr. President, there are several things on which I would like to comment, if I might. We have been talking about whether or not this is a credit allocation bill. I think the language is very clear, that what we are talking about here are voluntary controls that we are talking about putting down and it is not credit allocation. I would like to say that what we are talking about here is more of a credit protection that we are seeking rather than a credit allocation.

In this amendment we are telling the lending institutions that there is a critical economic need that we would like them to respond to. We are letting them set the terms of that response, both in how much they will lend the small borrowers and at what rates.

Credit allocation would be if we told them they must set aside a certain sum

of money and they would have to lend at a certain rate.

We are not telling them that. A real credit allocation system would set the maximum rates and minimum reserves of credit for designated uses.

That could be done in two ways: First, a simple regulatory approach that would require each institution to use a given percentage of its assets for certain purposes and set appropriate interest rates. A second approach is already commonly used by the Federal Government. Loans are made directly by Federal agencies or assured by Federal loan guarantees.

Direct loans allocate their face value of credit to specified uses. Guarantees allocate credit by providing below-market interest rates. These Federal credit activities have grown tremendously in recent years. They now account for \$147 billion a year.

I think that we on the Senate Budget Committee have taken the lead over the last few years to institute a credit budget approach. President Reagan has proposed a major reduction in Federal credit activities and I support that approach, but I would like to point out to my colleagues that some of the largest Federal credit programs are in just the areas that we are addressing with this amendment: housing, small business, and agriculture.

These programs have developed over the years because these are the sectors who always get squeezed by high interest rates.

I think the worst thing that we could do would be to cut back on these allocations right now in these programs, at a time that we are having a housing shortage, when we are having a squeeze, and yet we see \$16 billion in home loan support as among the cuts that Mr. Stockman wants us to make, that the administration wants us to make.

It is, "A \$16 billion cut in Federal support for loans to purchase homes as a centerpiece of a larger effort to curb the Government's appetite for credit."

We are not doing anything about curbing the appetite for credit of that large corporation. We are not doing anything about that, but we say, "We will take away any rights to refinance or put your money back into GNMA and turn it over again so they can go out and make a small home loan, so that FHA can finance a loan. We are going to do away with that. We are going to do away with farmers' home loan credit. We are going to do away with FEA credit. We are going to curb that appetite. While we are curbing that appetite, let the good times roll for the big corporations. Big is beautiful."

So it is all right if they take over but just do not build any homes, do not build anything at that level.

That is what it seems to me, Mr. President, we should be addressing, and we are hoping to address that matter in this amendment.

UP AMENDMENT NO. 600

(Subsequently numbered amendment No. 627.)

Mr. President, I send to the desk a perfecting amendment to my amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

If the Senator will withhold, before he attempts to amend his own amendment, there has been no action taken on the Senator's original amendment. So the Senator can—

Mr. CHILES. Mr. President, I send a perfecting amendment to the desk.

Mr. HEINZ. Mr. President, I ask unanimous consent that the Senator's amendment be so modified.

Mr. CHILES. I ask for the yeas and nays.

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

Mr. CHILES. Mr. President, I object. I asked for the yeas and nays.

The PRESIDING OFFICER. Is there objection to ordering the yeas and nays on the first-degree amendment?

Without objection, it is so ordered. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Florida (Mr. CHILES) proposes an unprinted amendment numbered 600 to unprinted amendment numbered 598.

Mr. CHILES. Mr. President, I ask unanimous consent that further reading of the perfecting amendment be dispensed with.

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

The amendment is as follows:

Strike all after the words: "Sec. : Emergency Declaration Directing the President to Assure and Adequate Flow of Affordable Credit to Small Borrowers," and insert the following:

Since the foremost domestic goals of the United States are healthy growth of the economy and prosperity of the American people; and

Since continued high interest rates are choking off productive investment and causing lasting damage in such key sectors of the economy as:

Housing where prohibitive mortgage interest rates are preventing almost all Americans from buying homes and are crippling the homebuilding, lumbering, building supply and other industries that contribute to home construction;

Automobile manufacturing where high interest rates are preventing consumers from financing basic car purchases, are placing unbearable inventory costs on car dealers and are forcing manufacturers to delay vital investments in more productive plant and equipment;

Farming where interest rates are the largest factor in the farm cost-price squeeze and are frustrating the ability of small farmers to finance land, equipment, feed and fertilizer; and

Small business where many well managed firms are being forced to close because the high cost of borrowing makes it increasingly difficult to finance necessary inventory, minimum working capital and investments needed to remain competitive; and

Since high interest rates are cutting through the entire economy, unleashing such early signs of a severe recession as:

Unemployment mounting in a large number of industries; and

Business bankruptcies rising at alarming rates; and

Since excessively high interest rates are having a damaging effect on virtually every American household, preventing them from buying homes, cars and furniture, from send-

ing their children to college, from maintaining their family farm; and

Since high interest rates choke off the steady production of basic goods such as beef cattle and houses, leading to higher prices in future years; and

Since massive sums of credit continue to be diverted to non-productive uses, such as conglomerate mergers and corporate takeovers; and, combined with reduced enforcement of anti-trust laws, this dual credit policy is shifting control of business away from small businessmen and farmers toward a few large corporations; and

Since an inflexible monetary policy supported by the Administration has added to the crisis in the credit markets; and

Since these devastating credit conditions constitute an economic emergency which requires immediate action;

*It is therefore declared by the Senate and House of Representatives of the United States of America in Congress assembled, That:*

The President in cooperation with the Board of Governors of the Federal Reserve System shall by December 1 exercise appropriate authorities to assure an adequate flow of credit to small borrowers at affordable prices. Particular attention should be paid to reducing home mortgage rates, increasing employment, reducing the excessive financing cost for auto purchases, halting the rapid rise of small business bankruptcies and reducing the excessive cost of farm equipment and supplies. Such actions shall include voluntary guidelines appropriate to various regions of the country and type of borrowers, which may be altered periodically as necessary to achieve these purposes.

The President shall also take appropriate actions to limit the large-scale diversion of credit to nonproductive uses, such as conglomerate mergers and corporate takeovers.

The President in cooperation with the Board of Governors of the Federal Reserve System shall take noninflationary actions necessary to reduce interest rates which are currently at levels abnormally above the current rate of inflation.

In deciding upon the appropriate actions to assure the availability of credit to small borrowers, the President shall consult with representatives of the small business community, the housing industry, auto dealers and small farm operators.

The President shall report to Congress within thirty days concerning the effect of his actions in protecting an adequate flow of affordable credit to small borrowers and reducing excessive interest rates.

Mr. CHILES. I ask for the yeas and nays on the perfecting amendment, Mr. President.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. CHILES. Mr. President, I think we have debated this adequately and we are ready for a vote.

The PRESIDING OFFICER. The question is on agreeing to the perfecting amendment.

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

The PRESIDING OFFICER (Mr. GRASSLEY). Without objection, it is so ordered.

Mr. MELCHER. Mr. President, the people of this country are very much in earnest that we take some action here in Congress to assure that high interest rates must come down.

The blame for it can be spread around as much as we want to spread it around. We can blame Congress. We can blame the Federal Reserve Board. We can blame a worldwide inflation. We can blame high energy costs.

But putting all of that into one basket, the people of the United States have correctly determined that unless high interest rates come down, they are going to be suffering the worst recession we have known in years which could easily work into a depression.

What we have before us now is a forthright proposal, which many of us have banded together to draft, myself included, to give the Senate an opportunity to correctly address the problem.

Our proposal is a very mild step. It would direct the President to consult with the Federal Reserve Board, with the idea that not just commiserating on the problem but action should begin immediately to reduce interest rates.

In defense of those economists who feel that rates are falling now and are falling at a sufficiently rapid rate of decline, we should note what that means to business itself.

These high interest rates have increased unemployment, and there is no evidence that the prime dropping from 20½ percent to 17½ percent has stemmed the dangerous tide of rising unemployment.

Last week's figures of 8 percent unemployment, meaning 8.5 million American workers out of a job, is just the start of a long period of increasing unemployment if interest rates do not drop substantially.

I believe that the rates could come down 3 to 4 points more within 60 to 90 days if the Federal Reserve Board's policies were shifted.

Some economists like to point out that interest rates historically have been about 4 to 5 points above the rate of inflation.

If the rate of inflation for 1981 is going to average for the entire year about 9 to 9.5 percent, using that yardstick, of having interest rates 4 to 5 points above the rate of inflation would mean that interest rates should be right now at about 13.5 to 14.5 percent. That is why I surmise that a 3- to 4-point drop within the next 60 to 90 days would not be too big a drop, and would not be too fast.

The people who borrow the money believe that it must come down that fast in order to save some of our basic industries.

Let us talk about housing. The prime rate at around 14 to 15 percent should mean a mortgage rate of around 12 percent. Housing starts would begin again. People would qualify, young families looking for their opportunity to buy a home, but not being able to qualify for a home loan now because the mortgage rate is so high, are ready and willing to negotiate a new housing loan at about a 12-percent mortgage rate.

The forest products industry, which

has been clobbered for lack of housing starts and lack of construction starts due to high interest rates, could look forward to a restart in their industry, putting people back to work again. Those are loggers, sawmill workers, truckers, and the small business operators that service their operations. Ditchdiggers, cement truckers, laborers, carpenters, electricians, plumbers, sheetrock plants, sheetrockers, roofers, door and window-makers, flooring workers, cabinetworkers, all of the housing industry would be doing something about jobs.

People want jobs.

The economy would start to resurge with jobs available.

Supplies for housing, electrical supplies, plumbing supplies, draperies, rugs, other flooring materials, roofing supplies, all those industries could again look for a startup in the demand for their products, putting more people back to work. Jobs are at stake.

Small businesses, connected with the housing industry, could again be reassured that their level of business would be picking up, and that they could possibly get back into a profit posture within the next several months. Jobs would be there.

Realtors, surveyors, abstractors, and accountants along with bank, mortgage, and insurance employees would have work.

In agriculture, cattle feeders all during the summer on every head of cattle they sold, and it continues now through the fall into this very month, are losing from \$80 to \$120 per head. They are very skeptical about buying feeder calves to replace the fat cattle they are selling out of their lots. Because of their skepticism, partially caused by high interest rates, augmented by increasing costs for them, cow calf operators are facing a market of about \$15 to \$18 per hundred-weight, in other words, about \$60 to \$90 per calf, less than what they had last year. They are in a very precarious position, not just a losing position but a position that may drive them out of business.

Farmers and ranchers have no choice on borrowing money. They are capital-intensive, they have to have a line of credit, their operations demand that each year they secure from their lending agency, whether it is a bank or a production credit association or the Farmers Home Administration, they must approach their lending agency for a line of credit and borrow money. Whatever the interest rate is they must pay.

To the extent that credit is available from banks or from production credit associations, they will use those sources of capital. For those farmers and ranchers who cannot qualify for loans from either of those sources or from other private sources, they must approach the Farmers Home Administration, which is very limited at this time in the amount of capital they can lend out.

We are witnessing a series of bankruptcies in small businesses, in Main Street America, and in farmers and ranchers throughout the country. It is intolerable.

What the people are telling us at home is that interest rates must come down.



The substitute offered by my good friend, the Senator from Pennsylvania (Mr. HEINZ), does not do very much.

It would recommend that the administration continue to seek a policy of lower interest rates to keep the rates dropping. I do not believe that that will be satisfactory to the people on Main Street, to the people in agriculture, to the people in housing, to the people in the forest products industry, to all of the suppliers of these industries; I do not believe it will be satisfactory to the car dealers, I do not think it will be satisfactory to the machinery equipment dealers, I do not think it will be satisfactory at all to our basic industries. It just does not do much at all. We need positive action now.

The mild step that we recommend in the amendment that has been offered by Senator CHILES, myself, Senator SASSER, Senator RIEGLE, and numerous other Senators, is merely a first step toward getting lower interest rates. It is not a very dramatic or a very forceful piece of legislation, but I believe it is a proper step to take at this time.

President Reagan, in cooperation with the Board of Governors of the Federal Reserve Board, can and should by December 1 exercise appropriate authority to assure an adequate flow of credit, and President Reagan, in cooperation with the Board of Governors of the Federal Reserve Board, under the requirements of the amendment, "shall take noninflationary actions necessary to reduce interest rates which are currently at levels abnormally above the current rate of inflation."

That indeed, Mr. President, is a mild step, but it is certainly a positive step and a very necessary step forward in the reduction of rates.

To do any less than this, as the substitute offered by the Senator from Pennsylvania would do, would not be satisfactory to the American public. It would not get the job done.

What is needed is an action that returns people to work—brings about their return to their jobs.

Action now is absolutely necessary.

That is our job in the Senate now; to avoid a deeper recession. This step—our amendment—is the least step we can take.

I urge its immediate adoption to gain a reduction of interest rates by 3 to 4 points within 60 to 90 days.

I hope we can vote down the substitute. We are in the posture of voting first on the perfecting amendment of the Senator from Florida (Mr. CHILES) which, in effect, would give us the opportunity for an up or down vote to place this Senate on record for a positive step forward for lower interest rates. I hope we take that positive step, Mr. President.

The PRESIDING OFFICER. Who seeks recognition?

Mr. BAKER. Mr. President, I observe it is 6:30 or almost 6:30, and in keeping with the policy announced by the leadership earlier and announced from time to time, except on Thursdays, and absent extraordinary circumstances, it is not the intention of the leadership to ask the Senate to stay late. There will be no further rollcall votes today.

Mr. President, it is obvious then that it is not possible to finish this bill. There are certain other matters pending.

I would inquire if the distinguished minority manager of this bill is in position to entertain a unanimous-consent request in respect to the further management of this issue—Mr. President, while we are trying to ascertain that I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MELCHER. 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. MELCHER. Mr. President, I ask unanimous consent that I be added as a cosponsor of the perfecting amendment.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. MELCHER. 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. MELCHER. Mr. President, I ask unanimous consent that Senators SASSER, RIEGLE, ROBERT C. BYRD, BAUCUS, BIDEN, BOREN, BURDICK, CANNON, DECONCINI, DODD, EAGLETON, EXON, FORD, GLENN, HEFLIN, HUDDLESTON, INOUE, JACKSON, JOHNSTON, KENNEDY, LEAHY, LEVIN, MATSUNAGA, METZENBAUM, MITCHELL, NUNN, PELL, PRYOR, RANDOLPH, SARBANES, WILLIAMS, ZORINSKY, and CRANSTON be added as cosponsors to the perfecting amendment.

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

Mr. BAKER. Mr. President, might I inquire if there is any further good purpose to be served by remaining on this bill for the time being? I have announced previously there would be no more record votes tonight. I am prepared to ask the Senate to entertain a request to create a time for the transaction of routine morning business if there is no other Senator seeking recognition to speak on this measure. I see none.

#### ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business to extend not past the hour of 7 p.m. in which Senators may speak for not more than 5 minutes each.

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

#### LOBBYING FOR AWACS: U.S. BUSINESS COMMUNITY LEADS THE WAY

Mr. PROXMIRE. Mr. President, it is now becoming clear in retrospect that the most effective, the most intensive lobbying for the AWACS sale to Saudi

Arabia was not by those concerned about the security of Israel but by those concerned about the continuity of business with Saudi Arabia.

The giant lobbying force during this debate was not the so-called Jewish lobby but the very real business lobby. Backed by millions in financing for political campaigns, organized in every political district in the country, adept at public relations, the oil and business lobby effectively led the fight for the \$8.5 billion sale.

Several giants of the oil and export world organized to support the sale. Led by Mobil, United Technologies, and Otis Elevator, the argument was made that the Saudis had demonstrated restraint in holding down the price of oil to U.S. consumers. Now that the oil prices have been hiked again, this argument has been more than a little tarnished but it was effective at the time.

The amount of U.S. business with Saudi Arabia also stimulated concern by business interests that if the sale were rejected, there might be unfavorable consequences on their enterprises.

The specter of 250,000 U.S. jobs and \$5.7 billion in U.S. goods purchased by the Saudis through some 700 U.S. corporations had its desired effects.

While our attention was focused on the lobbying activity in opposition to the sale, the real powerhouse was at work supporting the sale.

Mr. President, I ask unanimous consent that an article by Hobart Rowen which appeared in the November 8, 1981, Washington Post be printed in the RECORD.

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

[From the Washington Post, Nov. 8, 1981]

#### PRESSURE BEHIND AWACS WAS CRASS BUSINESS GREED

(By Hobart Rowen)

In the tense Senate battle over the sale of AWACS planes and related military hardware to Saudi Arabia, thousands of words were written and spoken about the presumed power of the "Jewish lobby." Enough anti-Semitic (translation, anti-Jewish) sentiment was whipped up to cause Unitarian Sen. William Cohen of Maine, who has one Jewish parent, to vote for the AWACS sale. Cohen's vote was against his own better instincts, cast in fear that disapproval of the AWACS sale would work against both Israel and American Jews.

The fact that the "Jewish lobby" lost is evidence that it must be less powerful than the business lobby that is based on oil and other trade interests in the Persian Gulf. Yet, I do not hear those who profess to worry about the "divided loyalty" of Americans of Jewish faith—thus churning up anti-Semitism—express concern about a business lobby that puts its dollars-and-cents stake in the Persian Gulf ahead of anything else.

Federal Election Commission records show that oil industry contributions to congressional campaigns doubled between 1978 and 1980 to more than \$4.5 million, a primary source of the financing for the growing conservative majority in both the Senate and House. According to a recent report in The Boston Globe, Harold Scroggins, a lobbyist for the Independent Petroleum Producers Association, explained it this way:

"We came to a decision some time ago that the only way we could change the political fortunes of the petroleum industry was to

change Congress." The oil industry opened the pocketbook wide in an effort to defeat liberal Democrats and other incumbents in the Senate, and it was very successful. And in 1982, the oil lobby says it will focus on taking control of the House. "It just so happens that the only way to get rid of [Speaker] Tip O'Neill and liberal chairmen is to take over the House. It's just a practical necessity," says Scroggins.

The whirlwind offensive for the AWACS sale was led by the PR-conscious Mobil Corp. Mobil is so flush with profits from high-priced oil that it is now seeking to bolster oligopoly status by buying up the Marathon Oil Co. after having been thwarted in an effort to gobble up Conoco that made even the Reagan administration choke. In an advertising campaign (I wonder if it claims this stuff as a business expense) Mobil stressed "the economic partnership" that could grow between the Saudis and the United States, and listed some of the 700 corporations it said could do \$35 billion worth of business with the Saudis.

Mobil's clear message was that the Saudis would punish those 700 companies if the Royal House of Saud didn't get its AWACS. The same theme was contained in a Mailgram sent Sept. 29, 1981, by Harry J. Gray, chief executive officer of United Technologies Corp., and George David, president of the Otis Elevator Co., to their big brass peers. They asked other company presidents or CEOs to wire their senators urging them "to sustain the president's position."

Among other points, Gray and David cited Saudi "restraint" on oil prices, and alleged that Saudi purchases of \$5.7 billion in U.S. goods last year supported nearly 250,000 American jobs at home. Newsweek magazine also gave Whittaker Corp. President Joseph F. Allbrandi a platform through its "My Turn" column in the Aug. 24 issue to make the same points, a piece he thoughtfully photocopied and sent on to all members of the Senate just before the vote.

Gray, David and Allbrandi ignored, of course, the now well-documented fact that the motive for Saudi oil price and supply policy is self-interest. The day after the AWACS sale was approved, the Saudis lifted oil prices \$2 a barrel and cut production by 1 million barrels a day. This is an effort—defined by Sheik Yamani himself—to shrink supplies and keep the price above a true market level. Remember the propaganda until now about how the Saudis "engineered" the oil glut, all for the benefit of the good old U.S.A.? Now, they're planning to engineer the shortage.

Another element in the pro-AWACS lobbying effort on Capitol Hill consisted of letters from American businessmen in Saudi Arabia putting the idea of a Saudi blacklist of American companies on a personal level.

For example, Dr. Jerrold L. Wheaton, a consultant to the international division of National Medical Enterprises, wrote from Dhahran to selected members of Congress on July 18 that "Americans have only a bare 20 percent of the business available in Saudi Arabia. Those of us who work here have no doubt that the percentage would rapidly decrease to 5 or less if the sale of the AWACS and F15 augmentation packages are refused." Wheaton added:

"What . . . motivate[s] me is the frustration of watching American business restricted by U.S. law, try to compete in this market place, and the concern that a negative decision concerning the AWACS sale will completely eliminate American private enterprise from competing for the Arab dollar. Our companies and our country need those dollars, and it takes all our ingenuity to compete favorably using the ground rules of the corrupt practices or unfair practices act, which are ultimately unfair only to us."

So there you have it: the real pressure behind the sale of AWACS is not to save face for Reagan or to promote "peace" in the Middle East. It is a crass and grubby reach "for the Arab dollar"—helped by a little bribery here and there if necessary. That, coupled with the Pentagon's effort to lower the unit-cost of the AWACS plane, is what built the groundswell for the Saudis. When you have the oil-cum-business lobby and the Pentagon's generals in tandem, that's the military-industrial complex—remember President Eisenhower's farewell warning?—on the move. Against that kind of power, don't lose too much sleep over the "Jewish lobby."

#### IT IS TIME TO EXTEND A HAND TO THE AIR TRAFFIC CONTROLLERS

Mr. CRANSTON. Mr. President, it is time for President Reagan to extend a hand to the air traffic controllers and offer to allow the fired controllers to apply for jobs with the Federal Aviation Administration.

The Professional Air Traffic Controllers Organization (PATCO) is about to be broken, if it is not already. The union has been defeated through the inflexibility of President Reagan and through its own unwise and rash actions. The President has established his point: the strike was illegal. He has meted out punishment: firing the controllers. Thus, the present situation does not call for vindictiveness.

The needs and safety of our national air transportation system should now be our first concern. Business Week magazine in a recent editorial called for the rehiring of the air traffic controllers so that business, airlines, airports, and the rest of us who rely upon our fine air transportation system can fly regularly in safety and at prices which are competitive. I do not think the present situation meets those standards. There is no reason why we should not move ahead to reinstate full staffing of the FAA air control system.

I have received a letter from a fired air traffic controller. He describes himself as "a father, a hard-working, taxpaying, country-loving, war veteran American." He adds:

I am also a fired air traffic controller. I am 35 years old and have been involved in aviation all my life.

I have been a pilot for 16 years and formerly was an airline pilot. I love aviation and hate what has happened to it because of a lack of understanding by the FAA as to our legitimate problems. Believe me that I would not be out here if the issue was money.

My constituent asks, "Please do what you can to return me to the profession that I love and was more than competent at."

I think we should do so.

There are those individuals who wish to make a permanent example of the air traffic controllers. Nothing could be more shortsighted and destructive of good labor-management relations within the Federal service. Certain principles have been reestablished by the President's actions. It would be very unwise to attempt to reach beyond what has been attained by seeking continued retribution.

#### UNITED NATIONS REFUGEE AGENCY WINS PEACE PRIZE

Mr. PROXMIRE. Mr. President, last month the 1981 Nobel Peace Prize was awarded for the second time to the United Nations Office of High Commissioner for Refugees. The refugee agency was cited for its work in aiding the tens of millions of homeless and displaced people scattered all over the globe.

The agency won its first award in 1956 for its work in resettling the millions of Europeans driven from their homelands during the Second World War.

Today, the major work of the United Nations organization is carried out in Africa and Asia where the greatest numbers of refugees exist. According to the Washington Post, the Office of High Commissioner for Refugees provided critical aid to the many Ugandan refugees and since 1975 has resettled more than a million boat people from Vietnam, Laos, and Cambodia.

Of these refugees, perhaps the most desperate of all are those who were threatened by genocide in their home countries. Specifically, I am referring to those refugees who fled the genocide campaigns of Pol Pot and Idi Amin. Although these people escaped death in their homelands, the dislocation and degradation they are forced to suffer make them very real victims of genocide.

In announcing the award the Nobel Committee commended the United Nations refugee organization for its success in extending its hand of compassion. The Nobel Committee also noted that—

Still more important in the long run is the work of insuring that people are not compelled to save their lives by escaping from their native land with no prospect of ever returning.

I agree. It is critical that we address the refugee problem at its source. One source, Mr. President, that is painfully obvious is genocide.

And yet, for over 30 years the United States Senate has refused to ratify the Genocide Convention. This treaty which makes genocide an international crime would be an important step in preventing the displacement of millions of people.

I urge my colleagues to stand behind this effort by ratifying the Genocide Convention.

#### USDA'S CONFUSION AND INCONSISTENCY ON CASEIN ISSUE

Mr. PROXMIRE. Mr. President, I have just received a report concerning USDA's testimony at today's International Trade Commission hearing on the issue of casein imports.

From what I have been told, USDA's representative at today's hearing stated that USDA had reason to believe that casein imports are materially interfering with our domestic dairy price support program to the tune of \$300 million a year.

Yet, Mr. President, from what I have been told, I further understand that USDA's representative at today's ITC hearing had no recommendation that anything be done about this problem.



The USDA representative, according to the reports I have received, had no recommendation at all about curtailing casein imports.

Mr. President, this is incredible. On the one hand, the USDA spokesman tells the ITC that these casein imports are materially interfering with our dairy price support program.

Yet, in the next breath, this same USDA representative makes no recommendation about stopping this interference.

And all this is from an administration that has been dismantling the dairy price support program since the very day it took office.

Mr. President, these ITC hearings are continuing this afternoon and will resume again tomorrow.

I ask, here and now, that USDA send someone to this ITC hearing who will make the obvious, commonsense recommendation that follows from the statement that casein imports are materially interfering with our dairy price support program, namely, that we impose import restrictions on this casein.

Mr. President, it is time that USDA ends its confusion and inconsistency on casein.

Before this ITC hearing is concluded, USDA should get its act together and give a clear recommendation to the ITC that these casein imports be curtailed.

If USDA wants to save \$300 million a year, this is a very simple way to bring it about. And, at the same time, this administration can at last do something constructive for America's dairy farmers.

#### 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.)

#### BUDGET RESCISSIONS AND DEFERRALS—MESSAGE FROM THE PRESIDENT—PM-89

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations, the Committee on the Budget, the Committee on Agriculture, Nutrition, and Forestry, the Select Committee on Indian Affairs, the Committee on Labor and Human Resources, and the Committee on Commerce, Science, and Transportation:

*To the Congress of the United States:*

In accordance with the Impoundment Control Act of 1974, I herewith report

nine deferrals totaling \$132.0 million and one proposal to rescind \$20.5 million in budget authority previously provided by the Congress.

This group of deferrals constitutes the final in a series of actions taken to restrain spending of funds made available by the Continuing Resolution, P.L. 97-51. As I stated in my special message of October 20, 23, and 29, these actions are not only in accord with Congressional intent to view the amounts provided by the Resolution as a ceiling, but are also necessary to preserve the Congress' options to enact regular appropriations consistent with my revised budget request levels for fiscal 1982.

Deferrals under the Continuing Resolution are included in this special message for the Departments of Agriculture, Health and Human Services, and Transportation.

I am also proposing to rescind advance 1983 funds for the Corporation for Public Broadcasting.

The details of the rescission proposal and the deferrals are contained in the attached reports.

RONALD REAGAN.

THE WHITE HOUSE, November 6, 1981.

#### PRESIDENTIAL APPROVALS

A message from the President of the United States announced that on November 3, 1981, he had approved and signed the following acts and joint resolution:

S. 1000. An act to amend the Independent Safety Board Act of 1974 to authorize appropriations for fiscal years 1981, 1982, and 1983, and for other purposes.

S. 1209. An act authorizing appropriations to the Secretary of the Interior for services necessary to the nonperforming arts functions of the John F. Kennedy Center for the Performing Arts, and for other purposes.

S.J. Res. 4. Joint resolution to authorize the President to issue a proclamation designating the week beginning November 22, 1981, as "National Family Week."

#### MESSAGE FROM THE HOUSE

At 12:09 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2330. An act to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes.

#### HOUSE BILL PLACED ON CALENDAR

The following bill was read twice by unanimous consent, and placed on the calendar:

H.R. 2330. An act to authorize appropriations to the Nuclear Regulatory Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and section 305 of the Energy Reorganization Act of 1974, as amended, and for other purposes.

#### REPORTS OF COMMITTEES

The following reports of committees were received.

By Mr. MATHIAS, from the Committee on Rules and Administration, with an additional amendment, and without recommendation:

S. 807. A bill to reform the laws relating to the provision of Federal assistance in order to simplify and coordinate the management of Federal assistance programs and requirements, provide assistance recipients with greater flexibility and minimize the administrative burden and adverse economic impact of such programs and requirements (Rept. No. 97-267).

By Mr. BAKER (for Mr. HATFIELD), from the Committee on Appropriations, with amendments:

H.R. 4560. An act making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 1982, and for other purposes (Rept. No. 97-268).

#### EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. BAKER (for Mr. HATCH), from the Committee on Labor and Human Resources: Francis S. M. Hodson, of Virginia, to be Chairman of the National Endowment for the Arts for a term of four years.

(The above nomination was reported from the Committee on Labor and Human Resources with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

By Mr. PERCY, from the Committee on Foreign Relations, without reservation:

An agreement between the United States of America and Spain, effected by an exchange of notes at Madrid on September 4, 1981, extending for a period of 8 months the rights, duties, and obligations of the two countries (Spain and the United States) under the Treaty of Friendship and Cooperation of January 24, 1976, 27 U.S.T. 3005, T.I.A.S. (Ex. Rept. No. 97-24).

#### 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. PACKWOOD (for himself and Mr. SYMMES):

S. 1824. A bill to amend the Internal Revenue Code of 1954 to increase the amount of reforestation expenditures which may be amortized in any taxable year, and for other purposes; to the Committee on Finance.

By Mr. ARMSTRONG:

S. 1825. A bill to prohibit price support for crops produced on certain lands in the western part of the United States which have not been used in the past ten years for agricultural purposes, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. BAKER (for Mr. HATCH):

S. 1826. A bill for the relief of Marush and her four children: Paul John Williams, Mark Anthony Williams, Karen Louisa Williams, and Anna Marie Williams; to the Committee on the Judiciary.

By Mr. NUNN:

S. 1827. A bill to amend part C of title IV of the Higher Education Act of 1965 to permit meritorious exceptions to the payment of

minimum wage rates under the college work study program, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. LUGAR:

S. 1828. A bill to amend the Internal Revenue Code of 1954 to clarify the tax treatment of thrift partnerships, and for other purposes; to the Committee on Finance.

By Mr. DANFORTH (for himself, Mr. ANDREWS, Mr. GRASSLEY, Mr. LAXALT, and Mr. SCHMITT):

S. 1829. A bill to amend the Internal Revenue Code of 1954 to provide certain tax incentives for individuals and businesses in depressed rural areas, and for other purposes; to the Committee on Finance.

By Mr. MATSUNAGA (for himself, Mr. DURENBERGER, Mr. MOYNIHAN, and Mr. ROTH):

S. 1830. A bill to amend the Internal Revenue Code of 1954 to exempt certain taxicabs from excise taxes on gasoline and other motor fuels; to the Committee on Finance.

By Mr. CHAFEE (for himself, Mr. MITCHELL, and Mr. HEFLIN):

S.J. Res. 121. Joint resolution to provide for the designation of the year 1982 as the "Bicentennial Year of the American Bald Eagle" and the designation of June 20, 1982, as "National Bald Eagle Day"; to the Committee on the Judiciary.

By Mr. BAKER (for Mr. HATCH) (for himself, Mr. PRYOR, Mr. BAUCUS, Mr. CHILES, Mr. D'AMATO, Mr. DOMENICI, Mr. DURENBERGER, Mr. HOLLINGS, Mr. LEVIN, Mr. MOYNIHAN, Mr. SPECTER, Mr. WILLIAMS, Mr. NUNN, Mr. EAST, Mr. WEICKER, Mr. SYMMS, Mr. GOLDWATER, Mr. HELMS, Mr. RANDOLPH, Mr. SARBANES, Mr. SIMPSON, and Mr. LAXALT):

S.J. Res. 122. Joint resolution to authorize and request the President to designate the week of February 28, 1982, through March 6, 1982, as "National Construction Industry Week"; to the Committee on the Judiciary.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PACKWOOD (for himself and Mr. SYMMS):

S. 1824. A bill to amend the Internal Revenue Code of 1954 to increase the amount of reforestation expenditures which may be amortized in any taxable year; to the Committee on Finance.

(The remarks of Mr. PACKWOOD on this legislation appear earlier in today's RECORD.)

By Mr. ARMSTRONG:

S. 1825. A bill to prohibit price support for crops produced on certain lands in the western part of the United States which have not been used in the past 10 years for agricultural purposes, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

#### PROHIBITION OF PRICE SUPPORTS FOR CROPS PRODUCED ON CERTAIN LANDS

● Mr. ARMSTRONG. Mr. President, America is washing out and blowing away.

The Soil Conservation Service of the U.S. Department of Agriculture estimates that, thanks to wind and water erosion, America loses some 5 billion tons of topsoil each year. Roughly 40,000 tons of our best crop-producing topsoil floats down the Mississippi River each hour, hour after hour, day after day, week after week, month after month, year

after year. This kind of soil loss is also occurring as a result of wind erosion throughout the arid West.

A single farmer can lose up to 6 tons of topsoil per acre each year to erosion. The result is that in the arid Western States, an area as big as the original 13 States, the loss of groundwater coupled with wind erosion is threatening to reverse the historical process of cultivation—crop-producing land is in danger of being returned to a desert wilderness.

Incredibly, the Federal Government is aggravating the erosion problem through well intentioned, but misguided, Government programs. Instead of giving farmers an incentive to protect our most precious agricultural resource—our topsoil—the Federal Government is encouraging farmers to plow up marginal land that is most erosion prone.

The land most suitable for farming in the arid West was long ago plowed out of the native sod. The grasslands now being broken, often by foreign investors, are the most fragile and most susceptible to wind erosion. Farming is a business that requires huge capital investments, but returns very small profits to farmers. When Government target prices and similar commodity programs yield a higher price to farmers than the market, and when market prices are depressed by huge Government-owned surpluses, farmers are given little choice in maintaining their financial position but to increase production. And for many farmers, the only way to increase production is to increase acreage by plowing new lands. And then, if the crops do not pan out and the land begins to blow away, the Government subsidizes the farmers to reseed the land. So, in effect, we are providing incentives to plow up more land—marginal land that borders on desert and when plowed, destroys native coverings of sod that required centuries to develop—and then the taxpayers pay again to retire the land after permanent damage has been done. The result is the steady erosion of one of our Nation's most precious resources—its land.

This is erosion we can no longer afford to ignore. Agriculture is the country's largest industry, by far, employing directly and indirectly nearly 24 million people. Agricultural commodities account for 20 percent of the gross national product, and are among the few things we produce in this country that effectively compete in foreign markets.

In fact, at a time when Americans pay enormous prices for energy obtained from foreign sources, and a time when we spend billions of dollars more for many foreign products because American producers have lost their competitive edge, we are fortunate that agriculture provides a viable industry second to none, and the world's most abundant, low-cost food supply. Assuring the long-term soundness and well-being of this great industry, though, will come through the development of better markets. That is why I amended the 1981 farm bill to provide better overseas marketing of U.S. agricultural products.

But the increase in world demand, as well as the Government incentives I mentioned earlier, give our farmers

every reason to continue current expansionist practices, while we give little incentive for conservation. To continue providing the piecemeal measures Government now provides—important and helpful though they may be—while ignoring the fact that Government is largely responsible for the problem, is like throwing buckets of water at the Chicago fire.

We must stop paying farmers to destroy our Nation's soil. The USDA has been working for months on plans to reverse these erosion incentives. But Congress must strengthen the Secretary's hand in dealing with this problem. Statutory authority to deny Federal subsidies to crops produced on newly plowed land has never been specifically granted; today I am introducing legislation to do so.

My bill (S. 1825) provides that the Government price support program cannot be used to subsidize crops grown on land which has not been cultivated for the previous 10 years. The provision applies only to arid lands west of the 100th meridian—west of Dodge City, Kans. Additionally, farmers are exempted from this requirement if they have entered into long-term agreements with the Secretary to carry out the accepted conservation practices on this land, or if the land is not considered to be marginal or vulnerable to erosion.

The effect of my sodbusters bill, Mr. President, is simply to get the Federal Government out of the business of financing erosion. ●

By Mr. NUNN:

S. 1827. A bill to amend part C of title IV of the Higher Education Act of 1965 to permit meritorious exceptions to the payment of minimum wage rates under the college work study program, and for other purposes; to the Committee on Labor and Human Resources.

#### COLLEGE WORK STUDY PROGRAM

● Mr. NUNN. Mr. President, today I am introducing legislation to receive a costly burden imposed on many higher education institutions by the 1980 higher education amendments. Nestled among the many positive changes in higher education programs enacted by the 96th Congress, was an amendment requiring all institutions to pay the minimum wage rather than the fourth subminimum, to students participating in the Federal college work study program.

The effect of this change is illustrated by the experience of Berry College, a college in the foothills of northwest Georgia with an enrollment of 1,500. Before the amendment 430 Berry students participated in CWS—with Berry College dollars funding \$992,760 and the Federal Government putting in \$205,258. After the amendment, Berry's cost of the program has risen by \$104,000 to \$1,096,760 while the Federal share remains the same at \$205,258. Now only 360 Berry students can participate in Federal work study even though the program costs Berry \$104,000 more.

A further irony is that the colleges can continue to operate their own separate work study program and pay, with Department of Labor approval, a submini-



mum wage. At Berry 700 students in the college's own program receive subminimum wage, and work side by side with their fellow students in the Federal program.

The legislation I propose would reinstate the procedure which allows institutions to apply for a waiver of the minimum wage requirement. For good cause, the Secretary of Education would be able to grant an exemption allowing colleges to pay a wage no less than 80 percent of the minimum wage.

It seems only fair that with Federal student financial aid undergoing major budget reductions, colleges and universities should be allowed this freedom to use their own limited funds to help as many students as possible. ●

By Mr. LUGAR:

S. 1828. A bill to amend the Internal Revenue Code of 1954 to clarify the tax treatment of thrift partnerships, and for other purposes; to the Committee on Finance.

THRIFT PARTNERSHIP TAX ACT OF 1981

● Mr. LUGAR. Mr. President, I am today introducing the Thrift Partnership Tax Act of 1981. The purpose of this legislation is to improve the liquidity of thrift institutions and expand the availability of funds for home mortgages by establishing a specific mechanism in the Tax Code through which thrifts may dispose of low-yield mortgages from their loan portfolios.

In using the Tax Code, this legislation departs from the current debate on thrift industry problems. As my colleagues know, debate is now under way in the Congress to broaden the powers of Federal bank regulators to effect mergers between financial institutions and also to expand the asset powers of thrifts in order to make their portfolios more interest-rate sensitive. Regulatory actions also have been announced recently to grant greater flexibility to thrifts in their accounting practices.

It is time to expand the debate to the fundamental problem which has led this vital domestic industry into such distress: the retention of low-yield mortgages in their loan portfolios.

The Thrift Partnership Tax Act removes any possible uncertainty as to the tax treatment of partnerships formed between financial institutions and private investors to engage in mortgage transactions. Except for the amendment to code section 761 defining a "qualified thrift partnership" the legislation merely clarifies and does not change present law.

No other industry has been more greatly impacted by the extended period of high interest rates than has the thrift industry, the traditional supplier of mortgage loans to American homebuyers. The resulting repercussions have been overwhelming for home builders and their employees, realtors, and those Americans whose dreams of homeownership have been all but eliminated over the past several months.

The financial situation of thrifts is extremely precarious. The all savers certificate, enacted recently as part of the 1981 Economic Recovery Tax Act may

prove to be of some assistance to the thrift industry by reducing the cost of their funds. What has become clear, however, is that these certificates will not lead to significant amounts of new mortgage loans to homebuyers. Despite the targeting provisions in the All Savers Act, lenders are reluctant to return to the practice of lending long with short-term money.

The problem of low-yield mortgages remains despite any marginal reduction in the cost of funds to these institutions. The reason for this situation is quite clear. The thrift industry has suffered from rapid one-sided deregulation. Having lived for years under regulation Q, all depository institutions suddenly found themselves as unequal, hampered participants in a high interest rate money market. Interest rate ceilings on customer accounts made competition for deposits very difficult. Alternative, higher yielding investment opportunities began pulling depositors away from the traditional depository institutions.

This changed quickly, however, in the spring of 1978 with the introduction of the money market certificate. Before that event, market-rate sensitive liabilities came to only 9.7 percent of the total assets of thrifts. By the middle of this current year, 60 percent of total assets were financed by rate-sensitive liabilities.

The other side of the balance sheet, the asset side, has not kept pace with liabilities in the rate of return earned on loan portfolios. It was only in April of this year that most thrifts were authorized to offer truly flexible-rate mortgages. As a result savings and loans still hold massive numbers of low-yield fixed-rate loans in their portfolios. In September 1979, 79.4 percent of total thrift mortgages were at rates of less than 10 percent. In spite of the unprecedented increases in interest rates since then however, this figure fell to only 66.6 in 1980 and 61.4 percent in 1981.

The combination of this one-sided deregulation and high rates has produced the current hemorrhage at thrift institutions. By September of this year, the average cost of funds was 11.37 percent while their portfolio yield was only 9.82 percent. This flow of red ink will continue as long as interest rates remain high. Not only has the current economic situation increased the cost of their funds above the return on their portfolios, but it also has impeded the conversion of fixed-rate mortgages into the recently authorized rate-sensitive mortgages.

Housing is extremely sensitive to interest rates. As rates rise real estate activity falls. With people not selling their homes, the mortgages on those homes do not turn over. Moreover, even for those homes that are sold, there is tremendous incentive for the buyer to assume the existing lower rate mortgage if at all possible.

Housing is currently in one of its worst post-war slumps. The resale of homes so far this year is down 36 percent from its peak of 3 years ago. As a result, the average life of mortgage loans is now

running at 14.8 years, more than double the 6.2 years of 1977.

High interest rates also make it very difficult for institutions to shed their burden of low-yield loans through the sale of the mortgages in the secondary market. When interest rates are at 15 percent, a 10-percent mortgage is only 70 cents on the dollar.

The Federal Home Loan Bank Board recently amended its regulations to allow associations to amortize such losses from loan sales over the remaining life of the loan. However, this cosmetic treatment does not mask the underlying economic reality of huge losses. At a time when associates are already suffering crippling deficits few can afford the additional losses incurred by selling any significant part of their portfolios.

Thrifts did not get themselves in the current difficulty through bad management. They were merely carrying out the national goal of housing Americans and doing it well. They made America one of the best-housed countries in the world and at the same time built up their own reserves. It is only because of these reserves that they are still surviving, but they cannot last much longer on their stored resources. Many are quickly approaching a zero net worth position and the list grows longer every day. Unless something is done quickly the housing finance delivery system in this country, which has been built up over many years, will be grievously hurt.

Mr. President, in the context of this situation, I introduce the Thrift Partnership Tax Act. This legislation utilizes the tax code and the market to bring direct relief to thrifts. The partnership contemplated in this legislation offers thrift institutions a mechanism for converting below current market-rate mortgages in their portfolios to an interest in a limited partnership with private investors. Thrift institutions contribute low-yield mortgages in their existing portfolios as capital to the new partnership. The mortgages are transferred to the partnership capital account at their book (face) value, and thus the thrift realizes no loss on the transfer.

The partnership arrangements also contemplate that private investors contribute cash to the partnership capital in an amount approximately equal to the difference between the book and market value of the mortgages contributed by the thrift institutions. The partnership then sells the contributed mortgages in the secondary mortgage market, realizes a loss (from book value) on the sale of the low-yield mortgages and invests the cash realized from the sale plus the cash contributed by the private investors in mortgages carrying current market interest rates.

The proposed thrift partnership allocates the loss realized on the sale of the contributed mortgages first to the private investor participants to the extent of their original capital contribution, then to the thrift institution participants to the extent of their original capital contribution. It is expected that income earned by the partnership would be distributed as follows:

First, an annual cash payment of approximately 150 basis points greater than the average book value yield of the contributed mortgages is made to thrift institution partners. The payment is computed as a percentage of the institution's capital account.

Second, a similar annual cash payment is made to private investor partners. The payment is computed as a percentage of the investors' capital account.

Third, any partnership income in excess of the annual cash payments is allocated to any capital account showing a deficit from the amount of the original capital contribution.

Fourth, any remaining partnership income is allocated between the thrift institution participants and the private investor participants.

The proposed thrift partnership is limited to investments legally available to thrift institutions. The partnership may actively trade their portfolio and may engage in servicing the mortgage contracts that they initiate or acquire. Income in excess of the guaranteed payments that is distributed to participants' capital accounts may be reinvested by the partnership.

Thus, thrift partnerships propose to combine the capital contributions of the two classes of partnership participants and convert the capital contributions into investments that yield a return at the current market interest rate. Participation in a thrift partnership potentially provides thrift institutions with a mechanism to liquidate low-yield mortgage assets without adversely affecting their net worth and to increase their earnings.

Mr. President, my legislation is not a totally new concept. Similar tax mechanism have been suggested recently by various observers. The difference is that the current situation facing thrifts requires congressional attention to this proposal. I hope that the debate on this particular approach will commence with the introduction of this legislation.

Mr. President, I ask unanimous consent that the text of S. 1828 be printed in the RECORD.

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

#### S. 1828

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

#### SECTION 1. SHORT TITLE.

This Act may be cited as the "Thrift Partnership Tax Act of 1981".

#### SEC. 2. TAX TREATMENT OF QUALIFIED THRIFT PARTNERSHIPS.

(a) CHARACTERIZATION OF GAIN OR LOSS.—Section 703 of the Internal Revenue Code of 1954 (relating to partnership computations) is amended by adding at the end thereof the following new subsection:

"(c) CHARACTERIZATION OF GAIN OR LOSS OF QUALIFIED THRIFT PARTNERSHIPS.—Notwithstanding subsection (a), the character of gain or loss on the sale or exchange by a qualified thrift partnership of any property or interest in property which—

"(1) is described in section 7701 (a) (19) (C) (V), and

"(2) is transferred to such partnership in exchange for a partnership interest by a

partner which, at the time of such transfer, was a qualified thrift institution, shall be determined in the same manner as if such property had been sold or exchanged by the institution."

(b) ALLOCATION OF GAIN OR LOSS.—Section 704 of such Code (relating to partner's distributed share in the case of contributed property) is amended by redesignating subsection (f) as subsection (g) and in inserting after subsection (e) the following new subsection:

"(f) CONTRIBUTED PROPERTY OF QUALIFIED THRIFT PARTNERSHIP.—Notwithstanding subsection (b) (2) or (c) (1), a partner's distributive share of gain or loss from the sale or exchange by a qualified thrift partnership of property or an interest in property which is described in section 703(c) shall be determined by the partnership agreement."

(c) CONTRIBUTION TO PARTNERSHIP.—Section 721 of such Code (relating to nonrecognition of gain or loss on contribution) is amended by adding at the end thereof the following new subsection:

"(c) SPECIAL RULE FOR QUALIFIED THRIFT PARTNERSHIPS.—If—

"(1) a qualified thrift institution transfers to a qualified thrift partnership any property or interest in property which is described in section 7701 (a) (19) (C) (v) for an interest in the partnership, and

"(2) the partnership sells or exchanges such property or interest after such transfer, such transfer shall, for purposes of subsection (a), be treated as a contribution of such property (and not the proceeds from the sale or exchange) to the partnership in exchange for such interest."

(d) TREATMENT OF CONTRIBUTED PROPERTY.—Section 7701 (a) (19) (C) of such Code (defining the term "domestic building and loan association") is amended by adding at the end thereof the following new sentence:

"For purposes of this subparagraph (C), each asset of a qualified thrift partnership in which a domestic building and loan association has a partnership interest shall be deemed to be an asset of the domestic building and loan association to the extent of and in proportion to its percentage interest in the partnership as measured by the respective capital accounts of the partners."

#### SEC. 3. DEFINITION OF QUALIFIED THRIFT PARTNERSHIP.

Section 761 of the Internal Revenue Code of 1954 (defining terms) is amended by redesignating subsection (e) as subsection (f) and inserting after subsection (d) the following new subsection:

"(e) QUALIFIED THRIFT PARTNERSHIPS.—For purposes of this subchapter—

"(1) IN GENERAL.—The term 'qualified thrift partnership' means a partnership—

"(A) at least one partner of which is a qualified thrift institution,

"(B) the primary purpose of which is to invest in property or interests in property described in section 7701 (a) (19) (C) (v),

"(C) 95 percent of the assets of which consist of property or interests in property described in clause (1) or (v) of section 7701 (a) (19) (C) (v), and

"(D) all of the contributions of partners which are not qualified thrift institutions are cash.

In the case of any contribution to capital of the partnership of property not described in subparagraph (B) or the proceeds from the sale or exchange of such property, the partnership shall be treated as having met the requirements of subparagraph (C) if such contributions or proceeds are used to acquire such property within the 1-year period after receipt.

"(2) QUALIFIED THRIFT INSTITUTION.—The term 'qualified thrift institution' means a qualified institution within the meaning of section 128(c) (2) (determined without re-

gard to subparagraph (A) (1) or the last sentence thereof).

#### SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply to transfers, sales, and exchanges after December 31, 1981, in taxable years ending after such date.●

By Mr. DANFORTH (for himself, Mr. ANDREWS, Mr. GRASSLEY, Mr. LAXALT, and Mr. SCHMITT):

S. 1829. A bill to amend the Internal Revenue Code of 1954 to provide certain tax incentives for individuals and businesses in depressed rural areas, and for other purposes; to the Committee on Finance.

#### RURAL ENTERPRISES ZONE ACT

● Mr. DANFORTH. Mr. President, today I am introducing, on behalf of myself and Senators ANDREWS, GRASSLEY, LAXALT, and SCHMITT, the Rural Enterprise Zone Act of 1981. The purpose of this bill is to bring new jobs to distressed small cities and rural areas by providing tax incentives to investors willing to invest in small towns. Rural enterprise zones, as they are constructed in this act, do not guarantee success, but they do represent a bonafide opportunity to succeed.

An important economic and jobs development initiative discussed by Congress and the administration this year is the enterprise zone. To date, however, very little discussion has focused on the concept of enterprise zones as a mechanism to assist impoverished rural communities. This is not an oversight, but rather reflects the fact that the problems faced by rural communities, entrepreneurs and investors are different from those in urban areas, creating a need for special legislative attention.

Over one-third of the Nation's poor live in nonmetropolitan areas. The 20 poorest counties in the Nation are rural counties. Poverty and economic distress are still disproportionately located in rural areas of our Nation—and these areas need opportunities to stimulate their distressed economies. The bill that we introduce reflects our desire to test new techniques for encouraging economic development in rural communities willing to demonstrate the initiative and desire to improve their economic prospects.

Economic development demands capital resources. For many reasons, rural areas are often woefully short of capital. The intention of this bill is to attract capital to areas which have a need for it, but which do not now have it. It would do this by providing a number of tax incentives to firms willing to invest in specially designated areas. These tax incentives are intended not only to encourage capital investment, but also to promote the hiring of new employees.

The idea is an experiment—no more than 15 rural enterprise zones could be created in the first year. The bill also represents hope—hope to depressed rural areas and communities too often forgotten. Its success rests where it belongs—on community investment. With this bill, the Rural Enterprise Zone Act of 1981, an opportunity exists to transform the potential of distressed localities into vibrant local rural economies.



I look forward to the development of this legislation in the Finance Committee and its enactment into law.

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

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

S. 1829

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This Act may be cited as the "Rural Enterprise Zone Act of 1981".

(b) AMENDMENT OF 1954 CODE.—Unless otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

#### TITLE I—DESIGNATION OF RURAL ENTERPRISE ZONES

##### SEC. 101. DESIGNATION OF ZONES.

###### (a) RURAL ENTERPRISE ZONE DEFINED.—

(1) IN GENERAL.—For purposes of this Act, the term "rural enterprise zone" means any area in the United States with respect to which the Secretary of Commerce approves a request for designation as a rural enterprise zone made by a person described in paragraph (3).

(2) APPLICATION.—The Secretary of Commerce may not approve any designation under paragraph (1) unless an application therefor is submitted in such form and contains such information as the Secretary of Commerce may by regulations prescribe.

(3) PERSONS MAKING REQUESTS.—A request for designation of an area as a rural enterprise zone under this section may be made by—

(A) a State government on behalf of one or more local government or governments if the local governments consent to such request;

(B) a local government or governments with jurisdiction over such area; or

(C) any other person which, as determined by the Secretary of Commerce, has the consent of the local governments, is representative of the zone eligible population, and has the administrative capacity to manage a zone jointly with the local governments.

###### (b) REVOCATION OF DESIGNATION.—

(1) IN GENERAL.—The Secretary of Commerce may revoke any designation of an area if the Secretary of Commerce determines that the requirements of this title are not being met with respect to such area. Before revoking any designation, the Secretary may allow periods for remedial action to be taken.

(2) AUTOMATIC REVOCATION AFTER 15 YEARS.—Any designation of an area as a rural enterprise zone shall automatically expire after 15 years.

###### (c) AREA REQUIREMENTS.—

(1) IN GENERAL.—The Secretary of Commerce may approve the designation request of any area under subsection (a) only if—

(A) the area is within the jurisdiction of the government designating such area or jointly involved in managing such area,

(B) the boundary of the area is continuous,

(C) the area—

(1) is located outside of a standard metropolitan statistical area, or

(2) is otherwise determined by the Secretary of Commerce to be a rural area;

(D) the area—

(1) has a population of at least 600,

(2) comprises an incorporated separate jurisdiction, or

(3) is an Indian reservation (as determined by the Secretary of the Interior);

(E) the area does not contain any prime agricultural land (as defined by the Secretary of Commerce after consultation with the Secretary of Agriculture); and

(F) the area meets the requirements of paragraph (2).

(2) UNEMPLOYMENT AND POVERTY REQUIREMENTS.—For purposes of paragraph (1), an area meets the requirements of this paragraph if such area meets the unemployment and income criteria for cities with populations of less than 50,000 under the Urban Development Action Grant program administered by the Secretary of Housing and Urban Development.

(3) DETERMINATION MADE BY SECRETARY OF COMMERCE.—Determinations under this subsection shall be made by the Secretary of Commerce on the basis of—

(A) data submitted by the government designating the area if the Secretary determines that such data is reasonably accurate, and

(B) the most recent census data available.

###### (d) RURAL ENTERPRISE ZONE PLAN.—

(1) IN GENERAL.—Each person requesting the Secretary of Commerce to approve a request for designation of an area as a rural enterprise zone shall submit a rural enterprise zone plan.

(2) REQUIREMENTS OF PLAN.—Each rural enterprise zone plan submitted under paragraph (1) shall document commitment, shall analyze probable costs and benefits from use of the incentives for economic benefit, and shall—

(A) describe the local efforts or contributions which will be made in the area to increase employment and to encourage the formation and expansion of business enterprises and general economic development, including any local concessions to be made such as—

(i) tax abatement,

(ii) the providing of State, local, and private loans, loan guarantees, industrial revenue bonds, and other financing incentives for financing businesses in the area,

(iii) the providing of local government services (such as infrastructure, transportation, sewage utility, and zoning) to support business and economic development,

(iv) the providing of education, training, and employment to residents of the area who are eligible for assistance under the Comprehensive Employment and Training Act.

(v) making available to residents of the area public services which encourage their entry into the workplace,

(vi) the commitment of land and buildings for economic development,

(vii) the providing of technical and management assistance, and

(viii) the creation of a loan fund for businesses within the area,

(B) guarantee the ability of any government with jurisdiction over the area to manage the zone, including, but not limited to, the ability to—

(i) certify residents eligible for tax or other assistance, and

(ii) carry out the local efforts and contributions described in subparagraph (A),

(C) describe—

(i) the degree of involvement in the zone by local economic development organizations,

(ii) past accomplishments and performance and existing development efforts of the area, and

(iii) private sector activities and potential,

(D) demonstrate that the area meets the requirements of subsection (c), and

(E) describe the planned use of existing Federal resources for economic development and how such use will enhance any tax or regulatory incentives provided by this Act.

(3) USE OF AND ASSISTANCE IN PREPARING PLANS.—The Secretary of Commerce shall—

(A) take any plan submitted under this subsection into consideration in determining whether to approve a designation as a rural enterprise zone,

(B) if an area is approved as a rural enterprise zone, require that the local effort described in paragraph (2) (A) be made, and

(C) make every effort to reduce the burdens on any person seeking to submit a plan, including giving technical assistance to such person.

##### SEC. 102. NUMBER OF ZONES.

(a) IN GENERAL.—The Secretary of Commerce—

(1) may approve requests for designations of areas as rural enterprise zones under section 101 only during the 3-calendar year period beginning with the first calendar year beginning after the date of the enactment of this Act, and

(2) may not approve more than 15 requests for designations of areas as rural enterprise zones during any calendar year.

(b) PREFERENCES IN APPROVING ZONES.—In approving areas as rural enterprise zones, the Secretary of Commerce shall give preference to requests which—

(1) demonstrate broad community support,

(2) demonstrate the ability to make available nonresidential property which is appropriately zoned for commercial use,

(3) demonstrate that the governments with jurisdiction over the area will make the local commitments described in section 101 (c), and

(4) minimize Federal expenditures.

##### SEC. 103. MANAGEMENT OF RURAL ENTERPRISE ZONE.

(a) IN GENERAL.—Subject to the authority of the Secretary of Commerce to revoke his approval of the designation of an area as a rural enterprise zone, the Secretary of Commerce shall contract with the person submitting the request for approval for the management of such area and such person shall be responsible for such management and compliance with the provisions of this title.

(b) THIRD PARTY MANAGEMENT.—A person described in subsection (a) may contract with another person to carry out its responsibilities under this section.

##### SEC. 104. SENSE OF CONGRESS WITH RESPECT TO DESIGNATIONS OF FOREIGN TRADE ZONES.

It is the sense of the Congress that in the case of any request for designation of an area in a rural enterprise zone as a foreign trade zone—

(1) the Foreign Trade Zone Board should expedite the application process as much as possible;

(2) in evaluating such application, the Board should take into account not only current economic development in the rural enterprise zone but also future development to be expected from the incentives offered by this Act; and

(3) the Board should provide technical assistance to the applicants.

#### TITLE II—TAX INCENTIVES

##### Subtitle A—Capital Gains Tax Rates

##### SEC. 201. CORPORATIONS.

(a) GENERAL RULE.—Subsection (a) of section 1201 (relating to alternative tax for corporations) is amended by striking out paragraph (2) and inserting in lieu thereof the following:

"(2) a tax of 10 percent of the lesser of—

"(A) the net capital gain, or

"(B) the net capital gain determined by only taking into account sales or exchanges of qualified property, plus

"(3) a tax of 28 percent of the excess (if any) of—

"(A) the net capital gain for the taxable year, over

"(B) the amount of net capital gain taken into account under paragraph (2)."

(b) DEFINITION OF QUALIFIED PROPERTY.—Section 1201 (relating to alternative tax for corporations) is amended by redesignating subsection (d) as subsection (e) and by inserting after subsection (c) the following new subsection:

"(d) DEFINITION OF QUALIFIED PROPERTY.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified property' means—

"(A) any tangible personal property which was used predominantly by the taxpayer in a rural enterprise zone in the active conduct of a trade or business;

"(B) any real property (other than land) located in such a zone which was used predominantly by the taxpayer in the active conduct of a trade or business; and

"(C) any interest in a corporation, partnership, or other entity if, for the most recent taxable year of such entity ending before the date of the sale or exchange, such entity was a qualified business.

"(2) QUALIFIED BUSINESS.—

"(A) IN GENERAL.—The term 'qualified business' means any person—

"(i) which is actively engaged in the conduct of a trade or business during such taxable year,

"(ii) which is not—

"(I) a member of a controlled group of corporations (within the meaning of section 1563(a)(1)), except that 'more than 50 percent' shall be substituted for 'at least 80 percent' in section 1563(a)(1), and

"(II) is not a member of a group of trade or businesses which are under common control (as determined under regulations prescribed by the Secretary based on principles similar to principles which apply in the case of subclause (I)),

"(iii) which—

"(I) was incorporated or began the active conduct of such trade or business not more than 5 years preceding the last day of the taxable year, or

"(II) is a small business (as determined by the Administrator of the Small Business Administration),

"(iv) with respect to which at least 50 percent of such person's gross receipts for the taxable year are attributable to the active conduct of a trade or business within a rural enterprise zone, and

"(v) derives, during any taxable year, less than 50 percent of its aggregate gross receipts from sources other than royalties, rents, dividends, interests, annuities, and sales or exchanges of stocks and securities (as determined under rules similar to the rules provided in section 1244 (c)(1)(C) and (c)(2)(A) or (B)).

"(B) EXISTING BUSINESS.—Any person which—

"(i) was actively engaged in the conduct of a trade or business in an area immediately before such area is designated as a rural enterprise zone, and

"(ii) otherwise meets the requirements of this paragraph,

shall not be treated as a qualified business unless the average number of employees (determined on a full-time basis) during the taxable year is at least 10 percent greater than the average number of such employees during the taxable year preceding the designation of such area as a rural enterprise zone.

(3) PROPERTY REMAINS QUALIFIED AFTER ZONE DESIGNATION CEASES TO APPLY.—

"(A) IN GENERAL.—The treatment of property as qualified property under paragraph (1) shall not terminate when the designation of the area in which the property is located as a rural enterprise zone ceases to apply.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply after the first sale or exchange of property occurring after the designation ceases to apply to the zone."

#### SEC. 202. TAXPAYERS OTHER THAN CORPORATIONS.

Subsection (a) of section 1202 (relating to deduction for capital gains) is amended to read as follows:

"(a) DEDUCTION ALLOWED.—

"(1) IN GENERAL.—If for any taxable year a taxpayer other than a corporation has a net capital gain, there shall be allowed as a deduction from gross income an amount equal to the sum of—

"(A) 80 percent of the lesser of—

"(i) the net capital gain, or

"(ii) the net capital gain determined by only taking into account sales or exchanges of qualified property (as defined in section 1201 (d)), plus

"(B) 60 percent of the excess (if any) of—

"(i) the net capital gain, over

"(ii) the amount of the net capital gain taken into account under subparagraph (A).

"(2) PROPERTY REMAINS QUALIFIED AFTER ZONE DESIGNATION CEASES TO APPLY.—

"(A) IN GENERAL.—The treatment of property as qualified property under paragraph (1) shall not terminate when the designation of the area in which the property is located or used as a rural enterprise zone ceases to apply.

"(B) EXCEPTIONS.—Subparagraph (A) shall not apply after the first sale or exchange of property occurring after the designation to the zone."

#### SEC. 203. MINIMUM TAX

(a) CAPITAL GAINS.—Paragraph (9) of section 57(a) (relating to tax preference for capital gains) is amended by adding at the end thereof the following new subparagraph:

"(E) Sales of certain property not taken into account.—For purposes of this paragraph, sales or exchanges of qualified property (as defined in section 1201(d)) shall not be taken into account."

(b) ACCELERATED DEPRECIATION.—Paragraph (2) of section 57(a) (relating to accelerated depreciation on real property) is amended by adding at the end thereof the following: "The preceding sentence shall not apply to any section 1250 property which is qualified property (within the meaning of section 1201(d))."

(c) RECOVERY PROPERTY.—Paragraph (12) of section 57(a) (relating to accelerated cost recovery deduction) is amended by adding at the end thereof the following new subparagraph:

"(E) QUALIFIED PROPERTY.—This paragraph shall not apply to any recovery property which is qualified property (within the meaning of section 1201(d))."

#### SEC. 204. NONRECOGNITION OF GAIN ON ANY PROPERTY SOLD WHERE QUALIFIED PROPERTY ACQUIRED.

(a) IN GENERAL.—Part III of subchapter O of chapter 1 (relating to nontaxable exchanges) is amended by adding at the end thereof the following new section:

##### "SEC. 1041. SALES OF PROPERTY WHERE QUALIFIED PROPERTY ACQUIRED.

"(a) NONRECOGNITION OF GAIN.—

"(1) IN GENERAL.—If any capital asset is sold by the taxpayer and, within the 1-year period beginning on the date of such sale, any qualified property is purchased by the taxpayer, gain (if any) from such sale shall, at the election of the taxpayer, be recognized only to the extent that the amount realized on such sale exceeds the cost to the taxpayer of such property.

"(2) ELECTION.—The election under paragraph (1) shall be made by filing, not later than the last day prescribed by law (including extensions thereof) for filing the return

of tax imposed by this chapter for the taxable year in which the sale occurs, with the Secretary a statement (in such manner as the Secretary may by regulations prescribe) of such election.

"(b) SPECIAL RULES FOR EXCHANGE.—For purposes of this section, an exchange by the taxpayer of any capital asset for other property shall be treated as a sale of such asset, and the acquisition of any qualified property on the exchange of property shall be treated as a purchase of such qualified property.

"(c) REDUCTION OF BASIS.—Where the purchase of any qualified property results under subsection (a) in the nonrecognition of gain on the sale of any asset, the basis of such asset shall be reduced by an amount equal to the amount of gain not so recognized on the sale of such asset. Where the purchase of more than one qualified property is taken into account in the nonrecognition under subsection (a) of gain on the sale of an asset, the preceding sentence shall be applied to each qualified property in the order in which each such qualified property is purchased.

"(d) STATUTE OF LIMITATIONS.—If the taxpayer during any taxable year sells any property at a gain, then—

"(1) the statutory period for the assessment of any deficiency attributable to any part of such gain shall not expire before the expiration of the 3-year period beginning on the date the Secretary is notified by the taxpayer (in such manner as the Secretary may by regulations prescribe) of—

"(A) the taxpayer's cost of purchasing any qualified property which the taxpayer claims results in nonrecognition of any part of such gain,

"(B) the taxpayer's intention not to purchase any qualified property within the 1-year period described in subsection (a), or

"(C) the failure by the taxpayer to purchase any qualified property within such period; and

"(2) such deficiency may be assessed before the expiration of such 3-year period notwithstanding the provisions of any other law or rule of law which would otherwise prevent such assessment.

"(e) QUALIFIED PROPERTY DEFINED.—For purposes of this section, the term 'qualified property' has the meaning given such term by section 1201(d)."

(b) TECHNICAL AMENDMENT.—Subsection (a) of section 1016 (relating to adjustments to basis) is amended by striking out "and" at the end of paragraph (23), by striking out the period at the end of paragraph (24) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(25) in the case of any qualified property (within the meaning of section 1201(d)) the acquisition of which resulted under section 1041 in the nonrecognition of gain on the sale or exchange of property, to the extent provided by section 1041(c)."

(c) CONFORMING AMENDMENT.—The table of sections for part III of subchapter O of chapter 1 is amended adding at the end thereof the following new item:

"Sec. 1041. Sales of property where qualified property acquired."

#### SEC. 205. EFFECTIVE DATE.

The amendments made by this subtitle shall apply to sales or exchanges after December 31, 1982, in taxable years ending after such date.

#### Subtitle B—Deduction for Investment in Certain Businesses

##### SEC. 211. DEDUCTION ALLOWED.

(a) IN GENERAL.—Part VI of subchapter B of chapter 1 (relating to itemized deductions for individuals and corporations) is amended by adding at the end thereof the following new section:



**"SEC. 196. QUALIFIED INVESTMENT IN NEW AND SMALL BUSINESSES.**

"(a) IN GENERAL.—There shall be allowed as a deduction for the taxable year an amount equal to the qualified investment of the taxpayer during the taxable year.

"(b) QUALIFIED INVESTMENT.—The term 'qualified investment' means the amount equal to the sum of—

"(1) the amount paid or incurred to purchase the stock or other equity interest of a qualified business, and

"(2) 50 percent of the principal amount of unsecured debt acquired by the taxpayer which has a maturity of 10 or more years and which was issued by a qualified business.

"(c) QUALIFIED BUSINESS.—The term 'qualified business' has the meaning given such term by section 1201(d)(2)."

(b) CONFORMING AMENDMENT.—The table of sections for part VI of subchapter B of chapter 1 is amended by adding at the end thereof the following new item:

"Sec. 196. Qualified investment in new and small businesses."

**SEC. 212. EFFECTIVE DATE.**

The amendments made by this section shall apply to taxable years beginning after December 31, 1982.

**Subtitle C—Targeted Jobs Credit Increased in Rural Enterprise Zones****SEC. 221. INCREASE IN TARGETED JOBS CREDIT.**

(a) IN GENERAL.—Section 51 (relating to amount of credit for employment of certain new employees) is amended by adding at the end thereof the following new subsection:

"(j) SPECIAL RULES FOR RURAL ENTERPRISE ZONES.—

"(1) INCREASE IN AMOUNT OF CREDIT.—

"(A) IN GENERAL.—In any case in which—

"(i) the taxpayer is a qualified business (within the meaning of section 1202(d)(2)), and

"(ii) the employee is a member of a targeted group who—

"(I) is a qualified employee, or

"(II) is a resident of a rural enterprise zone,

then subsections (a) and (b)(4) shall not apply with respect to such employee and the amount of the credit allowable by section 44B with respect to the qualified wages of such employee shall be determined under subparagraph (B).

"(B) AMOUNT OF CREDIT.—For purposes of subparagraph (A), the amount of the credit allowable shall be equal to—

"(i) the sum of—

"(I) the qualified first-year wages of the employee to the extent such wages do not exceed \$5,000, plus

"(II) 20 percent of the amount determined under subclause (I), plus

"(ii) the sum of—

"(I) the qualified second-year wages of the employee to the extent such wages do not exceed \$3,000, plus

"(II) 10 percent of the amount determined under subclause (I).

"(2) RECAPTURE IF EMPLOYEE WORKS LESS THAN 1 YEAR.—If an employee is separated from employment with a taxpayer before the close of the 1-year period referred to in subsection (b)(2), the tax imposed by this chapter on the taxpayer for the taxable year in which such separation occurs shall be increased by an amount equal to 75 percent of the excess of—

"(A) the amount of the credit allowed for such taxable year and preceding taxable years with respect to such employee, over

"(B) the amount of such credit which would have been allowed without regard to this subsection.

"(3) QUALIFIED EMPLOYEE.—The term 'qualified employee' means an individual with respect to whom at least 50 percent of

the services performed by the individual for the taxpayer during the taxable year are performed in a rural enterprise zone."

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to wages paid or incurred after December 31, 1982.

**Subtitle D—Credit for Certain Contributions**  
**SEC. 231. CREDIT FOR CONTRIBUTIONS IN RURAL ENTERPRISE ZONE**

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits allowable) is amended by inserting before section 45 the following new section:

**"SEC. 44H. CONTRIBUTIONS TO RURAL ENTERPRISE ZONES.**

"(a) IN GENERAL.—At the election of the taxpayer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 5 percent of the taxpayer's qualified rural enterprise zone contributions for the taxable year.

"(b) QUALIFIED RURAL ENTERPRISE ZONE CONTRIBUTIONS DEFINED.—For purposes of this section—

"(1) IN GENERAL.—The term 'qualified rural enterprise zone contribution' means an amount equal to the sum of—

"(A) any amount paid to a qualified rural neighborhood organization but only to the extent such organization certifies to the taxpayer that such amount will be used to provide qualified rural services within a rural enterprise zone (or to pay reasonable administrative expenses in connection therewith), plus

"(B) the sum of—

"(i) the amounts paid for qualified public services provided in a rural enterprise zone, and

"(ii) the fair market value of qualified public services provided by the taxpayer in a rural enterprise zone.

"(2) QUALIFIED PUBLIC SERVICES.—The term 'qualified public services' means any of the following services provided to individuals or groups in a rural enterprise zone:

"(A) Any type of counseling and advice, emergency assistance, or medical care.

"(B) Assistance in the reduction of crime.

"(C) Scholastic instruction or scholarship assistance which enables an individual to prepare for better life opportunities.

"(D) Instruction which enables an individual to acquire vocational skills so that such individual may become employable or able to seek a higher grade of employment.

"(E) Furnishing financial assistance, labor, material, and technical advice to aid in the physical improvement of any part or all of the rural enterprise zone.

"(3) QUALIFIED RURAL NEIGHBORHOOD ORGANIZATION.—The term 'qualified rural neighborhood organization' means—

"(A) an organization which is described in section 501(c)(3) and which is exempt from taxation under section 501(a), or

"(B) an organization which has been designated as a community development corporation under title VII of the Economic Opportunity Act of 1964 (as in effect on September 30, 1980).

"(c) DENIAL OF DOUBLE BENEFITS.—No credit shall be allowed under this section with respect to any amount for which a deduction or credit is otherwise allowed under this title."

(b) CONFORMING AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 is amended by inserting before the item relating to section 45 the following new item:

**"Sec. 44H. Contributions to Rural Enterprise Zones."****SEC. 232. EFFECTIVE DATE.**

The amendments made by this subtitle shall apply to taxable years beginning after December 31, 1982.

**Subtitle E—Miscellaneous****SEC. 241. OPTIONAL CASH METHOD OF ACCOUNTING FOR CERTAIN SMALL BUSINESSES.**

Section 446 (relating to general rule for methods of accounting) is amended by adding at the end thereof the following new subsection:

"(f) OPTIONAL CASH METHOD.—

"(1) IN GENERAL.—Any taxpayer which is a qualified business (as defined in section 1201(d)(2)) for any taxable year beginning after December 31, 1982, may elect to compute taxable income—

"(A) under the cash receipts and disbursements method of accounting, and

"(B) without any requirement to use inventories under section 471.

"(2) GROSS RECEIPTS LIMITATION.—Paragraph (1) shall not apply for any taxable year with respect to any taxpayer if for any prior taxable year the gross receipts of such taxpayer exceeded \$1,500,000.

"(3) ELECTION.—An election under paragraph (1) may be made by any taxpayer without the consent of the Secretary for the taxpayer's first taxable year for which the taxpayer is a qualified business."

**SEC. 242. BAD DEBT RESERVES.**

(a) IN GENERAL.—Section 166 (relating to bad debts) is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

"(g) MINIMUM RESERVE FOR RURAL ENTERPRISE ZONE FINANCING.—At the election of the taxpayer, if the taxpayer—

"(1) provides goods or services to a qualified business (within the meaning of section 1201(d)(2)), and

"(2) provides trade credits in connection with such goods or services,

then, for purposes of subsection (c), the reasonable addition to a reserve for bad debts in connection with such credits shall be equal to 8 percent of the amount of such credits."

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1981.

**SEC. 243. DEFINITION OF RURAL ENTERPRISE ZONE.**

Section 7701(a) (relating to definitions) is amended by adding at the end thereof the following new paragraph:

"(38) RURAL ENTERPRISE ZONE.—The term 'rural enterprise zone' means an area designated as a rural enterprise zone under title I of the Rural Enterprise Zone Act of 1981."

**TITLE III—REGULATORY FLEXIBILITY****SEC. 301. DEFINITION OF SMALL ENTITY FOR PURPOSES OF ANALYSIS OF REGULATORY FUNCTIONS.**

Paragraph (6) of section 601 of title 5, United States Code, defining small entity, is amended to read as follows:

"(6) the term 'small entity' means—

"(A) a small business, small organization, or small governmental jurisdiction (within the meaning of paragraphs (3), (4), and (5), respectively), and

"(B) any qualified business (within the meaning of section 1201(d)(2) of the Internal Revenue Code of 1954), any government designating an area as a rural enterprise zone (within the meaning of title I of the Rural Enterprise Zone Act of 1981) to the extent any rule will affect such zone, and any not-for-profit enterprise operating within such zone." ●

By Mr. MATSUNAGA (for himself, Mr. DURENBERGER, Mr. MOYNIHAN, and Mr. ROTH):

S. 1830. A bill to amend the Internal Revenue Code of 1954 to exempt certain taxicabs from excise taxes on gasoline

and other motor fuels; to the Committee on Finance.

EXEMPTION OF CERTAIN TAXICABS FROM EXCISE TAX ON FUEL

Mr. MATSUNAGA. Mr. President, I am introducing a bill with Senator DURENBERGER, MOYNIHAN, and ROTH, as cosponsors, to correct an administrative problem posed by the Internal Revenue Code. In the Surface Transportation Assistance Act of 1978, the Congress added to the Code section 6427(e) which provides for a refund of the Federal excise tax on gasoline, diesel, and other fuels when used in certain fuel-efficient taxicabs.

As the pertinent House report states, taxicabs are the only available means of public transportation in many suburban areas and smaller towns; in other areas taxicabs frequently compete with other forms of public transportation which are fully or partially exempt from the Federal fuel taxes. Thus, to encourage public transportation and also to encourage the implementation of shared-ride systems and the purchase of fuel-efficient taxicabs, the House bill provided an exemption from the 4 cents per gallon excise tax on gasoline and other motor fuels used in taxicabs for qualified taxicab services.

To qualify for this exemption, the House bill required that the taxicabs must not be prohibited from ride-sharing under company policy or the rules of a Federal, State, or local authority. In addition, in the case of 1978 or later model taxicabs acquired after 1978, the fuel economy of the model type of vehicle must exceed the fleet average fuel economy standard under the Motor Vehicle Information and Cost Savings Act. The exemption in the original House bill would apply only to fuel used in furnishing passenger transportation for a fixed fare.

The final conference agreement deleted the House provision which would have allowed tax-free sales of fuel; instead, the conferees provided a refund or credit procedure for the tax paid on fuel used in providing qualified taxicab services. Thus, to obtain the refund, a taxicab owner must pay the excise tax and subsequently file for a credit or refund.

The conference agreement also limited the excise tax refund for 2 years; 1979 and 1980. The 2-year period was intended to permit the Congress to determine the effectiveness of the exemption in encouraging more energy-efficient taxicabs and in removing barriers to ride sharing. In an extension of various temporary tax provisions in 1980, the Congress extended the taxicab fuel tax exemption for 2 years. It was felt that an additional 2-year period would provide the necessary time for the Treasury Department to collect the pertinent data and for the Congress to evaluate the effectiveness of this exemption.

Under the provision, a purchaser who uses the fuel for qualified taxicab services must first pay the excise tax and subsequently file for a refund. If the refund of tax due is \$50 or more for the calendar quarter, the purchaser may file

for a refund at the end of the quarter. Any amounts not otherwise refunded may be claimed on the purchaser's income tax return for the year. The small taxicab operators have complained about the burden of this payment-refund procedure.

The bill which my cosponsors and I are introducing today seeks to replace this cumbersome procedure with the simple proposal first adopted by the House in its version of the Surface Transportation Assistance Act. Our bill would provide that the sale of fuel to taxicab owners would be tax-free, completely avoiding the process of having to pay the tax and then file for a refund. This would save the Federal Government the time and expense of processing and refunding the excise tax. It would also reduce the time-consuming, expensive requirement for taxicab owners to complete the necessary refund forms.

In addition, the bill would also extend the benefits of this provision to taxicabs in jurisdictions that prohibit ride sharing. In other words, as long as the company policy does not prohibit shared transportation, the taxicab fuel would be tax exempt.

The use of taxicabs in intracity travel serves to limit substantially the number of private automobiles required, easing congestion and also reducing our national gasoline consumption. The legislation we are introducing today serves to enhance these objectives by encouraging taxicab transportation. Mr. President, I urge speedy and favorable consideration of this bill.

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

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

S. 1830

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

SECTION 1. EXEMPTION OF TAXICABS FROM EXCISE TAXES ON GASOLINE AND OTHER MOTOR FUELS.

(a) EXEMPTION FROM TAX ON GASOLINE.—

(1) IN GENERAL.—Subsection (e) of section 4221 of the Internal Revenue Code of 1954 (relating to special rules for certain tax-free sales) is amended by adding at the end thereof the following new paragraph:

“(7) GASOLINE USED IN CERTAIN TAXICABS.—Under regulations prescribed by the Secretary, no tax shall be imposed by section 4081 on the sale of gasoline for use by the purchaser in a qualified taxicab while engaged exclusively in furnishing qualified taxicab services.”

(2) DEFINITIONS.—Subsection (d) of section 4221 of such Code (relating to definitions) is amended by adding at the end thereof the following new paragraphs:

“(A) QUALIFIED TAXICAB.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the term ‘qualified taxicab’ means any land vehicle with a passenger capacity of less than 10 adults, including the driver.

“(B) CERTAIN VEHICLES EXCLUDED.—The term ‘qualified taxicab’ does not include a vehicle if—

“(1) such vehicle was acquired by the person operating such vehicle after 1978.

“(2) the model year of such vehicle is 1978 or later, and

“(3) the fuel economy of the model type of such vehicle is less than or equal to the average fuel economy standard applicable under section 502 (a) of the Motor Vehicle Information and Cost Savings Act to the model year of such vehicle.

The preceding sentence shall not apply to any vehicle manufactured by a manufacturer to which an exemption under section 502 (c) of the Motor Vehicle Information and Cost Savings Act was granted (or on application could have been granted) for the model year of such vehicle. Terms used in this subparagraph shall have the same meaning as when used in title V of the Motor Vehicle Information and Cost Savings Act.

“(9) QUALIFIED TAXICAB SERVICES.—The term ‘qualified taxicab services’ means the furnishing of nonscheduled passenger land transportation for a fixed fare by a taxicab which is operated by a person who—

“(A) is licensed to engage in the trade or business of furnishing such transportation by a Federal, State, or local authority having jurisdiction over a substantial portion of such transportation furnished by such person, and

“(B) is not prohibited by company policy from furnishing (with the consent of passengers) shared transportation.”

(3) REGISTRATION.—

(A) IN GENERAL.—Section 4101 of such Code (relating to registration) is amended to read as follows:

“SEC. 4101. REGISTRATION.

(a) MANUFACTURERS, PRODUCERS, AND IMPORTERS.—Every person subject to tax under section 4081 or section 4091 shall, before incurring any liability for tax under such section, register with the Secretary.

(b) PURCHASERS.—If any gasoline is sold by any person for use as a fuel in a taxicab, it shall be presumed that a tax imposed by section 4081 applies to such sale unless the purchaser is registered in such manner (and furnishes such information in respect of the use of the gasoline) as the Secretary shall by regulation provide.”

(B) CONFORMING AMENDMENTS.—

(1) Section 7012 of such Code (relating to cross references) is amended by inserting “(a)” after “4101” each place it appears.

(2) Section 7232 of such Code (relating to failure to register) is amended by inserting “(a)” after “4101” each place it appears.

(b) EXEMPTION FROM TAX ON DIESEL AND SPECIAL MOTOR FUELS.—

(1) IN GENERAL.—Subsection (g) of section 4041 of such Code (relating to other exemptions from tax on diesel and special motor fuels) is amended by striking out “and” at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof “; and”, and by inserting after paragraph (4) the following new paragraph:

“(5) with respect to the sale of any liquid for use in a qualified taxicab (as defined in subparagraphs (A) and (B) of section 4221 (d)(8) while engaged exclusively in furnishing qualified taxicab services (as defined in section 4221 (d)(9)).”

(2) REGISTRATION.—Subsection (1) of section 4041 of such Code is amended by inserting “or a taxicab” after “aircraft”.

(c) CONFORMING AMENDMENT.—Subsection (e) of section 6427 of such Code is repealed.

SEC. 2. EFFECTIVE DATE.

The amendments made by this Act shall apply to taxable years beginning after December 31, 1981.

Mr. DURENBERGER. Mr. President, to call regulations the bane of small business would hardly be an overstatement. Every year, untold thousands of man-hours are wasted by small businesses attempting to comply with the blizzard of



Federal rules and regulations. Already substantial progress has been made by the new administration to lift some of the burden of regulation, but much is left to be done. In many cases, we in the Congress can make simple, cost less changes in the law that will save both the Government and small businesses thousands of needlessly wasted hours spent in complying with and enforcing regulations. Today we have such an opportunity.

Under current law, a refund of the Federal excise tax on gasoline, gas, and other fuels is provided when they are used in certain fuel-efficient taxicabs. But to obtain this refund, taxicab operators must first pay the excise tax and then file forms with the Government, which then must process the forms, produce a check, and send it to the operator. This is inefficient by any measure, but it is particularly burdensome for the owners of small taxicab operations, who do not have the resources to hire personnel to fill out Government forms.

The bill we are introducing today would simply change the law so that taxicab operators would be exempted from paying the excise tax at the time of purchase. There would be no forms for the operators to fill out, no paperwork for the Government to process, no refund check to be processed and cashed.

Mr. President, through this bill, we have a chance to make one more nick in the Federal regulatory burden. I hope my colleagues in Congress will give this simple time- and money-saving measure their quick approval.

By Mr. CHAFEE (for himself, Mr. MITCHELL, and Mr. HEFLIN):

S.J. Res. 121. Joint resolution to provide for the designation of the year 1982 as the "Bicentennial Year of the American Bald Eagle" and the designation of June 20, 1982, as "National Bald Eagle Day"; to the Committee on the Judiciary.

BICENTENNIAL YEAR OF THE AMERICAN BALD EAGLE AND NATIONAL BALD EAGLE DAY

Mr. CHAFEE. Mr. President, nearly 200 years ago, in 1782, the Continental Congress officially adopted the bald eagle as the symbol of our newly formed Nation. In commemoration of that action, I am introducing a joint resolution designating 1982 as the "Bicentennial Year of the American Bald Eagle," and June 20, 1982, as "National Bald Eagle Day."

Then, as now, the bald eagle symbolized the best qualities of our Nation—freedom, strength, and courage. At the time of its designation, the bald eagle was plentiful throughout North America. However, as the country expanded westward, converting eagle habitat to other uses, the eagle population experienced a marked decline.

During the past two centuries loss of habitat, environmental pollutants, and other adverse activities brought the eagle population dangerously near collapse throughout the lower 48 States. More recently, the tenacious efforts of a wide variety of agencies, organizations, industries, and individuals are beginning to reverse the eagles' downward trend.

But, the fight to secure a healthy eagle population is far from over.

The joint resolution I am introducing today will stand as a tribute not only to the majesty of the bald eagle and the Nation it represents, but also to the many people across the country who have worked so hard for its recovery. It should stand, too, as a reminder that by working together we can preserve and maintain the eagle and the environment upon which it and other wildlife depend.

Mr. MITCHELL. Mr. President, today, I join my colleague from Rhode Island in introducing a Senate joint resolution which will designate 1982 as the "Bicentennial Year of the American Bald Eagle" and June 20, 1982, as "National Bald Eagle Day."

Since the beginning of recorded history, the eagle has served as a symbol of courage, freedom, and majesty. Realizing that these attributes characterized our Nation, the Continental Congress adopted the bald eagle as the central figure for the "Great Seal" of the United States of America on June 20, 1782.

At the time when the bald eagle became our national symbol, it nested throughout the country and was a common sight. Today, the bald eagle is threatened or endangered in the lower 48 States and few Americans have had the pleasure of viewing our majestic national symbol in the wild.

The celebration of the "Year of the Bald Eagle" throughout 1982 will highlight efforts being made to save the bald eagle from extinction. It will also heighten the awareness of our shared responsibility, as Americans, to protect our Nation's rich wildlife heritage.

By Mr. BAKER (for Mr. HATCH) (for himself, Mr. PRYOR, Mr. BAUCUS, Mr. CHILES, Mr. D'AMATO, Mr. DOMENICI, Mr. DURENBERGER, Mr. HOLLINGS, Mr. LEVIN, Mr. MOYNIHAN, Mr. SPECTER, Mr. WILLIAMS, Mr. NUNN, Mr. EAST, Mr. WEICKER, Mr. SYMMS, Mr. GOLDWATER, Mr. HELMS, Mr. RANDOLPH, Mr. SARBANES, Mr. SIMPSON, and Mr. LAXALT):

S.J. Res. 122. Joint resolution to authorize and request the President to designate the week of February 28, 1982, through March 6, 1982, as "National Construction Industry Week"; to the Committee on the Judiciary.

NATIONAL CONSTRUCTION INDUSTRY WEEK

● Mr. HATCH. Mr. President, today I would like to join with my colleague from Arkansas (Mr. PRYOR) and others to introduce a joint resolution which would designate the week of February 28, 1982, through March 6, 1982, as "National Construction Industry Week." The construction industry is one of the largest sectors of the U.S. economy. One of every twenty persons in the Nation's work force is employed in the construction field. The construction industry has historically played a vital role in this Nation's housing, transportation, education, health, employment, and recreation needs. Surely, many things we daily take for granted

have in some way been influenced by the construction industry.

Because of the industry's size and sensitivity to financial conditions, the construction industry has always been the first major sector of the economy to respond to monetary policies. In these times of record high interest rates, declines in housing starts, and increased construction layoffs and bankruptcies, it is more important than ever that we join together in an effort to demonstrate we have not forgotten the construction industry nor the undeniable importance construction plays in our lives.●

#### ADDITIONAL COSPONSORS

S. 32

At the request of Mr. CHAFEE, the Senator from Pennsylvania (Mr. SPECTER) and the Senator from North Carolina (Mr. EAST) were added as cosponsors of S. 32, a bill to grant a Federal charter to the Italian American War Veterans of the United States of America.

S. 895

At the request of Mr. MATHIAS, the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 895, a bill to amend the Voting Rights Act of 1965 to extend certain provisions for an additional 10 years, to extend certain other provisions for an additional 7 years, and for other purposes.

S. 1773

At the request of Mr. DANFORTH, the Senator from Washington (Mr. GORTON) was added as a cosponsor of S. 1773, a bill to amend the National Traffic and Motor Vehicle Safety Act of 1966 to direct the Secretary of Transportation to require all car manufacturers to install automatic crash protection in new passenger cars on the same effective date.

S. 1808

At the request of Mr. PACKWOOD, the Senator from South Dakota (Mr. PRESSLER), was added as a cosponsor of S. 1808, a bill to authorize an Under Secretary of Commerce for Economic Affairs.

S. 1824

At the request of Mr. PACKWOOD, the Senator from Idaho (Mr. SYMMS) was added as a cosponsor of S. 1824, a bill to amend the Internal Revenue Code of 1954 to increase the amount of reforestation expenditures which may be amortized in any taxable year, and for other purposes.

SENATE JOINT RESOLUTION 83

At the request of Mr. CHAFEE, the Senator from Maryland (Mr. MATHIAS) was added as a cosponsor of Senate Joint Resolution 83, a joint resolution to authorize and request the President to call a White House Conference on Education not later than January 15, 1982, and for other purposes.

SENATE RESOLUTION 232

At the request of Mr. CHAFEE, the Senator from Alaska (Mr. MURKOWSKI) was added as a cosponsor of Senate Resolution 232, a resolution expressing the sense of the Senate with respect to the need to continue the tax incentives for energy conservation and renewable energy sources.

**SENATE CONCURRENT RESOLUTION  
44—CONCURRENT RESOLUTION  
RELATING TO UNITED STATES  
POLICIES ON NUCLEAR WAR**

Mr. BAKER (for Mr. HATFIELD) submitted the following concurrent resolution; which was referred to the Committee on Armed Services:

S. CON. RES. 44

*Resolved by the Senate (the House of Representatives concurring), That the Congress hereby expresses its conviction that the United States Government should not base its policies or weapons programs on the belief that the United States can limit, survive, or win a nuclear war.*

SEC. 2. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the President.

**SENATE CONCURRENT RESOLUTION  
45—CONCURRENT RESOLUTION  
RELATING TO THE RIGHTS OF  
THE PEOPLE OF AFGHANISTAN**

Mr. GRASSLEY submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 45

Whereas the United States, as the leader of the free world, supports the rights of all peoples to self-determination;

Whereas all the countries of the free world provide practical cooperation where positive United States policy efforts are made;

Whereas the Soviet military invasion of Afghanistan deprives the Afghan people of their right of self-determination and their right to a government consistent with their traditions;

Whereas the Soviet Union is engaging in the systematic destruction of the lives and property of, and is attacking the traditional values of, the people of Afghanistan;

Whereas the Soviet Union is engaging in a systematic policy of economic exploitation in Afghanistan;

Whereas the citizens of the United States and of the rest of the free world must not be allowed to forget the plight of the Afghan people; and

Whereas the vallant Afghan resistance against Soviet aggression has not received the level of moral support and material assistance from the free world which such resistance deserves and requires: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring), That the Congress expresses its deep concern with the denial of the rights of the Afghan people by Soviet forces and recognizes the traditional commitment of the United States Government to the right of all peoples to independence and autonomy and the applicability of this commitment to the current situation in Afghanistan.*

**RIGHTS OF THE PEOPLE OF AFGHANISTAN**

● Mr. GRASSLEY. Mr. President, this December 27 marks the second anniversary of the Soviet Union's invasion of Afghanistan. On November 16, the United Nations General Assembly will meet to consider the Soviet occupation.

For 2 years, the gallant people of Afghanistan have been fighting the Soviet occupation forces and the almost nonexistent army of the current Afghan regime, which was installed and is supported exclusively by the Soviet Union. Against all odds, with precious little outside support, the freedom fighters have

not only held the Soviet expeditionary force at bay, they have actually managed to regain control of almost the entire country. Today, Soviet troops control only about 10 percent of Afghanistan.

We Americans are concerned with basic human rights, and rightly so. I find, however, that we have of late been curiously silent on the plight of the people of Afghanistan. The Soviet invasion and occupation of that nation is perhaps the most blatant example of denial of the right of self determination in the world today, yet I do not sense sustained outrage in this Nation over the Soviet Union's cynical occupation of its weaker neighbor.

As the end of the second year of the occupation of Afghanistan draws near, and as the United Nations begins to consider the ramifications of the occupation I believe that the time has come for us to reaffirm our commitment to the people of Afghanistan. For that reason, I am submitting today a concurrent resolution that will express our concern at the situation in Afghanistan and recognize that that commitment applies to the current situation there.

Mr. President, this concurrent resolution does not call for or contemplate any specific action. The purpose of this concurrent resolution is simply to proclaim that the Congress of the United States, representing the people of the United States, has not forgotten the people of Afghanistan. I hope that, as we develop our policies toward the Soviet Union and the nations of Southwest Asia, we will bear that commitment in mind.●

**SENATE CONCURRENT RESOLUTION  
46—CONCURRENT RESOLUTION  
RELATING TO MUTUAL SECURITY  
EFFORTS OF THE UNITED STATES  
AND JAPAN**

Mr. LEVIN submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 46

Whereas current international developments indicate the need for greater efforts on the part of the United States and its allies in defending democratic values and ideals;

Whereas the joint communique recently signed by Japan's Prime Minister Suzuki and President Reagan recognizes that the alliance between the United States and Japan is built upon shared values of democracy and liberty;

Whereas the United States-Japan Treaty of Mutual Cooperation and Security states that the parties will maintain and develop their capacities to resist armed attack;

Whereas, in the joint communique signed by Prime Minister Suzuki and President Reagan, the Prime Minister stated that Japan will seek to make even greater efforts for improving its defense capabilities; and

Whereas Japan has demonstrable economic strength and yet contributes less of its national resources for defense expenditures than any country of comparable economic base: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that both the United States and Japan should exert maximum efforts to resist Soviet challenges to security and democracy in Asia.*

SEC. 2. It is further the sense of the Congress that Japan should make a greater contribution to its own defense so that a full partnership and closer cooperation in sharing the burden of common defense can be achieved, thereby enhancing the combined effectiveness of Japanese and United States defense forces in preserving peace and security in Asia.

SEC. 3. It is further the sense of the Congress that, as a tangible sign of commitment to these aims, the Government of Japan should increase its defense expenditures to the level of at least 1 per centum of that country's gross national product.

**INCREASED DEFENSE SPENDING BY JAPAN**

Mr. LEVIN. Mr. President, in the near future, the Congress is expected to consider and act on the fiscal 1982 Defense Appropriations Act to provide the hundreds of billions of dollars needed to support our Armed Forces.

As we consider this act, and any amendments proposed to it, I think it would be useful for us to keep uppermost in mind the contributions—economic and military—which our annual defense budget makes to the national security of our allies in NATO Europe and to Japan, one of our major allies in the Far East.

We also should recognize the contributions to our national security made by some of these allies, whose armed forces are a valuable complement to our own capabilities to deter and defeat Soviet aggression.

Unfortunately, as my colleagues are well aware, the record is quite mixed when it comes to which of our European and Asian allies are contributing adequately and sufficiently to our mutual defense efforts.

As a member of the Armed Services Committee, I have made an effort to focus public and congressional attention on the issue of "burden-sharing" and to encourage our allies to increase their efforts in this area—especially those allies whose economic capabilities far exceed their defense contributions.

For example, I was able to gain adoption of an amendment to both the fiscal 1981 and fiscal 1982 Defense Authorization Acts which requires the executive branch to assess the annual contributions to our mutual defense by our NATO Allies and Japan, and to point out those nations failing to meet these commitments.

This amendment required DOD to produce a "Report on Allied Defense Spending Commitments," and this report clearly demonstrated that one of our strongest allies in economic terms—Japan—also is making far less of a contribution to our common national security needs than is appropriate and reasonable to expect of it. Despite their strong economy—one of the strongest in the world—the Japanese have shirked some of their defense responsibilities to themselves and to the United States.

In this regard, I would add that Japan has at least twice during the past year reneged on its clearly implied commitments to increase adequately annual defense spending.

I have long felt that Congress and the executive branch should step up their



efforts to convince the Japanese to increase their defense endeavors. Not to do so would demonstrate great insensitivity to the American taxpayers, who have been asked to make significant sacrifices in domestic programs to support expanded defense spending.

The Reagan administration apparently has decided, however, that it will attempt to send this message to the Japanese through "quiet diplomacy." I disagree with this decision, and would hope the President's overly sensitive advisers in the State Department will change their minds.

Whether they do, I think it is incumbent upon the Congress, as the elected representatives of the American taxpayers, to continue to express its concerns that the Japanese increase their defense efforts. Such congressional expressions will reinforce whatever diplomatic statement the executive branch is making to Japan.

For this reason, I am introducing today a concurrent resolution calling on the Japanese to increase their national security contributions so as to fulfill their commitments agreed to in the United States-Japan Treaty of Mutual Cooperation and Security.

This concurrent resolution, which already was submitted in the House of Representatives by the distinguished chairman of that body's Foreign Affairs Committee, recognizes that leaders of Japan and the United States only recently again acknowledged the need for the Japanese to increase their defense contributions.

It states that Congress believes that, as a tangible beginning sign of commitment to endeavors to preserve the peace and security of Asia, Japan should increase its defense spending annually to the level of "at least" 1 percent of its gross national product.

Such an increase, Mr. President, would represent an additional \$1 billion the Japanese would spend on defense, and it is a modest amount for that nation to maintain and improve the armed forces needed to meet its mutual defense obligations.

Without such an increase, for instance, Japan will be hard pressed to achieve the improvements to its air defense and antisubmarine warfare capabilities which it has already promised to undertake.

I urge my colleagues to cosponsor this concurrent resolution as a meaningful statement of continued congressional concern and interest that the Japanese begin assuming a more "fair share" of our common defense burden in the Pacific Ocean region.

#### AMENDMENTS SUBMITTED FOR PRINTING

#### AUTHORIZATION OF APPROPRIATIONS FOR THE EXPORT ADMINISTRATION

AMENDMENT NO. 624

(Ordered to be printed.)

Mr. PERCY (for himself, Mr. DIXON, Mr. PRESSLER, Mr. GORTON, Mr. ROTH, Mr.

BAUCUS, and Mr. JEPSEN) proposed an amendment to the bill (S. 1112) to authorize appropriations for the fiscal years 1982 and 1983 to carry out the purposes of the Export Administration Act of 1979, and for other purposes.

AMENDMENT NO. 625

(Ordered to be printed.)

Mr. CHILES (for himself, Mr. SASSER, Mr. MELCHER, Mr. RIEGLE, Mr. ROBERT C. BYRD, Mr. BAUCUS, Mr. BIDEN, Mr. BOREN, Mr. BURDICK, Mr. CANNON, Mr. DECONCINI, Mr. DODD, Mr. EAGLETON, Mr. EXON, Mr. FORD, Mr. GLENN, Mr. HEFLIN, Mr. HUDDLESTON, Mr. INOUE, Mr. JACKSON, Mr. JOHNSTON, Mr. KENNEDY, Mr. LEAHY, Mr. LEVIN, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. MITCHELL, Mr. NUNN, Mr. PELL, Mr. PRYOR, Mr. RANDOLPH, Mr. SARBANES, Mr. WILLIAMS, Mr. ZORINSKY, and Mr. CRANSTON) proposed an amendment to the bill S. 1112, supra.

AMENDMENT NO. 626

(Ordered to be printed.)

Mr. HEINZ (for himself, Mr. PROXMIRE, and Mr. WEICKER) proposed an amendment to the amendment (No. 625) proposed by Mr. CHILES (for himself and others) to the bill S. 1112, supra.

AMENDMENT NO. 627

(Ordered to be printed.)

Mr. CHILES (for himself, Mr. SASSER, Mr. MELCHER, Mr. RIEGLE, Mr. ROBERT C. BYRD, Mr. BAUCUS, Mr. BIDEN, Mr. BOREN, Mr. BURDICK, Mr. CANNON, Mr. DECONCINI, Mr. DODD, Mr. EAGLETON, Mr. EXON, Mr. FORD, Mr. GLENN, Mr. HEFLIN, Mr. HUDDLESTON, Mr. INOUE, Mr. JACKSON, Mr. JOHNSTON, Mr. KENNEDY, Mr. LEAHY, Mr. LEVIN, Mr. MATSUNAGA, Mr. METZENBAUM, Mr. MITCHELL, Mr. NUNN, Mr. PELL, Mr. PRYOR, Mr. RANDOLPH, Mr. SARBANES, Mr. WILLIAMS, Mr. ZORINSKY, and Mr. CRANSTON) proposed an amendment to the amendment (No. 625) proposed by Mr. CHILES (for himself and others) to the bill S. 1112, supra.

#### NOTICES OF HEARINGS

##### SUBCOMMITTEE ON FEDERAL EXPENDITURES, RESEARCH, AND RULES

Mr. DANFORTH. Mr. President, on Tuesday, December 1, 1981, the Subcommittee on Federal Expenditures, Research, and Rules will hold a hearing to consider the draft proposal for a uniform procurement system submitted to the Congress on October 29 by the Office of Federal Procurement Policy, pursuant to Public Law 96-83. Interested persons should contact Pat Otto, chief clerk of the subcommittee, or Christopher Brewster, Chief Counsel, at (202) 224-0211.

It is the intention of the subcommittee to receive testimony at this hearing from administration witnesses only.

However, the subcommittee welcomes the submission of written testimony by any interested party. Written submissions should be addressed to the Subcommittee on Federal Expenditures, Research, and Rules, 128 C Street NE., room 44, Washington, D.C. 20510. The hearing will begin at 10 a.m. and will be held in room 3302 of the Dirksen Senate Office Building.

#### 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 meet during the session of the Senate on Tuesday, November 10, to hold an oversight hearing on America's role in the world coal export market.

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

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Tuesday, November 10, to hold a business meeting on Senate Joint Resolution 115, the President's recommendation on the Alaskan natural gas pipeline waiver package.

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

##### SELECT COMMITTEE ON INTELLIGENCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to hold a closed hearing on Tuesday, November 10, at 10:30 a.m., to discuss S. 1273, the Intelligence Reform Act.

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

#### ADDITIONAL STATEMENTS

##### UNITED STATES-CANADIAN RELATIONS

● Mr. EAST. Mr. President, for the past several months I have become increasingly concerned over the state of United States-Canadian relations. Our ties to our northern neighbor, both political and economic, are longstanding and of mutual benefit. Not only do we share the world's longest unfortified border, we also constitute the world's largest bilateral trading partnership.

Lately, however, these ties have been strained by the peculiar brand of economic nationalism that has been embraced by Ottawa. Let me hasten to point out that I am not saying that Canada bears sole blame for any impairment of relations between our two countries. It is only natural for Canadians to feel apprehensive about the high degree of American investment and ownership in their economy. Many Americans have expressed similar alarm over foreign investments here—particularly those financed with Arab oil money. Yet the degree of foreign ownership in our economy is less than in Canada.

The problem lies in the arbitrary and rather shortsighted way in which the Canadian Government has sought to change the situation. Its policies have not only antagonized Americans and other foreign investors, they have actually hurt the economic interests of the Canadian people as well.

Accordingly, I think it is time that men of good will and commonsense on both sides of the border made their voices heard—before genuine bitterness sets in and pressure is put on Congress to adopt tit-for-tat economic restrictions. I rec-

commend to my colleagues an excellent speech by Rowland C. Frazee, chairman and chief executive officer of the Royal Bank of Canada. Both Americans and Canadians can profit from Frazee's perceptive and evenhanded analysis of the problem. I ask that the text of his speech be reprinted in the RECORD.

The speech follows:

FOREIGN OWNERSHIP IN CANADA: THE NEED FOR A BALANCED VIEW  
(By Rowland C. Frazee)

Not long ago the Mexican Ambassador to this country described Canada as a solution in search of problems.

There is no question that we are very fortunate, and in the eyes of many nations our concerns seem artificial or invented. Nevertheless, we do have our share of real problems.

The catalogue of pressing economic concerns, from high inflation to low productivity, is familiar to all of us. Tensions between regions and levels of government, over the constitution, over natural resource policy, over shared cost financing of joint social programs are well documented.

However, the subject of my remarks today is not a major national problem. It isn't at the top of the public's list of Canadian priorities. It isn't even, at this point, number one on the government agenda. Given all that, you might wonder why I chose to talk about foreign ownership policy—chose it, in fact, several months ago—long before the recent stories about international reaction to Canada's policies hit the headlines.

There are three reasons for my choice.

The first one is simple. Canada is a trading nation. One out of four jobs in this country depends on a foreign market. Domestic economic policies adopted for domestic reasons often have ramifications far beyond our borders and they deserve to be debated in that context.

The second reason is pragmatic. As the headlines have demonstrated, Canada is losing friends internationally at a rapid rate. Six nations have registered complaints with the OECD about our energy policy—West Germany, the Netherlands, the United States, Belgium, France and Great Britain. Canadian diplomats suffer under a barrage of protests about the Foreign Investment Review Agency (FIRA). Foreign criticism of Canada's National Energy Policy (NEP) is met with indifference. The uncertainty caused by the policies of economic nationalism has added materially to the interest cost on Canadian debt issues on the New York Market. Canada is a diminishing priority for international investors, and in some cases is off their list entirely. Our balance of payments deficit on current account is up sharply in recent months. Investment capital is leaving Canada at an accelerated rate.

The third reason is that discussion of this topic has in the past generated as much heat as it has light. Extremists on both sides of the issue—and in recent months, on both sides of the border—have contributed to an increasingly acrimonious atmosphere that is ultimately unproductive to either side. There is a need for a balanced view.

Just as it is foolish for Americans to insist business conditions should be the same in Canada as in the U.S., so it doesn't make much sense for us to antagonize Canada's best customers and sources of capital. It makes even less sense to lose by default because we haven't explained what's going on in our country.

I want to make it clear at the outset that I have no quarrel with the general policy goal of increasing Canadian ownership. I share with a majority of Canadians the feeling that too high a percentage of some key

sectors of the Canadian economy is owned by non-Canadians. Some two-thirds of our oil and gas industry is foreign owned, for example. That is very high. If the question of whether it should be lower was put to anyone, even a non-Canadian, the answer would have to be yes. My answer is yes. That is not the point.

I travel outside Canada with some regularity. On each of the last trips I have made, to the United States, and overseas, I have been called severely to account as a Canadian for what is seen as an orchestrated effort by this country to devalue, dislodge and displace foreign investment. We are being called economic pirates and worse.

We cannot afford to dismiss this reaction as temporary unpopularity, with no real effects. When our neighbors and allies and trading partners are this upset, it has an inevitable and tangible impact on our economic performance. It reduces our ability to attract foreign capital. It increases the cost of borrowing. It impedes trading relationships.

Friendly and co-operative relations with other countries are not just "nice" to have, they are essential to maintaining our standard of living.

Over the next few minutes, I am going to review some of the costs and benefits that are attached to foreign ownership in Canada; examine both current policy and its consequences and, finally, suggest some changes that I believe will assist us in accomplishing a legitimate goal at an affordable cost.

Let's consider the costs and benefits. Both are difficult to quantify. We cannot say with scientific certainty whether and to what extent foreign ownership has benefited Canada, because of the difficulty of measuring and weighting the variables. What benefit-weighting should be given to job creation? To the generation of tax revenues? To access to technology? To entry to markets? To managerial and entrepreneurial skills?

On the other hand, what cost-weighting should be given to outward flows of interest and dividends, and to the long-term effect on balance of payments? To the lower levels of export activity and Research & Development generally performed here by foreign-owned companies? To the examples of extraterritorial application of foreign law or policy, albeit isolated? To the lower levels of Canadian sourcing for goods and services?

Weighting the variables is one problem. Statistical measurement is another. A review of the reams of available material can be instructive. The foreign ownership debate began in the late nineteen fifties, with the Royal Commission on Canada's Economic Prospects. It has continued through at least five more Royal Commissions or major task forces. There have been innumerable pieces of public and private research. There has been endless—and acrimonious—discussion.

So it is surprising to discover that after twenty-five years of talk and study, there are few definitive answers. The good statistical studies are performed in search of narrow conclusions; the broad studies, including the Royal Commissions, did not—usually by their own admission—have comprehensive information.

There are cases where two people use the same data to support opposing points of view.

Mark Twain used to say "Tell me where a man gets his corn-pone and I'll tell you what his opinions are". It applies in this context. A man who works at a Michelin Tire plant in Nova Scotia, or a woman who hopes to work for Volkswagen at their new factory in Barrie, Ontario, will have one opinion about foreign ownership; a manufacturer whose major competitor is a foreign subsidiary will have another. There is a great deal of emotion involved in this issue, and a good deal of over-simplified rhetoric.

Take for example one of the most widely repeated criticisms of foreign ownership—the effect on balance of payments.

A popular theory is that if we didn't have all those dividends and interest payments flowing to foreign owners, we wouldn't have such a big current account deficit; we wouldn't have to attract more foreign capital to balance the deficit, which in turn just makes the problem worse, and so on.

The facts suggest a different conclusion. Interest and/or dividend payments are the cost of capital. They have to be paid to someone if the development is ever going to take place. The real test is the purpose to which the capital is being put, not its geographical origin. If it is used to purchase or create productive assets that will produce a profit—revenue sufficient to pay the cost of capital—there is little reason to worry. Interest payments and particularly dividends are positive proof that the investment is working.

A somewhat more pervasive theory suggests that borrowing abroad may be necessary, but ownership must be retained by Canadians. In other words, paying interest to foreign lenders is acceptable, but paying dividends to foreign investors is not. The facts do not support this thesis either.

Dividends are only paid when an enterprise is profitable. Debt demands interest payments in good times and bad, and usually costs at least twice as much to service. Foreign investors in Canada are not merely benefiting from our resources and markets—they are sharing the risks of fluctuations in the economy in a way that foreign lenders do not. In a substantial number of cases, foreign owners re-invest all of their dividends in this country, but even when dividends are repatriated, Canada has benefited from jobs and taxes before a dime in profit has left the country. It might be worth mentioning that frequently foreign investors are the only ones willing to take the risks inherent in new Canadian ventures. Even if that were not the case, the sheer volume of capital required is not available in Canada.

It is a little ironic to look back fifty years to the time of the Depression, and the arguments that raged then. Canada had a great deal of foreign debt, a lot of it with Britain. In very poor economic circumstances, there was difficulty in servicing that debt, and the argument was made that foreign equity investment should be encouraged in its place. That way, in difficult economic times, there would not be the continuing burden of interest payments, but skipped dividends. A great many of the policies that actively encouraged foreign equity investment in Canada flowed from that situation, and over the thirty years that followed they worked—so well that we have come full circle and are encouraging the reverse. The arguments of that era seem to have been forgotten.

I am not suggesting we adopt those same positions now, and encourage further concentration of foreign investment. That is an unacceptable extreme. It is equally extreme to promote the rapid conversion of foreign investment into foreign debt without examining the costs that process entails.

As the chairman of a bank, I have nothing against debt. I've even been known to encourage it. I also recognize that takeovers, mergers or acquisitions—whether as techniques for growth or as devices for Canadianization—are part of the normal market ebb and flow. In current economic circumstances, sound arguments can be made that it is less expensive to acquire existing assets than to create new ones of similar size and nature.

But I would be very opposed to takeovers, particularly in the context of Canadianization, if I saw evidence that government pol-



icy was designed to lower the market value of the asset being acquired. By design or not, it could, however, be a side-effect. That possibility is one reason to reduce the current concentration on buyouts as the principal vehicle of Canadianization.

So a comparison of costs and benefits for foreign ownership is insufficient by itself. We also have to look at the costs and benefits of various methods of changing that situation. It is a complex process, but there are some conclusions, some certainties, on which all the participants can agree.

The first thing we can say with certainty is obvious. After 25 years of listening to the arguments, Canadians have generally reached the conclusion that foreign ownership is too concentrated in some key industrial sectors, in particular energy. There is broad general support for the aim of current policy. I do not believe it extends to all details of the methods being used, but Canadians do support the goal. Foreign businessmen and governments need to understand that.

The statement is often made that no other industrial nation in the world has or would accept as high a percentage of foreign ownership as is the case in Canada. That's quite true, as far as it goes, and it can be and has been used to confer a degree of legitimacy on almost any policy solution aimed at reducing the percentage.

On the other hand, it tends to beg the question. Foreign investment did not arrive in Canada as the result of a conspiracy. Foreign owners didn't sneak in under cover of darkness, they arrived at twelve noon—twelve-thirty in Newfoundland—and Canadians very frequently lined the streets to cheer and provide a brass band of welcome. We required foreign investment to develop our economy. It has given a very small population a standard of living that is incredible to most of the world's people.

We may well have too much of several key industrial sectors owned by non-Canadians, but it did not happen without considerable encouragement from us. We are the ones who have changed our minds. We are the ones reversing some policies. We are the ones obliged to proceed with care.

A second certainty is that the proportion of foreign ownership is declining. The net Canadian capital stock is a measurement of the book value of all investment in Canada, public and private. In 1961, total foreign investment was one third of net Canadian capital stock. Ten years later, 1971, it had declined to 27%. By 1977, the last year for which figures are available, it was down to 23%.

Over that same period, of course, in dollar terms, foreign investment increased substantially, as did all investment. The important measurement is the proportion, and it is clear that twenty years ago, foreign ownership was nearly fifty percent higher than it was four years ago. The twenty year trend is clearly down, even without the NEP and "Canadianization".

A third certainty is that "good corporate citizenship" is on the increase. More and more companies, especially multinational enterprises, are aware of the importance of behaving in the best interests of the host country. That includes providing jobs for citizens of that country, particularly top jobs—directorships, senior management and the CEO. It includes offering equity investment opportunities to locals. It includes exporting aggressively, doing a fair portion of research and development locally, and it includes buying locally as much as possible.

Statistics Canada figures show some encouraging trends. Overall, the larger a company is, and the longer established in Canada, the more likely it is to be sensitive to, and perform well in, these categories. For example, better than two-thirds of the chief executives of foreign-owned firms here are now Canadians. In the nineteen sixties, it

was less than half. And there have been increased equity investment opportunities for Canadians; one study showed that 71 percent of the firms in the sample had raised Canadian equity ownership between 1965 and 1975; almost half raised it by more than 10 percent.

The record is not perfect. To be blunt, too many foreign-owned companies keep the principal export activities and the advanced technology research and development jobs at home. To be fair, they are under economic and political pressure to do so. Changing that will take time, assisted by the forces of world product mandating, growing encouragement for joint ventures, and increasing international trade flows. But it is time it changed. In the end, good corporate citizenship has nothing to do with nationality and everything to do with behavior.

And there is a fourth certainty. After we've accomplished our goals in reducing foreign ownership, we are still going to need the network of international economic relationships that supports our trade and investment patterns. No modern industrial nation can exist in isolation, unless it wishes to purchase that status with a drastic decline in its standard of living.

Clearly, no one wants that. It is in Canada's best interests to be thoughtful and careful in our dealings with foreign investors and governments. It is not a sign of weakness, or fear, or of being pushed around, to handle the interests of others with courtesy and sensitivity. Being fair while we're being tough is a sign of common sense.

There is no question in my mind that we can afford to be economic nationalists in the best of the phrase: we can benefit by being aggressively pro-Canada, by seeking to expand our nation's wealth, influence and standard of living. Other nations do that all the time; they will understand and accept it in us.

We are entitled to put Canada's interests first. We are not entitled to do so by discriminating against the interests of others, or by imposing unfair and retroactive penalties.

We can achieve our objectives without resorting to methods we would resent and reject from others.

There are some particular burrs under the saddle of foreign investors. They are the ones that get mentioned first, and that have caused the deepest anger and resentment. In most cases, they are not central to either NEP or FIRA. Re-examining, moderating or changing these items would send a major signal that Canada is willing to correct inequities and be flexible on details while standing fast on its basic goal.

A first example involves FIRA. When one foreign company buys another foreign company, and the acquired company happens to have Canadian assets, often minor, FIRA requires the purchasing company to prove that its acquisition of the foreign company will provide significant new benefits to Canada. If this is not done to the satisfaction of FIRA, the new foreign owners must either back out of the purchase, or divest itself of the Canadian assets. Since 1974, divestiture has been forced in less than 20 cases; in others the new foreign owner was approved.

What is upsetting about this is that it is an extraterritorial application of Canadian law, with Canadian regulators inserting themselves into an agreement between two companies in, say, Germany. It is precisely the kind of thing we are quick to protest when other nations try to do it to us.

In a second example, also involving FIRA, there are reports of cases where companies have given undertakings that are uneconomic—in particular, that they will acquire goods and services from Canadian sources even when non-competitive in price or function. If that is true, I would urge the gov-

ernment to relieve companies of those obligations. I can think of no surer method of keeping Canadian industry non-competitive internationally than to provide it in effect with a guaranteed market. In the world of international trade this is seen as a parochial requirement; a more important point is that the concept is entirely contrary to our commitments under the General Agreement on Trade and Tariffs (GATT).

Third, under the National Energy Program, there is a "back-in" provision for the federal government and its agencies on Canada Lands. When successful oil and gas discoveries are made, 25 percent interest can be claimed; compensation is paid for the lost participation.

All of us are aware of the huge uproar that policy caused and is still causing. The accusations of retroactivity and confiscation flew thick and fast; on the other side, there was a case made that the new system was in fact less onerous than the one it replaced. The arguments were certainly not confined to the experts in energy policy and regulation, and given the economic importance of the industry, they shouldn't have been.

One aspect of the controversy I found particularly disturbing. That was the repeated suggestion from foreign critics that what was really wrong with the NEP was that it represented massive Canadian government intervention into the Canadian economy, and that, they implied, could not be tolerated.

It is well known that I am not a supporter of government intervention; but it is impossible to ignore the fact that Canada has always been a mixed economy, with considerably higher degrees of public enterprise and government involvement in the marketplace, than is the case in, say, the United States. The business-government relationship here is not necessarily worse or better than it is south of the border. It is different. Investors who come here expecting the same atmosphere or philosophy they were used to at home are kidding themselves, and they offend Canadians when they demand we pull up our socks and do things their way.

None of that is a defense of the controversial aspects of the energy program "back-in". Whether or not it actually exists in the NEP, retroactivity is and must always be anathema to businessmen, because it makes a mockery of planning. Equally, whatever the real details of the policy and later changes, they were perceived as unfair and confiscatory particularly by people outside that industry. That is clear evidence that the process of explaining and justifying the policy was badly handled.

A final example has to do with pace. We have moved very quickly indeed over the past year. The government's announced goal was to raise Canadian ownership in oil and gas to fifty percent by 1990. In less than a year, by the government's own reckoning, it has gone from less than twenty-eight to thirty-three per cent. If that rate continued, we would reach the target by 1985 at the latest, five years ahead of time.

That would be too fast just in economic terms. It would create a sustained increase in private credit demands, one of the last things we need in an inflationary climate. It would add substantially to both corporate debt load and, assuming Petro-can continued to be a purchaser, to public sector expenditure or debt.

When a set of incentives is established, it is often difficult to judge in advance how quickly they will work. We now know that these incentives are working much faster than was intended. Obviously, the financial markets cannot continue to support both Canadianization and the growing requirements of the megaprojects. Moderation is required.

So there we have at least five changes we could make with a view to reducing tensions with foreign investors and their governments.

One, extraterritorial application of Canadian law is surely not a concept we want to defend. Two, retroactivity is both legally and economically objectionable. Three, our GATT undertakings should be adhered to. Four, it would be a clear benefit to be meticulous in explaining and justifying policy changes, to the widest possible audience. And five, a breathing spell in the pace of "Canadianization" is economically and politically justified.

Not a single one of those changes would threaten or delay the achievement of the fundamental goal; but, they could play a key role in preventing a relatively immediate danger—retaliation from our international trading partners and in particular the United States.

The U.S. has already determined to take action under GATT over undertakings by U.S.-owned companies to FIRA for non-competitive sourcing. The American administration is under strong political pressure to go much further than that.

Over the past few months, I have discussed the state of Canadian-American relations at some length with sources in the private and the public sectors, in Canada and outside our borders.

It is apparent that the American government does not want to retaliate. Their own policy has been to maintain a free and open climate for foreign investment in the U.S. They want the capital inflows.

Nevertheless, if the American administration is forced by congressional pressure to retaliate, one method of doing it that wouldn't harm their interests is a complete lack of action on the Canadian agenda of bilateral issues. That could mean a refusal to alter the Garrison Diversion plans. It could mean no action on acid rain. It could mean linkage to, and inaction on, a long list of other policy matters that Canada would like resolved. And in the meantime, to quote a senior U.S. government official "If we can find an informal method of keeping American money out of Canada, we'll do it".

Given all of that, I found it ironic to be told that apart from the NEP "back-in" provisions, senior American trade officials actually like Canada's energy policy because it is providing substantial capital, equipment and personnel from this country for the American energy exploration drive.

One of the things American businessmen are very good at is putting pressure on Washington. They are doing it now, and much of it is happening because Canada really hasn't done a very good job of explaining itself. They don't really understand why we're concerned about foreign ownership and why we're doing what we're doing. We, in turn, have failed to grasp the depth of outrage that some parts of our policies have produced.

In the early part of the summer the chief executive of a large American corporation sent mailgrams about "Canadianization" to the CEOs of each of the 500 largest U.S. corporations, and took ads in major newspapers. It included words like "nationalization", "discrimination", "expropriation", and said "FIRA is aggressively seeking to reduce and even eliminate American investments in Canada".

A senior reporter with a major American business publication characterized the emerging attitude this way: "If Libya sends up a couple of planes against the United States, we shoot them down; if Canada sends up a couple, we'll shoot them down too . . ."

That is the language of over-reaction and escalation. We've had examples of it in Canada, too. Even if it were isolated—and I regret to say I don't think it is isolated—it is a sad and sorry characterization of relations between our two countries.

We are never going to persuade foreign investors and businessmen to applaud restrictions on their operations here. We can at least make sure they understand what is

being attempted, precisely what is required of them and why.

Are good manners suddenly demeaning? Is Canada suddenly so big and so powerful that we can simply cram those changes down other nations' throats? I don't think so. Even if we were capable of it, I don't think we should try.

The New York financial markets have supplied billions of dollars for the Canadian economy over the last 20 years. Governments and corporations have gone there seeking both equity investment and long-term debt financing. The foreign investment bankers who manage those issues are key links between this country and foreign money. They tell us that the lack of understanding is making their jobs more difficult. The Canadian government has never invited their views on foreign investment and ownership policy; more important, it has never explained to them—so they can tell their clients—What Canada has in mind.

Economic warfare will do no one any good. I would propose that private enterprise as well as government can take steps to prevent it from happening. Some, such as better communications, and adjustments to parts of NEP and FIRA, I have already mentioned. There are other possible steps.

Extremism on either side of the border is counter-productive. I do not believe Canadians support extreme measures here. Neither should we accept extreme accusations from foreign critics. Concern and controls over the extent of foreign ownership are not unique to Canada and even here they are hardly new. Some foreign-owned companies long ago adopted exemplary policies to ensure that their presence provides, to use the FIRA terms, "significant benefit to Canada". The more that happens on a voluntary basis, the less need there will be for regulation and enforced compliance. Some of the companies that are complaining now are, at the very least, slow to read the handwriting on the wall.

But, let us urge the Canadian government to be specific in its requirements and efficient in its procedures. It is, for example, the uncertainty, the delays and the vagueness of the FIRA application process that enrage foreign businessmen—not the existence of the agency itself.

In speaking to Americans, let us point out that even though we live next door, speak the same language and watch many of the same television shows—we are NOT the same as Americans. Someone once said that there is no difference between the two peoples, and the only way to tell the difference is to say that to a Canadian.

Well, jokes aside, we aren't the same. We have a very different view of ourselves, our country and our role in the world than Americans do of themselves. Provided American investors take the time to become familiar with those differences, they should not be a barrier, any more than our similarities should be a license.

As Canadians, let us have more confidence in our ability to compete head-to-head with the rest of the world, without artificial protection from our government. The implication of such policies is that Canadians are second class, unable to earn their way in the world in fair competition. I refuse to believe it.

And let us realize that we do live next door to an elephant. As one country to another, we may be equal, but in economic size and strength, the United States is quite a bit more equal than we are. We have to speak loudly and often, just to be noticed. Admittedly, we have their attention at the moment. I'm not sure we want it this way.

Canadians want and need foreign investment—but on our own terms, and in a proportion we choose. What is required is that our methods be as appropriate as our

motive, that we avoid extremism in our approach, and therefore remove the justification for it from others; and that as we flex the muscles of nationalism and economic independence, we remember that we're not the only and certainly not the biggest kid on the block.

Any major policy change that adversely affects other nations requires the expenditure of political capital. Canada has been spending it at a great rate. Our supply of international goodwill is not inexhaustible. Extreme or excessively rapid change can not only do lasting damage to our relations with other nations, it can do severe harm to an economy already beset with problems. Most important of all, it could well diminish rather than enhance our chances of accomplishing a legitimate goal at an affordable cost. ●

#### MISSISSIPPI PLAYWRIGHT'S BROADWAY OPENING

● Mr. COCHRAN. Mr. President, I would like to invite the attention of my colleagues to an article which appeared in the Wall Street Journal of November 6, 1981. "Crimes of the Heart" written by Ms. Beth Henley of Jackson, Miss., opened on Broadway last week. This is the first play to ever win the Pulitzer Prize before being presented on Broadway. The people of Mississippi are very proud of Ms. Henley's outstanding achievements, and I want to share this excellent article about her play with the other Members of the Senate.

Mr. President, I ask that the Wall Street Journal article be printed in the RECORD.

The article follows:

BETH HENLEY: AIMING FOR THE HEART  
(By Edwin Wilson)

NEW YORK.—If one were asked to conjure an image of the most active playwright in the U.S., one might visualize a tweedy, bearded figure, pipe clenched in mouth, sitting at his typewriter. Or if a woman, a chain-smoking, hard-driving Lillian Hellman type. Whatever the picture, it probably wouldn't be 29-year-old Beth Henley, author of the current Broadway play "Crimes of the Heart."

With dark brown eyes set in an almond-shaped face and framed by brunet hair, Ms. Henley is the embodiment of a soft-spoken, ingenuous young Southern woman. Unself-consciously tucking her legs under her on a sofa, she speaks with a deep Southern accent, acknowledging her recent successes with phrases like, "I'm pretty pleased about it."

Born and reared in Jackson, Miss., where most of her family still lives, Ms. Henley was graduated from Southern Methodist University in Dallas before going to Los Angeles to try to make her way as an actress. Not meeting with much luck, she turned first to screenwriting and then to playwriting. She had trouble getting her first production, until a couple of years ago when "Crimes of the Heart" was performed at Actors Theater of Louisville. Even now, with considerable recognition, she shows few signs of high-pressure activity or creative forces smoldering below the surface.

Appearances to the contrary, Ms. Henley is the busiest playwright around. Night before last "Crimes of the Heart," the first play ever to win the Pulitzer Prize before being presented on Broadway, opened at the John Golden Theater. A few days before, another new play, "The Miss Firecracker Contest," opened at the Studio Arena Theater in Buffalo, and in a couple of weeks a third play, "The Wake of Jamey Foster," goes into re-



hearsal for an early January opening at the Hartford Stage.

Her screenplay, "The Moon Watcher," has been bought for films, and right after the Hartford play opens, Ms. Henley begins writing the screenplay for "Crimes of the Heart." Meanwhile, she has notes for another new play.

No one knows, of course, what will come of all this, but "Crimes of the Heart" suggests that Ms. Henley's dramatic instincts are unusually sound. Like most of her work, it is rooted in her life and experience. The setting is the roomy, middle-class kitchen of the McGrath home in Hazelhurst, Miss. Three McGrath sisters, Lenny (Lizbeth Mackay), Meg (Mary Beth Hurt), and Babe (Mia Dillon), have been brought together because Babe has shot her husband Zachery Botrelle in the stomach. (She aimed for the heart, but missed.)

One of Ms. Henley's talents is for comedy: not one-liners, but the kind that cuts deep and sometimes hurts, even when it is uproariously funny. When Meg, who has just returned from Hollywood to be with Babe, asks who the best lawyer in town is, a cousin replies: "Zachery Botrelle, but of course he's in the hospital." When someone presses Meg to explain why her mother committed suicide, she finally admits: "Mother had a bad day that day."

As might be gathered, Ms. Henley's work shows traces of the macabre aspects of the Southern Gothic tradition. This is where the title comes in. The most obvious crime is the shooting by Babe, but the play is about all types of "crimes": the wounds that are given and received by those who love.

Lenny, the lonely, spinster sister, sacrifices herself to take care of the grandfather, but at the same time is wildly jealous of her sister Meg, who has a way with men. For her part, Meg once encouraged and then spurned a local man who married someone else; now she wants to rekindle the affair. Babe, the youngest, attracts men like a sugar bowl attracts flies in the summer, but she is stuck with her plodding husband, Zachery. Out of boredom she has an affair with a teen-aged black boy. ("I didn't know you were a liberal," says Meg. "I'm not a liberal," protests Babe. "I'm a Democrat.") The relationships of the women to their men, to their parents, and to each other touch on deep and often contradictory emotions.

In spinning out her tale Ms. Henley accomplishes something else rare among today's dramatists. She is able to develop a sustained story full of resonance and complexity. "I always start," she explains, "with an event (in this case the shooting by Babe) and develop my characters from that." So many recent plays have lasted barely an hour that one began to wonder when we would ever see an old-fashioned three-act play again, but Ms. Henley has given us one.

Ms. Henley says she welcomes the limitations of the stage: "I like to put my plays in one room and see whether I can make everything happen in one place," she says. "Besides, if I keep my plays simple, I'll have a better chance of having them produced."

In bringing "Crimes of the Heart" to fruition, Ms. Henley took full advantage of the network of non-profit theaters around the country; altogether, the play had five productions prior to Broadway. "I took out scenes in St. Louis," she says, "then put most of them back in Baltimore. Later, I eliminated one character and tightened the ending."

In the present production, directed by Melvin Bernhardt, the Southern accent could be more authentic and the pace livelier in the early stages. Overall, though, the performances capture both the human entanglements and the off-beat humor of Ms. Henley's play and afford a sparkling introduction to a busy playwright worth watching. ●

#### PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36 (b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of \$25 million, or in the case of major defense equipment as defined in the act, those in excess of \$7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that nine such notifications have been received.

Interested Senators may inquire as to the details of these preliminary notifications at the office of the Committee on Foreign Relations, room 4229 Dirksen Building.

Mr. President, I ask that the notifications be printed in the RECORD.

The material follows:

DEFENSE SECURITY ASSISTANCE AGENCY,  
Washington, D.C., October 28, 1981.

Dr. HANS BINNENDIJK,  
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southwest Asian country tentatively estimated to cost in excess of \$25 million.

Sincerely,  
ERICH F. VON MARBOD,  
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,  
Washington, D.C., October 28, 1981.  
Dr. HANS BINNENDIJK,  
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southwest Asian country for major defense equipment tentatively estimated to cost in excess of \$7 million.

Sincerely,  
ERICH F. VON MARBOD,  
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,  
Washington, D.C., October 28, 1981.  
Dr. HANS BINNENDIJK,  
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

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Washington, D.C., October 28, 1981.  
Dr. HANS BINNENDIJK,  
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

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The Department of State is considering an offer to a Southwest Asian country tentatively estimated to cost in excess of \$25 million.

Sincerely,  
ERICH F. VON MARBOD,  
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,  
Washington, D.C., November 3, 1981.  
Dr. HANS BINNENDIJK,  
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to an East Asian country for major defense equipment tentatively estimated to cost in excess of \$7 million.

Sincerely,  
ERICH F. VON MARBOD,  
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,  
Washington, D.C., November 3, 1981.  
Dr. HANS BINNENDIJK,  
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Middle Eastern country tentatively estimated to cost in excess of \$25 million.

Sincerely,

ERICH F. VON MARBOD,  
Director.

**DEFENSE SECURITY  
ASSISTANCE AGENCY,**

Washington, D.C., November 5, 1981.

DR. HANS BINNENDIJK,  
Professional Staff Member, Committee on  
Foreign Relations, U.S. Senate, Wash-  
ington, D.C.

DEAR DR. BINNENDIJK: By letter dated February 18, 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southwestern Pacific country tentatively estimated to cost in excess of \$25 million.

Sincerely,

WALTER B. LIGON,  
Acting Director.

**DEFENSE SECURITY  
ASSISTANCE AGENCY,**

Washington, D.C., November 5, 1981.

DR. HANS BINNENDIJK,  
Professional Staff Member, Committee on  
Foreign Relations, U.S. Senate, Wash-  
ington, D.C.

DEAR DR. BINNENDIJK: By letter dated February 18, 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southwestern Pacific country tentatively estimated to cost in excess of \$25 million.

Sincerely,

WALTER B. LIGON,  
Acting Director.

**DEFENSE SECURITY  
ASSISTANCE AGENCY,**

Washington, D.C., November 5, 1981.

DR. HANS BINNENDIJK,  
Professional Staff Member, Committee on  
Foreign Relations, U.S. Senate, Wash-  
ington, D.C.

DEAR DR. BINNENDIJK: By letter dated February 18, 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southeast Asian country tentatively estimated to cost in excess of \$25 million.

Sincerely,

WALTER B. LIGON,  
Acting Director.●

**ILL-ADVISED ADMINISTRATION  
PROPOSALS TO CUT VETERANS'  
PROGRAMS**

● Mr. SARBANES. Mr. President, I rise to express my continued strong opposition to the Reagan administration's proposals to reduce funding for the Veterans Administration for fiscal year 1982. In the first budget proposal at the

beginning of his administration, the President proposed extensive reductions in veterans' programs, a stark departure from our Nation's longstanding traditional commitment to those who have served in our armed services. This attack on our veterans' programs has now been compounded by the recommendation for a further reduction of \$451 million below the level of the first budget resolution. Most of this proposed cut would come from the medical care accounts and would devastate the VA's ability to provide the medical services earned by and promised to this Nation's veterans. In light of the proven effectiveness of these programs, it is incomprehensible that the administration has again proposed to terminate or curtail them.

As one who has strongly backed VA programs and our commitment to our veterans, I supported, earlier this year, an amendment to restore \$300 million to the veterans health care account after the administration proposed its first cut-back in VA funding. Unfortunately, that amendment did not carry; and, as many veterans know only too well, the VA's medical system is operating with an inadequate staff and is struggling to maintain the quality of health care that it is expected to provide. Now the administration is proposing additional cuts which, it is estimated, will result in the loss of 5,000 medical personnel and will necessitate reductions of 3,000 or more in the average daily inpatient population. Clearly, these proposed reductions are a further default on the moral and statutory commitments which the Nation has made to its veterans.

I have consistently called attention to the need to renew our commitment to the veterans of this Nation and to the programs through which we have always carried out the Nation's responsibility to those who served with honor in our armed services. It is for these reasons that I supported the Chiles amendment to restore \$300 million in VA funding earlier this year and will strongly oppose this latest round of ill-advised administration proposals to cut veterans' programs.●

**TVA'S RETENTION CONTRACT  
PROGRAM**

● Mr. DENTON. Mr. President, H.R. 4144, the energy and water appropriations bill, contains language which prohibits Federal funds to be used to implement the Tennessee Valley Authority's retention contract program. On October 15, I cosponsored Senate Concurrent Resolution 42, a sense of the Senate resolution which expressed the Senate's disapproval of this program.

Mr. President, several questions need to be addressed with regard to this proposal. First, is the retention contract program legal? Several Members of Congress have requested GAO to study this issue. Although TVA contends that it is legal, I feel that this should be addressed by Congress. If TVA is permitted to implement this program, it could also affect other Government agencies which may take this approach. Second, TVA

contends that without this program, it will lose many of its qualified personnel who operate the TVA nuclear power program. It must be pointed out that most of the personnel to receive the \$36,000 bonus are in grades M-9 through M-13. As I understand it, first-line operators of their nuclear plants are in grades below this level, and are not affected by this proposal.

I feel that TVA has picked a poor time to propose such action. Since the beginning of 1980, TVA ratepayers have experienced a 41-percent increase in their rates. What are these ratepayers to think? The people of the TVA area will pay for this program. The increase to rates may not be very much, but that is not the point. This program is viewed in the TVA area as one more cost to be added to their base rate.

Mr. President, I understand the concern of TVA to retain qualified professional staff. I do feel, however, that at this time I cannot support their proposal.

As a result, I supported the committee amendment. I urge TVA to reconsider their position.●

**A HOPEFUL ANGLO-IRISH SUMMIT**

● Mr. KENNEDY. Mr. President, the Anglo-Irish Summit Conference last Friday between the Prime Ministers of Ireland and Great Britain has brought new hope for progress toward a peaceful settlement of the conflict in Northern Ireland.

In their meeting in London, the Prime Ministers agreed on a number of hopeful steps, including the creation of a new institution—the Anglo-Irish Intergovernmental Council—through which ministers and other officials of the two nations can meet and discuss the range of issues involving their peoples, including the issue of Northern Ireland.

In the joint communiqué issued after the meeting, the two Prime Ministers specifically agreed on the need for "efforts to diminish the divisions between the two sections of the community in Northern Ireland and to reconcile the two major traditions that exist in the two parts of Ireland."

All of us in Congress who seek an end to the violence in Northern Ireland and a peaceful settlement of the conflict welcome this initiative by the Irish and British Governments. The political process is the only true road to peace, and the two Prime Ministers have taken an important new step along that road.

Mr. President, I ask unanimous consent that the joint communiqué may be printed in the RECORD.

The joint communiqué follows:

JOINT COMMUNIQUE ISSUED IN LONDON 6 NOVEMBER 1981 FOLLOWING MEETING BETWEEN THE TAOISEACH (IRISH PRIME MINISTER) DR. GARRET FITZGERALD, T.D. AND THE RT. HON. MARGARET THATCHER, BRITISH PRIME MINISTER

1. The Taoiseach, Dr. Garret FitzGerald, T.D., had discussions today, 6 November, at 10 Downing Street with the Prime Minister, the Rt. Hon. Margaret Thatcher, M.P. The Prime Minister was accompanied by the Rt. Hon. The Lord Carrington, Secretary of State for Foreign and Commonwealth Affairs, the



Rt. Hon. James Prior, M.P., Secretary of State for Northern Ireland and the Rt. Hon. Nigel Lawson, M.P., Secretary of State for Energy. The Taoiseach was accompanied by the Tanaiste and Minister for Industry and Energy, Mr. Michael O'Leary, T.D., and the Minister for Foreign Affairs, Senator James Dooge.

2. The meeting was the first between the Taoiseach and the Prime Minister since Dr. FitzGerald took office. They discussed a number of international questions and a range of issues arising in the European Community which are to be considered at the European Council in London on 26 and 27 November.

3. The Taoiseach and the Prime Minister affirmed the importance which their two Governments attached to the maintenance and development of close Anglo-Irish relations.

4. The Taoiseach and the Prime Minister agreed on the need for efforts to diminish the divisions between the two sections of the community in Northern Ireland and to reconcile the two major traditions that exist in the two parts of Ireland. Such a development could come about only on the basis of mutual respect as between those traditions to the achievement of which the Taoiseach has made a public commitment.

5. The Taoiseach affirmed that it was the wish of the Irish Government and, he believed, of the great majority of the people of the island of Ireland, to secure the unity of Ireland by agreement and in peace. The Prime Minister affirmed, and the Taoiseach agreed, that any change in the constitutional status of Northern Ireland would require the consent of a majority of the people of Northern Ireland. The Prime Minister said that, if that consent were to be expressed as a result of a Poll conducted in accordance with the Northern Ireland Constitution Act, 1973, the British Government would, of course, accept their decision and would support legislation in the British Parliament to give effect to it. The Taoiseach and the Prime Minister agreed that both Governments were ready to join in promoting arrangements which might help to reduce tensions between and to reconcile the peoples of the two parts of Ireland.

6. The Taoiseach and the Prime Minister reiterated their resolute opposition to violence, and commended the level of cooperation between the security forces of the two countries. They noted with approval the efforts now being made under the Criminal Law Jurisdiction Legislation to ensure that those who committed crimes in one country should not be able to escape prosecution and conviction by seeking refuge in the other, and invited the British and Irish Attorneys General to consider what further improvements to that end might be possible.

7. The Taoiseach and the Prime Minister received a joint report (annexed to this Communique) on studies made by officials from both countries of possible new institutional structures, citizenship rights, security matters, economic cooperation and measures to encourage mutual understanding. The papers on which this report is based will be published next Wednesday. For security reasons, the study on security matters will not be published.

8. Recognising the unique character of the relationship between the two countries, the Taoiseach and the Prime Minister have decided to establish an Anglo-Irish Intergovernmental Council through which institutional expression can be given to that relationship between the two Governments. This will involve regular meetings between the two Governments at Ministerial and official levels to discuss matters of common concern. The Taoiseach and the Prime Minister agreed that it would be for the Parliaments concerned to consider at an appropriate time

whether there should be an Anglo-Irish body at Parliamentary level comprising members to be drawn from the British and Irish Parliaments, the European Parliament and any elected assembly that may be established for Northern Ireland. They also agreed to work toward the establishment of an Advisory Committee associated with the Anglo-Irish Intergovernmental Council on economic, social and cultural cooperation, with a wide membership.

9. The Taoiseach and the Prime Minister noted that each country afforded the other's citizens most of the rights and privileges available to its own. The Taoiseach indicated that the arrangements for the grant of voting rights at Parliamentary elections to British citizens resident in the Republic were well advanced and that he hoped to have the necessary legislation introduced soon.

10. The Taoiseach and the Prime Minister agreed on the need to intensify economic co-operation between the two countries and between the two parts of Ireland. They expressed the hope that such co-operation would make a contribution towards the improvement of the economy throughout the two countries and that the practice of economic co-operation would, in itself, generate further co-operation. They gave special consideration to the question of co-operation on energy matters. They noted that assessments of the possibility of the supply of natural gas from the Kinsale Field to Northern Ireland had suggested that such a project might be viable, and that discussions of the terms on which gas might be supplied were now in train. They agreed on the desirability of restoring electricity interconnection between the two parts of Ireland. They also agreed that economic and technical studies should be pursued on the possibility of an electricity link across the Irish Sea.

11. The Taoiseach and the Prime Minister looked forward to holding their next meeting in Dublin in Spring of next year in the framework of the new institutional arrangements agreed upon at this meeting.

#### ANGLO-IRISH JOINT STUDIES JOINT REPORT

1. At their meeting in Dublin on 8 December, 1980, the then Taoiseach and the Prime Minister commissioned Joint Studies covering possible new institutional structures, citizenship rights, security matters, economic co-operation and measures to encourage mutual understanding in order to assist them in their special consideration of the totality of relationships within these Islands. These Joint Studies were undertaken by senior officials of the two Governments. In carrying out their task, officials bore in mind the already close relations between the two countries and their common membership of the European Community. The outcome of the Studies is as follows:

#### POSSIBLE NEW INSTITUTIONAL STRUCTURES

2. Officials noted that the unique relationship to which the two joint Communiqués of May and December 1980 referred was the result of geography, history and population movements. The Joint Studies brought out the variety of contacts between the two countries. They confirmed that in many fields relations and co-operation were closer and more extensive than between other countries in Europe where a particularly close relationship had been given specific institutional expression. Officials agreed that, over a very wide range, these relations involved common interests and mutually beneficial exchanges but recalled that the Communique of 8 December, 1980, had recorded agreement that the full development of the links between the two countries and their peoples had been put under strain by division and dissent in Northern Ireland.

3. Officials considered how the development of the unique relationship between the two countries might appropriately be enhanced by giving it more comprehensive in-

stitutional expression, without impeding the many informal links; and in this context examined the following possibilities:

(I) The establishment of an Anglo-Irish Intergovernmental Council to provide the overall framework for intergovernmental consultation, at Head of Government, Ministerial and Official levels, on all matters of common interest and concern, with particular reference to the achievement of peace, reconciliation and stability and the improvement of relations between the two countries and their peoples; and what might be the component elements of the structure, its functions and certain aspects of its operation.

(II) How the parliamentary links between the two countries might most appropriately be developed as the natural and desirable complement to the establishment of a new Intergovernmental body.

(III) The establishment, as an adjunct to the proposed Intergovernmental Council of an Advisory Committee on economic, social and cultural co-operation, with a wide membership reflecting vocational interests;

(IV) The establishment as an interim measure, pending the creation of an Advisory Committee as at (III), of an "Anglo-Irish Encounter" Organization, under the direction of an Executive Board composed of independent public figures of repute and ability and Government representatives, with a major function of organizing high-level conferences on the Koenigswinter Model.

#### CITIZENSHIP RIGHTS

4. Officials reviewed the rights and privileges on the one hand, and the obligations and duties on the other, of citizens of each country residing in the jurisdiction of the other. The areas looked at were eligibility to vote and to stand for elective offices; employment in the Civil and Armed Services; legal rights and obligations (including jury service); social rights; consular protection; and freedom of movement.

5. It was noted that, in the absence of a written Constitution on the British side, the various rights and obligations are defined by specific Acts of Parliament, which Parliament being sovereign can later amend. The role of the courts in this context is to interpret legislation. On the Irish side, by contrast, there is both specific legislation covering a similar range of subject matter and a written Constitution guaranteeing fundamental human rights. Proposals to alter the Constitution must be approved not only by Parliament but also through a referendum. The courts have power to strike down Legislative Acts held by them to be inconsistent with the Constitution.

6. It was further noted that each of the two countries maintained provisions which ante-dated the requirements of their common European Community membership and afforded in different ways privileged treatment to the citizens of the other. Indeed, each accorded the other's citizens virtually all the rights and privileges available to its own. At the same time, a number of differences were identified, notably in respect of the two countries' practices in relation to the control of movement of non-citizens; and in respect of the qualifications for local elections in Northern Ireland as compared with Great Britain.

7. Officials noted the decision of the Irish authorities to extend voting rights in national elections to resident British citizens. Officials also reviewed possibilities for dealing with other differences: but made no agreed proposals for doing so.

#### ECONOMIC COOPERATION

8. Officials considered a wide range of existing and potential areas of economic and technical co-operation both bilateral and in the context of the two countries' common membership of the European Community and made recommendations as to how these

might be encouraged and developed. They agreed that the machinery of Anglo-Irish economic co-operation (AIEC) had proved effective within its terms of reference in fostering the development of economic and technical matters of mutual interest. If a new Intergovernmental institution were established as envisaged in their work on institutional structures, the Steering Group on AIEC (and its subordinate groups) or a comparable official level body might appropriately be placed under the aegis of that new institution.

9. Among the subjects considered were:

Future co-operation energy, in particular the possibilities for electricity interconnection both across the land border and across the Irish Sea and for the supply of gas from the Kinsale Field to Northern Ireland and the exploitation of new energy technologies;

Exchange of information on pollution of the Irish Sea and co-ordination of responses to pollution emergencies;

Broadcasting of television and radio programmes direct to the home from a satellite;

Co-operation in the field of animal and plant health;

The facilitation of economic development in Lough Foyle, Carlingford Lough and the nearby offshore areas;

Industrial development, particularly of small and craft industries;

Trade promotion;

Industrial training;

Tourism;

Continuing co-operation in the economic development of Border areas;

Science and technology.

10. Officials believed that further work in this field would make a contribution towards the improvement of the economies of these Islands and that the practice of economic co-operation would in itself generate further co-operation.

#### MEASURES TO ENCOURAGE MUTUAL UNDERSTANDING

11. Officials analysed the reasons for misconceptions in each country over attitudes and Government policies in the other, and considered measures that the two Governments might appropriately take, jointly or separately, to remove such misconceptions and improve mutual understanding.

12. It was recognised that, as between Britain and the Republic, the problem appeared to be more one of lack of knowledge than of misconception. This might be remedied by efforts aimed at a more intensive exchange of information. As between North and South in Ireland the problem went deeper. In this context the issues which were relevant were the Constitutional "Claim", the "Guarantee" and Church/State relationships. Action to reduce misunderstanding of these matters would clearly be needed. Institutional arrangements were also required, deliberately framed to reduce suspicion and distrust, together with measures to make more effective the prosecution of offenders who seek to evade justice by crossing from one side of the Border to the other. Moreover, greatly increased contacts and joint endeavors in appropriate fields, as well as intensified information exchanges might all offer some hope of progress.

13. Officials noted that there existed already a welcome multiplicity of contacts and that it was desirable that these should continue and be developed. In this context they considered a range of possibilities, including: Increased contacts between officials concerned with youth and sport activity and the scope for increased co-operation between sporting organisations in both parts of Ireland;

The development of the already considerable contacts between vocational and community relations groups in both parts of Ireland;

In the field education, increased exchanges between teachers and inspectors as well as

between pupils and students; particularly the potential for more use by students from the South of tertiary educational facilities in Northern Ireland;

The active pursuit of co-operation between the open university and the proposed distant study unit of the National Institute for Higher Education in Dublin;

The establishment of a formal scheme for interchange of officials;

The encouragement and expansion of close co-operation and contacts between the Arts Councils, North and South, in Ireland; and between both of these Councils and the Arts Councils in Great Britain.●

#### ORDERS FOR TUESDAY

Mr. BAKER. Mr. President, I have a unanimous-consent request I wish to propound at this time.

ORDER FOR RECESS UNTIL 9:30 A.M.

Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in recess until the hour of 9:30 a.m. on Tuesday, November 10.

ORDER FOR RECOGNITION OF SENATOR HAYAKAWA

I further ask unanimous consent that following the recognition of the two leaders under the standing order, the Senator from California (Mr. HAYAKAWA) be recognized for not to exceed 15 minutes on special order.

ORDER DESIGNATING PERIOD FOR ROUTINE MORNING BUSINESS

Following the conclusion of the special order, Mr. President, there will be a brief period for the transaction of routine morning business during any time remaining between the execution of the special order and the hour of 10 a.m. in which Senators may speak for not more than 1 minute each.

ORDER TO RESUME CONSIDERATION OF S. 1112 AND TIME LIMITATION AGREEMENTS

That at 10 a.m. the Senate resume consideration of S. 1112, the Export Administration Act; further, I ask unanimous consent that at 10 a.m. there be 30 minutes of debate to be equally divided on the Chiles amendment between Mr. CHILES and the manager of the bill, to be followed by a rollcall vote on the Chiles amendment at the conclusion of the debate; following which there be 30 minutes to be equally divided on the Heinz substitute for the Chiles amendment, and at the conclusion of the time allotted for debate on the Heinz substitute a rollcall vote occur in connection with the Heinz substitute; and further, I ask that following the rollcall vote in connection with the Heinz substitute there be 30 minutes equally divided on the Chiles amendment, if amended, and at the conclusion of the debate, a rollcall vote occur on the Chiles amendment, as amended, if amended, and that the control of the time be in the usual form.

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

The text of the agreement follows:

S. 1112

Ordered, That at 10:00 a.m. the Senate resume consideration of S. 1112, the Export Administration bill.

Ordered further, That at 10:00 a.m. there be 30 minutes of debate equally divided on the Chiles amendment dealing with interest rates, to be followed by the roll call vote or-

dered in connection with the Chiles amendment at the conclusion of the debate.

Following the roll call vote in connection with the Chiles amendment, there be 30 minutes equally divided on the Heinz Substitute for the Chiles amendment, and at the conclusion of the time allotted for debate on the Heinz Substitute, the roll call vote ordered occur in connection with the Heinz Substitute. Ordered further, That following the roll call vote in connection with the Heinz Substitute, there be 30 minutes equally divided on the Chiles amendment, as amended if amended, and at the conclusion of the debate, the roll call vote ordered occur in connection with the Chiles amendment as amended, if amended.

Mr. BAKER. Mr. President, the effect of this, of course, is to provide for a very busy morning. Senators are urged to note that the Senate will convene at 9:30 and be on the bill at 10. Rollcall votes will begin very shortly thereafter and occur throughout the morning.

I would also remind Senators of the leadership's previous announcement that there will be no more rollcall votes after 1 p.m. on tomorrow.

Mr. President, in view of that representation, I urge all Senators to make known their intention to offer any further amendments to this bill, and I especially urge the managers on both sides to persevere in their effort to complete this bill before the witching hour of 1 p.m. on tomorrow afternoon.

Mr. President, I still hope that the Senate may be able to proceed to the consideration of H.R. 4169, the State, Justice, Commerce appropriations bill, during the day tomorrow, although it is clear that if we are able to reach that matter it will be only for a brief period of time and it would have to go over until later in the week.

#### THE CALENDAR

Mr. BAKER. Now, Mr. President, there are certain other matters that may be dealt with on our calendar. I will inquire of the distinguished minority leader if he is in a position to consider at this time calendar order No. 335, Senate Concurrent Resolution 43.

Mr. ROBERT C. BYRD. Mr. President, the matter has been cleared on this side.

#### GRANTING STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to consider calendar order No. 335, Senate Concurrent Resolution 43.

There being no objection, the Senate proceeded to consider the concurrent resolution (S. Con. Res. 43) granting the status of permanent residence to certain aliens.

UP AMENDMENT NO. 601

(Purpose: To delete certain named aliens due to a change in circumstances)

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. LEVIN, I send a technical amendment to the desk and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:



The Senator from West Virginia (Mr. ROBERT C. BYRD) for Mr. LEVIN, proposes an unprinted amendment numbered 601.

Mr. ROBERT C. BYRD. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 1, line 7, insert "and" after the semicolon.

On page 1, line 8, strike out the semicolon and insert in lieu thereof a period.

On page 2, strike out lines 1 and 2.

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

The amendment (UP No. 601) was agreed to.

Mr. LEVIN. Mr. President, I wish to take this opportunity to thank my good friend and esteemed colleague from Wyoming (Mr. SIMPSON), the chairman of the Senate Subcommittee on Immigration and Refugee Policy, for his cooperation and assistance on Senate Concurrent Resolution 43. The helpful work of his fine subcommittee staff should also be noted and appreciated. My thanks also to the ranking members, Mr. KENNEDY and Mr. DeCONCINI and their subcommittee staff for their aid and attention to this resolution.

The PRESIDING OFFICER. If there be no further amendments to be submitted, the question is on agreeing to the concurrent resolution. The concurrent resolution (S. Con. Res. 43) was agreed to as follows:

#### S. CON. RES. 43

*Resolved by the Senate (the House of Representatives concurring), That the Congress favors the suspension of deportation in the case of each alien hereinafter named, in which the Attorney General has suspended deportation pursuant to the provisions of section 244(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1254):*

A5 916 562, Bluestein, Nathan; and  
A7 899 438, Cemiler, Ivan.

Mr. BAKER. 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.

#### ROBEY WENTWORTH HARNED LABORATORY

Mr. BAKER. Mr. President, the next item on my calendar which is cleared is Calendar Order No. 351, S. 1322.

Mr. ROBERT C. BYRD. That calendar number has been cleared on this side, Mr. President.

Mr. BAKER. I ask unanimous consent that the Senate proceed to consider S. 1322.

The PRESIDING OFFICER. Without objection, the bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1322) to designate the United States Department of Agriculture Boll Weevil Research Laboratory building, located on the campus of Mississippi State University, Starkville, Mississippi, as the "Robey Wentworth Harned Laboratory."

The Senate proceeded to consider the bill (S. 1322) which had been reported from the Committee on Agriculture, Nu-

trition, and Forestry with an amendment:

On page 2, line 2, strike "on", and insert "adjacent to";

So as to make the bill read:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the United States Department of Agriculture Boll Weevil Research Laboratory building, located adjacent to the campus of Mississippi State University, Starkville, Mississippi, shall hereafter be known and designated as the "Robey Wentworth Harned Laboratory". Any reference in a law, map, regulation, document, record, or other paper of the United States to that building shall be held and considered to be a reference to the "Robey Wentworth Harned Laboratory".*

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

#### UP AMENDMENT NO. 602

(Purpose: To extend the delay in milk price support adjustment and to extend the time for conducting wheat and cotton referenda)

Mr. BAKER. Mr. President, I send to the desk an amendment on behalf of the distinguished Senator from North Carolina (Mr. HELMS) and the distinguished Senator from Kentucky (Mr. HUDDLESTON) and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER), for Mr. HELMS and Mr. HUDDLESTON, proposes an unprinted amendment numbered 602.

Mr. BAKER. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 2, after line 9, insert the following new section:

"Sec. 2. (a) The Act of October 20, 1981 (Public Law 97-67), is amended by striking out 'November 15, 1981' in the first section and inserting in lieu thereof 'December 31, 1981, or the date of enactment of S. 884, the Agriculture and Food Act of 1981, whichever is earlier'.

"(b) The last sentence of section 336 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1336) is amended by striking out 'November 15, 1981' and inserting in lieu thereof 'January 1, 1982'.

"(c) Section 343 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1343) is amended by adding at the end thereof the following new sentence: 'Notwithstanding any other provision hereof, the referendum with respect to the national marketing quota for cotton for the marketing year beginning August 1, 1982, may be conducted not later than the earlier of the following: (1) thirty days after adjournment sine die of the first session of the Ninety-seventh Congress, or (2) January 1, 1982.'"

Mr. HELMS. Mr. President, as Senators know, the House and the Senate are presently engaged in a conference on the 1981 farm bill. There are many differences between the two bills, but I am hopeful that the conference will produce a bill acceptable to both Houses and to the President. We are certainly working under that assumption. It seems possible

that we will be able to complete our deliberations this week if we continue the kind of progress we have made so far.

However, it was our well-considered opinion that the work of the conference would be completed by this time when the Senate adopted H.R. 4612 on October 19, 1981. A number of events have transpired which have set back the timetable of our conference activity. Consequently, the various deadlines extended in H.R. 4612 now appear not to have been extended for long enough periods of time to accomplish the purpose intended.

If we do not have the farm bill ready for the President's signature by November 15, the provisions of the 1949 act relating to the dairy program and the wheat referendum will require unnecessary, costly, and disruptive actions by the Secretary. In addition, because the 1949 act requires the Secretary to conduct a cotton referendum by December 15, that commodity and those farmers could be adversely affected as well.

All of this is to say that it now appears vitally necessary and highly desirable for the Congress to further extend the deadlines extended in H.R. 4612. H.R. 4612 extended the deadlines to November 15—a date that is now, without question, going to pass before the farm bill is ready for the President's signature. It is our proposal to further extend the relevant dates from November 15, until January 1, 1982, and to include an extension of the cotton referendum to that date, as well.

Specifically, the first part of the amendment I am offering would extend through December 31, 1981, or the date of enactment of the farm bill, whichever is earlier, the first section of Public Law 97-67 (H.R. 4612). That section provides that, notwithstanding the provisions of section 201(c) of the Agricultural Act of 1949, the price of milk shall be supported at the level of \$13.10 per hundredweight for milk containing 3.67 percent butterfat for the period beginning October 1, 1981, and ending November 15, 1981. That was the support level immediately prior to October 1, 1981.

The amendment also amends section 336 of the Agricultural Adjustment Act of 1938 to extend from November 15, 1981, to January 1, 1982, the date by which the Secretary is required to conduct a referendum of eligible wheat producers to determine whether they favor establishment of a national marketing quota for wheat for the marketing year beginning June 1, 1982.

The original date for conducting such a referendum, August 1, 1981, was delayed to October 15, 1981, by Public Law 97-24 and to November 15, 1981 by Public Law 97-67. A similar delay of a cotton referendum is also included in the amendment.

Mr. President, I am pleased to be able to report to the Senate that the conferees on the 1981 farm bill have reached tentative agreement on the dairy provisions of that bill. Under that agreement, the support price for milk for the current marketing year ending September 30, 1982, would remain at the present level of \$13.10 per hundredweight. That was the level under both the House and Senate versions of the bill.

In view of that, it simply makes no sense to allow the milk price support level to go above \$13.10 per hundredweight again for a short period of time and then to have to lower it back to that figure. As I said during consideration of H.R. 4612, that would not benefit dairy farmers, but would cause confusion and serve to invite abuse of our dairy price support program.

Pursuant to my pledge to the Senator from Wisconsin (Mr. PROXMIRE), during conference deliberations, I raised the issue of setting the 1982 support level at \$13.49 per hundredweight. After some discussion, since both bills were the same with regard to the 1982 level, the conferees concentrated on the support level for the outyears and left the 1982 level at \$13.10.

I believe this legislation is necessary to assure the effectiveness of the dairy program. It is the intent—and I believe the effect—to strengthen the dairy program.

The bill in no way will impact adversely on dairy farmers. It will simply prevent a situation in which handlers will be encouraged, if not induced, to engage in a game of musical chairs with millions of dollars worth of manufactured milk products.

If the support price is allowed to increase to 75 percent of parity again on November 15, Mr. President, the Government would have to purchase milk from handlers at some 40 cents above the \$13.10 level.

If the support level adopted by the conferees is finally enacted, the price the Government pays handlers would then revert back to the \$13.10 level. Because of the buy-back provisions of the dairy program, these handlers will be able to purchase what they sold at \$13.49 at 110 percent of \$13.10, that is, \$13.23. This will result in a 26 cents per hundredweight windfall to those handlers—plus the storage costs.

Both the Senate and the House have worked their will on the dairy issue, and the conferees on the farm bill have tentatively agreed. This bill will not retreat 1 inch from that agreement. However, if this new extension is not adopted, the reputation of our very fine dairy program can be besmirched. Opponents of any dairy price supports will use any abuse which may take place to attack this and all farm programs.

With regard to the wheat referendum, as I pointed out, the farm bill cannot be enacted before November 15, 1981—the current date by which the Secretary must conduct a referendum of eligible wheat producers to determine whether they favor establishment of a national marketing quota for wheat for the marketing year beginning June 1, 1982. Extending this date to January 1, 1982, would prevent a costly—the Department of Agriculture estimates about \$4 million—confusing, and unnecessary exercise.

Also, Mr. President, the same principle applies to a similar referendum of eligible cotton producers which the Secretary will be required to conduct by December 15, 1981. Extending that date to January 1, 1982, at this time could save a potentially necessary effort to do that

later this year if any kind of unforeseeable impasse should result in the new farm bill not being enacted by December 15, 1981.

I urge adoption of this amendment, Mr. President.

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

The amendment (UP No. 602) was agreed to.

The PRESIDING OFFICER. If there be no further amendments to be submitted, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read:

"A bill to designate the United States Department of Agriculture Boll Weevil Research Laboratory building, located adjacent to the campus of Mississippi State University, Starkville, Mississippi, as the 'Robey Wentworth Harned Laboratory'; to extend the delay in making any adjustment in the price support level for milk; and to extend the time for conducting the referendum with respect to the national marketing quotas for wheat and upland cotton."

Mr. BAKER. I move to reconsider the vote by which the bill passed.

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

The motion to lay on the table was agreed to.

#### PHYSICIANS COMPARABILITY CONTRACTS

Mr. BAKER. Mr. President, Calendar Order No. 353, S. 1551, is cleared on our calendar. I inquire if the minority leader is in a position to speak to that.

Mr. ROBERT C. BYRD. Mr. President, Calendar Order No. 353 is cleared on this side.

Mr. BAKER. Mr. President, I ask that the Senate proceed to consider the bill.

The bill (S. 1551) to amend title 5, United States Code, to extend the period within which physicians comparability contracts may be entered into, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 1551

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5948(d) of title 5, United States Code, is amended—*

(1) by striking out "September 30, 1981" and inserting in lieu thereof "September 30, 1982"; and

(2) by striking out "September 30, 1983" and inserting in lieu thereof "September 30, 1984".

Mr. BAKER. I move to reconsider the vote by which the bill passed, Mr. President.

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

The motion to lay on the table was agreed to.

#### INCORPORATION OF U.S. SUBMARINE VETERANS OF WORLD WAR II

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 195.

The PRESIDING OFFICER laid be-

fore the Senate the following message from the House of Representatives:

*Resolved, That the bill from the Senate (S. 195) entitled "An Act to incorporate the United States Submarine Veterans of World War II", do pass with the following amendments:*

Strike out all after the enacting clause, and insert:

#### CHARTER

SECTION 1. The United States Submarine Veterans of World War II, incorporated under the Non-profit Corporation Act of the State of New Jersey, and the State of Colorado, is hereby recognized as such and is granted a charter.

#### POWERS

SEC. 2. United States Submarine Veterans of World War II (hereinafter referred to as the "corporation") shall have only those powers granted to it through its bylaws and articles of incorporation filed in the State or States in which it is incorporated and subject to the laws of such State or States.

#### OBJECTS AND PURPOSES OF CORPORATION

SEC. 3. The objects and purposes of the corporation are those provided in its articles of incorporation and shall include patriotism and loyalty to the United States of America; the perpetuation and establishment of memorials to the memory of those shipmates who served aboard United States submarines and gave their lives in submarine warfare during World War II; promotion of the spirit and unity that existed among the United States Navy submarine crewmen during World War II; fostering general public awareness of life aboard submarines during World War II, through securing, restoring, and displaying the submarines that were in service at that time; sponsoring annual college scholarships; and performance of such acts of charity as provided for by the constitution and bylaws.

#### SERVICE OF PROCESS

SEC. 4. With respect to service of process, the corporation shall comply with the laws of the States in which it is incorporated and those States in which it carries on its activities in furtherance of its corporate purposes.

#### MEMBERSHIP

SEC. 5. Eligibility for membership in the corporation and the rights and privileges of members shall, except as provided in this Act, be as provided in the constitution and bylaws of the corporation.

#### BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 6. The board of directors of the corporation and the responsibilities thereof shall be as provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States in which it is incorporated.

#### OFFICERS OF CORPORATION

SEC. 7. The officers of the corporation, and the election of such officers shall be as is provided in the articles of incorporation of the corporation and in conformity with the laws of the State or States wherein it is incorporated.

#### RESTRICTIONS

SEC. 8. (a) No part of the income or assets of the corporation shall inure to any member, officer, or director of the corporation or be distributed to any such person during the life of this charter. Nothing in this subsection shall be construed to prevent the payment of reasonable compensation to the officers of the corporation or reimbursement for actual necessary expenses in amounts approved by the board of directors.

(b) The corporation shall not make any loan to any officer, director, or employee of the corporation.

(c) The corporation and any officer and director of the corporation, acting as such officer or director, shall not contribute to, support or otherwise participate in any po-



litical activity or in any manner attempt to influence legislation.

(d) The corporation shall have no power to issue any shares of stock nor to declare or pay any dividends.

(e) The corporation shall not claim congressional approval or Federal Government authority for any of its activities.

#### LIABILITY

Sec. 9. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

#### BOOKS AND RECORDS; INSPECTIONS

Sec. 10. The corporation shall keep correct and complete books and records of account and shall keep minutes of any proceeding of the corporation involving any of its members, the board of directors, or any committee having authority under the board of directors. The corporation shall keep at its principal office a record of the names and addresses of all members having the right to vote. All books and records of such corporation may be inspected by any member having the right to vote, or by any agent or attorney of such member, for any proper purpose, at any reasonable time. Nothing in this section shall be construed to contravene any applicable State law.

#### AUDIT OF FINANCIAL TRANSACTIONS

Sec. 11. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (36 U.S.C. 1101), is amended by adding at the end thereof the following:

"(55) United States Submarine Veterans of World War II."

#### ANNUAL REPORT

Sec. 12. The corporation shall report annually to the Congress concerning the activities of the corporation during the preceding fiscal year. Such annual report shall be submitted at the same time as in the report of the audit required by section 11 of this Act. The report shall not be printed as a public document.

#### RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

Sec. 13. The right to alter, amend, or repeal this Act is expressly reserved to the Congress.

#### DEFINITION OF "STATE"

Sec. 14. For purposes of this Act, the term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

#### TAX EXEMPT STATUS

Sec. 15. The corporation shall maintain its status as an organization exempt from taxation as provided in the Internal Revenue Code. If the corporation fails to maintain such status, the charter granted hereby shall expire.

#### TERMINATION

Sec. 16. If the corporation shall fail to comply with any of the restrictions or provisions of this Act, the charter granted hereby shall expire.

Amend the title so as to read: "An Act to recognize the organization known as the United States Submarine Veterans of World War II."

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Tennessee.

The motion was agreed to.

#### H.R. 4591 PLACED ON THE CALENDAR

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee

on Energy and Natural Resources be discharged of H.R. 4591, which is a companion to S. 859 which has already passed the Senate, and that H.R. 4591 be placed on the calendar.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

#### RECESS UNTIL TOMORROW AT 9:30 A.M.

Mr. BAKER. Mr. President, I see no Senator seeking recognition. I know of no further business to be transacted by the Senate this evening. I move in accordance with the order previously entered that the Senate stand in recess until 9:30 a.m. tomorrow.

The motion was agreed to, and at 7:07 p.m. the Senate recessed until Tuesday, November 10, 1981, at 9:30 a.m.

#### NOMINATIONS

Executive nominations received by the Senate November 9, 1981:

##### DEPARTMENT OF STATE

Elliott Abrams, of the District of Columbia, to be Assistant Secretary of State for Human Rights and Humanitarian Affairs, vice Patricia M. Derian, resigned.

##### DEPARTMENT OF JUSTICE

Glenn L. Archer, Jr., of Virginia, to be an Assistant Attorney General, vice M. Carr Ferguson, resigned.

John R. Kendall, of Michigan, to be U.S. Marshal for the western district of Michigan for the term of 4 years vice Andrew L. Metcalf, resigning.

Harry Connolly, of Oklahoma, to be U.S. Marshal for the northern district of Oklahoma for the term of 4 years vice Carl W. Gardner, term expired.

##### NATIONAL COMMISSION ON LIBRARIES AND INFORMATION SCIENCE

The following-named persons to be Members of the National Commission on Libraries and Information Science for the terms indicated:

For the remainder of the term expiring July 19, 1982:

John E. Juergensmeyer, of Illinois, vice Frances Healy Naftalin.

Jerald Conway Newman, of New York, vice Joan Helene Gross.

Julla Li Wu, of California, vice Clara Stanton Jones.

For a term expiring July 19, 1986:

Elinor M. Hashim, of Connecticut, vice Robert W. Burns, Jr., term expired.

Byron Leeds, of New Jersey, vice Horace E. Tate, term expired.

##### IN THE ARMY

The following-named officer to be placed on the retired list in grade indicated under the provisions of title 10, United States Code, section 1370:

##### To be lieutenant general

Lt. Gen. Richard Hulbert Groves, ~~XXX-XX~~ (age 58), Army of the United States (major general, U.S. Army).

##### IN THE NAVY

The following-named officers of the U.S. Navy for permanent promotion to the grade

of commander in the line and various staff corps, pursuant to section 611(a) of the Defense Officer Personnel Management Act (Public Law 96-513) and title 10, United States Code, section 624 as added by the same act, as applicable, subject to qualifications therefor as provided by law:

#### LINE

Aaker, Charles Ervin  
Aanerud, Kenneth Dean  
Abbate, Robert Philip  
Abbey, Donald Lewis  
Abbott, Richard Leroy  
Abrams, Steven Selby  
Acord, Jiles Underhill, Jr.  
Adair, Hugh Reeves  
Adair, Roy Ernest, Jr.  
Adams, Donald Franklin  
Adams, Frederick Arthur  
Adams, Richard Peerson  
Adams, Robert Frederick  
Aeschleman, Vance E., Jr.  
Agee, Jerry Bond  
Agnew, James Robert  
Ahlgren, Roy Carl Eric  
Albers, Steven Conn  
Aldo, Albert Erwin, Jr.  
Alexander, Marlon Romaine, Jr.  
Allen, Glenn R.  
Allen, Harry Benjamin  
Allen, Henry Carter  
Allen, John E.  
Allen, Kenneth Eugene  
Allen, Lloyd Edward, Jr.  
Allin, John Wilfrid  
Almon, John Sterling  
Amborn, Lloyd P.  
Amerau, Harold Francis, Jr.  
Amos, Robert Edward  
Amundsen, Rickard Oliver, Jr.  
Anastasi, George Martin  
Anawalt, Richard Arthur  
Andersen, Robert Viggo  
Anderson, David Graham  
Anderson, David Wiley  
Anderson, Dennis Dean  
Anderson, Harold Murray  
Anderson, Jimmy Duke  
Anderson, Michael John  
Anderson, Russell Frederick  
Andrews, Edward Keith  
Andrews, James Randolph  
Angelina, Peter Gerald  
Anselmo, Philip Shepard  
Anson, Robert, Jr.  
Apple, Lester Arthur  
Argubright, Stephen F., Jr.  
Arndt, Keith Milford  
Arquette, Howard Ralph  
Arrison, James Matthew, III  
Asbell, Richard Carroll, II  
Ashburn, Erich Harry  
Ashby, Elton Truxton  
Astor, Lawrence Ira  
Atchison, Thomas Ludwell  
Athanson, John Wayne  
Atkins, Ronald Wayne  
Aucella, John Paul  
Austin, Donald Gene  
Authement, Charles Francis  
Avery, Donald, William, Jr.  
Avery, Robert Butner  
Avery, Robert Young  
Axtman, Darold Steven  
Ayers, Daniel Owen  
Baca, Fidel Leroy  
Bacon, Robert Peter  
Bahr, Stephen Messer  
Bailey, David Laurence  
Bailey, James William  
Bailey, Jerry Robert  
Bailey, Larry Weldon  
Bajuk, Gregory Emil  
Baker, Brent  
Baker, David James  
Baker, Jerry, Jr.  
Baker, Milton Sumner, Jr.  
Baker, Robert William  
Baland, George Arnold  
Ballan, Alexander George  
Ball, Harry Francis, Jr.  
Ballard, Don Eugene

Ballard, Michael Hitchcock  
 Ballback, Leonard John, Jr.  
 Baller, Elmer William  
 Balut, Stephen John  
 Bankson, Rodney Alan  
 Barchi, Richard Henry  
 Bard, Albert Eugene  
 Barker, Bruce William  
 Barker, Kenneth Dale  
 Barker, Michael Don  
 Barker, Ross Daniel  
 Barker, Timothy Lee  
 Barker, Wilbert Blair  
 Barnes, James Clayton, Jr.  
 Barnett, Thomas Joseph  
 Barnett, William Richard  
 Barney, William Clifford  
 Barrett, James Wilson  
 Barry, David John  
 Barry, Thomas Anthony  
 Bartlett, Robert Charles  
 Bartmess, Curtis, Jr.  
 Bartol, John Hone, Jr.  
 Barton, William Bruce  
 Bates, Billy Gene  
 Batzel, Thomas Joseph  
 Baumann, Carl Vincent  
 Baumhofer, William James  
 Baumstark, James Schilling  
 Baxter, Peter Crockett  
 Beachy, John Scott  
 Beal, Richard Frank  
 Beall, James Mandaville, Jr.  
 Beam, David Mitchell  
 Bean, Charles Dunbar  
 Beard, Garnet Chapman, Jr.  
 Beardsley, John William  
 Beauchamp, Robert Lewis  
 Beck, Melvin Dewayne  
 Becker, Alan Robert  
 Becker, Alfred Edward  
 Beckett, Robert Sampson  
 Beery, James Robert  
 Begley, Jerry Noonan  
 Behrend, Robert Michael  
 Beiser, Richard William  
 Beland, Conrad Lucien  
 Belanger, Raymond Louis  
 Bell, Corwin Allan  
 Bell, Duncan W. J., Jr.  
 Bell, John Martin  
 Bell, Robert Alfred  
 Bell, Robert Stevens  
 Bell Russell Anson  
 Bell, William Farmer  
 Bellis, James Richard  
 Bendetsen, Brookes McIntosh  
 Bennett, David Cushing  
 Bennett, Richard Allan  
 Beougher, Roland Ben  
 Berger, John Harry  
 Berkebile, Donald Freeman  
 Berley, Leonard Eugene  
 Bertsch, William Preston, Jr.  
 Beschta, Gerald Thomas  
 Beshirs, George Russell  
 Best, John Albert  
 Betzner, Hugh William, Jr.  
 Bidlake, Kenneth Morton  
 Blery, George Monroe, II  
 Bilbrey Harlan Kenneth  
 Billings, Alan J.  
 Billings, Leland Raymond  
 Billingsley, Christopher  
 Binford, Benjamin James  
 Bingham, Clyde Leroy  
 Birch, Barry Stanway  
 Bird, Noel Thomas  
 Bird, Ronald Stanley  
 Bishop, Ronald Floyd  
 Bjerke, David Gerhard  
 Blackmon, Larry W.  
 Blades, Peter David  
 Blair, Dennis Cutler  
 Blakely, Frederick Martin  
 Blanton, James Cordell  
 Bledsoe, Frankie Carl  
 Blinn, Norma Roy  
 Bliss, Larry Dean  
 Bloch, Paul Stanley  
 Bloomer, John Godfrey  
 Blount, Thomas Edward, Jr.  
 Boatright, Billy Carroll  
 Bobo, Wilton Cornelius, Jr.  
 Boehmer, Charles Edward  
 Bogard, Thomas Hugh  
 Boink, Louis Herman, III  
 Bolger, Robert Kevin  
 Boncal, Richard  
 Bond, Rogers Anthony  
 Bondi, Robert Carl  
 Bontrop, Paul Nichols, Jr.  
 Bookhultz, John Wesley  
 Borchardt, Curtis George  
 Borchers, Carl Bruce  
 Borchers, Doyle John, II  
 Borck, Paul Robert  
 Bordy, Michael William  
 Boren, Norris Henderson  
 Borghoff, Francis A.  
 Bormann, Conrad P.  
 Boston, Glenn John  
 Boston, Michael Rhodes  
 Bosworth, Robin  
 Bouck, David W.  
 Boughan, David Alan  
 Bower, Ammon William, III  
 Bowman, Frank Lee  
 Bowman, Gene Melvin  
 Bowman, Michael Lee  
 Boyce, Robert William  
 Boyd, Gerald Glenn  
 Boydston, James Laymance  
 Boyer, Philip Albert, III  
 Bozzelli, Philip Anthony  
 Bracht, Steven Edward  
 Brackx, Omer Maurits  
 Bradbury, Donald Taylor  
 Bradford, Alan Roger  
 Bradt, Douglas James  
 Brady, James H. R.  
 Brady, Timothy Sterling  
 Branch, Allen Drue  
 Branco, Robert John  
 Brandenstein, Daniel Charles  
 Brannon, Michael Lee  
 Brant, Robert Leon  
 Breidert, William Eugene  
 Brennan, Michael John  
 Brennan, William John  
 Brewer, Joe Robert  
 Bright, Charles Norman  
 Brindel, Glenn Richard  
 Brittain, Albert Russell, Jr.  
 Brockley, John Patrick  
 Brokaw, Charles Roger  
 Brooks, Leon Preston, Jr.  
 Brooks, William Keith  
 Brough, Robert Franklyn  
 Brouwer, Frederick Paul, II  
 Brown, Charles Joseph, III  
 Brown, David Melton  
 Brown, Emory Worth, Jr.  
 Brown, Jeffrey Lynn  
 Brown, Oval Dwight  
 Brown, Ronald Lee  
 Brown, Wendell Earl  
 Browne, Herbert A., Jr., II  
 Browne, Joseph Malette  
 Bruckner, James Winston  
 Brufat, Arne Bredo  
 Brun, Charles Robert  
 Bryan, Herbert Francis  
 Bryant, Leon Cullen  
 Buckley, Peter Patrick  
 Buckley, Russell Henry, Jr.  
 Buescher, Stephen Meredith  
 Bunn, Ronald Roy  
 Bunting, Daniel Charles  
 Burcham, Devirda Houston, III  
 Burcham, William Richard  
 Burck, Clarence William  
 Burgess, Andrew Lynn, Jr.  
 Burgess, Clifford Thomas, Jr.  
 Burgess, Larry Lee  
 Burke, James Lawrence  
 Burke, Michael Edward  
 Burlingame, Anson H., Jr.  
 Burman, George Alfred  
 Burnett, Robert Vernon  
 Burns, Richard James  
 Burns, Robert Louis  
 Burrows, Dee Wayne  
 Burrows, John Shober, III  
 Burt, John Alan  
 Burtch, Patric James  
 Burton, Charles William  
 Burton, Hurshel Bruce, Jr.  
 Burtram, Roderick  
 Busch, John Robert  
 Bush, Gary Albert  
 Bush, Harold Samuel  
 Bushong, Robert Lee  
 Bustamante, Charles Joseph  
 Butler, Francis Wayne  
 Butler, Richard Montague  
 Butler, Thomas Harold  
 Button, Andrew Jerome  
 Buttram, Robert Henry  
 Byerly, Kellie Sylvester  
 Byrnes, David Thomas  
 Byron, John Ladue  
 Byron, Roger Walter  
 Cain, William Michael  
 Calabough, Jerry Simms  
 Calande, John Joseph, Jr.  
 Callahan, Gary Wilson  
 Callaway, Leigh Lawrence  
 Calvano, Charles Natale  
 Cameron, John Frederick  
 Camp, Norman Thomas  
 Campbell, Archibald George  
 Campbell, James D.  
 Campbell, James John  
 Campbell, Ronnie Milton  
 Canepa, Louis Robert  
 Canno, Olin Charlie  
 Caplinger, Royce Lee  
 Carden, Arthur Bruce  
 Carey, Albert Daniel, Jr.,  
 Carey, David Jay  
 Carey, James Robert  
 Carl, Lester William  
 Carlin, Daniel Stephen  
 Carlmark, Jon William  
 Carlton, Raymond M.  
 Carolan, James Cummings  
 Carpenter, Melvin R., III  
 Carpenter, Robert Alphonsus  
 Carroll, Charles Cecil  
 Carroll, David Lee  
 Carroll, Hugh Edward, II  
 Carson, William Henry, II  
 Carter, Clyde Louis  
 Carter, James Jefferies  
 Carter, James O'Neill  
 Carter, Stanley Jerome, Jr.  
 Caseman, Jerry Brant  
 Cash, Roy, Jr.  
 Cashman, David Matthew  
 Cassidy, Tom Kenneth  
 Cassiman, Paul Arthur  
 Castelano, Kenneth Michael  
 Casterline, John Braman  
 Castro, Alexander, Jr.  
 Catone, Richard Arthur  
 Cavaluchi, Robert Andrew  
 Cebrowski, Arthur Karl  
 Cegler, Edmund Carl  
 Center, William Dillard  
 Cepek, Robert Joseph  
 Chagaris, Peter James  
 Chalkley, Henry George  
 Chandler, James Francis  
 Chappell, Stephen Francis  
 Charles, James R., Jr.  
 Chenault, David Waller, II  
 Chernesky, John Joseph, Jr.  
 Chotvacs, Charles Julius  
 Chrisman, Willard George  
 Christensen, Ernest E., Jr.  
 Christian, Dennis Howard  
 Christie, Warren Byron, Jr.  
 Christman, Robert Harvey  
 Chubb, John Everson, Jr.  
 Church, Wayne Clifton  
 Cinco, Raymon, Jr.  
 Cipriano, Roberto  
 Cisek, Peter John  
 Claassen, Steven Hurley  
 Clancy, James Patrick  
 Clark, Arthur Doron



Clark, Edward, Jr.  
 Clark, Hiram Ward, Jr.  
 Clark, Howard Bowman  
 Clark, Jack C.  
 Clark, James Ward  
 Clark, John William  
 Clark, Robert Hugh, Jr.  
 Clark, Terrell Irvin  
 Clark, Vander, Jr.  
 Clark, Vernon E.  
 Clark, William Harry  
 Clark, William Stephen  
 Clarke, Lawrence Mason, Jr.  
 Clason, Aryl Benton  
 Clay, Henry Leonard, III  
 Clemins, Archie Ray  
 Clesen, Gerard Foster  
 Cline, Robert Henry  
 Cline, Gary Keith  
 Cloward, Richard Stuart  
 Coady, Phillip James, Jr.  
 Coats, Michael Loyd  
 Cobb, Robert Linah  
 Coburn, Clarence Dowell, Jr.  
 Coburn, Lewis Laddie  
 Cockcroft, Thomas D.  
 Coker, George Thomas  
 Colburn, Herbert Temple  
 Cole, Bernard David  
 Cole, Robert S.  
 Cole, Ronald Arthur  
 Coleman, James Evans  
 Coleman, John Boddie, Jr.  
 Coleman, Jon Suber  
 Coleman, Randy J.  
 Coleman, William Arnold, Jr.  
 Colgan, Stephen Gregory  
 Collier, Arthur Hugh  
 Collins, James Alexander  
 Collins, John Patrick, Jr.  
 Collins, Richard Xavier  
 Collins, Walter Sever  
 Collins, William Gerard, Jr.  
 Collins, William Vivian, Jr.  
 Colthurst, Wallace R.  
 Colvin, Clarence Earl  
 Colyar, Robert William  
 Colyer, Thomas James  
 Combe, Andrew John  
 Combs, John Wesley  
 Comstock, George Alfred  
 Conant, Edward Harvey  
 Concannon, Michael J.  
 Conder, Robert Aubrey  
 Coneway, Clinton James  
 Connor, Ernie Eugene  
 Connor, James Vincent  
 Conrad, Raymond Paul  
 Cook, Bruce Conrad  
 Cook, Charles Allen, Jr.  
 Cook, Clarence L.  
 Cook, Douglas Watkins  
 Cook, Gary Newton  
 Cook, James Ray  
 Cook, John Clark, Jr.  
 Cook, John Francis, Jr.  
 Cooke, Oren Boyd  
 Coonan, John Joseph, Jr.  
 Cooney, Terence James  
 Cooper, William Patrick  
 Corcoran, Joseph Lynn Kevin  
 Corgan, Michael Thomas  
 Corgnati, Leino Bart, Jr.  
 Cornell, Clifford Louis  
 Cornia, Howard  
 Coshaw, George Horace, II  
 Costello, John Patrick, II  
 Costello, Terrence W., III  
 Coughlin, Frank Thomas  
 Coulter, William Laurence  
 Coumatos, Michael James  
 Counter, James Richard  
 Coward, Asbury, IV  
 Cox, Landon Greaud, Jr.  
 Coyle, Michael Thomas  
 Cragg, Eugene Earl, Jr.  
 Craig, John Stephen  
 Craig, Norman Lindsay  
 Cramer, Charles Rebert  
 Cramer, Michael William

Crane, Melvin Edward  
 Crane, Stephen Herman  
 Crawford, Frederick Roberts  
 Creager, Hugh Gunder  
 Creamer, George Urb  
 Creely, Allan John  
 Croix, Larry Edmond  
 Cronin, Robert Redmond  
 Crooks, Richard Alan  
 Cross, Robert Clinton, Jr.  
 Crossen, William Joseph  
 Crowe, Olen  
 Crowley, William Francis, Jr.  
 Crump, David Allen  
 Culver, John Bergen, III  
 Cummings, Ronald Leo  
 Curley, Richard Charles  
 Curran, Lawrence F.  
 Curtis, Albert Lawrence  
 Curtis, Richard Bradford  
 Curtis, Robert Edwin  
 Dadant, Dennis John  
 Dade, Thomas Brodrick  
 Daigle, Glenn Henri  
 Daley, Michael James  
 Dairymple, Edward Kent  
 Dalton, Henry Frederick  
 Daly, Beverly A.  
 Daly, Thomas Milton  
 Dambekaln, Andris  
 Dameron, Jack Edward  
 Dangel, John Henry  
 Danner, Terrence Nye  
 Dannheim, William Taylor  
 Dantone, Joseph John, Jr.  
 Daramus, Nicholas Thomas, Jr.  
 Darsey, Edgar Bruce  
 Dau, Frederick William, III  
 Daugherty, Shaun Michael  
 Davidson, Alan Norton  
 Davidson, Bruce Ernest  
 Davidson, Wayne Fred  
 Davies, William Edgar, Jr.  
 Davis, Aubrey, Jr.  
 Davis, Dean Dudley  
 Davis, Dickey Parrish  
 Davis, Eugene Berkeley  
 Davis, George Harrison, Jr.  
 Davis, Gerald, Jr.  
 Davis, James Willard, Jr.  
 Davis, John C.  
 Davis, John Edgar, Jr.  
 Davis, Lee Alfred  
 Davis, Ralph Richard  
 Davis, Stephen Brooks, Jr.  
 Davis, Walter Barry  
 Davison, Charles Alexander  
 Dawson, Wilbert Elwood, Jr.  
 Day, Charles James  
 Day, James Roby, Jr.  
 Day, Patrick Arthur  
 Deaton, James Paul  
 Deboer, James Keith  
 Decaril, Wiley Paul  
 Deda, Donald James  
 Degreef, Donald James  
 Deklever, Vaughn Gerard  
 Delaney, Kevin Francis  
 Dell, Julius Bloxham, Jr.  
 Denbow, Kenneth Duane  
 Denning, William James, III  
 Dennis, James Augustin Jr.  
 Deroco, Alan Preston  
 Desrosiers, Richard Albert  
 Destcroix, Lawrence E., Jr.  
 Dethomas, John Victor  
 Detter, Gary Lee  
 Deutermann, Peter Thomas  
 Diaz, Donald Gilbert  
 Dickens, Phillip Wayne  
 Dickson, James William  
 Dietz, Gary Conrad  
 Dilley, James Earl  
 Dirren, Frank Matthew Jr.  
 Dittmer, Edward Raymond Jr.  
 Dixon, Thomas Earl  
 Dobbins, William Peyton Jr.  
 Dobson, Ralph Paul  
 Doherty, Hugh Michael  
 Dolan, Peter James  
 Donahue, Drake Allen

Donahue, John Cliff III  
 Donahue, William Charles  
 Donegan, John Joseph Jr.  
 Doney, John Harvey III  
 Donnelly, John Thomas Jr.  
 Donnelly, Michael Patrick  
 Dopson, Michael Imler  
 Dorman, Merrill Herrick  
 Dorsey, Medford Don  
 Doty, Wells Blakeslee  
 Dow, John Irvan  
 Dow, Paul Richard  
 Dowd, James Lawrence  
 Dowgwilla, Frank Michael Jr.  
 Downey, Robert Vincent  
 Doyle, Bruce Nelson  
 Doyle, Dennis Michael  
 Drager, James Michael  
 Drennan, Arthur Paul  
 Drew, James Joseph  
 Driscoll, Kurt Allen  
 Drumm, R. David  
 Drummond, George Lee  
 Dryden, William Thomas  
 Dubois, Vern Allen  
 Duchock, Charles Jack, Jr.  
 Duermeyer, Stephen Paul  
 Duff, Byron Lynn  
 Dunlap, David Bartlett  
 Dunn, Dale Raymond  
 Dunn, Donald Bertram  
 Dunne, Gerald William  
 Dur, Philip Alphonse  
 Durham, Andrew Canton  
 Durham, Wayne Carlton  
 Durr, Donald Gordon  
 Dutrow, Samuel Richard, Jr.  
 Duva, Alfred N. Jr.  
 Dwinelle, William Alfred  
 Dwyer, David Stephen  
 Dyches, Fred Dennis  
 Dyck, Harry Milton, Jr.  
 Dye, George Walter, Jr.  
 Dyer, Donald Alvin  
 Dykeman, Paul Richard  
 Eacott, Richard George  
 Earner, William Anthony, Jr.  
 Easley, George Alfred  
 East, Don Charles  
 Eastman, Robert James, Jr.  
 Eaton, George Arthur, Jr.  
 Echlin, Delos E.  
 Ecker, Paul William  
 Eckhoff, Clarence Joseph, Jr.  
 Eckstein, Eric Rockhill  
 Eddingfield, Lawrence E.  
 Eddy, Rodman Michael  
 Edens, Roderick Jefferson, Jr.  
 Edwards, Buford Ray  
 Edwards, James Nathaniel, Jr.  
 Edwards, Michael Bruce  
 Eggleston, Larry Glenn  
 Ehlers, Theodore Jay  
 Eischen, Gerald Nicholas  
 Eissing, Frank Eugene, III  
 Elberfeld, Lawrence George  
 Elder, Phillip Robert  
 Eldridge, James Donald, Jr.  
 Elliott, Shirley Holt  
 Ellis, Robert Edward  
 Ellis, Robert Lee, Jr.  
 Ellsworth, Thomas Burpee, Jr.  
 Emery, George Williams  
 Endrizzl, Raymond Louis  
 Engwell, Darrel Wayne  
 Ennis, Michael Kirby  
 Ensch, John Clyde  
 Enterline, Edward Russell  
 Erickson, Richard Oscar  
 Erickson, William John  
 Ericson, Walter Alfred  
 Erlandson, John Lyle, Sr.  
 Ernst, Eric Rodholm  
 Erny, Paul Frank  
 Erskine, Donald Alexander  
 Estes, Donald Harold  
 Estes, Wilson Ray, Jr.  
 Etko, Craig Louis  
 Evans, Charles J.  
 Evans, John Morgan  
 Evans, Oliver Keith

Everette, Oliver Giovanne  
 Eversole, Thomas Young  
 Ewing, Kent Walker  
 Fagan, Patrick Michael  
 Fahsl, John James  
 Fahy, Andrew Wilson  
 Falcon, Michael Francis  
 Faricy, John Jerome, Jr.  
 Farmer, Michael Arthur  
 Farr, Leroy Allen  
 Farrell, Richard Stephen  
 Farris, Robert Owen, Jr.  
 Farrow, Stephen Richard  
 Fast, Richard Edwin  
 Faticoni, John Anthony  
 Favaro, Joseph Dominic  
 Feeback, Ralph Stanley  
 Feeser, Henry Roger  
 Fellows, Richard Hudson  
 Felps, Lowell Douglas  
 Felton, Lewis Allen  
 Fenton, Paul Herbert  
 Ferdon, Frank Charles  
 Ferguson, James Beaty, III  
 Ferguson, Lawrence Leroy  
 Ferguson, Thomas Edward  
 Fernandez, Wayne Jacinto  
 Ferry Francis Joseph  
 Feuerbacher, Dennis George  
 Fickenscher, Edward A., III  
 Field, John Burke  
 Field, Richard Johns  
 Fike, Burtis Phenone  
 Filippi, Richard Anthony  
 Finch, Donald Leslie  
 Fink, Ralph, III  
 Finney, James Hardin  
 Finta, Thomas William  
 Fister, George Rodwell  
 Fitch, Patrick Edwin  
 Fitch, Rex Burnham, Jr.  
 Fitzgerald, James Richard  
 Fitzgerald, John William  
 Fitzpatrick, Thomas George  
 Fitzpatrick, William Edward  
 Fladd, Wirt Ross  
 Fletcher, Paul Reed  
 Flint, Charles G.  
 Flint, Lewis Ware  
 Flynn, James M.  
 Flynn, John Patrick  
 Foard, John Stager, Jr.  
 Fogerson, Arron, Stephen  
 Folsom, Benjamin Franklin, Jr.  
 Foltzer, Louis Leonard  
 Fones, James Milton, Jr.  
 Fontana, James David  
 Foote, Morris Cooper  
 Forbes, George Thomas  
 Forsberg, Gary Lee  
 Fortenberry, Henry Charles  
 Fosina, Andrew Joseph  
 Foust, James Eldridge, III  
 Fox, Arthur Dale  
 Fox, Franklin Orville  
 Foy, Basil W., Jr.  
 Fragomene, Vincent Michael  
 France, Frederick Michael  
 Franconeri, James Joseph  
 Francon, Alvin Laverne  
 Franz, Rodney Crane  
 Freas, Henry Edward  
 Fredericks, Roy Charles  
 Freeman, David Lansing  
 Freeman, Ernest Raymond  
 Freibert, Ralph William  
 French, Gary Lester  
 French, John C., Jr.  
 Frenzel, Joseph William, Jr.  
 Frenzinger, Thomas Walter, II  
 Fricke, Harold Jean, Jr.  
 Friedman, Marcus Velvil  
 Frigge, William Joseph  
 Fritz, Thomas Clifford  
 Fritz, Thomas Wayne  
 Frost, John Allen  
 Fuetsch, Carl Turner  
 Fugard, William Harvey  
 Fuge, Douglas Paul  
 Fulkerson, Grant Dale  
 Fumia, Francis Henry, Jr.  
 Gage, Carvel Clinton, Jr.  
 Gaines, George L.  
 Gaither, Ralph Ellis, Jr.  
 Galbraith, Peter Marshall  
 Gale, Ernest Frederick, Jr.  
 Galletta, Albert Frank  
 Galkin, Kenneth Earl  
 Gallagher, Tilden Matthew, Jr.  
 Gamrath, James Carl  
 Gapp, Donald Robert  
 Gardiner, Lawrence Edwin  
 Garrett, Philip Trafton  
 Gastar, Stanley Douglas  
 Gates, Jonathan Hubert  
 Gatcliffe, Thomas Robert  
 Gautier, James Berry  
 Gay, John Phillip  
 Gay, William Wilson, III  
 Gaylord, Reginald F., Jr.  
 Gebhardt, Laurence Philbert  
 Geddie, John McPhail, Jr.  
 Gee, Daryl Letho  
 Gehman, Harold Webster, Jr.  
 Genet, Richard Paul  
 Genrich, Charles Mainard  
 George, Paul John  
 Gerard, Walter J.  
 Gerber, Joseph A.  
 Gibbs, Maurice Edward  
 Gibson, David R.  
 Gibson, Elwood Lloyd  
 Giffin, Henry Collins, III  
 Gifford, Corydon Rouse  
 Gildersleeve, Elmer James  
 Gill, James Michael  
 Gill, Russell Carter  
 Gillett, John Braxton, Jr.  
 Gilmartin, John Thomas  
 Gilroy, Vincent J., Jr.  
 Gionet, Laurence Joseph, Jr.  
 Giorgio, Frank Arthur, Jr.  
 Gist, David Moore  
 Gladin, Bennie Ronald  
 Glaes, Roger Burton  
 Glaeser, Frederick John  
 Glass, Robert Lee  
 Glover, William Stewart, Jr.  
 Gnllka, Charles William  
 Gobel, James Thomas, Jr.  
 Goddard, Glen Lewis  
 Goesling, William Hayes  
 Gohmann, Barton Charles  
 Gompper, James Harold  
 Gonzalez, Rene Eugenio, Jr.  
 Goodloe, Robert Vannerson, Jr.  
 Goodwin, James Harvey  
 Goodwin, Michael Roy  
 Goolsby, Richard Edwin  
 Gordon, Kenneth Elwood, Jr.  
 Gorell, Frederick Reimer, Jr.  
 Gottlieb, William Albert  
 Grabowsky, Theodore Eron  
 Graef, Peter John  
 Graf, Clifford Maxwell, II  
 Graf, Russell John  
 Graham, Clark  
 Grant, Homer Thomas, Jr.  
 Grant, Richard  
 Grant, Richard Francis  
 Granuzzo, Andrew Aloysius  
 Grasser, Phillip Farr  
 Grause, Francis Patrick  
 Graves, David Michael  
 Graves, William Thomas  
 Green, Thomas Ray  
 Greene, James Bernard, Jr.  
 Greeson, Bernard Dandridge  
 Gregoire, John Albert  
 Gregory, Francis Carl  
 Grieve, David James  
 Griffin, Paul Adolph  
 Griffith, Douglas Kent  
 Griggs, Carlton Albert  
 Grinnell, Donald Prescott  
 Grosser, Harold John, Jr.  
 Grostick, John Larsen  
 Gunn, Lee Fredric  
 Gushaw, Gregory Vance  
 Gustafson, Carl Eric  
 Gustavson, Fred Perry  
 Habermeyer, Howard W., Jr.  
 Hack, David Faustin  
 Hagen, James Burgess  
 Hagy, James Henry Dixon, Jr.  
 Hahn, William Dillon  
 Haines, William Robert  
 Haley, Willard James  
 Hall, James Otto  
 Hall, John Preston, Jr.  
 Hall, Robert Eric, III  
 Halyburton, Porter Alexander  
 Hamilton, Gerald Kent  
 Hamilton, John D. M., IV  
 Hamilton, Stephen Howard  
 Hamma, John Francis  
 Hancock, Thomas William  
 Hancock, William Charles  
 Hancock, William John  
 Hanke, Robert Richard  
 Hanley, James Joseph  
 Hannam, Donald Charles  
 Hanson, Dale Eugene  
 Hanson, Donald Arthur  
 Harder, Ronald Erwin  
 Harding, Ronald William  
 Hardt, Lorry Michael  
 Hardy, Richard Wayne  
 Harken, Jerry Lynn  
 Harlan, Richard Lavergne  
 Harley, James Harold  
 Harmon, Hollis William  
 Harms, John Henry  
 Harper, Joseph Cerue  
 Harrel, Roger Allen  
 Harrington, Thomas Edward  
 Harris, Michael Jon  
 Harris, William Ronald  
 Harrison, Gilbert Arthur  
 Harrison, James Douglas  
 Harrison, Robert Wesley  
 Hart, Bruce Harold  
 Hartkopf, Kenneth Walter  
 Hasenbauer, Richard David  
 Hassell, Benny Kyle  
 Hastings, Steven Chad  
 Hatch, Wayne Edward  
 Hatleberg, Clarence James  
 Hauert, Patrick Charles  
 Hawkins, Thomas Lynn  
 Hawley, John A., III  
 Hawver, Jack Hunter, Jr.  
 Hayden, William Buford  
 Hays, James Malcolm  
 Healy, John Francis, Jr.  
 Heames, Richard David  
 Hearn, Ellison Jasper  
 Heckler, Francis Daniel, Jr.  
 Heid, Billy Lee  
 Heilig, John  
 Heinecke, Walter Richard  
 Helms, Raymond Rice  
 Hekel, Ulls Dean  
 Helm, Larison F.  
 Hemmerle, George Edouard  
 Henderson, Harry Gene  
 Henderson, Lee Herman  
 Hendon, Jerry Edwin  
 Hendricks, Judson Joseph  
 Herbster, Gerald Fredrick  
 Herrmann, Robert Herbert  
 Herron, Francis, Joseph  
 Hershey, David G.  
 Hess, Donald Robert  
 Hess, Gerald R.  
 Heufelder, John Richard  
 Hewitt, George Michael  
 Hibler, Ross Gordon  
 Hickey, Robert Phillip  
 Hickman, Donald Patrick  
 Hickman, Harold William, Jr.  
 Higgins, Edward Joseph, II  
 Hildebrandt, John L., III  
 Hilgeman, John Lawrence  
 Hill, Charles Kenneth  
 Hill, Daniel Davies  
 Hill, Theodore Drummond, Jr.  
 Hillier, Donald Rand  
 Hilton, Francis Warren, Jr.  
 Hinds, Howard Huntington, Jr.  
 Hinds, James Judson  
 Hines, David Spencer  
 Hinesley, Harold H., Jr.



Hinkley, William Leslie  
 Hiss, Roger Anthony  
 Hitchcock, Terrence Walton  
 Hobbs, Marvin Edward  
 Hodell, John Charles  
 Hoepfner, Karl Thomas  
 Hoferkamp, Richard Allan, Sr.  
 Hoffman, Carl Walter  
 Hofstetter, Lawrence Lynn  
 Hofstetter, Robert Emil  
 Hogan, John Benedict, Jr.  
 Hoggard, John Hyde  
 Hoivik, Thomas Harry  
 Holbert, Warren Lee  
 Holbert, William Harold  
 Holliday, Harley Junlor  
 Hollinger, Merlin Bruce  
 Holme, Thomas Timings, Jr.  
 Holmes, Frank Clayton  
 Holmes, John Michael  
 Honey, Lowell Ray, Jr.  
 Honhart, David Crosby  
 Hontz, Edward Brigham  
 Hood, John McCoy, Jr.  
 Hood, John Timothy  
 Hood, William T. T., Jr.  
 Hoover, Charles Byron, Jr.  
 Hope, Robert Edward  
 Hopewell, Robert S.  
 Hopkins, James Robert  
 Hopson, Thomas Edward  
 Horner, Ronald Dean  
 Horton, Forrest Austin  
 Houser, George Clifford, Jr.  
 Howard, Hugh Wyman, Jr.  
 Howard, Stephen Thomas  
 Howell, Stephen Hunt  
 Hubble, Hilbert Roland  
 Huber, Dale Richard  
 Huchting, George Arthur  
 Hudnor, Francis Lee, III  
 Huffman, Kenneth Alan  
 Hughes, Gary Michael  
 Hughes, Ivan Estes  
 Hull, Kent Sherwood  
 Humphrey, James Smith, III  
 Humphreys, Wayne Ives  
 Hunt, Edmund Joseph, Jr.  
 Hunt, John West  
 Hunt, William Balle  
 Hunter, Robert Stanley  
 Hura Myron  
 Hurley, George Edward, Jr.  
 Husak, Stephen Bruce  
 Huss, Jerry Francis  
 Hutcheson, James Edward, Jr.  
 Hutmaker, Matthew Aaron, Jr.  
 Hutt, Gordon William  
 Huxhold, George Emery  
 Hynes, Robert Frank  
 Iber, William Randolph  
 Idleberg, Norman  
 Irvin, Clarence Frank  
 Irvine, Pickens William  
 Irwin, William Jenner  
 Itkin, Richard Ivan  
 Iverson, Michael Martin  
 Jackson, Lesley Jerry  
 Jackson, Marshall Neil  
 Jacob, Glenn R.  
 Jacobi, Leslie Martin  
 Jacobs, Brent W.  
 Jacobs, Philip Henley  
 Jacobs, Ralph Edward  
 Jacobson, Herbert A., Jr.  
 Jacobson, Richard Lee  
 Jantz, Michael William  
 Jarecki, Stephen Allen  
 Jarratt, John Marshall  
 Jaudon, Joel Bates  
 Jeffers, Barry N.  
 Jenkins, Neal Cornell  
 Jenkinson, William Raymond  
 Jensen, Robert James  
 Jessup, Frederick Don  
 Jewell, Robert Michael  
 Joa, William Ray  
 Jogan, Stephen  
 Johnson, Adrian Warren, Jr.  
 Johnson, Alan Joseph  
 Johnson, Carlton Roy

Johnson, Charles Edward  
 Johnson Douglas John  
 Johnson, Gerald Arthur  
 Johnson, Golden Harold  
 Johnson, Kenneth G.  
 Johnson, Kenneth Humphrey  
 Johnson, Laurence Everett  
 Johnson, Myron Theodore, Jr.  
 Johnson, Patrick Woodruff  
 Johnson, Richard Leroy  
 Johnson, Robert Frederick  
 Johnson, Robert Lee, Jr.  
 Johnson, William L., Jr.  
 Johnston, Jasper Brinson, Jr.  
 Jolley, Ronald Scott  
 Jones, Charlie Reed, Jr.  
 Jones, David Allan  
 Jones, Dennis Alan  
 Jones, Francis Terrell  
 Jones, James Voland  
 Jones, Jerry L.  
 Jones, Robert Drake  
 Jones, Robert Russell  
 Jones, Stephen Howe  
 Joplin, James Edward, Jr.  
 Jordan, David L.  
 Jordan, Jerry William  
 Jordan, John Franklin, Jr.  
 Joslin, Roland Wayne  
 Joyce, John Joseph  
 Joyce, Robert H.  
 Joynes, Thomas Woodrow, Jr.  
 Juengling, Robert George  
 Juerling, James Robert  
 Juhl, Clarence Henry  
 Jukoski, Michael Joseph  
 Julian, James Allen  
 Juroff, Kurt Thomas  
 Kaeser, Karl Heinz  
 Kahrs, J. Henry, III  
 Kaiser, David Gordon  
 Kaiser, John Martin  
 Kaiserian, Harry, Jr.  
 Kalal, Lindsey Edward  
 Kalyn, Richard Adrian  
 Kampf, Michael, III  
 Kamrath, Robert Allan  
 Kane, David Charles  
 Karl, George John, III  
 Karlisch, Manfred  
 Karr, Kenneth Richard  
 Kastel, Bruce Allen  
 Katz, Douglas Jeffrey  
 Katz, Richard Gordon  
 Kaufman, Edwin Joseph  
 Kautz, John Ferdinand  
 Kaye, Barry Nelson  
 Kearns, Walter Edward  
 Keenan, Richard Calvert, Jr.  
 Keim, Edward Franklin  
 Keiser, Ray Robert, Jr.  
 Kell, Richard Edward  
 Keller, George Joseph, Jr.  
 Kelley, John H.  
 Kelley, Thomas James  
 Kelley, William Emanuel  
 Kellner, Gary Earl  
 Kelsey, John Paul  
 Kemple, Morris Michael, Jr.  
 Kenneally, Thomas Daniel  
 Kennedy, James Conway, Jr.  
 Kennedy, James John  
 Kennedy, William Henry  
 Kenslow, Michael Jay  
 Kent, George Alan  
 Kenton, Bruce Holladay  
 Kenyon, Morton William  
 Kerry, William Schouman  
 Key, Wilson Denver  
 Kibble, Anthony John  
 Kiem, Robert Lang  
 Killam, Kent Hannaford  
 Killian, James Edward  
 Killon, Robert Allan  
 King, Carl  
 King, Edward Francis  
 King, Francis Edward  
 King, George Leonard, Jr.  
 King, Harold Warren  
 King, John David

King, Larry Lee  
 King, Leon Fleming, Jr.  
 Kinlaw, Howard McConneral, Jr.  
 Kinnear, Richard James  
 Kipp, John Lowell  
 Kirchoff, Charles William  
 Kirk, Kerry Elvin  
 Kirkpatrick, Howard David  
 Kirkwood, William Warren  
 Kleemann, Henry Martin  
 Klein, George Adam, III  
 Klein, Karl Manly, Jr.  
 Klemm, Richard Eiler  
 Kmetz, Stephen George  
 Knight, Ralph Woodrow, Jr.  
 Knosky, Michael Joseph, Jr.  
 Knutson, Rodney Allen  
 Koczur, Daniel Joseph  
 Kohler, John Edward, Jr.  
 Kolata, John Dennis  
 Konczyk, Alexander C.  
 Konetzni, Albert Henry, Jr.  
 Kosakowski, Robert Anthony  
 Koss, Howard Edward  
 Kost, Lawrence Michael  
 Kott, James Richard  
 Kottke, Robert Arthur, Jr.  
 Kozlowski, Nell Lee  
 Kramer, Wesley Marvin  
 Krasniewski, Stanley Edward  
 Kratz, Allen Zetty  
 Krause, Lawrence Charles  
 Kreinik, Eugene Gerard  
 Kreiger, David Harry  
 Kreiger, Dennis Harold  
 Krieger, Eric Weston  
 Kristensen, Edward Kristian  
 Krohne, Theodore Karl  
 Krom, Richard William  
 Krotz, Charles Kit  
 Krueger, Roger William  
 Krueger, Rudolph Vince  
 Kruse, Dennis Keith  
 Kruse, Harry Rudolph  
 Kruszona, Raymond Robert  
 Kyzar, Sammy Berton  
 Laabs, Stephen Kermit  
 Lachata, Donald Martin  
 Lacher, Richard Gray  
 Lacroix, Francis William  
 Ladek, Kenneth Eugene  
 Lagassa, Robert Edward  
 Lagomarsino, Thomas S.  
 Laible, Norman Wayne  
 Lamay, Thomas Vincent  
 Lamb, James Bernard, Jr.  
 Lamb, John Peter  
 Landers, Michael Francis  
 Landon, John Larue  
 Lansford, Martin Carl  
 Lapiere, Terrence Paul  
 Larguler, Isidore, Jr.  
 Larrabee, Stephen Harris, Jr.  
 Larsen, Donald Mark  
 Larson, Gary Lee  
 Larson, Matthew Donald  
 Lashley, Lewis  
 Laskey, Charles E.  
 Lassen, Clyde Everett  
 Lassiter, Ronald Lawrence  
 Lasswell, James Bryan  
 Latendresse, Thomas B.  
 Lauder, Robert James  
 Lauer, Joseph James  
 Laughlin, Gary Reed  
 Lautenbacher, Conrad C., Jr.  
 Lautrup, Robert William  
 Lavarre, Claude Andrews, Jr.  
 Lavelle, Donald Lewis  
 Law, Gordon Harris  
 Law, James Willard  
 Lawler, Curry Montgomery, Jr.  
 Lawless, William Claude  
 Lawson, Thomas Nelson  
 Lebaron, George Rohmer, Jr.  
 Lecompte, Walter Harold  
 Ledoux, Lawrence James  
 Lee, Howard Frank  
 Lee, Jimmy McArthur  
 Lee, Kenneth Arthur  
 Leeke, Howard Warfield, Jr.

Lefavour, David Anthony  
 Leightley, Albert Lewis, II  
 Lemke, Anthony Michael  
 Lents, John Michael  
 Lentz, Frederick Charles, Jr.  
 Leon, Kenneth Francis  
 Leone, Robert Wayne  
 Lesemann, Donald Frederick  
 Levien, Henry A.  
 Levin, Kenneth  
 Lewandowski, Henry Michael  
 Lewis, Earl Gardner, Jr.  
 Lewis, Jary William  
 Lewis, Leland Grant  
 Lewis, Lyle Eugene, Jr.  
 Lewis, Ronald Bruce  
 Lherault, David John  
 Libbey, Grey Dennison  
 Libbey, Miles Augustus, III  
 Lichtermann, Richard, II  
 Liechty, Kenneth Raymond  
 Liemandt, Michael Jerome  
 Lindell, Colen Richard  
 Linn, Larry Eugene  
 Linz, Edwin Raymond  
 Lipscomb, Warren Neilson, Jr.  
 Lischke, Erwin Josef, Jr.  
 Listol, Lavern Duwane  
 Litrenta, Peter Louis  
 Litvin, Frederick Daugherty  
 Livingston, Donald Joseph  
 Lockard, John Allen  
 Lockard, Martin Edward  
 Lockhart, Albert Lewis  
 Lockwood, Ernest Reese  
 Logan, Royal Hampton, Jr.  
 Long, Donald Erskine  
 Long, Edward Charles, III  
 Long, Laurence Graves  
 Lonnon, Lawrence Walter  
 Lonsdale, Paul Taylor  
 Loosbrock, Thomas Lee  
 Lopez, Thomas Joseph  
 Lord, William Fred  
 Losure, Edward Ronald, Jr.  
 Lothrop, Peter Scott  
 Loucks, Steven Jay  
 Lough, Dennis Elliot  
 Lovett, Billy Ray  
 Lowe, Julian R.  
 Luck, David Lee  
 Ludlow, Ronald Gene  
 Luecke, John Michael  
 Lundberg, Marshall Bertram  
 Lunde, Roger Kenneth  
 Lundy, George Willis, Jr.  
 Lupton, William Lloyd  
 Lutz, Frederick Ray  
 Lyall, Gerald James  
 Lyford, George, Jr.  
 Lyman, Melville Henry, III  
 Lynch, Robert Burgess  
 Lyons, Richard Leo  
 Lyons, Robert Woodrow  
 MacCauley, Phillip Hardin  
 MacDonald, James Ronald  
 MacDonald, Michael John, III  
 Mackey, William Chambers, III  
 Mackin, Jere Gene  
 Maclin, Charles Sidney  
 MacMichael, John Lee  
 Madden, Lynn Merle  
 Madison, William Ross  
 Magalis, Richard Ludwell  
 Magnus, Royal Stapleton  
 Mahaffy, Lorrence Alger, Jr.  
 Mahoney, Patrick Francis  
 Mahood, James Norton  
 Maler, Robert Alex  
 Mairs, Lee Stafford  
 Malxner, Harold Vincent, Jr.  
 Major, William Earl, II  
 Malchiodi, Michael Anthony  
 Maloit, Robert James, Jr.  
 Manley, Jerry Bell  
 Manlove, Donald N.  
 Manning, John Francis, Jr.  
 Marchetti, Michael Joseph  
 Marciniak, Walter, Jr.  
 Mardis, Benny Joe  
 Margolis, Sheldon Lee  
 Marinslaw, Stephen Alfred, Jr.  
 Marks, William Leon  
 Marsden, Phillip Scherrer  
 Marsden, Richard Alan  
 Marsh, William Lee  
 Marshall, Richard Robin  
 Marshall, Rolf  
 Martin, Frederick Karl  
 Martin, Jerome Lawrence  
 Martin, Kenneth Mark  
 Martin, Ralph Kenneth  
 Martin, Ronald Edmund  
 Martin, Ronald Weldon  
 Martin, Theodore Joseph  
 Martinache, Charles Gilbert  
 Martinez, Carlos Manuel  
 Marymont, John Allen  
 Masciangelo, Frederick John  
 Mascitto, Eddy Joe  
 Maslowski, James Irwin  
 Massey, Frederick Thomas  
 Masten, Robert L.  
 Matchett, Charles William  
 Matheson, Norm Keller  
 Matson, Howard Lynn  
 Matton, William George, III  
 Mattson, James Lee  
 Matyas, Carl Edward  
 Maugerl, Peter James  
 Mauney, Louie Alton  
 May, Cyril Victor, Jr.  
 Mayfield, George A.  
 Mays, Michael Everett  
 Mazach, John James  
 McAlexander, Elroy Allen  
 McAllister, James Peter  
 McBride, Jon Andrew  
 McCallum, James Archibald  
 McCann, William Robert, Jr.  
 McCarthy, Michael James  
 McCarthy, Richard Joseph  
 McCleary, Joseph Raymond  
 McClellan, William Dean  
 McClelland, Thomas Lee  
 McConagha, David Leigh  
 McConnell, John Michael  
 McCormack, James Elvin  
 McCoy, Norman Kitchens, Jr.  
 McCrory, Donald Lee  
 McCrory, Seaborn M., III  
 McCrumb, James Brayton  
 McCurrach, Douglas Seely  
 McDanel, Brinley Kent  
 McDaniel, Howard Ray  
 McDaniel, Ronald Aubrey  
 McDavitt, Frederick Harry  
 McDermald, Steven William  
 McDevitt, James Joseph, Jr.  
 McDonald, Jay Gale  
 McDonald, John Joseph, Jr.  
 McDowell, Gary Allison  
 McFarland, Robert Stephen  
 McFearin, Allen Louis, Jr.  
 McFeely, Thomas Edward  
 McGaraghan, Michael John  
 McGee, Robert Thomas  
 McGinn, Dennis Vincent  
 McGlothlin, Larry Wyman  
 McGrath, James Michael  
 McGruther, Kenneth Ralph  
 McHenry, Wendell Carlton, Jr.  
 McKay, Dennis Albert  
 McKearn, Michael Clark  
 McKenna, Richard Bernard  
 McKenna, Russell Edmund, Jr.  
 McKenzie, Jerry Allen  
 McKinley, David Howard  
 McKinley, John C.  
 McKnight, Philip Kinsey, Jr.  
 McLeod, Robert Stirling  
 McMahan, Thomas William  
 McMillan, Robert Hugh  
 McMullin, Lynn Darnell  
 McMunn, David James, Jr.  
 McNeely, Ellis Eugene  
 McRae, Charles Robert  
 McWhirter, Michael Reed  
 Meck, Norman Clare  
 Melanephy, James P.  
 Melanson, Alfred Joseph, Jr.  
 Mendenhall, Corwin Guy, III  
 Meneeley, William Thomas  
 Mennuti, Timothy Mark  
 Merchant, Michael Gordon  
 Merrill, Grant Blackwell  
 Merritts, Michael Henry  
 Meserve, John Shackford, II  
 Meserve, Theodore Joseph  
 Messman, Harold Eugene  
 Metzger, William John, Jr.  
 Meyer, Herman Joseph  
 Meyer, John Ferrandello  
 Meyett, Frederick Elwood, Jr.  
 Michaels, Gregory A.  
 Michelini, Raymond Theodore  
 Mies, Richard Willard  
 Milam, Lonzo Oliver  
 Miles, Richard Jeffrey  
 Milley, Frank A.  
 Milliot, Louis, David, Jr.  
 Millard, August Vonborn, Jr.  
 Miller, Albert Earl  
 Miller, Calvin George  
 Miller, Charles Robert, III  
 Miller, David  
 Miller, Dennis Lee  
 Miller, Donald Charles  
 Miller, Harry James, Jr.  
 Miller, John Michael  
 Miller, Lawrence Everett, Jr.  
 Miller, Thomas Hayes  
 Miller, William Pearcy  
 Millikin, Stephen Thomas  
 Mills, Archibald Edward, Jr.  
 Mills, Michael John  
 Minard, Julian Edward  
 Minderlein, James Lloyd  
 Minter, Charles Stamps, III  
 Mitchell, Albert Hoyt, Jr.  
 Mitchell, Charles Scott, IV  
 Mitchell, John Bullard, Jr.  
 Mitchell, John Thomas, Jr.  
 Mitchell, Robert Marvin  
 Mitchell, Thomas R., III  
 Mitchel, William J.  
 Mittell, John Evans  
 Mixner, Frank Lewis  
 Mladineo, Stephen Victor  
 Moffat, John Wieber  
 Moffett, Gordon Neill  
 Molnar, David Louis  
 Monash, Richard Frank  
 Mondul, Steven Michael  
 Monell, Gilbert Finley, Jr.  
 Moni, Wayne John  
 Moninger, Edward George, Jr.  
 Montgomery, David James  
 Mooberry, William James  
 Moody, William Brooks Blais  
 Moore, Charles Leighton, III  
 Moore, David Baker Ames  
 Moore, Edward, Jr.  
 Moore, George Daniel  
 Moore, John Albert  
 Moore, John Charles  
 Moore, Richard Lee  
 Moore, Robert Brevard, II  
 Moosally, Fred Pete  
 Moran, William Patrick, Jr.  
 Morford, James Richard, III  
 Morgan, Benny Mount  
 Morgan Edward Lee  
 Morgan, Thomas Edmund  
 Morgen, Marty Paul  
 Morris, James Howell  
 Morris, Ricky King  
 Morris, Roy Anthony, Jr.  
 Morrison, Virgil Eugene  
 Morrissey, Thomas Kevin  
 Morrow, Emil David  
 Morse, Clayton Kavanaugh  
 Moseley, Thomas James, Jr.  
 Moser, Alan Brown  
 Moser, Ronald Bryant  
 Moses, Dale Hopkins  
 Mosher, Richard Lee  
 Moyer, Clyde Toone, III  
 Mueller, James Walter  
 Mulholland Lyle Jerry  
 Mullowney, Penn Evans, Jr.  
 Mumford, Thomas Frederick



Munro, Richard Pulliam, Jr.  
 Murkland, Richard Grant  
 Murphy, Andrew Joseph  
 Murphy, Charles Robert, Jr.  
 Murphy, Lawrence T.  
 Murphy, Richard Lawrence  
 Murphy, Thomas Ernest  
 Murray, Robert Louis  
 Musick, George Meredith, III  
 Muskovic, John Joseph, Jr.  
 Mustian, Jonathan David  
 Mutty, John Edwin  
 Myers, Kenneth Randall  
 Myers, Richard Timothy  
 Myers, Ronald Wayne  
 Myron, Terry James  
 Nakayama, Homer Shiro  
 Naldrett, William John  
 Naro, Edward Louis  
 Nash, Malcolm Peters, III  
 Neal, David Lewis  
 Neeb, Karl Anthony  
 Negin, Jerrold Jay  
 Nelsen, Lynn Howard  
 Nelson, Barron Craig  
 Nelson, Jerome George Samner  
 Nelson, Paul Lawrence  
 Nelson, Thomas Schewe  
 Nelson, Thomas Swan  
 Nemcosky, Martin Joseph, Jr.  
 Nester, Cletis Maynard  
 Neumann, Dennis Ervin  
 Newby, Lewis Raymond  
 Newell, Robert Bruce, Jr.  
 Newlon, Arthur William, Jr.  
 Newman, Martin Harvey  
 Newton, David Lee  
 Newton, William John  
 Nichols, Aubrey Allen  
 Nicholson, Donald Lee  
 Nicholson, Edwin Parmelee  
 Nicholson, Michael Jeffrey  
 Nickel, Hilary J.  
 Nickelsburg, Michael  
 Noce, Robert Stephen  
 Norcross, William Griffin  
 Nordeen, Michael Brent  
 Nordstrom, Louis William, Jr.  
 Norman, Robert James, Jr.  
 Norris, Dwayne Orange  
 Norris, Jerry David  
 Norton, Douglas Marvin  
 Norton, James Larry  
 Norwood, Kenneth Edward  
 Norwood, Richard Leon  
 Norys, Robert Martin  
 Notz, Frank Peter  
 Nuernberger, John Allan  
 Nunn, James Willis  
 Nute, Charles Carter  
 Nutwell, Robert Michael  
 Oatway, William Hanlon, III  
 O'Bar, Michael Wayne  
 O'Brien, John Joseph, Jr.  
 O'Brien, John Laurence  
 O'Brien, Robert Clark  
 O'Brien, Robert James  
 O'Brien, Terence James  
 O'Brien, Thomas Joseph, Jr.  
 O'Connor, James George, Jr.  
 O'Connor, Paul Patrick  
 O'Connor, Peter Edward  
 O'Connor, Thomas Robert  
 Oden, Leonard Nelson  
 O'Donnell, Robert  
 O'Hara, Thomas N.  
 Ohlander, Ronald Bert  
 Olen, Harley Martin  
 O'Keefe, Cornelius Francis  
 Oliver, Daniel Trantham  
 Oliver, Michael Frederick  
 Olsen, Dieter Heinz  
 Olson, David Edward  
 Olson, Donald Milton  
 Olson, Harold Muschott, Jr.  
 Olson, Jack Leland  
 Olson, Terry Gene  
 Olwin, James Lee  
 O'Neill, David Lynn  
 Onorato, James Raymond  
 Orlosky, Robert Andrew  
 Orr, William Stewart, Jr.  
 Orvis, James Worthington  
 Osler, Charles Joseph  
 Otis, Robert Busby  
 Oudekerk, Milford Merwin  
 Owen, Harry Clinton, III  
 Pacek, Robert Dennis  
 Padgett, John Elliott  
 Padgett, Norman Ray  
 Pagano, Frank Philip  
 Paige, Gordon C.  
 Palen, Don Gilbert  
 Palm, Danny James  
 Palmer, Jerry Dale  
 Palmer, William Allison, Jr.  
 Pannunzio, Thomas William  
 Parish, Roger David  
 Park, Carl Sheldon, Jr.  
 Parker, Brance James  
 Parker, Charles David  
 Parker, Richard Ernest  
 Parkhurst, Nigel Ernest  
 Parkinson, Keith Lee  
 Parkinson, Robert  
 Parlette, Richard Taylor  
 Parnell, Allan Donald  
 Parodi, Richard Steven  
 Paron, John Richard  
 Parrish, Richard D.  
 Parry, David Jon  
 Parry, Thomas Leighton, Jr.  
 Pattarozzi, Norman Joseph  
 Patten, Freddie Joe  
 Patterson, Bernard Leo, III  
 Patterson, Jeffrey Spear  
 Patton, Bob Riley, Jr.  
 Paul, Harold Wayne  
 Pauling, David Robert  
 Peak, Jack Ronald  
 Pearsall, Richard E.  
 Pearson, Larry Glen  
 Pearson, Russell Glenn, Jr.  
 Pearson, Taylor Peter  
 Pelton, Ronald Lynn  
 Pennington, Larry D.  
 Perez, Demetrio Jose  
 Perine, Philip Condit  
 Perkins, Henry Grady, Jr.  
 Perkins, James Blenn, III  
 Perkins, Thomas Morgan  
 Perkinson, Brian Thomas  
 Pernini, James Kanellos  
 Perron, Robert Arthur  
 Perry, Clyde McAvoyn  
 Perry, Harold Eugene  
 Perry, Rightly Ralph  
 Pesce, Victor Louis  
 Peschka, Jerome Aloysius, Jr.  
 Petersen, Richard James  
 Peterson, Brent Lynn  
 Peterson, Carl Marvin, II  
 Peterson, Charles Edward  
 Peterson, Eric Laurence  
 Peterson, John Christian  
 Peterson, Lawrence Lynn  
 Peterson, Richard Sprague  
 Petrovich, James Michael  
 Fewett, Robert Haywood  
 Pfeiffer, John Jacob  
 Phaneuf, Joseph Theodore, Jr.  
 Phelan, Richard Harris  
 Phillips, Alexander Martin  
 Platt, Cummings William  
 Pickett, Larry James  
 Picotte, Leonard Francis  
 Pleno, John Anthony, Jr.  
 Pierce, Cole Jon  
 Pierce, David Irving  
 Pierce, Peter Wood  
 Pignotti, Dennis Alexander  
 Pilling, Donald Lee  
 Pine, Donald William  
 Pinkston, Larry Michael  
 Piret, Ronald Sterling  
 Pivonka, Leo Michael  
 Ploof, Elden Louis, Jr.  
 Plott, Barry Merrill  
 Plum, Jerry Earl  
 Plumb, Paul Douglas  
 Plummer, Galen Robert  
 Plunkett, Garry Ray  
 Polk, James Stanley  
 Pollock, John Corse, III  
 Polsenski, Martin Joseph, Jr.  
 Pool, Willard Owen, Jr.  
 Popp, Robert Leonard  
 Portenlanger, Stephen  
 Porter, John Dudley  
 Porterfield, James Harold, Jr.  
 Powell, Orrin Bert  
 Powell, Robert Richard  
 Powers, Danny Jay  
 Powers, Robert Lawrence  
 Prath, Robert Lee Emerich  
 Pratt, Edmund Lee, Jr.  
 Previtly, William Harry  
 Price, Harry Jon  
 Price, Joseph Maurice  
 Price, Thomas Davis, Jr.  
 Prickett, Frederick G., Jr.  
 Pritchard, Paul Edward  
 Probst, Lawrence Everett  
 Prueher, Joseph Wilson  
 Pryor, Edwin Ripley, III  
 Puccini, Donald Emil  
 Puffer, James Whitney  
 Pulfrey, Charles Allen  
 Purdy, Robert Franklin, Jr.  
 Purrington, Frederick R.  
 Quade, Edward Lynn  
 Quarles, Herbert R.  
 Quinn, Donald Anthony  
 Quinn, Jeffrey  
 Quinn, Robert Joseph, Jr.  
 Quinton, Peter Douglas  
 Rackowitz, Marion Rex  
 Radigan, Matthew James  
 Raffeto, David James  
 Railsback, Donald Charles  
 Rainey, Daniel Lawrence, Jr.  
 Rainey, Peter Garland  
 Ralston, Gene Dual  
 Ramsdell, Steven U.  
 Rasmussen, Ernie Loris  
 Rauch, Kenneth Norbert  
 Ray, Norman Wilson  
 Razzeti, Eugene Anthony  
 Reason, Joseph Paul  
 Reaves, Curtis Felton  
 Redd, John Scott  
 Redden, John Andrew  
 Reddoch, Russell  
 Reed, Phillip Lance  
 Reemelin, Thomas Edward  
 Rees, Bob Gary  
 Refo, Carter Beaumont  
 Reich, Donald Gene  
 Reighley, Robert William  
 Reilly, Michael Joseph  
 Reiniger, Peter David  
 Rempt, Rodney Peter  
 Renager, Burton Whitmon, Jr.  
 Renk, Jeffrey Sheridan  
 Reser, Gerald Harrison, Jr.  
 Reuthinger, Richard C., Jr.  
 Reynolds, Claude Dale  
 Reynolds, Craig Lewis  
 Reynolds, Keith Earl  
 Rezeau, Gary Lance  
 Rheinstrom, Gordon Harkness  
 Rhode, John R.  
 Rhodes, Donald Ray  
 Rhodes, Gerry Baxter  
 Ricabaugh, George Glenn  
 Ricci, Enrico Angelo  
 Rice, Peter Adolph  
 Richards, Rich  
 Richardson, Forney N., Jr.  
 Richardson, Larry Charles  
 Rless, James Richard  
 Riggle, Gordon Grant  
 Riley, David Richard  
 Riley, Robert Handley  
 Riordan, Francis Peter  
 Risseeuw, Hugh Josias  
 Ritchey, Glenn Wendell, Jr.  
 Ritz, Richard Wilfred  
 Ritzman, William Floyd  
 Robbins, Richard James  
 Roberts, Joel Herbert  
 Roberts, William Albert  
 Roberts, William J.

Robertshaw, Donald George  
 Robertson, Charles Lowry  
 Robinson, Keith Phillips  
 Robinson, Paul Matthew  
 Roderick, Clinton Oline  
 Roffey, Robert Charles  
 Rogers, Clyde William  
 Rogers, Howard William  
 Rogers, Kevin George  
 Rogers, Paul Harry, Jr.  
 Rogers, Will Chapel, III  
 Rohm, Fredric William  
 Roletter, George Joseph, Jr.  
 Roll, Francis Patrick  
 Rooney, James William  
 Roorbach, James Arthur, II  
 Ross, Raymond Harper, Jr.  
 Rosselle, William Trevett  
 Roth, Patrick Henry  
 Rountree, John McKinnley, Jr.  
 Rouse, James Richard  
 Roy, James Codori  
 Rubeck, James Thomas  
 Rucker, Alexander Cauthorn  
 Ruckner, Edward Aberie, Jr.  
 Rudloff, Stephen Anthony  
 Rudolph, Chester Davis, III  
 Rueff, James Louis, Jr.  
 Ruff, Paul Gray, III  
 Ruland, James Kenneth  
 Rule, William Martz  
 Rushing, John Michael  
 Russell, David Leroy  
 Russell, Hazen C.  
 Russell, Jay Burton  
 Ryder, Don Herold  
 Ryland, Robert Baird  
 Ryman, Garry John  
 Rypka, Allan Edward  
 Saber, Gerald William  
 Sack, Brian Philip  
 Sadler, John Clinton  
 Saenz, Roland Ashley  
 Saft, Burton Manly  
 Sager, Harold Eugene  
 Salles, Frank Joseph  
 Samara, George Bitting  
 Sampsel, Michael Martin  
 Sanborn, Philip Myron  
 Sanders, William Milfred  
 Sandway, Karl Martin  
 Sanford, Richard Martin  
 Santamaria, Donald Frank  
 Sapp, Charles Nim, Jr.  
 Sargent, William Pierce  
 Saul, Carlton Wayne  
 Saul, Joe Michael  
 Saulnier, Steven Craig  
 Sawyer, Ivan Ernest  
 Scarborough, Oscar D., III  
 Scardigno, Peter Francis  
 Searce, George Edward  
 Schafer, Carl Edward, II  
 Schantz, John Malcolm  
 Schatz, Arthur David  
 Schery, Ferdinand Michael  
 Schindler, Charles Richard  
 Schlichter, Ralph  
 Schmidt, Clifford B.  
 Schmidt, Donahue Henry  
 Schmidt, Knute Menge, Jr.  
 Schmidt, Richard Harry  
 Schmitt, Stuart Orin  
 Schmoker, Alan Elliott  
 Schneible, Daniel Carey  
 Schneider, Paul Thomas  
 Schnier, Keith Leon  
 Schofield, Lee Neal  
 Scholl, John Foster  
 Scholl, Russell Charles, Jr.  
 Schram, Richard Weaver  
 Schrock, Edward Lee  
 Schrodtt, Clair James  
 Schroeder, Arthur John  
 Schroll, John Raymond  
 Schuenger, Richard Francis  
 Schultz, James Stuart  
 Schuyler, Philip  
 Schwab, James Alexander  
 Schwendinger, Ronald George  
 Schwing, Emil Mark  
 Scott, David E.

Scott, Donald James  
 Scott, Donald William  
 Scott, Jon Paul  
 Scott, Morris B., Jr.  
 Scott, Norman Stuart  
 Scovill, Judson Lawrence  
 Scully, Michael Charles  
 Seaquist, Larry Ray  
 Seay, Marvin Eugene, Jr.  
 Secades, Vincent Cecil  
 Secrest, David Emmett Heaume  
 Seddon, Frederick Richard  
 Sedgwick, Dean Lance  
 Sediak, John, Jr.  
 Segrist, Edward Lewis, Jr.  
 Sehlín, Donald Barry  
 Selfridge, Harry Edward  
 Sellgson, Harold Edward  
 Setser, Raymond Howard, Jr.  
 Sewall, Andrew Carl  
 Seward, Charles M., Jr.  
 Seymour, Harry Augustus, Jr.  
 Shaar, Edwin Willis, Jr.  
 Shackelford, Harry Louis, Jr.  
 Shackleton, Norman John, Jr.  
 Shanahan, James Francis  
 Shank, Michael Howard  
 Shannon, John Robert, Jr.  
 Sharer, Don Allen  
 Sharp, Erwin Arthur  
 Sharpe, Joseph Daniel, Jr.  
 Shaw, Michael Gilbert  
 Shealy, William Pierce  
 Sheehan, Joseph Wilfred, Jr.  
 Sheldon, Gerald Ernest  
 Shepherd, Patrick Martin  
 Sherman, Allan  
 Shermer, William Barton  
 Sherwood, Allen R.  
 Shields, Charles Daniel, Jr.  
 Shiffer, William Thurston, Jr.  
 Shinabarger, Jon Arthur  
 Shipway, John Francis  
 Shoemaker, Charles Lex  
 Shurts, Richard Layne  
 Sicari, Anthony Charles  
 Sidney, Richard William  
 Siebert, Harro Heiner  
 Siegel, William Morris  
 Sierras, Eugene L., Jr.  
 Silver, Lawrence Michael  
 Simard, Paul Joseph  
 Simkins, Kenneth Ray  
 Simms, Richard Galen  
 Simon, James Richard  
 Simons, William Edgar  
 Simpson, John Drury, Jr.  
 Simpson, John Page, III  
 Simpson, Michael Grant  
 Simpson, Richard John  
 Simpson, Troy Eugene  
 Sjuggerud, David Milton  
 Skidmore, William Harvey  
 Skoog, Mark Chester  
 Skrzypek, John Anthony  
 Slater, Thomas Stafford  
 Slaughter, Jimmy Ray  
 Sloane, Richard Tobias  
 Smalling, John Ambler  
 Smallwood, Frederick Kohler  
 Smelik, Gerald Thomas  
 Smith, Bradley Edsel  
 Smith, Carleton James, III  
 Smith, Charles Henry  
 Smith, Eldin Dean  
 Smith, Ernest Mallory  
 Smith, Esmond Douglas, Jr.  
 Smith, Gerald Clark  
 Smith, Gordon Lee  
 Smith, Herbert Clive L.  
 Smith, J. Palmer  
 Smith, John Monroe  
 Smith, Lyman Hibbard, II  
 Smith, Philip Allen  
 Smith, Ralph Frederick  
 Smith, Robert Allen  
 Smith, William Clifford  
 Smith, Wilton Jeremian, Jr.  
 Smuda, James Francis  
 Snider, William Allen  
 Snodgrass, Carl Edward  
 Snodgrass, Donald James

Snyder, Darrell Paul, Jr.  
 Snyder, Gerald Warner  
 Synder, Keith Relf  
 Snyder, Peter Burgess  
 Sogga, Donald Nicholas  
 Sokol, David  
 Sokol, Stanley Ernest  
 Soley, Francis Edward  
 Solomon, Dennis Lee  
 Soricelli, Joseph Martin  
 Sosnowy, Edward D.  
 Souder, James B.  
 Sowa, Walter, Jr.  
 Spangler, Carl Rodney, Jr.  
 Spencer, James, Luther, III  
 Spencer, Larry Howard  
 Spigal, Joseph John  
 Spinello, John Anthony  
 Sprague, Jay Woodrow  
 Springer, Robert William  
 Sprows, George Franklin  
 Spruitenburg, Fredrik H. M.  
 Stacy, Edward Gerhard  
 Stair, Sammy Dean  
 Staley, Richard Jonathan  
 Stamps, David William  
 Standrich, Elvin Beryle  
 Stankowski, Robert John, Jr.  
 Staplin, Ralph Asa  
 Stark, James Reynolds  
 Stark, William Carleton  
 Starnes, Phillip Van  
 Staub, James Andrew, Jr.  
 Stauffer, Barry Corbett  
 Steel, James Robert, Jr.  
 Steele, Allen Wayne  
 Steele, Jon A.  
 Steele, Joseph Henry, III  
 Steen, Morris G.  
 Steenburgh, Frederick Leroy  
 Stein, John Howard, Jr.  
 Stephan, Charles Royal  
 Stevens, Thomas Francis  
 Stevenson, Clyde Melvin  
 Stevenson, John Wayne  
 Stewart, George Calvin  
 Stewart, Robert Paul  
 Stewart, Van Nelson  
 Stickler, Bernard Thomas  
 Stier, Theodore Gerhard  
 Stiger, Robert David, Jr.  
 Stillwagon, Richard John  
 StMartin, Ronald Clayton  
 Stock, Michael John  
 Stoddert, Robert William B.  
 Stoll, Peter Steven  
 Stone, William Charles  
 Storms, Kenneth Robert  
 Stout, Michael Dinsmore  
 Stowell, Ralph Henry, Jr.  
 StPierre, Francis William  
 Stratton, Phil Zeh  
 Strauss, Kurt Allan  
 Streit, Raymond Stanley, Jr.  
 Strickland, Henry Wilson  
 Striffler, Paul John  
 Strohaker, John Guy  
 Stromberg, David Lynn  
 Stromberg, Merle Jon  
 Strong, Barton Dale  
 Strong, David Walker  
 Strong, Waiker Garland, Jr.  
 Strum, Richard Ralph  
 Stucki, Laurence Valdimir  
 Stull, David Allan  
 Suarez, Ralph  
 Sullivan, David Charles  
 Sullivan, Huey H., III  
 Sullivan, Jerry Michael  
 Sullivan, Joseph Cornelius  
 Summerlin, Thomas Wiley  
 Surles, Billy Wayne  
 Sussilleaux, John Francis  
 Sutton, Robert  
 Sutton, Ronnie Neal  
 Swanson, Barry Grant  
 Swartz, Peter Milton  
 Sweatt, John L.  
 Swinger, Alan William  
 Switzer, William H., III  
 Tabor, James Byron



Taday, Alexander Anthony  
 Tafuri, Ronald Robert  
 Tangeman, Richard George  
 Taranto, Richard  
 Tarrant, Yancey Newell  
 Tate, James Andrew  
 Tate, William August  
 Taylor, Billy Glen  
 Taylor, James Louis  
 Taylor, John Mallory, IV  
 Taylor, Kermit Allen  
 Taylor, Richard Howard  
 Taylor, Rufus Lackland, III  
 Taylor, Steven Craig  
 Taylor, Thomas Lee  
 Taylor, Wade Hampton, III  
 Taylor, William Ivey  
 Teague, Reginald Bailey  
 Tedeschi, Ernest Francis, Jr.  
 Telquist, Lee M.  
 Templin, Charles Leonard  
 Terry, Michael Roy  
 Terry, William Edwin  
 Testa, Ronald Fred  
 Testwulde, Robert Louis, Jr.  
 Teixeira, Antone, Jr.  
 Thelen, Frank, III  
 Thomas, Lewis Carroll  
 Thomas, Norman Mattoon, III  
 Thompson, Bryce Anderson  
 Thompson, Henry Martin  
 Thompson, Joseph Clemenger  
 Thompson, Lalle Hunter, Jr.  
 Thompson, Melvin Ellis, Jr.  
 Thompson, Robert Gutz  
 Thorn, John Charles  
 Thorsen, Paul Albert  
 Tidball, Douglas D.  
 Tiernan, Barry Vincent  
 Tillotson, Frank Lee  
 Tilt, Thomas William  
 Timpson, Donald George  
 Tinsley, James Robert, III  
 Tinston, William John, Jr.  
 Tipper, Ronald Charles  
 Tisaranni, James  
 Tobias, Walter Adam, II  
 Tobin, Paul Edward, Jr.  
 Todd, James Norman  
 Todd, John Hendrick  
 Toft, Richard Joseph  
 Tolbert, James Kirkland  
 Tolley, Richard Lyle  
 Tompkins, Charles Leroy  
 Tonti, Louis George  
 Tow, James Dewane  
 Tower, Phillip William  
 Tozier, Jack Allan  
 Tracy, Robert Nottingham  
 Trafton, Wilbur Cobb  
 Trahan, Edwin Charles  
 Trahan, Richard Harry, III  
 Trapnell, Robert Gary  
 Traver, James Emery  
 Treiber, Gale Edward  
 Triebel, Theodore Wallace  
 Tripp, Phillip Burr  
 Tsukalas, Denis Nickolas  
 Tucker, Albert Lee  
 Tucker, Douglas  
 Tucker, Gary Lee  
 Tucker, Ronald Dewey  
 Tullgren, David Bernard  
 Tuma, David Foster  
 Turley, John, Jr.  
 Turnbull, James Laverne  
 Turner, Harris Wade  
 Turner, Howard Stansell  
 Turner, James Richard  
 Turner, Jay Scott  
 Turner, Laurence Hay, Jr.  
 Turner, Thomas Willard  
 Tuttle, Arthur Jay  
 Twaddle, Roy Royce, III  
 Twardy, Clement Robert  
 Tweel, John Alexander  
 Twomey, Daniel Timothy  
 Tyree, Edward C. G., Jr.  
 Tzomes, Chancellor, Alfonso  
 Uber, Brian Douglas  
 Ullman, Harlan Kenneth  
 Ulrich, William Stanley  
 Underhill, James B.,  
 Unger, Maurice Henry  
 Ungerman, Michael Kenneth  
 Unrau, Jerry Lee  
 Usborne, Roger Way  
 Vacin, Edward Michael  
 Vall, David William  
 Vajda, Thomas Carl  
 Valovich, Paul Joseph, Jr.  
 Vambell, James Peter  
 Vance, Charles Terry  
 Vanderschroeff, Coenraad  
 Vanderveide, Kent Mills  
 Vanderwier, Gerald Michael  
 Vandyke, John Charles  
 Vaneps, John Arch  
 Vanheertum, Bruce  
 Vanhoyten, Scott Adrianus  
 Vanlue, Kenton Walter  
 Vanpelt, Richard Junior  
 Vanwinkle, Pieter Kingsland  
 Vaughan, Raymond Edmon  
 Vaupel, David Karl  
 Vazquez, Raul  
 Vercesi, George Peter  
 Vermilyea, David Whitney  
 Vernon, Larry Jay  
 Viafore, Kenneth Michael  
 Vickery, Wayne Marshall  
 Vidosic, Richard Paul  
 Vinroot, Charles Arthur  
 Vion, Charles P.  
 Vogel, Timothy James  
 Vogt, Frederick Henry  
 Volk, Charles Louis, Jr.  
 Vollmer, Ernst Peter  
 Vomastic, John Emil  
 Vonsydow, Vernon Hans  
 Voorheis, Gary Martin  
 Vosilius, Robert Bruce  
 Vroom, James Edgar, II  
 Wacaser, Anderson Wade, III  
 Wagenseil, Lawrence L.  
 Wagner, Tod William  
 Wahl, Larry Charles  
 Walden, Kenneth Allen  
 Walker, Donald Edgar  
 Walker, Jerry David  
 Walker, Joseph Scott  
 Wall, James Herbert  
 Walters, Ronald Francis  
 Walther, Arthur Ernest  
 Walton, Don Holland  
 Wanamaker, Gregory  
 Wang, You Lue  
 Ward, Allan, Jr.  
 Ward, John William  
 Warn, Jon Christian  
 Warren, Ferrell Dean  
 Warshawsky, David Arthur  
 Washam, Eric Lee  
 Waters, James Luther, Jr.  
 Watkins, Edison Lee, III  
 Watkins, John Roquell  
 Watson, Bruce Wallace  
 Watson, Richard G.  
 Weal, Keith Irving  
 Weale, Gary Dean  
 Weaver, Charles Thomas  
 Weaver, Thomas Stephen  
 Webb, George Jerome, Jr.  
 Webb, Hugh Leonard  
 Weed, Wilson Geoffrey  
 Weerts, Gary Lee  
 Weisbrod, David Stephen  
 Weisensee, William John, Jr.  
 Weiss, John Nickolas  
 Weittenhiller, Larry Keith  
 Welborn, Paul Burney, Jr.  
 Welch, Glenn Ernest, Jr.  
 Wellik, Marvin R.  
 Wellmann, Donald Albert  
 Wells, Bruce  
 Wells, David Austin  
 Wells, Linton, II  
 Wells, William Edward  
 Welsh, Richard G. T.  
 Welsh, Walter Lee  
 Welton, Donald Ernest  
 Wenger, Charles Albert  
 Werner, Michael Charles  
 Werner, Robert Mitchell  
 Wernsman, Robert Lee  
 Wertzberger, Charles Reid  
 West, Franklin Griffith, Jr.  
 West, Richard D.  
 West, Walter David, III  
 Wetherell, David Lee  
 Whalen, Frank Richard  
 Wheat, David Robert  
 Whiffen, Calvin Uridge  
 Whitaker, Roger Brent  
 White, Douglas Alan  
 White, Larry Raymond  
 White, Raymond Monroe  
 Whitehead, Albert Edward  
 Whitney, Payson Rogers, Jr.  
 Whitten, Audrey Ben, Jr.  
 Whitus, Ernest Ferrell  
 Wiant, Jeffrie Edwin, Jr.  
 Wicker, Charles Lewis  
 Wicks, Guy Weaver  
 Wiegand, Rudolf Paul, Jr.  
 Wieland, Billie Wayne  
 Wiggins, William Frederick  
 Wilbourne, David Garner  
 Wildman, Robert Alan  
 Wiley, Armando Anibal  
 Wilkes, Marshall Jackson  
 Wilkes, Paul Douglas, Jr.  
 Wilkins, Frank Scott  
 Wilkinson, Jay Hall  
 Willan, Robert Freier  
 Willandt, Theodore August  
 Williams, Billy Bryan  
 Williams, Donald Edward  
 Williams, Joseph Frederick  
 Williams, Lewis Irving, Jr.  
 Williams, Richard C., III  
 Williams, Richard David, III  
 Williams, Robert Allen  
 Williams, Robert Russell, III  
 Williams, Ronald Lee  
 Williams, Thomas Dan  
 Williamson, Bruce Stephan  
 Wills, Douglas Kent, Jr.  
 Wilsbach, Ronald Keith  
 Wilson, Christopher T.  
 Wilson, Clark Albert  
 Wilson, Eldon Stephen  
 Wilson, Gary Warren  
 Wilson, George Eugene, Jr.  
 Wilson, Thomas Bryant  
 Wilson, Torrence Bement, III  
 Winter, Albert William  
 Winters, Curtis John  
 Winters, Timothy Paul  
 Wise, Aubrey Lavold  
 Wise, Randolph English  
 Wisehart, Kenneth Martin  
 Witcraft, William Robert  
 Witter, Ray Cowden  
 Witzenburg, Dennis Leon  
 Witzenburg, Gary Martin  
 Wixom, Robert Frank  
 Wojcik, Raymond Thomas  
 Wojdyla, Michael John  
 Wojtkowiak, Daniel Leonard  
 Wojtkowski, William S., Jr.  
 Wolff, Richard Ernest  
 Wolter, Richard Charles  
 Womble, George Curtis, Jr.  
 Womble, Talmadge Anthony  
 Wong, Henry Kingsy  
 Wood, Charles Mills, III  
 Wood, Grover Eugene  
 Wood, John Robert, Jr.  
 Woodard, James Charles, Jr.  
 Woodbury, Roger Lee  
 Woodring, George B., Jr.  
 Woodward, Harlan Wilfred  
 Woy, Gary William  
 Wright, Daniel Andrew  
 Wright, Donald Alexander, III  
 Wright, Douglas Scott  
 Wright, James Robert  
 Wright, Julian Maynard, Jr.  
 Wright, Malcolm Sturtevant  
 Wright, Thomas Williams  
 Wright, William Harry, IV

Wynne, David Cowgill  
 Yankura, Thomas William  
 Yates, Cornelius H., III  
 Yearwood, John Fouche, Jr.  
 Yeaw, Ronald Everest  
 Yokley, Robert Andrew  
 Yonov, Serge A.  
 Young, Brian Walter  
 Young, Thomas Richard  
 Yule, Robert Blakeley  
 Yusi, Frank Louis  
 Zabrocki, Alan Dale  
 Zak, Frank Joseph, Jr.  
 Zambie, Henry John, Jr.  
 Zapatka, Stanley John, Jr.  
 Zardeskas, Ralph Anthony  
 Zayleck, James Stanley  
 Zerr, John Joseph  
 Zohlen, John Thomas  
 Zschock, Charles Wolfgang  
 Zuberbuhler, William John  
 Zuhoski, Charles Peter  
 Zunich, Ralph Edward  
 Zwirschitz, Gary Wayne

## MEDICAL CORPS

Albert, Philip Richard  
 Aronen, John Gary  
 Ashe, Walter Dee, Jr.  
 Auman, James Richard  
 Baggett, James C. Jr.  
 Baral, Dante Atienza  
 Berg, Samuel William, II  
 Bergin, Francis Thomas, Jr.  
 Bigbee, John Albert  
 Booher, Kermit Rex, Jr.  
 Bostrom, Paul Anders  
 Braga, Dyalma A.  
 Bullaboy, Charles A.  
 Carlson, Daniel William  
 Chestnut, Julian Sandy  
 Coullahan, James Donald, Jr.  
 Cowles, Sally Kathleen  
 Crim, Jerry R.  
 Cruickshank, James Cameron  
 Dainer, Michael Jeffrey  
 Dalton, Conrad Ivan  
 Dysart, Noel Kennedy, Jr.  
 Fetter, Theodore Walker  
 Fishbach, Howard Philip, III  
 Froman, Michael Allison  
 Frost, David Sidney  
 Gamza, Francis Charles  
 Gemelli, Ralph Joseph  
 Gentry, James Lawrence  
 Golembieski, Michael Edward  
 Gorman, John Rossier  
 Goyer, Peter Francis, Jr.  
 Gunnett, Sylvia Roberta  
 Hambidge, William Raymond  
 Harrison, Robert Winfield  
 Haworth, David Lee  
 Herndon, William Alfred  
 Heye, George Henry  
 Hire, Delroy  
 Hooper, Richard Raymond  
 Hoover, Dennis Leroy  
 Ingram, David Alan  
 Jackson, Frederic Leslie  
 Johnson, Dennis Larry  
 Johnson, Dennis Lee  
 Kennedy, Joseph Davy  
 Kilpatrick, Michael E.  
 Koett, John William  
 Krapin, Lee C.  
 Lapoint, John Malcolm  
 Larson, Susan Gayle  
 Laughlin, Larry W.  
 Lee, Chuck Wing  
 Lenger, Mark D.  
 Leyva, Justiniano Catabona  
 Liston, Steven Earl  
 Machaffie, Bruce Peter  
 Magnuson, Robert L.  
 Mason, Dan Edison  
 Mayo, Richard A.  
 McCaughey, Brian George  
 McIntosh, Bruce Jordan  
 McLaughlin, Charles Ross  
 Menasha, Moussa Y.  
 Meyer, John Gary

Millunchick, Edward W.  
 Murphy, James George  
 Obedoza, Segundino Orines  
 Parlette, Harry L., III  
 Peinert, Robert Alfred, Jr.  
 Peterson, Daniel Reuben  
 Powell, Randall Wayne  
 Ricciardi, Joseph M.  
 Ridenour, Richard Ira  
 Roberts, John Carl  
 Rosenblatt, Cheryl Dianne  
 Rosenblatt, Elias Strugger  
 Ross, Gerald Wade  
 Ross, William Bruce  
 Sander, James E.  
 Sewell, Sidney R.  
 Saul, Charles Dudley, III  
 Savides, George  
 Sbaschnig, Robert John  
 Schenk, Joseph Henry  
 Schultz, Thomas Aaron  
 Schwartz, Judy Ellen  
 Shreck, James Neil  
 Skipworth, Robert David  
 Smith, Michael Lantry  
 Soballe, Peter Warren  
 Sohn, Hong  
 Solares, Arturo Hector  
 Speed, Willard Eugene  
 Spencer, Jerry Douglas  
 Stafford, Sam, III  
 Tanksley, Marion Hollis  
 Taub, Martin  
 Tepas, Joseph John, III  
 Thalmann, Edward Deforest  
 Thomas, Bernard S., Jr.  
 Thompson, Eric Neil  
 Velasquez, Augusto C.  
 Verkleeren, John Luce  
 Voge, Victoria Mae  
 Wagner, Kenneth Farrell  
 Watts, Michael Allen  
 Weber, Daniel James  
 Willgress, Edwin Robert  
 Wimmer, John Easter, Jr.  
 Wozniak, Lance Kenneth

## SUPPLY CORPS

Adelgren, Paul Wayne  
 Anderson, John F.  
 Andrews, Ernest Lee, Jr.  
 Armstrong, George R.  
 Ashley, Robert E.  
 Atkinson, Larry Richard  
 Auerbach, Eugene Edmond  
 Baldwin, Seth Weaver, II  
 Bano, Edward J., Jr.  
 Bartel, Joseph Richard  
 Bary, David Sharp  
 Bedle, William Bliss  
 Bezanilla, David George  
 Biggins, James Alfred  
 Bishop, Henry Harold, II  
 Bishop, Phillip Earl  
 Bland, Gerald Hall  
 Blaylock, James Sparkman  
 Blondin, Peter William  
 Boalick, Howard Russell  
 Bolling, Terry Lynn  
 Boyt, George Richard  
 Bradley, James Smith  
 Brighton, Edward Earl, Jr.  
 Brown, William Timothy  
 Burgess, Edward Lamar  
 Burnette, Jimmy Darwin  
 Butler, Joel Lee  
 Campisi, Ronald Alexander  
 Canale, Vincent Timothy  
 Cangalosi, Davis Stewart  
 Caplan, David Alan  
 Carter, W. J., Jr.  
 Certain, James Dawson  
 Chamberlin, Edward Robert  
 Cheny, James Cowser  
 Chertock, Stephen Herman  
 Chiomento, Thomas Vincent, Jr.  
 Christopher, Donald Dominic  
 Christophersen, Wilhelm G.  
 Cicio, John David  
 Clark, Richard Melvin  
 Cole, Chester Benny  
 Conti, Carmen Daniel  
 Cook, Frank Cummings, III  
 Correll, Charles David  
 Cosgrove, Patrick Michael  
 Cottrell, Michael Francis  
 Cribbin, Thomas Michael  
 Crocker, William Guy  
 Dagross, Richard Louis  
 Dahlen, David Gordon  
 Daniels, John G.  
 Danielson, Richard Arnold  
 Davies, David Alan  
 Dawson, Joseph Charles  
 Dejanovich, James Peter  
 DeLoach, Stephen James  
 Doran, William Earl  
 Douglas, Bruce Leroy  
 Downer, Glenn Ivan  
 Driskell, James David, III  
 Drucis, Timothy John  
 Dunkle, Charles Thomas  
 Dunkle, James Allan  
 Eadie, Paul Warren  
 Eager, Donald Richard  
 Earhart, Terry Lee  
 Earlston, Robert Paul  
 Ebberts, Richard Earl  
 Ebbesen, Preben Ehlers  
 Elliot, Ernest Alexander  
 Evans, George Albert  
 Evans, Neale William  
 Fabry, Steven Edwards  
 Fahrenheit, Harvey Keith  
 Figueroa, Ernest Luque  
 Fisher, Gary Clay  
 Fleming, John Moultrie, Jr.  
 Flint, Ralph Quentin  
 Foster, Donald Gregory  
 Freiber, Leonard Sander, Jr.  
 Fronczkowski, Ralph Edward  
 Fyfe, John Kerr, Jr.  
 Gabor, John Bernard, Jr.  
 Galligan, David Richard  
 Gaunt, John Richard  
 Gayton, Lewis Ernest  
 Gee, Charles Daniel  
 Gibson, Blair Edwin  
 Gonzales, Virgilio Garcia  
 Graeter, William E., II  
 Gray, Cameron Rathbone  
 Green, William Thomas  
 Grichel, Dietmar Fritz  
 Griffin, Jon Edward  
 Griffin, Leonard Carl, Jr.  
 Gross, Royce Alan  
 Groves, William Dennis  
 Guth, Michael Harold  
 Habermann, William Frank  
 Hagerty, William Orme  
 Hall, David William  
 Hall, Robert Leo  
 Hamilton, Howard Harvey  
 Hamilton, James Bevington  
 Harris, Christopher Bertram  
 Hawthorne, Richard Lee  
 Haynes, James Michael  
 Heeb, Benny Joe  
 Hephner, Patrick Jean  
 Hering, Joseph Florian  
 Hickman, Donald Eugene  
 Hildebrand, Jarold Ray  
 Hiltbrand, Jon Haden  
 Hilton, David Eastwood  
 Hobbs, Wilbur Neal  
 Hoffer, Robert Eugene  
 Holland, Donald Lee  
 Hooker, James Stewart  
 Hopkins, Bruce Allan  
 Hoyt, Michael Campfield  
 Hundelt, George Robert  
 Hunter, Don Loren  
 Hyman, William M.  
 Jaffin, Frederick T., Jr.  
 James, William Boyd  
 James, William Don  
 Jones, Allan Herron  
 Jones, Eric Bywater  
 Jordan, Douglas Saunders  
 Kalas, Frank Joseph, Jr.  
 Kerr, Harold Lewis, Jr.  
 Ketcham, Richard Dean



Keyworth, Richard Evans  
 Kleckhefer, Edward Herbert  
 King, Lawrence Allen  
 Kingston, David Tallman  
 Klizer, John L.  
 Kohlmann, John Thomas  
 Kosmark, Alfred Christopher  
 Kowalski, Karl Aloysius, Jr.  
 Krause, Ben Allen  
 Lamm, David Vincent  
 Lebel, Robert Francis, Jr.  
 Leeper, James Edward, Jr.  
 Lenga, James R.  
 Lessa, Joseph Gerard, Jr.  
 Lester, Timothy O'Connell  
 Lewis, James Joseph  
 Lewis, Richard Earl  
 Lord, Clifford Carol  
 Losquadro, Joseph Pasquale  
 Lovett, Heyward M., Jr.  
 Lutz, Gerald Gilbert  
 MacArthur, Chester Bruce  
 MacAulay, Charles Patrick  
 MacMurray, Michael McRoberts  
 Madril, Richard Joseph  
 Martin, Patrick Edward  
 Mastrandrea, Gary Allen  
 Mate, Gerald Edward  
 Mayer, Carl Michael  
 Mayes, Robert David  
 McCook, Kevin William  
 McCormack, Robert Steele  
 McDonald, John Francis  
 McGavran, Samuel Brown  
 McGraa, John Robinson, III  
 McKechnie, Arnold Wilfred, Jr.  
 McLaughlin, Robert  
 McNabney, James Richard  
 McPherson, Thomas Dale  
 Meneely, Frank Thomas  
 Mesterhazy, Andrew Paul  
 Meyer, Fred Lewis  
 Miller, Barry James  
 Mitchell, John Wayne  
 Mitchell, Ralph Melvin, Jr.  
 Mizer, Robert John  
 Modrowski, Richard Walter  
 Moles, Robert Francis  
 Monson, Jon Phillip  
 Monteith, Gary Henry  
 Moran, Thomas Albert  
 Morris, John Glenn  
 Mullen, John David  
 Munro, David Thomas  
 Musgrave, Alvin William, Jr.  
 Myers, William Martin  
 Newton, George Edward  
 Nichael, Robert Harold  
 Nichols, Clifford John  
 Norton, Ronald Ward  
 Oberle, Michael Joseph  
 Oehrlein, William Phillip  
 O'Hare, Shamus James  
 Olio, John Francis  
 Oswald, John Stephen, II  
 Owens, Joseph Frederick  
 Owens, Robert K.  
 Paine, John Spaulding  
 Parrott, Ralph Condon  
 Parsons, Donald Sargent, Jr.  
 Patterson, Kenneth Leon  
 Paulson, John Jacob  
 Payne, David Almon  
 Pearce, Charlie Albert  
 Peiffer, Robert Hurst  
 Perry, James Hilliard, Jr.  
 Pinsky, Carl Walter  
 Pittman, Harold Sherrod  
 Ponder, Joseph Edward  
 Price, Clifford Ronald  
 Privateer, Charles Russell  
 Quirk, David John  
 Rapp, Carl Arno  
 Reagan, Joseph Emmett  
 Rebarick, William Paul  
 Robertson, Herbert Milton  
 Roble, Ralph Lon, Jr.  
 Robinson, Richard D.  
 Ruble, David Ross  
 Rumsey, Charles Gary  
 Ruppmann, Heinz Otto

Rutherford, David Owen  
 Salmon, Robert J.  
 Santucci, David Michael  
 Satterthwaite, Peter Leo  
 Schandel, George William  
 Schiel, William Arron, Jr.  
 Schultz, Robert Arthur  
 Schultz, Thomas Craig  
 Schweitz, James Joseph, Jr.  
 Scott, William Clyde  
 Scroggs, Clifton Ray, Jr.  
 Sewell, John Burdon  
 Shannon, William Northrop  
 Shields, Edward Joseph  
 Siburt, Forrest Nile, Jr.  
 Simpson, Steven Earl  
 Smith, Charles Edward  
 Smith, Richard Michael  
 Smith, Roger Joseph  
 Sneiderman, Marshall Lewis  
 Soares, Leonard Joseph  
 Stangl, Larry Francis  
 Steffens, Paul B., Jr.  
 Stocker, Vernon Dean  
 Stone, Charles Weiborn, Jr.  
 Sulek, Kenneth James  
 Summers, John Howard  
 Sussman, Richard Michael  
 Tarantino, David Arthur  
 Tastad, Michael Louis  
 Terwilliger, Bruce Kidd, Jr.  
 Thomas, Gary Lee  
 Tonkovich, Thomas Marvin  
 Torrey, Tracy Everett  
 Trimpert, Eugene Charles  
 Tucker, James Thomas  
 Tuggle, Richard Carl  
 Ullman, Robert Chester  
 Valenty, Patrick Paul, Jr.  
 Vanrooy, Lester Arthur, Jr.  
 Vigrass, David Harry  
 Vincent, Leonard  
 Wagner, Gregory Leonard  
 Waldron, Andrew John, Jr.  
 Walker, Francis David, III  
 Wallace, William Warren  
 Walton, William Heritage, Jr.  
 Webb, James Michael  
 Weekes, James Ernest  
 Wells, Paul Denzil  
 Wellumson, Douglas Raymond  
 West, Karl Peterson  
 Wheaton, Kenneth Walter  
 White, Gordon Rollins, Jr.  
 Whitty, Neldon Victor  
 Wilde, Charles Lee  
 Wilkinson, Ronald Carr  
 Williams, Gary Dean  
 Williams, Richard Hardy  
 Wright, Harry Neil  
 Yaney, Donald L.  
 Yeatts, Ralph Leroy  
 Zidek, Michael A.  
 Ziegler, Lee Alan  
 Zitzewitz, Robert Frank

## CHAPLAIN CORPS

Anderson, Kevin Lenwood  
 Atwood, Theodore Oertel, Jr.  
 Baldwin, John Francis  
 Ball, David Beatty  
 Bartholomew, Carroll Engene  
 Bergsma, Herbert Leonard  
 Bevins, John Joseph  
 Billings, Bennie Ira  
 Blackburn, Warner Phillip  
 Boeger, Antonine  
 Bond, Thomas Dudley  
 Bouck, Wayne Leroy  
 Briske, Larry Floyd  
 Brogan, Hugh Thomas  
 Broughton, William  
 Bruggeman, John Anthony  
 Buckley, Gail Edison  
 Calaway, Bernie Lee  
 Carson, Bobby Charles  
 Cook, Elmer Dean  
 Coughlin, Conall R.  
 Crowe, Richard Robert  
 Day, Richard Thayer  
 Dennis, Billy Vernon

Depascale, Daniel Francis  
 Dickson, Grover James  
 Dike, William Louis  
 Dobes, George E.  
 Dorr, Charles Edward  
 Dressler, Raymond Henry, Jr.  
 Eckles, James Warren  
 Ellis, Larry Hoyt  
 Eslinger, Harold Howard  
 Essex, Otis Dean, Jr.  
 Ethridge, William Murray  
 Everts, Paul Jay  
 Fiol, John Robert  
 Fiorino, Alfred Louis  
 Flick, Carl William  
 Forrester, Oscar Bron  
 Frankel, Bernard  
 Freistedt, Robert Ray  
 Fuller, Ivan Richard  
 Ganaway, Samuel  
 Garrett, Harold Wayne  
 Germano, Vincent Frank  
 Gill, Francis Jude  
 Gnull, Julian Michael  
 Gothard, French McKinley  
 Hammond, Hugo Stanley  
 Hedwall, Ronald Lee  
 Hettish, Richard Clyde  
 Hiers, Homer Thomas, Jr.  
 Hill, Edward Thomas  
 Holderby, Anderson Byron, Jr.  
 Howe, Merlen Floyd  
 Huebschman, Merlin Edward  
 Hummer, George Bernard  
 Jackson, Colon Stonewall, Jr.  
 Johnson, Andrew Herbert, Jr.  
 Kelley, Edward Joseph, Jr.  
 Kelley, James Frederick  
 Kirstein, James Fritz  
 Klapps, William Joseph  
 Knight, Norvell Earnest  
 Kuhn, Thomas Walter  
 Lapp, Charles L.  
 Leshar, John Quall  
 Luebke, Robert Bingham, Jr.  
 Macho, George Stephen  
 Markham, Leonard Edward  
 Martin, Henry Lawrence  
 Matthias, Robert William  
 McCain, James Madison, Jr.  
 McCoy, Charles Joseph  
 McMahon, Edward Joseph  
 McMahon, Gerard Thomas  
 McNeil, John Roland  
 McNicholl, Michael Paul  
 Mintjal, Frank Delano  
 Moffitt, Robert George  
 Moore, Paul James  
 Murray, Edward Kevin  
 O'Connor, R. Conway  
 Olander, Edward, Alfred  
 Parker, Charles Roy  
 Pearson, Carl Janell  
 Perry, William Lee  
 Pilarski, Peter Richard  
 Pocock, Thomas Reid  
 Putt, Kenneth James  
 Read, Gordon Amos  
 Renfro, Fred Hilton  
 Richmond, Joseph John  
 Riley, Robert Joseph  
 Rimmer, Charles Stephen  
 Roberts, Edward Andrew  
 Roberts, Jack Wendell  
 Rothermel, Fred Allen  
 Rutherford, James Harold  
 Schultz, Thomas Arnold  
 Schumm, William Edward  
 Schuster, David Paul  
 Sestito, Joseph Nicholas  
 Shoberg, Lawrence Arvid  
 Slattery, Maurice Cornelius  
 Smith, Aquinas John Joseph  
 Smith, Ignatius Edward  
 Smith, Jerry Ronald  
 Snyder, Edgar Alfred  
 Sostrich, John Louis  
 Spreler, John Edward  
 Starling, Ira Carroll, Jr.  
 Stewart, Douglas Keith

Stewart, Lisle Edwin  
Strickland, Merle Edward  
Sulouff, Nelson Raymond  
Swann, Hoyt Wayne  
Swift, Roy Orlando, III  
Thompson, Irvin Hayes  
Tumblin, William Everett  
Turner, Jerome Robert  
Whitsell, John Louis  
Williams, James Charles  
Williams, Paul Henry  
Wilson, Charles Duane  
Wilson, James Roscoe, Jr.  
Winnenberg, John Oscar  
Wooster, Keith Edward  
Wright, John Milton

## CIVIL ENGINEER CORPS

Ahl, John Stuart  
Baratta, Mario Anthony  
Bare, James Clement  
Bersani, Robert Richard  
Beuby, Stephen Charles  
Bohning, Lee Robert  
Bonderman, Warner Edward  
Brown, Harry John, Jr.  
Carlson, Richard Eric  
Clayton, James Busch  
Connelle, Thomas P.  
Conroy, John Francis  
Coston, Oscar Lee, Jr.  
Crane, Thomas Clemson  
Cugowski, Ralph Marshall  
Dames, Thomas Allan  
Dillman, Robert Peter  
Dodson, James William, Jr.  
Donnelly, William Patrick  
Dougherty, James Michael  
Eckloff, James Clement  
Edmiston, Robert Clair  
Elkins, John Carroll  
Estes, George Brian  
Everett, Ernest James  
Everhart, Guy Franklin  
Fowler, Richard Salisbury  
Fucile, Eugene Paul  
Fusch, Kenneth Ericson  
Gagen, Robert Edward  
Gallen, Robert Michael  
Gant, James Bryant  
Glenn, Danny Elloy  
Goodermote, Wayne Keith  
Green, Joseph Behler, Jr.  
Griffith, Harry Gates  
Gunn, Alexander Carlan  
Hadbavny, Ronald Stephen  
Hall, Frederick Spencer, Jr.  
Hansen, Robert Edwin  
Harris, William Frank  
Hartman, Franklyn Joseph  
Hathaway, James Luther  
Heine, Richard Frederick, Jr.  
Hendrickson, Jack Ellis  
Herrell, Orval Glenn  
Hilderbrand, William Casey  
Holm, Stanley Robert, Jr.  
Hopper, Mark Andrew  
Hull, David Nelson  
Jackson, Bruce Lawellin  
Jokela, Carl Richard  
Kelley, Kenneth Clyde  
Kelley, Timothy Charles  
Kennedy, Ronald Edward  
King, Jerry Wade  
Laursen, Brian Ray  
Long, Thomas Auburn, Jr.  
McCullagh, Paul William  
McTomney, William Paul  
Meeks, Kenneth Wayne  
Michna, Thomas Benjamin  
Milkintas, John Clayton  
Mitchum, William Ransome, III  
Morris, Henry Minard  
Olsen, Ole Leigh  
O'Neill, Charles Patrick, Jr.  
Pearson, Rufus Judson, III  
Rein, David Arno  
Renzetti, Joseph Leo  
Riggin, Donald Curtis, Jr.  
Rohrbach, Richard Magee  
Rumbold, William Walter, Jr.

Runberg, Bruce Lee  
Schlesinger, Francis David  
Shaw, Arthur Robinson  
Sheaffer, Donald Ralph  
Simon, Charles Ray  
Smith, Homer Francis, II  
Smith, Ray Allen  
Stamm, John Andrew  
Stark, James Reginald  
Stevens, Joseph Michael, Jr.  
Stewart, Stephen Edgar  
Taylor, Ernest Theodore  
Valenti, Alan C.  
Vizza, William Kane  
Watson, Francis Xavier  
Weston, James Edward  
Woodhull, Roger Blake  
Albrecht, David A.  
Armstrong, Arthur John, Jr.  
Awe, Stephen Lester  
Baker, James N.  
Barr, Philip Conrad  
Boasberg, Robert, Jr.  
Bohaby, Howard Douglas  
Broach, Robert Erskine  
Brown, Michael A.  
Byman, William E.  
Cohen, William David  
Coyle, Robert Emery  
Cromwell, James H.  
Dalton, William Harvey  
DeCarlo, Nicholas Peter  
Deddish, Michael Raymond, Jr.  
Derocher, Frederic George  
Durham, Joe B.  
Edgington, Donald Edwin  
Ellis, Charles Edmund, Jr.  
Erickson, John F.  
Freyer, James Anthony  
Fridell, Lane C.  
Fulkes, Duane Sherman  
Gall, William Dudley  
Garrett, Henry Lawrence, III  
Garvin, Ron Howard  
Geer, John Joseph, Jr.  
Gerszewski, Melfred T.  
Gordon, John Edward  
Gormley, Patricia Murphy  
Hannas, Mike D.  
Henderson, William C., II  
Henkel, George Edward  
Hewett, Peter Augustine, Jr.  
Hosken, Edward Watters, Jr.  
Hughes, Winston Jackson  
Kahn, Thomas Kenneth  
Keating, Timothy Dayton  
Landen, Walter James  
Manning, Edward Francis  
McMahon, Dennis Charles  
Miller, John Roger  
Neutze, Dennis Richard  
Norgaard, Kenneth Ray  
Ochsner, Ronald Frederick  
Orr, James Earl, Jr.  
Patterson, Perry S., Jr.  
Payne, Michael L.  
Pinnell, James E.  
Pitkin, Roger Frank  
Rank, John Albert, III  
Reed, Richard Edgar  
Rogers, James Nicholas  
Rohner, Richard Anthony  
Rossi, Robert Raymond  
Rudy, Allen Carnes, Jr.  
Runnels, Joseph Dwayne  
Sattler, Terry D.  
Schachte, William Leon, Jr.  
Sinor, Morris L.  
Smiley, Clare Brown, Jr.  
Strow, Peter H.  
Swayze, Frank Benjamin  
Turner, Patrick Charles  
Vest, William T., Jr.  
Weigle, Gerald Franklin  
Wells, George Lawrence  
Willever, Kent Arlington  
Williams, Duval M., Jr.

## DENTAL CORPS

Acquavella, Richard, Francis  
Akerson, Harvey Alan  
Altaras, David Eugene

Ambrose, John Michael  
Ancowitz, Stephen Jay  
Auclair, Paul Lionel  
Barco, Martin Thomas  
Beastall, Raymond Howard  
Beaudry, Robert Joseph  
Bliger, Kenneth Bruce  
Brandt, Alfred Edward  
Brown, James Kelley  
Budnikas, Peter Kestutis  
Carlberg, Terry Lee  
Carlson, Robert Bruce  
Carlson, Thomas Del  
Cecll, James C., III  
Chang, Ronald Sai Ngew  
Chow, Roger Mason  
Common, John  
Crowley, Leo Vincent, Jr.  
Cunningham, Walter Turner  
Curry, Robert L.  
Daley, Arthur Stuart, Jr.  
Davies, Jonathan Francis  
Davis, Kenneth Junior  
Deangells, Henry James  
Dice, James Earl  
Doblecki, Walter  
Draude, Joseph Anthony, Sr.  
Duell, Robert Lowell,  
Dunlap, Robert Marsh  
Durso, Peter John  
Eakin, Donald Richard  
Eschete, Earl Francis, Jr.  
Escude, Leon Raymond, Jr.  
Farace, Anthony Joseph, Jr.  
Fertig, Steven Allen  
Fisher, Earl Fred  
Frank, Robert J.  
Frankel, Richard Lee  
Fullerton, William Lloyd  
Gher, Marlin Eugene, Jr.  
Golden, Daniel Patrick  
Goldman, Michael Stuart  
Gray, Jonathan Loomis  
Groom, Robert Raine  
Hall, Ellis Herbert, Jr.  
Hanst, Michael T.  
Hargrave, John Walter  
Hendrickson, Dean Alan  
Herrman, Larry George  
Hitchner, Larry J.  
Hoyem, Stephen Richard  
Innes, Joseph Crist  
Isaacson, James Harold  
Johnson, Peter Fink  
Jones, Robert Sidney  
Jorgensen, Michael George  
Kemp, James Allen  
Kliet, Raymond John  
Kriz, John Francis, Jr.  
Kuhl, Larry Van  
Kutz, Glenn Arthur  
Lamb, Courtney Charles  
Lange, Walter Marcus, Jr.  
Leff, Eldon Ray  
Lehman, Joseph William, III  
Lewis, Doyle Martin  
Linville, Robert B.  
Lynch, Peter Gerard  
Lynde, Thomas Ainsworth  
Malin, David Morgan  
Marchelya, Lawrence Steven  
Maroney, William Francis  
McGuire, Dennis John  
McKinley, Lawrence David  
Moore, James David, Jr.  
Moore, Paul Robert  
Mudler, James Thomas, Jr.  
Murray, Hugh E., III  
Myers, George Ronald  
Nappen, Dennis L.  
Parker, Michael Winfield  
Patterson, Michael William  
Pentecost, Robert Leeson  
Peterson, Burke Brent  
Phillips, Charles C., III  
Ponsler, James Robert  
Post, Robert Michael  
Quine, Gary Don  
Raops, Daniel M.  
Rathbun, Walton Andrew, Jr.  
Richards, Mark Warren



Riemann, Richard Allan  
 Rog, Richard Paul  
 Romine, Gilbert Franklin  
 Rothermel, Richard Allen  
 Sanders, John Joseph  
 Schai, Neal Andrew  
 Schamu, Carl Wintersmith  
 Schatz, Ronald B.  
 Schroeder, John Danley  
 Schroer, John Clark  
 Scott, Steven Hall  
 Sharrock, Michael Francis  
 Silverthorn, Thomas Lawrence  
 Smith, Millard Bedford  
 Smyth, Robert Neil  
 Spann, Charles Earl  
 Stevens, Randolph Mooers  
 Styrlund, Thomas Frederick  
 Sweet, Phillip Michael  
 Taybos, George Michael  
 Terezhalmay, Geza Tibor  
 Towle, Herbert Jere, III  
 Tytell, Mark P.  
 Walker, William Anderson, Jr.  
 Warnock, Gary R.  
 Wattenbarger, Clyde Kittrell  
 Werrell, Joseph Michael  
 Wilson, William Harrison

## MEDICAL SERVICE CORPS

Anderson, David Edward  
 Anderson, Dennis Gordon  
 Ashburn, James Henry  
 Baldwin, Jeffrey W.  
 Barnhill, Russell Wynn  
 Barsness, Frederick Raymond  
 Bates, James Francis  
 Beene, Joe Ray  
 Bell, James A.  
 Bell, R. Thomas, III  
 Belter, Lyle Edward  
 Benander, Douglas Norman  
 Berghage, Thomas Eugene  
 Beuchler, Lamarr George  
 Bienkowski, Faustyn Joseph  
 Biersner, Robert John  
 Bobola, Edward  
 Bondi, Kenneth Robert  
 Briand, Frederick Francis  
 Bruhn, John Evan  
 Call, Douglas William  
 Carney, William Patrick  
 Carpenter, Gordon Lee  
 Chaput, Raymond Leo  
 Clarke, Norman Barry  
 Cobet, Andre Benoit  
 Cole, Dennis E.  
 Collings, Donald Earl  
 Connors, Francis Simon  
 Cook, Elvis Donald, Jr.  
 Cote, Robert Raymond  
 Cunningham, Robert Smith, II  
 Cunningham, William F.  
 Curran, Patrick Michael  
 Dally, Otis Patrick  
 Deeter, Victor Raymond  
 Dekkrey, Charles Ross  
 Denison, Neslund Edward  
 Devine, Robert Thomas  
 Doptis, Leigh Errol  
 Eklund, Paul G.  
 Evans, Delbert Eugene  
 Ferris, William Anthony  
 Fisher, Frank D. R.  
 Fisher, Stephen Todd  
 Funaro, Joseph Francis  
 Galbreath, Jerry Dean  
 Gaugler, Robert Walter  
 Gibson, Richard Stephen  
 Goodhartt, William Ryan  
 Grand, Ronald Sherburne  
 Greerar, John Fields, III  
 Gregoire, Harvey Gilbert  
 Gregory, George Harry  
 Gutshall, Richard Brice, Jr.  
 Hall, David Allen  
 Hansel, George Joseph  
 Hartman, Carl Herman  
 Hayes, Charles Herbert  
 Herron, Don Montelle  
 Heston, Frank David

House, John Francis  
 Hutchins, Charles Willis, Jr.  
 Ingram, James T.  
 Jeffs, Robert Anton Aulle  
 Jones, Thomas Newton  
 Karch, Larry Lee  
 King, William Goodrich  
 Lane, Norman Edward  
 Lashley, Kenneth Lamar  
 Lewis, Larry Allen  
 Loar, Charles R.  
 Ludwig, William Carl  
 Maassen, Leland Richard  
 Mann, Charles Frank, Jr.  
 Maynard, William S., Jr.  
 McCullah, Robert Douglas  
 McDonald, John Leroy  
 McIntosh, Wilton Wayne  
 McManaman, Vincent Leo  
 Medlock, Thomas Perry  
 Moore, Leonard Lee  
 Moroney, William Francis  
 Moy, Michael William  
 Murray, John Lee  
 Nacrelli, Walter Andre  
 Newman, Reginald Edward  
 Ozment, Bob Lee  
 Parsons, William Michael  
 Payton, Richard Alan  
 Pheeny, Harold Thomas  
 Rausch, Jack Lee  
 Raymond, Lawrence Foster  
 Reuter, Nancy D.  
 Reysen, Richard Harry  
 Rice, Edward Allen, Jr.  
 Riesenhuber, Richard D.  
 Riley, Phillip Truman  
 Schinski, Vernon David  
 Schmutz, Clinton Elmer  
 Schubert, Deane Edward  
 Seif, William Lee  
 Shaughnessy, Mary Kay  
 Shaver, Roger Galen  
 Sherwood, Walter Oille  
 Sholdt, Lester Lance  
 Sippel, John Edward  
 Slater, Charles Bertram  
 Smith, James Leroy  
 Smith, James Peter, Jr.  
 Smith, Lamar Richard  
 Smith, William Walter  
 Snow, Kenneth Souder, Jr.  
 Spillman, Graham B., Jr.  
 Stant George Marcellous, Jr.  
 Stefanakos, Thomas Kostas  
 Stewart, Gene Nicholas  
 Strong, Douglas Michael  
 Thome, Carl Donald  
 Truman, Patrick Andrew  
 Turco, Ronald Fisher  
 Uddin, David E.  
 Veckarelli, Donald Thomas  
 Vickerman, Raymond Harold  
 Walker, Jerry M.  
 Walker, Richard Ives  
 Weber, Herta Antoinette  
 Welner, William Jason  
 Wienkers, Charles Francis  
 Wildes, Dudley Joseph  
 Wilson, Everett Lynn  
 Windholz, Francis Leo  
 Wood, Duell Eugene  
 Woodman, Daniel Ralph  
 Wooll, Earl Ronald  
 Young, John W.

## NURSE CORPS

Allred, Bertha Ann  
 Armstrong, Susanne Russell  
 Bagbey, Stanley Robert  
 Barthmaier, Jane  
 Betsch, Janice Ruth  
 Campen, Kathryn Elizabeth  
 Cash, Carolyn Jeanette  
 Coltharp, Dove Antionette  
 Colucci, Michael Joseph  
 Dault, Judith A.  
 Dlouhy, Elaine Jean  
 Downs, Robert James  
 Dunn, Glenda Gale  
 Elsesser, Mary Ann

Engel, Joan Marie  
 Ferrell, Kirby Ann  
 Foreman, Evelyn N.  
 Geraghty, Rosemary B.  
 Gierman, Richard Lawrence  
 Grace, Roberta Jane  
 Green, Bonnie Jean  
 Grigg, Peggy Josephine  
 Hay, Mary Kathryn  
 Henderson, Rebecca Robertson  
 Hicks, Shirlee Christine  
 Hildebrand, Patricia Ann  
 Hill, Shirley Ann  
 Holmes, Sandra Anthony  
 Hooker, Florentina B. M.  
 Iwata, Miki  
 Jackson, Charles Ray  
 Johnson, Carolyn Ann  
 Jordan, Janice Yvonne  
 Kelly, Sharon K.  
 Kerdus, Mary B.  
 Krall, Virginia Mary  
 Langley, Ann  
 Leadford, Bonnie Ann  
 Leary, Cornelia Ann  
 Lee, Annelle Kahalehau  
 Lee, Elaine Elizabeth  
 Lindelof, Sandra Sue  
 Linehan, Patricia Ann  
 Loughney, Jule Ann Margaret  
 Lufkin, Janice Mae  
 Maffeo, Edith Jane  
 McClelland, Jerry Wayne  
 McCumber, Susan Anne  
 McKown, Frances Carroll  
 Medina, Elida Delosangeles  
 Mencik, Barbara Ann  
 Miesko, Judith Ann  
 Monger, Kristen Ann Polak  
 Murphy, Rosemary E.  
 Nye, Margaret Catherine  
 Odom, Helen A.  
 O'Rourke, Amoret B.  
 Pasek, Joan Kay Becklun  
 Pike, Helen Jacqueline  
 Pollock, Linda Sue  
 Pruchniak, Joan Louise  
 Raach, Carolyn Diane  
 Ricardi, Jean Cecilia  
 Riddell, June Elizabeth  
 Ridenhour, Barbara Ann  
 Rieder, Karen Anne  
 Roadhouse, Ida Cortez  
 Rodgers, Barbara Coffin  
 Sage, Victoria Schneider  
 Sakenes, Charlene Rose  
 Simler, Monica  
 Smith, Joann Hennessy  
 Smith, Ruth Helene  
 Snider, Stephen Emmitt  
 Snyder, Eileen Esther  
 Spanier, Bernice Clare  
 Speckmann, Elissa Mary Ann  
 Stoll, Caroline Jean  
 Stratton, Mariann  
 Sullivan, Ann Marie  
 Tate, Catharine  
 Tolar, Sara Campbell  
 Triplett Audrain Marie  
 Troseth, Marie Phelan  
 Ulschmid, Margaret Mary  
 Ward, Maureen Winifred  
 Whalen, Delores Marie  
 White, Patricia Margaret  
 Wildeboer, Henrietta Mae  
 Witherow, Mary Ann  
 Wray, Fay  
 Wright, Dolores Ann  
 Yahner, Ann, III  
 Yates, Minnie Shirley  
 Zuber, Frances Elizabeth

The following-named officers of the Naval Reserve for permanent promotion to the grade of commander in the line and various staff corps, pursuant to section 611(a) of the Defense Officer Personnel Management Act (Public Law 96-513) and title 10, United States Code, section 824 as added by the same act, as applicable, subject to qualifications therefor as provided by law:

## LINE

Abel, Joseph Anthony  
 Allor, Ronald Garth  
 Andres, Thomas Wilfred  
 Andrianomoore, Richard N.  
 Aquilino, Paul Phillip  
 Arther, Nickolas Edward  
 Bagemihl, Craig Robert  
 Baggs, Andrew Hayburn, Jr.  
 Bailey, Harry Edward  
 Bailey, Patrick Arthur  
 Bair, Gary  
 Baker, Ronnie B.  
 Barnes, Dewey  
 Barnett, Larry Dean  
 Battaglia, Michael Joseph  
 Batwinis, James Edward  
 Beal, Norman Lee  
 Beaty, Robert Allen, Jr.  
 Bennett, Barry Ellis  
 Bockelmann, Peter E.  
 Boots, Thomas K.  
 Bourbonnais, Charles R.  
 Browning, James W., II  
 Brunelli, John Francis  
 Buchanan, Robert Pickett  
 Callaway, James Ginn  
 Campbell, Terry Lee  
 Caron, Ernest John Joseph  
 Casey, Jed Michael  
 Chambers, Robert Michael  
 Chancellor, Jason Jerome  
 Chapman, Eugene Norton  
 Clarke, Wayne Cowie  
 Coble, William Melvin  
 Collins, Arthur W.  
 Cosby, James Wesley  
 Costenbader, David Lester  
 Cutillo, Richard Thomas  
 Dempsey, Broadus Andrew  
 Difilippo, William James  
 Dobeck, Richard H.  
 Donelan, John O.  
 Dooley, Roy L.  
 Dowdy, James W.  
 Doyle, Thomas E.  
 Duncan, William Fowler, Jr.  
 Dunn, Joseph Patrick  
 Dunning, John Laurance, Jr.  
 Edwards, Robert Stone  
 Eliason, Whynn S.  
 Elliott, Paul Brittain  
 English, Larry R.  
 Entas, Leon James  
 Enzmann, John Paul, Jr.  
 Eutsler, Ronald Byerly, Jr.  
 Evans, Frank Edward  
 Fairbanks, Willie B.  
 Faivre, James E.  
 Fields, Kenny Wayne  
 Fisher, William Augustus, Jr.  
 Fitzgerald, William E., III  
 Flanagan, Michael James  
 Fletcher, Frederick Forrestal  
 Florimonte, Thomas Salvatore  
 Ford, Michael D.  
 Fowler, Howard D.  
 Frye, Bruce L.  
 Fulcell, Robert Alan  
 Gifford, John M.  
 Giles, Grover Skip  
 Glad, Howard Elliott  
 Glynn, Michael K.  
 Godley, John Bartlett  
 Goff, Robert Arthur  
 Green, James P.  
 Green, William Lee  
 Grotbo, Roger P.  
 Harness, Francis W.  
 Harrington, James Joseph  
 Harrington, John Joseph  
 Harris, Joseph W.  
 Harvey, French Bardin, Jr.  
 Haushalter, William Henry  
 Hawkins, Vaughan Austin  
 Heath, Jeffrey Myron  
 Hermann, Herbert Ernest  
 Hess, Larry Edward  
 Hetherington, Donald Leroy  
 Hilliard, Robert M., III  
 Himstreet, Thomas Richard  
 Hirsch, Robert Benjamin  
 Holtcamp, Jimmie Dale  
 Holty, Robert M.  
 Hopson, Bennie Ray  
 House, Arthur Lewis  
 Howe, George Alexander  
 Hundt, David William  
 Hunt, Peter C.  
 Ingersoll, Frederick  
 Jewell, Richard Francis  
 Johnson, James Robert  
 Jones, Michael Daniels  
 Jones, Ross Arthur  
 Karlsson, Carl Richard  
 Kauffman, Daniel George  
 Kearley, Richard Carlisle  
 Kelley, Joseph F.  
 Kiral, Robert Holland  
 Kietke, Dale B.  
 Knippel, George Franklin  
 Kohler, David Clark  
 Koster, William Henry  
 Krewson, Gary L.  
 Laroche, Gerald Earl  
 Lawrence, Andrew Harry  
 Leary, Robert Anthony  
 Lee, James Allen  
 Leonard, Thomas Francis  
 Levasseur, George E.  
 Lewis, Maxwell L.  
 Lister, John A.  
 Lois, James Everett  
 Long, Charles E.  
 Long, Gaeton A.  
 Lubash, Delbert John  
 Lumianski, Peter John  
 Lynch, John Douglas  
 Lyons, Kenneth Glenn  
 Manderfield, Leonard L.  
 Marsyla, Edward Gene  
 Martin, Richard L.  
 Maxwell, James Allen  
 Mayall, James Franklin  
 McClain, Charles Michael  
 McClanahan, Kenneth D.  
 McCluskey, Kenneth Andrew  
 McGrath, Martin Edward, Jr.  
 McKenna, Nicholas V.  
 McMichael, William Slathel  
 Means, James Frank  
 Meeker, Ronald Kieth  
 Megna, Anthony Joseph  
 Mesaros, Eugene Joseph  
 Messner, Hugh F.  
 Mollencop, Gerald Holt  
 Monkres, Ronald G.  
 Moore, Donald G.  
 Moore, Thomas Wier  
 Morris, Jeremy Gregson  
 Murphy, Paul V.  
 Murray, Michael Alan  
 Musante, Edward A.  
 Mussler, Hans Carl  
 Myers, Paul  
 Nemmers, Raymond F.  
 Nielsen, Danny Aaron  
 Novack, Robert Joseph  
 Olliges, Lawrence John, Jr.  
 Olson, James D., II  
 Olson, James Robert  
 Palm, Steven Banker  
 Palmer, Burton Lloyd  
 Palmer, Gerald Ken  
 Parker, William Thomas, Jr.  
 Parry, William E.  
 Pasko, William Walter, Jr.  
 Pate, James Wilson, Jr.  
 Philipp, James Edward  
 Powers, Michael Halpin  
 Prather, Russell Thomas  
 Purnell, Louis Selby  
 Ralston, Norman J.  
 Redden, Barney Joe  
 Redmon, Howard G.  
 Richardson, Patrick James  
 Richardson, Roger Allen  
 Rieder, Terry Albert  
 Riese, Gary W.  
 Roberts, James E.  
 Rock, Paul R., Jr.  
 Rumbaugh, Richard Craig  
 Sauls, Charles Goddard  
 Scheider, Charles Albert  
 Schweizer, Edward S.  
 Scott, Patrick R.  
 Seaman, Richard Ernest  
 Shaffer, Lloyd Eugene  
 Shanton, John  
 Sheffield, Brian E.  
 Shelby, David C.  
 Shenk, Robert Edwards  
 Shriver, Alan Merle  
 Silah, Robert Joseph  
 Silk, Brian Alan  
 Silkett, Charles R.  
 Simonic, Frank John, Jr.  
 Simpson, Douglas Kent  
 Siren, William H.  
 Skillman, Don K.  
 Slezak, David R.  
 Smith, Jessie Mack  
 Sneath, William E.  
 Sofge, Charles Theodore  
 Spencer, Donald Wayne  
 Stanley, Frank Steven  
 Stewart, James Lee  
 Stimis, John G.  
 Storc, John T.  
 Stout, Floyd Taylor, Jr.  
 Stucki, John Howard  
 Sweet, Charles P.  
 Tanner, David Edward  
 Taylor, Randolph Wayne  
 Temple, Paul H.  
 Thiel, Stephen P.  
 Thomas, William H.  
 Tietz, Robert Henry  
 Torok, Helmut Alexander  
 Tracy, Joseph Francis  
 Trammel, Robert B.  
 Trease, Charles Jackson, Jr.  
 Twombly, James Husted  
 Vanausde, Larry R.  
 Vannata, Michael Robert  
 Vanzandt, Robert Duff  
 Ward, Ronald G.  
 Washbush, John B.  
 Weber, Jerry A.  
 Wheelin, Thomas Kerby  
 White, Michael C.  
 Wiita, Marlin Dale  
 Wilkes, Jerry Wright  
 Willard, David A.  
 Williams, David Lawrence  
 Williams, John Thomas  
 Willis, Clifton Fayne  
 Wilson, Earl R., Jr.  
 Wood, William Frederick  
 Woodrum, Thomas Ray  
 Yeend, George W., Jr.  
 Young, Gary William  
 Zickafoose, David Ralph

## MEDICAL CORPS

Ahrens, Mario E.  
 Alvarez, Rosa Marina  
 Anderson, Daniel Stonewell  
 Banks, Robert P.  
 Bears, Rollin Ward  
 Bell, Robert B.  
 Berdecio, Eduardo Tavolara  
 Berry, Garland Lloyd  
 Beuttel, Stephen C.  
 Bohan, John Stephen  
 Broadman, Lynn Morris  
 Buckley, Thomas Patrick  
 Bumagat, Ferdinand M.  
 Burson, Freddy Earl  
 Callaway, Robert A.  
 Chambers, James Richard  
 Childs, Kenneth A.  
 Chinnapongse, Sangsiddhi  
 Coale, Thomas Warren  
 Coleman, Robert Mason, Jr.  
 Compagno, John  
 Curto, Frank S., Jr.  
 Danziger, Richard Ellis  
 Driver, James Robert  
 Eguiguren, Vicente Leonel  
 Emery, Jefferson Craig  
 Fawcett, Ronald Alan  
 Flowers, Neal Stewart  
 Fowler, James Thomas, III  
 Gamarra, Violeta R.



Gardner, Robert D.  
 Gilbert, Walter Livingston  
 Golden, Stephen M.  
 Goodreau, James Joseph P.  
 Grady, John Leo  
 Groff, Terry Robert  
 Groves, Robert M.  
 Handy, Richard Davis  
 Hargrove, Charles Benton  
 Harley, Earl Herberto  
 Hartman, David Scott  
 Hartzman, Robert J.  
 Hibbard, Blaine Zook, Jr.  
 Hirokawa, Ronald Hisao  
 Ho, Ben Tsunlin  
 Holmes, Christopher Kenneth  
 Horland, Allan A.  
 Hughes, Robert Edward  
 Huhn, Wolfgang Anton  
 Ives, Richard Kelly  
 Kerr, James H.  
 Khan, Farrukh Mahmood  
 Khaw, Noeline  
 Klayton, Ronald J.  
 Koskella, Kenneth Ray  
 Kossow, Alan S.  
 Krasner, Robert C. J.  
 Labowskie, Richard Joseph  
 Labrador, Augusto Navarro  
 Lee, Jong Kook  
 Legaspi, Amante G.  
 Lombardo, Joseph Vincent  
 Lynch, Donald Francis, Jr.  
 Mack, Gregory Robert  
 Mangrum, John Charles  
 Marusov, Paul Nicholas  
 Mazur, David Owen  
 Mehl, Raymond G.  
 Mewha, Malcolm Kent  
 Miller, William M.  
 Monninger, Hilmar Alex  
 Montalvan, Gonzalo F.  
 Moore, Thomas Benjamin  
 Mow, Ronald  
 Murphy, William R. C.

Nakahara, Hank Hidenobu  
 Nielsen, Peter Edward  
 Nirdlinger, Edwin Lars, II  
 Paras, Irish Crisanto  
 Pellegrini, Arthur E.  
 Rabalais, Robert Roy, Jr.  
 Rasmussen, Clyde Mervyn  
 Rentz, Turner Wayne, Jr.  
 Resnick, Jack S.  
 Rowley, William Robert  
 Ruiz, Hernan Gonzalo  
 Sachse, Hans P. E.  
 Sauer, Curtis Michael  
 Schneider, James Richard  
 Severson, Meryl A., II  
 Simmons, Leo B., Jr.  
 Sims, Kenneth Lee  
 Sluis, Joost  
 Song, Michael Francis  
 Spevack, Stanley Ted  
 Steir, Bruce S.  
 Swanson, George Charles  
 Sweet, Robert Michael  
 Tan Mariano  
 Thomas, William Joseph, Jr.  
 Thorp, James W.  
 Tibbits, Paul A.  
 Timmons, Robert William  
 Urban, Donald G.  
 Vanslyke, Gary  
 Varley, L. Winnie  
 Veach, Stephen Read  
 Ward, James Singleton  
 Webster, John Seabury  
 Westbrook, John Andrew  
 White, Thomas Eugene  
 Whittle, John Frederick  
 Williams, Norman Mason, Jr.  
 Wyre, Harry Wilmer, Jr.  
 Zaklynsky, Orest V.  
 Zumrick, John Lawrence, Jr.

## SUPPLY CORPS

Beauchaine, Roger A.  
 Bunten, David R.

Canfield, Thomas Joseph  
 Gibson, Bobby Lee  
 Grumme, Ronald W.  
 Harless, Wayne H.  
 Ridgway, Evan Leon  
 Sutherland, Michael T.  
 Sutton, Richard Anthony  
 Wassenberg, Stephen R.

## CHAPLAIN CORPS

Clift, Jame Conlan  
 Fitzgerald, John Buchanan  
 Fournier, Wilfred Donald  
 Greco, Robert John  
 Gunst, George A.  
 Harris, Donald  
 Hary, Melvin Joseph  
 Haskell, Peter Carl  
 Jones, Harry Thomas  
 Kleffer, Kenneth F.  
 Krulak, Victor Harold, Jr.  
 Lovejoy, Bradford  
 McCloskey, Joseph William  
 Noble, Charles Calvin, Jr.  
 Nobles, Bryant Reginald, Jr.  
 O'Brien, John M.  
 Rafnel, William Gordon  
 Ratcliffe, Howard Irving, Jr.  
 Rivi, Geno G.  
 Rozers, Theodore Jackson  
 Romano, Joseph E.  
 Snow, Edward Eugene  
 Spatorico, Joseph S.  
 Stanis, Leo Stanley, Jr.  
 Treibel, Albert Ronald  
 Vanfrank, Charles Phillip, Jr.  
 Visocky, Bernard Thomas

## MEDICAL SERVICE CORPS

Anderson, Susan Hanauer

## NURSE CORPS

Glass, Joan B.  
 Hicks, Patricia Frances  
 Muszynski, Elizabeth E.  
 Nelson, Anne Marie