SENATE—*Monday, November 23, 1981*

(Legislative day of Monday, November 2, 1981)

The Senate met at 12 noon, on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. Our opening prayer will be given by the Reverend Richard Christian Halverson, Jr., associate pastor, North Avenue Presbyterian Church, Atlanta, Ga. He is the son of the Senate Chaplain.

PRAYER

The Reverend Richard Christian Halverson, Jr., associate pastor, North Avenue Presbyterian Church, Atlanta, Ga., offered the following prayer:

Let us pray.

Father in Heaven, these days on the Hill have been long, arduous, and perhaps even somewhat frustrating to those who labor here. Yet we know in Thy sovereignty it is no accident that we wrestle with these difficult circumstances peculiar to our day, nor is it by chance that each man and woman who occupies a position of influence in this body has been called to serve our country at this time.

Inasmuch as those who labor here have been ordained by You, a truth made known by the very Bible on which their oath of office is taken, grant with this divine calling the godly wisdom and fortitude to continue the hard work of plowing up fallow ground and planting seeds of peace that by faith what is said and done here, if under Thy guidance, may yield a rich harvest of righteousness across the land.

This we pray in the name of Him from whom we receive wisdom, Jesus Christ our Lord. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. Mr. President, I thank the Chair.

THE JOURNAL

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

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

WHEN I GET TIME

Mr. BAKER. Mr. President, Thomas Masson wrote a poem entitled "When I Get Time," and I could not imagine a better Monday morning than today to include it in the RECORD.

WHEN I GET TIME

(By Thomas L. Masson)

When I get time—
I know what I shall do:
I'll cut the leaves of all my books
And read them through and through.

When I get time—
I'll write some letters then
That I have owed for weeks and weeks
To many, many men.

When I get time—
I'll pay those calls I owe,
And with those bills, those countless bills,
I will not be so slow.

When I get time—
I'll regulate my life
In such a way that I may get
Acquainted with my wife.

When I get time—
Oh glorious dream of bliss!
A month, a year, ten years from now—
But I can't finish this—
I've no more time.

ORDER FOR ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, is there an order for morning business today?

The PRESIDENT pro tempore. There is no order.

Mr. BAKER. Mr. President, I ask unanimous consent that, after the recognition of the two leaders under the standing order, there be a period for the transaction of routine morning business to extend no longer than 30 minutes in which Senators may speak for no more than 5 minutes each.

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

LEGISLATIVE SCHEDULE

Mr. BAKER. Mr. President, the House of Representatives is in session considering matters in relation to the continuing resolution. I hope to be able to inform the Senate in greater detail of what action may be taken by the House and what further action may be available to the Senate in the course of the day. I cannot do that at this moment.

I had hoped today to take up the small business bill, S. 881. Before I do that, Mr. President, I should like to explore the possibility of a unanimous-consent agreement that we might lay aside that measure temporarily to take up whatever comes over from the House in connection with the continuing resolution, since that is our first obligation. I shall not now make that request, but I inquire of the minority leader if he would be willing to see if we could get such an agreement later this afternoon.

Mr. ROBERT C. BYRD. Will the Senator repeat the statement? I am sorry; I beg his pardon. I was distracted.

Mr. BAKER. Yes. Mr. President, I said I had hoped today and previously announced that the Senate would be asked to proceed to the consideration of S. 881, the small business bill, but that I do not feel that I can or should do that unless I can get an agreement that if and when we receive something from the House in connection with the continuing resolution that we can temporarily lay aside that measure and proceed to the other matter as it comes to us from the House. I then indicated I will not now make that request but I inquire of the minority leader if he would be willing to consider such a request later in the afternoon.

Mr. ROBERT C. BYRD. Yes.

Mr. BAKER. I thank the minority leader.

Mr. President, there is one other matter we can proceed with today, I believe, and I hope it has been cleared on both sides, and that is the Foreign Corrupt Practices Act. If that is cleared on the minority side, I would propose that, at the close of morning business and no earlier than 1 o'clock, we proceed to the consideration of that measure.

Mr. ROBERT C. BYRD. There is no objection on this side to proceeding to that measure.

Mr. BAKER. I thank the distinguished minority leader.

Mr. President, I do not foresee any great difficulty with that. I understand there is no great controversy involved. But I have the same problem with that; that is, to lay aside that measure, if necessary. I will not make that request at this time.

I ask the minority leader to consider, as well, the possibility of such unanimous consent request later.

Mr. ROBERT C. BYRD. That will be done.

Mr. PROXMIRE. Will the majority leader yield?

Mr. BAKER. Yes.

Mr. PROXMIRE. On the Foreign Corrupt Practices Act, I was the author of the original bill last year and I was one of the opponents of the bill in the committee. But I think we have worked something out that accommodates both sides. I think we can dispose of that within a very short time and pass it by a voice vote.

Mr. BAKER. I thank the Senator. I am pleased for that evaluation.

Mr. President, let me put the unanimous consent request now and then I will yield to the distinguished Senator.

ORDER TO CONSIDER S. 708

Mr. President, I ask unanimous consent that, after the expiration of time allocated for the transaction of routine morning business but no earlier than 1 p.m., the Senated proceed to the consideration of the Foreign Corrupt Practices Act, Calendar Order No. 301, S. 708.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

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

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

S. 1692—IMPACT REPORT

Mr. ABDNOR. I thank the majority leader for yielding.

Mr. President, the Subcommittee on Water Resources, which I am proud to chair, has reported an amended version of S. 1692 to the full Committee on Environment and Public Works. This bill will help the Nation meet the President's goals for economic recovery, while accelerating the Nation's port development effort.

Unfortunately, a number of inaccuracies have been circulated regarding the impacts of this legislation. I would urge that my colleagues examine the bill with care, rather than to depend on outside characterizations of its impact.

To assist Members of the Senate and the public, the staff of the Committee on Environment and Public Works has prepared a report using data supplied by the U.S. Army Corps of Engineers and the Maritime Administration. This report analyzes the impact of S. 1692, along with other harbor cost-recovery options.

I would urge anyone interested in this issue to contact the Committee on Environment and Public Works in order to obtain a copy of this report. I will, of course, provide a copy of it to each of my colleagues for their personal review.

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

RECOGNITION OF THE MINORITY LEADER

Mr. ROBERT C. BYRD. Mr. President, I thank the majority leader.

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

THE CONTINUING RESOLUTION CONFLICT

Mr. ROBERT C. BYRD. Mr. President, the continuing resolution which the President vetoed this morning, passed the Senate last night because 44 Republicans voted for it and only 6 Republicans voted against it. Two Democrats voted for it.

Another salient fact: Senator BAKER's amendment which included a 4-percent across-the-board cut to certain programs was supported by the President. Senator BAKER told the Senate that the President would sign the continuing resolution if it included Senator BAKER's cuts. Senator BAKER's cuts amounted to $3.2 billion. By OMB's own estimates, the conference report cut $2 billion.

Therefore, this entire dispute hinges on $1.2 billion out of a bill providing funding for approximately $430 billion. In other words, this entire so-called crisis, with the tremendous inefficiencies in Government which it has created, is over a cut amounting to one-quarter of 1 percent of the bill.

This should suggest something about the nature of the dispute. It is clearly a tempest in a teapot. It is a manufactured shootout at the OK Corral. It is an attempt to divert attention from the real pressing issues of the day—a tremendous slowdown in economic activity, and a possible deficit in excess of $100 billion in fiscal year 1982.

The budget cut which the President says he wants from this bill will barely be a drop in the bucket. The source of the problem is not Government spending, but a Kemp-Roth tax cut which was both irresponsible and unfair.

Another salient fact: The conference report contained a funding level of $10.1 billion in foreign assistance. The administration has let it be known that it prefers the level of foreign assistance funding contained in the Senate bill, approximately $11.5 billion.

So, while on the one hand the President is talking about deeper domestic budget cuts, his administration is also advocating significant increases in foreign military assistance.

How can we explain to the American people that fewer kids will get school lunches, college loans become more and more difficult to obtain, our roads and bridges will continue to fall in disrepair, and, yet, we want to increase the amount of money we send to foreign countries, principally to buy arms?

NO VALID OBJECTIONS REMAIN TO GENOCIDE TREATY

Mr. PROXMIRE. Mr. President, the Genocide Treaty has awaited Senate ratification for over 30 years, and for over 30 years that ratification has been withheld. After reviewing the numerous objections which have been raised against the treaty, I am struck by the fact that no valid objections remain.

Over the past 30 years, the proponents of the treaty have refuted all objections raised against it time and time again. The Genocide Convention has been proven to be well within American legal and constitutional bounds.

What, then, is the Genocide Convention? Mr. President, the Genocide Treaty is nothing more than an affirmation of the value of human rights and human life. It constitutes a vital base from which international agreements to protect human life and political freedoms can proceed and expand. Over 80 nations have signed and ratified this worthy document, and yet, the United States remains conspicuously absent from that list.

We all know genocide is the planned, premeditated murder of an entire ethnic group.

The classic example was Hitler's virtual extermination of Jews in Europe during and before World War II. That is what we want to outlaw.

It is appalling, Mr. President, that there should be any resistance to that kind of agreement, especially since all our allied countries have ratified the treaty that we have pushed.

Why is there any objection? Is there any validity to these seemingly perpetual objections which have prevented ratification of the treaty for so many years? The obvious answer is no. Whatever technical objections have been raised against the treaty are far outweighed by its advantages, and should no longer stand in the way of ratification.

Louis Henkin, a noted constitutional and international law expert, has eloquently summed up the impetus for the United States to pursue human rights legislation. I present his statement here, as it echoes my own feelings on this subject:

> The United States, then, does not adhere to human rights covenants in order to distort or circumvent our constitutional system, to legislate greater human rights for its own citizens by treaty rather than by act of Congress or to take additional matters from the states into the federal domain; she adheres to such covenants in order to modify the behavior of other governments in ways that affect American interests.

What more can be said, Mr. President? The Genocide Convention has been shown to be in the interests of the United States. All charges against it have been refuted. I urge the Senate to ratify the Genocide Convention.

Mr. President, I yield the floor.

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

The PRESIDING OFFICER. The Senator from West Virginia does have 8 minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, does the distinguished Senator from New Mexico wish to have some of my time?

Mr. SCHMITT. That will not be necessary, Mr. President. I can speak in morning business. I thank the minority leader for his courtesy.

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will now be a period for the transaction of routine morning business.

The Senator from New Mexico is recognized.

THE PRESIDENTIAL VETO OF THE CONTINUING RESOLUTION

Mr. SCHMITT. Mr. President, last night the Senate—correctly, I believe—passed the continuing resolution for fiscal year 1982 in order that the President could fully exercise his constitutional prerogatives in matters of this sort. I fully support the President's veto of that

continuing resolution as a means by which the vote of the American people entered the Halls of Congress. Members of the Committee on Appropriations, upon which I serve and upon which the distinguished Senator from Georgia (Mr. MATTINGLY), who is on the floor, serves, did the best they could in 56 hours of almost continuous negotiation with the House of Representatives on this continuing resolution. However, Mr. President, the spending levels in the bill which passed the Congress and now has been vetoed are at $3.5 billion outside the levels the President could agree to in the earlier Senate version and $6.5 billion higher than he had asked for in his September budget request.

Clearly, the American people would not expect the President to sign this legislation and set back the clock in efforts to bring Federal spending under control.

Mr. President, I worked, as others did, to mobilize support on the floor for passage of the continuing resolution even though we realized that the President had committed himself to veto that measure. I worked for passage of this legislation to give the President his constitutional veto opportunity to follow the mandate given to him by the American people, which, by every survey that I have seen, including some very recent ones in New Mexico, he still has.

This also gave the American people the opportunity to have their vote and their opinion felt in the Halls of Congress. The Presidential veto represents the actual interjection of the vote of these people directly into the congressional consideration of the continuing resolution. Now, with veto in hand, those of us in the Senate on this side of the aisle will have added leverage in the negotiations with the House on future spending measures that are outside the bounds necessary to bring the economy under control.

This will assist our efforts to control the unbridled growth of unnecessary Federal spending. Such unnecessary spending has been the principal cause of the persistently high inflation and interest rates.

Mr. President, recent surveys on issues among my constituents in New Mexico show the overwhelming majority of New Mexicans support the President in his budget reform efforts. There really was no other way to give President Reagan his constitutional opportunity except through last night's Senate passage of the continuing resolution. I not only support his veto action, I applaud the courage he has shown in taking that action in the face of the unbelievable pressures that come at a time when many of the functions of Government must grind to a halt. Now Congress must do its job in cutting unnecessary spending that it has tried to avoid for so long.

Mr. President, in that context, the Senator from Georgia and others and I have consistently said that no solution to this problem will be possible until we are willing to cap the growth of entitlement programs however genuinely necessary they may be which are, in fact, growing without control of any kind. One of the principal reasons that the continuing resolution was $3.5 billion above what the President had requested and agreed to finally was that the House version of the bill left out at least $1.7 billion worth of entitlement funding that was going to be necessary and is going to be necessary in this fiscal year. They just left it out, assuming that they could do that and have it considered in a supplemental request and it would not be counted against this continuing resolution.

Actually, Mr. President, I am afraid that that number is going to end up something like $2.5 billion unless we do something very quickly about entitlement programs.

In the consideration of the Senate bill on Labor, Health and Human Services, Education, and related agencies, the Appropriations Committee did consider at my request, although they did not act on it, a package of entitlement caps that generally would have returned to the States more of the responsibility to control spending on programs that they administer—unemployment compensation, medicaid, aid for dependent children, child support payments, and so forth.

In addition, as an illustration of another entitlement program that is growing totally out of control, it would have begun the process of capping the growth of guaranteed student loans. A portion of that total package my colleagues might be interested in would have provided in fiscal 1982 alone a saving of about $1.3 billion. That number should illustrate just how rapid the growth of these entitlements has been.

One final illustration would be that in the budget before that subcommittee that I chair in appropriations—Labor, Health and Human Services, and Education—we deal with a budget of about $85 billion. Mr. President, only $28.1 billion of that $85 billion was even in conference during this last weekend to which we could apply any savings requested by the President. We cannot continue that way. Next year, that number relative to the $85 billion will probably be down close to $21 billion. That is the amount of actual discretionary funds against which the Committee on Appropriations can apply its cuts.

So, as we go through the next 2 or 3 months, Mr. President, this Congress must deal with this problem because, unless we deal with the problem of the unbridled growth of these entitlement programs, we are going to continue to come back, just as we did last night, with continuing resolution after continuing resolution that will solve none of the problems that the American people have asked us to solve relative to reform of the spending practices of the Federal Government.

Mr. President, I yield on his own time to the Senator from Georgia (Mr. MATTINGLY) who has been a leader in this effort, and has offered proposals that are innovative and must be considered by the Congress much more seriously than they have in the past.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. MATTINGLY. Mr. President. I thank the Senator from New Mexico for those kind remarks. First, I want to begin by saying that I commend Senator BAKER, Senator HATFIELD, and Senator ROBERT C. BYRD for the job that has been done in the last few days. I think the Baker-Byrd amendment to the continuing resolution was a step forward in trying to control Federal spending. I think Senator HATFIELD should be commended for the job that he did during the 56 hours of negotiations on the continuing resolution.

Mr. President, as a member of the Appropriations Committee and a conferee who signed the report of the continuing resolution that the President vetoed this morning, I wanted my colleagues to know that I support the President's veto and voted for passage last night so the President could veto it and dramatize to the people of this country that the Congress has not done its job in reducing the budget.

But Mr. President, as much as I would like to tell about places in the budget that could be reduced or expose some of the pork barrel projects contained within that bill, I want to talk about what this Congress and this administration did not fully address in this resolution, or for that matter for this entire year.

What I want to talk about and demand action on is that 50 percent of our budget that we have refused to examine. What I want to see on this floor is a bill dealing with that part of the budget that went from $70 billion in 1970 to $295 billion in 1981. I want to see those both in the administration and the Congress who will do something about the "untouchables" the big "E"—entitlements.

I am pleased to be here today with Senator HARRISON SCHMITT. I say that because Senator SCHMITT has at every turn in the road reminded his colleagues on the Appropriations Committee—indeed the entire Senate—and this past weekend once again reminded Members of the conference about this significant problem. But more importantly, Mr. President, HARRISON SCHMITT has shown a willingness to act and lead the way on this problem. I praise him for his actions and for the discussion that we are about to have on this vital issue.

Mr. President, I suggest that this is a test of courage for the administration and for us here in Congress. I would point out that prior to 1972 the Congress had the responsibility for any increase in the entitlement programs. But in that year, when we raised retirement benefits 20 percent the Congress also tied all future increases beginning in 1975 for all entitlement programs to the CPI. In putting the system on automatic pilot, the Congress abrogated its responsibility and worse, nurtured the belief that these continued increases were somehow basic rights.

We, in this body, have no one to blame if this is allowed to continue but ourselves—not computers, not lack of studies—only lack of courage. I say to colleagues that we cannot defer this any longer. We cannot continue to go home and talk about the Federal Government getting its house in order when we refused to deal with 50 percent of its budget.

Mr. President, since I have been in the Senate, I have introduced legislation which if adopted would save approximately $50 billion over the next 5 fiscal years. In addition, I supported an attempt on the continuing resolution just vetoed that would have saved us approximately $2.6 billion this year.

These efforts have so far gone unrewarded in terms of providing more responsible programs. That is why, Mr. President, I welcome this discussion with my good friend, HARRISON SCHMITT, because I know that like me, he stands willing to act. It is my hope that by this discussion we can enlighten our colleagues and that over the holidays they will think about this and return ready to act.

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

Mr. MATTINGLY. I yield.

Mr. SCHMITT. If we do not do what the Senator has so strongly and eloquently suggested, then it is the education programs, the health programs, the student financial aid programs, the vocational educational programs, the health research programs—it is all these things that are going to suffer, because they are the so-called discretionary programs. They are the only ones that, right now, Congress can legally cut, when we need to reduce the rate of growth of Federal spending. We cannot do that any longer. Those programs are disappearing.

That is why there is so much difficulty in this process. We cannot get to where the main abuses of Federal budget authority occur, and that is in the uncapped, indefinite growth of what is commonly referred to as the entitlement programs.

The Senator is absolutely correct. We just have to do something. It is that simple.

Mr. MATTINGLY. I believe that now is the time to approach the big "E," and I am sure that my good friend from the Finance Committee will agree.

I ask the Senator from New Mexico if he will also agree with this; that 62 percent of all these payments, transfers, do not go to the poorest 20 percent of the families. Is that not correct?

Mr. SCHMITT. That is my understanding. The Senator is correct.

Mr. MATTINGLY. Then, obviously, what needs to be done is that we probably need to cut the safety net from under the politicians, so that we can make a secure safety net for the American public, the taxpayers, and those who do receive entitlements.

Mr. SCHMITT. There is no question that there are many Americans who, in a variety of economic conditions and a variety of fiscal conditions, are unable to provide for their own well-being. I think this country long ago decided that it was the responsibility of Government—local, State, and Federal—to insure that people who had no alternative but governmental assistance receive that assistance. Unfortunately, it has gone so far that there is no longer any incentive for others outside of that group to exercise the alternatives they have to provide for their own well-being.

That is what we are talking about. We are not talking about removing the safety net. In fact, we are talking about strengthening it underneath those people who have no alternatives but Federal assistance.

However, for those who do have alternatives, we must provide the incentives—in some cases, gradually—for them to seek other alternatives, while at the same time we rejuvenate the economy overall, so that those alternatives in the private sector are there and available for those who have not been exercising them up to the present time.

Mr. MATTINGLY. I agree with the Senator from New Mexico.

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

Mr. HUMPHREY. Mr. President, it is well that the President has chosen to veto the continuing resolution sent to him by Congress yesterday.

What this Senator should like to point out is that perhaps too much is being made of this veto action and perhaps too much is being made of it by the White House.

Though large in absolute terms, the amounts of money involved are relatively small in comparison with the huge deficits which are looming in the outyears. I applaud the veto, and I hope the President will veto every spending proposal which exceeds his request, because Congress is falling into its old bad habits and showing, once again, that it does not have the discipline to bring spending into line with revenues.

So the President must be relied upon to provide that discipline, and I hope he uses it liberally. I, for one, will support him in sustaining this veto if that is necessary.

However, I point out once again that perhaps too much is being made of this particular veto of this particular resolution, involving in excess of several billion dollars of what the President wishes.

For the White House to be making such a big issue of this veto is about the same as someone visibly slapping a mosquito on his wrist and making a big scene out of that, when just a few feet away is a rattlesnake about to strike.

My colleagues from Georgia and New Mexico are absolutely right: There is no hope of avoiding fiscal and economic disaster until the White House gets its courage up and decides to address the entitlement programs. We cannot continue to focus our budget cutting attention on the 17 percent of the budget which remains after you exclude defense and entitlement programs and expect to have very much further success.

So I am one Senator who urges the White House to open up this question of entitlement programs, which it has shied away from since the situation with respect to the social security proposals of a few months ago. This is a time which calls for courage. We will not succeed in an economic or political sense unless the White House begins to show that courage. There are a growing number of Senators and Members of the House who are ready to address that question, realizing that there is no other choice.

IOWA GOES TO THE ROSE BOWL

Mr. JEPSEN. Mr. President, it gives me great pleasure to stand here today and say that I am from the great State of Iowa—a State today chilled by the early winter cold—yet a State warmed by thoughts of a New Year's Day celebration in Pasadena, Calif.

For 19 long years, the Iowa Hawkeyes have not had a winning season—until this year. For 23 long years, the Iowa Hawkeyes have quietly folded their jerseys and stored their cleats at the end of November—until this year.

Mr. President, it fills me with a great sense of pride to declare that the long drought is over—that not only have the Hawkeyes fought their way to a winning season—they have fought their way to the father of all bowl games—the Rose Bowl.

After being down for so long, being on top feels that much better for Hawkeye fans, and I think I am safe in saying that today every Iowan is a Hawkeye fan. We have a lot of reasons to love our football in Iowa; the Iowa State Cyclones ranked in the top 10 earlier this year, the Bulldogs of Drake University own at least a share of the Missouri Valley Conference title, and the Panthers of northern Iowa, just to name a few of the exciting teams we have in our State. But I am sure that they all join me in declaring that this is the year of the Hawks.

Mr. President, that Iowa enthusiasm goes all the way to the top. As you may know, back in 1932, as a new graduate of Eureka College in Illinois, Ronald Reagan had the pleasure of starting to broadcast Iowa football games for WHO radio in Des Moines. When I was at the White House last month to talk with President Reagan, I had the chance to bring him up to date on the Hawkeyes, and he was as excited as the rest of us.

I congratulate Coach Hayden Fry and all of the Hawkeyes for their courage and their fortitude on reaching this peak. And I congratulate the Hawkeye fans for their spirit and their patience through these past 19 years.

Mr. President, the people of Iowa have asked me to give a two-word message to my distinguished colleagues from the State of Washington, our opponents on New Year's Day. Those two words are: "Go Hawkeyes."

Thank you, Mr. President.

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

Mr. JEPSEN. I yield.

Mr. THURMOND. Mr. President, I am not as familiar with the Hawkeyes as the able Senator from Iowa, but I congratulate the Hawkeyes for having such two able distinguished Senators here as Senator JEPSEN and Senator GRASSLEY.

Mr. JEPSEN. I thank the Senator. Coming from the President pro tempore that is, indeed, a very high compliment and helps make this rather bleak day more pleasant. I thank the distinguished Senator.

The PRESIDING OFFICER. Who seeks recognition?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

BUSINESS ACCOUNTING AND FOREIGN TRADE SIMPLIFICATION ACT

Mr. STEVENS. Mr. President, I ask that the clerk lay before the Senate Calendar Order No. 301, S. 708, a bill to amend and clarify the Foreign Corrupt Practices Act of 1977.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 708) to amend and clarify the Foreign Corrupt Practices Act of 1977.

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

That this Act may be cited as the "Business Accounting and Foreign Trade Simplification Act".

FINDINGS AND CONCLUSION

SEC. 2. (a) The Congress finds that—

(1) the enactment of the Foreign Corrupt Practices Act of 1977 was a positive and significant step toward the important objective of prohibiting bribery of foreign government officials by United States companies in order to obtain, retain, or direct business;

(2) The Foreign Corrupt Practices Act of 1977 has caused unnecessary concern among existing and potential exporters as to the scope of legitimate overseas business activities;

(3) the accounting standards requirements of the Foreign Corrupt Practices Act of 1977, which apply to all issuers of securities irrespective of whether they have foreign operations, are unclear and excessive and have caused costly and unnecessary paperwork burdens;

(4) United States agencies responsible for enforcement of the Foreign Corrupt Practices Act of 1977 have not sufficiently coordinated interpretation and enforcement practices with other agencies responsible for international trade policy, export promotion, foreign policy, international monetary policy, and other related civil and criminal statutes; and

(5) it is in the best interests of all countries to maintain responsible standards of corrupt conduct in foreign markets to preserve free and equitable trading practices.

(b) The Congress concludes that—

(1) the principal objectives of the Foreign Corrupt Practices Act of 1977 are desirable, beneficial, and important to our Nation as well as to our relationships with our trading partners, and these objectives should remain the central intent of the Act;

(2) exporters should not be subject to unclear, conflicting, and potentially damaging demands by diverse United States agencies responsible for enforcement of the Foreign Corrupt Practices Act of 1977;

(3) general compliance and enforcement practices associated with the Foreign Corrupt Practices Act of 1977 should be developed in accordance with considerations underlying foreign policy relations, international trade, export promotion, international monetary policy, and other related civil and criminal statutes; and

(4) a solution to the problem of corrupt payments by firms to obtain or retain business demands an international approach; accordingly, appropriate international agreements should be initiated and sought by the United States agencies responsible for trade agreements and by the President.

AMENDMENT OF SHORT TITLE

SEC. 3. Section 101 of the Foreign Corrupt Practices Act of 1977 is amended to read as follows:

"SHORT TITLE

"SEC. 101. This title may be cited as the 'Business Practices and Records Act'.".

ACCOUNTING STANDARDS

SEC. 4. (a) Section 13(b)(2) of the Securities Exchange Act of 1934 is amended to read as follows:

"(2) Every issuer which has a class of securities registered pursuant to section 12 of this title and every issuer which is required to file reports pursuant to section 15(d) of this title shall devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that—

"(A) transactions are executed in accordance with management's general or specific authorization;

"(B) transactions are recorded as necessary (i) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (ii) to maintain accountability for assets;

"(C) access to assets is permitted only in accordance with management's general or specific authorization;

"(D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and

"(E) for the purposes of subparagraphs (A) through (D) of this paragraph, the issuer makes and keeps books, accounting records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.".

(b) Section 13(b) of the Securities Exchange Act of 1934 is amended by adding at the end thereof the following:

"(4) A person shall be liable in any action or proceeding arising under paragraph (2) only—

"(A) for knowingly falsifying, or causing to be falsified, any book, accounting record, or account described in paragraph (2);

"(B) for knowingly failing to make or keep a book, record, or account described therein;

"(C) for knowingly failing to maintain a system of internal accounting controls which is consistent with the purposes of paragraph (2); or

"(D) for knowingly attempting to circumvent the internal accounting controls established pursuant to paragraph (2).

"(5) Where an issuer which has a class of securities registered pursuant to section 12 of this title or an issuer which is required to file reports pursuant to section 15(d) of this title holds 50 per centum or less of the voting power with respect to a domestic or foreign firm, the provisions of paragraph (2) require only that the issuer proceed in good faith to use its influence, to the extent reasonable under the issuer's circumstances, including the relative degree of its ownership over the domestic or foreign firm and under the laws and practices governing the business operations of the country in which such firm is located, to cause such domestic or foreign firm to devise and maintain a system of internal accounting controls consistent with paragraph (2). Such an issuer shall be conclusively presumed to have complied with the provisions of paragraph (2) by demonstrating good faith efforts to use such influence.".

REPEALER; NEW BRIBERY PROVISION

SEC. 5. (a)(1) Section 30A of the Securities Exchange Act of 1934 is repealed.

(2) Section 32 of such Act is amended—

(A) by striking out "(other than section 30A)" in subsection (a); and

(B) by striking out subsection (c).

(b) Section 104 of the Business Practices and Records Act is amended to read as follows:

"FOREIGN PAYMENTS

"SEC. 104. (a) It shall be unlawful for any domestic concern, or any officer, director, employee, or shareholder thereof acting on behalf of such domestic concern, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of a payment, gift, offer, or promise, directly or indirectly, of anything of value to any foreign official for the purpose of—

"(1) influencing any act or decision of such foreign official in his official capacity, or inducing such foreign official to do or omit to do any act in violation of his legal duties as a foreign official; or

"(2) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality;

in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person.

"(b) It shall be unlawful for any domestic concern, or any officer, director or employee, or shareholder thereof acting on behalf of such domestic concern to make use of the mails or any means or instrumentality of interstate commerce corruptly to direct or authorize, expressly or by a course of conduct, a third party in furtherance of a payment, gift, offer, or promise of anything of value to a foreign official for any of the purposes set forth in subsection (a).

"(c) Subsections (a) and (b) shall not apply to—

"(1) any facilitating or expediting payment to a foreign official the purpose of which is to expedite or to secure the performance of a routine governmental action by a foreign official, as distinguished from governmental action in which the exercise of judgment by the foreign official is a significant factor;

"(2) any payment, gift, offer, or promise of anything of value to a foreign official

which is lawful under the law and regulations of the foreign official's country;

"(3) any payment, gift, offer, or promise of anything of value which constitutes a courtesy, a token of regard or esteem, or in return for hospitality;

"(4) any expenditures, including travel and lodging expenses, associated with the selling or purchasing of goods or services or with the demonstration or explanation of products; or

"(5) any ordinary expenditures, including travel and lodging expenses, associated with the performance of a contract with a foreign government or agency thereof.

"(d)(1)(A) Except as provided in subparagraph (B), any domestic concern which violates subsection (a) or (b) shall, upon conviction, be fined not more than $1,000,000.

"(B) Any individual who is a domestic concern and who willfully violates subsection (a) or (b) shall, upon conviction, be fined not more than $10,000, or imprisoned not more than five years, or both.

"(2) Any officer or director of a domestic concern, or stockholder acting on behalf of such domestic concern, who willfully violates subsection (a) or (b) shall, upon conviction, be fined not more than $10,000, or imprisoned not more than five years, or both.

"(3) Whenever a domestic concern is found to have violated subsection (a) or (b) of this section, any employee of such domestic concern who is a United States citizen, national, or resident or is otherwise subject to the jurisdiction of the United States (other than an officer, director, or stockholder acting on behalf of such domestic concern), and who willfully carried out the act or practice constituting such violation shall, upon conviction, be fined not more than $10,000, or imprisoned not more than five years, or both.

"(4) Whenever a fine is imposed under paragraph (2) or (3) of this subsection upon any officer, director, employee, or stockholder of a domestic concern, such fine shall not be paid, directly or indirectly, by such domestic concern.

"(e)(1) When it appears to the Attorney General that any domestic concern, or officer, director, employee, or stockholder thereof, is engaged, or is about to engage, in any act or practice constituting a violation of subsection (a) or (b) of this section, the Attorney General may, in his discretion, bring a civil action in an appropriate district court of the United States to enjoin such act or practice, and upon a proper showing, a permanent or temporary injunction or a temporary restraining order shall be granted without bond.

"(2) For the purpose of all civil investigations which, in the opinion of the Attorney General, are necessary and proper for the enforcement of this Act, the Attorney General or any attorney or attorneys of the Department of Justice designated by him are empowered to administer oaths and affirmations, subpena witnesses, take evidence, and require the production of any books, papers, or other documents which the Attorney General deems relevant or material to the inquiry. Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States, or any territory, possession, or commonwealth of the United States, at any designated place of hearing.

"(3) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Attorney General may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, or other documents. Any such court may issue an order requiring such person to appear before the Attorney General or attorney designated by the Attorney General, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. The Attorney General shall have the power to make such rules relating to civil investigations as may be necessary or appropriate to implement the provisions of this subsection.

"(f) As used in this section—

"(1) The term 'domestic concern' means (A) any individual who is a citizen, national, or resident of the United States; or (B) any corporation, partnership, association, joint-stock company, business trust, unincorporated organization, or sole proprietorship which has its principal place of business in the United States, which is organized under the laws of a State of the United States or a territory, possession, or commonwealth of the United States, which has a class of securities registered pursuant to section 12 of the Securities Exchange Act of 1934, or which is required to file reports under section 15(d) of the Securities Exchange Act of 1934.

"(2) The term 'foreign official' means (A) any officer or employee of a foreign government or any department, agency, or instrumentality thereof, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality; or (B) any foreign political party or official thereof or any candidate for foreign political office.".

DEFINITIONS

SEC. 6. Section 13(b) of the Securities Exchange Act of 1934 is amended by adding at the end thereof the following:

"(6) For the purpose of this section, the terms 'reasonable assurances' and 'reasonable detail' mean such level of detail and degree of assurance as would satisfy prudent individuals in the conduct of their own affairs, having in mind a comparison between benefits to be obtained and costs to be incurred in obtaining such benefits.".

EXCLUSIVITY PROVISION FOR OVERSEAS BRIBERY

SEC. 7. No criminal action pursuant to section 1341 or 1343 of title 18, United States Code, may be brought against a domestic concern, its officers, directors, employees, or shareholders based upon the theory that, by receiving a corrupt payment, the foreign official violated his fiduciary duty to his government or to the citizens of his country. Nothing in this section limits the applicability of the provisions of section 1341 and 1343 of title 18, United States Code, to any other kind of scheme to defraud.

AUTHORITY TO ISSUE GUIDELINES

SEC. 8. Title I of the Business Practices and Records Act is amended by adding at the end thereof the following:

"GUIDELINES AND GENERAL PROCEDURES FOR COMPLIANCE

"SEC. 105. (a) Not later than six months after the date of enactment of this section, the Attorney General, after consultation with the United States Trade Representative, the Secretary of State, the Secretary of Commerce, and the Secretary of the Treasury, and after consultation with representatives of the business community and the interested public through public notice and comment and in public hearings, shall determine to what extent the business community would be assisted by further clarification of section 104 of this Act and shall, based on such determination and to the extent necessary and appropriate, have the authority to issue—

"(1) guidelines describing specific types of conduct associated with common types of export sales arrangements and business contracts which the Attorney General determines constitute compliance with the provisions of section 104 of this Act; and

"(2) general precautionary procedures which issuers or domestic concerns may use on a voluntary basis to ensure compliance with this Act, and to create a rebuttable presumption of compliance with this Act.

The guidelines and procedures referred to in the preceding sentence shall be issued in accordance with sections 551 through 557 of title 5, United States Code.

"(b) The Attorney General, after consultation with other Federal agencies and representatives from the business community, shall establish a Business Practices and Records Act Review Procedure for the purpose of providing responses to specific inquiries concerning enforcement intentions under this Act. The Attorney General shall issue opinions, within thirty days, in response to requests from domestic concerns, regarding compliance with the requirements of the provisions of section 104 of this Act. An opinion that certain prospective conduct does not involve a violation shall be final and binding on all parties, subject to the discovery of new evidence. When appropriate, and at reasonable intervals, the responses derived from the review procedure will be reviewed by the Attorney General to determine whether such compilation of responses should be included in a new guideline pursuant to subsection (a).

"(c) Any document or other material provided to, received by, or prepared in the Department of Justice, or any other department or agency of the United States Government, in connection with a request by a domestic concern for a statement of present enforcement intentions under the Business Practices and Records Act Review Procedure pursuant to subsection (b) of this section, or in connection with any investigations conducted to enforce this Act, shall be exempt from disclosure under section 552 of title 5, United States Code, regardless of whether the Department responds to such a request or the applicant withdraws such request prior to receiving a response. The Attorney General shall protect the privacy of each applicant, and shall adopt rules assuring that materials, documents, and information submitted in connection with a review procedure request will be kept confidential and will not be used for any purpose that would unnecessarily discourage use of the review procedure. The review procedure shall be developed and instituted in accordance with sections 551 and 557 and 701 through 706 of the title 5, United States Code.

"(d) The Attorney General shall make a special effort to provide timely compliance guidance to potential exporters, and smaller businesses, who as a practical matter are unable to obtain specialized counsel on issues pertaining to this Act. Such assistance shall be limited to requests for enforcement intention disclosures provided for under this Act, and general explanations of compliance responsibilities and of potential liabilities under the Act.

"(e)(1) On September 1 of each year the Attorney General shall transmit to the Congress and make public a detailed report on all actions which the Department of Justice has taken pursuant to this Act, along with its views on problems associated with implementation, its plan for the next fiscal year to further implement the Act, and recommendations for amendments.

"(2) On September 1 of each year the Chairman of the Securities and Exchange Commission shall file with the Congress a detailed report on all actions which the Commission has taken pursuant to section 13(b) of the Securities Exchange Act, its

views on problems associated with implementation, its plans for the next fiscal year to further implement such section, and its recommendations for amendment.".

CONFORMING CHANGES IN INTERNAL REVENUE CODE

SEC. 9. Paragraph (1) of section 162(c) of the Internal Revenue Code of 1954 (relating to illegal payments to government officials or employees) is amended—

(1) by striking out "the laws of the United States if such laws were applicable to such payment and to such official or employee" and inserting in lieu thereof "the Business Practices and Records Act"; and

(2) by striking out "(or would be unlawful under the laws of the United States)" and inserting in lieu thereof "(or would be unlawful under the Business Practices and Records Act)".

INTERNATIONAL AGREEMENTS

SEC. 10. (a) It is the sense of the Congress that the President should pursue the negotiation of bilateral and multilateral agreements among the largest possible number of nations which would establish standards of conduct for international business practices and which would create a process by which problems and conflicts associated with such practices could be resolved, and to explore through negotiations an international agreement for rates of commissions.

(b) It is the sense of the Congress that, within one year after the date of enactment of this Act, the President shall report to Congress on the progress of these negotiations, and those steps which the administration and Congress should consider taking in the event that the negotiations referred to in subsection (a) do not successfully eliminate the competitive disadvantage of United States business.

(c) Not later than one year after the date of the enactment of this Act, the President shall submit to the appropriate committees of the Congress a report identifying and assessing the legal and practical consequences of specific action that the United States could take under existing law—

(1) to promote cooperation by other nations in international efforts to prevent bribery of foreign officials, candidates, or parties in third countries; and

(2) to encourage persons or business enterprises organized and operating in other nations to refrain from engaging in bribery of foreign officials, candidates, or parties in third countries to the commercial and competitive disadvantage of the overesas operations of United States industry.

This report shall also include recommendations for any new legislation required to give the President authority to take appropriate action to achieve such objectives. The report shall contain an analysis of the potential effect on the interests of the United States including United States national security of the corruption of foreign officials and political leaders in connection with international business transactions involving persons and business enterprises of other nations. In addition, the report shall assess the current and future role in curtailing such corruption of private initiatives such as the Recommendations to Governments and Rules of Conduct to Combat Extortion and Bribery developed by the International Chamber of Commerce.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. 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, what is the pending business?

The PRESIDING OFFICER. The pending business is S. 708.

Mr. HEINZ. I thank the Chair.

Mr. President, I ask unanimous consent that, for the consideration of the Foreign Corrupt Practices Act and for votes thereon, the following members of the Senate Banking Committee staff be accorded the privileges of the floor.

Dan Wall, Howard Menell, John Daniels, Paul Freedenberg, Wayne Abernathy, Lyle Rushton, and Lindy Marinaccio.

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

Mr. HEINZ. Further, Mr. President, I ask unanimous consent that Mr. Bill Reinsch, of my staff; Christine Bliss of Senator CHAFEE's staff; Bill Mattea, of Senator DIXON's staff; and Diane Sanger, of Senator D'AMATO's staff be accorded the same privileges.

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

Mr. HEINZ. Mr. President, today we take up S. 708, the amendments to the Foreign Corrupt Practices Act, which is the third major piece of legislation to help American exports that the Senate has taken up this year. In April, we passed the Export Trading Company Act of 1981. That legislation is now pending over in the House.

I am optimistic about the possibility of action therein this Congress. In July we passed major tax legislation which included a provision reforming the tax treatment of Americans working abroad, sections 911 and 913. That measure is now law. Today we take up the third item on our export agenda, S. 708, amendments to the Foreign Corrupt Practices Act.

There is no question, Mr. President, that these export bills are necessary. Emphasis on exports is necessary because the 1980 trade deficit was $36.4 billion, and the 1981 deficit threatens to be in the same range. Imports of consumer goods are growing, and oil price increases have added to the deficit even while we are reducing the quantity of imported oil.

Equally significant, the current account, which includes services and investment income as well as trade, is sure to slip into deficit this year after 2 years of modest surpluses. In the past some have suggested that because exports were growing and the current account was in surplus, the export crisis is overblown. In short, we are already doing enough.

Well, Mr. President, I would suggest, first, that one can never do enough to encourage exports, and second that the latest data make clear that recent progress was due in large part in a falling dollar and not to generic improvement in our exporting position. Now a rising dollar is putting us back into the same disadvantaged position we were in several years ago. We continue to lose ground and market share to our trading competitors. My subcommittee's export agenda—Export Trading Companies, Foreign Corrupt Practices Act amendments, expanded Export-Import Bank authority—will provide some permanent improvements irrespective of the status of the dollar.

I particularly want to note at the beginning of my statement the bipartisan nature of the effort that has developed this bill. Originally introduced by the Senator from Rhode Island (Mr. CHAFEE), who has for two Congresses been on the cutting edge of this issue, it underwent a number of modifications in committee through the efforts of Senator CHAFEE, Senator D'AMATO, Senator DIXON, Senator DODD, Senator RIEGLE, Senator PROXMIRE, and myself. Ultimately the bill was reported by a bipartisan majority vote of 11 to 4.

I emphasize this bipartisan spirit, Mr. President, because of the potential for controversy lurking in this bill. The Foreign Corrupt Practices Act was originally signed into law in 1977 in response to revelations of corporate bribes and payoffs in the mid-1970's. I expect my colleague, Senator PROXMIRE, will have more to say about the history and origins of the current law in his statement. Let me summarize its rationale by saying it was intended to force corporations to "clean up their acts" and to set a higher standard of behavior for American business, a standard we hoped would subsequently be adopted by others after multilateral negotiations.

These are laudable goals. Yet today we are proposing significant changes in the law designed to achieve them. While it will be tempting for people to describe these changes as weaken'ng our commitment to corporate honesty or as "gutting" the law, if you look at the record of the committee's work on this bill you will see that neither the way we proceeded nor the results we produced verify that charge.

Mr. President, at this time I would like to take special note of the tremendous understanding, patience, and diligence of the Senator from Wisconsin, Senator PROXMIRE, who, at every turn, has given the benefit of his experience and his insight, into making sure that the legislation before us really was a workmanlike product, a product which we could bring to the floor with a good deal of pride.

With respect to procedures that Senator PROXMIRE and I agreed to. Mr. President, the committee held 5 days of hearings spanning 3 months and including 29 witnesses. Most significant, every witness requested by the m'nority was invited to appear. Some declined, but I don't think anyone can argue the hearings did not fully represent all sides of this issue or that the requests of opponents of the bill were not honored.

Additionally, at the request of the minority. we postponed markup on the bill for 6 weeks—over the August recess—to permit all Members to better study the complex issues raised by the bill. During that t'me. the staff, in consultation with Senator D'AMATO and myself, developed a committee print which made a number of changes in S. 708 to accommodate concerns raised by the m'nority and to correct drafting errors. Ultimately the committee print was adopted—also by a bipartisan vote—and the bill reported with an additional clarifying amendment.

In particular, Mr. President, I want to

pay my respects to Senator PROXMIRE for his partnership, his very critical insights into the work of the subcommittee and the committee on this bill, and, of course, to its principal sponsors, Senator CHAFEE, Senator D'AMATO, Senator DIXON, and others. In short, Mr. President, we have proceeded slowly and carefully, as befits a bill this complex and important.

With respect to our product, Mr. President, obviously thoughtful people of good will will differ on its merits, and I have no expectation that this bill will be approved unanimously. I do, however, want to make clear our intent, a subject which I am sure the Senator from Rhode Island (Mr. CHAFEE), the bill's original author, will discuss as well. Very simply, what we are trying to do is not weaken this law but clarify it. We are not reopening the door to corrupt payments. We are eliminating doubt as to what constitutes a corrupt payment and when a corporation is liable.

In that regard, the present law has some serious deficiencies. In the accounting section, present law potentially makes a corporation liable for the smallest accounting error—whether material or not, whether intentional or not, whether related to a corrupt payment or not. In fact, as the legislative history of this section makes clear, it is not an anticorruption section at all, but rather broad authority for the SEC to prosecute books and record errors.

In the words of former SEC Chairman Harold Williams in a policy statement discussing the accounting provisions:

> The anxieties created by the Foreign Corrupt Practices Act—among men and women of utmost good faith—have been, in my experience, without equal.

The committee clearly felt that the scope of this section of the law is too broad. Any accountant will tell you that some corporate books and records are inevitably inaccurate, that no internal control system can be devised that will prevent all errors or make falsifications impossible, and that it serves no purpose to hold the company liable for every error.

Furthermore, the threat of lengthy and costly investigations to discover minor or inadvertent mistakes has inevitably led to overly cautious behavior by corporations which have no desire to violate the law. It does not help businesses faced with such laws to say simply that the SEC and the Justice Department would not act against minor, unintentional violations.

This kind of argument, in my view, makes clear what is wrong with present law and what is right about S. 708. The latter provides the necessary certainty. What is a minor violation? What is immaterial? How do businesses know what the SEC or Justice Department might or might not do, when the law has such a broad reach? The purpose of S. 708 is to write a law which, on its face, will answer those questions.

The original version of S. 708 dealt with this problem through the inclusion of a "materiality" standard—liability would obtain only for material violations. Not surprisingly, this concept ran into the same criticism that has been applied to present law. "Materiality" is a fuzzy term that also provides no certainty, and there was no widespread agreement as to how it should be defined. It could only be adequately defined through litigation, and it is our specific purpose to write a law that will reduce litigation, not increase it.

Accordingly, the reported version of the bill drops the concept but at the same time attempts to deal with the deficiencies of the too inclusive present law by incorporating the statutory reference to accurate books and records into the parallel requirement to maintain an internal accounting system.

This removes the free standing books and records provision but at the same time does not fully deal with the question of intent or of minor violations. In its deliberations on this point the committee resolved the issue tentatively but agreed to pursue a more widely acceptable resolution. I am pleased to report that Senators PROXMIRE, D'AMATO, CHAFEE, and myself have reached agreement on an amendment that further clarifies this section. I will comment a bit more on this question when that amendment is offered.

I will discuss this amendment in greater detail later, but it does seem to me to resolve fairly the controversies in this part of the bill.

The other major part of the bill is its amendment to section 104 of the Foreign Corrupt Practices Act, which is the section defining and making illegal foreign corrupt payments.

The major difficulty of present law relates to its language concerning the relationship between a corporation and a third party, usually an agent, when it is the latter that actually makes the prohibited payment. This is a central issue because in many countries foreign companies are either required by law or encouraged by custom and other means to deal with the government through a national of that country.

In other countries where the bureaucracy is complex or corrupt, or where the language or social customs are difficult for Westerners, it is clearly in U.S. company's interest to employ an agent. Smaller businesses tend to be particularly dependent upon agents in their export activities.

Present law defines the company-agent relationship by making the company liable if it knows or has reason to know that the agent has made a corrupt payment. The reason-to-know language has been the source of the greatest uncertainty, complicated by the absence of useful guidance from the SEC or the Justice Department as to what the term might mean. This has led to assertions of breadth of coverage which themselves are breathtaking and which would totally cripple U.S. corporate activities in certain countries, were the law aggressively enforced in that way.

John Fedders, formerly a lawyer advising clients in this field and now the Director of the SEC's Division of Enforcement, in an excellent analysis of this part of the law in Middle East Executive Reports, has summarized the various contentions about what "reason to know" has been at various times construed to mean. It is worth reading because it so clearly illustrates the point I am trying to make.

First. Country in question. Some persons suggest that in countries where bribery of government officials is commonplace, "reason to know" will be presumed in all cases. Others suggest that rumors about questionable practices in certain countries make all transactions there suspect.

Second. Reputation of agent. Because of the bribery disclosures of the 1970's, some agents are notorious for their alleged misconduct. If a U.S. entity employs one of these agents, it is suggested that the businessman must assume that some of the fee will be paid to a foreign official.

Third. Amount of commission. Some persons suggest that if an agent requests or is paid a commission greater than the "going rate" there is "reason to know" that part of the fee will be improperly paid to a foreign official.

Fourth. Agent's refusal to make representations. If an agent refuses to provide representations or covenants—about his business activities—it is suggested that the U.S. entity has "reason to know" that the agent's conduct will not be lawful.

Fifth. Family or business relationship. Finally, some suggest that an agent's family or business relationship with foreign officials, particularly in certain countries, creates a substantial probability that part of the agent's fee will be paid to a foreign official.

Now I think the authors of the original law would be hard put to argue that that is what they meant when they wrote this section, but that is precisely the impression business has been given. And it is not enough to respond by saying these more extreme cases have not been prosecuted, because the relevant issue is still uncertainty and the impact it has on business operations.

It is of small comfort to an executive when his lawyer tells him he may be liable under the law—personally and corporately—but not to worry because the Government may not prosecute, or if it does, he might not be convicted. The executive's obligation to himself and his company is to avoid uncertainty, avoid publicity, and avoid the time and expense of a lengthy investigation or court case.

Ironically, this problem bears great resemblance to a similar controversy we have had on the export trading company bill. Title II of that bill provides an antitrust preclearance procedure. Its intent is to draw a clearer line between what is legal and what is not in this area. It does not change existing antitrust law in the slightest. Opponents argue that existing law, vague though it is, and Justice Department guidance in this area are sufficient. But they ignore the fact that that guidance is usually filled with qualifying words like "unlikely," and "at the present time."

Such guidance, of course, is useless in the real world since "unlikely" has no definitive force, "present time" means today only, and in any event private

party suits are not precluded. As in the case of the Foreign Corrupt Practices Act, the issue is uncertainty. The businessman does not want to be told he might be OK, or that he will probably win his case. He wants to be told when there would not be any case—and when there will. I think it is our responsibility to do the best we can to meet that standard.

To my mind, the most important thing S. 708 as reported does is to remove the reason to know standard, basically replacing it with a "directs or authorizes" standard. By itself this makes clear that a company is liable for an agent's corrupt payment if it has directed or authorized it. In other words, there would have to be some overt act or statement on the part of the company.

It was my judgment, however, which the committee shared, that we also need to go a step farther than that and cover those situations where the company literally puts its head in the sand and intends to avoid knowing what its agent is doing, or where a company authorizes a corrupt payment through words or actions that are not explicit. This is clearly not a "reason to know" standard or "should have known" standard, but rather a standard based on the company's words or actions that takes into account, however, that such words or conduct do not need to be only an explicit on-the-record direction to establish the company's intent.

After much discussion, I offered in committee an amendment to add the words, "expressly or by a course of conduct," after "directs or authorizes," and to further explain the new phrase with specific report language intended to provide definitive guidance to business and to those who enforce this statute. The amendment was agreed to, and I think it would be helpful in this debate to read the brief excerpt of report language that the committee specifically adopted along with the amendment.

The Committee intends the term "course of conduct" used with the term "authorize" in Section 104(b) to refer to those situations where a company, through its words or course of conduct, has intended that a corrupt payment be made. For example, a company's refusal or failure to respond to an agent's suggestion or request that a corrupt payment be made would violate this section, as would a company's continuing employment of an agent known to the company to have made corrupt payments in the preceding two years in violation of applicable U.S. laws or those of the country in question.

On other other hand, the mere fact of doing business in a country where corrupt payments are common, or the employment of an agent with personal relationships with government officials in the country where the company seeks to do business would not establish such a course of conduct.

Similarly, the payment of a commission that is higher than customary would not by itself violate this section without evidence that the increased amount of commission is intended to permit a corrupt payment to be made.

The Committee believes that this standard will result in liability being imposed in overseas bribery cases brought under this Act if liability would also be imposed if the case were subject to domestic bribery law.

This latter statement about the parallel liability under domestic bribery law refers to established complicity principles of criminal law.

This amendment has also raised some question with respect to the term "directly or indirectly" as it appears in section 104(a).

As stated in the committee report, section 104(a) therefore refers solely to situations in which a prohibited payment is made by one of the persons listed in section 104(a) through some circuitous, that is, indirect means; it is not intended to have any application where the payment is made by a third party.

Another section of controversy is the section exempting so-called "facilitating" payments from the scope of the act. This exemption is also in current law, but it is not clearly defined in a way that anyone has found useful. The idea is that in many countries payment of a small gratuity, usually to minor officials to get them to perform their legal duties, is pervasive and is in fact the only way to secure the services to which one is entitled. By the standards of such countries these are not corrupt payments. If anything, they are an integral—and inevitable—part of doing business.

An example would be payments to customs or dock officials to get one's merchandise unloaded, appropriately stamped and cleared and entered into the country. On the other hand, a payment to obtain the entry of illegal goods, or a payment to get them misclassified so as to pay a lower duty would not be the same kind of routine governmental activities that should fall within the facilitating payment definition.

In its consolidation and redefinition of this concept, the committee chose to focus on the purpose of the payment and the type of action involved rather than the rank of the person receiving the payment, as in present law. S. 708 makes clear that the concept of a facilitating payment covers payments for routine governmental actions not involving judgment, and ordinary expenditures in certain cases, including those associated with the performance of a contract with a foreign government or agency, token payments intended as a courtesy, and payments legal in the country where made.

These terms are still less precise than one would wish, but in my judgment they represent a significant improvement over present law.

Finally with respect to section 104, the committee's report contains an error in failing to reflect accurately a minor amendment which was made by the committee. On page 18 of the report, in a discussion of the exceptions to the bribery prohibitions in section 104, there is a reference to "Ordinary or customary expenditures associated with the performance of a contract."

The reference to "customary" expenditures is not contained in the bill as reported by the Banking Committee, but had been a part of earlier formulations of some of the exceptions. Consequently, this reference to "customary" expenditures in the report should be disregarded.

There are also other provisions of the bill worth noting:

Section 5(a) would place in the Justice Department all jurisdiction for enforcement of the antibribery provisions of the act. The SEC would remain responsible for civil enforcement of the internal accounting controls provision.

Subsection (d) of the section 104 rewrite would continue the civil and criminal penalties provided for in current law: $1,000,000 maximum fine for domestic concerns; for individuals a maximum fine of $10,000 and/or up to 5 years imprisonment.

Section 7 provides that this act would preclude the possibility of criminal prosecution against any person or firm alleging that the mail or wire fraud laws have been violated as a result of a foreign corrupt payment, where the prosecution is based upon the theory that the foreign official violated a fiduciary duty.

Section 8 would authorize the Attorney General, after consultation with the U.S. Trade Representative, the Secretary of State, the Secretary of Commerce, the Secretary of the Treasury, and representatives of the business community and the public, to issue guidelines to assist in compliance with the antibribery provisions. Procedures would be established for firms to request interpretative guidance from the Justice Department, with responses required to be made within 30 days.

Section 8 would also call upon the Attorney General and the Chairman of the SEC to submit detailed annual public reports of their respective agency's actions taken pursuant to the act, its views on associated problems, plan for the next fiscal year, and recommendations, if any, for amendment of the act.

Section 10 declares it is the sense of the Congress that the President pursue negotiations to establish international cooperation in the prohibition of bribery. It provides for reports to the Congress on the progress of such negotiation, including suggestions for appropriate congressional action, and the consequences of potential action that can be taken under existing law to effect international cooperation for the elimination of bribery.

With respect to section 10, which calls for reports on the progress of multilateral negotiations, after some discussion with the State Department, I have concluded the section is poorly drafted, redundant, and not fully reflective of our objectives. Accordingly, I will later offer an amendment to revise this section.

Finally, Mr. President, I should say a word about the budgetary impact of this bill. The Congressional Budget Office has estimated that the Department of Justice would require $0.4 million in fiscal year 1982, $0.7 million in each of fiscal years 1983 and 1984, and $0.8 million in each of fiscal years 1985 and 1986, to implement the revised guidelines and procedures for compliance required by S. 708.

I would like to bring Senators' attention to the fact that no provision in the bill authorizes the appropriation of new budget authority to cover these costs. The committee intends that the costs of implementing the legislation will be

absorbed by the Department within its normal budget. S. 708 is not intended to "drive up" the Department's budget requests.

In conclusion, Mr. President, I would only say that this is a fair bill and a carefully crafted bill.

Senator PROXMIRE, Senator CHAFEE, Senator D'AMATO and I have certain amendments we intend to offer to this bill that we have discussed at some length. I think that by the time this bill leaves the floor today, we will have reached a very, very difficult goal, indeed.

Let me say, Mr. President, it would have been far easier to resolve some of the problems in this bill with calculated ambiguities but, frankly, if there is one criticism of Congress that probably is valid, it is that too often, Congress, in trying to compose differences, has left areas of ambiguity that have been counterproductive for all sides. The legislation before us today, Mr. President, instead shows that the committee chose to confront the issues directly and to draft legislation intended to provide the greatest guidance possible to businesses which have to live with this statute on a day-to-day basis. I think the result will be a clearer law and, because of that, a better law. I believe that to be the case from the viewpoint of people on all sides of this issue. It is my hope that my colleagues will see it the same way after proper discussion, adopt this legislation and send it on to the House.

Mr. PROXMIRE. Mr. President, in 1977, 4 years ago, Congress passed the Foreign Corrupt Practices Act in response to one of the worst domestic and foreign bribery slush fund scandals in American corporate history. I think all of us can recall the terrible implications of that scandal. The SEC made an investigation and found that some 400 American corporations admitted that they paid $300 million in bribes. We had a situation in Japan, in Italy, in the Netherlands and elsewhere where bribes were very, very damaging to our foreign policy.

Mr. President, bribery is bad business. It distorts free markets. It tarnishes the image of our democracy. The bribery of foreign government officials is particularly pernicious. Governments fall that are friendly to the United States and the United States and the democratic process is subverted.

The law passed in 1977 is a good law. Complaints have been heard that the law has hurt our exports. These complaints are not documented and exports have increased since 1977.

As a matter of fact, from the time that was enacted, exports rose more dramatically than they have at any time during our history.

Nevertheless we have before us today S. 708, which amends the Foreign Corrupt Practices Act.

The Banking Committee with the help of the Securities and Exchange Commission has labored long and hard on S. 708. With an amendment on the enforcement section today which I intend to support, I believe the committee has done its job in a responsible manner. It is a tribute to the leadership of Senator CHAFEE who is the author of this bill and who has worked very hard on it and has done his very, very best to work out a bill that would be effective but would also accommodate the legitimate interests of our exporters—of Senator HEINZ and Senator D'AMATO, who have been most effective leaders in the committee on this bill. Because of them, S. 708 has been refined to the point that it has been.

I congratulate Senator CHAFEE, Senator HEINZ and Senator D'AMATO and commend them for their response in the public interest to the many defects in the original bill.

Mr. President, I believe the Senate has gone as far as it can on this legislation. The House will receive the legislation and I am sure will take a close look at the exceptions in this legislation for payments and compliance with local law and for expenditures in connection with sales. With House action, we should get final action in this Congress. I hope we do.

This legislation will preserve intact the accounting provisions which are designed to require companies to maintain accountability for corporate assets and in connection therewith to keep accurate and fair books and records in reasonable detail. The accounting sections are the heart and soul of this legislation.

We must have those sections or we have a toothless, meaningless, ineffective law.

In this legislation that is being proposed today, with the amendment attached, existing law is not cut back, it is strengthened. This legislation makes clear that a standard of reasonableness is to apply, not a standard of materiality. The accounting sections will be enforced by the SEC.

In spite of all this, Mr. President, I have grave reservations about the sections of the bill which remove SEC jurisdiction over criminal provisions of law prohibiting bribes through an agent. The SEC has the expertise in stopping bribery. That is their job, to understand corporate accounting. That is their job, to require disclosure. It takes years of experience and a vast knowledge of corporate accounting in order to be able to accomplish this. They are exactly the agency that should be involved here.

Yet, the Justice Department is given exclusive jurisdiction in this bill. They will have to be watched closely in their enforcement. Their recent action in the McDonnell Douglas case gives me pause, as does the deletion of the know or have reason to know standard of current law.

Let me once again thank Senators HEINZ, CHAFEE, and D'AMATO for their spirit of compromise and willingness to listen to criticism during the course of consideration of this bill.

It is never easy, when we all feel so strongly on our positions, to work out a negotiated compromise, but I think that these Senators have done an outstanding job in this case—as I say, of achieving a measure which is not all I would like and I am sure is not exactly what they would like, either, but does represent an advance.

Mr. DIXON. Mr. President, S. 708, the Business Accounting and Foreign Trade Simplification Act, is the product of a long period of hard work by the members of the Senate Committee on Banking, Housing, and Urban Affairs, on which I am proud to serve. The bill is a compromise measure; it reflects many hours of negotiations over a period of several months.

The objective and purpose of the bill is very clear and well set out in the first line of text: "A bill to amend and clarify the Foreign Corrupt Practices Act of 1977." Clarify is the key word. The bill is designed to continue effective enforcement of the policy objectives of the Foreign Corrupt Practices Act.

The FCPA deters U.S. firms from bribing foreign officials to obtain business. S. 708, if enacted, will work effectively to insure that policy is continued. No one who supported clarifying changes in the act—the administration, the Securities and Exchange Commission, the business community—wants to undercut existing law. Everyone supporting the bill wants to continue effective enforcement to insure that American firms do not engage in bribery overseas.

What the bill attempts to do—and, I believe, does reasonably well—is to continue the effective FCPA prohibition against overseas bribery while clarifying the law.

Clarification is needed for two reasons. First, to provide a greater degree of certainty as to what the law means for those who have to live under it. Second, to reduce the regulatory burden of the act to the minimum level needed to meet its objectives.

I think it is clear that the act needs to be clarified. The antibribery standard under existing law—the so-called reason to know standard—is vague and subject to wide variations of interpretation. In fact, as the committee report points out, many legal commentators believe that the reason to know standard can be interpreted to mean reason to suspect, a standard much broader than that intended by the authors of the 1977 legislation as I understand it.

Mr. President, me must remember that the FCPA is an extraterritorial application of U.S. law. Its principal focus is to prevent bribery that occurs beyond our borders. For this reason, it is particularly important that the statute be as precise as possible.

I am not going to take the time to recite the numerous examples of the real problems caused by the vague reason to know standard that were testified to in hearings before the Banking Committee. I believe the testimony before the committee makes clear, however, that the vagueness and uncertainty of the existing standard have cost American firms business opportunities overseas. It is impossible to put a reliable dollar estimate on the amount of business lost, but that does not make the problem anv less real. Concern about potential liability under the act has cost the U.S. exports—exports that we need to increase as rapidly as we can, if we are to restore our economy to its former healthy state.

The bill clarifies the antibribery standard in the FCPA by replacing it with a standard that would impose liability where a corrupt warrant payment is

made and the U.S. concern directs or authorizes, expressly or by a course of conduct, that the payment is made. This standard provides the degree of certainty needed by those who have to live under the act. As the committee report indicates, it results in a standard that imposes liability in overseas bribery cases brought under this act only if liability would also be imposed if the activity occurred in the United States and were subject to domestic bribery law.

The new standard is more precise, but will still effectively meet the objectives of the 1977 law. If a firm directs or authorizes an agent to pay a bribe, if a firm gives an agent a knowing wink, liability results. If a firm intentionally takes a head in the sand attitude about whether a bribe is paid, liability results. However, as the report states, the mere fact of doing business in a country where corrupt payments are common, or the employment of an agent with personal relationships with government officials in the country where the company seeks to do business, would not establish a course of conduct that would result in liability.

The bill also clarifies the accounting standards sections of the act, reducing the regulatory burden they impose on business to the level needed to meet the objectives of the act.

Concerns have been expressed that the existing standards have proven to be overly burdensome. It should be noted that no system of internal accounting controls, no matter how extensive, can prevent all errors or inaccuracies in a company's books. Therefore, any standard has to strike a balance between the need to meet the objectives of the act, and the burden the standard places on those who have to comply with it.

Mr. President, I believe that the accounting provisions in the committee bill strike the proper balance. The committee acted to combine the separate requirements of adequate books and records and of internal accounting controls from existing law into a single provision. The internal accounting controls have to be designed to provide reasonable assurances that the objectives of the act are met.

The bill reduces the burden of the accounting requirements on business, however, to the level needed to insure that the purposes of the law are effectively continued. The bill precludes the possibility of enforcement actions based solely on the fact that records are inaccurate. Under the scienter standard adopted in the bill, a company would be subject to an enforcement proceeding only where it knowingly fails to maintain, or knowingly circumvents or attempts to circumvent for an improper purpose, an internal control system in a manner so that the system fails to provide the required reasonable assurances as defined in the bill.

I understand that Senators D'AMATO and PROXMIRE will offer an amendment to further clarify the scienter standard in the bill. This issue was not clearly resolved during the committee's deliberations, and I am pleased to see a compromise proposal offered that I hope will be acceptable to all parties involved.

There are a number of other provisions of the bill that I could comment on at some length. However, I will not do so at this time. The committee report provides a good explanation of the numerous issues on which I have not touched.

Let me just say that I believe this bill is a true compromise—in the best sense of that word. The bill does not fully satisfy the administration or the business community. If I were totally responsible for drafting the bill, I would probably have handled some issues somewhat differently. However, that is not important.

What is important, and what there is widespread agreement on, is that the bill is a needed step forward. I believe it effectively continues the policy objectives of the FCPA; I could not support it if I thought that it did not. At the same time, it provides the clarification, I repeat, the clarification, that is needed by those who have to live with the law on a day-to-day basis. It provides a clear line. A line that makes it possible for businesses to know with a reasonable degree of certainty what kind of behavior will result in liability.

Mr. President, exports are becoming more and more important to the American economy. We are importing more; therefore, we must increase our exports to pay the bills. We have to act to increase incentives for exports and to reduce disincentives for exports. The FCPA in its present form acts as an export disincentive—I believe, a significant disincentive—a disincentive that must be minimized.

At the same time, it is important for foreign policy reasons to maintain a strong prohibition against bribery overseas. I believe this policy benefits American business as well. I would rather act to prohibit bribery internationally by agreement with our foreign competitors. This issue is best resolved by international agreement. However, the issue is so important that I believe Congress made the right decision in 1977 in choosing to act unilaterally.

Mr. President, before I conclude, I want to pay tribute to those Senators who made important contributions to the bill we are considering today. I first want to congratulate Senator CHAFEE, the author of the bill. It was his hard work and dedication, and his persistence, that are largely responsible for the fact that the bill is now before the Senate.

Senators HEINZ and D'AMATO, who chair the two subcommittees of the Banking Committee with jurisdiction over this issue are also to be commended. Together with Senator CHAFEE, they successfully concluded the long and complex negotiations that resulted in the provisions of S. 708 that are before the Senate today.

Finally, I want to commend Senator PROXMIRE, one of the authors of the original 1977 act. His insight provided an important contribution to the legislation.

Again, let me say that I believe the bill represents a sound compromise and that it maintains the goals of the FCPA. I urge my colleagues to support it.

UP AMENDMENT NO. 705

Mr. D'AMATO. Mr. President, I send to the desk an unprinted amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from New York (Mr. D'AMATO) for himself, Mr. CHAFEE, Mr. PROXMIRE, and Mr. HEINZ proposes an unprinted amendment numbered 705.

Mr. D'AMATO. 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 24, strike lines 13 through 25 and insert in lieu thereof the following:

"(4) No criminal liability shall be imposed for failing to comply with the requirements of paragraph (2) of this subsection.

(5) No civil injunctive relief shall be imposed with respect to—

(A) any issuer for failing to comply with the requirements of paragraph (2) of this subsection if such issuer shall show that it acted in good faith in attempting to comply with such requirements; or

(B) any person other than an issuer, in connection with an issuer's failure to comply with paragraph (2), unless such person knowingly caused the issuer to fail to devise or maintain a system of internal accounting controls that complies with paragraph (2).

(6) No person shall knowingly circumvent a system of internal accounting controls established pursuant to paragraph (2) for a purpose inconsistent with paragraph (2)."

Mr. D'AMATO. Mr. President, I offer this amendment on behalf of Senator CHAFEE, Senator HEINZ, Senator PROXMIRE and myself. I am offering this amendment which is intended to resolve the issue which has been the most difficult on which to develop a consensus.

Let me state for the record, Mr. President, and I believe Senator HEINZ has made reference to this, without the outstanding support and diligence of the staffs of all of the Senators involved, the majority and the minority, this bill would not have become a reality. I believe it will become a reality today.

Let me pay particular note to the fact that Senator PROXMIRE went above and beyond in attempting to develop a consensus to protect the vital interests that he feels are so important. Basically, that is that we in no way countenance or even appear to be countenancing the bribing of foreign officials.

I say to the Senator that I deeply impressed with the great lengths to which he and his staff have gone to see that the needed reforms take place. This involves the required state of mind for a defendant in order to establish a violation of the accounting requirements of the act.

As introduced, S. 708 would have established liability only where a person knowingly engaged in violative conduct. In marking up S. 708, the Banking Committee adopted the knowing standard tentatively, but there was not a clear consensus that this standard is the appropriate one. At the conclusion of the markup, we adopted this standard and agreed to explore alternative approaches for amendment when S. 708 reached the Senate floor. That is what the amendment I have submitted would do.

The amendment which I offer with Senator PROXMIRE is the product of extensive discussions in seeking a consensus. While it undoubtedly will not satisfy all of those interested in the act's accounting provisions, I am satisfied that

it strikes a reasonable and acceptable balance between the competing viewpoints heard by the committee.

The amendment speaks for itself, and I do not believe that it is necessary to explain it in great detail. Briefly, it would:

Eliminate any criminal liability under the revised section 13(b)(2) of the Securities Exchange Act of 1934;

Establish civil liability in SEC injunctive actions on the part of an issuer for a violation of section 13(b)(2) if the issuer fails to meet the standard set forth therein, unless the issuer can show that it acted in good faith in attempting to comply with the standard;

Limit liability on the part of any person other than the issuer to situations in which the person acted knowingly in causing the issuer to fail to comply; and

Prohibit the knowing circumvention, for a purpose inconsistent with section 13(b)(2), of an internal accounting control system established pursuant to section 13(b)(2).

The reference to a "purpose not consistent with" section 13(b)(2) is intended to recognize that there may be from time to time innocent departures from the literal requirements of an internal accounting control system, and that such departures would not constitute violations of the prohibition against circumvention.

I believe the amendment will give the business community the kind of latitude it necessarily should have. It speaks loudly and clearly and says that this Government does not and will not condone the bribery of officials. I urge adoption of the amendment.

Mr. President, I urge my colleagues to support S. 708, the Business Accounting and Foreign Trade Simplification Act. The bill has received the careful and thorough attention of the Subcommittee on Securities, which I chair, and the Subcommittee on International Finance and Monetary Policy chaired by Senator HEINZ, and I believe it represents a balanced approach in amending the Foreign Corrupt Practices Act.

Our subcommittees heard extensive evidence concerning often unforseen problems created by the act, primarily as a result of overbroad and ambiguous provisions. We have concluded that the act can be amended to minimize these problems, without undermining the central purpose of the act: To prohibit improper payments by American companies to foreign officials. With the addition of the amendment to the accounting provisions of the act which I am offering today, I am convinced that the bill will strike a good balance between the need for corporate accountability and the legitimate need of businessmen for clarification of the requirements of the law.

I commend Senator JOHN CHAFEE, the sponsor of S. 708, for his initiative and determination in introducing the bill and in continuing to be its strongest advocate. This has not been an easy task, for some of the critics of S. 708 have argued incorrectly that the amendments were designed to gut the Foreign Corrupt Practices Act. Having attended the hearings and observed Senator CHAFEE's approach to the issues presented, I know that he has rendered a great service by making the effort, and by withstanding the criticism of those who would leave the act intact, and thereby fail to address the problems which it has caused.

It is completely appropriate for Congress to reassess the merits of legislation passed in earlier years and to make adjustments based upon experience with the statute. I am pleased to have had the opportunity to work with Senator CHAFEE, Senator HEINZ, and many others who have contributed to this task. I believe that these joint efforts have led to the development of a bill which, when enacted, will be a vast improvement over the current act.

Mr. President, I strongly support S. 708 and urge my colleagues to do the same.

Mr. HEINZ. Mr. President, I have very carefully examined the amendment of the Senator from New York (Mr. D'AMATO). Indeed, after having done so, I have agreed to cosponsor his amendment, and I am prepared, on behalf of the majority, to accept the amendment. With its adoption, I believe that we will have resolved the most difficult issues raised by S. 708 in a satisfactory manner. While I realize that there may be additional amendments, I expect that with the adoption of this amendment the bill before us can be completed without undue delay.

The amendment offered by Senator D'AMATO draws an acceptable balance with respect to the state of mind requirement for liability under the accounting provisions of the Foreign Corrupt Practices Act. Conflicting views about this issue had created an impasse which threatened to delay Senate action on the bill, and I am very pleased that an accommodation has been reached. Both Senator D'AMATO and Senator PROXMIRE are to be commended for their diligence in working out a compromise which will permit prompt Senate action on the bill.

The principal problem with the existing accounting provisions of the act has been the lack of clarity concerning their potential effect on insubstantial corporate transactions and those which occur without any wrongful intent or purpose on the part of the company. It is widely recognized that no corporate accounting system is perfect or will preclude the possibility of all errors, inaccuracies, or falsifications, and it is therefore not appropriate to operate under a statute which can be stretched to cover these kinds of transactions. The result of doing so has been to cause companies to expand inordinate time and money in seeking to insure compliance with the law, without a corresponding benefit.

I hope and expect that, as a result of Senator CHAFEE's efforts, those of the Banking Committee and the adoption of the D'Amato amendment, the accounting provisions of the law will be clear, unambiguous, and straightforward.

Mr. PROXMIRE. Mr. President, I am pleased to cosponsor this amendment.

This amendment provides enforcement standards for the accounting sections administered by the SEC.

The amendment makes clear that the SEC may enforce in a civil injunctive suit the standard of statute which require companies to devise and maintain accountability for assets. Every company must provide an accounting system which meets the standard of reasonable assurances with a defense of good faith.

The amendment makes clear that the sanction shall be a civil sanction except for cases of wilfull circumvention of accounting controls where a criminal sanction may be applicable.

This amendment clears up what had become the most controversial aspects of this bill, the controversy over "scienter" or the threshold standard of knowledge of a violation of the accounting sections which must be met before the SEC could proceed in a civil case. Under this amendment there is no scienter requirement in a civil case by the SEC against an issuer company. The issuer company is given a defense of good faith.

So I am pleased to support the amendment. I agree wholeheartedly with the manager of the bill that this was the most crucial difference and difficulty. I am delighted that Senator D'AMATO has offered the amendment, and I congratulate him on it.

Mr. DODD. Mr. President. I support the amendment offered by the Senator from New York (Mr. D'AMATO).

I should like at this time to pay tribute not only to Senator CHAFEE, Senator HEINZ, and Senator D'AMATO for their work on this legislation but also to the real hero of the Foreign Corrupt Practices Act, the distinguished Senator from Wisconsin, who understands this issue better than anyone in this body or the other body. He has worked with it for years and understands the complexity of the issues involved. He deserves tremendous credit for having waged this battle over the years.

The fact that he supports this amendment, I think, is also an indication of the willingness of the Senator from Wisconsin to try to work out language that will at least give business a better opportunity to go overseas and develop their markets.

At the same time, he remains firm in his commitment and in the commitment of this institution to discourage, at the very least, and to prohibit the kind of actions in the past which not only have brought great embarrassment to the heads of firms in American industry but also have caused us serious foreign policy problems as a Nation. Had it not been for his leadership over the years, I am convinced that the situation would have been far more grave and would have contributed to more difficulties in our foreign policy.

These amendments will provide much-needed clarification to an act of Congress which, despite its good intentions, has posed significant and unwarranted difficulties for American firms engaged in foreign markets.

There is always room for improvement in our trade position, and I am not going to attribute our less-than-perfect trade performance solely to the ambiguities in the Foreign Corrupt Practices Act, or to any other particular statute for that matter.

The issues relating to our trade policy and position are much more complicated than that. The inflation rate, the

strength of the dollar overseas, the availability of financing, the quality and serviceability of our goods and their usefulness in foreign countries—all these factors are critical to our export performance and have little to do with the problems these amendments are intended to address.

Testimony presented before the Banking Committee this year clearly indicates that many American entrepreneurs have had serious reservations about operating in markets where standard business practices include activities which, under present law, could subject these entrepreneurs to costly litigation, fines and possible jail sentences.

The antibribery provisions in section 104 of the Foreign Corrupt Practices Act pose perhaps a particularly enlightening example of unnecessarily vague language which acts as a serious disincentive for exports by American business. Under that section, an American corporation is liable under the statute for payments, even insignificant payments when compared to the assets of the company, when that company's management has reason to know that illegal payments are being made by its overseas agents. What constitutes "reason to know?" That was the question with which the committee had to grapple. The fact that a company has employed an overseas agent with a detailed knowledge of markets where payments prohibited by U.S. law are routine for everyone else involved in those markets.

Our smaller exporters are put in a particularly difficult position. Unlike larger corporations, many smaller enterprises are unable to hire large batteries of lawyers and accountants to insulate management from the continual threat of prosecution for practices considered normal in their markets.

I believe that most of us recognize that smaller businesses are among the most dynamic elements of our economy in terms of producing exportable innovations. The willingness of individual entrepreneurs to experiment, to take risks, to explore new avenues and opportunities for commerce, is a prominent feature of our American entrepreneural history. Yet, as one witness, Mr. Shaw Mudge from my home State of Connecticut, pointed out, "small business people are risk takers, but not when jail is one of the risks."

These amendments would address this problem in a manner that would enhance the precision of the antibribery provisions.

The new section 104(B) would make it illegal for a domestic concern to direct or authorize, expressly or by a course of conduct a third party to make prohibited payments to a foreign official. While clearing up the ambiguities in the present statute, this provision would also make clear that a "head in the sand" approach to illegal payments, such as a company's failure to respond to suggestions that illegal payments be made, would not be permitted.

Other provisions in these amendments would address in a positive manner the problem of potential liability for inadvertent accounting standards violations, the definition of facilitating, or grease payments which were not intended to be covered under present law, and a number of other matters pertaining to investigation and enforcement.

This bill would also direct the President to pursue negotiation of international agreements relating to the establishment of international standards of business conduct. That may be the single most important thing we do. Because we have taken the lead as a nation in this particular area, it is to our credit and something of which all of us can be proud. But in the final analysis it is going to require international agreements to insure that other nations, particularly our industrial allies, support the concept if not the letter of the Foreign Corrupt Practices Act.

The United States in 1977, under the leadership of the Senator from Wisconsin, took the lead in restricting such practices at a cost to ourselves.

Now is the time for all major commercial nations to come to an agreement regarding such practices so that no one nation is left at a disadvantage.

Mr. President, I state again my support for these amendments. Again I pay particular tribute to the Senator from Rhode Island (Mr. CHAFEE), the manager of the bill, Senator HEINZ, and Senator D'AMATO of New York, and again, particular credit to the distinguished Senator from Wisconsin for his courageous work in this particular area.

Mr. President, I yield back the floor.

Mr. CHAFEE. Mr. President, I wish to extend my thanks to all who have been of such a tremendous help on this legislation. Specifically, I want to thank Senator HEINZ and Senator D'AMATO who chair the two banking subcommittees which combined for hearings on S. 708, and Senators DODD and DIXON who worked so fully and helpfully in the committee. Each of these Senators made a really profound contribution.

I especially extend my thanks and admiration to Senator PROXMIRE and to his staff who worked so carefully with us.

I want to point out that Senator PROXMIRE is the author of the original legislation, and as author Senator PROXMIRE understandably has indicated that he feels strongly that he still believes the original legislation is effective and should not be changed. Despite this, Senator PROXMIRE has displayed a spirit of cooperation and a genuine desire to achieve a reasonable compromise. As a result we were able to take the bill that I orginally submitted and working with the other committee members I have mentioned and with their staffs came out with a better bill than was originally submitted.

So it shows the effectiveness, not only of the committee process and the hearing process, but also the extreme goodwill in which everyone approached this and especially Senator PROXMIRE.

Mr. President, I began my efforts to reform the Foreign Corrupt Practices Act nearly 2 years ago. It was in January 1980. It was somewhat of a lonely experience and I had a good deal of the business community indicated that it was behind me, but I discovered that they were way behind me and not available on the scene. There was all sorts of goodwill, all sorts of willingness to testify except every date that we chose for testimony appeared to conflict in some way with an important engagement abroad or a board of directors meeting or something that kept the leaders of industry from coming forward because trying to change a foreign corrupt practices act is not exactly waving the American flag.

It is not apple pie and motherhood. But I felt, as did the cosponsors and all of those of us who worked on it and those who are cosponsoring the various amendments today, that this bill was needed to eliminate the chilling effect of the current law on legitimate business opportunities of Americans overseas. We also felt that we owed a duty to our exporters to do everything we can, as Senator HEINZ mentioned in his opening statement, to remove the most serious of the export disincentives contained in our laws.

So as Senator HEINZ mentioned, this year we have already taken two very significant steps, both the Export Trading Companies Act which is before the House and, of course, removing the provision for the taxation of Americans abroad which was part of the tax bill passed earlier this year. Now we move to eliminate the third most serious export disincentive. It is hard to believe how much exports mean to our country and to jobs. That is the heart part of my concern. We have a rule of thumb that says that for every $1 billion of exports it means 40,000 jobs in the United States. So everything we can do to increase our exports helps us in this area. The United States has had a decline in exports.

I am not talking about the overall balance of trade which includes defense-related expenditures and services, but I am talking about the current account. Our current account has declined especially in the last couple of months.

Mr. President, the bill that we are considering this afternoon, S. 708, my bill to amend the Foreign Corrupt Practices Act, is the result of an effort I began over 2 years ago to eliminate one of the most serious export disincentives contained in our laws. The bill makes several major changes which significantly eliminate the ambiguities in the current law.

S. 708, which was reported favorably by a bipartisan majority of the Senate Banking Committee, clarifies and modifies the law. This bill is intended to preserve the purposes of the original legislation—that is, putting an end to large-scale bribery of foreign officials by American corporations—while reducing some of the anxieties and confusion that the law has generated. The bill has received strong support from the business community, the agencies responsible for its enforcement, the administration, and other Members of Congress from both political parties.

We have learned a great deal about the Foreign Corrupt Practices Act in the last 3 years, since it was enacted.

We have learned that the best of intentions can go awry and create con-

fusion and great cost to our economy. With regard to the accounting provisions of the law, we have learned that widely understood and accepted principles do not always make for good law, especially criminal law.

Finally, we have learned that no other country seems to think we have hit upon the proper solution to the problems of bribery in the world marketplace. We remain the only nation in the world with such a law.

Despite the examples of lost business and problems due to the ambiguities in the act, critics of reform have argued there is no need to change the current law because, despite the problems, our exports have increased. While it is true that U.S. overall export performance has been relatively good for the last couple of years, the current trade account is in deficit again. The fact that the current account balanced in 1979 can be explained by a number of factors other than improved exports, such as the substantial depreciation of the dollar from 1972 to 1979.

In fact, there are a number of factors which indicate that the outlook for the current account is not good. First, the favorable balance in the current account in 1979 was due in part to an unusually large $18 billion current account surplus recorded in 1975. Second, since 1972, the rate of the U.S. export growth has trailed that of Germany and Japan. Third, since 1972, the U.S. share of world markets has declined from 15.6 to 14 percent, while the share of manufactured exports has fallen from 18.4 to 17.4 percent.

The importance of the decline in our world exports is a serious problem, since exports account for an increasingly important share of the U.S. gross national product. In concrete terms, the Department of Commerce has estimated that every billion dollars in exports generates 30,000 to 40,000 domestic jobs. The legislation which I have introduced makes use of the lessons we have learned in an effort to insure continued growth of U.S. exports. My bill makes a number of significant changes to the Foreign Corrupt Practices Act.

First, the name of the act is changed: The Foreign Corrupt Practices Act would become the Business Practices and Records Act. This reflects the fact that the accounting standards are not limited to international companies or transactions. It also would not make a presumption that corruption exists.

Second, enforcement: With regard to the bribery provisions, the Department of Justice, which has sole jurisdiction under the FCPA for criminal enforcement of both privately and publicly held companies and civil enforcement of privately held companies, would be given sole jurisdiction of civil enforcement for publicly held companies as well. Thus, any company with questions about the bribery provisions could get them answered in one place. The Securities and Exchange Commission would retain responsibility for civil enforcement of the accounting standards provisions. The Securities and Exchange Commission has no objection to this change.

Third, bribery provision: Congress made clear its intent to exclude so-called facilitating or grease payments from the reach of the Foreign Corrupt Practices Act. However, the statute is not clear as to what constitutes such payments. Grease payments are defined as payments to secure or expedite the performance of a routine governmental action as distinguished from action involving the exercise of discretion. I intend to offer an amendment to further clarify this language by deleting the reference to the exercise of judgment. Payments which are lawful in the country where they are made, and which are intended to secure prompt performance of a foreign official's duties, would not be actionable under this bill. There is also a clarifying exclusion for token courtesy gifts and incidental benefits received by foreign officials in the course of marketing activities or product presentations.

My bill also makes it clear that there is no violation in making payments if they are legal under the laws and regulations of the foreign country involved.

Under the Foreign Corrupt Practices Act, companies are liable if they have a reason to know that a bribe may be paid by a third party or intermediary. This provision was identified in the 1980 executive branch study of export disincentives as the area of greatest concern to business. My bill replaces this provision with language that makes U.S. companies liable if they corruptly pay a bribe directly or if they directed or authorized the bribe expressly or by a course of conduct.

Fourth, accounting standards: The books and records provision was deleted as a result of Senator D'AMATO's amendment offered during the Banking Committee markup. The bill also defines the terms "reasonable assurances" and "reasonable detail," which exist in the current law. Thus, it is made explicit that the use of cost/benefit evaluation is to be applied to internal accounting controls. This makes it clear that companies are not expected to design control systems whose costs exceed the benefit to the companies and to their stockholders. Currently, the Securities and Exchange Commission says the cost/benefit evaluation is to be applied. But the law does not say so. We would put it into the law.

Fifth, international agreement: This bill contains extensive provisions on the desirability of international agreements to establish standards for international business parctices. The President would be required to submit a report to Congress within 6 months of enactment of this legislation explaining steps that the United States could take to promote cooperation by other countries to prevent bribery.

I have not given up on the possibility of gaining an agreement to eliminate bribery from the world marketplace. I hope that my legislation will convince other nations that we are realistic in our approach to the problem and determined to resolve it on an international basis.

The need for reform of the Foreign Corrupt Practices Act is clear. There is a wealth of evidence that, in practice, the current law has gone beyond its original purpose of prohibiting foreign bribery by creating confusion which is hindering the growth of legitimate U.S. business overseas.

The problems caused by the current law also have serious foreign policy implications. Foreign governments in parts of the world find the act presumptuous and offensive. Critics of the current law have cited this as a reason for its repeal. I do not advocate repeal, for U.S. companies should operate according to an ethical code of conduct, both at home and abroad. However, that goal must be balanced with the need to maintain a healthy balance of trade and good diplomatic relations. Arriving at that balance will not be an easy journey, but enactment of my bill will be a significant step toward achieving that balance.

In conclusion, I want to express my thanks to Senators HEINZ and D'AMATO for chairing the Banking Subcommittee hearings on the bill and for all their support in reaching this point. I also want to thank Senators PROXMIRE, DIXON, DODD, and RIEGLE for their cooperation and efforts to achieve a compromise.

Mr. President. in conclusion. let me say that with the passage of S. 708 we will have taken a magnificent step forward. As I say, the amendments that are going to be proposed today improve the original bill that was introduced, and I tip my hat to all who had a part in this effort.

I commend the passage of the current amendment which is presented by Senator D'AMATO, on behalf of himself, Senator PROXMIRE, Senator HEINZ, and myself.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York.

The amendment (UP No. 705) 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. 706

Mr. HEINZ. Mr. President, I have two technical amendments that I send to the desk and ask for their immediate consideration.

The PRESIDING OFFICER. Is it the Senator's request that they be considered en bloc?

Mr. HEINZ. The Senator from Pennsylvania would request that the two changes contained in the amendment be considered en bloc.

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

The clerk will report.

The bill clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes an unprinted amendment numbered 706.

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:

On page 21, line 24, strike "corrupt" and insert in lieu thereof, "corporate".

On page 22, line 16, strike "policy".

Mr. HEINZ. Mr. President, this technical amendment which, I believe, the minority has seen as well, simply corrects two typographical errors in the bill. I move its adoption.

The amendment (UP No. 706) was agreed to.

UP AMENDMENT NO. 707

(Purpose: To delete section 9)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes an unprinted amendment numbered 707.

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:

Beginning with page 35, line 22, strike out all through page 36, line 8.

On page 36, line 10, strike out "Sec. 10." and insert in lieu thereof "Sec. 9.".

Mr. HEINZ. Mr. President, this section of the bill, section 9, makes a conforming change in the Internal Revenue Code to make clear that business expenses which are legal under the Foreign Corrupt Practices Act would also be deductible in accordance with normal IRS rules.

While the committee supported this provision as sound policy and as an effort to make sure that our tax laws conform to our other statutes, its presence in this bill does raise a jurisdictional question with the Finance Committee, among others. I understand that Senator CHAFEE has also introduced this provision as a separate bill and that the Finance Committee has already conducted a hearing on it.

I am optimistic that the Finance Committee will act on that bill in due course, which, in my judgment is the proper way to proceed from the standpoint of committee jurisdiction. Accordingly, I am offering an amendment to delete this section of the bill, with the clear understanding that the deletion is for jurisdictional reasons and without prejudice to the substance of the provision.

The amendment (UP No. 707) was agreed to.

UP AMENDMENT NO. 708

(Purpose: To provide for a report to Congress on the status of international negotiations to reach an agreement on foreign business practices)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Pennsylvania (Mr. HEINZ) proposes an unprinted amendment numbered 708.

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:

On page 36, line 10, strike all through page 37, line 14, and insert in lieu the following:

SEC. 10. (a) It is the sense of the Congress that the President should pursue the negotiation of an international agreement among the largest possible number of nations on illicit payments, including, a process by which problems and conflicts associated with such practices could be resolved.

(b) Within one year after the date of enactment of this Act, the President shall report to Congress on—

(1) the progress of the negotiations referred to in subsection (a);

(2) those steps which the administration and Congress should consider taking in the event that these negotiations do not successfully eliminate the competitive disadvantage of United States business; and

(3) possible actions that could be taken to promote cooperation by other nations in international efforts to prevent bribery of foreign officials, candidates, or parties in third countries.

Mr. HEINZ. This amendment would revise section 10 of the bill, which concerns a Presidential report on the status of negotiations to reach an international agreement on corrupt practices, and on steps the administration and Congress might take in the event such negotiations are not successful.

As presently written in the bill, Mr. President, section 10 is cumbersome and disjointed, apparently referring to two overlapping reports due at different times. This amendment would combine the reports into one, make clear it is required rather than optional, and clarify the contents of the report to better concentrate on the basic issues surrounding such negotiations.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Pennsylvania.

The amendment (UP No. 708) was agreed to.

UP AMENDMENT NO. 709

(Purpose: To revise language relating to an exemption in section 104(c))

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Rhode Island (Mr. CHAFEE) proposes an unprinted amendment numbered 709:

On page 27, beginning with the comma on line 7, strike out all through "factor" on line 9.

Mr. CHAFEE. Mr. President, I am offering this amendment to section 104 (c) of S. 708 which appears as stated in the amendment on page 27.

I am offering it in an effort to clarify more precisely what payments will be allowed under the bill.

Section 104(c)(1) as it is printed here excepts certain facilitating or so-called "grease" payments that are lawful under current law, but it does not apply to governmental actions involving the exercise of judgment. That is the last clause where it states:

as distinguished from governmental action in which the exercise of judgment by the foreign official is a significant factor.

The purpose of the language on page 27 was intended to allow companies to make payments to secure the performance of low-level routine kinds of governmental action, such as securing the processing of a customs document.

However, even this kind of low-level, routine activity could be argued as involving some kind of an exercise of judgment. Thus uncertainty remains in the minds of U.S. business people doing business abroad, when they try to determine what kind of routine government action might later be determined to involve the exercise of judgment. The lingering uncertainty that remains with the language of the last clause of that section (c) defeats the purpose of the overall exception which, as I say, is to give greater guidance to U.S. business persons as to what is permissible under the Foreign Corrupt Practices Act. Thus in an effort to promote clarity, the amendment I have presented deletes the last clause of section 104(c)(1).

Mr. President, I urge the passage of the amendment.

Mr. PROXMIRE. Mr. President, will the Senator from Rhode Island yield for a question?

Mr. CHAFEE. I certainly will.

Mr. PROXMIRE. May I ask the Senator, by deleting the language proposed does the Senator from Rhode Island intend to increase the scope of this exception——

Mr. CHAFEE. Not at all.

Mr. PROXMIRE. Let me just finish—beyond "grease" payments, that is the payment of small sums to lower level government officials where necessary? For example, the classic example given is to obtain action to which he is entitled on the unloading of perishable commodities at the dock where obviously this has to be done under circumstances as a practical matter or the commodities will be ruined?

Mr. CHAFEE. That is exactly the intent of the amendment that I have presented. It is not intended to change the intent of the so-called facilitating payments exception which is only to allow that low-level type of activity of which the Senator gave an illustration.

Mr. PROXMIRE. Mr. President, I am not going to ask for any vote on this amendment. I frankly personally do not favor it. But in the circumstances of the Senator's explanation I believe a vote is not necessay. I hope the House will take a close look at this provision because I think it is subject to some abuse, although I recognize the sincere effort on the part of the Senator from Rhode Island to overcome what to many business people seems to be an intolerable interference with their opportunity to conduct effective business with foreign countries.

Mr. HEINZ. Mr. President, as I understand the Chafee amendment—and I have looked at it quite carefully—what it would do is to delete the phrase "as distinguished from governmental action in which the exercise of judgment by the foreign official is a significant factor."

The purpose of the amendment is to eliminate the potential ambiguity arising from the judgment phrase. I think this is a difficult issue, but I think on balance

the Chafee amendment is the best way to do it, and I do support the amendment and I urge my colleagues to do so.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment (UP No. 709) was agreed to.

UP AMENDMENT NO. 710

(Purpose: To revise the exclusivity provision)

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

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Rhode Island (Mr. CHAFEE) proposes an unprinted amendment numbered 710:

On page 32, line 2, strike out "shareholders" and insert in lieu thereof "any shareholders thereof acting on behalf of such domestic concern for a payment, gift, offer, or promise to a foreign official".

On page 32, beginning with the comma on line 2, strike out all through "defraud" on line 7, and insert in lieu thereof the following: "the foreign official or the domestic concern violated a duty to or defrauded the foreign government or the citizens of a foreign country".

Mr. CHAFEE. Mr. President, I am offering the amendment at the desk to section 7 of S. 708, which provides that no criminal action may be brought pursuant to sections 1341 or 1343 of title 18 against a domestic concern or any of its officers based on the theory that the foreign official receiving the payment violated his fiduciary duty to his country.

That is the existing language. The amendment would add language which would make it clear that no actions could be brought under sections 1341 or 1343 based on a theory of a violation of a fiduciary duty by a foreign official or that the foreign official defrauded its government or citizens by receiving an illegal payment from a U.S. company or its agent.

The current exclusivity provision excludes only one theory on which the Justice Department could bring a case under the wire and mail fraud statutes in a situation involving an overseas bribery by a U.S. company. With this amendment that we are now considering, the exclusivity provision will make clear that only the Foreign Corrupt Practices Act will determine the extent to which U.S. persons are liable for any illegal payments to foreign officials.

Section 7 is intended to preclude the unprecedented application of the wire and mail fraud statutes to extraterritorial situations that are not precisely defined.

Additionally, the laws of foreign countries provide protection of foreign governments and citizens from the criminal misconduct of its government officials. Therefore, the extraterritorial application of the wire and mail fraud statutes is not necessary.

Mr. PROXMIRE. Will the Senator yield for another question?

Mr. CHAFEE. I certainly will.

Mr. PROXMIRE. As I understand it, this amendment is in the nature of a technical amendment, and as reported by the committee the provision of the law would be the exclusive vehicle for criminal enforcement of the bribery of foreign government officials. Is that correct?

Mr. CHAFEE. Could the Senator repeat the last part of the question?

Mr. PROXMIRE. As supported by the committee, the provision of this law would be the exclusive vehicle for criminal enforcement of the bribery of foreign government officials.

Mr. CHAFEE. The provision of the Foreign Corrupt Practices Act?

Mr. PROXMIRE. That is correct.

Mr. CHAFEE. Yes.

Mr. PROXMIRE. This amendment is consistent with the committee provisions, I take it?

Mr. CHAFEE. That is correct.

Mr. PROXMIRE. Again, Mr. President, this is another provision I hope the House will take a close look at. I am prepared to move forward without a record vote on the amendment.

Mr. HEINZ addressed the Chair.

The PRESIDING OFFICER (Mr. COHEN). The Senator from Pennsylvania.

Mr. HEINZ. Mr. President, this amendment involves a provision of the bill which was amended in committee at the suggestion of the administration. Under section 7, prosecution of the foreign payment under the mail or wire fraud statutes would be precluded where the theory of prosecution is that the foreign official receiving the payment violated a fiduciary duty to his government or the citizens of his country. The amendment offered by the Senator from Rhode Island would broaden this preemption by precluding mail or wire fraud prosecution where the theory of prosecution is that the foreign official or the domestic concern either violated such a duty or defrauded the government or its citizens.

The principal purpose of the amendment, as I understand it, is to direct that prosecution for a foreign payment should be governed by the Foreign Corrupt Practices Act, as amended. However, there are a number of Federal statutes other than the mail or wire fraud statute which might be involved in particular cases, such as false representation to the U.S. Government about exports, failure to disclose a material fact about a payment under the securities laws, and other statutes.

Given that situation, Mr. President, I am prepared to accept the amendment of the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I move the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Rhode Island.

The amendment (UP No. 710) was agreed to.

Mr. CHAFEE. Mr. President, I have some comments regarding the committee report language on section 104(b) of S. 708.

I would like to direct, if I might, a question to the manager of the bill, Senator HEINZ, in this connection.

I have reviewed the Banking Committee's report on this bill. In my mind, the committee report language on page 17 discussing the meaning of the term "course of conduct" leaves two important questions unanswered. The first question is whether the example of the standard of liability under section 104(b) requires actual knowledge. The second question is whether the examples of conduct which would violate section 104(b) which are discussed in the committee report are meant to be examples of prima facie violations or merely illustrations of the kinds of actions that might constitute a violation of section 104 depending on the circumstances of the case.

The committee report on section 104(b) with respect to your amendment inserting the words "expressly or by a course of conduct" indicated, among other things, that if an American company continued to employ an agent in the face of knowledge that he had made one or more corrupt payments within the preceding 2 years, the American company could be found to have violated the act.

Now, although the word "known" is not defined, it is my understanding that it is clearly not the same as "reason to know" as set forth in the present act. In other words, the term "known" in this sentence of the report means actual knowledge, which would, for example, include a copy of papers showing the agent had been convicted for bribery, or a direct admission of guilt by the agent to the company, but not hearsay, rumor, or cocktail party conversation.

The second issue that the report language on course of conduct raises is whether the example of the continued employment of an agent known to have paid a bribe is intended to establish a per se rule under which the employment of such an agent automatically constitutes implicit authorization. I do not believe that this was the intent of the example. Certainly, the fact that a company has advised its agent to stop making payments is also an important factor which should be considered in specific cases.

Mr. HEINZ. Will the Senator yield?

Mr. CHAFEE. I certainly will. I would be anxious to hear the Senator's answer.

Mr. HEINZ. Mr. President, the Senator's interpretation is correct. Actual knowledge is required to establish an authorization through a course of conduct and the example of the continued employment of an agent known to have made corrupt payments is merely illustrative and does not establish a per se rule.

Further, let me state that clearly rumor, hearsay, or cocktail party conversation should under no circumstances be construed to mean actual knowledge.

To clarify the second point further, these are illustrations that will depend on the circumstances of the case. They do not constitute, per se, prima facie violations.

Mr. CHAFEE. The other question that I would like to ask the distinguished manager of the bill is as follows: One of my chief objectives in drafting S. 708

was to insure that the enforcement of the act took into account foreign policy considerations. One aspect of that coordination is the notification of the State Department by the Department of Justice when it has decided to file a case. This is intended to enable the State Department to anticipate potential foreign policy problems that might arise as the result of the filing of an action under the act. Is it correct that it is the committee's intent that the Department of Justice notify the State Department when it decides to bring an action under the antibribery provisions of the act?

Mr. HEINZ. If the Senator will yield, the answer to his question is "Yes," the Senator is correct, and it is my understanding that the Justice Department has no objection to this.

Mr. CHAFEE. I thank the distinguished manager of the bill very much for his consideration.

Mr. PROXMIRE. Will the Senator yield on this particular issue?

Mr. CHAFEE. Yes.

Mr. PROXMIRE. I hope we do not have an understanding here that there should be prior clearance with the State Department before they file a case. A case should stand on its merits of whether or not the law is being violated, not on the basis of whether there is some foreign policy interest on the part of the State Department or some other legitimate interest. It ought to be filed, as I say, on the merits of the case and whether the law is violated and that should be the determination.

Mr. HEINZ. If the Senator will yield, the Senator is entirely correct. We are merely talking about notification. There is absolutely no implication here that there is any preclearance by the State Department required in any way, shape, or form. I totally agree with the Senator on that point.

Mr. PROXMIRE. I thank my colleague.

Mr. CHAFEE. 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. CHAFEE. 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. CHAFEE. Mr. President, I ask for the yeas and nays on passage of S. 708.

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

The yeas and nays were ordered.

Mr. HEINZ. Mr. President, I ask unanimous consent that the order for the yeas and nays be vitiated.

The PRESIDING OFFICER. Is there objection? 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.

Mr. HEINZ. I yield to my distinguished colleague from Pennsylvania.

Mr. SPECTER. I thank the Senator for yielding. This is the first time I have had the pleasure of a colloquy with the senior Senator from Pennsylvania.

I am concerned, and have expressed this concern to the floor manager, the distinguished Senator from Pennsylvania, about subsection (c) (2) of section 104 of the bill. Subsection (c) (2) provides that subsections (a) and (b), the bribery provisions, shall not apply to "any payment, gift, offer, or promise of anything of value to a foreign official which is lawful under the law and regulations of the foreign official's country."

The concern which I have is that the prosecuting attorney may be held to have to establish that requirement, have the burden of proof whether the act is unlawful in the foreign official's country.

The first consideration I want to have this colloquy on is to have the legislative history clarified that it would not be sufficient for a defense to be raised under this subsection on grounds of custom.

Mr. HEINZ. Mr. President, let me say to the Senator that that would not be a sufficient defense. I would also say, anticipating, I think, the Senator's second question, that I know the Senator is properly concerned about making it difficult for a prosecutor to successfully prosecute a foreign corrupt payment and that, were the burden of proving whether a law or regulation of a foreign country permits a foreign corrupt payment placed on the prosecution, as opposed to being permitted to be raised as an affirmative defense, that would, in fact, constitute an unrealistic and counterproductive obligation on the prosecutorial authority and that that is explicitly not the intent of the language on page 27, lines 10 through 13, of the bill.

Mr. SPECTER. Mr. President, I thank the distinguished floor manager for that statement.

In addition to the clarification that custom shall not be a defense or establish that something is lawful under the laws of another country, as to the second point, it will not be the affirmative burden of the prosecution to establish in the prosecution's case in chief that the conduct is unlawful under the law and regulations of the foreign official's country. Rather, it shall be the affirmative obligation or the affirmative defense of the defendant to assume the burden of proving in the course of the trial, if the defense be tendered that the conduct is lawful under the laws of the foreign official's country, that the defense applies.

Mr. HEINZ. Not being a lawyer, I am hard put to disagree with anything the Senator says. I do believe he is correct, but let me put it in my words so there no misunderstanding.

The language in this bill on this point in subsection c(2), is not to be construed by any judge or jury, who is going to make a decision, to mean that the prosecution, the people enforcing the Foreign Corrupt Practices Act, would have the burden of proof, would have to prove that this is, in fact, not lawful under the laws of some foreign country.

This language is intended to permit a defense to be raised by the party on the receiving end of the complaint, the defendant. If he can prove—that whatever was done in the foreign country, under the laws of that country, was legal—that is intended to be a defense, but it has to be raised and has to be proved by the defendant.

Mr. SPECTER. Mr. President, I think that is well stated by a nonlawyer to a lawyer who has had experience with the prosecution of cases and affirmative defenses. I think that is a cogent, clear statement.

Mr. PROXMIRE. Mr. President, will the junior Senator from Pennsylvania (Mr. SPECTER) yield?

Mr. SPECTER. I yield.

Mr. PROXMIRE. Mr. President, I congratulate the Senator for coming in on this. As far as I know, we do not have any member of the committee who has prosecutorial experience. The Senator from Pennsylvania (Mr. SPECTER) has great skill in that area.

This has been a problem for us, Mr. President. We want a law that is effective, that can be prosecuted effectively. I have been very concerned and I think that this colloquy is most helpful. The Senator has made one point in connection with it. I would like to make another.

The Senator's position is that this should be a matter where the burden of proof is on the defense. The point I would like to make is that we are referring here not just to some unwritten regulation; we are referring to something that is in the Constitution of the country, the statute law, a judicial decision, or a written regulation. In other words, it has to be specific, written, it has to be something that is established and available and the defense itself has to use it.

Mr. SPECTER. Mr. President, I think the distinguished Senator from Wisconsin has articulated and filled out the first portion of the colloquy that Senator HEINZ and I had, which was abbreviated under the concept of custom. It would not be sufficient for an affirmative defense to be raised by the defendant that it was a matter of custom which is subject to some vagary or some generalization. As the distinguished Senator from Wisconsin has articulated, the lawfulness of the payment must be shown to exist in the Constitution or statutory law or specific written regulations of the foreign official's country so there will be no doubt that, in fact, it was a lawful area of conduct under the foreign country's laws and within its government, demonstrable by a written document of one sort or another, including a judicial decision.

Mr. HEINZ. Mr. President I commend my friend and colleague from Pennsylvania for having entered into what I think is a very appropriate colloquy, clarifying something that perhaps someone could have misconstrued. I want just to echo what Senator PROXMIRE has said. I thank my colleague.

Mr. SPECTER. Mr. President, I thank the senior Senator from Pennsylvania.

● Mr. DANFORTH. Mr. President, I rise today in support of S. 708, the Business Accounting and Foreign Trade Simplification Act. This bill would amend the Foreign Corrupt Practices Act by easing the strong disincentive to exports resulting from the current FCPA, while retaining a check on foreign bribery.

These changes are much needed and long overdue. The importance of exports to our economy cannot be underestimated. The impact of export disincentives such as those in the Foreign Corrupt Practices Act cannot be ignored.

Consider a few of the reasons that exports are so very important to our economy:

Every $1 billion in U.S. export creates 50,000 jobs and additional tax revenue.

One out of every 3 acres in our country is producing food for others to eat.

Nearly one-sixth of all goods produced in the United States is sold in foreign markets.

But as we move into the 1980's, America finds itself increasingly challenged by international competition. This, at a time when 40 percent of the oil we consume comes from abroad and we are more dependent on foreign trade than ever before.

U.S. exports face growing competition overseas even in areas such as computers and aircraft where we have traditionally dominated the world market. Domestic producers of an increasing number of products are experiencing intensified competition from imports. Consider these facts:

In 1971, the U.S. trade balance went into deficit for the first time in more than three-quarters of a century. Last year that deficit reached $26 billion.

The U.S. share of world markets has gone from 18 percent in 1950 and 1960 to barely over 15 percent in 1970. By 1979, our share had fallen to around 12 percent.

Over the past 20 years, productivity growth in the major economies in the world has been about twice that in the United States.

The Government has an obligation to encourage American exports, to remove foreign barriers to trade and to reduce disincentives to exports. Then it is up to American business to get out there and sell. Certainly we all have our work cut out for us:

Fewer than 10 percent of some 300,000 manufacturing firms in the U.S. export. Fewer than 2.000 companies account for 85 percent of our export trade. By one Department of Commerce estimate, some 20,000 American companies now selling only in the domestic market could sell overseas.

Clearly, now is the time for us to remove the remaining barriers to American exports. In this respect, the Senate's record this year is a good one: In April, we unanimously passed the Export Trading Company Act. The Economic Recovery Act of 1981 significantly reduced taxation on American businessmen abroad. Now, the passage of S. 708 represents another important step.●

CHANGES ARE NEEDED IN THE FCPA

Mr. ROTH. Mr. President, I support the Business Accounting and Foreign Trade Simplification Act (S. 708). As cochairman of the 74-member Senate Export Caucus, I am vitally concerned that we remove unnecessary regulatory impediments to U.S. overseas sales efforts. As it now stands, the Foreign Corrupt Practices Act (FCPA), which S. 708 is designed to amend, is a potent disincentive to exporting; and, while we must not allow foreign bribery, we need not shut the regulatory door so tightly that we lock out legitimate practices in exporting, as well.

Mr. President, the Foreign Corrupt Practices Act, while laudable in ambition, has dampened or snuffed out businesses' willingness to export. Small and medium-sized firms, in particular, because of their need to rely almost exclusively on overseas sales agents, have been discouraged from breaking new export ground. It is simply not worth it now for a firm to run the risk of criminal or civil prosecution for activities undertaken by uncontrollable foreign agents.

At a time when we desperately need to expand exports, create jobs, and reduce our balance of merchandise trade deficit, the 20,000-plus smaller firms that could be exporting cannot afford the gamble. Moreover, for small medium, and large firms alike, the costs of complying with the accounting and record-keeping standards are, indeed, daunting. The FCPA has forced our firms to operate in an atmosphere where they are presumed guilty unless meticulously kept and exhaustive records prove them innocent.

Mr. President, the legislation before us is designed to loosen the export-discouraging grip of the FCPA without compromising its prime intent, that is, the prohibition against bribery.

By clarifying a company's liability for the actions of overseas sales agents and the definition of allowable facilitating payments, S. 708 reduces the confusion of the FCPA. By eliminating the requirement that separate books and records be kept while improving internal accounting controls, S. 708 reduces the cost of complying with Government's regulations.

These changes should free up talent and capital for exporting and will help us achieve our goal of expanding sales of U.S. goods and services.

I call upon my colleagues in the Senate Export Caucus and, indeed throughout the Senate, to support the intent of S. 708 and approve this much needed legislation.

Mr. HEINZ. Mr. President, I think we are ready to move to third reading.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute as amended was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading.

The bill clerk proceeded to read the bill the third time.

Mr. ROBERT C. BYRD. Mr. President, I have an amendment.

The PRESIDING OFFICER. The Senator from West Virginia.

UP AMENDMENT NO. 711

(Purpose: To provide for small business representation on the Federal Reserve Board)

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

The PRESIDING OFFICER. The clerk will state the amendment.

The bill clerk read as follows:

The Senator from West Virginia (Mr. ROBERT C. BYRD) proposes an unprinted amendment numbered 711.

At the end of the bill, add the following:

SMALL BUSINESS REPRESENTATION ON THE FEDERAL RESERVE BOARD

SEC. 11. The President shall nominate an individual whose background is nonbanking, but who is representative of small business, to fill the first vacancy occurring on the Board of Governors of the Federal Reserve System after the date of enactment of this Act.

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

The PRESIDING OFFICER. The Senator will state it.

Mr. HEINZ. Have we advanced to third reading already?

The PRESIDING OFFICER. We have not. The clerk was only part way through third reading.

Mr. HEINZ. I thank the Chair.

The PRESIDING OFFICER. The Senate will suspend for consultation with the Parliamentarian.

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. MATHIAS. 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. MATHIAS. Mr. President, it is very much easier to recognize that a mistake has been made in itself to correct it. In this instance, I think we are all indebted to the Senator from Rhode Island (Mr. CHAFEE) for not only recognizing that we made an error in 1977, when we passed the Foreign Corrupt Practices Act, but also for giving us some guidance as to the best means of amending that error.

I have been happy to join him in cosponsoring S. 708, which does amend and clarify the Foreign Corrupt Practices Act and certainly in no sense abandons the high moral ground we adopted in 1977, in discouraging practices which tend to subvert normal commercial transactions. I believe it does place the whole purpose of the Foreign Corrupt Practices Act on a more realistic and rational basis.

Therefore, I am grateful to the Senator from Rhode Island for having taken the leadership in this matter. It was clear

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that what we attempted to do in 1977 was not working, that the effect of it was to place American business at a serious disadvantage, and that it was not really accomplishing the purposes for which it was intended.

I believe that the bill now before us will be a more realistic and, in the long run, a more effective measure. Therefore, I support it with a great deal of enthusiasm.

The ink was not dry on the original bill before I think many of us had misgivings that we had gone in the wrong direction. I believe that today we have an opportunity to change our course and to go in the right direction, and the Senator from Rhode Island deserves the lion's share of the credit for making this change.

Mr. CHAFEE. Mr. President, I thank the distinguished senior Senator from Maryland for his very kind comments. I appreciate what he has said. I think it is important to note that this was an effort that involved others. I am delighted to have the credit, but I do want to share that credit with those previously mentioned—the senior Senator from Wisconsin, the senior Senator from Pennsylvania, Senator DODD, Senator DIXON, Senator D'AMATO, and others.

Everybody pitched in. I hope we can get this piece of legislation passed quickly.

Again, I thank the senior Senator from Maryland for his kind comments.

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. 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.

TIME AGREEMENT—S. 881, SMALL BUSINESS RESEARCH INNOVATION ACT OF 1981

Mr. BAKER. Mr. President, the minority leader and I have consulted with the managers of the bill on both sides with respect to a time agreement on another matter which I believe might resolve the issue of the amendment now at the desk and to be offered by the distinguished Senator from West Virginia. I will put this request at this time, and then we can address the other question.

Mr. President, I ask unanimous consent that when the Senate proceeds to the consideration of Calendar No. 283, S. 881, it be considered under the following time agreement:

Two hours on the bill, to be equally divided between the chairman of the Small Business Committee and the ranking minority member, or their designees;

One hour on amendments in the first degree;

Thirty minutes on amendments in the second degree;

Twenty minutes on any debatable motions, appeals, or points of order, if they are submitted to the Senate;

That the agreement be in the usual form, with the following exceptions:

That an amendment to be offered by the Senator from Texas (Mr. BENTSEN), which will be the text of Senate Resolution 238, be limited to 1 hour, equally divided;

That an amendment to be offered by the Senator from Florida (Mr. CHILES), dealing with interest rates, be limited to 1 hour, equally divided;

That an amendment to be offered by the distinguished Senator from West Virginia, the minority leader (Mr. ROBERT C. BYRD), dealing with budget cuts, be limited to 1 hour, equally divided;

That an amendment to be offered by the distinguished Senator from West Virginia, the minority leader (Mr. ROBERT C. BYRD), dealing with all business representatives on the Federal Reserve Board, be limited to 1 hour, equally divided;

That any substitute amendments or amendments in the first or second degree to the nongermane amendments identified above be limited to 30 minutes, equally divided, and be germane to the amendments they seek to substitute or amend.

Further, that the Senate proceed to the consideration of S. 881 after the disposition of the Department of Justice appropriation bill, which is scheduled, by previous order, to begin on November 30.

Further, that this agreement be subject to vitiation upon the disagreement of the distinguished Senator from Louisiana, the distinguished chairman of the Small Business Committee, and the distinguished chairman of the Judiciary Committee.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object, will the distinguished majority leader clarify as to what he meant when he said that this agreement would be subject to vitiation? He does not mean the time agreement, does he?

Mr. BAKER. I am sorry. I did not speak with much particularity. What I meant, and do now request, is that the date for the consideration of the matter be subject to vitiation, not the time limitations and other arrangements made herein.

Mr. ROBERT C. BYRD. Mr. President, further reserving the right to object, is it clear, I ask the majority leader, that there will not be a Davis-Bacon amendment?

Mr. BAKER. Yes; that is clear.

Mr. ROBERT C. BYRD. That is part of the agreement; is it not?

Mr. BAKER. Yes.

Mr. ROBERT C. BYRD. I thank the distinguished majority leader.

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

The text of the agreement follows:

Ordered, That on Monday, November 30, 1981, following the disposition of H.R. 4995, the time of proceeding subject to vitiation by Senators Johnston, Weicker or Thurmond, the Senate proceed to the consideration of S. 881 (Order No. 283), a bill to amend the Small Business Act to strengthen the role of the small, innovative firms in federally funded research and development, and to utilize Federal research and development as a base for technological innovation to meet agency needs and to contribute to the growth and strength of the Nation's economy, with 1 hour on any amendment in the first degree (except a Bentsen amendment, containing the text of S. Res. 238, on which there shall be 1 hour; a Chiles amendment, dealing with interest rates, on which there shall be 1 hour; a Robert C. Byrd amendment, dealing with budget cuts, on which there shall be 1 hour; a Robert C. Byrd amendment, dealing with a small business representative on the Federal Reserve Board, on which there shall be 1 hour; and with any substitute amendments, or amendments in the first or second degree to the above identified amendments to be limited to 30 minutes each and to be germane to the amendments they seek to amend), to be equally divided and controlled by the mover of such and the manager of the bill; with 30 minutes on any amendment in the second degree, to be equally divided and controlled by the mover of such and the manager of the bill; and with 20 minutes on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from Connecticut (Mr. Weicker) and the Senator from Georgia (Mr. Nunn), or their designees: *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

BUSINESS ACCOUNTING AND FOREIGN TRADE SIMPLIFICATION ACT

The Senate continued with the consideration of S. 708.

Mr. ROBERT C. BYRD. Mr. President, I withdraw the amendment which I sent to the desk.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 708

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 "Business Accounting and Foreign Trade Simplification Act".

FINDINGS AND CONCLUSIONS

SEC. 2. (a) The Congress finds that—

(1) the enactment of the Foreign Corrupt Practices Act of 1977 was a positive and significant step toward the important objective of prohibiting bribery of foreign government officials by United States companies in order to obtain, retain, or direct business;

(2) the Foreign Corrupt Practices Act of 1977 has caused unnecessary concern among existing and potential exporters as to the scope of legitimate overseas business activities;

(3) the accounting standards requirements of the Foreign Corrupt Practices Act of

1977, which apply to all issuers of securities irrespective of whether they have foreign operations, are unclear and excessive and have caused costly and unnecessary paperwork burdens;

(4) United States agencies responsible for enforcement of the Foreign Corrupt Practices Act of 1977 have not sufficiently coordinated interpretation and enforcement practices with other agencies responsible for international trade policy, export promotion, foreign policy, international monetary policy, and other related civil and criminal statutes; and

(5) it is in the best interests of all countries to maintain responsible standards of corporate conduct in foreign markets to preserve free and equitable trading practices.

(b) The Congress concludes that—

(1) the principal objectives of the Foreign Corrupt Practices Act of 1977 are desirable, beneficial, and important to our Nation as well as to our relationships with our trading partners, and these objectives should remain the central intent of the Act;

(2) exporters should not be subject to unclear, conflicting, and potentially damaging demands by diverse United States agencies responsible for enforcement of the Foreign Corrupt Practices Act of 1977;

(3) general compliance and enforcement practices associated with the Foreign Corrupt Practices Act of 1977 should be developed in accordance with considerations underlying foreign relations, international trade, export promotion, international monetary policy, and other related civil and criminal statutes; and

(4) a solution to the problem of corrupt payments by firms to obtain or retain business demands an international approach; accordingly, appropriate international agreements should be initiated and sought by the United States agencies responsible for trade agreements and by the President.

AMENDMENT OF SHORT TITLE

SEC. 3. Section 101 of the Foreign Corrupt Practices Act of 1977 is amended to read as follows:

"SHORT TITLE

"SEC. 101. This title may be cited as the 'Business Practices and Records Act'.".

ACCOUNTING STANDARDS

SEC. 4. (a) Section 13(b)(2) of the Securities Exchange Act of 1934 is amended to read as follows:

"(2) Every issuer which has a class of securities registered pursuant to section 12 of this title and every issuer which is required to file reports pursuant to section 15(d) of this title shall devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that—

"(A) transactions are executed in accordance with management's general or specific authorization;

"(B) transactions are recorded as necessary (i) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (ii) to maintain accountability for assets;

"(C) access to assets is permitted only in accordance with management's general or specific authorization;

"(D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and

"(E) for the purposes of subparagraphs (A) through (D) of this paragraph, the issuer makes and keeps books, accounting records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.".

(b) Section 13(b) of the Securities Exchange Act of 1934 is amended by adding at the end thereof the following:

"(4) No criminal liability shall be imposed for failing to comply with the requirements of paragraph (2) of this subsection.

"(5) No civil injunctive relief shall be imposed with respect to—

"(A) any issuer for failing to comply with the requirements of paragraph (2) of this subsection if such issuer shall show that it acted in good faith in attempting to comply with such requirements; or

"(B) any person other than an issuer, in connection with an issuer's failure to comply with paragraph (2), unless such person knowingly caused the issuer to fail to devise or maintain a system of internal accounting controls that complies with paragraph (2).

"(6) No person shall knowingly circumvent a system of internal accounting controls established pursuant to paragraph (2) for a purpose inconsistent with paragraph (2).

"(5) Where an issuer which has a class of securities registered pursuant to section 12 of this title or an issuer which is required to file reports pursuant to section 15(d) of this title holds 50 per centum or less of the voting power with respect to a domestic or foreign firm, the provisions of paragraph (2) require only that the issuer proceed in good faith to use its influence, to the extent reasonable under the issuer's circumstances, including the relative degree of its ownership over the domestic or foreign firm and under the laws and practices governing the business operations of the country in which such firm is located, to cause such domestic or foreign firm to devise and maintain a system of internal accounting controls consistent with paragraph (2). Such an issuer shall be conclusively presumed to have complied with the provisions of paragraph (2) by demonstrating good faith efforts to use such influence.".

REPEALER; NEW BRIBERY PROVISION

SEC. 5. (a)(1) Section 30A of the Securities Exchange Act of 1934 is repealed.

(2) Section 32 of such Act is amended—

(A) by striking out "(other than section 30A)" in subsection (a); and

(B) by striking out subsection (c).

(b) Section 104 of the Business Practices and Records Act is amended to read as follows:

"FOREIGN PAYMENTS

"SEC. 104. (a) It shall be unlawful for any domestic concern, or any officer, director, employee, or shareholder thereof acting on behalf of such domestic concern, to make use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of a payment, gift, offer, or promise, directly or indirectly, of anything of value to any foreign official for the purpose of—

"(1) influencing any act or decision of such foreign official in his official capacity, or inducing such foreign official to do or omit to do any act in violation of his legal duty as a foreign official; or

"(2) inducing such foreign official to use his influence with a foreign government or instrumentality thereof to affect or influence any act or decision of such government or instrumentality;

in order to assist such domestic concern in obtaining or retaining business for or with, or directing business to, any person.

"(b) It shall be unlawful for any domestic concern, or any officer, director or employee, or shareholder thereof acting on behalf of such domestic concern to make use of the mails or any means or instrumentality of interstate commerce corruptly to direct or authorize, expressly or by a course of conduct, a third party in furtherance of a payment, gift, offer, or promise of anything of value to a foreign official for any of the purposes set forth in subsection (a).

"(c) Subsections (a) and (b) shall not apply to—

"(1) any facilitating or expediting payment to a foreign official the purpose of which is to expedite or to secure the performance of a routine governmental action by a foreign official;

"(2) any payment, gift, offer, or promise of anything of value to a foreign official which is lawful under the law and regulations of the foreign official's country;

"(3) any payment, gift, offer, or promise of anything of value which constitutes a courtesy, a token of regard or esteem, or in return for hospitality;

"(4) any expenditures, including travel and lodging expenses, associated with the selling or purchasing of goods or services or with the demonstration or explanation of products; or

"(5) any ordinary expenditures, including travel and lodging expenses, associated with the performance of a contract with a foreign government or agency thereof.

"(d)(1)(A) Except as provided in subparagraph (B), any domestic concern which violates subsection (a) or (b) shall, upon conviction, be fined not more than $1,000,000.

"(B) Any individual who is a domestic concern and who willfully violates subsection (a) or (b) shall, upon conviction, be fined not more than $10,000, or imprisoned not more than five years, or both.

"(2) Any officer or director of a domestic concern, or stockholder acting on behalf of such domestic concern, who willfully violates subsection (a) or (b) shall, upon conviction, be fined not more than $10,000, or imprisoned not more than five years, or both.

"(3) Whenever a domestic concern is found to have violated subsection (a) or (b) of this section, any employee of such domestic concern who is a United States citizen, national, or resident or is otherwise subject to the jurisdiction of the United States (other than an officer, director, or stockholder acting on behalf of such domestic concern), and who willfully carried out the act or practice constituting such violation shall, upon conviction, be fined not more than $10,000, or imprisoned not more than five years, or both.

"(4) Whenever a fine is imposed under paragraph (2) or (3) of this subsection upon any officer, director, employee, or stockholder of a domestic concern, such fine shall not be paid, directly or indirectly, by such domestic concern.

"(e)(1) When it appears to the Attorney General that any domestic concern, or officer, director, employee, or stockholder thereof, is engaged, or is about to engage, in any act or practice constituting a violation of subsection (a) or (b) of this section, the Attorney General may, in his discretion, bring a civil action in an appropriate district court of the United States to enjoin such act or practice, and upon a proper showing, a permanent or temporary injunction or a temporary restraining order shall be granted without bond.

"(2) For the purpose of all civil investigations which, in the opinion of the Attorney General, are necessary and proper for the enforcement of this Act, the Attorney General or any attorney or attorneys of the Department of Justice designated by him are empowered to administer oaths and affirmations, subpena witnesses, take evidence, and require the production of any books, papers, or other documents which the Attorney General deems relevant or material to the inquiry. Such attendance of witnesses and the production of such documentary evidence may be required from any place in the United States, or any territory, possession, or com-

monwealth of the United States, at any designated place of hearing.

"(3) In case of contumacy by, or refusal to obey a subpena issued to, any person, the Attorney General may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, or other documents. Any such court may issue an order requiring such person to appear before the Attorney General or attorney designated by the Attorney General, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found. The Attorney General shall have the power to make such rules relating to civil investigations as may be necessary or appropriate to implement the provisions of this subsection.

"(f) As used in this section—

"(1) The term 'domestic concern' means (A) any individual who is a citizen, national, or resident of the United States; or (B) any corporation, partnership, association, joint-stock company, business trust, unincorporated organization, or sole proprietorship which has its principal place of business in the United States, which is organized under the laws of a State of the United States or a territory, possession, or commonwealth of the United States, which has a class of securities registered pursuant to section 12 of the Securities Exchange Act of 1934, or which is required to file reports under section 15(d) of the Securities Exchange Act of 1934.

"(2) The term 'foreign official' means (A) any officer or employee of a foreign government or any department, agency, or instrumentality thereof, or any person acting in an official capacity for or on behalf of any such government or department, agency, or instrumentality; or (B) any foreign political party or official thereof or any candidate for foreign political office.".

DEFINITIONS

SEC. 6. Section 13(b) of the Securities Exchange Act of 1934 is amended by adding at the end thereof the following:

"(6) For the purpose of this section, the terms 'reasonable assurances' and 'reasonable detail' mean such level of detail and degree of assurance as would satisfy prudent individuals in the conduct of their own affairs, having in mind a comparison between benefits to be obtained and costs to be incurred in obtaining such benefits.".

EXCLUSIVITY PROVISION FOR OVERSEAS BRIBERY

SEC. 7. No criminal action pursuant to section 1341 or 1343 of title 18, United States Code, may be brought against a domestic concern, its officers, directors, employees, or any shareholders thereof acting on behalf of such domestic concern for a payment, gift, offer, or promise to a foreign official based upon the theory that the foreign official or the domestic concern violated a duty to or defrauded the foreign government or the citizens of a foreign country.

AUTHORITY TO ISSUE GUIDELINES

SEC. 8. Title I of the Business Practices and Records Act is amended by adding at the end thereof the following:

"GUIDELINES AND GENERAL PROCEDURES FOR COMPLIANCE

"SEC. 105. (a) Not later than six months after the date of enactment of this section, the Attorney General, after consultation with the United States Trade Representative, the Secretary of State, the Secretary of Commerce, and the Secretary of the Treasury, and after consultation with representatives of the business community and the interested public through public notice and comment and in public hearings, shall determine to what extent the business community would be assisted by further clarification of section 104 of this Act and shall, based on such determination and to the extent necessary and appropriate, have the authority to issue—

"(1) guidelines describing specific types of conduct associated with common types of export sales arrangements and business contracts which the Attorney General determines constitute compliance with the provisions of section 104 of this Act; and

"(2) general precautionary procedures which issuers or domestic concerns may use on a voluntary basis to ensure compliance with this Act, and to create a rebuttable presumption of compliance with this Act.

The guidelines and procedures referred to in the preceding sentence shall be issued in accordance with sections 551 through 557 of title 5, United States Code.

"(b) The Attorney General, after consultation with other Federal agencies and representatives from the business community, shall establish a Business Practices and Records Act Review Procedure for the purpose of providing responses to specific inquiries concerning enforcement intentions under this Act. The Attorney General shall issue opinions, within thirty days, in response to requests from domestic concerns, regarding compliance with the requirements of the provisions of section 104 of this Act. An opinion that certain prospective conduct does not involve a violation shall be final and binding on all parties, subject to the discovery of new evidence. When appropriate, and at reasonable intervals, the responses derived from the review procedure will be reviewed by the Attorney General to determine whether such compilation of responses should be included in a new guideline pursuant to subsection (a).

"(c) Any document or other material provided to, received by, or prepared in the Department of Justice, or any other department or agency of the United States Government, in connection with a request by a domestic concern for a statement of present enforcement intentions under the Business Practices and Records Act Review Procedure pursuant to subsection (b) of this section, or in connection with any investigations conducted to enforce this Act, shall be exempt from disclosure under section 552 of title 5, United States Code, regardless of whether the Department responds to such a request or the applicant withdraws such request prior to receiving a response. The Attorney General shall protect the privacy of each applicant, and shall adopt rules assuring that materials, documents, and information submitted in connection with a review procedure request will be kept confidential and will not be used for any purpose that would unnecessarily discourage use of the review procedure. The review procedure shall be developed and instituted in accordance with sections 551 through 557 and 701 through 706 of the title 5 United States Code.

"(d) The Attorney General shall make a special effort to provide timely compliance guidance to potential exporters, and smaller businesses, who as a practical matter are unable to obtain specialized counsel on issues pertaining to this Act. Such assistance shall be limited to requests for enforcement intention disclosures provided for under this Act, and general explanation of compliance responsibilities and of potential liabilities under the Act.

"(e)(1) On September 1 of each year the Attorney General shall transmit to the Congress and make public a detailed report on all actions which the Department of Justice has taken pursuant to this Act, along with its views on problems associated with implementation, its plan for the next fiscal year to further implement the Act, and recommendations for amendments.

"(2) On September 1 of each year the Chairman of the Securities and Exchange Commission shall file with the Congress a detailed report on all actions which the Commission has taken pursuant to section 13(b) of the Securities Exchange Act, its views on problems associated with implementation, its plans for the next fiscal year to further implement such section, and its recommendations for amendment.".

INTERNATIONAL AGREEMENTS

SEC. 9. (a) It is the sense of the Congress that the President should pursue the negotiation of an international agreement among the largest possible number of nations on illicit payments, including, a process by which problems and conflicts associated with such practices could be resolved.

(b) Within one year after the date of enactment of this Act, the President shall report to Congress on—

(1) the progress of the negotiations referred to in subsection (a);

(2) those steps which the administration and Congress should consider taking in the event that these negotiations do not successfully eliminate the competitive disadvantage of United States business; and

(3) possible actions that could be taken to promote cooperation by other nations in international efforts to prevent bribery of foreign officials, candidates, or parties in third countries.

This report shall also include recommendations for any new legislation required to give the President authority to take appropriate action to achieve such objectives. The report shall contain an analysis of the potential effect on the interests of the United States including United States national security of the corruption of foreign officials and political leaders in connection with international business transactions involving persons and business enterprises of other nations. In addition, the report shall assess the current and future role in curtailing such corruption of private initiatives such as the Recommendations to Governments and Rules of Conduct to Combat Extortion and Bribery developed by the International Chamber of Commerce.

Mr. HEINZ. Mr. President, I move to reconsider the vote by which the bill was passed.

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

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, the Foreign Corrupt Practices Act proved to be a watershed in legislative compromise, and I want to take this opportunity to commend the distinguished Senator from Rhode Island, Senator CHAFEE, the author of the bill, the distinguished Senator from Wisconsin, Senator PROXMIRE, the author of last year's bill, and the distinguished manager of the bill, Senator HEINZ, for their careful and constructive negotiations behind the scenes which resulted in the swift passage today of the Foreign Corrupt Practices Act.

Additionally, I would like to thank William Brock. my good friend who, as the U.S. trade representative, assisted the Congress in the passage of this important measure.

Mr. HEINZ. Mr. President. I take one moment to thank. first. mv distinguished comanager of the bill. Senator PROXMIRE, for his great care and work on this legis-

lation. I think the bill is a vastly improved product because of the care, time, and attention he has put into this effort.

I also pay my respects to the incredible diligence and fortitude of the Senator from Rhode Island, who, notwithstanding a great deal of heat that his original version of this bill generated, has persevered and moved this bill through the Senate. He has done so without, to my ear, not a single—and I am pressing his luck and mine—not a single dissenting vote raised against what might have been an extremely controversial measure.

It is a great tribute to Senator PROXMIRE, Senator CHAFEE, Senator DODD, Senator D'AMATO, and others that we have been able to get this legislation through.

And I thank all Senators for their understanding and cooperation.

Mr. PROXMIRE. Mr. President, will my good friend from Pennsylvania yield?

Mr. HEINZ. I yield.

Mr. PROXMIRE. My friend from Pennsylvania is a silvery tongued orator and he also does more with his silver tongue. He attributed to me a vote I did not cast.

I agree there is enormous improvement on the original bill. The Senator from Pennsylvania did a splendid job of leadership on this bill. Frankly, I did not vote in favor of this bill. If I have to be put on record, I voted against the bill. I did so recognizing, as I say, it has improved, and I hope it will be improved further in the House of Representatives.

I again congratulate my good friend from Pennsylvania, the distinguished Senator from Rhode Island, who did a marvelous job under difficult circumstances over a period of many months, and the Senator from Utah (Mr. GARN), the chairman of the committee, who, of course, supervised the whole operation.

I think we have done something today that was an improvement on what was but would have been better if we had not done it at all.

Mr. GARN. Mr. President, I compliment both Senator HEINZ and Senator D'AMATO, two subcommittee chairmen of the Banking Committee, and in particular, Senator CHAFEE. They have worked on this long and hard. It has been a difficult process.

I think the original intent of this bill was excellent. It did not come out in this matter and has caused some difficulty.

I very much appreciate the work also of Senator PROXMIRE who did not agree with some of the changes that we wanted to make but nevertheless has been actively involved as he always is and is sincere in his beliefs.

So I simply wished to add those remarks about how much I appreciate the members of the Banking Committee on the work they have done on this issue.

Mr. CHAFEE. Mr. President, I particularly thank the staff members who worked on this. This was a situation where the staff had to meet time and time again both with all the parties affected, not only the Senators but also the members of the business community, and accounting profession, and I tip my hat particularly to John Daniels, Paul Freedenberg, Lindy Marinaccio, Bill Reinsch, Bill Mattea, and, of course, Christine Bliss from our staff.

They really worked extremely hard and all too often the credit is given to Senators, and we are delighted to take it, but this was the case where a hard, persevering effort by those staff members that I mentioned and others helped produce this result unquestionably.

Mr. PROXMIRE. Mr. President, will the Senator from Rhode Island yield on that point?

Mr. CHAFEE. I yield.

Mr. PROXMIRE. Mr. President, I could not agree more. I think the staff did a superb job and worked long on this. My own staff, Charles Augustus Lindbergh Marinaccio, was especially starring. I am proud of the job he did. He is a former prosecutor as we know and that showed up.

Mr. HEINZ. Mr. President, if the Senator will yield, I agree with him. I commend Paul Freedenberg, John Daniels, Bill Reinsch, and Lindy Marinaccio.

I commend the staff because this bill has really tested everyone's patience. It has been incredibly difficult to get down into the details of every word, and on that we really demanded a great deal of research and careful evaluation from the staff, and we are most appreciative.

I second what Senator PROXMIRE and Senator CHAFEE have said.

I thank the Senator for yielding.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

THE SECOND CONTINUING RESOLUTION

Mr. DODD. Mr. President, last evening the Senate passed the conference report on the continuing resolution. This morning the President—predictably—vetoed that resolution, charging that Congress was perpetuating inflation by overspending.

Mr. President, I wish the RECORD to show that those two events were not stages in the legislative process but rather two scenes in a very carefully orchestrated political charade.

Regardless of the events in acts 1, 2, and 3 of the continuing resolution, the President was determined to veto the continuing resolution regardless of what transpired in the conference that carried on late in the evening last week.

First of all, the conference report did not overspend.

Mr. President, I ask unanimous consent at this juncture to have printed in the RECORD a copy of the "Talking Points on Second Continuing Resolution" which David Stockman, Director of the Office of Management and Budget, used in explaining the administration's position to Congress.

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

TALKING POINTS ON SECOND CONTINUING RESOLUTION

OVERALL SAVINGS

On September 24, the President asked for a 12 percent reduction in discretionary appropriations for domestic agencies. This would have saved $8.5 billion in FY 82 outlays and additional amounts in future years.

In a letter to Senator Baker earlier this week, the President indicated a willingness to meet Congress half-way and accept a $4.0 billion outlay savings as achieved by the Senate Continuing Resolution with the Baker 4 percent amendment.

The Continuing Resolution Conference Report now pending will save only $2 billion in discretionary outlays, or less than one-fourth of the original request.

CONFERENCE REPORT ADDITIONS TO THE SENATE CONTINUING RESOLUTION WITH 4-PERCENT AMENDMENT

The Conference Continuing Resolution will add $3.5 billion in budget authority to the eight domestic agency bills as follows:

Item	Senate	Conference	Difference
Total new budget authority	$213	$214.5	+$1.5
Adjustment for conference underfunding of entitlements	0	1.7	+1.7
Invalid budget authority savings in conference CR base	0	.3	+.3
Total	213	216.6	+3.5

The above increase in new budget authority will increase outlays by $2.0 billion in FY 82 and additional amounts in future years.

GENERAL CONSIDERATIONS

Implementation of the President's Economic Recovery Program requires large additional spending reductions in FY 83 and FY 84—at least $75 billion.

Failure to hold down the base of discretionary spending in FY 82 will only increase the over-spending problem in future years and add to out-year deficit size.

Without a steady and substantial reduction in Federal spending growth and deficits, a renewal of high interest rates, inflationary pressures and impediments to economic growth and job creation are threatened.

COMPARISON OF SENATE CR AND CONFERENCE AGREEMENT ON 8 DOMESTIC AGENCY BILLS

	Senate	Conference CR	Difference
(1) Total budget authority as calculated by HAC	213,005	214,516	+1,511
(2) Adjustment for underfunding of entitlements in Conference CR (increase to discretionary budget authority)		1,728	+1,728
(3) Adjustment for invalid Budget Authority reductions and 2% calculation in Conference CR		320	+320
(4) Total	213,005	216,564	+3,559
Memorandum: Reconciliation to Reported Budget Authority Totals			
(5) Total Budget Authority as calculated by HAC for 8 Domestic Agency Bills	213,005	214,516	+1,511
(6) Military Construction	6,746	6,216	−530
(7) Foreign Assistance	11,400	10,075	−1,325
(8) Defense	196,712	196,712	0
(9) DC and Other	602	546	−56
(10) Subtotal (6–9)	215,460	213,549	−1,911
(11) Grand total, HAC reported	428,465	428,065	−400

Mr. DODD. Mr. President, this memo demonstrates conclusively that the conference report actually saves $400 million more than the Senate version which the administration pronounced as acceptable only a few days ago.

It would simply stretch the limits of human credulity to believe that 14 Senators of the majority, who are members of the conference committee, would have affixed their signatures to the report after they had the opportunity to confer with Mr. Stockman on precisely that issue without assurance that the President found it acceptable.

The Stockman memo shows in no uncertain terms that Mr. Reagan's objective was not to the bottom line of the conference report but to its components.

Frankly, the President did not like its priorities. The Stockman memo shows that the administration believes we are spending $1.5 billion too much on domestic spending and $1.3 billion too little on foreign assistance.

The Stockman memo shows that this administration wants to spend more than Congress desires on foreign aid and less than Congress wants on the American people.

This is not a theory or a hypothesis or an interpretation on my part. It is a cold and cold-hearted fact that shows up on the neat columns of Mr. Stockman's own arithmetic.

In short, the Stockman memo shows that this administration's priorities are the issue and those priorities are disgracefully skewed.

As to last night's performance on the Senate floor, here were some of the highlights. The conference report which the President had announced his intention to veto was passed last evening by overwhelming support of the majority of this body against strong opposition by the minority.

Trying to invent a rationale for what was clearly an irrational act, Senators of the majority party argued that they were going to vote for the report because it was so bad they could not wait for the President to veto it. Trying to orchestrate a majority vote for the resolution to conclude the drama, the majority members of this body switched sides more often than one sees in a square dance.

It was, we saw, not only an exercise in bad legislation or bad procedure or bad appropriations it was all there, and it was a high price to pay to allow the President to veto a bill for reasons that it refuses to admit even though they are clear on the record.

It was also an unnecessary price. The debate last evening made clear that if we had rejected the conference report, a course urged by a number of Senators on this side of the aisle, it would actually have speeded up the resolution of this issue and provided the funds so that the Federal Government could continue to function.

That alternative had qualities of sound policy and commonsense. It was, therefore, rejected so that the administration could veto a bill which should not have been passed, for reasons that it refused to acknowledge.

Mr. President, I think the real reason becomes quite clear when one looks at the talking points that the Director of the Office of Management and Budget used. A $1.5 billion excess in the conference report and a $1.3 billion shortfall in foreign aid from the administration's point of view is clearly where the issue resides. It is not in the level of spending. And this memo clearly makes that evident.

Mr. President, I draw my colleagues' attention particularly to the first page of this report entitled, "Memorandum: Reconciliation To Reported Budget Authority Totals." Note there the figures identify the amount supported by this body, with a total of $428,365,000,000. The conference report language which reported a figure of $428,065,000,000 showed actually $400 million less than the Senate had adopted only a few nights before. Then with pluses and minuses attached to them the Budget Director pointed out that we had spent $1.5 billion too much in domestic agency bills, $530 million too little in military construction, $1,300,000,000 too little in foreign assistance, and $56 million too little in the District of Columbia and other items. The aggregate is $400 million less than the administration would have liked, as this memo indicates. Let the record show that such is the only real reason for an administration veto.

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 4 o'clock in which Senators may speak for not more than 10 minutes each.

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

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

ORDER TO HOLD HOUSE MESSAGE ON CONTINUING RESOLUTION AT THE DESK

Mr. BAKER. Mr. President, I have conferred with the distinguished minority leader who has cleared this request: I ask unanimous consent that the message from the House on the December 15th continuing resolution be held at the desk when received pending further disposition by the Senate.

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

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

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

NATIONAL BUDGET PROCEDURES

Mr. FORD. Mr. President, the country today is experiencing a shameful example of the weaknesses and failures of our national budget procedure. Without dwelling on the merits of this present veto controversy between the President and the Congress, I wish to make only one brief general observation.

In my opinion, the tragic stalemate we have reached in providing funds for the operation of the Government stems quite largely from our retention of the archaic annual budget system—a system which simply does not afford time for the executive and legislative branches to budget and appropriate effectively.

I call attention again to S. 1683 which several of our colleagues and I introduced several weeks ago. The time has now come to give serious consideration to going to a 2-year budget and appropriation cycle—and I urge the appropriate committees to schedule hearings on this measure at the earliest opportunity.

Mr. President, tomorrow I should like to speak at greater length on the need for a 2-year budget cycle, and at this time I should like to ask the leadership for time during the morning hour.

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

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

THE ECONOMY

Mr. JOHNSTON. Mr. President, to say that the Nation is in economic distress is perhaps an understatement. Housing starts are at the lowest position they have been in since they have been keeping records on that subject. More people are unemployed in this country than were unemployed at the end of the Great Depression in 1939. The steel industry is sick. The housing industry is sick. Small businessmen are going bankrupt at record levels. The automobile industry is virtually defunct in this country. Farmers are in great difficulty. Thrift institutions are threatened with bankruptcy.

In general, the economy is exceedingly sick and getting sicker by the day.

The question is, Mr. President, how do we as a Nation, how do we as a Congress, solve that problem? What we are about today, Mr. President, whether to pass or not pass this continuing resolution, is almost beside the point on the question of solving that great problem. Whether or not the appropriate spending level is $428 or $426 billion, which was the question at issue on the veto vel non of this

continuing resolution as of yesterday, really is totally beside the point. The American people need to understand that whichever side you were on as far as that continuing resolution is concerned, you are neither going to solve the problem nor are you going greatly to contribute to that problem.

I fear that, as I read the morning press accounts, you had two positions: One position which the Congress took, that is to say, one position that the Republican majority in this body took, which was to pass a resolution which contained spending which, according to the President, was too great; and the other position was to be against the resolution, which I and my colleagues took.

But the question of whether or not that resolution was passed or was not passed is almost beside the point. It is beside the point, Mr. President, because the measure of our difficulties is immensely greater than the $2 billion difference in the different versions of that continuing resolution.

The deficit this year will probably approach $80 billion, or perhaps even more. In the direction we are going, the deficit, by fiscal year 1984, could reach $148 billion, by recent estimates.

Those kinds of deficits are going to breed high interest rates, even higher than we have now; they are going to breed inflation, perhaps of a quantity and level that this country has not known, at least in modern times.

Those kinds of economic difficulties, Mr. President, called for not just a midcourse correction, but a somewhat radical change in how we do business in this country.

Mr. President, we have a very popular President who has been called "The Great Communicator." I have tried to support him in much that he has done because I think much that he has said has gone in the right direction. But it is perfectly obvious, Mr. President, that the present course we are embarked upon, with or without the continuing resolution that we have passed, is not going to work. With a President with that kind of mandate, with that kind of leadership, with that kind of ability to communicate, it is his responsibility, Mr. President, to come up with an economic plan that promises to work and promises to work rather quickly.

In the Budget Committee, Mr. President, we grappled with that question of whether or not we ought to make that basic change in direction. We were told that the President was against that change in direction at this time; that he wished to delay until his January 15 budget message in order to present those basic changes in our economic policy.

I regret that the delay was necessary. It seems to me that the level of difficulty of this present economic crisis calls for action and action now, and the passage of 2 or 3 months before we get the policy means 2 or 3 months further into the difficulty we are faced with.

Nevertheless, it is clear at this point we will not receive that basic message, that basic change, until January 15.

I think what we have to face up to and what we need to prepare the American people for is that come January 15 we are going to have a debate as to the basic economic policy which this county must follow for the next year or two, or the next decade. It will involve sacrifice; it will involve difficulty; it will involve compromising the interests of basic constituencies. Those are going to be the issues that are going to make the difference in whether we can bring interest rates down. They are not going to be decided by whether or not we cut or do not cut $2 billion from the budget.

A friend of mine described the way the press treats some of these economic questions as a Superbowl mentality, who is ahead at a particular time in terms of whether they pass or do not pass a policy.

In terms of a Superbowl mentality, I think the President's veto of this continuing resolution in the public mind may put the President ahead in terms of being ahead a few yards or being ahead a few points in a particular contest, in a particular confrontation, between the Congress and the President. But, Mr. President, the time has rapidly come when we can no longer afford a Superbowl mentality when we deal with the economic questions of this country.

The kind of mentality which we have to have, it seems to me, Mr. President, is one of joint cooperation, bipartisan, and also one in which the Executive and the Congress work together, because if we do not have that kind of common purpose we are not going to lead the American people to make the kind of sacrifices which they must make in order to change policy. And policy must be changed. We cannot tolerate a $148 billion deficit in fiscal year 1984.

Mr. PROXMIRE. Will the Senator yield briefly?

Mr. JOHNSTON. Yes, I will.

Mr. PROXMIRE. I commend the distinguished Senator from Louisiana for what he is saying. There has been too little talk from the administration or anyone else about sacrifice. That is what the Senator from Louisiana is talking about. Sacrifice in terms of paying higher taxes, if necessary, than the President has proposed; sacrifices in terms of spending cuts that do hurt and hurt greatly; and making compromises in areas where we feel otherwise we would like to go ahead.

This is the kind of talk that the Senator from Louisiana is giving us now that we should hear more about in this country because we will not make the kind of progress we have to make, to get our inflation under control, to bring down the interest rates, without a genuine sacrifice, including a policy that holds down wage increases and price increases, that has a free trade policy, an antitrust policy.

All these things have to be put in place. They all cause pain and difficulty on the part of many, many people. I am delighted the Senator from Louisiana is making this statement. It is a good statement to make and I support it.

Mr. JOHNSTON. I thank the distinguished Senator from Wisconsin.

Mr. President, my message is complete. We must be prepared for the big battle ahead. This is not the big battle. The big battle is in January.

Mr. HART. Mr. President, if the Senator will yield, I would like to associate myself with the statement made by the Senator from Louisiana.

He makes a very important point. When the President decided 2 weeks ago to, in effect, walk away from this economic mess we are in until mid-January and put the issues over until the 1983 budget, he, in fact, created the kind of economic and fiscal backing that has brought the chaos of the past 72 hours or more. I think it lies ill with the President now to criticize the Congress for trying to solve a problem that he himself abandoned, and abandoned voluntarily, until next year.

It was an honest effort, a bipartisan effort, an effort by both Houses of Congress, to keep the Government in operation. I think, frankly, the actions taken by the President, given his abandonment of responsibility here, are not too worthy of the office.

I want to associate myself entirely with the Senator's analysis of the present situation and also his projection about what lies ahead.

What we do here today is not approaching solutions to the problems of this country one iota. It is just maintenance of the status quo and an attempt to buy time until the real serious fundamental, structural problems of this country's economy can and must be addressed.

There, we must look to the White House and the President for leadership and guidance and direction. We may or may not agree with him, but I think, frankly, that putting the whole thing off until January was a very serious mistake.

Mr. BAKER. Mr. President, has time for morning business expired?

If the Senator from Louisiana wishes me to, I shall extend it. We are ready to receive a message from the House on the continuing resolution. I am prepared to go with that or extend morning business.

Mr. LONG. Mr. President, I would like to have a minute or two.

EXTENSION OF TIME FOR MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time for morning business be extended to 4:15 p.m.

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

Mr. LONG. Mr. President, in mind of what my colleague said, I think the sooner the administration faces the situation that we are not going to be able to finance this Government with the Laffer curve, the better off we are going to be. I am aware that when you cut taxes, it stimulates the economy, or we hope it will. When interest rates come down, that will stimulate the economy and generate more revenue. That will also help.

Even with these economic considerations, unless the Laffer theory works a great deal better than most of us here think it will, this Government is going to need more revenue. The tax cut created a problem that will live with us for quite a while to come.

I think it is time that we recognized that we are not going to be able to fi-

nance national defense and the other essential needs of this country with a free lunch. It is not going to work.

Mr. NUNN. Will the Senator from Tennessee allow me 2 minutes here? I want to pose a couple of questions to the Senator from Louisiana.

Mr. BAKER. Yes, Mr. President.

Mr. NUNN. Mr. President, last night, he posed a question to the majority leader and the majority leader answered him very frankly and candidly, but the answer left us in some degree of confusion. The question was, if we wanted to help the President last night, should we vote for the continuing resolution that he wanted to veto, or should we vote against the continuing resolution that he wanted to veto because of some bad points. Did the Senator from Louisiana ever get the answer to that question? Can he clarify it now?

Mr. JOHNSTON. I think the answer now——

Mr. BAKER. Mr. President, would the Senator let me answer the question?

Mr. NUNN. I would prefer to hear the Senator from Louisiana first.

Mr. BAKER. Mr. President, if I were in the courtroom, I would object on the hearsay rule, but I shall let them go ahead.

Mr. NUNN. I will ask another question in a moment.

Mr. JOHNSTON. Actually, the question was asked of the distinguished Senator from Illinois (Mr. PERCY), who said that that question addressed itself to the conscience of each Senator individually. Incredibly, the conscience of all the Senators on that side said no and the conscience of all the Senators on this side said yes—or maybe it was vice versa. I cannot understand why a question of conscience should have been decided on party lines.

Mr. NUNN. Mr. President, what I want to ask is that last night, we were told if we wanted to help the President, what we should do is send him a bad bill which he condemned so he could veto it. Now it is my understanding that we have a continuing resolution from the House that the President agrees with. If the logic last night was that we vote yea and send him a bad bill which he can veto, does that mean the logic today is to vote nay, because it is a good bill that pleases him?

Mr. JOHNSTON. To be consistent, Mr. President, I would say that is where the logic lies. [Laughter.]

Mr. BAKER. Mr. President.

The PRESIDING OFFICER. There will be order in the Senate. The Senator from Georgia has the floor.

Mr. NUNN. I would like the Senator from Louisiana to complete the answer so we can all be clear on this subject.

Mr. JOHNSTON. Mr. President, if the Senator is in a search for consistency, I think he will not find it anywhere in the city of Washington today. Frankly, the whole thing is totally mystifying to me, why this artificial crisis should have been created. I read in the paper today that the President had sent word to all the agencies only to come to work with a view to shutting down to create this great air of crisis. A crisis? Why?

I hear the President being very critical of the Congress for irresponsible actions which they have taken. Well, just who passed that resolution last night? Who was irresponsible last night? Not I. Not the Senator from Georgia. Just who was it that was so irresponsible?

Mr. BAKER. Mr. President, all I can say is if you want to clarify this and help the President, let me bring this message in from the House.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there a request for further morning business? If not, morning business is closed.

THIRD CONTINUING APPROPRIATIONS, 1982

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House just received.

The PRESIDING OFFICER. The clerk will state the continuing resolution by title.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 368) making further continuing appropriations for the fiscal year 1982.

The Senate proceeded to consider the resolution.

Mr. BAKER. Mr. President, I have no idea how long the Senate wishes to debate this matter. There is one amendment to the resolution which was adopted, other than the date change. I recommend that the Senate make no change at all and that the Senate concur in the resolution as passed by the House of Representatives.

Mr. President, may I inquire of the distinguished minority leader or managers of the bill how long we may take on this? I am prepared to enter into a time agreement. Sometimes that prolongs the debate rather than shortens it. It is now 4:15 or a little after. I know some Members here, perhaps all the Members in the House, are trying to make their plans, at least in part, based on how fast the Senate deals with this matter.

Could the minority leader indicate to me whether it will be possible to have a time agreement for the consideration of this resolution?

Mr. ROBERT C. BYRD. Mr. President, I think that it should be agreed to go to vote no later than 5 p.m. today.

Mr. BAKER. Mr. President, I ask unanimous consent that the vote on this measure occur no later than 5 o'clock and that the time between now and 5 o'clock be divided equally, if it is agreeable to the minority leader, between the two managers of the resolution.

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

Mr. HART. Mr. President, will the Senator from Tennessee yield for a question?

Mr. BAKER. Yes.

Mr. HART. I wonder if the distinguished majority leader would care to outline in brief terms what the resolution is so we know what we are voting on?

Mr. BAKER. Mr. President, the resolution is the product of a resolution introduced by the distinguished chairman of the Committee on Appropriations, I believe, on the House side—Mr. WHITTEN, to provide for a continuing resolution at the levels of the continuing resolution which expired at midnight on November 20 forward to February 1, as amended by a motion to recommit by the distinguished minority leader in the House, with instructions for the committee to report back for it with that same resolution with a December 15 expiration date instead of a February 1 expiration date; and adding one amendment.

The House added one amendment dealing with funding levels for public service hospitals and clinics.

Mr. HART. So, in a word, would it be accurate to say that this resolution will continue the operations of the Government at the same levels as they were operating at before the debate this week?

Mr. BAKER. Yes.

Mr. HART. I thank the majority leader.

Mr. EXON. Mr. President.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator.

Mr. EXON. Mr. President, I should like to ask a question of the majority leader. I should like to ask the majority leader, Mr. President, regarding the recommendations that he has just made to us. Before I ask the question, I wish to refresh the memory of my colleagues that I rose in similar fashion on Saturday a.m., sometime between 3 and 4 o'clock, and asked the majority leader at that time if the President would sign the continuing resolution that we were then debating if, indeed, the figures incorporated in the Byrd-Baker amendment were eventually accepted. The answer at that time by the majority leader was, yes, he could assure us that that would be the case.

I cast no aspersions at all on the sincerity of the majority leader at that time. I do not know what happened thereafter, but I happen to feel that the majority leader may have been let down somewhere along the line. He made that commitment to the Senate but I emphasize once again that I do not think the letdown or the change in signals was in any way anticipated by the majority leader; indeed, I would suspect that he would say there was no change in signals.

I ask this question: Can the majority leader assure us without any ifs, ands, or buts, or can he make an unequivocal assurance to the Senate that, if we go along with the measure now before us, which is what many of us on this side of the aisle wanted to do several days ago and which most of us on this side of the aisle, indeed, wanted to do last night, to eliminate this fake chaos in Government—basically, can the majority leader assure me, without any exceptions, that the President had made a firm commitment to sign this conference report and not veto it if we pass it?

Mr. BAKER. Mr. President, may I say in response to my friend from Nebraska that, indeed, he is correct in his surmise. I will contend—I contended then and I assert now—that the representation made by me to the Senate, and the representation made to me by the President were abided by and were never changed. That is to say, if the Senate concurrent resolution as amended by the Baker-Byrd amendment, were adopted—that is, survived conference—the President would sign it. Mr. President, it did not survive conference.

While it is true that, on the late evening of the final night of the conference, there were many who asserted that the numbers that were adopted by the conference report were the equivalent of the Senate-passed bill, on careful examination it was determined that they were not the equivalent of the Senate-passed bill—not because anybody was deceitful or trying to deceive, but, rather, because the House has assumed one base for computation, the Senate bill assumed a different base. Thus there was a difference of numbers that amounted to something in the range of $2 billion. It was on that basis that the President vetoed the bill.

The President. however, was constant in his position. He would have signed it had those numbers survived. He never wavered from that commitment.

Mr. President, I am prepared to tell the Senate now and I do represent to the Senate that if this resolution is adopted without amendment, the President will sign it.

Mr. EXON. Mr. President, I thank the majority leader very much. If that is a direct answer, then I think we can understand and I am sure that this one Senator therefore will enthusiastically vote for this amendment. I only wish that we could have done it last night to stay away from all these theatrics.

Mr. SARBANES. Will the Senator yield?

Mr. EXON. I shall yield in just a moment, Mr. President.

When the majority leader was speaking, I noticed the distinguished chairman of the Committee on Appropriations sitting in his chair. I meant to ask him a question last night and since it was brought up once again, I wonder if the head of the Appropriations Committee would respond to a question.

I should like to ask him, as a point of reference, at 1:30 in the morning, or thereabout, on Sunday last, when he and all the other members of the majority side on the conference committee signed that report—the head of our conferees, the distinguished chairman of the Appropriations Committee—were he and the other conferees led to believe at that time, when they signed that report, that the figures imposed and anticipated in the Byrd-Baker amendment were in fact the consensus of the reporting committee?

Mr. HATFIELD. Mr. President, I say, in response to the Senator from Nebraska, that we left that conference with high expectation that that would satisfy all the parties involved. But I must always say that I have been in this business now for 30 years, and I never count anything for certain until the signature is on any document or until the last vote is counted.

However, I want the Senator to know that there was high expectation that this would satisfy the criteria laid down by the administration and which was reaffirmed by the Senate action taken in our own bill, House Joint Resolution 357—that is, our version of the bill we took to conference.

I will say, too, that along the way there had been some ongoing disagreements among the computers, as I said last night, that there were certain data that we did not agree upon. It did indicate the possibility of the results we then finally experienced. We had hoped that we could overcome those disagreements of the data between the computers and get the bill signed.

Mr. EXON. I thank my good friend. I should like to ask one follow-up question.

In the opinion of the chairman of the Appropriations Committee, were the figures that were finally reported to the Senate by the House and the conference report substantially different from those that were embodied in the Byrd-Baker compromise?

Mr. HATFIELD. There was a $400 million differential in budget authority as we computed our budget authority. We went into that conference with $428.4 billion, and we came out of the conference with $427.8 billion.

Therefore, in effect, we were $400 million under the Senate version. Actually, it was $600 million. I said $400 million, and I misspoke myself. It was actually $600 million under.

Again, there has been a reconfiguration of those accounts and those titles within the conference. There is no question about it. We did make some changes in the accounts and titles. Having made those changes, the reaction of the administration was that it had greater impact on the real spending than the original figure.

Let us bear in mind that the budget authority, the BA, is what the House works on, and that is what we work on to a lesser degree; but we still have our emphasis in the Senate Appropriations Committee on budget authority. But, again, the OMB has historically worked more with the budget outlay factor. We know that the difference between budget authority and budget outlay can be great or little, depending on the rate of expenditure, and so forth. But from the budget authority standpoint, we were $600 million under the Senate version.

Mr. EXON. I thank my distinguished friend and colleague from Oregon, for whom I have the highest respect.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. Mr. President, I listened to the President of the United States this morning with admiration and with interest and with amazement—admiration because the President was able to put the matter in a very simplistic context, focusing on a somewhat irrelevant aspect of the whole problem and of course leaving the viewing audience for the most part, I suppose, with the idea that here the President was battling to veto a bill that constituted budget-busting figures, Mr. President, let us see if we can take a look at this picture in its proper context.

The country is faced with a drain on the Treasury, resulting from the Kemp-Roth tax cut, of $38 billion this year, $93 billion next year, $150 billion the third year, $199 billion the fourth year, and $268 billion the fifth year—making a total of about $749 billion.

We are faced with a recession. We are faced with high interest rates. We are faced with unemployment that is now at 8 percent. We are confronted with bankruptcies that are running 41 percent or 42 percent above last year—roughly 15,000 bankruptcies to date. We are faced with massive deficits down the road, as a result, in large part, of the enactment of the multiyear Kemp-Roth tax cut.

Now the administration realizes that it is up against these prospective massive deficits, but it wants to make people believe that those deficits will have been caused by an uncooperative Congress, by a Congress that is passing "budget-busting" bills, and that the President is saving the country by having vetoed a budget-busting continuing resolution that was $2 billion above what he wanted.

The President referred to the continuing resolutions that have been passed from time to time. He refers to those as "budget busters." He stated that Congress ought to pass the appropriation bills. He refers to them as budgets.

The previous Presidents had the same problem, but they, from time to time, also had to accept continuing resolutions; but in this case, the President was not going to accept it.

Now, was it a budget buster? The amendment that was offered by Mr. BAKER, which called for a 4-percent cut, exempting defense and certain other categories, would have saved, in the words of Mr. BAKER, $3.2 billion. The President stated that the conference report that had been passed by Congress and sent to him would not save enough to meet his requirements.

What was the difference? The amendment by Mr. BAKER would have save $3.2 billion. The conference report that was agreed to by Congress would have saved $2 billion. So there is a difference of $1.2 billion. What is $1.2 billion when we are talking about $428 billion, which was involved in the whole conference report? It is one-fouth of 1 percent of the total—$1.2 billion as against $430 billion.

So what the President was doing here was vetoing a measure because it was $1.2 billion under what he said he would accept—meaning the Baker proposal. He said he would accept that amendment. Now he vetoes the measure because it is $1.2 billion below that figure and yet represents only one-fouth of 1 percent of the total.

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

Mr. ROBERT C. BYRD. I will yield in a moment.

Mr. President. what we have is what I said this morning was a manufactured

shoot-out at the OK Corral, and that is what it was.

Last night, we witnessed on this floor the adoption of a conference report that was supported by 44 Republican Senators. They had worked hard in conference; they had acted in good faith in conference. All the conferees on the Republican side, except one, signed the conference report, and all the Republican Senators who voted last night, with the exception of six, voted for the conference report.

So the President then vetoed that measure, which had been supported by the overwhelming majority of Republican Senators.

What is the real problem confronting the country? The real problem is the recession that has been brought on by the Kemp-Roth tax cut, the high interest rates, and the looming prospective budget deficits down the road that will result in large measure from the enactment of the Kemp-Roth tax cut which was rammed through Congress by the administration.

The administration is in trouble because of the high interest rates, because of the sluggish economy, and because of the recession.

So now it seeks to distract the attention of the people away from the recession, unemployment, and high interest rates and make the people believe that the $1.2 billion by which the conference report fell short of what the President said he would accept in the form of the Baker amendment was a "budget buster" and that a veto of that measure is some big deal.

The President blames Congress because the appropriations bills have not been passed and sent to him.

Mr. President, I hope that we will focus on the real problem. The administration needs to get its economic house in order. It is in disarray. The Republican majority in the Senate voted overwhelmingly for the conference report that the President vetoed. Why? We on this side said last night in this Chamber that if the conference report were rejected, the other body would immediately initiate another continuing resolution providing for an extension of the date and the Government would not begin shutting down this morning at a cost to the taxpayers of something like $1 billion, I am told.

So where we are now is where we were last night. We have a continuing resolution that has a date of December 15, only 3 days short of the date of December 18 which this Senate rejected when it was offered as an amendment by me on behalf of the Democratic minority a few days ago. We sought then to extend the date to December 18. We were defeated on a party line vote. Now the resolution before us calls for a December 15 date.

Mr. President, we could have had this same resolution last night if the Republican majority had joined with the Democratic minority and voted down the continuing resolution.

The House of Representatives would have sent over another resolution immediately. The House of Representatives stayed in session until after the Senate went out last night. The House of Representatives was still in session.

No, we heard the cry from some on the other side of the aisle that "I do not like this conference report, it is all bad, but the President is going to veto it and I am going to vote for it so the President can veto it."

What kind of reasoning is that?

I think it was clear that the stage was set for a Presidential veto and that was the way the script ran.

The vote was for the continuing resolution which the President had pledged to veto. Flying in the face of that threat from the President, the majority of the Senate voted for the continuing resolution. The President vetoed it. The President went on television and he presented himself now as having saved the country from a "budget-busting" measure foisted on him by "the Congress."

Mr. President, I hope that the American people will see through this charade.

We could have had this same resolution last night before we went home, and the Government workers today would not be calling in on the telephone asking whether or not they are going to get their pay checks.

Mr. President, I intend to vote for this continuing resolution extending the date, but I wish to ask the distinguished majority leader a question.

The PRESIDING OFFICER. The time under the control of the minority leader has expired.

Mr. ROBERT C. BYRD. I wish to ask the majority leader a question.

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. Mr. President, I am very happy to yield time to the minority leader for asking his question as soon as we locate the majority leader and get him back to the Chamber.

Mr. President, I yield 2 minutes to the distinguished minority leader.

The PRESIDING OFFICER. The minority leader is recognized for 2 minutes.

Mr. ROBERT C. BYRD. Mr. President, I have heard and seen the President twice on television blaming Congress for not sending the appropriations bills down to him.

There are on the Senate calendar four appropriations bills—Labor, HHS, Defense, military construction, Treasury, and Postal Service. The Defense appropriations bill is scheduled for next Monday by order of the Senate.

As I understand it, the conference report on the Interior bill has been adopted by the House of Representatives and is ready to be taken up in the Senate.

May I respectfully ask the distinguished majority leader whether or not he intends to call up these remaining appropriations bills and act on them if at all possible before the December 15 date which is contained in this resolution?

Mr. BAKER. Yes, I do.

As the minority leader knows, the Defense bill is set for November 30. State, Justice, Commerce has been temporarily laid aside and will recur as the pending business on a call for the regular order. Treasury has not yet been set. Military construction will be scheduled soon, and I am told by the chairman of the committee it will take perhaps half a day.

Mr. President, it is my intention to try to complete all of these bills before the expiration of the continuing resolution.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished majority leader. I hope we can do that because I do not think that Congress should continue to be blamed for not having sent these measures down to the President.

The House of Representatives has acted on all but one of the appropriation bills. The Senate Appropriations Committee, under the leadership of the very able chairman, Mr. HATFIELD, has acted dutifully on all the appropriations bills, and reported them all to the calendar.

The PRESIDING OFFICER. The 2 minutes yielded to the Senator from West Virginia have expired.

Mr. ROBERT C. BYRD. I respectfully urge the distinguished majority leader to call up the appropriations bills as soon as he possibly can. This side of the aisle has been ready to act on them so that the President will get the appropriations bills and this will go a long way toward resolving the——

The PRESIDING OFFICER. The time yielded to the Senator from West Virginia has expired.

Mr. ROBERT C. BYRD. This will go a long way toward resolving——

Mr. HATFIELD. I am happy to yield.

Mr. PERCY. Does the Senator have time to yield?

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. Mr. President, I yield how much the Senator wishes.

Mr. ROBERT C. BYRD. Just long enough to complete my sentence.

Mr. HATFIELD. I yield another minute to the minority leader.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for an additional minute.

Mr. PERCY. Does the distinguished floor manager have time to yield?

Mr. HATFIELD. I have time to yield. We have not used any time. I have yielded time for the asking of a question.

Mr. ROBERT C. BYRD. Mr. President, it seems to me that if we were to finish action on these appropriations bills, at an early date, it would go a long way toward relieving all of us of the problem of a continuing resolution.

Mr. HATFIELD. Mr. President, I yield to the majority leader the time he needs.

Mr. BAKER. Mr. President, the minority leader is right. This side of the aisle has been most cooperative in getting these bills up. I attach no blame to them nor indeed to the Senate.

I believe we could finish these appropriations bills in a relatively short period of time, and I assure him and all Senators that we will attempt to do that.

The PRESIDING OFFICER. Who yields time?

Mr. ROBERT C. BYRD. I thank the distinguished Senator.

Mr. HATFIELD. Mr. President, what is the time situation?

The PRESIDING OFFICER. The Senator has 15 minutes and 40 seconds.

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

Mr. HATFIELD. I yield to the Senator from North Dakota.

Mr. ANDREWS. Mr. President, I appreciate my chairman yielding.

Briefly, following up the remarks of the distinguished minority leader, some of us on the Republican side of the aisle, of course, were conferees and we signed the conference report when we felt the President was in favor of the bill. But we signed it largely because we thought it was a good bill, and after the President's announcement about a veto came down we voted for it irrespective of the veto announcement because we still thought it was a good bill.

Might I point out to the distinguished minority leader that the continuing resolution we are now voting on is less of a budget buster than the one we voted on 2 days ago. It is under the original target. As a matter of fact, the continuing resolution we are now voting on will carry on nondefense spending to the tune of about $3 million a day less than the one that was vetoed and, of course, defense spending will be less.

The reason I wanted to pose a question to the chairman of the Appropriations Committee is that people in the Federal buildings in my State have been leaving in droves. The Department of Agriculture offices and the social security offices are not staffed. In fact, my own staffs in the Federal building have been told, "do not come in, in the morning because we are not going to have anyone to heat the building. We cannot turn the lights on. We cannot open the door."

I find this to be a bit of theatrics more than anything else. I wish to ask the chairman of the Appropriations Committee whether these Federal employees will, in effect, be paid for this hiatus of a day or two, or whether they are going to have their pay docked in their next pay envelope?

Mr. HATFIELD. Mr. President, I respond by quoting from the language of the resolution that we have pending before us now which in effect says that we will strike out the November 20, 1981 expiration date and insert in lieu thereof December 15 which means that we go back and pick up the hiatus, eliminate the hiatus and continue at 1981 level of spending.

So consequently those employees thereby could be paid under the continuity established by this continuing resolution.

Mr. ANDREWS. So that the evening news could tell those Federal workers that they are not going to find a shortage in their paycheck irrespective of all of the headline hunting from both sides of the political aisle that seem to have been going on in the last 48 hours?

Mr. HATFIELD. I hope that the communication could be set up that would relieve that anxiety for all those Federal employees who now feel that they somehow are going to be reduced for that period of time that they have been sent home.

Mr. ANDREWS. I appreciate the comments of the chairman.

Mr. SARBANES. Mr. President, will the chairman yield for a comment at this point?

Mr. HATFIELD. We have not had the floor until just now. Let me fulfill my commitments to those to whom I have promised to yield, and if we have additional time I am happy to yield to the other side.

Mr. SARBANES. Fine. I wished to commend the chairman on some of his work.

Mr. HATFIELD. I am very happy to yield for that any time.

Mr. SARBANES. I simply wish to commend the chairman for that response to what I perceive to be a manufactured crisis that created this turmoil today. I appreciate the response which the chairman has just given. As I understand it, the chairman and his conferees sought to avoid a crisis with a continuing resolution to begin with. They were, in effect, disappointed on that.

We could have done last night what we are doing now, which would have avoided the crisis. But I do appreciate that it does go back and pick up and that, therefore, reassurances can be given to the employees.

Mr. HATFIELD. I appreciate the remarks by the Senator. I know the Senator represents a great number of such people and is very careful to look after their best interests.

I agreed to yield to the Senator from Washington next.

Mr. GORTON. I thank the Senator from Oregon. I wish to echo briefly the remarks of the distinguished Senator from North Dakota in stating that I, too, voted in favor of the continuing resolution last night not with a desire for the President to veto it, but because I felt it represented a responsible approach and a responsible compromise between the Senate and the House under very, very difficult circumstances.

During the course of a relatively limited debate last night, there seemed to be a general assumption on the floor of the Senate that success in the process of writing a continuing resolution was measured by the degree to which the proposed 12 percent across-the-board cuts in discretionary programs recommended by the administration in September were actually reached. Along with the chairman of the Appropriations Committee, I disagreed with that presumption.

That success, I suppose, was to be related to the necessity or the goal of reaching a balanced budget at some time in the future. But any such success on such a limited basis could have been no more than a mirage, as the contribution to a balanced budget of the difference between what was passed here last night and what the President asked for was so different, as far as I am concerned, as simply to have been de minimis, as well as unfair in singling out for cuts, for the third consecutive time after reconciliation, after what the Appropriations Committee had done, exactly the same programs which have been cut already twice during the course of this year.

In my view, it is still appropriate, it is still necessary, for this Congress to aim at a balanced budget in 1984. I am unwilling to give up that goal. But we will not reach that goal until we are willing to take on courageously the fact that it is necessary not just to look at discretionary appropriations, 10 or 15 percent or less of the overall budget, but to look at the growth in expenditures for national defense and to look especially at the growth and the rate of entitlement spending, perhaps the most difficult problem which will face this Congress but the single area of spending which is the largest. And, also, very bluntly, to look at the necessity for additional revenues coming from some sources other than the personal income tax of last summer.

When that takes place, we will balance the budget, we will control inflation and control interest rates truly. What we are doing here today to clean up after this minor mess of last night is a show but it is not the substance of the changes we need. I commend the chairman of the Appropriations Committee.

Mr. HATFIELD. I thank the Senator from Washington State. I yield to the Senator from Wisconsin for 1 minute.

Mr. KASTEN. I thank the chairman.

The Senator from Washington is correct. I think all of us understand that we have to get revenues and entitlements under control and that we are only whittling down one very small part of the overall budget.

The Senator from North Dakota is correct when he says we are spending at a higher rate. That is why we were successful in getting the December date rather than the February date the House of Representatives would have preferred. But I think it is also important to recognize that the President vetoed this bill not only because we did not reach the goals he sought, but also because of the fake savings that were in the bill. It is important to recognize that account after account was underfunded—these are entitlement accounts—and we would have to pay this money eventually in a supplemental. That is the key. The President said he is not going to stand for this kind of fake accounting.

I think if there is one thing the President has demonstrated it is that he is a man of his word. He is going to keep his commitments. And whether it is with the air traffic controllers or if it is the Libyans attacking our Air Force fighters, or what have you, this is a man who is going to stick to his guns. The amount might be small, but the message to the American people is great.

The PRESIDING OFFICER. The 1 minute yielded to the Senator has expired.

Mr. KASTEN. May I have 30 additional seconds?

Mr. HATFIELD. I yield 30 seconds more.

Mr. KASTEN. Mr. President, the misstatements creating yet more misunderstanding with reference to the U.S. Government's foreign assistance policy continue today.

We in the Senate have worked hard, and I think successfully, to continue the

tradition of a bipartisan approach to foreign policy. That has especially been the case with actions taken by both the Foreign Relations Committee and the Appropriations Committee.

The continuing resolution now before us is a simple extension of the previous stopgap funding mechanism—I emphasize "stopgap." When this resolution was first approved on September 30, it was looked upon simply as a temporary measure until the regular appropriations bills were passed.

With reference to the foreign assistance programs, the language of the resolution, which sets a rate at the lower of the fiscal year 1981 rate or the fiscal year 1982 budget request, provided for a markedly reduced level compared to the previous fiscal year. At the time this presented no concern because it was considered to be, again, a temporary stopgap measure.

Mr. President, the level of funding for foreign assistance in this resolution is approximately $9.6 billion. This compares to a House reported bill of approximately $11.1 billion, a Senate passed bill of approximately $11.6 billion, and a level of spending for fiscal year 1981 of more than $12.2 billion. As these figures show, the Senate passed appropriations for foreign assistance are below last year's funding, not above as is being bandied about from one end of the Capitol to the other. It is especially interesting to note that the House Appropriations Committee's own bill for foreign assistance, as reported by that committee, is $1.5 billion more than the stopgap funding measure.

Mr. President, I hope that the short time this resolution is in effect will allow for a needed cooling of tempers and some soul searching by some who for short-term benefit would jeopardize U.S. foreign interests around the world.

Mr. HATFIELD. I yield 2 minutes to the Senator from Idaho.

Mr. McCLURE. I thank the Senator for yielding.

I take this time only because I am afraid of the misconception that is brought as to the meaning or the intent or what might be read into the way the resolution last night was presented and ultimately voted upon. And I regret that. Maybe my words are going to fall on deaf ears and maybe it is impossible to convince people that the seeming meaning of events do not really mean that.

It has been suggested that there was a scenario intended for a veto; that that was tied to the package all along. But I can tell the Members who are nodding their heads so vigorously now that they are utterly wrong. And I mean that most sincerely.

Having been involved with the attempts in the Appropriations Committee, within the leadership on this side of the aisle and in their conversations with the people from the administration, I can say that well past noon on Sunday the efforts were still going on to avoid a veto. And yet, when we got through last night, by the time we got into the vote, we found out that the people who were voting for the resolution were against it and all those who were against it were voting for it.

Well, that is not quite right, because we had a few that actually cast their vote on the side they felt about that particular resolution. But, if, as a matter of fact, the minority leader is going to tell us today that because we voted for it we must have been in favor of it, then I would assume that everybody on that side of the aisle who voted against it was opposed to it. As a matter of fact, that is not true.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. McCLURE. The circumstances just kind of inverted that and for many of us it was a hard choice. The choice that I had was simply: How in the world do you get to the point of clearing away the wreckage so that you can start in building a consensus on a continuing resolution that we can all support before we adjourn? Believe me, there was no intention that I could devine from anything that I saw in the negotiations that were going on that intended that we come up with a product up here which the President could then veto.

The PRESIDING OFFICER. The 2 minutes yielded to the Senator have expired.

Mr. HATFIELD. I yield 2 minutes to the Senator from Illinois.

Mr. PERCY. Mr. President, I would like to address my remarks to the distinguished minority leader, who has called this activity in the White House a "charade." George Elliott said, "Leave us not inquire into the motivations of man." I feel that the motivations of the President were sincere. He felt deeply about this important issue.

First of all, the conference resolution reflected less than 25 percent of the $8.5 billion reduction request that he made.

The President reached agreement with the Senate when we went 50–50 with him and settled on a $4 billion cut. That was subsequently reduced to less than half of the agreed upon figure.

After all, as Everett Dirksen used to say to us frequently, "A billion here and a billion there and pretty soon you are talking real money." And $2 billion is a signal. If we cannot increase this amount this fiscal year, then we are not going to cut the $75 billion that he has asked for in 1983 and 1984.

Second, I think that it is terribly important that we all recognize that we have decimated the fiscal year 1982 foreign economic and military assistance program. We have truly undercut our ability to carry on our security interests in the Free World, to protect the Persian Gulf and carry on programs that we have committed ourselves to that we have worked on for one solid year, and that we have already ourselves cut this administration request by $900 million.

So I believe the President is not only sincere. As I said last night I voted to send the bill downtown because I felt the President should veto the bill himself. If he is going to bring the Government to a halt, he is the Chief Executive of the executive branch of Government, and he has the responsibility to unwind to this issue as he did with the Cabinet this morning.

I felt he ought to have that responsibility because the Congress had reached an impasse, we had conflicting figures, and this is what the President indicated he wanted to do. He was willing to send this signal—a near shutdown of the Federal Government—to the country. That is how serious he considered the matter and how dramatically he wanted it underscored.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. PERCY. I have no time remaining to yield.

Mr. ROBERT C. BYRD. The Senator referred to me.

Mr. PERCY. I would be happy to yield if I have any time remaining.

The PRESIDING OFFICER. The Senator from Oregon has 2 minutes remaining.

Mr. HATFIELD. I yield 1 minute to the Senator from Alaska.

Mr. STEVENS. Mr. President, I just want to make very plain one item, within the continuing resolution before us and see if the Senator from Oregon agrees with me. I have been made aware that many Federal employees were furloughed and told to either take leave or they would not be paid today. It is my understanding that the Senator said—and I believe it is our intent—that this continuing resolution goes back to the expiration on November 20. Therefore, there is to be no hiatus in the Government or in the payment of salaries to Federal employees. This is in effect a retroactive application of this resolution.

Mr. HATFIELD. The Senator is absolutely correct. That is legislative intent. I would not presume to make a legal ruling, because I am not qualified to do so. But that is the legislative intent.

Mr. President, I yield 30 seconds to the Senator from New York.

Mr. MOYNIHAN. I thank the distinguished chairman.

Mr. President, to set the record straight, I voted against the joint resolution originally last evening, but then, on the impression which the Senator from Idaho has rather confirmed this afternoon that a great many persons voting for it were actually against it, I changed my vote in order to ask that there be a vote on reconsideration. Alas, that was not successful and we are where we are today where we could have been last evening. I thank the Senator.

Mr. HATFIELD. I yield 30 seconds to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I join in commending the Appropriations Committee on its good faith effort, but I share the feelings that have been expressed here that this situation has all the earmarks of a publicity stunt.

My office in Boston has been trying to help an elderly woman who had arranged to obtain a passport on an emergency basis to visit a relative in the Middle East. She drove 50 miles from New Hampshire to Boston to get the passport. But the passport office in Boston was closed this morning.

It was closed here in Washington as well.

Real people are being hurt. I am very hopeful that we are not going to go through this kind of a charade again in mid-December.

The PRESIDING OFFICER. Twenty seconds remain.

Mr. HATFIELD. Mr. President, I just want to point out again that it is absolutely necessary to pass this in order to give us the breathing time, in order to get back to the drawing board. December 15 will keep the continuity of our Government.

Mr. President, I have no time left. Both sides are out of time.

The PRESIDING OFFICER. All time has expired.

Mr. BAKER. Mr. President, could I inquire of the minority leader, is there a requirement for more time on this side? I am prepared to ask for more time.

Mr. ROBERT C. BYRD. Does anyone else wish to speak?

SEVERAL SENATORS. Vote.

Mr. BAKER. Mr. President, I ask unanimous consent that the minority leader be recognized for 2 additional minutes.

The PRESIDING OFFICER. Without objection, the Senator from West Virginia is recognized for 2 additional minutes.

Mr. ROBERT C. BYRD. Mr. President, may I say that the conferees on both sides of the aisle worked hard and in good faith. I would not want anything I have said to be construed as applying to the conferees, and particularly those who led the fight, Senator HATFIELD and others on both sides. I think they fought hard for the resolution. They voted for the continuing resolution last night in good faith. They thought it was a good conference report. I understand there was a lot of consternation and a considerable amount of anger among Republican conferees when they heard that the President was going to veto the conference report after they had worked so diligently, so long, so patiently, and so dedicatedly in behalf of it.

Last night, I indicated I was inclined to support the conference report until I heard an argument on the part of a Senator or so across the aisle who were not conferees, but who said they were going to vote for it because the President was going to veto it.

Mr. PERCY has put his finger on one item when he says that he regrets the conference report last night did not go far enough on foreign assistance. I think that was probably one of the things that the President had against the conference report. I understand he wanted another $1.5 billion for foreign assistance, and was willing to cut the domestic programs in order to get it, although he left that out of his speech this morning.

I thank the distinguished Senator from Illinois (Mr. PERCY) for stating that for the RECORD.

Mr. EAGLETON. The conference report on the first continuing resolution stated:

The conferees wish to stress that the continuing resolution maintains the current levels of participation for the Special Supplemental Food Program, known as "WIC", and the Commodity Supplemental Food Program (CSFP). Any efforts to reduce funding allocations to the States, thereby affecting levels of participation, would be clearly contrary to the provisions of the joint resolution.

It is my understanding that under the new resolution these directives remain in effect. Is that correct?

Mr. HATFIELD. Yes; since we have only changed the operative date of the original resolution, all directives contained in the body of that resolution and in the joint explanatory statement of the committee of conference remain in force for the period of this resolution.

Mr. EAGLETON. There has been some suggestion that the first resolution may have funded the WIC program at only a rate of $720 million a year which would cause massive reductions in caseload. Such an interpretation seems clearly at odds with both the requirements of the resolution that current participation levels be maintained and with the provisions of H.R. 4119 as passed by the House, which provided funds to maintain the September 1980 participation levels for WIC. Is it correct that the resolution we are considering here today provides funds for the WIC program at a rate necessary to maintain the current food packages for the participation levels in effect at the end of fiscal year 1981, the September participation levels, rather than at the sharply reduced rate of $720 million?

Mr. HATFIELD. It is my understanding that the first resolution, Public Law 97–51, funded the activities of the Department of Agriculture under the levels provided in H.R. 4119, as passed by the House, or at the current rate, whichever was less. The House-passed version of H.R. 4119 provided $1,069,000,000 for these programs which was more than what was necessary to maintain the September caseloads. It is clear that Public Law 97–51 required maintenance of the September 1981 participation levels for these programs.

Mr. EAGLETON. Is it correct that any action to delay allocations to States of WIC or CSFP funds that causes States to shut their programs down or cut their caseloads would be contrary to the resolution and to the requirement that participation levels be maintained?

Mr. HATFIELD. Yes, that is correct.

Mr. HAYAKAWA. Mr. President, the resolution which the House of Representatives has passed, and sent to this body for action, continues the functions of Government on a temporary basis presumably until Congress can submit to the President a long term resolution that is acceptable to him. We all know what the criteria are for such a resolution; all we need to do is agree that it must be done. The current legislation will allow the Congress to take a deep breath and begin again, with the knowledge that our President is serious about the economic program we have embarked upon.

That is not to say that I support this kind of legislating. I voted in favor of the conference report to House Joint Resolution 357, not because I thought it was an acceptable product, but because I wanted the President to send the clearest message possible to the House of Representatives and the appropriations conferees that any funding measure which violated the economic recovery program requirements would not be tolerated. He sent that message when he vetoed the resolution.

I will vote for the resolution currently before us because the Government must continue, but we must come to grips with the longer term problem of reducing spending. I hope that this short term resolution will give all parties involved a time to reassess the situation and present both the Congress and the President with a responsible measure.

Mr. HATFIELD. Mr. President, I ask unanimous consent that there be printed in the RECORD at this point a table illustrating the funding levels provided under House Joint Resolution 368, which is the extension of the existing continuing resolution; those provided under House Joint Resolution 357, the continuing resolution passed by the Senate Friday morning; and those provided in the conference agreement on House Joint Resolution 357, which was vetoed by the President early this morning.

In asking that this table be printed I am not seeking to prolong the debate on outlay estimates. That issue will need to be resolved, and I have every expectation it will be, but at this time my only interest is to inform Members as to the various differences in budget authority available under the continuing resolution which we are today extending to December 15.

Another point that has been raised in the discussion does need further elaboration. It has been stated several times that the level of $428.4 billion in budget authority provided in the Senate-passed version of House Joint Resolution 357 was a level acceptable to the President, and an amount in excess of that level would not be signed.

I want to stress, Mr. President, that the level of $428.4 billion is a target only for House Joint Resolution 357, and should not be construed as a ceiling on spending for the entire fiscal year under regular appropriations bills. Our only ceiling at this time is our allocation under the first concurrent budget resolution, which is $464 billion. So I hope that Members will not be under the misapprehension that individual appropriations bills for fiscal year 1982 will have to meet the levels specified in this table, individually or in total.

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

	Public Law 97–51	Senate-passed H.J. Res. 357	Conference agreement H.J. Res. 357
Agriculture	$21, 599, 839, 000	$22, 709, 991, 000	$22, 665, 171, 000
Commerce	8, 148, 071, 000	8, 519, 831, 000	8, 564, 373, 000
Defense	171, 654, 869, 000	196, 712, 002, 000	196, 712, 002, 000
District of Columbia	490, 737, 600	557, 170, 000	546, 027, 000
Energy and Water	11, 648, 017, 000	12, 463, 930, 000	12, 222, 585, 000
Foreign operations	9, 575, 404, 871	11, 430, 624, 000	10, 075, 405, 000
HUD	60, 698, 970, 200	59, 908, 953, 000	60, 313, 060, 000
Interior	7, 492, 450, 000	7, 257, 976, 000	7, 392, 500, 000
L-HHS	83, 917, 472, 000	82, 470, 479, 000	83, 196, 742, 000
Military Construction	5, 331, 142, 000	6, 746, 792, 000	6, 216, 316, 000
Transportation	10, 327, 506, 439	10, 348, 437, 000	10, 407, 138, 000
Treasury	9, 735, 903, 000	9, 339, 134, 000	9, 624, 191, 000
Total	400, 611, 382, 110	428, 465, 319, 000	427, 875, 510, 000

Mr. MITCHELL. Mr. President, this morning, I sent word to the White House of a replacement nomination for a Maine delegate to the upcoming White House Conference on Aging. I was told that the White House office which handles these nominations could not do it because "no one is there."

I understand the President's desire to dramatize his budget priorities. But this is taking the Washington Monument ploy to new heights.

The Washington Monument ploy is the well-known executive branch game where a threat is made to shut down the venerable monument if a nickel is taken from the Park Service budget. The Congress has come to recognize and discount symptoms of this phony exercise over the past several years. I had hoped we might have moved beyond the need to play such irresponsible games.

But instead we are now faced with an allegedly unstaffed White House because Congress has failed to take $1.3 billion from domestic programs and put it into foreign aid, or because Congress has spent $400 million too much, or because Congress has spent $1.3 billion too much, or because some other figure is not to the President's personal liking. The figures are in dispute; their allocation is in dispute, and it seems that the White House cannot stick to one preference long enough for anyone to work out exactly what Congress should do to avoid a veto.

What is all this designed to prove?

Does it have anything whatever to do with economic problems or program needs or fiscal planning?

What will a $400 million or even a $1 billion cut now do to the $80 billion deficit we will have next September?

The President's veto of the continuing resolution needed to keep the Government operating has taken the budget question out of the realm of political debate and economic debate and straight into the sphere of political theater.

The latest act in this play has the entire nondefense Federal work force being furloughed because of a money difference that is less than one-half of 1 percent of the entire spending resolution.

The lost man-hours and wasted time in this manufactured crisis may well cost as much in the long term as these disputed savings numbers.

From an administration whose latest figures give us a deficit of $80 billion this year and well over $100 billion in the following years, this farcical public concern about big spending is difficult to take seriously.

The President has been on national television announcing that this resolution will cause economic disaster unless it is stopped. That is political melodrama of the least defensible kind.

What the President did not mention on national television was that he has been demanding that $1 billion more be cut from domestic programs, not to save money, but to give foreign aid. This is not just a matter of spending levels, whatever the disputed figure may finally be. It is a matter of spending priorities: The President's priorities demand $1 billion more for foreign aid. Congress disagrees.

If the President really believes foreign aid should be increased by $1 billion, let him say so directly. Let us debate it. That is the way policies and priorities are set in democratic societies. If he believes that domestic programs can be cut further, let him say where, precisely, those cuts should be made. The Nation is used to hearing pleasant-sounding generalities from the White House. It is used to hearing generalized scorn thrown at the last 35 years of economic policy. It is becoming adjusted to generalized predictions of economic disaster unless further spending cuts are made.

It is time for more detail and less theater from the White House. It is time the President explained why he thinks the last 35 years, which saw working people's incomes and living standards rise dramatically, are such a disaster that they demand a governmental counterrevolution. It is time he made clear just how a $3 trillion national economy will be affected if $1.3 billion is spent on domestic program rather than on foreign aid.

The simple fact of the matter is that this entire exercise in all-night congressional sessions, dramatic televised veto threats, and hurried emergency Cabinet sessions has been caused by nothing more than a desire to score some political points and deflect critical examination of what is actually happening to our economy.

On Sunday evening, the Republican leadership brought to the Senate a conference report which it endorsed—and which was put together with the help of Mr. Stockman and other White House aides—and denounced it as being too costly and deserving of a veto. So the vast majority of Republican Senators proceeded to vote for this too-costly bill, just as the President could veto it. What is that but pure and total political fraud?

I understand the exercise was based on a desire to let the President demonstrate his political strength by vetoing the bill and having his veto upheld. I have nothing against the President displaying his political strength anyway he sees fit. But to place Government in turmoil, to waste money on a fake close-down exercise, and to needlessly upset the families of Federal workers whose job status is thrown into doubt is to ask the entire country to pay for the political muscle flexing.

The sad fact is that no amount of muscle flexing will alter the reality. And reality has caught up with the unrealistic economic projections of the Reagan economic plan. Reality has brought us high interest rates, the worst housing situation since the Second World War, potential disaster to our auto industry, and the highest rate of small business bankruptcies in a decade. The reality is that inflation cannot be subdued without economic pain. And the further reality is that the Reagan economic plan makes the working people and the small enterprises of this country carry that pain.

It does not surprise me that the President wants to avoid any share of the responsibility for this outcome. What is surprising is that the Republican leadership of the Senate has so supinely gone along with this desire.

We could, far more sensibly, have simply extended the present continuing resolution further, without these theatrical displays, and avoided the entire scenario where Government work time is lost and confusion ensues for people in State and local governments and individuals who use Government programs. That would have been the sensible and right thing to do. We could have taken that action on Sunday night, and all of today's theatrics would have been unnecessary.

Instead, we have a situation in which the Congress will be attacked for failing to meet a constantly changing White House spending figure. The President will attack the Congress for failing to cut spending by a sum he has agreed not to request. He will attack Congress for not holding the line, while behind the scenes he argues for $1 billion more for foreign aid. He will blame Congress for high interest rates, rising unemployment, and economic recession. And he will dislocate the entire Federal Government in order to play out this charade.

We know we will enact a spending bill to keep Government operating. The President knows it too. And I would judge that most Americans know it as well.

So what does this exercise gain?

Apart from short-term political points, not much. What damage it does is another thing entirely.

A democratic society demands cooperation, compromise, consensus, and care in its governance. When comity between the branches of Government breaks down, when political rhetoric takes precedence over governance, the trust and confidence that people have in Government is eroded. It matters not if the short-term blame is placed on one or another political party or one or another Government institution. What matters is that the overall public trust is breached a little more, civil debate is lessened, and respect for Government is eroded. And that damage affects all of us, sooner or later, regardless of our political party, our philosophic preferences, or our economic projections.

It is regrettable that the President felt he could appeal to Americans in no other way than to engage in a manufactured crisis.

Mr. BAKER. Vote!

The PRESIDING OFFICER. The joint resolution is before the Senate and open to amendment. If there be no amendment to be proposed, the question is on the third reading of the joint resolution.

The joint resolution (H.J. Res. 368) was ordered to a third reading and was read the third time.

The PRESIDING OFFICER. The joint resolution having been read the third time, the question is, "Shall the joint resolution pass?"

Mr. BAKER. Mr. President, I ask for the yeas and nays on passage.

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

The joint resolution having been read the third time, the question is, "Shall the joint resolution pass?" The yeas and nays have been ordered and the clerk will call the roll.

Mr. BAKER. There will be no more rollcall votes tonight, Mr. President.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Minnesota (Mr. DURENBERGER), the Senator from Arizona (Mr.

GOLDWATER) and the Senator from Texas (Mr. TOWER) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. DURENBERGER) would vote "yea."

Mr. CRANSTON. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Delaware (Mr. BIDEN), the Senator from Oklahoma (Mr. BOREN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Florida (Mr. CHILES), the Senator from Arizona (Mr. DECONCINI) and the Senator from Montana (Mr. MELCHER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. LEAHY) is absent because of illness.

I further announce that, if present and voting, the Senator from Oklahoma (Mr. BOREN) and the Senator from Montana (Mr. MELCHER) would each vote "yea."

The PRESIDING OFFICER (Mr. MATTINGLY). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 88, nays 1, as follows:

[Rollcall Vote No. 426 Leg.]

YEAS—88

Abdnor	Hart	Nickles
Andrews	Hatch	Nunn
Armstrong	Hatfield	Packwood
Baker	Hawkins	Pell
Baucus	Hayakawa	Percy
Boschwitz	Heflin	Pressler
Bradley	Heinz	Proxmire
Burdick	Helms	Pryor
Byrd, Harry F., Jr.	Hollings	Quayle
	Huddleston	Randolph
Byrd, Robert C.	Humphrey	Riegle
Cannon	Inouye	Roth
Chafee	Jackson	Rudman
Cochran	Jepsen	Sarbanes
Cohen	Johnston	Sasser
D'Amato	Kassebaum	Schmitt
Danforth	Kasten	Simpson
Denton	Kennedy	Specter
Dixon	Laxalt	Stafford
Dodd	Levin	Stennis
Dole	Long	Stevens
Domenici	Lugar	Symms
Eagleton	Mathias	Thurmond
East	Matsunaga	Tsongas
Exon	Mattingly	Wallop
Ford	McClure	Warner
Garn	Metzenbaum	Weicker
Glenn	Mitchell	Williams
Gorton	Moynihan	Zorinsky
Grassley	Murkowski	

NAYS—1

Cranston

NOT VOTING—11

Bentsen	Chiles	Leahy
Biden	DeConcini	Melcher
Boren	Durenberger	Tower
Bumpers	Goldwater	

The joint resolution (H.J. Res. 368) was passed.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the joint resolution passed.

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

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I want to take this opportunity to once again thank and commend the distinguished chairman of the Appropriations Committee, Senator HATFIELD, for the tireless and professional resolve which he exhibited throughout the last long, long week.

Senator HATFIELD has been a fixture of determination and intellectual insight; the Senate Appropriations Committee reported and managed a bill that was acceptable to the President. Unfortunately the conference report did not reflect the exact terms of the bill. It was not the fault of the Senate conferees; in order to get the agreement the Senate conferees had to give up more than the President was willing to accept.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend past 5:45 p.m., in which Senators may speak.

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

Mr. MOYNIHAN. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

ADJOURNMENT OF THE TWO HOUSES OVER THE THANKSGIVING HOLIDAY—HOUSE CONCURRENT RESOLUTION 228

Mr. BAKER. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on House Concurrent Resolution 228.

The PRESIDING OFFICER. The Chair lays before the Senate House Concurrent Resolution 228, which will be stated.

The legislative clerk read as follows:

H. CON. RES. 228

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Monday, November 23, 1981, and that when the Senate adjourns on Tuesday, November 24, 1981, or on Wednesday, November 25, 1981, pursuant to a motion made by the Majority Leader in accordance with this resolution, they stand adjourned until 12 o'clock meridian on Monday, November 30, 1981.

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

The concurrent resolution (H. Con. Res. 228) was agreed to.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the concurrent 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.

Mr. BAKER. Mr. President, as I announced a moment ago, there will be no more record votes today.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess untill 11 a.m. tomorrow.

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

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I do not anticipate record votes tomorrow.

There will be a further announcement later this afternoon on other items of business that we may be able to transact today or tomorrow, but at this moment, that is all I have.

The PRESIDING OFFICER. Is there further morning business?

NATIONAL ADOPTION WEEK

Mr. DENTON. Mr. President, I am particularly pleased to call the Senate's attention to the fact that this week is National Adoption Week.

Adoption of the homeless young is an ancient custom. Yet, even in this compassionate Republic, which by international judgment has made at least a reasonable effort to deserve the title, "One Nation Under God," we have permitted obstacles undermining the custom of adoption. With millions of homeless or grossly neglected, unloved children, there were only 150,000 adoptions last year in the United States.

The majority of children adopted are healthy infants—white infants. This narrow classification of adoptees should be broadened, but even couples seeking to adopt in this classification have experienced long, frustrating delays and difficulties because many of those who traditionally placed their offspring for adoption are no longer choosing that option.

According to the latest calculations, no more than 4 percent of unmarried teenagers who give birth are choosing an adoption plan for their babies. Some estimate that there has been over a 50-percent decline in the number of these adoptions between 1970 and 1980. Moreover, the legalization of abortion has dramatically decreased the number of adolescents who give birth to the babies they have conceived. In 1979, nearly twice as many babies were destroyed in the womb as were carried to term by teenagers.

Unfortunately, many young pregnant girls do not know the positive aspects of adoption for a child. Many do not know that their babies can have an intact and loving family that can often provide a more secure and brighter future. Legislation I introduced and which has been signed into law—the Adolescent Family Life Act—seeks to reverse this regrettable trend in which our youth become parents before they become adults.

The program funded by the act will encourage voluntary adoption with discreteness and confidentialy afforded to the girls and their families who have been faced with an unintended or unplanned pregnancy as a constructive means of creating new families.

There is another group of children who are in need of the benefits of adoption into the security of a permanent home. This group is comprised of so-called "special needs" children—those who are older, or who are handicapped, or who are from minority groups. For these special children, there are few prospective adoptive families and large numbers of waiting children, including more than half of those currently estimated to be in the foster care system.

The Subcommittee on Aging, Family, and Human Services, which I chair, conducted a hearing earlier this year on adoption practices. The hearings was an effort to identify means of facilitating

the adoption process for both infant and special needs children by providing incentives and removing disincentives.

Among others at that hearing, we were privileged to hear from Father George Clements, of the Holy Angels Church in Chicago, Ill. Father Clements initiated a campaign entitled, "One Church—One Child," in an attempt to increase the number of potential black parents who would be interested in special needs adoption. He believes that one of the largest barriers to minority adoptions has been the attitude of government that such adoptions are the responsibility of government rather than that of minority communities.

Over 150 parishioners attended his meeting where slides were shown of 21 black children who needed adoptive parents. At the end of the meeting, 17 families made known their intentions to adopt, and 3 of these families eventually did adopt black children. Of the 21 children featured that evening, 11 have since been placed for adoption.

Father Clements is telling it like it is, and black people are proving that they will respond to the beauty of truth. Our Government should stimulate this kind of voluntarism.

Another area in which government can provide leadership for compassionate individual initiative is the granting of preference for immigration to children illegtimately fathered overseas by Americans. Presently, that area is a travesty and its improvement is the subject of a bill, S. 1698, which I have introduced jointly with Senators LEVIN, LAXALT, HAYAKAWA, and DECONCINI. The bill amends the Immigration and Nationality Act to provide preferential treatment to children of U.S. Armed Forces personnel in Asia.

This Amerasian children's bill could foster adoptions in the United States, and as we refine it at the committee level, I would encourage my colleagues to contribute to its improvement. The problem is real and this Nation has a responsibility to find ways to bring these children home.

I know that every Senator joins me today in congratulating the many fine organizations that work so hard to appropriately place adoptable children into loving families. I am certain that this Congress will continue in its bipartisan efforts to insure good adoption practices in the United States.

During this Thanksgiving season, so many of us across this country look forward to giving thanks for our great blessings and spending time with our families and loved ones. At this especially propitious moment, I urge my esteemed colleagues to be mindful of the positive, family-building and loving option that adoption is: Providing children with the advantages and joys of family life. I urge them to act in pursuance of that concept.

UNION STATION COMPLETION ACT OF 1981

Mr. BENTSEN. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. 1192.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1192) to amend the National Visitor Center Facilities Act of 1968 to provide for the rehabilitation and completion of Union Station in Washington, District of Columbia, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Environment and Public Works with amendments, as follows:

On page 2, line 1, strike "Completion", and insert "Redevelopment";

On page 3, line 4, after "in", insert "the";

On page 3, line 5, after "Station", insert "complex";

On page 3, line 6, strike "and"

On page 3, after line 6, insert the following:

(6) the Union Station complex and its vicinity present an opportunity for successful commercial development integrated with the transportation functions of the facility; and

On page 3, line 11, strike "(6)", and insert "(7)";

On page 3, line 12, strike "restored", and insert "improved";

On page 3, line 16, strike "Section 101", and insert "Title I";

On page 3, strike line 19, through and including page 14, line 15, and insert the following:

(1) by striking "National Visitor Center" in the caption of title I and inserting in lieu thereof "Union Station";

(2) by inserting a new caption "Subtitle A—National Visitor Center" immediately after the new title I caption; and

(3) by adding at the end of title I the following new subtitle:

"Subtitle B—Union Station Redevelopment

"SEC. 111. (a) Upon the request of the Secretary of Transportation, the Secretary shall assign to the Secretary of Transportation all of the Secretary's right, title, and interest in the Union Station complex, including all agreements and leases entered into under subtitle A of this title. Such assignment may reserve to the Secretary the right to lease space for visitor services, to the extent the Secretary and the Secretary of Transportation may agree. For purposes of this title, the "Union Station complex" shall include all the real property, air rights, and improvements leased by the Secretary under subtitle A of this title, together with any property acquired and all improvements made in accordance with this subtitle.

"(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary shall, not later than twelve months after the date of enactment of this subsection, complete the installation of new roofs and associated drainage systems on all existing roof surfaces of the historic Union Station building. Of funds appropriated to the Secretary under the construction appropriation for the National Park System for the fiscal year ending September 30, 1982, not less than $8,100,000 shall be available to and allocated by the Secretary for such roof work. In the event the assignment provided for in subsection (a) of this section occurs prior to completion of such roof work, the Secretary shall continue to be responsible for such roof work until its completion, except as the Secretary and the Secretary of Transportation may otherwise agree.

"(c) Prior to the assignment provided for in subsection (a) of this section, the Secretary shall permit the Secretary of Transportation to carry out or cause to be carried out the activities authorized by this subtitle or by title VII of the Railroad Revitalization and Regualtory Reform Act of 1976 (45 U.S.C. 851 et seq.).

"(d) After both the assignment provided for in subsection (a) of this section and the completion of the roof installation required by subsection (b) of this section, the Secretary shall be relieved of the authority and obligation under subtitle A of this title to construct and operate a National Visitor Center at Union Station. The provisions of subtitle A of this title shall thereafter be deemed superseded by any contrary or inconsistent provisions of subtitle B of this title.

"SEC. 112. The Secretary of Transportation shall provide for the rehabilitation and redevelopment of the Union Station complex primarily as a multiple-use transportation terminal serving the Nation's Capital, and secondarily as a commercial complex, in accordance with the following goals:

"(a) Preservation of the exterior facade and other historically and architecturally significant features of the Union Station building;

"(b) Restoration and operation of a portion of the historic Union Station building as a rail passenger station, together with holding facilities for charter, transit, and intercity buses in the Union Station complex;

"(c) Commercial development of the Union Station complex that will, to the extent possible, financially support the continued operation and maintenance of such complex; and

"(d) Withdrawal by the Federal Government from any active role in the operation and management of the Union Station complex as soon as practical and at the least possible Federal expense consistent with the goals set forth in subsections (a) through (c) of this section.

"SEC. 113. (a) There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to meet lease and other obligations, including maintenance requirements, incurred by the Secretary and assigned to the Secretary of Transportation under this subtitle. The Secretary shall transfer to the Secretary of Transportation at the time of such assignment such sums as may have been appropriated to the Secretary to meet such obligations and not yet expended as of the date of such assignment.

"(b) Notwithstanding the provisions of section 102(a)(5) of this title, the Secretary of Transportation is authorized to purchase for the United States any property that was leased by the Secretary under subtitle A of this title and assigned to the Secretary of Transportation under this subtitle. The purchase agreement for such property may provide for payment by the Secretary of Transportation over a term not to exceed six years. There are authorized to be appropriated to the Secretary of Transportation, in addition to the sum authorized by subsection (a) of this section, not to exceed $275,000 per year for not to exceed six years to carry out such purchase. Such purchase shall not be subject to the provisions of title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4651 et seq.).

"SEC. 114. (a) The Secretary of Transportation shall, on an emergency basis, carry out an engineering survey of all existing structures at the Union Station complex for the following purposes:

"(1) to determine those actions necessary or desirable to preserve the long-term structural integrity of, and provide functional utility systems for, the historic Union Station building;

"(2) in cooperation with Amtrak, to determine those actions necessary or desirable to restore rail passenger handling functions to

the historic Union Station building and otherwise improve rail passenger service facilities at Union Station, including improved passenger access to the trains; and

"(3) to prepare detailed estimates of the costs of such rehabilitation and improvement.

"(b) Concurrently with the engineering survey required by subsection (a) of this section, the Secretary of Transportation shall carry out a planning and market feasibility study to assess the commercial development potential of the Union Station complex. Such study shall also include, but not be limited to, an assessment of the feasibility and desirability of:

"(1) providing passenger transportation services from Union Station to the commercial airports in the area;

"(2) constructing a heliport at or near the Union Station complex; and

"(3) relocating to office space in Union Station the offices of Federal or other public transportation agencies.

"(c) The Secretary of Transportation shall complete the engineering survey required by this section not later than six months after the date of enactment of this section, and shall complete the planning and market feasibility study required by this section not later than twelve months after the date of enactment of this section.

"(d) Of amounts appropriated under section 704(a) (1) and (2) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a) (1) and (2)), $1,000,000 shall be available to and be utilized by the Secretary of Transportation to carry out the purposes of subsections (a) and (b) of this section.

"(e) Within twelve months following the date of enactment of this section, the Secretary of Transportation shall submit a report to the Congress on the results of the engineering survey and planning and market feasibility studies carried out under this section. Such report shall include a specific commitment of Federal funds for completion of the rehabilitation of the historic Union Station building, together with any necessary request for appropriations, in the amount determined by the Secretary of Transportation to be necessary in light of the survey and studies carried out under this section, from either or both of the following sources:

"(1) funds authorized to be appropriated and not yet appropriated under section 704 (a) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a)) that are in excess of the amounts set out in the last sentence of such section 704(a); and

"(2) funds programed or reprogramed from any other appropriation available to the Secretary of Transportation.

"SEC. 115. (a) In order to achieve the goals set out in section 112 of this subtitle, the Secretary of Transportation is authorized to select and subsequently enter into one or more agreements (hereafter in this Act referred to as 'development agreements') with one or more responsible individuals, corporations, or other private entities with demonstrated experience in the financing, undertaking, and managing of commercial real estate development (hereafter in this Act referred to as 'developers').

"(b) The Secretary of Transportation shall prescribe the procedures and criteria for selection of a developer for the Union Station complex: *Provided*, That no final developer selection shall be made unless and until at least two developers meeting minimum criteria prescribed by the Secretary of Transportation have submitted to the Secretary of Transportation specific design and financing proposals for the rehabilitation and redevelopment of the Union Station complex, and specific proposals for the acquisition, conveyance, or lease of real property. The Secretary of Transportation is directed to initiate discussions with potential developers as soon as possible following enactment of this section to assure the earliest possible selection of a developer or developers.

"(c) Development agreements entered into under this section shall be considered cooperative agreements for purposes of the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.). With respect to such development agreements, the Secretary of Transportation is authorized to modify or waive the application of regulations otherwise applicable to Federal or Department of Transportation financial assistance agreements, to the extent the Secretary of Transportation determines in his discretion to be necessary to accomplish the purposes of this subtitle at the lowest cost to the Federal Government.

"(d) The Secretary of Transportation is further authorized to enter into such other agreements and contracts, except any agreement or contract to sell property rights at the Union Station complex, with such persons, corporations, financial institutions, Federal, regional, or local agencies, or the Architect of the Capitol as the Secretary of Transportation deems necessary or desirable to carry out the purposes of this subtitle. Any such agreement may be made assignable to a selected developer or developers of the Union Station complex.

"SEC. 116. (a)(1) The Secretary of Transportation is authorized to acquire for the United States, by lease, purchase, or otherwise, any interest in real property (including, without limitation, interests in the nature of easements or reservations) and any other property interest (including, without limitation, contract rights) in or relating or adjacent to the Union Station complex that the Secretary of Transportation deems necessary to carry out the purposes of this subtitle.

"(2) If the Secretary of Transportation determines that property under the jurisdiction of the Architect of the Capitol in squares 721 and 722 eastward of the historic Union Station building is necessary to carry out the purposes of this subtitle, the Secretary of Transportation may request assignment of such property to the use of the Secretary of Transportation, as a part of the Union Station complex, and subject to the provisions of this subtitle, and the Architect of the Capitol shall so assign such property.

"(b) Notwithstanding any other provision of law, the Secretary of Transportation is authorized to maintain, use, operate, manage, and lease, either directly, by contract, or through development agreements, any property interest held or acquired by the Secretary of Transportation for the United States under this subtitle, in such manner and subject to such terms, conditions, covenants, and easements as the Secretary of Transportation deems necessary or desirable to carry out the purposes of this subtitle.

"SEC. 117. (a) The Secretary of Transportation is authorized to use income and proceeds received from activities authorized by this subtitle, including, without limitation, operating and leasing income and payments made to the Federal Government under development agreements, to pay expenses incurred by the Secretary of Transportation in carrying out the purposes of this subtitle, including, without limitation, construction, acquisition, leasing, operation, and maintenance expenses, and payments made to developers under development agreements.

"(b) A special deposit account is hereby established in the Treasury of the United States, to be known as the Union Station Fund, which shall be administered as a revolving fund. Such special deposit account shall be credited with receipts of the Secretary of Transportation from activities authorized by this subtitle and the balance in such special deposit account shall be available in such amounts as are specified in annual appropriation Acts for making expenditures authorized by this subtitle.

"SEC. 118. (a) Notwithstanding any other provision of title 23, United States Code, and other Acts pertaining to Federal-Aid Highways, the Secretary of Transportation shall immediately approve the completion of the parking facility, and associated ramps (including any necessary pedestrian access and walkways, escalators, elevators, moving sidewalk access, and connections) at Union Station, to be financed with interstate highway funds apportioned to the District of Columbia. To the extent necessary to complete such project, such apportionment shall not be subject to any obligation limitation enacted for the fiscal year ending September 30, 1982, or the fiscal year ending September 30, 1983. The amount of such apportionment necessary to complete such project, not to exceed $40,000,000, shall remain available to the District of Columbia until expended, without regard to the provisions of section 118(b) of title 23, United States Code. The Federal share shall be 100 per centum of the total cost of such project.

"(b) Within sixty days of the enactment of this section, the Secretary of Transportation shall enter into an agreement with the District of Columbia's Department of Transportation for the Secretary of Transportation's administration of the project described in subsection (a) of this section. Such project agreement shall provide that all right, title, and interest in such parking facility shall remain in the United States. The rate of fees charged for use of the parking facility may exceed the rate required for maintenance and operation of the facility, and shall be established in a manner that encourages its use by rail passengers and participants in activities in the Union Station complex and area.

"SEC. 119. (a) The Secretary of Transportation is authorized, on such terms and conditions as he may prescribe, to release the Washington Terminal Company from any or all of its obligations under agreements and leases entered into under subtitle A of this title, including, without limitation, the obligation to construct a new railroad passenger station as provided in section 102(a)(4) of this title.

"(b) The Secretary of Transportation shall waive such statutory or contractual restrictions on the use of the parking structure and associated ramps described in section 118 of this subtitle as would otherwise be required or imposed because funds for such construction were or are provided under the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.).

"(c) The Secretary of Transportation is authorized to use funds appropriated under section 704(a)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a)(2)) to carry out the purposes of this subtitle without regard to the matching funds requirement of section 703 (1)(B) of such Act (45 U.S.C. 853(1)(B)). Funds appropriated under section 704(a) of such Act may not be used for design, construction, or operation of a heliport at or near Union Station.

"(d) The Architect of the Capitol is authorized to enter into agreements with the Secretary of Transportation or his designee or assign to furnish steam or chilled water or both from the Capitol Power Plant to the Union Station complex, at no expense to the legislative branch.".

SEC. 4. (a) The Act approved November 5, 1966 (Public Law 89-759) and section 108 of the National Visitor Facilities Act of 1968 (Public Law 90-264) are repealed.

(b) Section 102(b) of the National Visitor Center Facilities Act of 1968 (40 U.S.C. 802

(b)) is amended by striking the word "title" and inserting in lieu thereof the word "subtitle".

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 "Union Station Redevelopment Act of 1981".

SEC. 2. The Congress finds and declares that—

(1) Union Station in Washington, District of Columbia, commissioned by Congress in 1903, designed by Daniel H. Burnham in monumental Beaux Arts style, and completed by the Washington Terminal Company in 1907, is an important historic and architectural landmark of the Nation's Capital;

(2) Union Station was built and used exclusively as a rail passenger station until Congress decided to make the historic Union Station building a National Visitor Center in 1963, allocating rail passenger operations to a replacement facility behind the historic building;

(3) the use of rail passenger service to and from Washington, District of Columbia, declining when the National Visitor Center Facilities Act of 1968 was enacted, has dramatically increased since that time with the advent of and substantial Federal investment in the National Railroad Passenger Corporation and the northeast corridor improvement project, justifying a reversal of the policy adopted 13 years ago;

(4) the historic Union Station building is now unsafe and unusable, and the replacement railroad station is inconvenient and inadequate for present and projected rail ridership demand;

(5) it is in the national interest to preserve the architectural features of Union Station and to provide in the Union Station complex a sound and fully operational transportation terminal;

(6) the Union Station complex and its vicinity present an opportunity for successful commercial development integrated with the transportation functions of the facility; and

(7) the purposes of this Act are to achieve the goals of historic preservation and improved rail use of Union Station with maximum reliance on the private sector and minimum requirement for Federal assistance.

SEC. 3. Title I of the National Visitor Center Facilities Act of 1968 (40 U.S.C. 801 et seq.) is amended—

(1) by striking "National Visitor Center" in the caption of title I and inserting in lieu thereof "Union Station";

(2) by inserting a new caption "Subtitle A—National Visitor Center" immediately after the new title I caption; and

(3) by adding at the end of title I the following new subtitle:

"Subtitle B—Union Station Redevelopment

"SEC. 111. (a) Upon the request of the Secretary of Transportation, the Secretary shall assign to the Secretary of Transportation all of the Secretary's right, title, and interest in the Union Station complex, including all agreements and leases entered into under subtitle A of this title. Such assignment may reserve to the Secretary the right to lease space for visitor services, to the extent the Secretary and the Secretary of Transportation may agree. For purposes of this title, the 'Union Station complex' shall include all the real property, air rights, and improvements leased by the Secretary under subtitle A of this title, together with any property acquired and all improvements made in accordance with this subtitle.

"(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary shall, not later than twelve months after the date of enactment of this subsection, complete the installation of new roofs and associated drainage systems on all existing roof surfaces of the historic Union Station building. Of funds appropriated to the Secretary under the construction appropriation for the National Park System for the fiscal year ending September 30, 1982, not less than $8,100,000 shall be available to and allocated by the Secretary for such roof work. In the event the assignment provided for in subsection (a) of this section occurs prior to completion of such roof work, the Secretary shall continue to be responsible for such roof work until its completion, except as the Secretary and the Secretary of Transportation may otherwise agree.

"(c) Prior to the assignment provided for in subsection (a) of this section, the Secretary shall permit the Secretary of Transportation to carry out or cause to be carried out the activities authorized by this subtitle or by title VII of the Railroad Revitalization and Regulatory Reform Act of 1976 (46 U.S.C 851 et seq.)

"(d) After both the assignment provided for in subsection (a) of this section and the completion of the roof installation required by subsection (b) of this section, the Secretary shall be relieved of the authority and obligation under subtitle A of this title to construct and operate a National Visitor Center at Union Station. The provisions of subtitle A of this title shall thereafter be deemed superseded by any contrary or inconsistent provisions of subtitle B of this title.

"SEC. 112. The Secretary of Transportation shall provide for the rehabilitation and redevelopment of the Union Station complex primarily as a multiple-use transportation terminal serving the Nation's Capital, and secondarily as a commercial complex, in accordance with the following goals:

"(a) Preservation of the exterior facade and other historically and architecturally significant features of the Union Station building;

"(b) Restoration and operation of a portion of the historic Union Station building as a rail passenger station, together with holding facilities for charter, transit, and intercity buses in the Union Station complex;

"(c) Commercial development of the Union Station complex that will, to the extent possible, financially support the continued operation and maintenance of such complex; and

"(d) Withdrawal by the Federal Government from any active role in the operation and management of the Union Station complex as soon as practical and at the least possible Federal expense consistent with the goals set forth in subsections (a) through (c) of this section.

"SEC. 113. (a) There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to meet lease and other obligations, including maintenance requirements, incurred by the Secretary and assigned to the Secretary of Transportation under this subtitle. The Secretary shall transfer to the Secretary of Transportation at the time of such assignment such sums as may have been appropriated to the Secretary to meet such obligations and not yet expended as of the date of such assignment.

"(b) Notwithstanding the provisions of section 102(a)(5) of this title, the Secretary of Transportation is authorized to purchase for the United States any property that was leased by the Secretary under subtitle A of this title and assigned to the Secretary of Transportation under this subtitle. The purchase agreement for such property may provide for payment by the Secretary of Transportation over a term not to exceed six years. There are authorized to be appropriated to the Secretary of Transportation, in addition to the sums authorized by subsection (a) of this section, not to exceed $275,000 per year for not to exceed six years to carry out such purchase. Such purchase shall not be subject to the provisions of title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4651 et seq.).

"SEC. 114. (a) The Secretary of Transportation shall, on an emergency basis, carry out an engineering survey of all existing structures at the Union Station complex for the following purposes:

"(1) to determine those actions necessary or desirable to preserve the long-term structural integrity of, and provide functional utility systems for, the historic Union Station building.

"(2) in cooperation with Amtrak, to determine those actions necessary or desirable to restore rail passenger handling functions to the historic Union Station building and otherwise improve rail passenger service facilities at Union Station, including improved passenger access to the trains; and

"(3) to prepare detailed estimates of the costs of such rehabilitation and improvement.

"(b) Concurrently with the engineering survey required by subsection (a) of this section, the Secretary of Transportation shall carry out a planning and market feasibility study to assess the commercial development potential of the Union Station complex. Such study shall also include, but not be limited to, an assessment of the feasibility and desirability of:

"(1) providing passenger transportation services from Union Station to the commercial airports in the area;

"(2) constructing a heliport at or near the Union Station complex; and

"(3) relocating to office space in Union Station the offices of Federal or other public transportation agencies.

"(c) The Secretary of Transportation shall complete the engineering survey required by this section not later than six months after the date of enactment of this section, and shall complete the planning and market feasibility study required by this section not later than twelve months after the date of enactment of this section.

"(d) Of amounts appropriated under section 704(a)(1) and (2) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a) (1) and (2)), $1,000,000 shall be available to and be utilized by the Secretary of Transportation to carry out the purposes of subsections (a) and (b) of this section.

"(e) Within twelve months following the date of enactment of this section, the Secretary of Transportation shall submit a report to the Congress on the results of the engineering survey and planning and market feasibility studies carried out under this section. Such report shall include a specific commitment of Federal funds for completion of the rehabilitation of the historic Union Station building, together with any necessary request for appropriations, in the amount determined by the Secretary of Transportation to be necessary in light of the survey and studies carried out under this section, from either or both of the following sources:

"(1) funds authorized to be appropriated and not yet appropriated under section 704 (a) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854 (a)) that are in excess of the amounts set out in the last sentence of such section 704 (a); and

"(2) funds programed or reprogramed from any other appropriation available to the Secretary of Transportation.

"SEC. 115. (a) In order to achieve the goals set out in section 112 of this subtitle, the Secretary of Transportation is authorized to select and subsequently enter into one or more agreements (hereafter in this Act referred to as 'development agreements') with

one or more responsible individuals, corporations, or other private entities with demonstrated experience in the financing, undertaking, and managing of commercial real estate development (hereafter in this Act referred to as 'developers').

"(b) The Secretary of Transportation shall prescribe the procedures and criteria for selection of a developer for the Union Station complex: *Provided*, That no final developer selection shall be made unless and until at least two developers meeting minimum criteria prescribed by the Secretary of Transportation have submitted to the Secretary of Transportation specific design and financing proposals for the rehabilitation and redevelopment of the Union Station complex, and specific proposals for the acquisition, conveyance, or lease of real property. The Secretary of Transportation is directed to initiate discussions with potential developers as soon as possible following enactment of this setcion to assure the earliest possible selection of a developer or developers.

"(c) Development agreements entered into under this section shall be considered cooperative agreements for purposes of the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.). With respect to such development agreements, the Secretary of Transportation is authorized to modify or waive the application of regulations otherwise applicable to Federal or Department of Transportation financial assistance agreements, to the extent the Secretary of Transportation determines in his discretion to be necessary to accomplish the purposes of this subtitle at the lowest cost to the Federal Government.

"(d) The Secretary of Transportation is further authorized to enter into such other agreements and contracts, except any agreement or contract to sell property rights at the Union Station complex, with such persons, corporations, financial institutions, Federal, regional, or local agencies, or the Architect of the Capitol as the Secretary of Transportation deems necessary or desirable to carry out the purposes of this subtitle. Any such agreement may be made assignable to a selected developer or developers of the Union Station complex.

"SEC. 116. (a)(1) The Secretary of Transportation is authorized to acquire for the United States, by lease, purchase, or otherwise, any interest in real property (including, without limitation, interests in the nature of easements or reservations) and any other property interest (including, without limitation, contract rights) in or relating or adjacent to the Union Station complex that the Secretary of Transportation deems necessary to carry out the purposes of this subtitle.

"(2) If the Secretary of Transportation determines that property under the jurisdiction of the Architect of the Capitol in squares 721 and 722 eastward of the historic Union Station building is necessary to carry out the purposes of this subtitle, the Secretary of Transportation may request assignment of such property to the use of the Secretary of Transportation, as a part of the Union Station complex, and subject to the provisions of this subtitle, and the Architect of the Capitol shall so assign such property.

"(b) Notwithstanding any other provision of law, the Secretary of Transportation is authorized to maintain, use, operate, manage, and lease, either directly, by contract, or through development agreements, any property interest held or acquired by the Secretary of Transportation for the United States under this subtitle, in such manner and subject to such terms, conditions, covenants, and easements as the Secretary of Transportation deems necessary or desirable to carry out the purposes of this subtitle.

"SEC. 117. (a) The Secretary of Transportation is authorized to use income and proceeds received from activities authorized by this subtitle, including, without limitation, operating and leasing income and payments made to the Federal Government under development agreements, to pay expenses incurred by the Secretary of Transportation in carrying out the purposes of this subtitle, including, without limitation, construction, acquisition, leasing, operation, and maintenance expenses, and payments made to developers under development agreements.

"(b) A special deposit account is hereby established in the Treasury of the United States, to be known as the Union Station Fund, which shall be administered as a revolving fund. Such special deposit account shall be credited with receipts of the Secretary of Transportation from activities authorized by this subtitle and the balance in such special deposit account shall be available in such amounts as are specified in annual appropriation Acts for making expenditures authorized by this subtitle.

"SEC. 118. (a) Notwithstanding any other provision of title 23, United States Code, and other Acts pertaining to Federal-Aid Highways, the Secretary of Transportation shall immediately approve the completion of the parking facility, and associated ramps (including any necessary pedestrian access and walkways, escalators, elevators, moving sidewalk access, and connections) at Union Station, to be financed with interstate highway funds apportioned to the District of Columbia. To the extent necessary to complete such project, such apportionment shall not be subject to any obligation limitation enacted for the fiscal year ending September 30, 1982, or the fiscal year ending September 30, 1983. The amount of such apportionment necessary to complete such project, not to exceed $40,000,000, shall remain available to the District of Columbia until expended, without regard to the provisions of section 118(b) of title 23, United States Code. The Federal share shall be 100 per centum of the total cost of such project.

"(b) Within sixty days of the enactment of this section, the Secretary of Transportation shall enter into an agreement with the District of Columbia's Department of Transportation for the Secretary of Transportation's administration of the project described in subsection (a) of this section. Such project agreement shall provide that all right, title, and interest in such parking facility shall remain in the United States. The rate of fees charged for use of the parking facility may exceed the rate required for maintenance and operation of the facility, and shall be established in a manner that encourages its use by rail passengers and participants in activities in the Union Station complex and area.

"SEC. 119. (a) The Secretary of Transportation is authorized, on such terms and conditions as he may prescribe, to release the Washington Terminal Company from any or all of its obligations under agreements and leases entered into under subtitle A of this title, including without limitation, the obligation to construct a new railroad passenger station as provided in section 102(a)(4) of this title.

"(b) The Secretary of Transportation shall waive such statutory or contractual restrictions on the use of the parking structure and associated ramps described in section 118 of this subtitle as would otherwise be required or imposed because funds for such construction were or are provided under the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.).

"(c) The Secretary of Transportation is authorized to use funds appropriated under section 704(a)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a)(2)) to carry out the purposes of this subtitle without regard to the matching funds requirement of section 703(1)(B) of such Act (45 U.S.C. 853(1)(B)). Funds appropriated under section 704(a) of such Act may not be used for design, construction, or operation of a heliport at or near Union Station.

"(d) The Architect of the Capitol is authorized to enter into agreements with the Secretary of Transportation or his designee or assign to furnish steam or chilled water or both from the Capitol Power Plant to the Union Station complex, at no expense to the legislative branch.".

SEC. 4. (a) The Act approved November 5, 1966 (Public Law 89–759) and section 108 of the National Visitor Facilities Act of 1968 (Public 90–264) are repealed.

(b) Section 102(b) of the National Visitor Center Facilities Act of 1968 (40 U.S.C. 802(b)) is amended by striking the word "title" and inserting in lieu thereof the word "subtitle".

Mr. GORTON. Mr. President, I ask unanimous consent that the committee amendments be considered and agreed to en bloc and that they may be further amended.

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

UP AMENDMENT NO. 712

(Purpose: to clarify the intent of the bill)

Mr. GORTON. Mr. President, on behalf of myself and the Senator from New York (Mr. MOYNIHAN), I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Washington (Mr. GORTON), for himself and Mr. MOYNIHAN, proposes an unprinted amendment numbered 712.

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

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

The amendment is as follows:

On page 19, line 9, insert ", in cooperation with the National Railroad Passenger Corporation," after "Secretary of Transportation".

Page 21, after line 3, insert the following new sentence:

"Notwithstanding any other provision of this subsection, no funds from the Northeast Corridor Improvement Project and other rail or rail-related programs in excess of $29,000,000 shall be available for the completion of the rehabilitation of the historic Union Station building or other purposes determined by the Secretary of Transportation to be necessary in light of the survey and studies carried out under this section if within 90 calendar days of continuous session of the Congress after any request for such excess funds either the Committee on Energy and Commerce of the House of Representatives or the Committee on Commerce, Science, and Transportation of the Senate disapproves of the availability of such excess funds for such purposes by majority vote. For purposes of this subsection, continuity of session of the Congress is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the period described in this subsection."

Page 20, after "section." on line 13, insert the following:

"Such report shall be referred to the Committees on Commerce, Science and Transportation and Environment and Public Works of the Senate and the Committees on Energy and Commerce and Public Works and Transportation of the House, respectively."

On page 27, insert the following immediately after line 7:

"SEC. 5. As used in section 502(a)(1)(B) of the Rail Passenger Service Act, the term 'Amtrak Commuter' shall mean, with respect to the period prior to January 1, 1983, 'Conrail'.".

Mr. GORTON. Mr. President, I think it appropriate, before voting on the amendment, to discuss the bill with the distinguished Senator from New York.

I urge the Senate's approval of this bill, which will bring back to life one of this city's finest architectural creations. The bill is designed to revive Union Station as a major railroad terminal, as well as a new and lively commercial center.

I was not a Member of the Congress during years of the decline and fall of Union Station. But I have toured that shuttered building. I have seen the mushrooms growing in the floor, the water damage, the sad state into which this great building has fallen.

And I believe I also can see the opportunity for this structure: to resuscitate it as the southern terminus of the Northeast corridor railroad project, and to develop its significant commercial potential at the city's transportation hub, close to Capitol Hill.

Specifically, the bill:

Shifts responsibility for the project to the Department of Transportation from the Department of the Interior.

Authorizes a 1-year, $1,000,000 study of the building's structural integrity, rail passenger handling functions, and its potential for privately financed commercial development and use.

Directs the Department of Transportation, once the study is completed, to spend already authorized, but unappropriated, Northeast corridor rail improvement funds, or to reprogram other authorized funds, for necessary building repairs and improvements.

Authorizes the Department of Transportation to select a private developer, through a competitive process, and to enter into a cooperative development agreement, with minimum Federal financing, for the commercial development of the building under long-term leases.

Requires that rail passenger services be returned to the main Union Station building.

Authorizes completion of the parking garage and ramps, using up to $40 million in Interstate Highway moneys apportioned to the District of Columbia.

I want to emphasize my view that rail service must be given primary attention under this bill. That is clear in the language of the bill.

Since Congress, in 1968, determined that Union Station would become a National Visitor Center, with only incidental accommodations for rail passenger service, rail patronage of Union Station has increased more than tenfold. Rail passengers must now walk around to the back of the building to gain access to the train facility. Congress can no longer tolerate this situation. The concept of a National Visitor Center was unsuccessful, and no longer should be the primary focus of the structure.

Those concerned about the Northeast Corridor project should be advised that this legislation contains a delicate compromise which enables the Secretary to obligate already authorized funds from the Northeast Corridor program to this building. Such use of Northeast Corridor funds has been contemplated since 1977. This legislation in no way interferes with any policy affecting the Northeast Corridor program contained in the Omnibus Reconciliation Act of 1981—Public Law 97-35.

I know that some persons at the Department of Transportation are concerned over the bill because it fails to give the Secretary of Transportation the right to condemn adjacent properties that would be turned over to the selected developer. Personally, I find that the need for condemnation is simply not supported by the facts or equity.

Adjacent lands are in private ownership, the owner of which wish to develop them. I see no sound basis for paying millions of taxpayers dollars for such lands so that another developer can then build on those lands.

Mr. President, this bill offers a reasonable solution to a difficult problem. It deserves the support of the Senate, and the signature of the President. I urge the Senate's approval of the legislation.

Mr. MOYNIHAN. Mr. President, I am honored to request that the name of the distinguished senior Senator from West Virginia (Mr. RANDOLPH) be added as a cosponsor of the amendment and of the bill itself, which has been reported from the committee over which he presided with distinction for so many years.

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

Mr. MOYNIHAN. Mr. President, I express my great appreciation to the Senator from Washington, who has been indefatigable in this matter and who I hope will see the last of it. This will be the fifth statute in 13 years devoted to Union Station. It is our fond expectation that it will be the last one.

Mr. President, our involvement with Union Station goes back to the beginning of this century. In 1901, the Senate Committee on the District of Columbia established a commission on the design of this part of the Capital, the McMillan Commission, as it was called. It is not within the memory even of the senior Senator from West Virginia that at that time the Pennsylvania Railroad Station stood at the bottom of Capitol Hill. It was at the behest of the McMillan Commission that it was moved to its present site. The Post Office was located alongside it, and that most distinguished of American architects, Daniel Burnham, was chosen to create one of our great public buildings.

We believe that the Committee on Environment and Public Works and the Committee on Commerce have devised a solution which will be permanent, which will restore a building which, after 74 years of use, needs structural repair, and which will bring it back to its pristine purpose as a railroad station and restore it to its proper place as—to repeat—one of the great public buildings of our Capital.

I thank the Chair.

I once again express my appreciation to the Senator from Washington.

May I ask the Senator from Washington if he does not agree that the present passenger station behind the Union Station building is grossly inadequate? It reminds me of the comment Vincent Scully, the Yale University architectural historian, made about the demolition of Penn Station in New York City. That magnificient Beaux Arts building—like Union Station, designed on an ancient Roman model—was torn down and replaced with a subterranean passenger terminal. Scully remarked:

One used to enter New York like a god; now one scurries in like a rat.

Mr. GORTON. I do agree with the Senator from New York. With the best of intentions, we converted a dignified and functional train station to other, as it turns out, less practical uses. The replacement station is neither dignified nor functional—it is grossly inadequate.

Mr. MOYNIHAN. Am I correct in stating that the primary purpose of S. 1192, as reported from both the Committee on Environment and Public Works and the Commerce Committee, is to turn the Union Station building back into a train station?

Mr. GORTON. As a member of both committees, I can tell the Senator he is correct.

Mr. MOYNIHAN. Could you describe for us the actions S. 1192 would require of the Secretary of Transportation to provide an adequate passenger terminal in Union Station?

Mr. GORTON. The bill makes clear that any plan for the Union Station building must include a rail passenger facility and that the design of the facility must protect the Government's interest in maintaining adequate rail passenger service and addressing future passenger needs. We expect that the Union Station building will house a full range of rail passenger service and operational functions, including but not limited to, information, ticketing, passenger handling, station administration and support, public services, and baggage handling. We expect the Secretary to plan the facility to handle adequately the current Union Station peak period passenger levels, as well as projected growth through the 1990's. As the Environment and Public Works Committee's report specifically states:

In no event should the rail passenger services in the historic building provide less usable space than the current "replacement" station.

In all probability significantly more space will be so used. The committees also expect the Secretary to adhere to the criteria set out in the Northeast corridor station performance standards which the Department of Transportation has applied to the other Northeast corridor stations.

Mr. MOYNIHAN. The legislation requires that the Secretary's plan provide improved passenger access to the train. However, it falls short of specifically directing the Secretary to provide for the extension of the tracks to the concourse, as past legislation has required.

Mr. GORTON. That is correct. The legislation directs the Secretary to study those actions that are necessary or desirable to improve passenger access to

the trains. Past plans and studies, including those conducted by the Department of Transportation, have indicated that extending the tracks to the Concourse is the best way to improve passenger access to the trains, and in the long run represents the least costly alternative. It is the committees' expectation that extension of the track to the Concourse would be part of the Secretary's plan, unless the Secretary can develop an alternative that would provide passenger access to the trains which is equivalent to extending the tracks to the Concourse.

Mr. MOYNIHAN. Amtrak's experience in passenger service handling is a valuable resource that the Secretary should utilize in developing recommendations to Congress on Union Station. In addition, as a major owner and developer of real estate, Amtrak can lend its expertise to the commercial development of Union Station. This is addressed in the legislation, is it not?

Mr. GORTON. As provided for in the legislation, the Secretary is to consult closely with Amtrak in developing the rail passenger facility. The committees anticipate that before presenting his plans to Congress for the development of Union Station, the Secretary will have reached agreement with Amtrak on space allocation and location of rail passenger functions in the Union Station building.

The committees recognize that Amtrak has a strong incentive to assure the success of any future development of Union Station. The accompanying Environment and Public Works Committee report S. 1192 has stated that the Secretary's report to Congress should include a plan for managing the redevelopment of Union Station, with recommendations to enable the Federal Government to withdraw from active management of Union Station. The report indicates that Amtrak is a likely candidate to manage the redevelopment program.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Washington.

The amendment (UP No. 712) was agreed to.

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

Mr. GORTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RANDOLPH. Mr. President, it is a privilege for me to commend the Senator from the State of Washington (Mr. GORTON) and the Senator from New York (Mr. MOYNIHAN) in presenting this subject matter this afternoon in the Senate.

They have been, in a sense, the architects of a realistic balance from the standpoint of the use of Union Station. Although they may have been somewhat misguided, the previous efforts to make it a visitors center were not without, let us say, a certain appeal at the time they were undertaken.

Union Station itself was completed in 1907. The Senator from New York has with meaning and eloquence spoken about the earlier efforts to locate a rail station other than at the present site.

Millions of men, women, and children have used Union Station as their entry by rail into Washington, D.C. West Virginians by the hundreds of thousands moved over the Baltimore & Ohio and the Chesapeake & Ohio to our Capital City.

Perhaps it is not too personal, but I was one of the earlier arrivals at the Union Station. I came to Union Station 70 years ago. I came as a young man, a passenger, riding the Baltimore & Ohio Railroad from central West Virginia into the city. I came not to see the White House or this Capitol in which I have worked, on this side and on the House side for 37 years, but I came to see Ty Cobb play baseball at the old Griffith Stadium. I wanted to see Ty Cobb because I was intensely interested in baseball and to me he was the hero of the professional game.

He could not only hit, he could not only run the bases, but he also was preeminent in the field. So he was a triple star in a sense, and I came to see him.

Having ridden all night in the day coach and then having trudged my way through to the old Griffith Stadium, having sat in the bleachers in the blazing sun, it was not a day lost for me because he performed as he apparently did on most occasions.

Then, I went back to West Virginia by day coach. Having ridden all night to be here I returned riding all night to be back in my native State and to go to Salem, W. Va., where I recall so well my mother looking down Main Street and seeing someone coming up with, let us say, a glow upon his face, soot covered and rumpled.

It was a great experience and I mention it—perhaps at too great a length—to indicate that from its beginnings, Union Station has been a very important development in the life not only of the Nation's Capital but the Republic as a whole.

Washington's Union Station has long been generally acknowledged as one of our country's architectural treasures. Yet, for the past dozen years, it has been the victim of bureaucratic infighting, hesitancy on the part of public officials and, yes, poor decisions by the Congress itself. The result has been our continued inability to resolve the Union Station question which culminated yesterday in the closure of the building for safety reasons.

Mr. President, for more than 4 years, members of the Committee on Environment and Public Works have worked in an effort to develop a rational and reasonable solution to this problem. Hearings were conducted, extensive discussions were held with involved parties and legislation has been proposed.

The only positive action before today was the enactment late in the 96th Congress of a bill reported by our committee which authorized $11 million in emergency repairs to protect the structural integrity of Union Station. Roof repairs have been nearly completed,

Mr. President, we recognize that substantial amounts of money have been expended on Union Station building in recent years. Many of these expenditures were the result of the perhaps ill-advised plan to convert the building into a National Visitor's Center. To reverse the rapid deterioration of the building and to return it to its proper function as a major transportation center will require the expenditure of additional funds. This is a fact we must acknowledge. It is not, however, a case of throwing good money after bad. Whatever additional funds are needed for Union Station must be provided to protect the millions which have already been invested.

The alternative is the further deterioration of the building to the extent that it could soon be beyond the point of salvation. The legislation we act on today would restore to Union Station its primary function as a transportation center at a time when railroad travel is enjoying a surgence. The authority to use some portion of the building as a visitor center would be retained.

This measure will do more than preserve a magnificient building that is a part of our architectural, transportation, and political heritage, even though this is a worthwhile objective. It will correct past mistakes in directing the use of Union Station and again make it a railroad station and an entrance to this great Capital City worthy of our Republic and the people of all our States.

So I am very grateful to be included in the amendment offered, to be given the opportunity to speak these words and most importantly to commend all the members of the Committee on Public Works in an earlier period on both sides of this Capitol, to include those members who are today handling this legislation, the Senators whom I have made not cursory remarks toward but very sincere remarks for their leadership in this matter.

I feel that what is being done here is in the best interest not only of that edifice but also the city of Washington and the country as a whole.

● Mr. STAFFORD. Mr. President, this bill, the Union Station Redevelopment Act of 1981, is sound legislation. I urge its adoption by the Senate. As one who has struggled for years to find a solution to the difficulties of Union Station, I am confident that this bill will provide a sound resolution. It is one that will attract private capital and enable the Federal Government to fulfill its role as owner.

It must be noted that this bill is not much different from legislation that passed the Senate in 1978, a bill that never become law. I hope that this time the bill can pass the Senate, and soon be on the President's desk for his signature.

This bill represents a compromise approach. It completes the parking garage, while studying the building's structure and its development potential. The bill is designed to attract as much private capital as possible.

More importantly, it seeks to return the building to partial use as a rail station, with development of commercial use of the remainder of the building.

I would note that this building provides large blocks of space that can and should be developed. Over 210,000 square feet of space is available on the ground

and basement levels for use by Amtrak, as well as for leasing to commercial enterprises. In addition, the building contains 80,000 square feet of office space, with a prime location close to Capitol Hill. Personally, I believe it would provide an excellent location for transportation oriented agencies or corporations. It might even be used effectively by the Department of Transportation for some of its own offices.

I would also extend a word of commendation to Transportation Secretary Lewis for his close examination of this issue, as well as to the distinguished Senator from Washington (Mr. GORTON). Senator GORTON worked hard and diligently on this issue, both in the Committee on Environment and Public Works and earlier in the Committee on Commerce, Science, and Transportation. Without Senator GORTON's continuing interest and ideas, we might never have solved this difficult and frustrating issue.

This is a great building. It is a noble building. It must be renovated and developed with those descriptions in mind. It must never become a haven for quick-buck developers who might cheapen this wonderful example of American architecture.

Mr. President, I ask unanimous consent that an article and an editorial from the Washington Post a month ago be printed in the RECORD.

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

UNION STATION: ON THE RIGHT TRACK

Hold your applause for now, but we may soon hear the final trumpet of that great white elephant we once knew and loved as Union Station. Without going into the depressing and outlandishly expensive details of how this once-grand train terminal was trampled to near-rubble by a herd of mischievous bureaucrats, we are pleased to note that a financially and structurally sound Union Station may live again, thanks to a bipartisan effort that is due for its first congressional consideration today.

Coming up for action by a Senate committee is a bill worked out and supported by Transportation Secretary Drew Lewis and key congressional leaders from both sides of the Hill as well as its aides. The basic idea is to 1) stop an insane financial drain on all U.S. taxpayers; 2) restore the building as quickly and as economically as possible, and 3) return the facility to its primary function as a lively and commerically successful transportation hub, instead of a broken-down and boarded-up "visitor center."

While the Interior Department would continue its open-pit surgery—fixing the roof and shoring things up—the bill being considered today would transfer jurisdiction to the Transportation Department, where it belongs. Studies—not the open-ended, made-for-distraction kind—would be completed within a year to determine what permanent structural work is necessary, what to do with office space in the facility and how commercial space might be used in and around the station. Recommendations would include consideration of other transportation facilities, such as a heliport and a terminal for various bus services.

The legislation is not—repeat not—simply another formula for pouring good money after bad. That's already happening, with taxpayers forking out $3.5 million a year for a lease on the place; this bill is a modest attempt to stop the waste and turn a financial sink-hole into the commercially successful and historically important landmark it once was.

RAIL STATION PLAN GETS REAGAN NOD

(By John Burgess)

After long months of negotiation, the Reagan administration has agreed to a Senate plan to revitalize Union Station. The plan would complete roof repairs already under way and finish the parking garage begun several years ago. If feasible, structural repairs would be made and contracts signed with private firms to develop a commercial complex in and around the monumental Beaux Arts-style station.

A Senate committee is scheduled to mark up a bill today outlining the plan, which also would move control of Union Station to the Transportation Department from Interior. Yesterday, during a lunch at The Washington Post, Transportation Secretary Drew Lewis indicated that he supports the bill's basic elements.

The new plan is the latest in a series of costly and unsuccessful federal efforts to rescue the 74-year-old station, once among the world's grandest rail gateways but today a crumbling white elephant with corroded plumbing and a leaky roof.

On July 4, 1976, the Interior Department opened Union Station as a National Visitor Center, moving trains to a smaller, modern structure to the rear. Despite $46 million spent on the conversion, the station never caught on in this role and it continued to deteriorate structurally. In February it was closed after rainwater seeped through the roof, dislodging huge chunks of plaster from the ceiling and flooding carpeted floors.

Committee sources predicted yesterday that the bill will be approved by the Senate Environment and Public Works Committee and has a good chance to make it through the full Senate. After that, it would go to the House, where the outcome appears less certain. There is no equivalent legislation in the House.

As now worded, the bill calls for Interior to complete $8 million of already funded roof repairs and to turn the building's management over to the Transportation Department. The bill also authorizes the District of Columbia to trade in $40 million in federal highway funds for a like sum to complete a large parking garage last worked on in 1976.

The garage money represented a concession on Lewis' part. In testimony before Congress last July, he opposed allowing the city to shift its funding that way.

In addition, the Senate bill would authorize $1 million for two major studies of Union Station. One would survey the building's structural problems and determine what repairs are needed and how much they would cost. The other would explore the feasibility of entering into joint development of the station and surrounding property with private developers.

Congressional concern over the station was revived last February following the station's closure. The bill now under consideration is being shepherded through Environment and Public Works by Sen. Slade Gorton (R-Wash).

Earlier versions of the bill proposed that large sums be diverted to Union Station from ongoing capital programs and to modernize rail lines along the Northeastern corridor. Lewis strongly opposed such diversions.

Both sides, however, agreed that action was needed to save a national monument like Union Station. In negotiations between Senate and Transportation Department staff members, alternative wording was worked out that would take only $1 million from the Northeast Corridor funding to pay for the two studies. The department would be free to finance certain other spending as it chose.

The development study would explore running transportation to area airports from the station, and constructing a helicopter pad. Lewis would have to report back to Congress within a year with a specific plan for revitalization, assuming that it was found to be economically feasible.

The bill would authorize the department to buy the station over a six-year period (it currently is leased from private railroad interests). The department also could make further repairs to the building, buy surrounding property and contract with private companies for development, under the plan.

The bill specifies that the old building must again become a rail station, with ticketing, baggage handling and other such functions. However, only a fraction of the mammoth station would be needed for this, with remaining space occupied by retail stores and restaurants.

Senate sources said that though the bill contains no specific requirement, its intent is to remove the new station behind the old one where rail passengers now board their trains.

Mr. MOYNIHAN. Mr. President, before I conclude my remarks, could I impose on the Senate just a moment to say that particularly ingenuous and effective solutions being reached for this could not have come about but for the work of Mr. Mat Scocozza of the Commerce Committee staff, and Mr. Hal Brayman and Mr. Robert Peck of the staff of the Committee on Environment and Public Works.

I thank the Chair.

Mr. GORTON. Mr. President, I should like also to thank both the Senator from New York and the very distinguished Senator from West Virginia for their kind comments. I am, of course, new at this business. Each of them has been working diligently toward the objective of this bill for a number of years. Each of them deserves a great deal of credit for what we hope will prove to be a successful restoration of Union Station.

In addition, I need to say for the record that notwithstanding the Congressional Budget Office cost estimate, this measure is not intended to create new appropriations for fiscal year 1982. Any expenditures of funds will be encompassed within appropriations otherwise made available for related purposes.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 1192

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 "Union Station Redevelopment Act of 1981".

SEC. 2. The Congress finds and declares that—

(1) Union Station in Washington, District of Columbia, commissioned by Congress in 1903, designed by Daniel H. Burnham in monumental Beaux Arts style, and completed by the Washington Terminal Company in 1907, is an important historic and architectural landmark of the Nation's Capital;

(2) Union Station was built and used exclusively as a rail passenger station until Congress decided to make the historic Union Station building a National Visitor Center in 1968, allocating rail passenger operations to a replacement facility behind the historic building;

(3) the use of rail passenger service to and from Washington, District of Columbia, declining when the National Visitor Center Facilities Act of 1968 was enacted, has dramatically increased since that time with the advent of and substantial Federal invest-

ment in the National Railroad Passenger Corporation and the northeast corridor improvement project, justifying a reversal of the policy adopted 13 years ago;

(4) the historic Union Station building is now unsafe and unusable, and the replacement station is inconvenient and inadequate for present and projected rail ridership demand;

(5) it is in the national interest to preserve the architectural features of Union Station and to provide in the Union Station complex a sound and fully operational transportation terminal;

(6) the Union Station complex and its vicinity present an opportunity for successful commercial development integrated with the transportation functions of the facility; and

(7) the purposes of this Act are to achieve the goals of historic preservation and improved rail use of Union Station with maximum reliance on the private sector and minimum requirement for Federal assistance.

SEC. 3. Title I of the National Visitor Center Facilities Act of 1968 (40 U.S.C. 801 et seq.) is amended—

(1) by striking "National Visitor Center" in the caption of title I and inserting in lieu thereof "Union Station";

(2) by inserting a new caption "Subtitle A—National Visitor Center" immediately after the new title I caption; and

(3) by adding at the end of title I the following new subtitle:

"Subtitle B—Union Station Redevelopment

"SEC. 111. (a) Upon the request of the Secretary of Transportation, the Secretary shall assign to the Secretary of Transportation all of the Secretary's right, title, and interest in the Union Station complex, including all agreements and leases entered into under subtitle A of this title. Such assignment may reserve to the Secretary the right to lease space for visitor services, to the extent the Secretary and the Secretary of Transportation may agree. For purposes of this title, the "Union Station complex" shall include all the real property, air rights, and improvements leased by the Secretary under subtitle A of this title, together with any property acquired and all improvements made in accordance with this subtitle.

"(b) Notwithstanding the provisions of subsection (a) of this section, the Secretary shall, not later than twelve months after the date of enactment of this subsection, complete the installation of new roofs and associated drainage systems on all existing roof surfaces of the historic Union Station building. Of funds appropriated to the Secretary under the construction appropriation for the National Park System for the fiscal year ending September 30, 1982, not less than $8,100,000 shall be available to and allocated by the Secretary for such roof work. In the event the assignment provided for in subsection (a) of this section occurs prior to completion of such roof work, the Secretary shall continue to be responsible for such roof work until its completion, except as the Secretary and the Secretary of Transportation may otherwise agree.

"(c) Prior to the assignment provided for in subsection (a) of this section, the Secretary shall permit the Secretary of Transportation to carry out or cause to be carried out the activities authorized by this subtitle or by title VII of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 851 et seq.).

"(d) After both the assignment provided for in subsection (a) of this section and the completion of the roof installation required by subsection (b) of this section, the Secretary shall be relieved of the authority and obligation under subtitle A of this title to construct and operate a National Visitor Center at Union Station. The provisions of subtitle A of this title shall thereafter be deemed superseded by any contrary or inconsistent provisions of subtitle B of this title.

"SEC. 112. The Secretary of Transportation shall provide for the rehabilitation and redevelopment of the Union Station complex primarily as a multiple-use transportation terminal serving the Nation's Capital, and secondarily as a commercial complex, in accordance with the following goals:

"(a) Preservation of the exterior facade and other historically and architecturally significant features of the Union Station building;

"(b) Restoration and operation of a portion of the historic Union Station building as a rail passenger station, together with holding facilities for charter, transit, and intercity buses in the Union Station complex;

"(c) Commercial development of the Union Station complex that will, to the extent possible, financially support the continued operation and maintenance of such complex; and

"(d) Withdrawal by the Federal Government from any active role in the operation and management of the Union Station complex as soon as practical and at the least possible Federal expense consistent with the goals set forth in subsections (a) through (c) of this section.

"SEC. 113. (a) There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary to meet lease and other obligations, including maintenance requirements, incurred by the Secretary and assigned to the Secretary of Transportation under this subtitle. The Secretary shall transfer to the Secretary of Transportation at the time of such assignment such sums as may have been appropriated to the Secretary to meet such obligations and not yet expended as of the date of such assignment.

"(b) Notwithstanding the provisions of section 102(a)(5) of this title, the Secretary of Transportation is authorized to purchase for the United States any property that was leased by the Secretary under subtitle A of this title and assigned to the Secretary of Transportation under this subtitle. The purchase agreement for such property may provide for payment by the Secretary of Transportation over a term not to exceed six years. There are authorized to be appropriated to the Secretary of Transportation, in addition to the sums authorized by subsection (a) of this section, not to exceed $275,000 per year for not to exceed six years to carry out such purchase. Such purchase shall not be subject to the provisions of title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4651 et seq.).

"SEC. 114. (a) The Secretary of Transportation shall, on an emergency basis, carry out an engineering survey of all existing structures at the Union Station complex for the following purposes:

"(1) to determine those actions necessary or desirable to preserve the long-term structural integrity of, and provide functional utility systems for, the historic Union Station building;

"(2) in cooperation with Amtrak, to determine those actions necessary or desirable to restore rail passenger handling functions to the historic Union Station building and otherwise improve rail passenger service facilities at Union Station, including improved passenger access to the trains; and

"(3) to prepare detailed estimates of the costs of such rehabilitation and improvement.

"(b) Concurrently with the engineering survey required by subsection (a) of this section, the Secretary of Transportation, in cooperation with the National Railroad Passenger Corporation, shall carry out a planning and market feasibility study to assess the commercial development potential of the Union Station complex. Such study shall also include, but not be limited to, an assessment of the feasibility and desirability of:

"(1) providing passenger transportation services from Union Station to the commercial airports in the area;

"(2) constructing a heliport at or near the Union Station complex; and

"(3) relocating to office space in Union Station the offices of Federal or other public transportation agencies.

"(c) The Secretary of Transportation shall complete the engineering survey required by this section not later than six months after the date of enactment of this section, and shall complete the planning and market feasibility study required by this section not later than twelve months after the date of enactment of this section.

"(d) Of amounts appropriated under section 704(a) (1) and (2) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a) (1) and (2)), $1,000,000 shall be available to and be utilized by the Secretary of Transportation to carry out the purposes of subsections (a) and (b) of this section.

"(e) Within twelve months following the date of enactment of this section, the Secretary of Transportation shall submit a report to the Congress on the results of the engineering survey and planning and market feasibility studies carried out under this section. Such report shall be referred to the Committees on Commerce, Science, and Transportation and Environment and Public Works of the Senate and the Committees on Energy and Commerce, and Public Works and Transportation of the House, respectively. Such report shall include a specific commitment of Federal funds for completion of the rehabilitation of the historic Union Station building, together with any necessary request for appropriations, in the amount determined by the Secretary of Transportation to be necessary in light of the survey and studies carried out under this section, from either or both of the following sources:

"(1) funds authorized to be appropriated and not yet appropriated under section 704 (a) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a)) that are in excess of the amounts set out in the last sentence of such section 704(a); and

"(2) funds programed or reprogramed from any other appropriation available to the Secretary of Transportation. Notwithstanding any other provision of this subsection, no funds from the Northeast Corridor Improvement Project and other rail or rail-related programs in excess of $29,000,000 shall be available for the completion of the rehabilitation of the historic Union Station building or other purposes determined by the Secretary of Transportation to be necessary in light of the survey and studies carried out under this section if within 90 calendar days of continuous session of the Congress after any request for such excess funds either the Committee on Energy and Commerce of the House of Representatives or the Committee on Commerce, Science, and Transportation of the Senate disapproves of the availability of such excess funds for such purposes by majority vote. For purposes of this subsection, continuity of session of the Congress is broken only by an adjournment sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the period described in this subsection.

"SEC. 115. (a) In order to achieve the goals set out in section 112 of this subtitle, the Secretary of Transportation is authorized to select and subsequently enter into one or more agreements (hereafter in this Act referred to as 'development agreements') with one or more responsible individuals, corporations, or other private entities with

demonstrated experience in the financing, undertaking, and managing of commercial real estate development (hereafter in this Act referred to as 'developers').

"(b) The Secretary of Transportation shall prescribe the procedures and criteria for selection of a developer for the Union Station complex: *Provided*, That no final developer selection shall be made unless and until at least two developers meeting minimum criteria prescribed by the Secretary of Transportation have submitted to the Secretary of Transportation specific design and financing proposals for the rehabilitation and redevelopment of the Union Station complex, and specific proposals for the acquisition, conveyance, or lease of real property. The Secretary of Transportation is directed to initiate discussions with potential developers as soon as possible following enactment of this section to assure the earliest possible selection of a developer or developers.

"(c) Development agreements entered into this section shall be considered cooperative agreements for purposes of the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.). With respect to such development agreements, the Secretary of Transportation is authorized to modify or waive the application of regulations otherwise applicable to Federal or Department of Transportation financial assistance agreements, to the extent the Secretary of Transportation determines in his discretion to be necessary to accomplish the purposes of this subtitle at the lowest cost to the Federal Government.

"(d) The Secretary of Transportation is further authorized to enter into such other agreements and contracts, except any agreement or contract to sell property rights at the Union Station complex, with such persons, corporations, financial institutions, Federal, regional, or local agencies, or the Architect of the Capitol as the Secretary of Transportation deems necessary or desirable to carry out the purposes of this subtitle. Any such agreement may be made assignable to a selected developer or developers of the Union Station complex.

"SEC. 116. (a)(1) The Secretary of Transportation is authorized to acquire for the United States, by lease, purchase, or otherwise, any interest in real property (including, without limitation, interests in the nature of easements or reservations) and any other property interest (including, without limitation, contract rights) in or relating or adjacent to the Union Station complex that the Secretary of Transportation deems necessary to carry out the purposes of this subtitle.

"(2) If the Secretary of Transportation determines that property under the jurisdiction of the Architect of the Capitol in squares 721 and 722 eastward of the historic Union Station building is necessary to carry out the purposes of this subtitle, the Secretary of Transportation may request assignment of such property to the use of the Secretary of Transportation, as a part of the Union Station complex, and subject to the provisions of this subtitle, and the Architect of the Capitol shall so assign such property.

"(b) Notwithstanding any other provision of law, the Secretary of Transportation is authorized to maintain, use, operate, manage, and lease, either directly, by contract, or through development agreements, any property interest held or acquired by the Secretary of Transportation for the United States under this subtitle, in such manner and subject to such terms, conditions, covenants, and easements as the Secretary of Transportation deems necessary or desirable to carry out the purposes of this subtitle.

"SEC. 117. (a) The Secretary of Transportation is authorized to use income and proceeds received from activities authorized by this subtitle, including, without limitation, operating and leasing income and payments made to the Federal Government under development agreements, to pay expenses incurred by the Secretary of Transportation in carrying out the purposes of this subtitle, including, without limitation, construction, acquisition, leasing, operation, and maintenance expenses, and payments made to developers under development agreements.

"(b) A special deposit account is hereby established in the Treasury of the United States, to be known as the Union Station Fund, which shall be administered as a revolving fund. Such special deposit account shall be credited with receipts of the Secretary of Transportation from activities authorized by this subtitle and the balance in such special deposit account shall be available in such amounts as are specified in annual appropriation Acts for making expenditures authorized by this subtitle.

"SEC. 118. (a) Notwithstanding any other provision of title 23, United States Code, and other Acts pertaining to Federal-Aid Highways, the Secretary of Transportation shall immediately approve the completion of the parking facility, and associated (including any necessary pedestrian access and walkways, escalators, elevators, moving sidewalk access, and connections) at Union Station, to be financed with interstate highway funds apportioned to the District of Columbia. To the extent necessary to complete such project, such apportionment shall not be subject to any obligation limitation enacted for the fiscal year ending September 30, 1982, or the fiscal year ending September 30, 1983. The amount of such apportionment necessary to complete such project not to exceed $40,000,000, shall remain available to the District of Columbia until expended, without regard to the provisions of section 118(b) of title 23, United States Code. The Federal share shall be 100 per centum of the total cost of such project.

"(b) Within sixty days of the enactment of this section, the Secretary of Transportation shall enter into an agreement with the District of Columbia's Department of Transportation for the Secretary of Transportation's administration of the project described in subsection (a) of this section. Such project agreement shall provide that all right, title, and interest in such parking facility shall remain in the United States. The rate of fees charged for use of the parking facility may exceed the rate required for maintenance and operation of the facility, and shall be established in a manner that encourages its use by rail passengers and participants in activities in the Union Station complex and area.

"SEC. 119. (a) The Secretary of Transportation is authorized, on such terms and conditions as he may prescribe, to release the Washington Terminal Company from any or all of its obligations under agreements and leases entered into under subtitle A of this title, including, without limitation, the obligation to construct a new railroad passenger station as provided in section 102(a)(4) of this title.

"(b) The Secretary of Transportation shall waive such statutory or contractual restrictions on the use of the parking structure and associated ramps described in section 118 of this subtitle as would otherwise be required or imposed because funds for such construction were or are provided under the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.).

"(c) The Secretary of Transportation is authorized to use funds appropriated under section 704(a)(2) of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 854(a)(2)) to carry out the purposes of this subtitle without regard to the matching funds requirement of section 703(1)(B) of such Act (45 U.S.C. 853(1)(B)). Funds appropriated under section 704(a) of such Act may not be used for design, construction, or operation of a heliport at or near Union Station.

"(d) The Architect of the Capitol is authorized to enter into agreements with the Secretary of Transportation or his designee or assign to furnish steam or chilled water or both from the Capitol Power Plant to the Union Station complex, at no expense to the legislative branch.".

SEC. 4. (a) The Act approved November 5, 1966 (Public Law 87-759) and section 108 of the National Visitor Facilities Act of 1968 (Public Law 90-264) are repealed.

(b) Section 102(b) of the National Visitor Center Facilities Act of 1968 (40 U.S.C. 802(b)) is amended by striking the word "title" and inserting in lieu thereof the word "subtitle".

SEC. 5. As used in section 502(a)(1)(B) of the Rail Passenger Service Act, the term "Amtrak Commuter" shall mean, with respect to the period prior to January 1, 1983, "Conrail".

Mr. MOYNIHAN. Ms. President, I move to reconsider the vote by which the bill was passed.

Mr. GORTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXTENSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, before the Senator starts, I ask unanimous consent that the time for the transaction of morning business be extended until 6 p.m.

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

Mr. HOLLINGS. I thank the distinguished majority leader and the distinguished Senator from New York for yielding.

DEFENSE AND THE B-1 BOMBER

Mr. HOLLINGS. Mr President, to understand the controversy over the B-1 bomber, a person must appreciate: First, the nature of modern weapons; second, the limits of our economic resources; and third, the limits to the usefulness of a manned penetration bomber.

THE NATURE OF MODERN WEAPONS

The strategy for American survival is premised on the superiority of technology. We do not and cannot compete against the Russians or Chinese militarily on a man-for-man basis. We do not and cannot compete against the Soviets one tank versus one tank.

We have 11,000 tanks while the Soviets have 50,000. How do we hope to fight and win given this ratio? The answer is in a superior tank with a superior tank operator.

We intentionally include on our tanks sophisticated fire control systems, advanced suspension systems, laminated armor, and other state-of-the-art gear because we know it is not going to be one-for-one situation. Our one tank must be capable of knocking out 5 or 10 of theirs in order to prevail.

We are constantly hearing today that America's weaponry is too sophisticated, that it contains too much expensive technological gear, and that we cannot find the skilled personnel to operate

and maintain the weaponry. Some argue that all we need is a cheap, "tough" tank—like the Soviets build—to survive better in battlefield conditions.

We could easily produce that kind of tank, if we are ready, willing, and able to produce and man 50,000 of them. This we cannot do. For one thing, we do not intend to have that large a standing Army, so we go for the superior tank, making sure the advanced technology is designed for the needs of the battlefield. This has always been our military approach.

It applies to the shoes the soldier wears as well as to the bombers we send aloft. The constant task facing Congress is to insure that we keep ahead with technology. We want our troops to have the best equipment in every aspect. Of course, we must also be able to afford it.

THE LIMITS OF OUR ECONOMIC RESOURCES

When we fought World War II, an M–1 rifle cost $41.20. A Sherman tank went for $40,000. And a B–17 manned penetration bomber cost $97,000. Right now it appears that the projected cost for each B–1 bomber would be $400 million.

Everyone knows that today we are operating with limited economic resources. In a world reeling under inflation and high interest rates, every program is being cut. While we are trying to increase our defenses, that is not to say we are trying to increase our costs. We must look at each proposed military expenditure from every angle—not only how much it costs, but how much it costs to repair; not only how much one of them costs, but how much do 100 cost and what is the effect on the budget and the economy.

We must make economical buys, and when it comes to bombers they must last. We are not looking at the cost of just long-range bombers, but the cost of medium bombers, the cost of fighter bombers, the cost of fighters, of helicopters, and observation planes all the way down to the Piper Cub. And we must figure the cost of the manned Shuttle because it too has military applications.

These costs must be seen within the larger context of the overall defense budget—the cost of equipping the infantry, the cost of building aircraft carriers and Trident submarines at $2 billion apiece, and the cost of ammunition from the rifle bullet to one piece of ammunition fired from a plane—the Phoenix missile costing over $1 million a copy. Over and above hardware come personnel costs which exceed $100 billion a year.

All these defense costs must be considered against the backdrop of other Government endeavors—like law enforcement, highways, health costs, social security, price supports for agriculture, and aid for small business. Somewhere there is a limit—and we have been exceeding the limit. We have been borrowing from the next generation in order to pay for all this Government. The results—busted budgets, tax cuts written in red ink, and high interest rates.

At $400 million each, the 100 B–1 bombers being asked for will cost us $40 billion; $40 billion over the next 5 years is about what we had hoped to increase the entire defense budget.

For $40 billion, we can buy a lot of sorely needed infantry-fighting vehicles, submarines, tanks, helicopters, destroyers, pre-positioning ships, landing gear for the Marines, and ammunition for everybody.

So before we commit to $40 billion and 5 years on a single weapon, we must stop, look, and listen. We must understand that our conventional forces are in a sorry state of readiness—the principal trouble being that we have denied them the equipment, the flying hours, the steaming hours, and the vehicles necessary for training, mobility, and readiness.

We are 60,000 trucks short in the Army right this minute. Look at our inability to defend against gas or chemical warfare. The next war will not be fought by one soldier just shooting at another man. The field of battle for conventional forces may very well be gassed by our adversary. The Russians have already used gas in Laos, Cambodia, and Afghanistan.

Their infantry wears protective clothing developed for this kind of warfare. In another advance, Soviet troops travel in modern infantry-fighting vehicles. They have 76,000 of these—the United States has none. It is tough to tell the Commandant of the Marine Corps that we cannot give him the gear he needs because the B–1 has just gobbled up all the money. I just did that this week.

We are not prepared to fight a conventional war. Clausewitz said, "History shows that a nation fights the war that it is prepared to fight."

We are not prepared to fight in the Indian Ocean, so we will not. We are not prepared to fight a conventional war in NATO, so we will not. We are only prepared to fight a nuclear war—so we will if one comes. The best way to avoid the nuclear holocaust is to be prepared to fight the conventional battle. But the B–1 is a nuclear carrier. Underprepared for conventional war, the B–1 overprepares us for nuclear.

The Soviets did not march on Angola or Afghanistan with a nuclear attack. They went with conventional forces. For 10 years now, we have been "détenting" and dillying and disarming while the Soviets have been beefing up and outspending us militarily by $500 billion.

We cannot repair this difference in a year. It will take several years. So we must set priorities. Is the primary need another Trident submarine, or is it an aircraft carrier? Is the first order x number of tanks, or helicopters? A manned bomber, or more and better equipment for our conventional forces?

I believe the first priority is manpower. I have written about the draft in a previous newsletter. I believe that the one best move to build our military and show our commitment is the universal draft. It would get a cross-section of our society participating in America's defense. It would give us the skills. It would cost less, and it would evidence our will power as well as our military power.

My second priority would be readiness. That includes money for ammunition, money for fuel, money for operations and maintenance of the equipment, and money for adequate flying, steaming, and training hours.

Rather than $40 billion for a single weapon—a manned penetration bomber—I would rather spend that same amount over the next 5 years on fleshing out the Rapid Deployment Force in the Indian Ocean, equipping the Marines, equipping our National Guard and Reserves, refitting nine Navy ships, buying some attack submarines, tanks, helicopters and fighters, and speeding up development of the next generation of manned, penetration bombers—the Stealth.

THE LIMITS TO THE USEFULNESS OF A MANNED PENETRATION BOMBER

So you will understand where I am coming from, I am a strong believer in the military and a strong supporter of the Air Force. At this moment, we have many bombers. We have long-range penetration bombers, such as 345 B–52's and 63 FB–111's. We have many medium- and short-range bombers such as the F–15's, remember the Saudis were asking for bomb racks for their F–15's; hundreds of F–16's, remember this is the plane that Israel used to bomb Baghdad. We soon will have the superior F–18 fighter-bomber by the hundreds. We have A–6's, A–7's, and VSTOL fighter-bombers. I touch on this to emphasize the difference between medium-range bombers and the long-range bombers needed to penetrate Soviet defenses. We are continuing to build and capitalize on America's technology. But as concerns the B–1, there are limits to its ability to penetrate. Generally, there are limits on the manned bomber which makes it necessary for us to put our eggs in more than one basket.

Everyone agrees that the B–1 bomber can no longer be depended upon as a penetration weapon after 1990. We know that the B–52, old as it is, can carry us that far. And we know that we cannot get the first squadron of B–1's flying until 1987 at the earliest.

The bottom line then, if everything proceeds on schedule is a $40 billion program to provide penetration for the 3 years between 1987 and 1990. After that the state of Soviet defenses will make it impossible for either the B–52 or the B–1 to get through.

The B–1 has simply become too expensive for its primary mission. Surely it can be used after 1990 as a stand-off cruise missile carrier but paying $400 million a copy for this role is unthinkable. The $400 million cost has been disputed.

But special studies by the General Accounting Office and the Congressional Budget Office confirm this cost.

Finally as a maneuver with the Congress, the Air Force has been citing inflated costs to keep the B–52's going until the 1990's inferring that rather than paying the expense to keep the B–52's in the air, you could use the same money to buy the new B–1.

Whether you go for the B–1 or go for the Stealth or go for both or go for nei-

ther, every plan shows that the B–52 must be kept current and flying until 1993. And so those costs will have to be paid.

Then when they are phased out in 1993, the question is: shall they be replaced totally by the Stealths that can penetrate or by the B–1 that cannot or by both—if we had the money.

The B–1 is a superb plane and I wish we had 200 B–1's on the line today. Five years ago, I implored President Carter to move forward with the B–1. Instead we wasted 5 years and $5 billion and the opportunity to have them flying over the kind of reasonable lifetime that such a huge investment requires.

Carter made his decision, the factory has closed down, and the cost has soared from $100 million apiece to $400 million. There is a time for every weapon, and the B–1's is passing.

On November 5, Secretary of Defense Caspar Weinberger testified:

> I think there is no question whatever that we will not be able to use the B–1 as a penetrator after 1990.

Earlier, Secretary Weinberger had emphasized the limits of the B–1 after 1990 by stating:

> If you do the B–1 only you spend a lot of money—again I am trying to guess at the extent of development of the Soviet air defenses, so if I use a couple of years, give me leeway 1989, 1990, probably 1988 to 1989—you lose the ability to penetrate unless someone wants to direct suicide missions and that is not anything I am going to do.

This only confirms a similar statement by Fred C. Ikle, Under Secretary of Defense for Policy before the Armed Services Committee on October 27, 1981.

Recently, the United States has been developing a Stealth or advanced technology bomber. This plane is designed to confuse the enemy radar and fire control system so that it can penetrate successfully and reach targets well within the land mass of the Soviet Union. Some would argue that the technology is unproved, too "chancey" to count on and will not be ready by 1990.

However, the technology has been been proved and as former Assistant Secretary of Defense for Policy Perry has stated, it can be developed by 1989.

Wanting both the B–1 and the Stealth, the Air Force is dragging its feet on the Stealth to make it seem that both planes will be necessary.

Accordingly, the administration has requested both the B–1 and the Stealth. Given the limited usefulness of the B–1, given our other defense needs, and given the general state of the budget and the economy, I do not believe we can afford to proceed with both.

It would be far more cost effective, and far better for the overall strength of the military, if we speeded up the Stealth bomber and tried to get it on line a year or two earlier than presently projected.

To understand the limits on manned bombers generally—and to appreciate why proceeding with two new systems is outlandish—we need to remember that America's strategic defense consists of a triad: First, the intercontinental ballistic missile, or ICBM; second, the Poseidon or Trident submarine; and third, the manned bomber.

These provide the options for penetrating the defenses of the Soviet Union over a long distance. If the military need ever comes to penetrate all the way to Moscow, the best way is with a ballistic missile launched from either land or sea.

An almost equally good way is with a cruise missile, whether it is land launched from Europe, submarine launched from the sea, or launched from a B–52 standing off outside the borders of Russia. The most inefficient way is by manned bomber, given Soviet defenses and the vulnerability of the weapon.

So, in recent years, the long-range manned bomber role is being more and more taken over by the small, difficult-to-detect cruise missile. It is relatively cheap, accurate, and better able than a bomber to get through to its target.

Some of our armchair experts argue for the superiority of the bomber over the missile by saying that once the missile is launched, there is no calling it back. My answer is that we better not have a plane with a nuclear bomb wandering around Moscow while we are still wondering if we have given the right order

In fact, I cannot imagine an American Commander in Chief ordering a manned bomber to attack Moscow unless we are already into a nuclear holocaust.

When that point in warfare has been reached, it seems pretty clear that we would be going with our ICBM's, intermediate ballistic missiles, and cruise missiles.

This is not to say that the role for the manned bomber is finished. But it is to say that it does not have the commanding role it once had. It is now part of a larger weapons inventory that includes faster and more accurate systems.

Some, like the cruise missile, are far cheaper. We can and should retain the ability to penetrate Soviet airspace with a manned bomber. We have that capability with the B–52 which has served us long and well and which can be used to fly those 3 additional years beyond 1987.

After 1987, neither the B–52 nor the B–1 will be able to penetrate Soviet air defenses. After that, only the Stealth will be able to get through.

So is it not the wisest policy to accelerate Stealth? It will be able to penetrate from the 1990's on, and it can be delivered as early as 1989. By taking this course, we can save the $40 billion and expend it on readiness and in all those other areas of preparedness that we have been short changing for the past decade.

I know this disappoints my friends in the Air Force. Secretary of Defense McNamara back in 1964 canceled the B–70, and in 1977 President Carter canceled the B–1. I am sure by now that if someone could give a guarantee that the Stealth would be built as a replacement for the B–52, the Air Force would abandon its drive for the B–1.

They have been worried for years about a replacement for the B–52 and now they have a President, finally, willing to go along—even though it is economic nonsense.

As a result of this paranoia, the Air Force has requested a $400 million conventional bomber and a $300 million Stealth strategic bomber. For a conventional bomber, we could easily and far more economically beef up our FB–111's at $64 million a copy rather than $400 million as recommended by Gen. Richard H. Ellis, former Commander in Chief of the Strategic Air Command. But we cannot afford the B–1 and the Stealth.

We need to strengthen our Triad with the Stealth. We need to strengthen our overall readiness in defense. The task is to allocate limited resources. On this basis, I oppose the B–1, favor expediting the Stealth, and favor immediately allocating this $40 billion to readiness.

THE IMPORTANCE OF AMERICA'S PREEMINENCE IN SPACE

Mr. CANNON. Mr. President, once again the Space Shuttle has flown successfully and returned to Earth, and I would like to take this opportunity to congratulate the fine NASA-industry team which made this flight such a success and the magnificent skill of Astronauts Joe Engle and Richard Turly.

Unlike other nations, the United States is not afraid to let the international press view every step in the development of its civilian space program, and the Space Shuttle has not been an exception. We are willing to share with the world our successes as well as our failures as we develop this tremendous capability.

The fact that NASA had a problem with one of the three fuel cells on board the Shuttle should not cause undue concern. The Shuttle needed only one operable fuel cell to be able to return to Earth, and any research and development effort, such as the Space Shuttle, requires a period of time to work out the "bugs" in its design.

It takes a lot of talent, effort, and dedication to translate the initial conception of a major space system like the Shuttle into an operational reality, and I am fully confident that we will develop this capability. We are, with this first-time-ever return of the same vehicle to space, well on the way to doing so.

Mr. President, while I am proud of the continuing success of the Shuttle's development, I am also concerned about a waning resolve to move forward and insure our preeminence in space during the 1980's. The Space Shuttle, as magnificent as it is, is still just a transportation system capable of transferring astronauts and cargo from the Earth's surface to an orbit several hundred miles above the Earth.

What we ought to be thinking about and planning for now is how to use this capability for various commercial, scientific, and national security missions, and defining what other basic capabilities are needed to complement and enhance our use of the Shuttle.

While we follow the development of the Shuttle into an operational capability, we must recognize that we cannot stand still in the other areas of the space program. We must also invest in these areas as well, or we will lose our leader-

ship in space to other nations who are willing to make the investment—and other nations are moving in that direction.

Our investment will not involve large amounts of additional funding, but rather a commitment to fund NASA in the future at approximately its current level, adjusted for inflation.

In the past our main source of competition was the Soviet Union. This no longer is true as other nations develop the capability to operate in space. We are entering a new era of international competition in space, particularly for commercial purposes. The primary competitors in the future, in addition to the Russians, will be the Europeans and the Japanese.

We must view our space program in this new context of competition while retaining the long-standing benefits of cooperation in the exploration of the solar system and the universe beyond.

Let us also not lose sight of the goal, stated in the National Aeronautics and Space Act of 1958, that:

Our activities in space should be devoted to peaceful purposes for the benefit of all mankind.

The use of space for national security purposes has helped to preserve world peace and lessen the likelihood of a global war. Since some of the capabilities needed by the military space program are also needed by the civilian space program, a development in one area can be used in the other.

The Space Shuttle is one example of this, and weather satellites are another. Thus, funding for our civilian space program can either directly or indirectly aid our military space program.

The commercial use of space, while almost 20 years old, is still in its infancy. During the 1980s, a tremendous growth in the use of communications satellites is anticipated. Not only will existing services be expanded, but new uses will also be developed.

In addition, the use of satellites to detect and monitor the Earth's resources, and the manufacture of various products in space are being investigated by NASA and industry, and these capabilities may further expand our commercial use of space in the 1990's.

In a real sense, our commercial use of space parallels our commercial use of aviation. Today, aviation is at least a $100 billion a year enterprise in the United States alone. Who would have thought that this would have occurred at the time of the Wright Brothers' first flight, or for that matter, at the time of Charles Lindbergh's flight about 20 years later.

Our continued commercial success in the field of aviation depends upon NASA doing the high risk research and development that industry cannot afford to do. Without that help, our industry would soon lose its preeminence to foreign competition.

Similarly, our preeminence in the commercial use of space depends upon NASA performing the high risk research and development in order to develop the knowledge necessary for private industry to build viable commercial systems.

The exploration of the solar system and the universe beyond is the greatest adventure of our time, and the Apollo, Viking, and Voyager missions may someday be seen to have been as important to the world as the voyages of Columbus, Magellan, and Drake. Not only are we learning a tremendous amount about the origin and nature of the universe, but we are also laying the foundation for the expanded use of space by future generations of Americans.

EXPANDING OUR COMMERCIAL USE OF SPACE

Mr. President, I should now like to describe the three areas that are likely to lead our expanded use of space for commercial purposes in the next 10 to 20 years: Communications satellites, remote sensing satellites, and the manufacture of various products in space.

COMMUNICATIONS SATELLITES

Communications satellites have been the only commercial product that has made a profit in the past. This business will continue to expand during the 1930's. According to a recent comprehensive study by Western Union, the worldwide communications satellite market is estimated to be $35 to $50 billion over the next 20 years.

The U.S. market alone is estimated to be $16 to $20 billion during this time period.

This estimate includes such potential new services as video teleconferencing which could improve productivity and reduce the amount of business travel; and the direct broadcast of television signals from a communications satellite to individual homes which could vastly increase the number of television channels received and would not require the installation of an extensive cable television network.

Starting with the Syncom series of spacecraft which established the feasibility of using the geosynchronous orbit, the United States has led this field for many years. NASA developed a significant in-house expertise, funded the development of new technology by several U.S. contractors, and played a leadership role in making this a uniquely U.S.-dominated field.

In late 1972, the U.S. Government thought that the industry had matured to the point where it could support its own R. & D. needs and decided that NASA should not initiate any communications satellite flight programs beyond the sixth applications technology satellite (ATS–6).

The funding for such programs, which had ranged between $80 and $120 million per year, in 1981 dollars, over the period 1962–74, was sharply reduced to approximately $10 million per year.

The reduced amount was just sufficient to allow operation of on-going experiments, low-level technology development, and limited system concept studies.

Europe and Japan were quick to fill the vacuum left by NASA's withdrawal from satellite communications, as evidenced by their increased investment and rapid rise to leadership in several communications satellite technologies.

Even more important is the fact that European and Japanese manufacturers are moving from the fabrication of components to the fabrication of subsystems and complete systems, and changing their roles from that of subcontractor to prime contractor.

A recent Japanese report estimates that Japan's space industry will expand to five times its present size by 1990 and continue this growth during the 1990's. Much of this growth will occur in communications satellites. Let us make sure that we do not wind up buying our communications satellites from Japan in the future and becoming second-best in another commercial sector.

In order to meet this challenge, NASA working with the communications satellite industry, should develop the 30/20 GHz frequency band. This will enable the United States to maintain its preeminence in communications satellites into the 1990's.

REMOTE SENSING

Remote sensing satellites can help us discover new sources of non-renewable resources, monitor the size and quality of our water supply and agricultural crops, and detect major sources of environmental pollution.

Thus, they can help us sustain and improve the quality of life around the globe by providing us with accurate information with which to make vital decisions which will affect us all.

For more than a decade, Congress has expressed an interest in establishing an operational civil land remote sensing system. The operational system would build upon NASA's experimental Landsat system.

The evolution to an operational system has not yet occurred because the financial risks in operating such a system are great and the profit not clearly defined. The Carter administration proposed that the Federal Government operate an interim operational system during the 1980's until it was feasible for private industry to take over the system.

Earlier this year, the Reagan administration decided that the Federal Government should limit its support for an interim system to Landsats D and D,' with the hope that private industry would take over the system after the demise of Landsat D'—nominally about 1988.

The goal of having the private sector take over the system was the same; the difference between the positions of the two administrations was in the timing and the role of industry and Government.

Recently, the Senate Subcommittee on Science, Technology, and Space and the House Subcommittee on Space Science and Applications held joint hearings to gather additional information and opinions on the best way to accomplish the transition to an operational system and the role of private industry in such a system. There was general agreement among the witnesses that:

First, the Landsat data was useful;

Second, data continuity and increased marketing was the key to the success of an operational system;

Third, the cost of the data should be more realistically priced; and

Fourth, NASA should continue to do the high risk R. & D. in remote sensing.

There was no agreement on the best way to accomplish the transition to an operational system and the role of private industry in it.

Additional time will be needed before this can be resolved. One thing ought to be clear, however, the United States has invested over a billion dollars in developing a civilian remote sensing capability, and we should think of a payoff in this area on a long-term basis.

Now is not the time to be penny-wise and pound foolish and thus lose our commercial remote sensing capability to foreign competition.

The French are planning to build a remote sensing system called SPOT. Their first satellite will be launched in 1984, and it will have some performance characteristics that are better than, or not available with, the Landsat satellites.

Japan, the European Space Agency (ESA), and India are also studying possible additional remote sensing systems during the 1980's. Competition with our Landsat system is real and just over the horizon.

With this in mind, I would like to propose an approach for the transition to an operational remote sensing system which will enable it to occur as soon as possible, protect the public interest and the U.S. taxpayers' investment, and permit the maximum participation by private industry. The U.S. Government should insure data continuity by agreeing to continue to operate the space segment, that is, the Landsat satellites, until the early 1990's or until industry is capable of taking over the space-based segment, whichever comes first.

Private industry would take over the operation of the ground segment on a competitive basis. Raw data transmitted to the ground from the Landsat satellites, as well as processed data, would be sold to anyone who wishes it.

This will encourage maximum competition in private industry and enable private industry to market the data to as many users as possible.

By pursuing the above approach, we will provide sufficient time to permit additional information to be obtained on the usefulness and cost of providing remote sensing data. We will also guarantee the continuity of data for a sufficient time in the future to match any known foreign competition and to satisfy the needs of the user community.

MANUFACTURING IN SPACE

The United States, Russia, Germany, and Japan have conducted, or are planning to conduct, scientific experiments in space with various materials. This area of the space program is at a very early stage of development, and no one appears to be able to state exactly what the costs and benefits are of manufacturing various products in space.

Pharmaceuticals and semiconductor crystals appear to be the likeliest commercially viable products.

In addition to manufacturing products in space, the results of the initial experiments on materials in the absence of gravity may also improve the manufacture of Earth-based products by providing a better understanding of the effect of gravity upon various materials as they are processed.

CONTINUING OUR EXPLORATION OF THE SOLAR SYSTEM

Mr. President, the exploration of the solar system increases our scientific knowledge, adds to our understanding of the Earth, raises the level of our technology, is a source of national pride and international prestige, and fits our pioneering heritage.

Furthermore, it is carried out in fulfillment of the first stated objective of the National Aeronautics and Space Act of 1958; namely, "The expansion of human knowledge of phenomena in the atmosphere and space." From the viewpoint of NASA's budget, it is not a large amount of money. Clearly, this effort should be continued.

Recently the two Voyager spacecraft passed by Jupiter and Saturn and gave us the first detailed look at both of these planets. Voyager II is now on its way to an encounter with Uranus in 1986 and Neptune in 1989.

Thus, by the end of this decade, all of the major planets and their moons will have been visited by unmanned spacecraft, with the exception of Pluto. However, we have just begun to understand the solar system. Not only should we be planning additional planetary missions, but we should also be planning missions to some of the comets and asteroids as well.

In a congratulatory message sent to the Voyager team earlier this year, President Reagan stated:

> No other area of endeavor so galvanizes and inspires the American spirit as the conquest of space.

Unfortunately, these fine words have not been matched with needed funding in this area. Quite the contrary, the United States recently withdrew from the joint International Solar Polar Mission in which the Europeans have invested so heavily in. This can hardly help our credibility on future international programs.

The United States has also missed the opportunity to send a probe to Halley's Comet during its closest approach to the Sun. Its next approach will be about 80 years from now. What is even more disturbing, the continued exploration of Jupiter and Venus, with the Galileo and Venus orbiting imaging radar (VOIR) projects, is in some doubt.

I believe that we can and must do better than this, that funding for our unmanned exploration of the solar system should be continued, and that the United States should be planning a major mission for 1992—the 500th anniversary of Christopher Columbus' landing in the New World.

DEVELOPING OUR BASIC CAPABILITIES TO OPERATE IN SPACE

Mr. President, we ought to take the long view about our use of space beyond the 1980's and proceed accordingly. The Space Shuttle is a step in the right direction. It is a reusable spacecraft which can transfer astronauts and payloads from the Earth to orbits several hundred miles above the Earth in an economically more attractive manner than using expendable launch vehicles.

In addition to developing the Space Shuttle, NASA is also beginning to define the capabilities needed for an orbital transfer vehicle and a space station. These and other related capabilities will provide our Nation with the basic tools to expand our presence in space for commercial and national security purposes, and some of these capabilities could also be used to expand our exploration of the solar system.

Since about 40 percent of our satellites are placed in geosynchronous orbit 22,300 miles above the Earth's surface, another reusable vehicle, called an orbital transfer vehicle, will eventually be needed to transfer astronauts and payloads from the Space Shuttle to geosynchronous orbit. And, to allow the Space Shuttle to perform its primary task of transportation, a space station will be needed in orbit several hundred miles above the Earth. The space station will take over the Shuttle's in-orbit functions. This will include: Deploying, servicing, and retrieving satellites; berthing, maintaining, and refueling the orbital transfer vehicles; and performing various experiments in space.

FUTURE CHALLENGES

Mr. President, my comments should not be interpreted to suggest that the benefits to be gained by expanding our use of outer space will come automatically or easily. There will be challenges of a technological nature and policy issues that we will need to address.

For example, the Space Shuttle is still an experimental vehicle. Much still remains to be done before it can be viewed as operational. When it becomes operational, we will face other questions such as: Who should operate it, what should the pricing policy be for commercial launches, how many Shuttle orbiters will we need, how long will we have to have expendable launch vehicles, and so forth.

In the area of space science, how do we pick up the pieces and resume our policy of international cooperation after canceling the U.S. spacecraft for the joint United States-European International Solar Power Mission?

In the area of space applications, what is the best way for us to help less developed countries use space for various commercial purposes, and should we go to the U.N.-sponsored conference UNISPACE 1982?

Another area of concern is assuring that NASA has an adequate work force to perform the tasks that ought to be done to maintain our preeminence in space. It is essential that NASA have positions available to reinvigorate the work force in a rapidly changing technical environment, and to halt the increasing average age of agency personnel.

Without a steady influx of new people, NASA will be without the capacity to accomplish the research, development, and management tasks essential to maintaining leadership in space technology.

One final point on the personnel issue. A prerequisite to attracting and retaining new and outstanding talent is a rec-

ognized national commitment to a comprehensive space program such as the one I have outlined above.

All of the tasks that I have mentioned could be accomplished during the next 10 to 15 years without requiring a large increase in future funding for NASA. In fact, NASA's budget would continue to remain less than 1 percent of the overall Federal budget.

What is required, is a halt to the further decline in NASA's budget, and to provide NASA with an annual level of funding in the future which is approximately constant and equal to its current budget, adjusted for inflation.

We ought to recognize that our civilian space program is not just another line item in the Federal budget. Not all Federal expenditures are the same. Some, like the space program, are investments that will provide many long-term benefits, and because of this distinction, it is vital that we halt the decline in support for the space program which has occurred over the past 15 years.

Mr. President, President Kennedy recognized the importance of our civilian space program and made the decision to send men to the Moon by the end of 1969. In 1962, Kennedy stated:

> Our leadership in science and in industry, our hopes for peace and security, our obligations to ourselves as well as others, all require us to make this effort, to solve these mysteries, to solve them for the good of all men, and to become the world's leading space-faring nation.

At the present time, we are the world's leading space-faring nation, and it is my hope that we will remain so in the decades ahead.

THE U.S. RESPONSE TO BREZHNEV'S PLAN FOR WORLD DOMINATION

Mr. ARMSTRONG. Mr. President, Communist Party Leader Leonid Brezhnev believes the U.S.S.R. can bring America to its knees by 1985. This belief is not based on ideology or bluster. And Brezhnev is not daydreaming. He has a definite plan.

If we ignore his plan, or fail to effectively counter, it could succeed.

At a secret meeting of Warsaw Pact leaders in Prague, in 1973, Brezhnev predicted that by 1985 the Soviet Union would be able to cut off the economic lifeline of the West and, thereby, obtain the Communist goal.

He told his Communist colleagues:

> Our aim is to gain control of the great treasure houses on which the West depends: the energy house of the Persian Gulf and the mineral treasure house of central and southern Africa.

Brezhnev's words lend ominous significance to Soviet aggression in Afghanistan, the Soviet military buildup along the Iranian border, Soviet activities in Iraq and Syria, and the presence of thousands of Soviet and East Germany military advisers in South Yemen, strategically located on Saudi Arabia's vulnerable southern flank.

It is not just oil that is endangered by the Soviet grasp for an economic stranglehold on the West. Economists and industrialists have identified nine basic raw materials which are absolutely necessary for an industrial nation to provide for its day-to-day civilian life, let alone its military defense. Foremost among these are industrial metals such as cobalt, platinum, manganese, and chromium. Cobalt is indispensable for mining operations and for manufacturing machine tools. Manganese is essential for hardening steel, and for producing dry cell batteries. Stainless steel cannot be produced without chromium. Platinum is essential to the manufacture of jet engines.

America must import nearly all of these critical minerals, mostly from African countries that are either occupied or threatened by the Soviet-financed Cuban Afrika Korps of more than 20,000 troops.

Oil and other strategic materials do not do us any good until they are delivered to our shores. That is why the Soviets are attempting to gain control of strategic waterways such as the Panama Canal. The importance of the Panama Canal to international trade, and especially to our own economy, should make us all the more concerned about the presence of hundreds of Soviet and East German advisers in Nicaragua, and the thousands of tons of Soviet military equipment that are being delivered each month to Nicaragua and, through Nicaragua, to the Communist guerrillas in El Salvador.

THE SOVIET MILITARY BUILDUP

The key to Brezhnev's plan is for the Soviet Union to develop a conventional military superiority so overwhelming that the U.S.S.R. would be able to seize and hold the resource areas vital to the West, and a strategic nuclear superiority so intimidating the United States would be deterred from striking targets vital to the Soviet Union.

In order to implement the plan the Soviets, for the last decade and a half, have engaged in the greatest arms buildup in world history. They have been spending nearly three times as much of their gross national product on the military as we have.

This unprecedented Soviet military buildup has borne impressive fruit. The Soviets now lead the United States in virtually every measure of military strength, sometimes by breathtaking margins:

The United States has 16 Army and 3 Marine divisions. There are 180 divisions in the Soviet ground forces.

The Soviets have built as many tanks since 1970 as there are tanks in the entire U.S. Army. Overall, the Soviets have a 50,000 to 10,500 advantage, and an even greater qualitative advantage, since most U.S. tanks were built before 1970.

The Soviets have a 6-to-1 advantage in artillery pieces, a 4-to-1 lead in armored personnel carriers, a 2-to-1 lead in fighter aircaft, and a 3-to-2 edge in antitank missiles. In addition, the Soviets have fielded whole families of weapons systems, like the Katyusha "Stalin organ" rocket launcher, for which there are no counterparts in the U.S. Army.

Even on the high seas, the U.S. Navy is outnumbered and in danger of being outgunned. Our Navy has 189 cruisers, destroyers, and frigates, compared to 275 in the Red navy. They have 266 attack submarines to our 80, a better than 3-to-1 advantage.

Soviet superiority is greatest where it counts most. It would take us nearly 2 weeks to move just our lightest division, the 82d Airborne, to the Persian Gulf in the event of a crisis there. The Soviets could move at least 10, and perhaps as many as 20 divisions, most of them armored, to the scene within that period of time.

With that kind of power projection capability, the Soviets seem very capable of meeting with the Brezhnev timetable.

While the Soviet Union has been leaping forward in military capability, we have been falling backward. In 1964, the Air Force had 3,538 fighters and 1,364 bombers. Today, the Air Force has 2,982 fighters and 409 bombers. In 1964, there were more than 600 ships in the Navy, compared to just 355 today. The Army had 971,000 soldiers under arms in 1964, compared to just 776,000 today.

The reason for this relative decline is not hard to find. In 1964, we devoted 43.5 percent of the Federal budget, and 8.4 percent of our gross national product to national defense. By last year, defense spending had fallen to 23.1 percent of the budget, and just 5.2 percent of GNP.

If we are to derail the Brezhnev timetable, we will have to spend more for defense than we have been spending for the last decade. There simply is not any other way to rebuild our defenses. Our task will be especially difficult because it will take a lot longer and cost a lot more to try now to do the things we should have done but did not do over the last 10 years.

In the long run, America's future will be determined by our faithfulness to our ideals, the strength of our economy, the ingenuity of our diplomacy, our willingness to strive and sacrifice to achieve excellence in science, education, and other fields. And, perhaps, our national sense of purpose and destiny. But military power, sufficient to deter war or to win if necessary, is absolutely essential. Our freedom and very survival depend on such power.

SPENDING DEFENSE DOLLARS MORE WISELY

To achieve a strong response capability will be costly and we must spend wisely.

Just as we must have a strong defense in order to keep our economy strong, we must have a strong economy in order to maintain a strong defense. Only if our economy is healthy and growing can we afford the sustained military buildup that will be required to lift the shadow of war from our doorstep.

It is arrant nonsense to assert, as some have, that because of the uncertain state of our economy, we cannot afford to spend more for defense. If we cannot protect our industrial lifeline, there is no hope of economic recovery. But it is equally wrong to argue that all else should be sacrificed to the defense budget. If we try to increase defense spending too much too fast, without regard for its impact on our prospects for economic recovery, we will find we cannot sustain

real growth in the defense budget, and the gains we thought we were making will prove illusory.

In other words, we cannot talk about economic recovery and national defense as if they existed apart from one another. They are opposite faces on the same coin. If we do not rebuild our economy and our defenses together, we will be able to restore health to neither.

The defense budget, in fact, is even more vulnerable to the ravages of inflation than the rest of the Federal budget, or your family budget. The Consumer Price Index increased 30.7 percent in the last 4 years. But the cost of defense purchases increased 41.8 percent in the same period. However bad inflation has been to you and me, it has been half again as harmful to our defense efforts.

Our plans to rebuild our defenses will be thwarted if inflation is much higher than we expect. President Reagan's plans for 7 percent real growth in the defense budget each year for the next 5 years are based on some very optimistic assumptions about inflation. If the rate of inflation through 1985 is as high as the Congressional Budget Office estimates, two-thirds of the President's proposed gains in defense spending would be wiped out. And CBO made its estimates before we discovered we could be as much as $100 billion short of our goal of a balanced budget by 1984.

It sounds like a contradiction, but it could be that the only way to preserve real growth in the defense budget in the critical years ahead is to spend less than the President has proposed, at least initially. We have to get inflation under control. That cannot be done without balancing the budget, and the budget cannot be balanced without some reduction in the proposed increase for defense.

There are other sound reasons for thinking carefully before we commit huge sums of money to new defense programs. Not only did our military forces wither in the 10 years of neglect that preceded President Reagan's election, but so did the defense industrial base on which we rely to produce the weapons we need. Hundreds of subcontractors and thousands of parts suppliers have left the defense business. Many of the prime contractors are in ailing financial condition, and their production facilities are aged and decrepit.

Because of the inefficiencies that have developed, it can take as much as 3 years from the time the order is placed for a fighter plane to be delivered. It simply is not possible to try to increase defense production across the board without setting off a scramble for resources and skilled workers that will bid up the price of weapons systems faster than the already horrendous rate of defense inflation. In the near term, the result will not be more weapons, just more expensive weapons.

The Defense Department is perhaps the best managed of all Federal agencies, but that is like being the fastest in a three-legged race. DOD is a bureaucracy like other Federal bureaucracies, and billions of dollars are squandered each year through duplication, waste and maladministration.

President Reagan understands the problems we have been having with the defense industrial base, and with the management of the Department of Defense itself. He has ordered a study of comprehensive reforms of how we buy weapons, and how we run the Department of Defense. But the Reagan reforms have to be implemented, and they have to have time to work. If we make major commitments to new weapons systems now, under the old processes, we cannot avoid wasting billions of dollars we cannot afford to waste which could have been saved if we had waited until reformed procedures were in place.

We also need to rethink our strategy and our defense priorities. The lion's share of American military planning is based on repelling a Soviet thrust into Western Europe. But it makes more strategic sense for the Soviets to try to destroy the West by grabbing a stranglehold on the vital raw materials we import. That is what Brezhnev and other Soviet leaders say they intend to do, and that is in fact what they have been doing. Would it not make more sense for us to plan to meet the Soviet thrusts where they have been occurring rather than to devote most of our resources to repelling a thrust that probably never will come?

Furthermore, by some measures, the United States has been spending more to defend Western Europe than the Europeans have been spending. That was justifiable at the end of World War II, when Europe was prostrate and we were, relatively speaking, omnipotent. But it is hardly justifiable today, when the economies of many Western European countries are in better shape than our own.

The magnitude of our commitment to the defense of Western Europe is especially hard to justify in view of our unilateral assumption of the responsibility for defending Middle Eastern oil supplies. The United States would suffer greatly from an abrupt cutoff of Persian Gulf oil. But the Europeans would suffer much more. We import less than half the oil we use, and less than half the oil we import comes from the Persian Gulf. But the Europeans import nearly all the oil they use, and most of their imports come from the Middle East. Yet every last soldier in the rapid deployment force is an American. If we are to assume the responsibility for defending the oilfields, the Europeans should reciprocate by spending more on their own defense.

Finally and most important, we need to come to grips with the consequences of the technlogical revolution our Armed Forces have been undergoing. Congressional pacifism and parsimony alone cannot explain why our force structure has shrunk so much.

Although defense spending has declined enormously as a percentage of Federal outlays and of GNP, we are spending about as much, in dollars adjusted for inflation, on defense today as we did 30 years ago, or at any point within the last 30 years. But we are getting a lot less for the money we spend. The chief reason for this is the skyrocketing price of acquiring and operating the highly complex weapons systems we are buying today. While 10 years ago, it cost $3.3 million a copy to buy what was then the chief Air Force air superiority fighter, the F–4, today, we are replacing the F–4 with the more capable F–15.

But in constant fiscal year 1972 dollars, the F–15 costs $8.1 million, more than twice as much. The absolute cost of maintenance has gone up by a comparable amount, because the F–15 has more things that can go wrong than the F–4, and they take longer and cost more to fix.

The inevitable consequence of procuring these expensive systems is that we will have far fewer of them. Not even the substantial boosts President Reagan has proposed for defense will be enough to keep forces at present levels if the cost of the weapons we buy continues to double, in absolute terms, every 6 or 7 years. If the shrinkage in force structure that will occur if we continue to procure only high-tech systems seems too much to bear, we should consider buying simpler weapons, but many more of them. Neither step is a step we should take lightly, or without careful consideration within the executive branch, Congress, and in the country.

THE MOST IMPORTANT DEFENSE PRIORITY: PEOPLE

There are some steps we can and must take now to strengthen our defenses while we are thinking through these important questions. Because of our fixation for weapons procurement, we have given short shrift to the servicemen and women we expect to use those weapons. Military pay and benefits and training funds have been cut back in order to get more wheels on the ramp. This is as self-defeating as it is unfair to the men and women who have sacrificed so much to wear the uniform of their country.

Often more than half the cost of a weapons system is expended to get a 5 percent increase in capability. But because we have not been paying skilled military personnel enough to keep them in the service, and because we have not been training their replacements as thoroughly as we should, our servicemen cannot get maximum performance from their weapons, and the money we spent to get it is wasted.

Congress finally has recognized the damage done by its decade of neglect of the needs of our servicemen. President Reagan signed into law earlier this year a substantial military pay raise. But our military manpower problem will not be solved until we also enact a new GI bill of rights to attract the best and the brightest of our young people into military service.

In addition to being perhaps the most effective step we could take to strengthen our defenses, the GI bill also could save us a considerable amount of money. There would be no cost at all for at least 2 years, and the countervailing savings that could be generated in the Department of Defense as a result of having a smarter force, coupled with the reductions that could be justified in other Federal education loan and grant programs, could make the GI bill a money-making proposition for the taxpayer for years to come.

We also need to increase our purchase of ammunition and spare parts for the weapons we already have. If a war

started today, our Armed Forces would only have enough ammo to fight for 2 weeks. Our stocks of ammunition and spare parts can be replenished without the inflationary consequences of some other type of procurement spending.

These are important questions. In the weeks ahead, Congress must come to grips with specific proposals about how we can get more bang for our defense bucks, proposals involving a rethinking of our strategic options, reform of the weapons procurement process, and reorganization of the Department of Defense.

In the meantime, I would like to hear from you. I would like to know what you think can be done to stretch our defense dollars. Please write to me here in Washington or at one of my Colorado offices. We all need to get involved if we are to keep our country strong and free.

We are in a period of great danger, but I think we will pass through it safely. No foe has ever been able to match Americans in vigor, imagination, or in our determination to defend our homes, our families, and our freedoms. Our difficulty has not been in responding to threats, but in recognizing that a threat is being posed. We have tended to be too peaceful and too trusting for our own good. That has certainly been the case for the last 10 years. We deluded ourselves into thinking that Soviet intentions were as noble as our own. But now we know better. We know we need to rebuild our defenses if we are to preserve peace and freedom in the world. And because we know what we have to do, I am confident we will get the job done.

VETERANS DAY

Mr. CANNON. Mr. President, November 11 was Veterans Day and was witnessed by celebration by veteran groups throughout the land.

I know everyone talks about veteran accomplishments at that time, but some say it better than others. Mr. Bill Morris, the commander of chapter 3 of the DAV in Las Vegas did a superb job of laying it on the line, and, accordingly, I was to share it with my colleagues. Mr. President, I request unanimous consent that his article be printed in the CONGRESSIONAL RECORD.

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

[From the Las Vegas Sun, Nov. 8, 1981]

VETERANS' NEWS BRIEFS

(By Bill Morris)

This column is in honor of Veterans Day, Nov. 11, 1981.

"It was the nakedness of Bryce's left calf-bone that bothered me. Every strip of flesh and muscle had been torn away, so that the splintered bone looked like a broken ivory stick."

That ghastly description of a war wound came from the pages of Philip Caputo's Vietnam combat novel, "A Rumor of War." The scene is haunting. It's brutal. But it's a scene that's been repeated countless thousands of times in the wars America has fought.

Such scenes echo the pounding of German artillery as it turned the trenches of WWI into rivers of precious American blood. They echo the crashes of Japanese Kamikaze planes that transformed the decks of American ships into fields of flame.

And they echo the firing of communist machine guns, as they mowed down young Americans on the banks of Korea's Yalu River. Over and over again, the horrifying scenes of disabling injuries have been repeated in the eight wars and other military actions our country has been forced to fight.

On Veterans Day, 1981, the veterans ask all of our Nation's citizens to remember the courageous men and women whose blood paid the price for peace.

They call on our country's people to understand that war is seldom like the movies on TV . . . films that focus on the glory of war. The sudden arrival of death or permanent disability is not clean or fine, or glorious. War is ugly. War is hell. They do not show the reality of combat.

The reality of war is like Caputo's description of a shattered leg bone. In another period of history, it was the horror of a Civil War soldier crawling across the forest floor toward death, as described in one of Stephen Crane's stories.

War is young Americans being slaughtered and maimed. It's other young Americans mopping from their faces the sweat of fear . . . fear that their number will come up next. These are the men and women who have paid the price for peace, and peace isn't cheap.

Veterans Day is their day. And you can be sure America's 30 million living veterans recall the blood and sacrifice that Veterans Day commemorates. They gave greatly of themselves, risking death and disability, to purchase peace for their country.

The birthright we Americans enjoy . . . a heritage most of us take for granted . . . was bought with anguish and pain.

A million and a quarter of our finest young men and women sacrificed their lives to defend our right to choose our own leaders at the ballot box. Countless thousands will never again enjoy peace of mind, because of mental wounds they suffered while fighting to assure that all of us can worship as we wish. Thousands will forever blame themselves for letting their buddies be killed. Thousands will forever remember the sight of a small Viet Nam child throwing a grenade into the middle of their platoon.

America's veterans had to interrupt their lives to answer their country's call to duty. They left their jobs, their schools and families behind to risk death and disability on the field of battle, in the air or on the sea.

Today, too many young Americans view military service as a responsibility to be avoided at almost any cost. But, they who have served know differently. They know it is not an easy task to be a soldier, a sailor, an airman or a marine when our country is at war.

As we look at today's world, we understand that it isn't easy to wear the uniforms of our Armed Forces even during peace-time. Just in the past few months, two Soviet-backed countries have attacked American aircraft.

Our military officers and bases have become targets for terrorist assaults. And, at least five times this year, communist troops have instigated fire fights with American forces stationed on the demilitarized zone separating North and South Korea.

It's not child's play when you have to face enemy fire . . . when you have to watch your comrade die in the arms of a corpsman . . . you see another human being fall after you've pulled the trigger.

Dealing with such terrifying realities is no everyday job. America owes a sacred debt to those who have purchased peace through such sacrifices.

This is what Veterans Day stands for.

The next time you see a veteran in a wheelchair, or walking with a white cane, or lying in a hospital unable to move for the rest of his life or see a Vietnam veteran searching for his identity, don't turn your back—instead smile and say, "Thanks for keeping us Free."

SMALL TRANSPORTS FOR THE LONG HAUL

Mr. CANNON. Mr. President, my frequent trips from my home State of Nevada to the Capitol continue to remind me of the need for further improvements in the level of air service available to many of the small communities and cities of our country which are not among the top 20 or so of the Nation's metropolitan centers. When the Congress 3 years ago supported my bill to deregulate the airline industry, we broke down the stifling regulatory barriers to open competition, which is essential to attainment of more extensive and economical services for all communities. We have achieved important results provided by many new entrants into the market and many new economies, admittedly constrained by the explosion in fuel costs that took place during that period.

Beyond the past regulatory barriers, there still exists severely limiting technological and attitudinal barriers which I will point out now.

Most conspicuous is the fact that we do not have small transport technology developed to the point that commuter class carriers can offer the quality of aircraft service for small communities that has long been routine for major intercity travel. This means pressurized cabins for overweather flight, stand-up headroom, turbofan powerplant performance and reliability, state-of-the-art electronic communications and navigation equipment, nominal cabin amenities, safety, and schedule reliability.

Our country is suffering in two ways because of the lag in appropriate commuter class technology development. For one thing, many travelers are denied the quality of air service contemporary technology should make available. For another, our commuter carrier industry is forced to go abroad for purchase of most of its new small transports at a time when our employment and economy urgently need revival in about every domestic sector.

I referred also to an attitudinal barrier restraining the development of small community air service. There is a deeply imbedded mind-set throughout the aviation industry which has decreed that travelers between two nonmetropolitan, or nonhub cities, will forever be denied direct service between smaller cities of origin and destination simply because the volume of traffic between such cities cannot economically support service with large modern transports.

In that scenario, the tens of millions of those travelers are programed for a short haul commuter flight from origin to a regional hub city, transfer to a large transport for travel to another regional hub, and connection there to another commuter class flight to destination. This can often mean doubling back in direction of travel at either or both the origin or destination segment of the itinerary. It can mean missed connections, long delays, and badly timed origin

departure and destination arrival times. It can mean overloading the airplane handling capacity, or slot positions, at major hubs. It imposes the inescapable economic burden of unwanted short haul segments on long haul travelers.

With that mind-set in place, we will never develop the small transport technology which will permit frequent direct service commensurate in speed and quality with that of trunkline carriers at affordable, if not equal, cost.

It was, therefore, very refreshing for me to read an editorial by Arnold Lewis in the September issue of Business & Commercial Aviation, which is chipping away at that mind-set. He cites testimony and eye-opening statistics provided at a Senate Commerce Committee hearing by Anthony A. duPont, designer of a proposed 30- to 44-passenger transport that can operate nonstop at transcontinental distances at mach 9 and provide competitive 100-mile segment performance from 3,500-foot runways.

Mr. President, I ask that this article by Mr. Lewis, captioned "The Long Haul Commuter" be printed in its entirety. It is my hope that NASA and other important segments of the aviation industry will take note and give careful consideration to the concept there discussed. Certainly my fellow citizens from Nevada communities will join me in this expression of an intolerable gap in the level of airservice available to them. This is a gap which airline deregulation will help to close if NASA moves forward aggressively with advanced small transport technology development and industry leaders break free from their previous mind-set.

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

THE LONG HAUL COMMUTER

It sounds daft on the surface—a commercial airline operating nonstop between Albuquerque, New Mexico, and Washington, D.C., several times a day with 30-passenger turbofans?

Corporate jets do things like that, but not commercial airliners. Everybody knows that when one wants to fly between Albuquerque and Washington, one must first fly from Albuquerque to Denver, then from Denver to St. Louis, and finally from St. Louis to Washington National Airport.

But wait a minute. Every once in a while someone comes up with a better idea—at least one that's worth exploring. That someone in this case is Anthony A. duPont, an aeronautical engineer from Torrance, California. He recently appeared before the Senate Commerce Committee's science, technology and space subcommittee advocating what he described as a "new concept which could improve air service dramatically."

What he didn't say was that the concept also could cut right into the heart of corporate aviation by providing point-to-point transportation to localities not currently served by scheduled airlines.

"You cannot today fly nonstop from Albuquerque to Washington, D.C.; or from Las Vegas to New Orleans; or Buffalo to Phoenix; or Charleston to New York; or Huntsville to Los Angeles; or Indianapolis to San Francisco; or Los Angeles to Wichita; or Detroit to Seattle," duPont told the subcommittee. "And there are many other city pairs where CAB passenger statistics indicate demand of large economic proportions for nonstop service where there is none today," he added.

DuPont calls it an "important gap in airline service" and notes that 53,000 people made that Albuquerque-Washington trip in 1980. "With this many passengers, a 30-seat aircraft could offer four trips a day each way. A 100-seat DC–9 or 737 could offer a single daily round trip, but the 1,727-mile distance is more than is normally flown by these 100-seat aircraft."

The 30-passenger aircraft duPont envisions would be too small for commercial transport builders to develop, and might be beyond the technological reach or interest of general aviation manufacturers. He sees an FAR Part 25 aircraft with a supercritical wing and an advanced engine installation "with thrust vectoring to achieve a high cruising speed without incurring fuel consumption penalties.

"It would be more fuel-efficient than even our newest large airliners or commuter aircraft on either a long or short (100-mile) flight." DuPont quotes 75 seat-miles per gallon on a transcontinental trip, and 37.5 seat-miles per gallon on a 100-mile flight, "which is still more fuel-efficient over the 100-mile segment than any current turboprop aircraft, which were specifically designed for this type of short-haul service."

But the new generation of 35-passenger commuter aircraft can achieve such fuel efficiency over a 100-sm segment.

DuPont also believes his concept must include "some V/STOL features" to permit the use of discrete runways no more than 3,500-feet long at major hubs in order to increase airport capacity and allow for greater frequencies of service.

"With such a unique combination of speed, range, economy and short-field performance, present passenger-load figures indicate that passengers riding between 20 and 30 percent of the airline miles traveled today in the United States would be served more promptly, economically, and with less fuel than with present aircraft," duPont said.

An analysis of the "low-density airline" market, he adds, "shows there is a current market in the United States for at least 1,200 such aircraft and an estimated market abroad for an additional 4,000 airplanes."

Furthering his analysis, duPont selected from the CAB's list of the top 1,000 city pairs (in terms of revenue passenger-miles) those cities that could be served by two to eight round trips per day with 30-passenger aircraft with a 55-percent load factor.

From that list he deducted 50 percent of the traffic "as that which might be carried by larger aircraft between those cities requiring five to eight round trips with these (30-passenger) aircraft."

As a result, duPont said that "about 27 percent of the revenue passenger-miles (between those cities) could be conveniently flown with 30-seat aircraft. Examination of the Official Airline Guide dated March 1, 1981, shows that the great majority of city pairs selected in this manner have no nonstop service between them at the present time and that very few have more than a single one-stop flight (daily)."

An important assumption made by duPont was that only city pairs that board less than 100,000 passengers per year were candidates for service with the advanced 30-passenger aircraft. The 100,000 passengers represent only two and a half daily round trips in a 100-passenger aircraft, "which is not really considered adequate service.

"One DC–9 trip and five trips with the new aircraft would make 100,000 passengers per year, or two DC–9 trips and two trips with the new advanced airplane would make 104,-000 passengers per year giving a six-flight-a-day or four-flight-a-day frequency (respectively)," duPont concluded.

Even if duPont's "special" aircraft could be developed, his concept would require fundamental changes in the air transportation system. Such changes would offer major and unique opportunities for today's commuter operators to become long-haul carriers with small aircraft in what could be considered specialty markets.

On the other hand, implementation of the concept might have a significant impact on corporate aviation. But a network of 30-passenger aircraft that would serve the diverse array of destinations that currently attract business aircraft is highly unlikely.

Corporations have been forced to solve their own air transportation problems as a result of declining or nonexistent commercial airline services. Will they be willing to rely again on the commercial airlines (even specialized operators) to satisfy their transportation needs?

IMPACT OF THE FEDERAL R. & D. BUDGET ON THE HEALTH OF U.S. SCIENCE AND TECHNOLOGY

Mr. CANNON. Mr. President, on October 26 and 27 the National Academy of Sciences held an unprecedented convocation of the U.S. leaders in the field of science and technology. The purpose of this meeting, which was arranged by Dr. Frank Press, president of the National Academy of Sciences, was to review the Federal R. & D. budget for fiscal year 1982 and future years.

Some of the most prestigious leaders from academia, industry, and Government met under the auspices of the National Academy of Sciences to review the implications of the Federal R. & D. budget reductions in this fiscal year and the projected reductions in future fiscal years. This meeting provided an opportunity to exchange information on the administration's position with regard to science and technology. Based upon this exchange, the Nation's leaders were able to provide an indication of the impacts of the administration's new directions.

I need not convince my knowledgeable colleagues on the vital contribution that science and technology make in meeting our national security, economic, and social needs. I would encourage my colleagues to review the results of this meeting. It is a frank evaluation of what the budget reductions will mean for the future health of this Nation's science and technology base. Across-the-board budget reductions without any regard to policies, priorities, and programs will not serve the interest of this Nation.

Mr. President, I wish to include in the RECORD a summary of the conference by our Nation's science and technology leaders. The results of this conference should be extremely valuable to the Members of Congress, who must make budgetary decisions on the allocation of scarce Federal resources. I think the summary and statement are thoughtful and germane to our deliberations. I hope my colleagues will have a chance to review them in the course of deciding upon the Federal R. & D. budgets.

I ask unanimous consent to have printed in the RECORD the summary and statement to which I have made reference.

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

CONFERENCE ON THE RESEARCH AND DEVELOPMENT BUDGET FOR 1982 AND FUTURE YEARS

SUMMARY

In brief, the purposes of the meeting, held October 26 and 27, 1981, at the National Academy of Sciences in Washington, D.C. were to:

Obtain factual information on federal budgetary plans for FY 1982 and beyond, from government officials directly concerned with science policy and with civilian research and development budgets;

Develop an informed dialogue among conference participants and with agency officials about the impacts of the prospective reductions;

Propose budgetary alternatives, for FY 1982 and for future years; and

Consider initiating reviews of the institutional structures and procedures for supporting research and development in the national laboratories and in the universities.

During his welcoming remarks to the conferees, Dr. Frank Press, president of the National Academy of Sciences, stressed that he had convened the meeting because he believed all could benefit from an informed dialogue, and, secondly, that he did not view the conference as the basis for confrontation with officials representing the departments and agencies. Dr. Press also stressed that he was acting as a convenor of a number of key officials in government with leaders in research and development, and that it was not a meeting of the Academy.

On October 26, the conferees met with representatives from six governmental departments and agencies. A number of conference participants served as panelists for discussion. Comments from the floor followed each panel presentation. On October 27 the conferees met in executive session, at which time they adopted a consensus statement. [The consensus statement and the list of participants are attached.]

This summary first discusses the current and prospective budget plans, as presented by the governmental representatives and as shown in the analysis by Dr. Willis Shapley, consultant to the American Association for the Advancement of Science. Secondly, it describes impacts—immediate and beyond—of the prospective budgetary reductions. Finally, it reports on possible involvements by the scientific and technical community in governmental decision making.

CURRENT AND PROSPECTIVE BUDGET PLANS

Overview of the current budget and its status

The FY 1982 budget presented by the Administration in March 1981 reduced the totals proposed for research and development by the previous Administration, but it generally maintained the principles of federal responsibility for longer-term research and those applied research and development activities that support recognized federal missions such as national security. The exception in the March budget to these principles was the severe reduction in support for basic research in the social sciences. However, in September, the Administration proposed a further reduction in the FY 1982 budget—the so-called "12 percent across the board cut." That proposal would reduce the $42.2 billion of R&D appropriations request of the March budget by $3.1 billion—$1.0 billion from the Department of Defense (DOD) and $2.1 billion from all other programs. Of the $42.2 billion, about $5.5 billion is ascribed to basic research and that amount would be cut by about $600 million.

In constant 1980 dollars and applying the Administration's annual inflation rate of 9 percent, the percentage difference between the 1980 budget and the proposed September budget is: DOD, +26 percent; NASA, −7 percent; DOE, −29 percent; NSF, −17 percent; HHS, −19 percent (NIH, −18 percent). For basic research, the overall reduction is 11 percent.

The present actions of the Congress on the FY 1982 appropriations requests call for reductions from the March budgets of lesser magnitude, being a reduction of about $1.0 billion from total R&D funding and taken from the DOD budget. While some other reductions have been made by the appropriations committees, there have also been increases totalling about $200 million. The Congressional actions are not complete; the government is currently operating on a continuing resolution empowering agencies to expend at levels and rates consistent with 1981 appropriations levels. The Administration, however, has further instructed agencies to expend at rates consistent with the proposed September revisions to the 1982 budget. The Administration proposes to set these levels formally through the deferral process, and deferral requests were being sent to the Congress by the Administration in late October. The resolution of the 1982 appropriation process will require much further discussion between the two governmental branches. Several participants at the October 26–27 Conference, including Administration officials, indicated that the outcome will be negotiated, and that the conferees should not assume that the 12-percent reduction proposals will be enacted as such.

Views of administration officials

The Administration, through the Executive office of the President, was represented by Dr. George A. Keyworth, director of the Office of Science and Technology Policy, and Mr. Frederick Khedouri, the Associate Director for Natural Resources, Energy, and Science in the Office of Management and Budget. Dr. Keyworth cautioned against assuming the worst possible scenario concerning the budget. He indicated that he felt that, overall, science was healthy; that the Administration would still adhere to a philosophy of supporting research; but that it would take a more critical attitude toward demonstration programs, especially where the civilian sector might be expected to do the job. He felt greater attention needed to be placed on identification of research areas of maximum promise, with the assumption that these would be supported. Maintaining the strength of top research universities, supporting high quality research, and responding to instrumentation needs were all urged by Dr. Keyworth.

Mr. Khedouri acknowledged that the budget outcome for 1982 is unclear; there will be negotiation and the gap between the Administration and Congress will narrow. The Administration's aim is to establish targets and to stick to goals; there will be active, not passive, response by the Administration to revisions of targets, by the Congress or by revised economic forecasts. This will require two to three years of hard budget decisions. He indicated that the usual budget process might have to be abridged over these years, but that the framework for research would be protected. He advanced the notion that from his perspective the issue was about a change in rate of growth of the budget rather than absolute reductions. Mr. Khedouri asserted that, overall, there was some real growth in research; and that basic science was faring well compared to demonstration and social programs. One should not assume, however, that there can be, or should be, more and more science support from the government. The scientific community could help in reallocation.

Research agencies

The research and development leaders from NSF, NASA, and the Departments of Energy and Health and Human Services (NIH) made a number of points concerning the budget proposals, including that they are using different tactics to cope with the proposed reductions.

National Science Foundation: The NSF, for example, is attempting to shield basic research in the mathematical, physical, and engineering sciences to a greater extent than some other areas because of the underfunding over a decade in these disciplines. Dr. John Slaughter, Director of the NSF, said that the National Science Board (NSB) and key NSF executives recognize NSF's critical role in research and that in this period of tight funding the catalytic effect of NSF funding—in prompting funding by other agencies, industry, and, other private sources—needs exploration and emphasis. The NSF will support research in the social sciences. The statement of the NSB on the social sciences was stressed.

Further, the NSF has continued to be concerned about instrumentation and has led an interagency group considering ways to increase instrumentation funding. NSF is avoiding applying "simplistic" formulas, such as ratios of the existing grants renewed to new ones funded.

However thoughtful these tactics, there will, realistically, be significant effects on money actually available and the nature of what is funded. For example, in NSF's case, some 60 percent of its grant money is committed to projects having another year or more to run.

National Aeronautics and Space Administration: NASA is terminating, or grossly reducing, specific programs, rather than applying across-the-board cuts. Which program to cut is a derivative of several variables, including the long-term gain for science generally as, for example, the broad gain in astronomy promised by the orbiting later this decade of the Space Telescope. Hans Mark, Deputy Administrator of NASA, made several comments about the budget situation. It is only partly true that Shuttle costs are reducing funding for science. There are severe problems of inflation, exacerbated by the lack of technical craftsmen and skilled workers, affecting not only the Shuttle but all aerospace procurement, e.g., Atlas Centaur launch vehicles. NASA recognizes that procurement and development costs associated with the Shuttle obscure other elements of the budget and has sought and received from OMB an agreement that the Shuttle be budgeted separately from the rest of the agency's programs.

NASA has told OMB that it cannot operate a planetary program with only one project each decade, and that this activity should be supported properly or not at all. Other research missions, e.g., aeronautics research, are being viewed in a similar fashion. Mark said that he and Administrator Beggs want the advice of the scientific community. With regard to cooperative missions, such as the Solar Polar Mission, it was difficult to generate diplomatic support, since in the broader context many agreements are honored neither by the United States nor by the Europeans. Mark shared the frustration of losing support for projects with interagency funding, such as the National Oceanic Satellite System, and the difficulty of turning the high public interest in space into political and budgetary strength for the program.

The Department of Energy: The budgetary situation in the DOE is complicated by the announced plan of the Administration to abolish the department. There are no decisions and Dr. Alvin Trivelpiece, Director of the Office of Energy Research, reported no emerging preferred alternatives. At present, the agency plan is to effect a percentage reduction across all elements of the department, including the large commercial-scale demonstrations, the basic energy sciences, and the high-energy physics programs.

The Energy Research Advisory Board has begun to look at the future roles of the national laboratories. DOE recognizes that universities use some facilities of the national laboratories, such as computers. The twin uncertainties of DOE funding in the basic sciences and the future of the Department are severely hampering the ability of laboratory directors and individual scientists to plan research programs.

Department of Health and Human Services: Dr. Edward Brandt, Assistant Secretary

for Health, in summarizing the situation at NIH, said that he recognizes that the proposed budget reduction will severely affect the policy of supporting an adequate number of new research grants each year and training clinicians for research careers; it will certainly affect NIH's special responsibility in biomedical research. Moreover, Dr. Brandt acknowledged that the current year cut was severe because of the commitments to continuing grants, and that level or reduced funding would severely affect basic biomedical research, with perhaps as much as a 40% reduction in new project starts. He offered no solutions. The Department is not planning for drastic responses to the proposed budget reductions, e.g., elimination of an NIH institute, because of the low likelihood that such a step would be sustained.

Department of Defense: From a cross-agency perspective, there is little likelihood that reductions in basic research funding will be offset, wholly or in part, by increases in DOD funding for basic research. The reasons include the uniqueness of the DOD mission and, more heavily, the several years of constrained spending that DOD now wishes to recoup. DOD increases will be scrutinized by Congress; further, sustaining basic research under the combined pressure, of anticipated reductions in the rate of growth of the DOD budget and new or intensified development programs will be difficult.

Other agencies

It was noted that the effects of the costs extend not only to the immediate plans of the larger, more visible R&D agencies, but may be—in fact, are—more severe for the smaller agencies; for example, a proposed 50 percent reduction in EPA's research budget; a 15 percent cut in NOAA's budget, and so forth. A danger is that in the effort to restore funding for the more prominent research agencies that those severe cuts in the smaller, less visible agencies may be sustained.

It was also noted that some research is the result of "piggybacking" and may be lost through what seem, on first order, to be nonresearch cuts. This piggybacking is particularly illustrated in the social sciences: demographers in census, economists in assembling national economic accounts, anthropologist in international exchange programs, and so forth depend on other programs as the framework for their research efforts. As these activities are reduced in scope, the effect on social science research will be severe.

IMPACTS: IMMEDIATE AND BEYOND

The effects of federal budget reductions—namely the proposed September levels—can be examined in several ways: by the effects on the basic research enterprise, per se; by the effects on national goals, including national security, improved productivity, availability of adequate number of scientists and engineers, and by the ability of the industrial R&D endeavor to offset reductions in federal R&D work and support. These and many other effects were addressed by many of the conferees. A number of the major points made by conferees are summarized below.

Effects on the basic research enterprise

American science, especially its basic research component, is now appraised as generally healthy. However, slippage has been taking place in recent years. That is revealed in several ways, such as the erosion, vis-a-vis other research nations, of the historic American leadership in high energy physics and in astronomy. Virtually no part of a decadal strategy for space science research prepared in 1975 has been done. X-ray astronomy may in future years be dominated by observational work of European and Japanese Astronomers. Other nations will be sending missions to Halley's Comet; the U.S. will not. In high-energy physics, Europeans are leading in reporting experimental results, and, with the money invested in new European facilities, that dominance will continue and probably widen. In any case, the implications of reductions in basic research support need to be faced early. Sustained reductions over several years will lead to a major change in the U.S. position vis-a-vis European nations and Japan.

Some participants in the conference did not share the view that the research enterprise was generally healthy and stressed that it is more fragile than planners in Washington realize. They further cited the quality of life in the laboratory here and the contrast in laboratory working conditions and resources in the United States vis-a-vis Europe. The behavior of the funding agencies is another indicator of problems for the research enterprise. Sustained underfunding of research has many ramifications. One outcome, given prospects for further reductions in successive fiscal years, is conservatism in funding extended projects: established operations may do better; new people will be denied programs and lost. It is a misconception to say that investigators whose funding is skipped for a few years can then come back.

Some agencies by virtue of their missions are more vulnerable to current and future reductions. For example, NSF, with most of its money allocated for grants, has less flexibility in responding to cuts than does DOE, which conducts a more heterogeneous research program, one that includes not only basic science but also development and demonstration programs. While there is greater flexibility in some agencies, there are also great pressures to continue investments in large scale demonstration plants. These pressures will inevitably affect those supporting longer-term research.

Some at the conference stressed the multiplier effects of budget cuts, stating that the system was in many ways taut, that small changes, up or down, in funding had pronounced impacts on all aspects of research, funding for procurement, manpower and training, and so on.

Mismatches: Budgeting and the Research System: Damage is done by the "mismatches" between the dynamics of government actions and the time constants of the research system. Government budgets change drastically, in amounts and within months. The basic research system generally operates in considerably longer time frames, typically several years; that is, the time needed to conduct an experimental program, to construct large facilities, to develop research teams that can work harmoniously and effectively, for a graduate student to complete a thesis. When mismatches occur between the timing of budget reductions or redistributions and those time constants of research, the effects can be severe—in sunk costs losts, in incompleted theses, in aborted careers in science and engineering. The majority of research performers have no reserves; universities have less funds to support transitions between grants. The results are severe dislocations when precipitate budget changes occur. Leverage effects are a consequence of these mismatches; that is, relatively small cuts having greatly magnified effects, in research productivity and in time lost.

Instrumentation: Instrumentation of research universities is now in quite bad shape, with apparently no immediate prospects for relief. Students are using obsolescent equipment. The first of several efforts over the coming years intended to reduce this problem, a $75 million request by the NSF, was deleted in the March budget. An interagency effort to share the burden of instrumentation funding has produced an agreement among department and agencies that the instrumentation problem is serious; but, because of funding pressure, the outcome of any proposed budgetary initiative is in doubt.

Manpower: The decline in the number of Ph. D's in physics is symptomatic of difficulties in the research system, given that, at the graduate level, training and education commingle with basic research. Despite a rough doubling of the GNP (1972 dollars) since 1963 and a substantial increase in the working age population, the number of Ph. D. graduates in physics will decline in the near future to pre-sputnik levels. That decline will directly affect the country's national security; that is, in having sufficient scientific and technical talent to develop new defense technologies.

NIH training grants will be reduced substantially. Moreover, the government has no way to cope with the already evident decline in the number of physicians training for a basic or clinical research career. (Note: After the conference, the NSF fellowship support programs were reinstated by OMB in the FY 1982 request.)

National laboratories: The budget reductions are already severely affecting the national laboratories. Given future plans, some laboratories may be virtually dismantled or greatly reduced. Unique capabilities may be irreversibly damaged; thus, the dismantling of programs in planetary science may impoverish the Jet Propulsion Laboratory, even though JPL has taught the world a lesson in quality control. The role of the national laboratories needs examination, including the nature and quality of their basic research that is done and their relations with the research universities.

Impacts on national concerns: Productivity and national security

Research—basic work in the natural, social, and engineering sciences—is the country's major investment in the future use of its resources, most directly in providing fertile ground for new technologies that amplify the value of increasingly restricted resources. Without adequate investments in intellectual capital, there may be continuing erosion in the country's ability to compete internationally in high technology. The real growth of U.S. funding of basic research over a ten-year-period has been less than that of Japan, West Germany, and France. Data on expenditures for research and development in the industrial countries, such as those contained in Science Indicators, were cited, and supported with first-hand observations, by both industry and academic participants. Several conferees stressed that future international competitiveness require more, not less, investment in research by the government and by industry. A continued flow of trained manpower for industry and universities requires a strong governmentally supported research effort.

There should be collaboration between government, the universities, and industry; however, attitudinal changes were necessary to a more favorable spirit of collaboration. The tax measures recently enacted will help, but, when considering both government and industry investment, it should be kept in mind that the proportion of the national resources being directed to R&D is declining in the United States in comparison to some other industrial nations. The relationships of the budget actions to defense and national security were of concern to the conferees. The effect of sustained tight budgets in basic research on manpower availability and the general knowledge base on the nation will be pronounced.

Industry research

Industry couples directly to the basic research system in its concern with the health of graduate education; that is, in assuring the continuing production of people trained in research and fully conversant with the frontiers of fundamental science.

While a number of specific agreements between particular universities and industries exist or are being arranged, the amount of support by industry for academic research

particularly and university education generally is likely to be limited. Thus, a tripling over the next decade of industrial support currently directed to university based research would about equal the proposed federal cut in R&D funding for one year. There is no indication that industry can or will have the capacity to substitute for the government's historical role in the support of basic research. It is a misconception to believe that the scale of changes being proposed in the federal funding will be offset by industry's activity on campuses or in its own laboratories. Further, it should be kept in mind that industry will likely focus its increased support of research in universities on a few fields or disciplines, such as electronics and geology.

DECISIONS INVOLVING THE S&T COMMUNITY

As a first principle, the conferees agreed that several years of reductions in basic research funding will be damaging. However, given that overall budgetary reductions will occur in FY 1982, the issue is how to manage budget redistributions so as to protect the basic research system.

A number of the attendees at the conference asserted that a process or dialogue needed to be restored to the budget process. The root issue is participation by the scientific community itself in the decisions that are made: A measure of due process is needed. Barring that, we will get second-rate science, second-rate technology, and become a second-rate world power, said one participant. The problem to be faced, it was noted, is that the research system is now entering a negative growth cycle. How can we see to productivity in research in a period of chronic negative growth?

There is again a mismatch problem: between the day-to-day, often crisis environment of governmental decision making and the ability of the scientific community to mobilize and to prepare consentient advice. Whatever the difficulties advice and judgments—on the quality of programs, relative importance of different fields and subsets within fields, and so forth—are critical. NASA, for example, needs advice—political and scientific—as to what sort of institution it should be. Other agencies, such as DOE, don't have good standards as to what to support. For example, how many fellowships should there be and in which fields?

For its part, the research community needs sufficient notice of departures from previous budgetary trends, to allow corrections in the number of graduate students accepted, faculty positions offered, equipment purchased, major experiments, and so on. Does the government, for example, believe that "crisis budgeting," similar to the revised budget issued in September, will recur for several years?

In all, what is need is an interactive, continuing exchange of information between the government's fiscal and science policy officers and the scientific and engineering community. No adequate mechanism to accomplish that now exists. As a corollary, there is now no apparent way to manage "an orderly retreat" from the present R&D effort, in lieu of "brute force" methods. As an example, can funds be set aside to provide for termination of grants, which, while small in amount, would lessen the dislocations of a transition, when it occurs, from full funding to no funding?

As to tactics, one way to conserve funds for basic research, to protect the enterprise, may be to combine the government's retreat from development and demonstration programs—those efforts that private sector should do, excepting those that are so costly and long term, such as fusion, that industry cannot support them—with increased funding for basic research.

STATEMENT

The conference on research and development was a meeting on October 26–27, 1981, of about 100 university officials, laboratory directors, industrial research executives, scientists and engineers, and individuals experienced in public policy, who were drawn together at the invitation of Dr. Frank Press, President, National Academy of Sciences. The conferees met to discuss the impact of the prospective budget reductions proposed by the Administration upon the Nation's scientific research capabilities. Officials of the Administration discussed their proposals with the group. Observers from the staff of the Congress and the press were present. The conferees reached consensus on the following:

The problems of the economy—inflation, high interest rates, industrial stagnation—have eroded research and development just as they have impacted other sectors of our society. The participants in the conference understand that the nation must pass through a period of restraint in public expenditures. Yet the proposed reductions in the President's September or Fall Budget will do irreversible damage unless longer term research, in contrast to development and demonstration, is protected.

It is the view of the conference that continued sound investments in research and development by the Federal Government are essential to our national goals, including public welfare, a strong national security, and a renewal of growth in productivity. Much of our economic growth over the last three decades is directly attributable to research and development that has been supported by both government and industry and even earlier investments in research. Because of the important relationship between research, technology and increased productivity, the expressed goals of this Administration for a strong economy and improved national security demand more, rather than less investment in basic research. Furthermore, the intrinsic relation between the performance of basic research and the training of scientists and engineers makes continuing strong support necessary to prevent future critical personnel shortages.

Within the current support by the government of research and development, nearly $10 billion, less than 15 percent represents basic scientific and engineering research. Support of scientific research is a public expenditure from which all sectors of society benefit. Basic science is a long-term investment, and depends on government support. There are no significant sources of support for such a collective benefit which can replace the Federal Government.

Instability and abrupt changes in funding have severe effects: research teams are broken up; investments in experiments involving large facilities such as accelerators, spacecraft, oceanographic vessels and other instruments are poorly used. The continued flow of new researchers into our industrial and university laboratories is best maintained by their stable and continued participation in university based graduate research.

Because of low investments in research over a decade and high inflation, many fields of science are now especially sensitive to decreases or increases in funding. The conference urges that the Government plan carefully for the support of the natural sciences, engineering sciences and social sciences, and protect such plans from abrupt change.

In the March budget revisions the Administration recognized the general, long accepted principles of the Federal role in support of research and development. There is special concern for defense and renewed growth in productivity.

The proposed reductions in the President's Fall Budget Program would establish an overall percentage cut in all the various budgetary accounts. The conference strongly recommends instead that the Administration and Congress should:

View research and development across the entire government, making budgetary adjustments or reductions that maintain the basic sciences by reallocating funds between research and development;

Instruct Departments and Agencies to maintain the strength of science in agency budget allocations;

Direct a larger part of the increased budget for national security to the funding of basic research that is essential to the maintenance of that security;

Recognize that the scientific base of the nation has suffered a decade of little or no growth and must be strengthened in order to maintain competence in the nation's laboratories;

Recognize that education in the sciences is inextricably linked to research and continue graduate student support through research grants, fellowships, and traineeships;

Recognize the need to revitalize the instrumentation and facility base on which future scientific and technological advance depends.

These principles should be applied to the budget for 1982 and beyond.

A much strengthened mechanism is needed through which the scientific and engineering communities advise on resource allocations and analyze the impacts and benefits of various shorter term and longer term budget strategies for government investment in research and development.

It is timely to initiate an analysis and evaluation of the institutional system for the support of research and development including the distribution of resources, the continued need for some facilities, grant mechanisms, etc. There should be input into this review from the scientific and engineering communities in universities, the national laboratories and industry. Further, review must look across Departments and Agencies to achieve the most productive allocation of resources.

The strength of the nation depends on the continued supply of scientists and engineers. A large number of the best young people must be attracted into these disciplines for careers in industry, the government, and universities. Policies at all levels of government to insure the continued flow of scientists and engineers must be developed. The education of the nation's youth in science and engineering requires priority attention not only by the Federal Government, but also by citizens and officials at the state and local levels and also by the private sector.

The growing relation between universities and industry are laudible and the nation can only benefit from these partnerships. Yet such a relation cannot become a substitute for the strong government-university partnership in support of basic research which now exists. The industrial members of the conference strongly support the continued investment in basic research by the government.

THIRD LAW OF THE SEA CONFERENCE

Mr. CANNON. Mr. President, over the past 7 years the United States, along with over 150 other countries, have been drafting a convention on the law of the sea. Using the Third United Nations Conference on the Law of the Sea as a forum the nations of the world are attempting to compose an international legal frame-

work that addresses territorial limits, navigational rights, fishing rights, environmental protection, marine scientific research, mineral resource exploration, and other ocean issues. Essentially every aspect and use of the ocean will be affected one way or another by this convention. To date these laborious negotiations have resulted in a document entitled "Draft Convention on Law of the Sea" which contains 320 articles and 8 annexes.

However, a few days before the tenth session of the Third Law of the Sea Conference was scheduled to convene in March of this year, Secretary of State Alexander Haig announced that he had instructed the U.S. delegation to the conference "to insure that the negotiations (did) not end" at that session. Secretary Haig also called for a "thorough review" of the convention by the U.S. Government which would then be used to determine our position toward future negotiations of the conference. As a result, the United States adopted a non-negotiating posture. The Haig announcement was made over 8 months ago and the State Department has just recently completed its review.

In the interim, the March session of the conference in New York and the August session in Geneva, Switzerland, have passed with U.S. participation at both sessions being confined to observation and "informal discussion." Due to the inability of the United States to negotiate, the conference has come to a standstill. Many of its participants, including our allies and Third World countries are becoming more and more impatient and frustrated by our lack of commitment, one way or the other, regarding participation at the conference.

With the review having just been completed, I understand the President will soon be presented with the results. He must make a decision as to whether or not the United States will participate further in the conference or withdraw completely from the negotiations. This is obviously not a decision that can be made easily or taken lightly and therefore will require time to formulate. This decision-making process will likely result in still further delays and prolong the period of time that the United States is without a coherent and articulate policy regarding these important and far-reaching negotiations.

I am becoming very concerned that whatever the President decides, there will not be enough time to lay the groundwork needed to implement his decision before the next session of the Law of the Sea Conference reconvenes early next year in New York. Postponement of the completion of the review has already added an additional month to the original review schedule proposed by the Department of State.

In any international negotiating arena, progress is slow and the scheduling of events must take into account the pace of realistic negotiation. In the case of the Law of the Sea negotiations, future intersessional meetings with many different countries may be required, as may one-on-one informal discussion with individual countries before the next session. The review has taken entirely too much time and as a result could create some very real practical problems for the individuals responsible for implementing the President's decision, whatever it may be.

It is time the United States adopt a policy position regarding future negotiations of the Conference. A quick and thoughtful decision by the President on this matter is critical to allow the U.S. delegation to the Conference the necessary time to thoroughly prepare before the next scheduled session in March of 1982.

As a corollary to the Law of the Sea, last year the Congress passed the Deep Seabed Hard Mineral Resources Act. As chairman of both the Senate Commerce, Science, and Transportation Committee and the national ocean policy study during the last Congress, I was deeply involved with steering this legislation through the Senate. This act promotes the conservation and development of the hard mineral of the seabed, particularly manganese nodules, by citizens of the United States.

In the relevant hearings that were held in the Senate to hear testimony concerning this legislation, it was pointed out that other nations, such as the Federal Republic of Germany, were investigating a similar initiative. Today the United States and several other countries have domestic seabed mining legislation and still other countries are pursuing it in their legislative bodies.

It is clear, as nations around the globe pass laws which will regulate their deep seabed miners, that some mechanism to provide for international compatibility among these problems is necessary to facilitate the kind of international cooperation needed to maximize the use of hard mineral resources of the seabed.

Consequently, a section was included in the seabed mining legislation which allows the Administrator of NOAA, in consultation with other departments and agencies, to designate foreign nations as "reciprocating states" if their licensing and permitting requirements for exploration and commercial recovery of hard minerals from the seabed are compatible with those of the United States.

The United States has been negotiating for over a year a reciprocating regime with a small group of other countries, the so-called "like-minded" nations which have implemented or are soon likely to implement domestic seabed mining programs. Although consistent progress has been made, it has been slow, and I urge both the Department of Commerce and the Department of State to continue the ongoing reciprocating states negotiations in an expeditious manner.

Final regulations implementing our domestic seabed mining legislation were issued September 15, 1981 except for that portion outlining procedures for applications based on exploration which commenced prior to enactment of the seabed mining legislation. This section was omitted because NOAA believes that this part of the regulations must detail comparable procedures and rules agreed to among the "like-minded" nations. Consequently, a timely reciprocating States umbrella agreement is particularly important to allow for the completion of U.S. domestic regulations and thereby allowing U.S. citizens which have already invested in the exploration of the seabed, the opportunity to apply for an exploration license.

Regardless of whether the reciprocating States regime will eventually stand alone or be transitional in nature and evolve into part of a broader law of the seabed regime, the reciprocating States must move ahead under the leadership of the United States.

Once again I reiterate these two separate, yet related, points. First, I urge the President to act swiftly in outlining a policy for the United States regarding the law of the sea negotiations, and second, I further encourage the Departments of Commerce and State to move forward in negotiating a reciprocating agreement as mandated by the Deep Seabed Hard Mineral Resources Act.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, 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 and a withdrawal which were referred to the appropriate committees.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE RECEIVED DURING THE RECESS

ENROLLED JOINT RESOLUTION SIGNED

Under the authority of the order of the Senate of November 22, 1981, the Secretary of the Senate, on Monday, November 23, 1981, received a message from the House of Representatives announcing that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 357. Joint resolution making further continuing appropriations for the fiscal year 1982, and for other purposes.

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. THURMOND).

MESSAGE FROM THE HOUSE

At 4:16 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 368. Joint resolution making further continuing appropriations for the fiscal year 1982.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 220. Concurrent resolution providing for the commemoration of the one hundredth anniversary of the birth of Franklin Delano Roosevelt; and

H. Con. Res. 228. Concurrent resolution providing for an adjournment of the House from November 23 to November 30, 1981, and an adjournment of the Senate from November 24 or November 25 to November 30, 1981.

The message further announced that the House has passed the bill (S. 1086) to extend and revise the Older Americans Act of 1965, and for other purposes; with amendments; it insists upon its amendments to the bill, asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. PERKINS, Mr. BIAGGI, Mr. ANDREWS, Mr. CORRADA, Mr. WILLIAMS of Montana, Mr. RATCHFORD, Mr. ASHBROOK, Mr. COLEMAN, and Mr. PETRI as managers of the conference on the part of the House.

At 5:52 p.m., a message from the House of Representatives, delivered by Mr. Gregory, announced that the House has agreed to the following resolution:

H. Res. 285. Resolution electing the Honorable Thomas S. Foley, a Representative from the State of Washington, as Speaker pro tempore.

ENROLLED JOINT RESOLUTION SIGNED

The message also announced that the Speaker pro tempore has signed the following enrolled joint resolution:

H.J. Res. 368. Joint resolution making further continuing appropriations for the fiscal year 1982.

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. THURMOND).

HOUSE CONCURRENT RESOLUTION HELD AT THE DESK

The following concurrent resolution was ordered held at the desk by unanimous consent:

H. Con. Res. 220. Concurrent resolution providing for the commemoration of the one-hundredth anniversary of the birth of Franklin Delano Roosevelt.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PERCY, from the Committee on Foreign Relations, without amendment:

S. Con. Res. 45. Concurrent resolution expressing the sense of the Congress with respect to the rights of the people of Afghanistan.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Jesse E. Eschback, of Indiana, to be United States Circuit Judge for the Seventh Circuit;

Richard A. Posner, of Illinois, to be United States Circuit Judge for the Seventh Circuit;

James C. Cacheris, of Virginia, to be United States District Judge for the Eastern District of Virginia;

John H. Moore II, of Florida, to be United States District Judge for the Middle District of Florida;

David V. O'Brien, of the Virgin Islands, to be United States District Judge for the District of the Virgin Islands for the term of eight years;

Clyde H. Hamilton, of South Carolina, to be United States District Judge for the District of South Carolina;

Jim J. Marquez, of Kansas, to be United States Attorney for the District of Kansas for the term of four years;

Robert N. Miller, of Colorado, to be United States Attorney for the District of Colorado for the term of four years;

James M. Rosenbaum, of Minnesota, to be United States Attorney for the District of Minnesota for the term of four years;

Ronald D. Daniels, Jr., of New Hampshire, to be United States Marshal for the District of New Hampshire for the term of four years.

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. HUMPHREY (for himself and Mr. JOHNSTON):

S. 1885. A bill to amend the Federal Power Act and the Public Utility Regulatory Policies Act of 1978 to place electric utilities, including members of registered holding company systems, on the same basis as nonutilities with respect to encouraging their investment in cogeneration and small power production facilities, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MATHIAS:

S. 1886. A bill to amend the Foreign Service Act of 1980 with respect to the number of chiefs of diplomatic mission who are career members of the Foreign Service; to the Committee on Foreign Relations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY (for himself and Mr. JOHNSTON):

S. 1885. A bill to amend the Federal Power Act and the Public Utility Regulatory Policies Act of 1978 to place electric utilities, including members of registered holding company systems, on the same basis as nonutilities with respect to encouraging their investment in cogeneration and small power production facilities, and for other purposes; to the Committee on Energy and Natural Resources.

FEDERAL POWER ACT AMENDMENTS

Mr. HUMPHREY. Mr. President, I introduce today, with my distinguished colleague from Louisiana (Mr. JOHNSTON) as an original cosponsor, a bill which would amend the Federal Power Act and the Public Utility Regulatory Policies Act of 1978 (PURPA) to place utilities, including members of registered holding companies, on the same basis as nonutilities with respect to encouraging their investment in cogeneration and small power production facilities.

Since the Arab oil embargo of 1973 woke this Nation up to the fact that we had become dangerously dependent on imported sources of energy, considerable efforts have been made to diversify our energy mix, make greater use of indigenous and renewable resources, and to make more efficient use of the energy we use through the practice of conservation. This national objective was recognized and encouraged with the enactment of sections 201 and 210 of PURPA, which provide certain rate incentives and regulatory exemptions for qualified small power producers and cogenerators.

Under PURPA, qualified cogeneration and small power production facilities are exempted from State regulation regarding utility rates and financial organization, from Federal regulation under the Federal Power Act (other than licensing), and from the Public Utility Holding Company Act. In addition, qualifying facilities are entitled to sell power to utilities at full "avoided cost" rates and purchase back-up power from utilities at nondiscriminatory rates.

Even with today's prohibitive environment for making high-risk, long-payback investments, over 1,800 megawatts of electrical capacity nationwide are presently being developed as a result of these incentives. I might add that my home State of New Hampshire has played a leading role in this process, especially in the area of small-scale hydro development. New Hampshire was the first State in the Nation to fully implement section 210 of PURPA, and at present there are over 50 applications on file at the Federal Energy Regulatory Commission to develop new and existing dam sites in my State.

Our impediment to the optimal development of cogeneration and renewables, however, is the 50-percent limitation on utility ownership of facilities which qualify for benefits under sections 201 and 210 of PURPA. By removing this limitation, I believe that our bill will be an important step toward unleashing the utilities' financial capabilities, technical expertise, and regulatory experience in developing technologies such as cogeneration, wind, solar, and hydro. The 50-percent limitation has already been lifted for utility-owned geothermal small power production facilities. Our bill would simply extend the notion that it is the nature of the power production facility, rather than its ownership, which should be the basis for encouragement under PURPA.

Mr. President, as chairman of the Subcommittee on Energy Regulation in the Senate Energy Committee, I have become increasingly disturbed by the poor financial condition of this Nation's electric utilities. The rate of return on stockholders' equity for the 50 largest investor-owned utilities has fallen from 12.3 percent in 1972 to 11 percent in 1980, more than than 3 percent less than they are authorized to earn by State public utility commissions.

Stock in investor-owned utilities is currently selling at only 70 percent of its face value, and the bond ratings of many have fallen significantly, causing their bonds to be more expensive and difficult to sell. By giving utilities an equal business opportunity to benefit from the development of cogeneration and renewables, we will also be contributing to the long-range financial health of the industry—something which is in everyone's best interest.

Hearings were conducted this past spring and summer in the House Subcommittee on Energy Conservation and Power on this subject, and we plan to schedule Senate hearings sometime early next year. I welcome any comments or

questions our colleagues might have on this legislation, and of course, I encourage their cosponsorship. I ask unanimous consent that the bill be printed in the RECORD.

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

S. 1885

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

AMENDMENTS TO THE FEDERAL POWER ACT

SECTION 1. (a) QUALIFYING SMALL POWER PRODUCERS.—Section 3(17)(C) of the Federal Power Act is amended to read as follows:

"(C) 'qualifying small power production facility' means a small power production facility which the Commission determines, by rule, meets such requirements (including requirements respecting fuel use, fuel efficiency, and reliability) as the Commission may, by rule, prescribe.".

(b) DEFINITION OF QUALIFYING COGENERATORS.—Section 3(18)(B) of the Federal Power Act is amended to read as follows:

"(B) 'qualifying cogeneration facility' means a cogeneration facility which the Commission determines, by rule, meets such requirements (including requirements respecting fuel use, fuel efficiency, and reliability) as the Commission may, by rule, prescribe.".

AMENDMENT TO PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978

SEC. 2. Section 210(e)(1) of the Public Utility Regulatory Policies Act of 1978 is amended by inserting after "qualifying small power production facilities" the following: "or any investment or acquisition of any other interest therein".

Mr. JOHNSTON. Mr. President, virtually every day statements are made on the floor of this body and elsewhere which cite the need to increase domestic energy production and eliminate restrictive and counterproductive governmental regulation. Without recounting those arguments, I will simply say that the bill we are introducing today seeks to achieve both of those goals.

This bill would eliminate the arbitrary 50-percent limitation on utility ownership of cogeneration facilities which is present in section 210 of the Public Utility Regulatory Policies Act (PURPA). Cogeneration is a means whereby the steam which is used in certain industrial processes is also used to turn an electric generator. Thus, a more efficient use of the fuel resource is made, and we develop two useful end products as opposed to one.

However, under section 210 of PURPA, cogeneration facilities which are more than 50 percent utility owned do not qualify for certain legal exemptions which are granted to other owners of such facilities. Among these are exemptions from State regulation regarding utility rates and financial organization, certain Federal regulations under the Federal Power Act, and from the Public Utilities Holding Company Act. By withholding these exemptions from utilities, we are destroying the economic incentives for the one industry which can effectively employ cogeneration technology.

As a practical matter, few private industrial concerns are willing to undertake cogeneration because of high capital costs, lack of expertise, and a fear of governmental regulation in spite of the PURPA exemptions. The result has been that cogeneration technology has failed to reach its potential as a viable and competitive energy source. Our bill would remove the ownership limitation on utilities, and thereby help make energy production from cogeneration facilities a reality.

By Mr. MATHIAS:

S. 1886. A bill to amend the Foreign Service Act of 1980 with respect to the number of chiefs of diplomatic mission who are career members of the Foreign Service; to the Committee on Foreign Relations.

CHIEFS OF DIPLOMATIC MISSIONS

● Mr. MATHIAS. Mr. President, for several years I have advocated placing statutory restrictions on the percentage of nonprofessionals appointed to ambassadorial rank as chiefs of U.S. diplomatic missions. I believe that limiting the percentage of political appointees to 15 percent would both improve the morale of the career Foreign Service officers and bring greater professional competence to the conduct of our diplomacy.

In 1974, I proposed to the Senate that a 20-percent ceiling be placed on noncareer ambassadorial appointments. This amendment passed the Senate on October 2, 1974, but did not survive conference. In 1975, the idea was revived again both in my bill, S. 202, and by a separate Foreign Relations Committee proposal. These measures were considered by the committee but not adopted.

In 1976, I introduced an amendment to the State Department authorization bill proposing a limit of 15 percent for political ambassadorial appointees. In conference it was weakened and emerged, in diluted form, in Public Law 94-350 of July 12, 1976. Section 120 of the law declares:

It is the sense of the Congress that a greater number of positions of ambassador should be occupied by career personnel in the Foreign Service.

As of mid-October 1981, 9 months into President Reagan's administration, 44 percent of the President's new ambassadorial appointments have gone to individuals outside of the career Foreign Service although comprehensive figures including retained ambassadors are not so high. Should this trend continue, however, this administration would have the highest percentage of nonprofessional chiefs of mission of any administration in the postwar period, as the following chart, provided by the American Foreign Service Association, demonstrates.

	Number career	Number non-career	Percent career	Percent non-career
President:				
Truman	115	63	65	35
Eisenhower	156	72	68	32
Kennedy	72	52	58	42
Johnson	94	56	63	37
Nixon	157	73	68	32
Ford	47	29	62	38
Carter	141	52	73	27
Reagan	45	36	56	44
Total	827	433	66	34

I do not mean to imply that the United States has not greatly benefited from the services of many distinguished diplomats who were appointed from outside the ranks of the career Foreign Services. Such able and dedicated men and women as Ellsworth Bunker, John Sherman Cooper, Shirley Temple Black, and Averell Harriman brought to their ambassadorial positions great energy, skill, and experience. Indeed, the occasional appointment of qualified men and women from outside the career Foreign Service can bring to our diplomacy a fresh perspective on the problems and opportunities facing American foreign policy. There is a role for the political appointee. In the past, however, that role has often been abused, to the detriment to our foreign policy and the national interest.

Too often, political appointees to our embassies lack the experience and expertise required to represent competently America's complex interests abroad. Ambassadorial posts have often been granted in exchange for political support or campaign contributions. Our national security is too important to be subordinated to the patronage requirements of partisan politics.

The proliferation of political appointees abroad has affected the career Foreign Service as well. Morale is undermined when many of the most responsible and prestigious foreign assignments are given to neophytes in foreign affairs. Not only must the beleaguered career officer work overtime to compensate for the shortcomings of a well-intentioned but inexperienced chief of mission, but he or she must do so in the realization that ultimately, the highest levels of the profession may be inaccessible to the majority of aspiring Foreign Service professionals because of the proliferation of political appointees.

The professional Foreign Service is comprised of a relatively small cadre of highly trained, very dedicated American men and women. They endure countless hardships—hostile climates, frequent relocations, difficult living conditions, disruptions in family life, and, increasingly, personal danger—in the service of the United States. It is unthinkable to deny such men and women the access through normal promotion to the highest positions of their profession. Yet that is the trend. I believe that the Senate in its special responsibility in the area of foreign affairs should amend the Foreign Service Act of 1980 to reverse the trend.

In an age of increasing complexity and heightened dangers, American chiefs of mission play a crucial role as this Nation's first line of defense. In keeping with this administration's dedication to excellence in foreign policy, the time is ripe to examine and perhaps reassess the role of the Ambassador in U.S. foreign policy for the 1980's. Today, as a vehicle for these discussions, I am introducing S. 1886, a bill to limit the percentage of political appointees to the position of chief of diplomatic mission to 15 percent.

It is my hope that the Senate Foreign Relations Committee will hold hearings at the earliest convenient date.●

ADDITIONAL COSPONSORS

S. 1787

At the request of Mr. ROBERT C. BYRD, the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Nevada (Mr. CANNON), the Senator from Florida (Mr. CHILES), the Senator from Illinois (Mr. DIXON), the Senator from Nebraska (Mr. EXON), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Vermont (Mr. LEAHY), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Montana (Mr. MELCHER), the Senator from Rhode Island (Mr. PELL), the Senator from Arkansas (Mr. PRYOR), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from Texas (Mr. BENTSEN) were added as cosponsors of S. 1787, a bill to assure the American people that the administration's budget goals will be met, that the deficit for fiscal year 1982 will not exceed $43,100,000,000 that the deficit will not exceed $22,900,000,000 for fiscal year 1983, and that the budget will be balanced in fiscal year 1984, and to assure the representation of small business interests on the Board of Governors of the Federal Reserve System.

S. 1881

At the request of Mr. SASSER, the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Kansas (Mr. DOLE) were added as cosponsors of S. 1881, a bill to provide for the issuance of a commemorative stamp to honor the dedication of the Vietnam Veterans Memorial.

SENATE CONCURRENT RESOLUTION 45

At the request of Mr. GRASSLEY, the Senator from Idaho (Mr. MCCLURE), the Senator from New York (Mr. D'AMATO), the Senator from West Virginia (Mr. ROBERT C. BYRD), and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of Senate Concurrent Resolution 45, a concurrent resolution expressing the sense of the Congress with respect to the rights of the people of Afghanistan.

SENATE RESOLUTION 247—RELATING TO THE NEXT VACANCY ON THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Mr. WEICKER submitted the following resolution; which was referred to the Committee on Banking, Housing, and Urban Affairs:

S. RES. 247

Whereas, interest rates have reached record high levels in 1981;

Whereas, high interest rates are having a devastating effect on the credit-sensitive sectors of the economy, particularly small businesses, which includes small farms;

Whereas, business bankruptcies are nearly 50 percent above 1980;

Whereas, Federal Reserve System money and credit policies directly affect the cost and availability of credit;

Whereas, Sec. 10 of the Federal Reserve Act of 1913, as amended, provides that in submitting nominations for the Board of Governors of the Federal Reserve System, the President shall have due regard to a fair representation of the financial, agricultural, industrial, and commercial interests, and geographical divisions of the country;

Whereas, the 96th Congress adopted S. Res. 434 stating the sense of the Senate that nominations to the Board of Governors of the Federal Reserve System should reflect consideration of the requirements for regional and economic interest representation;

Whereas, over 97 percent of the businesses in the United States are small businesses, which account for nearly 50 percent of the Gross National Product, 90 percent of the new jobs created in the private sector, and nearly half of the Nation's industrial innovations;

Whereas, the term of service of one of the members of the Board of Governors is expiring on January 31, 1982: Now, therefore, be it

Resolved, That it is the sense of the Senate, that the next vacancy on the Board of Governors of the Federal Reserve System should be filled by an individual who has substantial small business experience.

● Mr. WEICKER. Mr. President, today I am submitting a resolution which states that the next vacancy on the Board of Governors of the Federal Reserve System should be filled by an individual who has substantial small business experience.

This resolution reflects a position I have long held concerning the need to have fair and equitable representation on the Federal Reserve, consistent with the original law and with the unique problems of our economy. In a recent speech before the procurement conference in Connecticut, I urge the President to nominate someone to the Board who brings an understanding of the credit needs of the small business sector of the economy.

This position was further reinforced by the Senate Small Business Committee's National Advisory Council.

On June 22, 1981, Senator NUNN and I announced the formation of the National Advisory Council of the Committee on Small Business. This Council is made up of 25 small business men and women from around the country who have agreed to work with the committee to provide a grassroots view of small business issues and concerns.

The first meeting of the Council was held in Washington, on October 28. And I wish that all of my colleagues in the Senate could had the opportunity to participate in this truly beneficial meeting. I felt then, and feel even more strongly now that it is absolutely crucial to establish the kind of ongoing communication between small business and Washington that this Council will provide.

These people, involved with a small business on a day-to-day basis, are in the best position to tell us what the problems of inflation, high interest rates, and excessive regulations are doing to them and their businesses.

It is noteworthy that during the course of this day-long session, the one issue deemed to be of greatest significance to the small business community by the Council dealt with the appointment of a small business person to the Federal Reserve Board. I would like to have printed as part of the RECORD at this point the Council's recommendation which was transmitted to the Small Business Committee through its chairman, Mr. Shaw Mudge, together with a list of the Council's membership.

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

SHAW MUDGE & CO.,
Stamford, Conn., November 2, 1981.

Hon. LOWELL WEICKER, JR.,
Chairman, Senate Committee on Small Business, Washington, D.C.

DEAR MR. CHAIRMAN: As Chairman of the Senate Small Business Committee's National Advisory Council, I would like to thank you and the other Committee members for hosting our first meeting on October 28, 1981. The Council believes that it was a most productive and worthwhile session.

I would also like to take this opportunity to officially notify you that at the close of the business session, the Council unanimously passed a Resolution calling on the Senate Small Business Committee to take a leadership role in assuring that a small business owner, or someone with considerable small business background, is appointed to the vacancy that will be created on the Board of Governors for the Federal Reserve System when Board Vice Chairman, Frederick H. Schultz's term expires on January 31, 1982.

After considerable discussion, the Advisory Council came to the conclusion that the special credit and monetary needs of the small business sector of the economy have not been adequately addressed by the Federal Reserve Board. It is our hope that the appointment of a small business man or woman to the Board by the President would do much to increase the Board's sensitivity to the special economic and fiscal conditions that affect a small entrepreneur.

We believe that the Senate Small Business Committee should be in the forefront of activity leading to the long-overdue appointment of a small business person to the Federal Reserve Board.

We hope that the Committee will act on our Resolution in an expeditious manner.

Sincerely,

SHAW MUDGE,
Chairman, National Advisory Council.

NATIONAL ADVISORY COUNCIL TO THE SENATE COMMITTEE OF SMALL BUSINESS

Hugh Allred, Cullman, Ala.
James Beavers, Clinton, Ark.
Leon Brassard, Hudson, N.H.
David Bruce, Bozeman, Mont.
Mary Diener, Research Triangle Park, N.C.
William Farden, Seattle Wash.
Walter Floss, East Amherst, N.Y.
Leonard Forsgren, Portland, Oreg.
Bruce Hopewell, New York, N.Y.
Oscar Hornsby, Somerset, Ky.
Michael Lefkiades, Bay City, Mich.
Helen Leslie, St. Petersburg, Fla.
Bill Lyttle, Bridgeport, Conn.
Forrest Merto, Ponca City, Okla.
Thelma Moss, Dorchester, Mass.
Shaw Mudge (chairman), Stamford, Conn.
Therman McKenzie, Forest Park, Ga.
Bill Nourse, Nashville, Tenn.
Arthur Obermayer, Cambridge, Mass.
Francis Ravel, Los Angeles, Calif.
James Rhoads, Atlanta, Ga.
Ralph Steinbarth, Chicago, Ill.
Glenn Stout, Minneapolis, Minn.
David Tomlinson, Salt Lake City, Utah.
Morris Womack, Friendswood, Tex.

Mr. WEICKER. Mr. President, the Board of Governors of the Federal Reserve as presently constituted does not have in its membership a person with a small business background or with substantial small business experience. It is time that the voice of small business be heard in the halls of the monetary policy makers of this land.

This fall, the Small Business Committee has held 5 days of hearings on interest rates and the impact on small business. You know what we found out? Not surprisingly, that small businesses are being killed by high interest rates. Businesses are going belly-up every day—bankruptcies are already running 50 percent over last year. And we are not talking statistics here, we are talking flesh and blood.

It is the industries dominated by small companies that are going under or are just barely hanging on. It is the small firms that are filing corporate bankruptcy all across the Nation, while big companies like Du Pont and Sears are acquiring other firms and getting bigger and bigger. Corporate America is able to weather skyrocketing interest rates very nicely, while the small business owner is out there dying on the vine.

Small business men and women are the forgotten foot soldiers in the war against inflation, and maybe it is time somebody pointed out to the administration that the casualties are mounting.

I think it is time we reminded the people who make policy in this country of the truth of the words they have been mouthing all along: That small business is the backbone, the bedrock, the foundation, and the mainstay of our economy. This country was built by individual merchants, tradesmen and laborers. It was they who gave it its spirit and its dynamism, not some corporate board of directors.

Despite all the mounting economic hardships, small business still accounts for 90 percent of the new jobs created in the private sector. Small firms still account for nearly 50 percent of the gross national product, and for nearly half of this country's industrial innovations.

And yet, year after year, our economic policymakers ignore these amazing small business contributions to our economy and continue to promote policies that favor the corporate giants.

Well, Mr. President, right now small business is leading the rest of the country into what could be a very severe recession. Finally people are beginning to realize that as small business goes, so goes the Nation. And small business is in very deep trouble right now.

And the problem is severe and immediate, but not irreparable. The administration's economic game plan has gone awry and we need a midcourse correction urgently. The 1981 fiscal and monetary policies do not add up—and I have been saying that all year. Ever since January I have been saying that you cannot cut taxes 30 percent, undertake a massive new arms buildup, tighten credit and still balance the budget.

In my judgment, the Fed has not been sufficiently sensitive to the agony of small business caused by record high interest rates. All through 1981 the Fed continued to tighten the screws on money and credit, each time pushing up interest rates and to new record highs. Sure they knew there would be pain, and bankruptcy and unemployment. But each month they voted to turn the screws tighter and tighter. And where was the voice of small business in the councils of monetary policymaking? The answer is clear—small business had been disenfranchised. There was no one on it with authority to say, "Wait. Shouldn't we take into account some of the special problems of Main Street? Of rural America? Do we have to worry only about Wall Street?"

I want the Main Street view of the Fed. And I think it is desperately needed there.

Mr. President, the resolution enjoys strong support within the small business community. For too long, the needs and concerns of small business have been an afterthought when monetary and fiscal policy is formulated.

It is important for the Senate to send a clear signal to the President of its interest and concern with respect to this nomination. Passage of this resolution would put the President on notice of a special, small business-oriented criterion to be taken into account in the confirmation process.

It is my understanding that on November 30, 1981, the Senate Banking Committee will hold hearings on this issue. I am aware that several resolutions have already been introduced in the House and Senate. Prior to the committee's consideration, I thought it was appropriate and timely for the chairman of the Small Business Committee to present the small business perspective on this important mutual issue.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations of the Committee on Governmental Affairs be authorized to meet during the session of the Senate on Tuesday, November 24, to hold a hearing on State implementation of Federal standards: Resource Conservation and Recovery Act.

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

COMMITTEE ON THE JUDICIARY

Mr. BAKER. Mr. President, I ask unanimous consent that the Judiciary Committee be authorized to meet during the session of the Senate at 2 p.m. on Monday, November 23, to discuss these nominations:

Jesse E. Eschbach, of Indiana, to be circuit judge for the seventh circuit court of appeals.

Richard A. Posner, of Illinois, to be circuit judge for the seventh circuit court of appeals.

Clyde H. Hamilton, of South Carolina, to be U.S. district judge for the district of South Carolina.

David O'Brien, of the Virgin Islands, to be U.S. district judge for the district of the Virgin Islands.

John Moore II, of Florida, to be U.S. district judge for the middle district of Florida.

James Cacheris, of Virginia, to be U.S. district judge for the eastern district of Virginia.

Robert Miller, of Colorado, to be U.S. attorney for the district of Colorado.

Ronald Daniels, Jr., of New Hampshire, to be U.S. marshal for the district of New Hampshire.

Jim Marquez, of Kansas, to be U.S. attorney for the district of Kansas.

James Rosenbaum, of Minnesota, to be U.S. attorney for the district of Minnesota.

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

COMMITTEE ON INTELLIGENCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Intelligence Committee be authorized to meet during the session of the Senate at 10:30 a.m. on Tuesday, November 24, to hold a closed hearing in relation to S. 1273, the Intelligence Reform Act of 1981.

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

ADDITIONAL STATEMENTS

ANNOUNCEMENT OF POSITION ON VOTES ON SECOND CONTINUING RESOLUTION

● Mr. BOREN. Mr. President, on Sunday, November 22, the Senate considered the conference report on House Joint Resolution 357 making further continuing appropriations for fiscal year 1982. I was necessarily absent during consideration of that measure, but had I been present and voting, I would have voted "no" on final passage of rollcall vote No. 424, and "no" on rollcall No. 425.●

POSITION ON VOTE

● Mr. GORTON. Mr. President, on Wednesday, November 18, a rollcall vote occurred on unprinted amendment numbered 651, offered by Senator ROBERT C. BYRD. The amendment to House Joint Resolution 357—the continuing appropriations resolution—would have changed the date on which the resolution terminates to December 18, 1981.

I was not present to vote on the amendment because Senator ARMSTRONG, Senator BOSCHWITZ, and I were meeting with the President at the White House to discuss the second concurrent budget resolution, then being marked up by the Senate Budget Committee. We attempted unsuccessfully to convince the President to endorse the budget plan being offered by Senator DOMENICI.

Had I been present, I would have voted against the distinguished minority leader's amendment, as I voted against his other similar amendments that day.●

THE REPUBLIC OF VENDA

● Mr. EAST. Mr. President, the Republic of Venda is the black nation of the Vhavenda people which became independent of South Africa on September 13, 1979. A proud, courageous and hardworking people, the nation of Venda is staunchly pro-American, firmly believes in private enterprise and human rights for all people. Rather than continuing to live under apartheid in South Africa, the people of Venda opted for political self-determination in 1979, after establishing self-government in 1969.

Strategically located between South Africa and Zimbabwe, the Republic of Venda is lead by its President, His Excellency Chief, Patrick Mphephu, who has been its leader since self-government. In commenting on relations with other southern African states, President Mphephu stated:

As part of Southern Africa, Venda is cooperating with other independent Southern Africa States of South Africa. Transkei and Bophuthatswana, in the realization of the new dispensation of Constellation of States. This is done with the clear understanding that there will be no interference with the political status of my country. This state of inter-dependence, especially on the economic sphere, will facilitate exchange of ideas and free movement of peoples across political borders.

To date, the United States has not chosen to recognize the Republic of Venda, however, I am hopeful this nation will receive full and sympathetic understanding from President Reagan and his administration.

Mr. President, I recommend the Independence Day speech by President Mphephu to all who are truly interested in furthering America's interest in Africa. I ask that it be printed in the RECORD.

The speech follows:

SPEECH OF HIS EXCELLENCY CHIEF PATRICK MPHEPHU

Mr. M. C., His Excellency the Ambassador of Republic of South Africa, The Chief Justice of Venda. Honourable Members of the Cabinet, Chiefs and all the people gathered here today. I greet you.

To the citizens of Venda, I say this is a great day in our life. You have gathered to make a success of and strengthen what belongs to you, which is the status reached by your country. The status in which Venda is found, and seen amongst other countries of the world. The status in which each Muvenda ought to be proud of because he has reached a stage where he can have freedom of thought and freedom of action.

To my people and all the guests, it goes without saying that by accepting independence in 1979, Venda has gone far on the political sphere. Since Venda is now politically advanced, there is no more time for lingering about, there is no time for depending on others. No longer do Vhavenda wait for people from other countries to tell them when and what to do because they themselves realise it.

Now, being at this stage in time and space, I appeal to all and every Muvenda to look at mountains, forests, plains, low-lying lands, precipices and ravines, and think what he can produce from them. Let mountains and rivers of this country be a source of inspiration and enthusiasm.

Even though it is still a short stretch, does retrospective observation from 1979 not reveal to you changes in all walks of life? Look at projects of plants and plantations in all the different areas of Venda. Take note of the precipices that are being demolished, and stones and boulders that are being rolled down and, rivers over which bridges are under construction to facilitate transport. Take note of secondary schools that are springing up like mushrooms to enable each and every child to be taught in his immediate vicinity. Have a look at Thohoyandou, Makwarela, Vuwani, Shayandima, Makhado and Tshandama and notice modern buildings that are being erected. Can you tell me any place in Venda which has no sign or indication of change? Vhavenda, fold up your sleeves because it is day-break.

The independence in which we are has promoted esprit de corps amongst the people as one nation with one language. This spirit deserves congratulations because, contrarywise, foreigners would disseminate disintegration. All this materialised as a result of mutual agreement and co-operation between the people and the government.

Mr. M.C., the status which Venda attained as a result of the granting of independence is not new to Vhavenda. It is a restoration of what the people and the country enjoyed before 1902. This status was lost through legislation by the South African Parliaments, which acted without consulting our forefathers. That is why Venda did not hesitate to opt for independence when the South African Government made an offer. Refusal by Venda to accept the offer would be a denial of her birth-right.

Our people have participated and contributed in the economic development of South Africa since the discovery of diamonds and gold in 1867 and 1886, respectively. They travelled all the way on foot, across the rivers, over the mountains and plains, to the diamond fields of Kimberly and gold fields of Johannesburg. They worked in the mines, on the roads, on the railway lines, in forest plantations at a time when there was no machinery. They worked in the gardens, steelwork, Sasol and all over. Their sons are still carrying on this work. In other words, they actively participated in the economic and social development of South Africa. It is for this reason that my country should have a share in the distribution of wealth in southern Africa.

Since the inception of the Bantu Authorities Act of 1951, the Vhavenda have moved along the road of separate development without which they would have been submerged by the nations with larger numbers. The implementation of the policy of separate development has remained a challenge to the successive South African Governments. It is a policy which South Africa chose to follow and which was accepted by the black nations of the country. The fact that they have accepted separatism is obvious as all of them have moved all the way from tribal authorities into legislative assemblies, and that is why they are pressing for rapid consolidation of their territories.

Fortunately, the South African Government, by winning the last general election, has been given a mandate to speed up the policy introduced in 1951. The United Nations and Organisation of African Unity will be forced to soften their attitudes if the 1936 Land Act is amended to accommodate the land aspirations of the national and independent states.

My Government has already submitted proposals for additional land due to Venda in order to make it economically viable. The delay in the consideration of my proposals is hampering the economic planning and development of my country.

As I have previously said, independence has created a strong sense of patriotism and national awareness among my people.

That is why traffic between Venda and metropolitan areas of the Republic of South Africa is very heavy, especially during weekends and public holidays. I will not be wrong if I say, 'If there were job opportunities here, most of them would prefer to come back.' It is for this reason that I appeal to businessmen and industrialists to invest their money in Venda. They should do this without any suspicion or fear, as Venda is committed to a system of free enterprise, practiced by the Western countries. In addition to this, Venda is a multi-national State.

In order to move away completely from Bantu education, I appointed a National Education Commission to investigate and, thereafter, to recommend to me what type of education should be introduced in Venda, an education which will satisfy the aspirations of the modern people of Venda, while, at the same time, rendering them acceptable to the world at large. This Commission has already started and it will submit its report before the end of the year.

As part of Southern Africa, Venda is cooperating with other independent Southern Africa States of the Republic of South Africa, Transkei and Bophuthatswana, in the realisation of the new dispensation of Constellation of States. This is done with the clear understanding that there will be no interference with the political status of my country. This state of inter-dependence, especially on the economic sphere, will facilitate exchange of ideas and free movement of peoples across political borders.

Outside the borders of Southern Africa, positive advances were made and contacts have been established. This will be extended in the course of time.

Mr. M.C., returning to Venda, whose offspring are well fed, I am addressing each and every Muvenda by birth, or a Muvenda by virtue of citizenship, that we should approach the third year being united intellectually and spiritually.

Let us unite as children of the same Mother. Enmity, misunderstanding, hatred and differences should die a natural death today on 12 September 1981. In case any differences should crop up, let these be the results of observation and opinion, and not those that will spark off hostilities. Let there be unity, peace and understanding. When we emulate what others are doing, let this be encouragement that we also produce the same. Let there be an end to friction and gossips, as these are stumbling blocks of progress. Everywhere, where we will be found, let us be examples of social interaction, virtue and co-operation. Let us learn self-sacrifice and dedication to duty from countries such as Taiwan, Japan, Malawi and other developed countries. Let there be mutual respect between man and man.

Mr. M.C., with these words I wish every luck to each and every citizen of Venda. May the New Year of Independence, that will start tomorrow, bring all prosperity and all luck in our physical and spiritual life. May the children attend schools properly and be taught in a satisfactory manner in order that they may pass. All the workers must put the interests of their country first. Let there be a cool breeze to promote peace among the people.

This is what I had in my pocket for Venda and the world at large.

Thank you.●

LIVING WITH AGING

● Mr. HEINZ. Mr. President, I would like to take this opportunity to commend Mr. Sheldon W. Fantle, president and chief executive officer of Peoples Drug Stores and Dr. Robert Butler, director of the National Institute on Aging for their valuable contribution to the special health and social needs of our Nation's older Americans. I am pleased to bring to the attention of my colleagues their ex-

ample of a strong partnership between the private and public sectors, which promises to provide a valuable service to the elderly and those responsible for their care.

Their "Living With Aging" program, makes readily available to the elderly, and those who care for them, authoritative information on topics of concern to the older people. This information is based on NIA research and will address issues such as high blood pressure, proper use of medication, accident prevention, and nutrition. Directories of community services organizations will also be distributed in order to improve the elderly's access to services such as housing and transportation. "Living With Aging" also includes pharmacy outreach programs through which trained pharmacologists will be available to answer specific questions regarding the health care needs of older Americans.

Today, 1 out of every 9 Americans is over 65—and this number will grow to 1 out of every 5 early in the next century. As people live longer, their health care needs become greater. The elderly alone consume 25 percent of all drugs dispensed in this country today. Public information fashioned to address these concerns will result in a better educated public better equipped to face the common health problems of the aging.

Peoples and the NIA are to be commended for their leadership and contributions to the health education of the elderly and their families. It is my hope that other organizations—both private and public—will follow their lead.●

NATIONAL DEFENSE AND THE ECONOMY

● Mr. NUNN. Mr. President, as spending for national defense needs as a percent of GNP increases, the relationship between that spending and the overall performance of the economy will also become increasingly important. In a recent issue of Aviation Week and Space Technology, political economist Eliot Janeway discusses at great length his views on this critical issue.

Mr. President, I ask that Mr. Janeway's article be printed in the RECORD.

The article follows:

DEFENSE REQUIREMENTS AND THE NATIONAL ECONOMY: A HISTORICAL PERSPECTIVE AND A CURRENT ANALYSIS

Clemenceau's famous dictum about war—"it's too important to be left to the generals"—is an echo from that bygone and simple world when generals could still expect to commandeer resources overnight. The Great German General Staff, which was universally admitted to be headquarters for expertise at the commandeering of resources in Clemenceau's time, paid a bitter price for blundering into World War 1 without taking the precaution of accumulating any inventories of shot and shell beforehand. Instead, it put its trust in the perfectly logical calculation that it would blitz its way to victory without any need to draw on ordnance inventories. Glaring though this error proved to be, the Kaiser's army recovered and went on to fight a formidable four year war, which it almost won in spite of its military planners.

As recently as 1950, miscalculations as glaring as those which proved traumatic, yet not fatal, for the Great German General Staff of 1914, were still readily correctable. In the second week of June, 1950, Truman's universally respected Chairman of the Joint Chiefs, General Omar Bradley, assured House Armed Services Committee Chairman Carl Vinson that the Pentagon would never again have any need for amphibious craft and, therefore, that it had no plans for ordering any.

This judgment was fated to prove sustainable for about as long as an average official economic forecast: three weeks. Nevertheless, the damage done by this miscalculation of requirements proved retrievable in the simpler, shorter terms of defense planning and production still in force thirty years ago. Shipyards began making up for lost time, and hammering out the missing vessels, about as fast as the training camps began to ship troops for them to carry.

Clearly, our fates and our fortunes are in the hands of the arcane practitioners of the gnomic art of defense planning. They appear, however, to be suffering from a bad case of schizophrenia: unable to decide whether they are reckoning our security requirements in terms of combat ready firepower or the dollar cost of shopping for it. The symptoms of this schizophrenia are putting us on notice that the business of defense planning, to paraphrase Clemenceau, has become too important to be left to defense planners.

Certainly, no quick fixes can still be trusted to retrace wrong turns in defense planning for the 1930s. Long before Jeb Stuart formulated the first rule of warfare as the race it is "to get there fustest with the mostest," and long before Hannibal established his fleet of elephants as the secret weapon of his transalpine blitz, the two ingredients of strategic success have been time and the mobilization of resources in order to steal head starts.

Since the abandonment of SALT and the resumption of the Cold War, the time span of the military mobilization cycle has dramatically lengthened from a standard three-year swing to a ten-year period of gestation (if not necessarily for our adversary, certainly for us). If the evidence furnished by the markets means anything, surely their demoralization is our warning that inflation is still escalating the cost of the accruals, the conversions, the experiments and the casualties built into the arms race. But our cost structure has been inflated, and our physical capacity shrunken, before we multiply a lengthened military mobilization time cycle by an expanded requirements base. The painful preliminaries to the national debate over how to do so are putting a penalty on the risk of every wrong turn—and even of every realistic start.

FAITHFUL FACSIMILE

No country's military apparatus feeds on a social vacuum. Certainly, the Red military establishment is a faithful facsimile of the strengths and the stresses in the Kremlin power structure and the Soviet social structure. By the same token, America's reenactment of the fiasco in the Bay of Pigs in the Iranian desert conjures up routine images of cars stranded with hoods up in highway jams. If America's industrial strength is concentrated in her Buck Rogers technology, and her weakness in her goofball maintenance, it's unrealistic to expect the military apple to fall far from the civilian tree. The Pentagon is bound to be caught in the middle of the same anomaly.

Before our new Cold War triggered the arms race, it flared up as an oil war. America's miscalculations in coping with that challenge were at least as glaring as those of the German Kaiser's generals in 1914 and of the American President's Pentagon in 1950. We fought the oil war on the side of our suppliers, who were gouging us under the guidance of our economic planners; they, in turn, fell for the myth of the oil shortage hook, line and sinker. Consequently, we spent the 1970's in a slow motion reenactment of the sinking of the Titanic: Going down with the best people. The bookkeepers who were running the auto companies, the engineers who were running the oil companies and the Ph. D.'s in human relations who were making the technical decisions for our government all assured us that the conventional wisdom asserted by our adversaries in the oil war was the wisdom to heed. The result began by leaving us laughably overprepared to put up with the shortage that never was. It ended by leaving us clumsily unprepared to turn the glut that has now developed to our advantage.

Consistency being well known as the hobgoblin of little minds, our defense planners are now busily buttressing our security by practicing economics. Lyndon Johnson was a very funny man, but his jokes were always serious and pointed. When he punctuated the farewell ceremony of a departing economic advisor with the throwaway line that "my economic advisor needs an economic advisor," he reminded us that our political leaders have suffered more political defeats at the hands of their economic advisors than in confrontations with their political opponents.

We have not heeded this sober warning of Johnson's yet. The ongoing spectacle of defense planners basing their projections, and risking this country's security posture, on consensus economic thinking recalls one of those old Wall Street sayings which has become old because it has earned its keep with successive generations of speculators: "Never hold a grudge against anyone who costs you money because you can always get it back; but never forgive anyone who costs you time because you can't ever get it back." If our defense planners persist in consulting our economic oracles about the military mobilization called for by the policies of our political leaders, they will compound miscalculations on where our economy is going. They will not strengthen our economic performance; but they will weaken our military prospects.

Specifically, Secretary of Defense Weinberger has now been beguiled into betting his well-earned reputation for judiciousness in the quantification of costs on the judgment that the projected step-up in defense programming will not be inflationary. More provocative still, he has buttressed this assertion with the calculation that the buildup will account for no more than a fractional increase in the portion of GNP claimed by the Pentagon budget. To judge by comments from the media, including the comments from the financial media, that's the end of it. Perhaps for this very reason, the Administration believes it; though for this very same reason, that formidable silent majority of market participants, whose separate but private money decisions measure the ability of our economy to support the needs of our military, have learned not to believe it. The GNP calculation is not the count that matters.

Inflation is not the measure of muscle, but it is the price we pay for building it. Any buildup in military power which fails to pack an inflationary punch will also fail to pack a military punch. This was true when military technology was still rudimentary enough to permit emergencies to come in cycles. It will be inescapably so now that the non-stop revolution in military technology is outgrowing the traditional cyclical limitation on defense planning. As a matter of fact, the tough talk which President Reagan, Secretary Haig and Secretary Weinberger have mounted against the Red Commanders argues for the Administration not to spare the horses now that the race is on to put muscle, which the Kremlin will respect behind mere mouthings.

INVESTMENT RETURN

The return on a national investment in a military program is firepower bought, not the price paid for it in inflation. Either a military catch-up effort will be formidable enough and, therefore, will be mounted massively enough to impress "our adversary," as President Reagan is now realistic enough to call Russia, or its failure to make waves throughout our economy will signal its failure to make waves inside the Kremlin. The inescapable corollary, however, is that the cost of preempting resources for the purpose of buying that firepower needs to be reckoned in its inflationary impact. Bernard Baruch, that master of the impact of emergency events on inflated markets, taught us these two interrelated lessons before economists got into the habit of using GNP numbers to measure the way the world works.

Devotees of the GNP yardstick for measuring the inflationary impact of defense invariably advance comparisons with the portion of GNP "our adversary" in Moscow allocates to defense. These are meaningless comparisons. There can be no common standard of measurement for the Soviet Union and the U.S. on this score because the Soviet Union never had a GNP to reflect money flows. Our own GNP tabulation is so bloated by money flows which overstate our productivity that it no longer means anything. Russia operates on an arbitrary allocation system, which subjects the production and distribution of goods and services to rigid disciplines, reversing the priorities represented by economic pressures and immeasurable by any money standard.

To take just one fact of productive life in Russia that is in total conflict with a basic fact of economic life in the U.S., the Soviet system clamps a rigid control on interest payments and receipts. By contrast, the American system is structured to stop the reach of emergency wartime controls—even on wages and credit—short of touching interest rates. Surely, no common yardstick for gauging the draft of defense on productivity in the two rival superpowers can pass muster as a tool which reckons without the toll admittedly taken by interest costs here, but arbitrarily suppressed there. Soviet finance stems from Marxist economics which, in turn, the prophet based on the theories of the classical English economists, who made their mark on history without, however, developing a theory of interest. But that is part of another story. To balance their system, which pays off by issuing tickets insulated from interest charges, with our system, which pays off by cloning dollars subject to interest charges, is a juggling act too academically abstract and too strategically reckless to be included in any analysis assessing the use Russia has made of the military head start we have spotted her.

We are already on notice to be wary of statistics-as-usual. The time we have wasted in answering the Soviet challenge and the resources we will need to commandeer in the effort, put us on notice to be wary of bromides that go with business-as-usual. The costly cross-ups between optimistic stimuli offered to the markets in the form of official statistics, and the suspicious responses of those markets, suggest that something is rotten in the kingdom of the computer.

In matters of practical decision-making, answers are never a problem; only questions are. Their relevance determines the practicality of the answers offered. How, in a world dominated by Russia's head start and her challenge to America to launch a catch-up effort, can anyone rest the case for security and survival upon an accounting system which equates a pound of steel bought to go into a tennis racket with a pound of steel bought to go into a machine tool? Our GNP blurs the distinction. The American accounting system is a statistical exercise dedicated to monetizing the principle formulated in the 14th Amendment which declares all citizens free and equal. The GNP declares all dollars equally productive. In a world miraculously freed from nuclear terror, all dollars would be less unequal than they are today. In the world as it is, however, the GNP, unadjusted for inflation, clocks little more than the rate at which our national product mix is continuing to shift from basic industries suffering shrinkage to self-indulging services expanding by the day. Adjusted for inflation, the GNP understates inflationary reality. So does our budget, it assigns a disarmingly low 7.5 percent rate to interest costs when, in fact, the markets are sandbagging the Treasury with a brutal penalty more than double that rate. The rate of interest, precisely because it is uncontrollable, is the authentic and trustworthy indicator of the real rate of inflation. The single-digit GNP inflator is just a public relations decoy.

The time has come for the Pentagon to put together a shopping list to fit into the shopping bag represented by the pool of resources now available to carry it. Money is the criterion of the inflation we will buy, not of the firepower that we can agree we need. Only an itemization of the physical units of firepower claimed for the program, and their supporting components of productivity, will make sense in translating the dollar terms in which we are conditioned to think into the "real things" our adversary is challenging us to have on the ready. If the shopping list measured in castings, forgings, master mechanics and petty officers won't fit into the present contours of the shopping bag, we will be on notice to find a bigger and better shopping bag by the simple expedient of expanding our industrial base or, alternatively, rationing our resources. We have done this before with sensational success; we can do it again and we will. We need a realistic yardstick to work with and it's not the GNP.

NEED FOR DEFENSE WORK

It's time to bring the debate back to the starting point Baruch identified for it: It's impractical for us to be worrying about the money load the economy can bear; the operational question is how heavy a physical load the Pentagon needs to make it bear. The economy does not need defense work as a crutch; nor is defense work an obstacle in the way of its recovery. If it is time to start catching up in the arms race, it's time to separate what the military will need in the next decade from what the economy can give it without putting our society on rations or inflating the muscle out of it. Preparedness is too important to be left to economists; the economy is too vigorous to need solicitude from defense planners.

Our "adversary" in Moscow has been invited to stake out the arms race course on which we are undertaking to catch up with her. The choice of weaponry is hers and it is, of course, military. If it were ours, it would be economic and she would have no chance of catching up with us. But with firepower the goal, and with ticketed claims to resources her method of reaching it, we are on notice to graduate from statistical gamesmanship to resources mobilization.

Despite the slump in building, the depression in Detroit and the epidemic of business bankruptcies, the stubborn refusal of interest rates to buckle is a portent of the problem the Pentagon faces in scheduling deliveries. Whether we rely primarily on economic or military weaponry in the stand we now make against "our adversary," the economy is our workhorse. The responsibility of our defense planners is to tell the economy what they want from it, not to promise it what they won't do to it.●

UNITED STATES-SAUDI ARABIA RELATIONS

● Mr. METZENBAUM. Mr. President, during the debate over selling AWACS, AIM 9–L missiles, and other advanced military technology to Saudi Arabia, the Congress and the people of this country were assured repeatedly by the Reagan administration that the sale would bolster our position in the Middle East.

We were told of a special relationship between our country and Saudi Arabia.

We were informed that the Saudis agree with what President Reagan said to the Washington Post in an interview published on November 1, that:

> The greatest threat in the Mideast to both Israel and the Arab States is the Soviet Union.

And we were also told that if only they got these weapons, the Saudis would at long last take a serious interest in peace.

President Reagan said in his November 1 interview:

> Saudi Arabia is a leader of the moderate Arab States. I believe that the Saudis are the key to spreading peace throughout the Mideast instead of just having it confined to Israel and Egypt.

Peace, moderation, a special relationship, an anti-Soviet consensus, who could not be for these things?

But, Mr. President, those are not the things we are getting from Saudi Arabia. Far from it. And it is high time to ask just what the Reagan administration thinks is going on.

During the AWACS debate, for example, we were told time and again about the gratitude we ought to feel toward the Saudis for their restraint on oil prices.

But the day after the AWACS sale was approved, our special friends raised the price of oil by $2 a barrel and cut back production by 1 million barrels a day.

Hobart Rowen wrote in his column of November 8:

> Remember the propaganda until now about how the Saudis engineered the oil glut, all for the benefit of the good ole USA. Now, they are beginning to engineer the shortage.

During the AWACS debate, we were assured and reassured of Saudi Arabia's unflinching opposition to Soviet influence in the Middle East.

The Soviets, of course, already have a presence in the region.

The Soviet Union is and has been the military and political patron of Libya, Syria, and Iraq. These are the radical states, the anti-Americans, the diehard opponents of peace.

The Soviet Union has trained and supplied the terrorists of the PLO. And recently, Moscow upgraded the PLO's delagation to the status of a full-fledged embassy. But the Soviet Union has not in recent years had the influence it once enjoyed in the Middle East.

The late President Sadat kicked the Soviets out of Egypt. And in 1977, rather than let the Soviets back in through the Carter administration's proposed Geneva Conference, Sadat flew to Jerusalem and made peace with Israel.

But now, Mr. President, Saudi Arabia, this special friend of ours, this pillar of

the anti-Soviet consensus, is itself taking the lead in undoing Sadat's work.

The Saudis have done their utmost to wreck the Camp David accords. And now, they are going even beyond that by actively working to bring the Soviet Union back to center stage in the politics of the Middle East.

On November 5, the Saudi Foreign Minister announced his nation's intention to seek a U.N. resolution endorsing the Saudi peace plan. Passage of the resolution would be followed by an international conference on the future of the Middle East, under the auspices of the U.N. Security Council.

What does that mean?

To engage the Security Council means one thing, and that is to reengage the Soviet Union.

And Soviet reengagement is precisely what the Saudis have in mind.

When asked recently if his proposal would lead to negotiations with the Soviet Union, the Saudi Foreign Minister had this to say:

Of course with the Soviet Union. It is part of the Security Council.

So much for the claim that Saudi Arabia stands against Soviet influence. Now, the Saudis are inviting the Soviets into the Middle East, and I submit that is now what we have a right to expect from a country the President describes as "a leader of the moderate Arab States."

In that connection, I want to remind the Senate of a little-noticed statement issued by the Saudi News Agency on January 10, 1980:

There are many States such as the Soviet Union which are only too ready to supply the kingdom with everything it wants. In other words we could easily replace the Americans.

Is this just rhetoric that we are supposed to ignore? Perhaps. But in spite of the Reagan administration's fond hopes to the contrary, the Saudis show a notable lack of enthusiasm for joining an anti-Soviet coalition.

On November 10, for example, at a press conference opening a meeting of the Six-Nation Gulf Cooperation Council, the Saudi Foreign Minister publicly criticized Oman's military cooperation with the United States.

Why?

"Because," said the Saudis, "It's contrary to the principles of nonalinement."

Nonalinement is one thing, Mr. President, and a special relationship with the United States is another. And I am afraid that we are letting Saudi Arabia have it both ways.

Now that, Mr. President, is a fine arrangement for the Saudis.

When they want our top-of-the-line military technology, they are our special friends.

When we want their active help against the Soviet Union, they are nonalined.

"These people are on a different wavelength," said an American observer at the meeting of the Gulf Cooperation Council. "Apart from Oman, they do not see any immanency to a Soviet threat."

And let me add, Mr. President, that the Saudis do not see any apparent need to respect, let along support, this country's political and military interests.

Consider, for example, the spectacle of our alleged friends in Saudi Arabia openly pressuring the European countries to work actively against American policy in the Middle East.

On November 5, less than a week before criticizing Oman's pro-U.S. position, Foreign Minister Prince Saud held another press conference, this time in the company of Britain's Lord Carrington.

The Saudi Prince used that occasion to tell Lord Carrington that Britain should realize that if joining the Sinai peacekeeping force means joining the Camp David peace process, then there will be a contradiction between the European position and the position of the Arab world.

Lord Carrington did not see fit simply to acknowledge the Saudi view. In one of the most craven performances in recent memory by the representative of a supposedly proud country, he positively scurried away from even the implication that Britain could ever in any circumstances differ in the slightest with the House of Saud.

He said:

Britain would participate on the basis of seeing that Arab lands are returned to Arab countries and on no other basis at all.

Noble sentiments, Mr. President, but I cannot help but wonder how Lord Carrington would react to substituting in his statement the word "Irish" for the word "Arab." And I believe that he ought to be reminded of an obvious fact, that if the terrorism of the PLO is somehow legitimate, then so is the terrorism of the IRA.

That point, the issue of legitimizing terrorism, brings me to another area of very great concern, and that is the attitude of Saudi Arabia toward peace in the Middle East.

The President has said that "The Saudis are the key to spreading peace."

If that is the case, and if we take seriously the words of the Saudis themselves, then I am afraid that our hopes for progress toward peace may dwell in the realm of voodoo foreign policy.

Listen, for example, to what the Saudi leaders have had to say on the subject of peace since the AWACS sale was approved.

Prince Fahd, the heir to the Saudi throne, publicly congratulated President Reagan for confronting the Zionist pressure groups which waged a vicious, desperate battle to prevent passage of the deal.

Prince Fahd said:

What is now required from the present administration is to start the bigger and more important battle it must wage in order to establish a just and comprehensive peace.

Please note, Mr. President, that the Prince did not say requested or hoped for or even expected. He said required.

On November 16, the Washington Post carried an article by David B. Ottaway in which an authoritative official in Saudi Arabia tied to strategic cooperation with the United States to a Middle East settlement on terms dictated by the Saudis. Everything, he said, "is tied to the peace plan."

If that is achieved, "There is no reason not to have the strategic alliance with the United States that is not possible now."

I am sure that all of us are in favor of waging a battle for a just and comprehensive peace. But the problem is the specifics of Saudi Arabia's version of peace.

Are we talking about a peace that is fair to all? About a peace that will last? Or do we mean what amounts for the people of Israel to the peace of the grave?

Listen to the Saudis.

Camp David? Camp David is a "dead end." Forget about it.

Instead of Camp David, say the Saudis, we should accept a PLO-run Palestinian State, with Jerusalem as its capital.

We should stop casting doubt upon the PLO and its leaders.

And Prince Fahd has said that we should force Israel to accept Saudi principles, including the one that says "Brother Arafat" is the basic numeral in the Middle East equation.

Well, that is a fact, Mr. President. "Brother Arafat" is the basic numeral, the bottom line, or whatever expression we want to use to describe what Saudi policy is really all about.

"Brother Arafat," who a few years ago packed pistols into the General Assembly of the United Nations, heads an organization that has received $400 million in aid from Saudi Arabia.

That organization has a charter, adopted in 1964, amended in 1968 and reaffirmed in 1977, that explicitly spells out its agenda.

Article 19 states:

The establishment of Israel is fundamentally null and void.

The PLO Charter says:

Armed struggle is the only way to liberate Palestine and is therefore a strategy and not tactics.

And according to "Brother Arafat," the PLO's purpose is "not only the liquidation of an imperialistic base, but the obliteration of a society."

The PLO's tune does not change very much.

In 1977, for example, when President Sadat made his trip to Israel, Arafat's response was straightforward. "Blood and struggle," he said. And one of his top assistants stated that any agreement between Egypt and Israel "can be abrogated with a single bullet." That same PLO spokesman, upon hearing of the murder of Sadat, said, "We shake the hand that fired the bullets."

Time and again, Mr. President, we have heard that Israel's intransigence is at the root of the problems of the Middle East.

We hear that from King Hussein of Jordan, who has just concluded an arms deal with the Soviet Union.

We hear it from Saudi Arabia, whose king earlier this year stood in Islam's holiest shrine and called for a jihad, a Holy War, to cleanse Jerusalem of Jews.

In Riyadh, Mr. President, they will not even say the word "Israel," it is "the Zionist entity." And when the Saudi del-

egate to the U.N. stated recent that his country might envision some form of recognition of Israel, he was firmly and publicly repudiated by his home government.

Why?

One reason is the position of the PLO, whose spokesman said recently that a PLO decision to recognize Israel would have to be taken by a Palestinian government on Palestinian land. Israel, in other words, should acquiesce in the establishment of a PLO state and then, maybe, that state will make peace.

That is an absurd position. No Israeli Government could ever accept anything remotely like it, just as no Israeli Government could accept anything remotely like the Saudi plan itself.

Saudi Arabia knows that.

The PLO knows it.

And I hope that our own Government recognizes the difference between wish and reality in the Middle East.

Now that the AWACS debate is behind us, I believe that it is incumbent upon the Reagan administration to reexamine its own extravagant expectations about Saudi Arabia. It is time clearly to define this Nation's political and military interests in the Middle East. And let us now insist, firmly and without equivocation, that expressions of friendship are not enough.

Friendship, Mr. President, is a two-way street. And I submit that Saudi Arabia is not acting the part of a friend of this country.

I say to the Reagan administration that fond hopes, ivory tower concepts, and visions of commercial and strategic sugar plums are no substitute for a tough, hard-headed, and aggressive defense of this Nation's fundamental interests.

We are in danger of forgetting that, Mr. President. And I am profoundly concerned that our policy in the Middle East is on the road to catastrophe.●

THE ADMINISTRATION'S HOUSING POLICY

● Mr. MITCHELL. Mr. President, the housing industry is one of the biggest victims of the current recession. I am growing increasingly alarmed at the downturn in new home construction and in the sales of existing housing—and at the failure of the administration to respond.

Housing comprises fully 23 percent of the national economy. Yet it is in the biggest slump in the post-war era. The production of new housing is the lowest since 1946. Total housing starts for 1981 are forecast at only 1.06 million units. Despite interest rates that are beginning to fall, economic projections show that 1982 will be another low year, with housing starts not estimated to go beyond 1.2 million to 1.3 million units.

Sales of new single family homes dropped 13 percent from August to September, to an annual rate of 312,000—the lowest rate since the Commerce Department started keeping records in 1963. And that September rate was 45 percent below the sales rate in September 1980.

Moreover, sales of existing homes are at an annual rate of 2 million, a record low. In many cases, sales have only been possible by the assumption of existing mortgages with low interest rates or by seller financing. As a result, real estate agents and brokers are struggling just to stay alive.

Finally, the timber industry is being devastated. Half of it is either shut down or on reduced working hours.

While this administration professes to support business, the private credit markets have only been open to the largest American corporations who want financing for mergers with other companies. Prospective home buyers and small businessmen and women are simply unable to obtain affordable credit.

What has been the administration's response? The Federal Reserve Board intends to continue its course of tight monetary policy, keeping interest rates at high levels. The administration itself is cutting back further and further on Federal housing programs. And the free-market approach is to solve the problems of the industry.

Statements by administration officials confirm that their intent is to get out of housing production altogether. The President's Commission on Housing recently issued its interim report in which a recommendation was made to replace housing production under the section 8, section 202, and public housing programs with a voucher program for low-income families. Recently, the Secretary of Housing and Urban Development, Samuel R. Pierce, Jr., said:

> We hope by 1984 or 85, that we will have interest rates down enough so that we won't have to use the voucher system. We hope that maybe we'll even get out of that.

An article appearing in Saturday's Washington Post quoted Secretary Pierce, in an address before the annual convention of the National Association of Realtors, as saying that it was a great time for the realtors to start investing in housing, to buy unsold houses. And he made it clear that real estate firms should not look for any new Federal programs to help them out. The response from the realtors, predictably, was that they cannot afford to buy houses at a time when they are struggling just to maintain their offices.

Mr. President, we cannot simply let the housing industry die on the vine while the economy is in a deep recession and the prospects of relief do not appear promising before spring or summer of next year, at best. Small businesses do not have the means to survive indefinitely. They are doing their best to hang on under difficult circumstances.

Obviously, the great pressure on interest rates stems from the contradictory economics of the administration's program: a tight monetary policy, which shows no signs of relaxation soon, and an expansionary fiscal policy, comprised of tax reductions for some of the Nation's wealthiest businesses and speeded up defense spending for programs whose costs are a matter of great controversy. The administration's most recent economic projections indicate that the 1981 deficit will be nearer $80 billion than the $43 billion the President first promised. And the 1984 balanced budget goal has been abandoned in the face of economic projections which will give us deficits of over $100 billion.

In the face of these facts, it is essential to take action to ease the tight money policy which is devastating the small business community. It is essential to cast as critical an eye on defense spending as we have at every domestic program. And it is essential that the unwarranted and unwise tax giveaway in the major tax bill be repeated—the $18 billion break for oil companies would be a good place to start.

One important step which Congress can take to reduce the pressures on interest rates is to bring down the Federal deficit. The administration's policy favoring dramatically increased defense spending coupled with the large tax cut enacted this year may now result in deficits topping $100 billion in this fiscal year and in 1983 and 1984. Clearly, deficit spending of that magnitude will only keep the pressures on interest rates. Congress can make a positive contribution by bringing down the deficit, by spreading reductions in the Defense Department's budget as well as in domestic programs, and by repealing the large tax break given to the oil industry.

Further, the Federal Reserve Board should ease its policy of tight money. Such a policy cannot alone combat inflation—and it is contradictory to the expansionary fiscal policy that the administration has chosen.

Mr. President, the article I mentioned earlier is illlustrative of the administration's failure to respond to the crisis in the housing industry and of its intention to extricate itself from Federal housing programs to the maximum extent possible. I ask that the article be printed in the RECORD at this point.

The article follows:

[From the Washington Post, Nov. 21, 1981]

REALTORS URGED TO BUY HOUSES

(By Sandra Evans Teeley)

MIAMI.—Realtors looking for federal cures for their depression-ridden industry got only one new prescription from the Reagan administration at their annual convention here: heal thyself.

Secretary of Housing and Urban Development Samuel Pierce offered the group—depleted in number by this year's deep housing slump—a simple plan for improving record-low home-sales figures without the help of costly federal programs.

Realtors, Pierce told them, should start buying the homes themselves.

In line with the administration's free-market, private-sector emphasis, Pierce outlined a number of ways the federal government plans to diminish its role in the housthe market generally and made it clear that real estate firms should not look for any new programs to help them out.

But he did advise members of the National Association of Realtors that this is a great time for them to "reach out for new horizons" and start investing in housing. Particularly with recently enacted legislation for faster tax depreciation, this could be a good way for them to make money from investment property, Pierce indicated.

"I am suggesting that those Realtors that have been hit hard by diminishing commission income should think about the opportunity and incentive to become the provid-

ers of private-sector housing," he told the audience of 1,000 Realtors. "Certainly there are risks, and interest rates are still high," but these are starting to decline, he said.

Some delegates reacted with bitterness to the suggestion that barely surviving businesses can get into the buyers' market in a big way.

"With what?" retorted one broker from Colorado Springs, Colo. "Nobody has any money to do it. It takes everything we've got just to maintain our offices."

J. D. Sawyer of Naples, Fla., said Pierce had an interesting idea but, when asked if anyone in his area is doing more investing, he shook his head. "Nobody has the money," Sawyer said, adding: "Everyone is scared" of buying now.

There are those, including some in the Washington area, however, that say they are starting to buy properties at baragin-basement prices, counting on tapping future appreciation when interest rates drop and people start buying again.

Jack Shafran of Better Homes Realty in Northern Virginia, for example, reported that his firm is buying now for investment, and Mike Brenneman of Brenneman Associates said he is starting a syndication to pool investors' funds to take advantage of depressed prices in the Washington area.

The convention drew far fewer Realtors than in past years, a reflection of the current housing slump. Since 1978, as the housing market has worsened, the numbers attending have dropped, from about 27,000 in Honolulu four years ago to about 11,000 here this year. In addition, membership in the organization—which says it is the country's largest trade association—has dropped over the past year from 740,000 to 691,000.

The convention programs were a sign of the times. Seminars on creative financing techniques were well attended, as were talks on the use of computers and office management.

Other lectures were pep talks, such as one on "How to Overcome the Psychology of Recession"—a combination of Vince Lombardi and Norman Vincent Peale.

For those already overcome by the reality of recession there were talks on how to successfully reduce the size of one's company, auctioning off properties for quick cash, and how to assess the worth of one's real estate office, presumably of the most interest to those wanting to sell.

And, perhaps for those looking for semi-divine inspiration, there was Tim Foley, retired strong safety for the Miami Dolphins, who was booked to talk about "Celestial Meditations of a Fully Depreciated Athlete."

For many, the approximately 140 educational seminars being offered at the convention were far more important than the speeches and policy pronouncement by federal officials, delegates said. Veterans of previous conventions reported that this was generally a more serious crowd than in the past, intent on learning new ways to improve business or in some cases just to stay alive professionally.

In addition, the members who attended the convention were likely to be successful in their businesses, some said, because they were the only ones who could afford to go.

Some exhibitors said they had displays this year, not so much in hope of building business, but so competitors wouldn't spread the word that they were doing badly. In addition, the usual bragging about sales figures was totally absent this year, others noted.

"People are groping" for better business methods, said Bette June Ingham of Washington's Ingham & Associates.

"It's a hard-working group. They want to learn," added Kenneth J. Luchs of Shannon & Luchs.

Not all the news from the convention was bad. The meeting came at a time when interest rates have started to fall, and forecasts are for an upturn in the market.

"I do think we have hit bottom," said NAR Chief Economist Jack Carlson, with sales of existing homes running at an annual rate of about 2 million. Sales will start to pick up slowly this winter and then increase at a faster pace starting in the spring, Carlson predicted.

The new NAR forecasts put sales at 2.75 million in mid-1982 and at 3.5 million by mid-1983. "The worst times are behind us. Improvement is coming," Carlson said.

He said he expects to see conventional mortgage interest rates fall to 14 or 15 percent by spring from the current 17 to 18 percent.

The group also released a survey showing that true interest rates being paid by most buyers are 12 to 14 percent now, because of creative financing techniques. About 60 percent of all existing home sales involve creative financing, the survey showed, the most common being assumptions of old low-interest mortgages and seller financing.

While the convention was in progress, the government also announced it is reducing interest rates on FHA- and VA-insured mortgages by one percentage point for most types of loans. For single-family home mortgages, the rate was reduced from 16½ to 15½ percent.

Despite the favorable signs, the White House received a dose of criticism from the predominantly Republican group. At the start of the convention, Carlson launched a wide-ranging attack on the administration, deploring what he called its "antihousing policy." He cited large tax cuts that he said gave a bigger boost to investments other than housing, deregulation plans for savings and loans that would allow them to commit fewer funds to home mortgages, and talk among "key people" of limiting mortgage interest deductibility.

NAR President John R. Wood later tried to dispel the impression that the traditionally conservative organization is opposing the administration generally, but he ended up criticizing the White House for having no housing policy at all

"It's more a lack of a housing policy" than antihousing actions that members are concerned about, Wood told reporters. "There used to be a housing policy in this country, and we see that fading."

The Realtors—about 90 percent of whom voted for Ronald Reagan for president, according to NAR figures—got little by way of reassurances of action geared specifically to stimulating housing from the administration or other federal officials.

HUD Secretary Pierce emphasized that the administration is counting on its overall economic policy to reduce inflation and interest rates and therefore ultimately help housing.

To the disappointment of many members, Federal Reserve Board Chairman Paul A. Volcker remained steadfast in his refusal to allow money growth to increase faster, despite the Realtors' call for loosening restraints slightly in the hope of bringing interest rates down faster.

The convention delegates clearly put a balanced budget at the top of their list of federal policies they are pushing, clapping longest and loudest any time that elusive goal was mentioned.

Pierce, asked about Carlson's charge of an anti-housing policy, mentioned budget considerations, as well.

"I believe [the Realtors] know we don't have an antihousing policy. . . . We've tried to get interest rates down," he said. "There can't be any new building programs. It's just not in the cards, because it costs too much."●

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I see no other Senator seeking recognition. I am prepared now to proceed to a number of matters that are routine in the main, if no other Senator has a requirement for time in morning business.

ORDER AUTHORIZING CERTAIN ACTION DURING RECESS OF SENATE

Mr. BAKER. Mr. President, this request, I believe, has been cleared on the other side. I ask unanimous consent that during the recess of the Senate over until Tuesday, November 24, 1981, messages from the President of the United States and the House of Representatives may be received by the Secretary of the Senate and appropriately referred and that the Vice President and President pro tempore and Acting President pro tempore be authorized to sign duly enrolled bills and joint resolutions.

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

ORDER FOR THE RECOGNITION OF SENATOR FORD TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the recognition of the two leaders under the standing order, the Senator from Kentucky (Mr. FORD) be recognized on special order for not to exceed 15 minutes.

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

AUTHORIZATION OF APPROPRIATIONS FOR THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—CONFERENCE REPORT

Mr. BAKER. Mr. President, I submit a report of the committee of conference on S. 1098 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1098) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report will be printed in the House proceedings of the RECORD.)

THE CONFERENCE REPORT ON THE NASA AUTHORIZATION

Mr. CANNON. Mr. President, today the distinguished chairman of the Committee on Commerce, Science, and Transportation, my valued colleague, BOB

PACKWOOD, has filed a conference report, reconciling the House and Senate NASA authorization levels in S. 1098 as amended. The conference of managers agreed to an authorization level which restored $50 million of the administration's originally requested reduction of $603 million from NASA's fiscal year 1982 budget as submitted to the Congress in January 1981.

This conference report should convey a message of importance. For myself, I think its importance lies in communicating to our respective Chambers and to the administration the commitment of the House and Senate authorizing committees for the NASA budget to the support of a strong civilian space and aeronautics program to fulfill the purposes of the National Aeronautics and Space Act of 1958.

Those purposes are no less important to our Nation today than they were when first set forth. But suddenly, in the face of worldwide and national acclaim for the delayed but spectacular establishment of mankind's first space transportation capability, we are confronted by an administration attitude, clearly signalled in its proposed 1983 and 1984 budget reductions of a billion dollars each year, which may lead to virtual abandonment of those goals and decimation of the agency charged with their attainment.

In a dynamic world of shifting attitudes and mores, in which the standing of our Nation has suffered severely, our space achievements have provided our one renewable hold on the respect and good will of peoples all over our planet. For the young in years among our own people, NASA's achievements have renewed their confidence in the Nation's otherwise waning commitment to science and discovery. And to the young in heart of all ages, our space achievements have reassured them that their Government, whatever its faults, can still respond to and help fulfill some of our people's highest aspirations.

But, many will say, we are faced by an economic crisis in which, for the time being, economic considerations must transcend all others. Because I understand and, indeed, share that view in many respects, let me focus briefly on that one form of NASA's return on investments, namely, massive contributions to our economy from our aviation industry, which can help alleviate our economic crisis.

Which of us, had we been here when NACA—the forerunner of NASA—was first authorized, would have imagined, or believed—if one of us had imagined—that in 1980 the Nation's aviation industry would:

Contribute over $13 billion net to our trade balance.

Provide 1.3 million full-time jobs distributed throughout our 50 States.

Market about $100 billion in products and services—which at nominal earning levels would return $2 to $3 billion to the Federal Treasury.

Carry 273 million passengers on its regularly scheduled airline flights in the United States without a passenger fatality—except in commuter class service.

The substance of that summary may not be new to any of you. But I ask you now to view its implications in the context of NASA's space program which now dominates that agency's budget. The competitive muscle of the U.S. aviation industry is the advanced technology developed through NASA. We have more reason now to believe that economic expansion into space activities will take place in the future than our predecessors had to believe in aviation's economic achievements for our time.

Typical of those activities will be communications, remote land and ocean sensing and exploration by satellite, advanced materials processing for metallurgical and pharmaceutical needs, solar power development and others unsuspected today. That economic expansion may well dwarf what we have experienced in earthbound aviation. With that beacon already there to guide us, we should not deny our offspring that expectation for their future.

Mr. President, it is my hope that our colleagues will share my sentiments and accept this conference report which conveys an unmistakable message of our support of NASA to the Congress, to the administration, and to the public.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

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

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

The motion to lay on the table was agreed to.

THE 100TH ANNIVERSARY OF THE BIRTH OF FRANKLIN DELANO ROOSEVELT

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House Concurrent Resolution 220, a resolution providing for the commemoration of the 100th anniversary of the birth of Franklin Delano Roosevelt.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A concurrent resolution (H. Con. Res. 220) providing for the commemoration of the 100th anniversary of the birth of Franklin Delano Roosevelt.

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

The preamble was agreed to.

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

The concurrent resolution (H. Con. Res. 220) was considered and agreed to.

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

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

The motion to lay on the table was agreed to.

(Later the following occurred:)

Mr. BAKER. Mr. President, I am advised that there is a request to vitiate the action just taken by the Senate in respect to House Concurrent Resolution 220. Mr. President, I ask unanimous consent that the action taken in the adoption of House Concurrent Resolution 220, a resolution providing for the commemoration of the 100th anniversary of the birth of Franklin Delano Roosevelt, be vitiated and that the measure be held at the desk pending further disposition of the Senate.

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

EXECUTIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate go into executive session.

There being no objection, the Senate proceeded to the consideration of executive business.

NATIONAL LABOR RELATIONS BOARD

Mr. BAKER. Mr. President, I send to the desk a resolution discharging the Committee on Labor and Human Resources of the nomination of John R. Van de Water to be a member of the National Labor Relations Board, and ask for its immediate consideration.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, on behalf of Senators on my side of the aisle I object.

The PRESIDING OFFICER. Objection is heard.

Mr. BAKER. I thank the minority leader.

EXECUTIVE CALENDAR

Mr. BAKER. Mr. President, there are nominations on today's Executive Calendar beginning at page 2, continuing through page 3 through Nominations Placed on the Secretary's Desk which are cleared on our side for consideration. I inquire of the minority leader if he is in a position to consider those items at this time.

Mr. ROBERT C. BYRD. Will the distinguished majority leader repeat his request?

Mr. BAKER. Mr. President, the request was for the Executive Calendar for today on nominations beginning on page 2, under Department of State, continuing through page 3, including Nominations Placed on the Secretary's Desk in the Air Force and Navy.

Mr. ROBERT C. BYRD. Mr. President, the aforementioned nominations have been cleared on this side.

Mr. BAKER. Mr. President, I thank the distinguished minority leader.

Mr. President, I ask unanimous consent that the nominations just identified be considered en bloc and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF STATE

Edwin Gharst Corr, of Oklahoma, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia.

Melvin Herbert Evans, of the Virgin Islands, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Trinidad and Tobago.

DEPARTMENT OF DEFENSE

Melvyn R. Paisley, of Washington, to be an Assistant Secretary of the Navy.

U.S. ARMY

Lt. Gen. Richard Hulbert Groves, to be Lieutenant general.

CALIFORNIA DEBRIS COMMISSION

Brig. Gen. Homer Johnstone, Jr., Corps of Engineers, Col. Paul Bazilwich, Jr., Corps of Engineers, and Col. Paul Frederick Kavanaugh, Corps of Engineers, to be members of the California Debris Commission, under the provisions of section 1 of an act of Congress approved Mar. 1, 1893 (27 Stat. 507) (33 U.S.C. 661).

MISSISSIPPI RIVER COMMISSION

Maj. Gen. William Edgar Read, to be a member and president of the Mississippi River Commission.

Maj. Gen. Hugh Granville Robinson and Brig. Gen. Richard Samuel Kem, to be members of the Mississippi River Commission, under the provisions of section 2 of an act of Congress, approved June 28, 1879 (21 Stat. 37) (33 U.S.C. 642).

Rickey Dale James, of Missouri, to be a member of the Mississippi River Commission for a term of 9 years.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE AND NAVY

Air Force nominations beginning Ernest Z. Adelman, to be colonel, and ending Richard B. Yules, to be colonel, which nominations were received by the Senate and appeared in the Congressional Record on November 4, 1981.

Navy nominations beginning Hugh Highland, to be commander, and ending Craig Winters, to be lieutenant commander, which nominations were received by the Senate and appeared in the Congressional Record on November 4, 1981.

Navy nominations beginning Charles Ervin Aaker, to be commander, and ending Anne Marie Nelson, to be commander, which nominations were received by the Senate and appeared in the Congressional Record on November 9, 1981.

Navy nominations beginning Michael A. Harwell, to be lieutenant commander, and ending Ronald P. Howell, to be ensign, which nominations were received by the Senate and appeared in the Congressional Record on November 10, 1981.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the nominees were confirmed.

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

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, I ask unanimous consent that the President be immediately notified that the Senate has given its consent to these nominations.

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

LEGISLATIVE SESSION

Mr. BAKER. Mr. President, I ask unanimous consent that the Senate now return to legislative session.

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

Mr. BAKER. Mr. President, is there an order for the Senate to convene tomorrow?

The PRESIDING OFFICER. There is an order for the Senate to convene at 11 o'clock.

Mr. BAKER. I thank the Chair.

ORDERS FOR TUESDAY

Mr. BAKER. Mr. President, after the Senate convenes at 11 o'clock and after the recognition of the two leaders under the standing order, the distinguished Senator from Kentucky, Mr. FORD, will be recognized on special order for not to exceed 15 minutes.

TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. President, I ask unanimous consent that, after the expiration of time for Senator FORD under the special order, there be a brief period for the transaction of routine morning business for not to exceed 20 minutes in which Senators may speak for not more than 2 minutes each.

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

Mr. BAKER. Mr. President, after the expiration of the time for the transaction of routine morning business, it is hoped that the Senate can transact other business which may be available for action by unanimous consent. It is not expected, however, that there will be rollcall votes tomorrow.

RECOGNITION OF SENATOR DANFORTH

Mr. President, I ask unanimous consent that the distinguished Senator from Missouri (Mr. DANFORTH) be recognized on special order for not to exceed 15 minutes to follow after the Senator from Kentucky (Mr. FORD).

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

RECESS UNTIL 11 A.M. TOMORROW

Mr. BAKER. Mr. President, I know of no further business to be transacted by the Senate. I ask the distinguished minority leader if he has any other matter to address to the Senate.

Mr. ROBERT C. BYRD. Mr. President, I have nothing.

Mr. BAKER. Mr. President, I thank the distinguished minority leader.

Mr. President, I move, in accordance with the order previously entered, that the Senate now stand in recess until the hour of 11 o'clock tomorrow.

The motion was agreed to; and, at 5:52 p.m., the Senate recessed until Tuesday, November 24, 1981, at 11 a.m.

NOMINATIONS

Executive nominations received by the Senate November 23, 1981:

DEPARTMENT OF STATE

Franklin S. Forsberg, of Connecticut, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Sweden.

THE JUDICIARY

Israel Leo Glasser, of New York, to be U.S. district judge for the eastern district of New York vice Jacob Mishler, retired.

DEPARTMENT OF JUSTICE

Joseph S. Cage, Jr., of Louisiana, to be U.S. attorney for the western district of Louisiana for the term of 4 years vice Joseph Ransdell Keene.

Gene S. Anderson, of Washington, to be U.S. attorney for the western district of Washington for the term of 4 years vice John C. Merkel, Jr., term expired.

David A. Faber, of West Virginia, to be U.S. attorney for the southern district of West Virginia for the term of 4 years vice Robert B. King, resigned.

James L. Meyers, of Louisiana, to be U.S. Marshall for the middle district of Louisiana for the term of 4 years vice Thomas A. Grace, Jr., retired.

William I. Berryhill, Jr., of North Carolina, to be U.S. Marshal for the eastern district of North Carolina for the term of 4 years vice Hugh Salter, term expired.

Wayne D. Beaman, of Virginia, to be U.S. Marshal for the western District of Virginia for the term of 4 years vice Paul J. Puckett, term expired.

MISSISSIPPI RIVER COMMISSION

Rear Adm. Herbert R. Lippold, Jr., National Oceanic and Atmospheric Administration, to be a Member of the Mississippi River Commission, vice Rear Adm. Allen L. Powell, retired.

IN THE AIR FORCE

The following-named officers for promotion as a Reserve of the Air Force, under the appropriate provisions of chapter 35 and 837, title 10, United States Code.

LINE OF THE AIR FORCE

Major to lieutenant colonel

Abbott, Thomas F., [redacted]
Abe, Harry H., [redacted]
Abeln, Paul J., [redacted]
Abraham, Robert B., [redacted]
Adamchak, Thomas C., [redacted]
Adkins, Lloyd H., [redacted]
Allbee, Carl M., [redacted]
Amey, David C., [redacted]
Anderson, Claude R., [redacted]
Anderson, Lawrence B., [redacted]
Andreasen, Clell, [redacted]
Anzures, Armando, [redacted]
Arakaki, Jiro D., [redacted]
Arenz, Terry R., [redacted]
Arterburn, Ernest R., [redacted]
Augustus, Peter, III, [redacted]
Aylsworth, William E., [redacted]
Baros, Thomas M., [redacted]
Baldwin, John F., [redacted]
Barger, Alphonso S., Jr., [redacted]
Barnett, Ronald G., [redacted]
Barnhart, Joseph H., [redacted]
Bell, Henry H., Jr., [redacted]
Berger, Eugene A., Jr., [redacted]
Berlam, Robert A., [redacted]
Bertocchi, Robert P., [redacted]
Blenvenue, Donald D., [redacted]
Biester, John E., Jr., [redacted]
Bigelow, Edson F., [redacted]
Blackmore, Ronald E., [redacted]
Blankenheim, Henry J., [redacted]
Bleakley, Lance D., [redacted]
Blessing, David A., [redacted]
Bock, Robert D., Jr., [redacted]
Bodson, Charles D., [redacted]
Bonner, Russell H., Jr., [redacted]
Boomer, Ronald J., [redacted]
Bothwell, Bruce E., [redacted]
Bourassa, Roger L., [redacted]
Bowers, Richard W., [redacted]
Bowling, Guvlyn J., [redacted]
Boydston, Theodore S., [redacted]
Bozeman, Tandy K., [redacted]
Bradley, John R., [redacted]
Breeden, George M., III, [redacted]
Brettle, Emile P., III, [redacted]
Brinegar, Cecil, [redacted]
Brocklehurst, John A., Sr., [redacted]
Brogan, Henry N. B., [redacted]
Broome, Donald W., [redacted]
Browder, Charles L., Jr., [redacted]

Brower, Richard W., xxx-xx-xxxx.
Brown, Charles W., xxx-xx-xxxx.
Brown, John L., xxx-xx-....
Brown, Lamar P., xxx-xx-xxxx.
Brown, Phillip R., xxx-xx-xxxx.
Brown, Thomas R., xxx-xx-xxxx.
Bryant, Dale W., xxx-xx-xxxx.
Buchanan, George S., xxx-xx-....
Buettner, Gerald F., xxx-xx-xxxx.
Burmeister, Albert L., Jr., xxx-xx-xxxx.
Burnett, Charles L., xxx-xx-xxxx.
Burton, Michael L., xxx-xx-xxxx.
Bush, Robert E., xxx-xx-xxxx.
Butler, Michael E., xxx-xx-xxxx.
Byrne, Martin J., xxx-xx-xxxx.
Cameron, Albert A., xxx-xx-xxxx.
Cameron, David A., xxx-xx-xxxx.
Campbell, Patrick K., xxx-xx-xxxx.
Carter, David C., xxx-xx-xxxx.
Case, Martin V., Jr., xxx-xx-....
Chalkley, Craig W., xxx-xx-xxxx.
Chambers, Robert L., xxx-xx-xxxx.
Chappell, Hubert H., xxx-xx-xxxx.
Cicale, Edward J., xxx-xx-xxxx.
Clapp, Roger C., xxx-xx-xxxx.
Clark, Hugh A., Jr., xxx-xx-xxxx.
Clary, John D., Jr., xxx-xx-xxxx.
Cline, Charles M., Jr., xxx-xx-xxxx.
Clougher, Thomas A., xxx-xx-....
Cody, Harold J., xxx-xx-xxxx.
Coffland, Colin M., xxx-xx-xxxx.
Collette, Alban E., xxx-xx-xxxx.
Collins, Edward R., xxx-xx-xxxx.
Connelly, Joseph R., xxx-xx-xxxx.
Conner, Leslie L., Jr., xxx-xx-xxxx.
Cope, Thomas L., xxx-xx-xxxx.
Coughlin, John J., xxx-xx-xxxx.
Cox, Clint R., xxx-xx-xxxx.
Craig, Gary L., xxx-xx-xxxx.
Crain, Jimmie G., xxx-xx-xxxx.
Crosley, Verlin E., xxx-xx-xxxx.
Cross, Thomas J., xxx-xx-xxxx.
Crowley, Wayne J., xxx-xx-xxxx.
Crutchfield, Philip W., xxx-xx-xxxx.
Cupples, Barry L., xxx-xx-xxxx.
Daeke, Ray N., xxx-xx-xxxx.
Daily, David W., xxx-xx-xxxx.
Dalton, Donald, xxx-xx-xxxx.
Daniels, Ralph E., xxx-xx-xxxx.
Davis, Wesley H., xxx-xx-xxxx.
Day, Alvin L., xxx-xx-xxxx.
Denney, Elton L., xxx-xx-xxxx.
Depp, Raymond L., xxx-xx-xxxx.
Diehl, Donald B., Jr., xxx-xx-xxxx.
Dietrich, Aloysius J., xxx-xx-xxxx.
Dimuro, John A., xxx-xx-xxxx.
Dittrich, Mark S., xxx-xx-xxxx.
Dodd, Donald B., xxx-xx-xxxx.
Doucette, Richard, xxx-xx-xxxx.
Downing, Lawrence W., xxx-xx-xxxx.
Drapeau, David G., xxx-xx-xxxx.
Drury, Martin A., xxx-xx-xxxx.
Dudley, William A., xxx-xx-xxxx.
Dugan, Francis D., xxx-xx-xxxx.
Duhame, Guy P., xxx-xx-xxxx.
Earnest, Kenneth H., xxx-xx-xxxx.
Easter, William R., xxx-xx-xxxx.
Eaton, Robert G., xxx-xx-xxxx.
Edel, Robert P., xxx-xx-xxxx.
Edgar, Robert N., xxx-xx-xxxx.
Edwards, Norman B., xxx-xx-xxxx.
Eide, Brian L., xxx-xx-xxxx.
Eling, Paul P., xxx-xx-xxxx.
Elliott, Philip R., xxx-xx-xxxx.
Elrod, Ralph L., xxx-xx-xxxx.
Engelstad, Edwin K., xxx-xx-xxxx.
Enniss, William C., xxx-xx-xxxx.
Estep, Charles D., xxx-xx-xxxx.
Faust, Donald R., xxx-xx-xxxx.
Ferguson, Charles M., xxx-....
Ferrante, Victor A., xxx-xx-xxxx.
Ferrell, Harry D., xxx-xx-xxxx.
Fetter, Kenneth L., Jr., xxx-xx-xxxx.
Fisher, Michael F., xxx-xx-xxxx.
Flanagan, John F., Jr., xxx-xx-xxxx.
Flynn, Edward J., Jr., xxx-xx-xxxx.
Foley, William H., Jr., xxx-xx-xxxx.
Ford, Clayton H., xxx-xx-xx...
Francis, John H., xxx-xx-xx...
Freely, William B., xxx-xx-xx...
French, Gale H., xxx-xx-xxxx.
Frenette, Franklin A. P., xxx-xx-xxxx.
Fretwell, Kenneth H., Jr., xxx-xx-xxxx.
Frucht, Walter M., xxx-xx-xxxx.
Fuhr, Donald C., xxx-xx-xxxx.
Gaddy, Robert E., xxx-xx-xxxx.
Garland, Edward W., xxx-xx-xxxx.
Gavin, Joseph J., xxx-xx-xxxx.
Gay, Roy C., xxx-xx-xxxx.
Geihs, Paul A., xxx-xx-xxxx.
Gillen, Joseph W., xxx-xx-xxxx.
Gobbo, Eugene C., xxx-xx-xxxx.
Godsey, Henry R., xxx-xx-xxxx.
Goldsmith, Arnold S., xxx-xx-xxxx.
Gonshor, Bobby L., xxx-xx-xxxx.
Goodwin, John B., xxx-xx-xxxx.
Gotchef, Edward J., xxx-xx-xxxx.
Goudie, Lawrence A., xxx-xx-xxxx.
Gould, Kenneth E., xxx-xx-xxxx.
Granado, Alfonso R., xxx-xx-xxxx.
Gray, Dennis M., xxx-xx-xxxx.
Green, Billy L., xxx-xx-xxxx.
Greenberg, Jonathan, Jr., xxx-xx-xxxx.
Greenwood, James A., xxx-xx-xxxx.
Grenier, Daniel R., xxx-xx-xxxx.
Greytak, James M., xxx-xx-xxxx.
Griggs, William P., xxx-xx-xxxx.
Gritten, Philip D., xxx-xx-xxxx.
Groot, Gary L., xxx-xx-xxxx.
Haap, Frederick, III, xxx-xx-xxxx.
Hagen, Richard S., xxx-xx-xxxx.
Hahn, Arthur L., xxx-xx-xxxx.
Hamilton, John F., Jr., xxx-xx-xxxx.
Hammersten, Paul M., xxx-xx-xxxx.
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Harper, Lawrence R., xxx-xx-xxxx.
Harrell, Percy W., xxx-xx-xxxx.
Harris, George W., xxx-xx-xxxx.
Hartley, Edwin D., xxx-xx-xxxx.
Harvey, John F., xxx-xx-xxxx.
Hashimoto, Paul H., xxx-xx-xxxx.
Hatcher, Walter T., III, xxx-xx-xxxx.
Hathaway, William H., xxx-xx-xxxx.
Hayward, William L., xxx-xx-xxxx.
Heineck, David L., xxx-xx-xxxx.
Heinemann, Frederick C., xxx-xx-xxxx.
Henrie, Bernard G., xxx-xx-xxxx.
Herman, Keith E., xxx-xx-xxxx.
Herndon, Thommie D., xxx-xx-xxxx.
Hewes, William E., xxx-xx-xxxx.
Hill, James L., xxx-xx-xxxx.
Holbrook, W. Reed, xxx-xx-xxxx.
Holder, Richard W., xxx-xx-xxxx.
Holder, William L., xxx-xx-xxxx.
Holtgrave, Frederick W., xxx-xx-xxxx.
Hood, David J., xxx-xx-xxxx.
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Huffman, Ronald P., xxx-xx-xxxx.
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Johnson, Jay R., xxx-xx-xxxx.
Johnson, Oscar F., xxx-xx-xxxx.
Johnson, Stanley G., xxx-xx-xxxx.
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Justice, Neal E., xxx-xx-xxxx.
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Kendall, William A., xxx-xx-xxxx.
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Kopka, Richard W., xxx-xx-xxxx.
Kovar, John A., xxx-xx-xxxx.
Koven, Edward W., xxx-xx-xxxx.
Kracht, Lavern J., xxx-xx-xxxx.
Kramer, Bruce M., xxx-xx-....
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Krebs, David A., xxx-xx-xxxx.
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Landry, Gary G., xxx-xx-xxxx.
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Lebo, Jerry L., xxx-xx-xxxx.
Lebsack, Raymond L., xxx-xx-xxxx.
Lee, Michael R., xxx-xx-xxxx.
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Martin, Donald F., xxx-xx-xxxx.
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Mayhugh, Gilbert M., xxx-xx-xxxx.
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McDowell, Alan J., Jr., xxx-xx-xxxx.
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McManus, Henry S., xxx-xx-xxxx.
McWilliams, Carey F., xxx-xx-xxxx.
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Meyer, Lyle H., Jr., xxx-xx-xxxx.
Miller, David G., xxx-xx-xxxx.
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Moffatt, Leonard J., Jr., xxx-xx-xxxx.
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Monoyios, Louis E., xxx-xx-xxxx.
Montague, Richard S., xxx-xx-xxxx.
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Moon, Henry C., xxx-xx-xxxx.
Moore, Alvin D., xxx-xx-xxxx.
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Morgan, Wallace M., Jr., xxx-xx-xxxx.
Morris, David G., xxx-xx-xxxx.

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Nelson, Wayne N., xxx-xx-xxxx.
Neubert, Dennis A., xxx-xx-xxxx.
Nichols, Carney D., xxx-xx-xxxx.
Nielsen, Jerry L., xxx-xx-xxxx.
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Oxley, Arthur R., xxx-xx-xxxx.
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Paye, Donald D., xxx-xx-xxxx.
Perks, Karl L., Jr., xxx-xx-xxxx.
Petty, David L., xxx-xx-xxxx.
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Phillips, James H., xxx-xx-xxxx.
Place, Denny L., xxx-xx-xxxx.
Porten, Ronald E., xxx-xx-xxxx.
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Siegel, Thomas L., xxx-xx-xxxx.
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Slaton, Charles M., xxx-xx-xxxx.
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Snyder, Harry G., xxx-xx-xxxx.
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Stallcup, Walter B., xxx-xx-xxxx.
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Stevens, David P., xxx-xx-xxxx.
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Strasser, Allen E., Jr., xxx-xx-xxxx.
Streamo, Donald R., xxx-xx-xxxx.
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Strones, Martin E., xxx-xx-xxxx.
Stuckey, Roy E., xxx-xx-xxxx.
Summers, Allen W., xxx-xx-xxxx.
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Swanson, Harold J., Jr., xxx-xx-xxxx.
Tammen, Roger T., xxx-xx-xxxx.
Tassone, Anthony Jr., xxx-xx-xxxx.
Tate, Vernon R., xxx-xx-xxxx.
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Taylor, Bryan W., xxx-xx-...
Thomas, William J. M., xxx-xx-xxxx.
Thompson, Elton G., xxx-xx-xxxx.
Thompson, John R., xxx-xx-xxxx.
Thornton, John S., Jr., xxx-xx-xxxx.
Thornton, Richard C., xxx-xx-xxxx.
Thyng, James R., xxx-xx-xxxx.
Todd, Marion A., Jr., xxx-xx-xxxx.
Tramonti, Louis G., xxx-xx-xxxx.
Ufen, George H., xxx-xx-xxxx.
Utterback, Ralph M., Jr., xxx-xx-xxxx.
Vaughan, Michael L., xxx-xx-xxxx.
Venett, Emmett, Jr., xxx-xx-...
Vonkolnitz, George F., IV, xxx-...
Wagner, Gervase J., xxx-xx-xxxx.
Wakefield, Laverne E., Jr., xxx-xx-xxxx.
Wall, John H., xxx-xx-xxxx.
Walsh, Richard K., xxx-xx-xxxx.
Weber, Dennis F., xxx-xx-x...
Webster, Ernest R., xxx-xx-xxxx.
Webster, James K., xxx-xx-xxxx.
Weiland, Lee T., Jr., xxx-xx...
Weinhagen, George L., xxx-xx...
Weinstein, Mark A., xxx-xx-...
Weir, Harry G., xxx-xx-xxxx.
Weir, James, xxx-xx-...
Westerbeck, Gerald W., xxx-xx-...
Wetterau, Ronald B., xx...
Wilkinson, David N., xxx-...
Wilkinson, Robert N., xxx-...
Williams, Frederick E., xxx-...
Williams, Roger I., xxx-xx-xxxx.
Williams, William B., xxx-xx...
Wilmans, Norman A., xxx-xx-xxxx.
Wilson, John M., Jr., xxx-xx-xxxx.
Wiltjer, James R., xxx-xx-xxxx.
Winburn, Howard J., xxx-xx-...
Wingerter, John E., xxx-xx-xxxx.
Witcher, Bruce E., xxx-xx-xxxx.
Woodruff, Kenneth R., xxx-xx-xxxx.
Woolsey, David T., xxx-xx-xxxx.
Worrall, Maxwell B., xxx-xx-...
Young, Robert A., xxx-xx-xxxx.
Young, Robert W., xxx-xx-xxxx.
Zahrobsky, Frank M., xxx-xx-xxxx.
Zawadzki, Charles W., xxx-xx-xxxx.
Ziegler, Wilfred E., xxx-xx-...
Zimmerman, Lloyd R., xxx-xx-xxxx.

CHAPLAIN CORPS

Bagge, Carl J., xxx-xx-xxxx.
Bartos, Francis J., xxx-xx-xxxx.
Blattner, Joseph H., Jr., xxx-xx-...
Brown, Richard J., III, xxx-xx-xxxx.
Chambers, John R., xxx-xx...
Costagliola, Salvatore M., xxx-xx-xxxx.
Ditucci, Ralph L., xxx-xx-xxxx.
Dixon, Jerome A., xxx-xx-xxxx.
Fleming, Jerry D., xxx-xx-xxxx.
Hecht, Darrell E., xxx-xx-xxxx.
Kennedy, David K., xxx-xx-xxxx.
Kloehn, Gordon A., xxx-xx-xxxx.
Koch, Glenn A., xxx-xx-xxxx.
Krozser, John J., xxx-xx-xxxx.
Ryan, Albert J., xxx-xx-xxxx.
Solomon, Victor M., xxx-xx-xxxx.
Steiner, Donald R., xxx-xx-xxxx.
Warford, Kenneth A., xxx-xx-xxxx.
White, Stanley E., xxx-xx-xxxx.

DENTAL CORPS

Borstad, Clark G., xxx-xx-xxxx.
Kidd, William L., xxx-xx-xxxx.
McConnell, Michael A., xxx-xx-xxxx.
Mehlisch, David F., xxx-xx-xxxx.
Ott, Charles R., xxx-xx-xxxx.
Paul, Rivers E., xxx-xx-xxxx.
Sabino, Anthony D., xxx-xx-xxxx.
Sher, James R., xxx-xx-xxxx.

MEDICAL CORPS

Ammon, Helmut V., xxx-xx-xxxx.
Bietz, Duane S., xxx-xx-xxxx.
Blankenbaker, Ronald G., xxx-xx-xxxx.
Bohmer, Ronald J., xxx-xx-xxxx.
Boman, Peter L., xxx-xx-xxxx.
Borcherding, Harlan J., xxx-xx-xxxx.
Bryan, Donald W., xxx-xx-xxxx.
Burns, Christine L. F., xxx-xx-xxxx.
Campanini, Rafael Z., xxx-xx-xxxx.
Foster, Jerry J., xxx-xx-xxxx.
Hofman, Walter L., xxx-xx-xxxx.
Jimenez, Jesus G., xxx-xx-xxxx.
Kentsmith, David K., xxx-xx-xxxx.
Lorenziarroyo, Pedro A., xxx-xx-xxxx.
Lower, Dennis L., xxx-xx-xxxx.
Massello, Thomas P., xxx-xx-xxxx.
McCracken, John W., Jr., xxx-xx-xxxx.
Millikan, William J., Jr., xxx-xx-xxxx.
Morgan, Jacqueline, xxx-xx-xxxx.
Nave, Paul L., xxx-xx-xxxx.
Nelson, James L., xxx-xx-xxxx.
Park, Chan H., xxx-xx-xxxx.
Saguiguit, Gil D., xxx-xx-xxxx.
Scriggins, Alan L., xxx-xx-xxxx.
Timberlake, Byron B., xxx-xx-xxxx.

NURSE CORPS

Adams, Marjorie A., xxx-xx-xxxx.
Aguirre, Lucia D., xxx-xx-xxxx.
Alford, Virginia C., xxx-xx-xxxx.
Andrews, Paula J., xxx-xx-xxxx.
Atchison, Jean C., xxx-xx-xxxx.
Biser, Mary J., xxx-xx-xxxx.
Blakelobb, Marjorie A., xxx-xx-xxxx.
Breault, Helen D., xxx-xx-xxxx.
Bristow, Jacquelyn C., xxx-xx-xxxx.
Brodie, Sybie J., xxx-xx-xxxx.
Campbell, Ann R., xxx-xx-xxxx.
Carson, Gayle J., xxx-xx-xxxx.
Christensen, Mary A., xxx-xx-xxxx.
Clark, Marcia F., xxx-xx-xxxx.
Davis, Dian J., xxx-xx-xxxx.
Dulock, Helen L., xxx-xx-xxxx.
Fontes, Shirley J., xxx-xx-xxxx.
Gilliam, Rachel J., xxx-xx-xxxx.
Hall, Nancy J., xxx-xx-xxxx.
Hernandez, Dora E., xxx-xx-xxxx.
Hill, Marjorie A., xxx-xx-xxxx.
Holdsclaw, Lois F., xxx-xx-xxxx.
Hovey, Billie B., xxx-xx-xxxx.
Hueschen, Helen J., xxx-xx-xxxx.
Hughes, Samuel T., Jr., xxx-xx-xxxx.
James, Shirley J., xxx-xx-xxxx.
Kayate, Ethel M., xxx-xx-...
Kazlauskas, Carol A., xxx-xx-xxxx.
Kneip, Helen E., xxx-xx-xxxx.
Lee, Elvira, xxx-xx-xxxx.
Marino, Mary L., xxx-xx-xxxx.
McEachern, Mary C., xxx-xx-xxxx.
McGuane, Marilyn S., xxx-xx-xxxx.
Mulrooney, Sandra L., xxx-xx-xxxx.
Murray, David, xxx-xx-xxxx.
Neuwirth, Eleanor M., xxx-xx-xxxx.
Nicholson, Sally P., xxx-xx-xxxx.
Norris, Audrey M., xxx-xx-xxxx.
ONeal, Lavata F., xxx-xx-xxxx.
Patterson, Leonard H., xxx-xx-xxxx.

Pickel, Delane V., [redacted].
Pruett, James F., [redacted].
Reichenbach, Georgianna, [redacted].
Rettenberg, Gerald, [redacted].
Ricci, Sara E., [redacted].
Ross, Hilda J., [redacted].
Roubik, Robert A., [redacted].
Shaw, Anis M., [redacted].
Shelby, Betty R., [redacted].
Shorb, Garnett A., [redacted].
Smith, Judith L., [redacted].
Smith, Mary P., [redacted].
Taylor, Carol A., [redacted].
Tollerton, Thomas R., [redacted].
Trabal, Agnes A., [redacted].
Trapl, Monika B., [redacted].
Wahl, Marilyn J., [redacted].
Wearshing, Jane D., [redacted].
Wheaton, Nancy E., [redacted].
Wolf, Carol A., [redacted].
Zarrella, Marjorie M., [redacted].

MEDICAL SERVICE CORPS

Baker, Frank C., [redacted].
Billouris, Chrisilios T., [redacted].
Bold, Fank O., [redacted].
Bussy, Joseph T., [redacted].
Fischell, James R., [redacted].
Giardina, Anthony J., [redacted].
Jenkins, William I., Jr., [redacted].
Karickhoff, Paul L., [redacted].
Manuel, Frederick D., [redacted].
Molin, David R., [redacted].
Nelson, Harry G., [redacted].
Nelson, Pearl V., [redacted].
Pickens, James F., II, [redacted].
Scott, Philip P., [redacted].
Stanberry, Richard A., [redacted].
White, Clement H., [redacted].
Zakur, Paul J. R., [redacted].

BIOMEDICAL SCIENCE

Eason, Robert L., [redacted].
Funk, Kenneth D., [redacted].
Kasselder, Charles W., [redacted].
Logsdon, Donald F., Jr., [redacted].
Mull, Ronald L., [redacted].
Parker, Frank M., III, [redacted].
Rich, Robert O., [redacted].
Robinson, Billy J., [redacted].
Sappington, Wilbur M., Jr., [redacted].
Wiseman, Nancy L., [redacted].

IN THE AIR FORCE

The following Air National Guard of the U.S. officers for promotion in the Reserve of the Air Force under the provisions of section 593(a), title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. William J. Athas, [redacted].
Maj. William S. Bailey, [redacted].
Maj. Joseph D. Cunningham, [redacted].
Maj. Charles K. Cross, Jr., [redacted].
Maj. John F. Hindman, [redacted].
Maj. Richard O. Hostetler, [redacted].
Maj. Dominick R. Linarello, [redacted].
Maj. Richard P. McCartney, [redacted].
Maj. Billy McDaniel, [redacted].
Maj. Michael C. Murphy, [redacted].
Maj. Holly A. Pederson, [redacted].
Maj. Jean R. Price, [redacted].
Maj. John L. Ruppel, Jr., [redacted].
Maj. Richard L. Schmitt, [redacted].
Maj. Donald W. Shepperd, [redacted].
Maj. Donald M. Swayze, [redacted].
Maj. Paul A. Weaver, Jr., [redacted].
Maj. William S. Womble, [redacted].

LEGAL

Maj. Alan B. Johnson, [redacted].

CONFIRMATIONS

Executive nominations confirmed by the Senate November 23, 1981:

DEPARTMENT OF STATE

Edwin Gharst Corr, of Oklahoma, a career member of the Senior Foreign Service, class of Counselor, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bolivia.

Melvin Herbert Evans, of the Virgin Islands, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Trinidad and Tobago.

The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

DEPARTMENT OF DEFENSE

Melvyn R. Paisley, of Washington, to be an Assistant Secretary of the Navy.

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, [redacted] (age 58), Army of the United States (major general, U.S. Army).

CALIFORNIA DEBRIS COMMISSION

Brig. Gen. Homer Johnstone, Jr., [redacted], Col. Paul Bazilwich, Jr., [redacted], and Col. Paul Frederick Kavanaugh, [redacted], all of the Corps of Engineers, to be members of the California Debris Commission, under the provisions of section I of an act of Congress approved 1 March 1893 (27 Stat. 507) (33 U.S.C. 661).

MISSISSIPPI RIVER COMMISSION

Maj. Gen. William Edgar Read, [redacted], U.S. Army, to be a member and President of the Mississippi River Commission; and Maj. Gen. Hugh Granville Robinson, [redacted], U.S. Army, and Brig. Gen. Richard Samuel Kem, [redacted], U.S. Army, to be members of the Mississippi River Commission, under the provisions of section 2 of an act of Congress, approved 28 June 1879 (21 Stat. 37) (33 U.S.C. 642).

Rickey Dale James, of Missouri, to be a member of the Mississippi River Commission for a term of 9 years.

IN THE AIR FORCE

Air Force nominations beginning Ernest Z. Adelman, to be colonel, and ending Richard B. Yules, to be colonel. (See Executive Journal proceedings of November 4, 1981, for complete list.)

IN THE NAVY

Navy nominations beginning Hugh Highland, to be commander, and ending Craig Winters, to be lieutenant commander. (See Executive Journal proceedings of November 4, 1981, for complete list.)

Navy nominations beginning Charles Ervin Aaker, to be commander, and ending Anne Marie Nelson, to be commander. (See Executive Journal proceedings of November 9, 1981, for complete list.)

Navy nominations beginning Michael A. Harwell, to be lieutenant commander, and ending Ronald P. Howell, to be ensign. (See Executive Journal proceedings of November 10, 1981, for complete list.)

WITHDRAWAL

Executive nomination withdrawn from the Senate November 23, 1981:

John L. Mevers, of Louisiana, to be U.S. marshal for the middle district of Louisiana for the term of 4 years, vice Thomas A. Grace, Jr., retired, which was sent to the Senate on November 4, 1981.

HOUSE OF REPRESENTATIVE—*Monday, November 23, 1981*

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 10 a.m., Monday, November 23, 1981.

PRAYER

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

O Lord, You have blessed us in every generation and Your spirit has sustained in good times and bad. We pray that Your providence will watch over our Nation and give strength and encouragement to all who seek to serve their neighbor. Bless all those who work in this assembly that they will see in their vocation the opportunity to do Your bidding by deeds of righteousness, justice, and mercy. Keep us and our families in Your good grace this day and during all the days to come. Amen.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Saunders, one of his secretaries.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker signed the following enrolled joint resolution earlier today:

H.J. Res. 357. Making further continuing appropriation for the fiscal year 1982, and for other purposes.

THE NATION'S BEST INTERESTS WOULD BE SERVED BY A VETO OVERRIDE

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

Mr. PEYSER. Mr. Speaker, if I had one wish today, it would be that the Congress would have the courage to override the veto of the President of the United States.

The President is really playing the role of the riverboat gambler with the Congress and with the American people. It was clear to everyone, Republican and Democrat alike, that this weekend we had given the President what he wanted. David Stockman was there confirming the figures and saying we had acted in the correct way.

Well, I guess the President must know something about David Stockman that we do not. I guess we should not have given him the credibility again to listen to him, and hopefully we will not again.

Mr. Speaker, I hope that today we will act in the interests of the American people and our whole democratic process and override the President and not give in to this power play.

THE EFFECT OF THE WHITE HOUSE'S FOREIGN AID REQUESTS

(Mr. ALEXANDER asked and was given permission to address the House for 1 minute, and to revise and extend his remarks, and to include extraneous matter.)

Mr. ALEXANDER. Mr. Speaker, I applaud the President of the United States for his performance during the press conference this morning during which he announced that he vetoed a bill that spends less money than he has requested.

Yesterday, I asked the chairman of the Appropriations Committee during the debate on the continuing resolution if the matter pending before this House was less than the President has requested. The answer was, yes—without one murmur of opposition from the other side of the aisle.

The fact remains that since 1943, the Congress has appropriated less money than the Presidents have requested for each and every year save one—1976.

Meanwhile, backstage, Mr. Stockman is recalculating the figures for the administration so that they will add up the President's way in order that the President can get another billion dollars for foreign aid.

CLEAR-CUT ORDERS, FAITH IN LEADERSHIP MUST AWAIT THE FUTURE

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

Mr. MITCHELL of Maryland. Mr. Speaker, let me remind my colleagues that soldiers in combat often display extraordinary ability. Sometimes they will go into a situation where they know 50 percent or more of their force will be wounded; some of them have gone into combat knowing that most of them would be killed. They go in under those conditions knowing, No. 1, that they had clear-cut orders, and, No. 2, that they had faith in the person commanding them.

We had something unusual that occurred the other day on this continuing resolution. There were some gallant Republican soldiers over on that side; there were some real Republican troopers who fought the good fight, who followed the order, and who had faith in their leadership, only to discover that their fight had been in vain.

So I just want to take 1 minute to salute those gallant Republican troopers and say to them, "Don't despair. You will get clear-cut orders in the future, and you will regain, I am certain, faith in those who lead you."

THE PRESIDENT'S VETO A COUP DE THEATRE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, being President involves making hard and far-reaching decisions. For example, President Reagan yesterday had to decide whether it was better to leave for Thanksgiving at the ranch or to stage a public relations coup de theatre by vetoing the continuing resolution even though his people had told Senator BAKER it was OK. Obviously, he decided that by vetoing the resolution, he could have his turkey and eat it too.

Three aspects of this absurd and unnecessary situation need discussion:

First, our petulant President has caused a massive disruption in American society for the sake of a few headlines. Despite the fact that recently rehabilitated whistleblower David Stockman sat in Senator BAKER's office throughout the conference and signed off on the deal, President Reagan decided that PR is more important than prudence. The cynics who claimed that the President was intent on vetoing any bill, regardless of its content, were vindicated.

Second, the President is absolutely right that continuing resolutions are a terrible way to legislate. The House, however, has passed all of its appropriations bills, save one. The Republican-controlled Senate delayed, however, in the hopes that the President would tell them what he wanted. President Reagan never to this day

has told Congress what he wants in appropriations bills.

Third, it is utter misrepresentation to claim that the President vetoed the bill because it spent too much money. Indeed, he wanted to spend 2 percent more in defense and $1 billion more in foreign aid. To make these expenditures, he wanted us to cut deeper into domestic programs. So, the issue was not the amount of spending but rather where the spending was to go. President Reagan wanted the money to go to defense contractors and foreign dictators. Congress preferred to spend tax dollars on nutritional care for pregnant women, food to the hungry, and school lunches.

Presidential petulance, not legislative largess, killed the funding bill.

THE PRESIDENT'S VETO—A "GREAT ACTING JOB"

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

Mr. MOFFETT. Mr. Speaker, let me say to my colleagues that I think this is a very healthy commentary that is going on. I think it tends to put into perspective the great acting job of the President this morning. He is indeed a great actor, but what we are talking about here is not really cutting the budget.

What this crisis is all about right now is aid to Pakistan, as I think the gentlewoman from Colorado (Mrs. SCHROEDER) just indicated. This is about aid to Pakistan; it is about cutting school lunches and cutting poor pregnant woman off nutrition programs in order to give aid to a dictator in Pakistan.

Second, it is about getting David Stockman and Mr. Allen off the front pages.

Mr. Speaker, let me say this: "Mr. President, you are a great actor indeed, but this time it will not work."

VETO HIGHLIGHTS DESIRE FOR FOREIGN AID INCREASES AND MORE DOMESTIC PROGRAM CUTS

(Mr. MILLER of California asked and was given permission to address the House for 1 minute.)

Mr. MILLER of California. Mr. Speaker, let me say to the Members of the Congress that it is very clear what happened. For those of us who watched the conference committee work over the weekend, we saw that the Republican leadership in that room constantly trying to forge an agreement, and eventually that agreement was forged.

The problem they had was that throughout that conference the President wanted to add $2.5 billion for foreign aid, but the President did not want his name on that legislation. So what he wanted the conferees to do was to cut $2.5 billion out of domestic programs, out of job training programs, out of child health programs, out of nutrition programs, and out of education programs so that he could get $2.5 billion in military aid to Pakistan, to Sudan, and to other countries. But the conferees would not go along with that. Both Democrats and Republicans.

The foreign aid bill is ready to be reported off the floor of this House, but the Republicans will not support it because they do not want to be identified with it. The President did not want to be identified with it, so he asked the conferees to do his dirty work.

The conferees finally said, "Enough is enough. We can't cut $2.5 billion more out of poor people in this country, with unemployment going beyond 8 percent."

As a result of that, the Republican leadership in the Senate signed on the conference committee report and the Republican leadership in this House signed on the conference committee report, and yet 45 minutes into the debate on the floor of the House of Representatives the minority leader came to the floor, stammered and stuttered, and said, "Let me tell you, I just had a call from the President, and we need to veto this bill. We don't need to keep our Government running; we need to veto this bill."

The President ought to face up to whether he wants to go back on TV and tell the American people that what he really wants to do is sneak through $2.5 to give to foreign governments, at a time when, over the Thanksgiving holiday, we are losing programs for the American people.

PARLIAMENTARY INQUIRY

Mr. HARTNETT. Mr. Speaker, I have a point of order.

The SPEAKER. The gentleman will state it.

Mr. HARTNETT. Mr. Speaker, as one Member who was newly sent here by the poor people of South Carolina, I would like to inquire of the Chair, are we limited to 60 seconds, to 1 minute, or is that solely at the Speaker's discretion?

The SPEAKER. The Chair will inquire, what is the gentleman's point of order?

Mr. HARTNETT. My point of order is this, Mr. Speaker: Was he asking unanimous consent to speak for 1 minute?

The SPEAKER. The Chair will state that that is an inquiry, not a point of order.

Mr. HARTNETT. My point of order, Mr. Speaker, is that when he said he was asking permission to speak for 1 minute, he exceeded the time he got under unanimous consent.

The SPEAKER. Perhaps the Chair has been too lenient with the Members.

REPUBLICAN CAPITULATION TO ADMINISTRATION SEEN AS POLITICAL

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

Mr. DOWNEY. Mr. Speaker, I do not blame the last Member for making the point of order. It was a painful speech; it just seemed a little longer.

Mr. Speaker, there are a number of problems. The first is that we have great theater at the expense of Federal workers and the American people, and at some point we are going to have to ask ourselves whether this form of governmental brinkmanship makes any sense for our country or for the people who are attempting to operate our Government.

Another problem that goes unmentioned is the way in which the Republican minority here and the Republican majority in the other body are moved around like marionettes by the administration.

For God's sake the House of Representatives, and the Senate that have capitulated its important congressional responsibilities and constitutional responsibilities to the President for no other purpose than political gain. It seems to me that Mr. Stockman, aside from his terminal candor, and Mr. Allen, for all his memories, deserve to be on the front page far more than this great theater which is only hurting our country, clouding the important issues of Government, and resolving nothing.

Mr. Speaker, I hope that the Republican Members of the House and the Senate can begin to stand up to their own lack of sincere leadership.

THEATER OF THE ABSURD

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

Mr. WEISS. Mr. Speaker, we see confusion, chaos, anarchy on the horizon. Where is the President coming from? Where is he taking the Nation? How does he think the rest of the world views the Reagan "theater of the absurd?"

Shutting down the Government of the United States, I suppose, is one way of eliminating those pesky life-giving domestic programs which Ronald Reagan so despises but to which the American people and this Congress seem to be committed.

A $37 billion cut in social programs obviously was not enough for the President. A $750 billion reverse Robin

Hood, robbing-from-the-poor-and-giving-to-the-rich, tax cut obviously was not enough for the President. Shutting down the Government clearly suits him much better.

When is the toga-fitting ceremony to take place? Will Congress be invited? Will the President allow Congress to continue to exist?

□ 1015

CONGRESSMAN PICKLE INTRODUCES LEGISLATION TO REQUIRE TWO-THIRDS VOTE ON CONTINUING RESOLUTION

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

Mr. PICKLE. Mr. Speaker, today I am introducing a bill that would require a two-thirds affirmative vote before any continuing resolution could become effective, with an exception in case of certain national emergencies.

The underlying problem this week and in the last few Congresses is that we have come to rely on the passage of a continuing resolution to do our work for us, rather than to face up to the tough issues through our regular committee appropriations process. This continuing resolution is a bad practice, it is an abdication of legislative responsibility and it will literally destroy the committee system unless we put a stop to it. Requiring a two-thirds vote would simply mean it would be very difficult to use this regrettable stopgap measure except in extraordinary circumstances. Thus, the responsibility for Federal appropriations would return to the committee system where, philisophically, historically, and traditionally, it belongs.

The House has passed its appropriations bills, all but foreign assistance, and House Members can say rightly that the other body has failed to produce. I certainly have no criticism of my House Appropriations Committee, and particularly not in connection with this continuing resolution. The chairman of that committee, and the House conferees, have done a responsible job. The fact remains, however, that we are in this jam today because of an over-reliance on the continuing resolution. If we continue in this way, it will undermine the authority and the reputation of Congress.

Under present circumstances, the Members on both sides of the aisle are in an absolute quandary. Do we take the OMB figures using their economic assumptions, or do we take the Congressional Budget Office's, or do we take the House Budget Committee figures based on its economic assumptions? Or, do we simply play dead on the threat of a Presidential veto? Good and responsible Members have been torn with indecision because they cannot know who is right—though in this case, I believe our House Budget Committee has been closest to the mark.

Mr. Speaker, if we are to guarantee the integrity of our appropriations process, this is a step I believe we must take. I want Members to join me in this bill.

GAME OF BUDGETARY "CHICKEN"

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

Mr. DICKS. Mr. Speaker, I am deeply concerned about the game of budgetary chicken that is underway between the Congress and the administration. I am also concerned about the priorities that are being demonstrated by this administration.

Why is it that they want to spend $1.5 billion more than what is in the continuing resolution for foreign aid money to Sudan, Oman, Pakistan, and other foreign countries while they want to cut money what is in the budget to take care of the 8.5 million unemployed Americans that have been put on the streets by the high-interest-rate policy of this administration and the Federal Reserve Board.

This House has passed 12 out of 13 appropriation bills. The other body has not moved on the appropriation bills. I think it is time for the other body and the White House to get their act together.

Let us work together here in the House to reach our answer to this budgetary crisis.

CONGRESSMAN HOYER INTRODUCES LEGISLATION ON FEDERAL PAY CONTINUITY

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

Mr. HOYER. Mr. Speaker, I agree with much of what has been said today and associate myself with those remarks. I might also say that I agree to some degree with the remarks of the gentleman from Texas (Mr. PICKLE). I think this process is unfortunate.

But I will say further that I spent 2 days watching the distinguished chairman of the Appropriations Committee, Mr. WHITTEN, very patiently attempting to reach agreement with the conferees and the conferees of the other body going into the room of Mr. Baker and getting agreement, and presumably getting agreement of the President of the United States to move ahead as we had agreement.

Mr. Speaker, we are less than one-half percent away from agreement. For that the President of the United States has brought this Government to a close and 500,000 Federal workers are worried about whether they are going to get paid. Social Security Annuitants are worried about whether they are going to get their checks, irrespective of what the President has said.

I have introduced H.R. 4394, the Pay Continuity Act for Federal Workers that will not allow them to be held hostage either by this Congress or the President of the United States. I am going to ask for emergency hearings on that bill and I hope the Members of this House will join with me in support of that legislation.

CYNICAL MANEUVERING ON CONTINUING RESOLUTION

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

Mr. GLICKMAN. Mr. Speaker, the country would probably not realize the cynical way in which the President decided at the last minute to change his mind and veto the continuing appropriations bill which nearly all the conferees signed, including all of the Republican conferees in the other body. The country also probably does not realize that the President seems to have at a late date and perhaps knowing he would veto the bill, manipulated the other body into voting for the bill so as to create an opportunity for a veto.

The sad truth of the matter is, I think, the President would probably have vetoed this bill even if there were zero dollars in it just to make a point. That is his prerogative.

I remember the remarks of the great late Senator Everett Dirksen who said "I am a man of principle, and my first principle is flexibility." While none of us is ideologically pure, the President has shown a great deal of flexibility on his provision for this bill during the past 3 days. But I think the Congress owes to the people of this country the duty to maintain its constitutional responsibilities. This is not a parliamentary system of government, the President is not the Prime Minister and we are not the English Parliament. We should act responsibly to preserve our system.

THE ADMINISTRATION'S WAR ON CRIME AND BUDGET CUTS

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

Mr. EDWARDS of California. Mr. Speaker, the President's announcement several weeks ago of the administration's war on crime is less than a skirmish. He has announced that he will cut back the FBI from 6 to 12 per-

cent, the Drug Enforcement Assistance Administration more than 12 percent, at a time when drugs are rampant in our country. He has removed all assistance to local police departments when he canceled out the Law Enforcement Administration and the bill that has been reported by the House Judiciary Committee for Federal assistance on a modest basis to local law enforcement agencies is also lying without any action or recommendation from the House.

U.S. attorneys are being cut back. These are our Federal prosecutors, Mr. Speaker.

All of this indicates that the President is thinking more of a small amount of money than of the war on crime.

THE HOUSE CAN NO LONGER HAVE BUSINESS AS USUAL

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

Mr. LOTT. Mr. Speaker, the President has vetoed the continuing resolution spending bill for next year. Well, good! He said he would do it if sufficient cuts were not made; Congress called his bluff and he fulfilled his commitment.

Now comes the majority leader, Mr. WRIGHT, and assures us that "the House will cooperate and act responsibly." Since when, Mr. Speaker. Then Mr. WRIGHT, the gentleman from Texas, turns right around and says the House will pass another resolution at high levels and extend it to February 20. That will not get it, Mr. Speaker! If that high bill for that long a period goes to the President, look for another veto.

What is involved here is Congress insisting on doing things as they always have—spending where and how they want to, paying no attention to the working taxpayer of America. The House still wants business as usual!

Not this time, Mr. Speaker! We have a President with the courage to back up his convictions this time. The taxpayers will win this battle!

THE BIG SPENDERS ARE SQUEALING

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

Mr. WALKER. Mr. Speaker, the President has vetoed the continuing resolution. The President was absolutely right, and to know that he was right all you have to do is listen to what some of his opponents are saying. For instance, at least one of his opponents made the statement that we were only $1 billion or so apart. Only $1 billion? Anyone who thinks that $1 billion represents only nickels and dimes has been around here for far too long.

The problem is that the Congress has been spending only billions for far too long and the President has finally said that enough is enough.

Even if the liberals around here cannot see the facts, the American people can see that big spending is what has gotten us into our present problems. The big spenders are squealing and it is about time.

BIG SPENDING DEMOCRATS ARE GETTING THE MESSAGE

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

Mr. DUNN. Mr. Speaker, yesterday in an unusual Sunday session it was, indeed, business as usual. On the first hand we had the Democrats voting against a reasonable pay increase for loyal Federal workers who did this Nation a service in a time of crisis: These being the same people who stood up and spoke for an even bigger pay increase for people who had broken the law, the union leaders of PATCO.

In the next business as usual we had Democrats saying "I cannot understand why the President would veto this." They could not understand it last summer, last November, and I do not doubt that they could not understand it yesterday. They will get the message from the taxpayers of this Nation. It was, indeed, business as usual.

CONTINUING RESOLUTION BAD POLICY

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

Mr. PURSELL. Mr. Speaker, I just wanted to make a very basic point that the principle of continuing resolutions is bad public policy. We have 13 appropriations bills. The House has not passed a foreign aid appropriations bill in 3 years. The Defense bill only passed last Wednesday.

It is a very bad process to use a continuing resolution policy. The House is at fault, the Senate is at fault, and we should not blame the President for this. The Carter administration used a continuing resolution, and we are doing the same thing.

We ought to get back to our prerogatives, our constitutional responsibilities, and have the full budget before the President by October 1. If he wants to veto a particular bill, let him exercise his prerogatives, but let us not blame the President for these responsibilities that we should exercise as Members of Congress.

Present law requires Congress to carry out our constitutional duties by having all appropriations bills on the President's desk by October 1.

FOREIGN AID IMPORTANT TO NATIONAL SECURITY

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

Mr. EVANS of Delaware, Mr. Speaker, speaking of theatrics, we have had our share of that in this body today.

There has been much discussion of foreign aid and I believe that needs to be placed in proper perspective.

The national security interests of our country are important to every citizen of the United States of America. We have no higher priority than our national security. The stability of our allies, like Oman, in the critical Straits of Hormuz with vitally needed oil flowing through those straits is important to us. Other allies such as Sudan, Somalia, Kenya, all a part of the Horn of Africa, as well as nations like Turkey and Thailand, are critically important to America.

Yet, the continuing resolution vetoed by the President provided no security assistance for any of these countries and that does not serve the cause of peace well.

I am hopeful that these concerns will be addressed in the near future and it is disappointing to hear some of my colleagues downplaying the importance of foreign assistance. I recognize that foreign aid is unpopular politically. However, it should be our responsibility to convey its relevance to our own economic and security interests.

I do not advocate taking funds away from vitally needed programs for people. However, we can certainly find these funds by creatively ferreting out waste and abuse of tax dollars across a broad range of Federal expenditures.

PRESIDENTIAL VETO OF CONTINUING RESOLUTION CONSISTENT WITH HIS POLICIES

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

Mr. MORRISON. Mr. Speaker, we have been greeted this morning by a great flurry of words and puffs of political smoke, attempts to cloud the failures of this Congress.

I urge you to listen to the real story, and I quote directly from the President's veto message that is before us this morning:

This resolution presented me with a difficult choice:

Either to sign a budget-busting appropriations bill that would finance the entire Government at levels well above my recommendations, and thus set back our efforts to

halt the excessive Government spending that has fueled inflation and high interest rates, and destroyed investments for new jobs;

Or, to hold the line on spending with a veto, but risk interruption of Government activities and services.

I have chosen the latter. The failure to provide a reasonable Resolution means that some citizens may be inconvenienced and that there is a possibility of some temporary hardship. Nevertheless, a far greater threat to all Americans is the sustained hardship they will suffer by continuing the past budget-busting policies of big spending and big deficits.

Mr. Speaker, this is not theater. This is consistent policy. I can understand the problem of some of my Democrat colleagues. They do not recognize consistency because they have not seen it for years.

□ 1030

PRESIDENTIAL VETO OF CONTINUING RESOLUTION

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

Mr. BETHUNE. Mr. Speaker, I know it is painful to Members of Congress when this institution comes under attack. But let us face it, taxing and spending have doubled since 1976. The President was right to veto this, not only because it was $2 billion or so over the budget targets, but it is time that we face another truth here in the Congress, and that is that the Byzantine budget process is not working.

Deadlines are not met, procedures are not followed. The numbers can be massaged by people on both sides of the aisle, and important decisions are stuffed into last-minute resolutions. This is simply ruining the appropriation and budget process that we should be following in this institution. The President was also right when he said this is no way to run a railroad and it is even less of a way to run a Government.

IT IS TIME FOR CONGRESS TO PRODUCE AN HONEST BUDGET

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

Mr. GREGG. Mr. Speaker, I think it is time we looked at the honest figures of this continuing resolution. The fact is that this continuing resolution set irrelevant and inaccurate figures for items such as medicaid, which was $938 million below the President's budget, the guaranteed student loan program, which was $633 million below the President's budget. They have basically made a statement in the continuing resolution which involves nothing more than balancing it through mirrors. In fact, it is $6 billion over in other categories, in eight other categories, $6 billion over the President's budget.

This is a fraud in the classic tradition of congressional budgeting. It is the same type of fraud which has led us in the last 10 years to $600 billion of deficits. It is the type of fraud which is crushing the American people. It is the type of fraud which has created interest rates which are crushing the American private sector. It is time that this Congress faced up to it and produced an honest budget.

CONSERVATIVE DEMOCRAT-REPUBLICAN COALITION WILL CONTINUE FIGHT FOR CUTS IN GOVERNMENT SPENDING

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

Mr. GINGRICH. Mr. Speaker, the American public can learn a great deal by watching the debate over the President's veto. Liberal after liberal gets up to complain about a veto over a billion or $2 billion. They argue that $1 billion is trivial. These liberals suggest that the entire salary of 50,000 American families is not worth fighting over.

In 1982, those Americans who agree that $1 billion is trivial should vote for the liberals. However, the conservative Democrat-Republican coalition will continue to fight for real cuts in Government spending and a real break for working Americans.

A vote for a continuing resolution to February is a vote for another veto. The Speaker does not have the votes to override a veto and, therefore, the Constitution is clear: The responsible thing would be to offer a responsible resolution to December 20, which the President would sign. If this crisis continues, the burden will be clearly on the liberal leadership which is unwilling to work out the constitutional process clearly mandated.

BUDGET REDUCTIONS MUST BE CARRIED OUT WITH SENSITIVITY AND COMMONSENSE

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

Mr. PARRIS. Mr. Speaker, I am a longtime supporter of President Reagan. I agree with the President's belief that we must cut taxes and reduce the cost of Government if we are going to restore America's economic vitality. However, I have repeatedly counseled the President and his advisers that these cuts and reductions must be carried out with sensitivity and with commonsense.

The situation we find ourselves in today is shocking.

On one hand we have a Congress that has taken month after month to debate and discuss the budget but is unable to reach agreement on reductions of even microscopic proportions, a Congress that is being misguided by a Democratic leadership which seems to get some kind of perverse pleasure out of sticking it to Federal employees by such actions as killing the twice-a-year cost-of-living adjustment and failing to remove the Federal pay cap, actions that were taken, I might add, by voice vote.

On the other hand we have an administration that seems to think there is political mileage in asking the Federal workers to assume an unfair share of the burden of economic recovery.

We seem to be engaged in some sort of macho showdown here, a game of congressional chicken. But this is not a game. It is a disaster and the innocent victims are the members of the Federal bureaucracy who continue even at this moment to toil at their assigned tasks despite the fact that payment for their services is in doubt.

I am willing to bite the bullet to bring about some fiscal sanity in this Nation. But I am not prepared to swallow the gun barrel.

I voted for the continuing resolution last night and I will vote to override this veto. I urge my colleagues to do likewise. Enough is enough.

Let us stop this nonsense. I will support additional budget cuts. But not now and not here. We must keep the Government operating, we must act like the responsible legislators we proclaim to be.

RESPONSIBLE FISCAL MANAGEMENT

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

Mr. McCLORY. Mr. Speaker, the dilemma in which we find ourselves today bespeaks two very serious flaws. One is the mismanagement of our responsibility as Members of the Congress to provide funds for the operation of the Federal Government. The fact that we have not been able to act finally on appropriation bills prevents the President from the exercise of his constitutional prerogative to approve or to veto these measures. This failure on our part indicates that we are not doing our job. There is an immediate and primary need to improve the management of the business of the House of Representatives and of the other body in order that we may fulfill that responsibility.

The other aspect of our dilemma is also clear, and that is that the continuing resolution process is used as a device to increase Federal spending or

to perpetuate excessive spending that has gone on in the past.

The President has not violated his constitutional oath or his responsibility by vetoing the continuing resolution. On the contrary, he has fulfilled his constitutional responsibility. And now we have the opportunity to either override or sustain the veto. I am confident that we are going to sustain the veto, and then we have the opportunity to act promptly and responsibly to improve our management of the fiscal business of the Government.

FOREIGN ASSISTANCE VERSUS DOMESTIC PROGRAMS

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

Mr. FOLEY. Mr. Speaker, I did not intend to take the well today, but I think some of the remarks, including those of the gentleman who just left the well, whom I admire and respect, the gentleman from Illinois (Mr. MCCLORY), deserve some comment.

First of all, we have passed 12 out of the 13 appropriation bills, as the gentleman knows. It is the other body which has not concluded the work, some of the bills 3 or 4 months pending on the other side.

Second, the President did not exactly tell the whole story today when he suggested that reckless Federal spending and the lavish deficit spending was responsible for the veto.

Look at the names of the Republican Members of the House and the Senate on the conference report and judge for yourselves whether those are reckless Federal spenders.

The real argument here is that the President made a last-minute decision and after it was clear to almost everybody on both sides of the aisle in both Houses that the figures of the conference report agreed to were adequate and acceptable to the administration, or indeed the Republican Members and the majority of this body and the other body would not have signed the conference report and voted for it.

Third, the fact of the matter is that the President wants more spending by about $1,400,000,000 for foreign assistance. That is one of the principal objections to the conference report, that it does not spend enough money on what he regards as this area.

Now, Americans have to decide whether, in a time of recession, cutting domestic spending, important to sustain people in a time of recession and crisis, should be denied while we use that money to supply additional funds for overseas foreign aid. That is one of the issues that we are debating here.

I do not think, with respect to some of my colleagues on the other side of the aisle, that they do a service to the body or the country with some of the comments that obscure the facts rather than inform the American people.

REAGAN VETO UNFAIR TO AMERICAN PEOPLE

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

Mr. VENTO. Mr. Speaker, clearly the Reagan veto is a very astute political move by the President, but it is absolutely unfair to the American people and needlessly disrupts the delivery of services and operations of the Government.

The Reagan action calls into question whether the President can accept reality. While carefully choosing his words again, President Reagan invoked emotion, but not reason. When the President lacks the facts and sensible arguments that reality dictate, he does not hesitate to use the bully pulpit or a touch of the dramatic, the irresponsible—a veto of the truly compromised measure worked out by both Democrats and Republicans, signed by both Democrat and Republican conferees, and voted for by both the House and the Senate.

The resolution was under Reagan's third budget proposal offered September 24, 1 week before the start of the fiscal year. But he could not accept it because the cuts for the Pentagon were greater and military assistance cuts were greater, and there was a little more spending for social programs.

I just want to warn my Republican colleagues and Democrats that we cannot solve our budget problems that we have created last summer by providing special interest tax cuts and the recession that exists now by cutting Federal Government spending. In all probability, many of those categories are going to go up.

What is wrong with the continuing resolution process is that this President is attempting to circumvent the appropriation process and insulate certain programs that he wants insulated from any cuts, and savage social programs that many people need.

The real question that we are asking is what does the President want? Maybe an insurance policy to be written retroactively on his economic policy, Reaganomics, with all its defects, high interest rates, deficit-financed special interest tax cuts, budget-breaking Pentagon spending, high unemployment and recession. A Republican economic insurance policy at the cost of breaking our commitments to the American people.

The fact is that you can not drive a $750 billion, 5-year special-interest tax program and a $1.6 trillion 5-year defense budget by starving or even completely eliminating social program budgets.

How about a little commonsense regarding this economic program—this is an insurance policy and those in real need can not afford this premium.

CABLE NEWS NETWORK COVERAGE OF HOUSE PROCEEDINGS

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

Mr. HOLLAND. Mr. Speaker, I hesitate to say this because it is probably going to provoke a lot of additional speeches, but the Cable News Network is carrying this live. They are not editorializing on it, but I think it is appropriate to note that immediately after Mr. LOTT, and Mr. WALKER, and Mr. JOHNSTON, they broke for a toilet tissue commercial.

CONGRESS SHOULD SUSTAIN PRESIDENTIAL VETO OF CONTINUING RESOLUTION

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

The SPEAKER. Is the gentleman going to speak from the Democratic side?

Mr. ROUSSELOT. Well, I thought I would, because there are so many here today—for a change.

Mr. Speaker, in response to my colleague from South Carolina (Mr. HOLLAND) I say, "Paperworkers of America, arise."

Now, so many of my Democratic colleagues have said, "Where is the President coming from?" The same place he has always come from. He says reduce unnecessary Federal spending. You Democrats have been busting the budget, and he wants to take you out to the woodshed to talk about how to get this out-of-control Government back in order.

Now, this is what the facts are: He asked for a 12-percent reduction in potential increases in spending for fiscal year 1982. You, my Democratic colleagues were unwilling to do that, and you control the majority here in the House.

So he then said, "Well, I will compromise, 6 percent, or half of that," and you could not even do that.

So that is why you are being taken back to the woodshed.

It has already been stated, I agree with my colleagues: We have misused the continuing resolution over and over again. Your President—Mr. Carter—came here and asked for a continuing resolution last year, and you gave it to him whether he needed it or not. Now we have got to stop that irresponsible action, and we need to

sustain the President's veto. I will be interested to see whether all of my colleagues who have recently been calling for a balanced budget will now sustain that veto.

□ 1045

WE SHOULD NOT ACCEPT ONE-MAN RULE

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

Mr. FOWLER. Mr. Speaker, I do not believe that I will try to match the decibel level of my friend from California. Since he purported to give "facts," but let me present the true facts.

The President of the United States has asked for over $45 billion in cuts this year. We made almost $40 billion in those cuts that he asked for. The President of the United States asked this House, Democrats and Republicans, for a continuing resolution to pass, and every Republican conferee in the Senate and all but three in the House, meeting this weekend, voted for that bill, signed it, and then came back to this House with a sudden change of heart: overnight they became opposed.

We in the Congress should not be pointing fingers at ourselves. We should not be searching for scapegoats. What we ought to be doing in a nation of clerks, of mechanics, of teachers—all citizens—is to find a common ground through our elected representatives, a legitimate compromise for essential Government services that will enable our country to continue.

What we must reject as Democrats and Republicans is one-man rule, to allow any President, Democrat or Republican, to change the rules in the middle of the night, to pull the rug out from under any party, to say that he believes one thing and then go on television and say the next morning that he believes another.

Our country has always rejected any attempt at one-man rule. We cannot quit that battle now.

A BALANCED BUDGET

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

Mr. COLLINS of Texas. Mr. Speaker, the President of the United States placed his priorities where they belong. President Reagan talked about the national security, the national defense. It is interesting to remember that the last time this Congress had a balanced budget was when we were spending 44 percent of that budget on national defense.

Today, this budget only accounts for 25 percent on national defense. So that is important.

But the big issue before us is that it is time we balanced the budget so that we could reduce the interest rates in America. High interest rates are losing jobs in business and jobs are what are essential. Congress cannot keep spending and spending and spending, and unless we cut spending we are going to continue to have high interest rates.

It is going to mean more savings and loans in trouble. It is going to mean more automobile dealers in trouble, steel companies having more trouble.

We have to cut interest rates to develop business and the best way we can do it is, through a balanced budget. President Reagan is recommending that Congress cut expenses, cut spending, and move toward balancing the budget.

WHITE HOUSE DID NOT CHANGE SIGNALS

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

Mr. MYERS. Mr. Speaker, there have been a number of speakers, particularly from the other side of the aisle, who this morning have stated that the President changed signals. Suggesting somehow the message was sent down to the conferees that he would accept the labors that we had given over 2 days and 2 nights, trying to reach a compromise.

The distinguished majority whip and several others, none of whom were present in the conference, let alone were conferees, either have made the statement, and left the impression that we all signed the resolution, the continuing resolution, the conference report.

But I did not. Not that I had any wise advice from on high or from down the street, but several of us, the gentleman from Ohio (Mr. MILLER), the gentleman from Florida (Mr. YOUNG), did not sign the conference report for a number of reasons. There are some false figures in the conference report.

We made a conscientious, hard-working effort to reach a compromise. I am not here faulting the Members that did sign, nor our efforts, but I do not want the impression left that the White House changed any signals or said they would sign it because that would be wrong.

What the President has done is not really his fault, because the impression is being left here today that somehow President Reagan devised this continuing resolution process.

This morning at 6:30, the first appropriation bill went to the President for signature, which is 54 days after the end of the fiscal year. So do not blame President Reagan for the condition we are in. We have created it here in the Congress and we have had some help, but now the job is to pick up the bits and to go back to work and quit the rhetoric.

PUT THE BLAME WHERE IT BELONGS

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

Mr. HEFNER. Mr. Speaker, I think it is a bit ridiculous for us to say that we have created all the problems right here when we have had 12 appropriations bills languishing in the Republican-controlled Senate.

Now, let me say this to the Members.

Also, when we talk about numbers and bad numbers, we have been dealing on the Budget Committee all year with ouija board—admittedly by Mr. Stockman himself, numbers that they did not understand, numbers that we questioned from the very start.

On the Budget Committee we are still dealing with them today.

As my colleague from California said, if this side of the aisle will vote to sustain the President, we can balance the budget.

When does $2 billion account for a $90 billion deficit we are faced with next year? Let us be honest. Let us be honest with the American people and put the blame where it belongs.

FURTHER CONTINUING APPROPRIATIONS, 1982—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 97-115)

The SPEAKER laid before the House the following veto message from the President of the United States:

To the House of Representatives:

I am returning to the Congress without my signature H.J. Res. 357, the Continuing Resolution providing appropriations for Fiscal Year 1982.

This Resolution presented me with a difficult choice:

—Either to sign a budget-busting appropriations bill that would finance the entire Government at levels well above my recommendations, and thus set back our efforts to halt the excessive Government spending that has fueled inflation and high interest rates, and destroyed investments for new jobs;

—Or, to hold the line on spending with a veto, but risk interruption of Government activities and services.

I have chosen the latter. The failure to provide a reasonable Resolution means that some citizens may be in-

convenienced and that there is a possibility of some temporary hardship. Nevertheless, a far greater threat to all Americans is the sustained hardship they will suffer by continuing the past budget-busting policies of big spending and big deficits.

When reports came to us in September that spending and the deficit for Fiscal Year 1982 were rising, we took action to stem the tide.

On September 24, I asked for a reduction of 12 percent in the appropriations for nearly all non-defense discretionary programs and a modest reduction in our planned program to strengthen the national defense. The 12 percent cut would have saved $8.5 billion—a significant contribution to reducing the deficit, but a modest sum in a budget which will total more than $700 billion.

By refusing to make even this small saving to protect the American people against overspending, the Congress has paved the way for higher interest rates and inflation, and a continued loss of investment, jobs and economic growth. At the same time, the Continuing Resolution fails to provide sufficient security assistance to allow America to meet its obligations.

The practice of loading the budget with unnecessary spending—and then waiting until after the eleventh hour to pass a Continuing Resolution on the assumption that it was safe from a Presidential veto—has gone on much too long. It is one of the principal reasons why the growth of Government spending is still not under control.

For much of the past fiscal year, most of the domestic budget was funded in this manner—through a Continuing Resolution, without regular appropriations bills subject to Presidential approval or disapproval. These so-called stop-gap resolutions are actually budget-busters that can last for an entire year and create the kind of economic mess we inherited last year.

A few days ago I offered to meet the Congress half-way. But the Continuing Resolution the Congress has now passed provides less than one quarter of the savings I requested. This represents neither fair compromise nor responsible budget policy.

In the hours ahead the Congress has the opportunity to reconsider, and I urgently request that it do so. In the meantime, we are making every effort to avoid unnecessary dislocations and personal hardship. I can give assurance that:

—Social Security and most other benefit checks will be paid on schedule.

—The national security will be protected.

—Government activities essential to the protection of life and property, such as the treatment of patients in veterans hospitals, air traffic control and the functioning of the Nation's banks, will also continue.

But in order to prevent unnecessary inconvenience and hardship as Thanksgiving approaches, I must urge the Congress to act promptly and responsibly.

RONALD REAGAN.

THE WHITE HOUSE, *November 23, 1981.*

The SPEAKER. The objections of the President will be spread at large upon the Journal and the message and the joint resolution will be printed as a House document.

MOTION OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Speaker, I move that the message, together with the accompanying joint resolution, be referred to the Committee on Appropriations.

The SPEAKER. The gentleman from Mississippi (Mr. WHITTEN) is recognized for 1 hour.

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

Mr. Speaker, in making this motion return to the Committee on Appropriations, the action of the President vetoing this continuing resolution which he exercised within the rights and powers of the executive branch.

I listened to the statement made by the President at the news conference this morning and it is evident to me that the facts on which he relies come from the Office of Budget and Management. I believe the Budget Office has been erroneous insofar as we know, this committee has relied on its professional staff that daily deal with the facts and figures.

By making this motion to send the veto message to the Appropriations Committee, we will have a forum in which any further presentation might be made and where we can bring together all the information on both sides.

Now, with regard to other matters, let me point out, as I have tried to in the last few days, we have a Government of three branches—the President has his obligations, he has his authorities and he has exercised them. I have no complaint about that. I do believe however that perhaps he maybe relying on erroneous information.

But by the same token, as I have tried to point out through the 2 days and nights of conferences, that while we could go along with the President in his request for the proposed cuts that we thought we had a deal. On the Senate side, presumably, that was reflected by the amendment of the Senator from Tennessee, the majority leader. They set out to have a 4-percent cut on some items and eliminate any cuts on others.

I set out to sell my House colleagues on the proposition to let us agree with his total dollar savings but let us try to reach it while reserving to the Congress our responsibility of the how, where, and when these cuts should be specified.

The proposal to us was to leave within the Office of Budget and Management the authority to cut particular things out or to exercise their judgment about what to keep and what not to keep.

The recommendation and in fact the amendment of the majority leader in the Senate, Senator BAKER, had the effect of exempting foreign aid. The Senate resolution provided for a $2 billion increase in foreign aid, and for the first time on history the bill was originated by the Senate and not the House, which is contrary to the Constitution.

So what was considered there was not holding foreign aid at the present level but actually was an increase of $2 billion in a bill that was cutting domestic programs.

So we set out to come up with the targeted figures, but to reserve to the Congress and to the House particularly, the right to meet our responsibilities and obligations, which is to determine where the funding should go and how they should be handled. We thought we reached such an agreement from our friends on the other side—and I do not know of any man in Congress for whom I have a higher regard than the gentleman from Indiana, Mr. JOHN MYERS, he is right about the facts as to whether everybody signed it.

But there was not a single objection made that I know.

Let us go back to this continuing resolution proposition.

As my colleagues know, I succeeded Mr. Mahon a little over 2 years ago.

Last year, we passed 12 of the 13 appropriations bills and the Senate had not taken up a single one.

I called the then leader of the Senate and said, "We are bogging down here. We have sent you these appropriations bills * * *"—this was last year, not the current year—"and you tell me you just cannot get to them."

I looked into the rules and found there was nothing to prohibit us putting all those bills in one package and sending them back over to the Senate in an omnibus bill. So at my suggestion our committee put them in a single package and sent them to the Senate and I called the majority leader and said, "sign our resolution."

□ 1100

We did that to bail out a bad situation where the House was not at fault in the least; this is not a new approach because of a change in the administration, we did it last year. This year again we find ourselves faced with the same situation. This continuing resolution was made necessary by reason of the fact that they still had not acted on the other side.

Now, I do not want to leave any impression that this situation is the fault of the Senate Appropriations Committee or the chairman, who has been very easy to work with and frankly speaking has been just as interested in bringing things to a conclusion over there.

So the continuing resolution has been made necessary by the fact that we could not get the appropriation through.

Let me say one other thing. Keep in mind that whatever the time or the date is in this resolution, any time that any bill is passed making appropriations and enacted into law, it comes out from under this resolution. This is a holding action. This means that if the President should veto every bill that goes to him, the Government would not quit, as we are doing today. We need the resolution, whether he vetoes those future bills or whether he does not, we need to have the Government operating.

So any condemnation of this procedure is a mistake, in my opinion, because it was made necessary because the other side did not perform in connection with a process.

Let me repeat again. Any time that a bill is enacted into law, out it comes. If the President wishes to veto it in carrying out his responsibility, at least the Government will not close down while we deal with his veto.

I think it is sound. I think it should be done this way.

Let me tell you what is in this resolution.

Mr. MICHEL. Mr. Speaker, would the chairman yield to me?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. MICHEL. I do so because the chairman made mention not only of the conditions that prevail this year, but also prevailed last year, so there is plenty of blame to go around.

I would suggest and have made the point any number of times here that before we get into the budget cycle and the appropriation cycle for the coming year that rather than the traditional practice of having every bill originate here in the House of Representatives, then leaving the other body at the latter part of the year in which really to get their bills in order, we ought to have a well-formulated plan of half the measures originating in the House, half in the other body, which could be evenly divided. Then you would have the kind of situation where in June you have got both bills originating in both the Senate and the House at the same time. Otherwise, I think we put them to a disadvantage by the length of time we give them or the shortness of time as distinguished from what we have in this body for deliberations on appropriation bills.

Mr. WHITTEN. I appreciate the gentleman's suggestion, but I for one, do not want to give a flat answer to a very important question. But I say that the House of Representatives is the people's branch. You cannot appoint one Member to succeed another one. The people have to vote and speak by sending us here. They can change every 2 years who is in the House. There is a reason for that.

This being the people's branch, I would not want to surrender to the 6-year term on the other side at least half the responsibility.

The gentleman realizes that what he suggests goes contrary to all history and all precedent. I do not want to surrender any more. If we give them half the bills, this may not change the scheduling problem because they still will not go ahead until they need to.

Mr. MICHEL. The condition the gentleman has referred to has to do with tax revenue raising measures and I am not about not to follow the Constitution on that score.

At one time we did have appropriations and ways and means all considered by the same committee. They determined in prior years to divide that responsibility and the only constitutional requirement is on the revenue side, not necessarily on the appropriation side.

Mr. WHITTEN. Well, may I say, it says money bills. Money bills might be taxes and they might be appropriations; but historically the opinions have supported the position that money bills originate in the House in the Committee on Appropriations.

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

Mr. WHITTEN. I yield to my colleague, the gentleman from New York.

Mr. ADDABBO. What confuses me, Mr. Speaker and my chairman, is that I sat along with the chairman and the other conferees over there on the Senate side for 2 days. Friday night we ended up everything agreed to, the subcommittees meeting in order, everything was agreed to except foreign aid and HHS.

We then sat through Saturday. Again, the conferees meeting separately and all subcommittees agreed.

Again, midnight Saturday night, HHS and Foreign Affairs, the only two that were in disagreement.

We were told that you have to cut HHS. We need more money in Foreign Affairs. They then came back to us and said, "We will have a plan for you. We will have our program."

We adjourned. It was supposed to be for 10 minutes. We adjourned for 2 hours. We met.

We then had this chart prepared showing all the various totals, what the House had appropriated, what the Senate had appropriated and what our final agreement was.

We returned to the Senate. We said, "This is our proposition. This is where we are. Where are your figures?"

"Give us your figures," the Senate told us, "and let us study them."

We said, "Fine. Study our figures, but where are yours?"

They had none. So finally when the chairman, the gentleman from Mississippi (Mr. WHITTEN) said, "Look, it appears that you have no figures. Let us just extend the date."

Then suddenly they said, "Well, let us look at your figures," and they looked at the figures, and finally in looking at your figures found that we were below them.

Now, am I correct, Mr. Chairman, when I state that the House totals, the bills we had passed, the bills totaled over $430 billion?

Mr. WHITTEN. That is correct.

Mr. ADDABBO. The Senate was $428 billion.

Mr. WHITTEN. That is correct

Mr. ADDABBO. When we finally met at 12 o'clock Friday night, at 12 o'clock Saturday night, after all the subcommittees had met, we came to an agreement of $427 billion more or less, $427 billion, $3 billion under the House figure.

The Senate figure was $428 billion. We were at $427 billion, $600 million under the Senate figure, and the President, from what I understood, when that $428 billion was passed over in the Senate said that that was acceptable to him.

We came to an agreement at 1:30 Sunday morning at $427 billion, $600 million under the Senate, which is also $900 million under the budget.

I do not understand, Mr. Speaker, where this $2 billion comes from. We have presented to the President and to the country a bill which is $600 million below the Senate, below the bill that the President sent to the Senate and he was ready to sign; so when he comes to us and says that we are budget busting, I do not know where they get the figures, unless it is a game that Mr. Stockman is playing around with on his computers.

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

Mr. WHITTEN. I yield to the gentleman from Indiana.

Mr. MYERS. I only ask one question. Did I understand the gentleman from New York to say that at 1:30 yesterday morning that the President had accepted what we were agreeing to?

Mr. ADDABBO. No, no. I said that I understood the President had stated that when the Senate passed the $428 billion bill, that that would be acceptable to him.

Mr. MYERS. I would like to know if anyone on the conference had any message from the President that he would accept. To my knowledge, the President did not ever say this.

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

Mr. WHITTEN. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I appreciate very much the chairman trying to clear up the confusion.

I think that we should hang a sign over the White House which says, "If anyone can concentrate under these conditions, they just do not understand the situation."

Now, I have been hearing all these remarks by the President, by the Director of OMB, which is accusing the Congress of budget busting. I heard the President say this morning, and I listened to the veto message a minute ago, that the reason that he is veoting this bill is because of overspending by the Congress, which is causing higher interest rates and inflation.

Now, Mr. Chairman, I would like to ask a question. Based upon the data that we have available to us from the House Appropriations Committee, is it true or untrue that the President's budget requested about $428.7 billion; is that true or untrue?

Mr. WHITTEN. That is a fact, so far as I understand it.

Mr. ALEXANDER. All right, Mr. Chairman, is it true or untrue that the House-Senate conferees attempted to appropriate $427.8 billion is that true or untrue?

Mr. WHITTEN. That is correct.

Mr. ALEXANDER. Is it true or untrue that the House and the Senate conference is about $800 million less than the President has requested in his budget?

Mr. WHITTEN. That is approximately correct.

Mr. ALEXANDER. Well, I would like to congratulate the President for vetoing a bill which attempts to appropriate less money than he has requested.

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

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. MICHEL. With that Alfonse-Gaston Act here, let me propose a question then.

Mr. WHITTEN. I do not know that I like the description, but go ahead and ask the question.

Mr. MICHEL. Would the chairman guarantee us that there would be no supplemental request for those entitlement programs between now and the end of the fiscal year?

Mr. WHITTEN. I did not understand the question.

Mr. MICHEL. Would the chairman guarantee us that there would be no need for supplementals for just the entitlement programs for the balance of the fiscal year?

Mr. WHITTEN. The gentleman from Illinois knows that the gentleman from Mississippi is not strong on guaranteeing what may happen in the future. Anybody who estimates what outlays will be can take a guess as to future needs.

Mr. MICHEL. If my friend will yield for just one further moment, the gentleman from Arkansas might very well cite the figures he does, but that does not take into account the fact that the figures are below what are required to fulfill the entitlements.

Now, unless you are willing to also tackle the entitlement programs to reduce them, your appropriation levels are never going to coincide with those entitlement figures at the end of the fiscal year.

In medicaid alone, it was $900 million short.

Now, the gentleman from Arkansas, if he wants to shortchange his medicaid patients for that amount, I will wait when that supplemental appropriation comes up to see where we are then.

Mr. WHITTEN. I would like to continue with my own remarks. At the moment I do not yield to anyone.

Let me finish my statement.

Mr. Speaker, it is evident that we do not have the votes to override the President's veto.

Mr. Speaker, it should be evident that as a coequal branch, the President does not have any authority to make us do anything.

It being true that we cannot run his business and he cannot run ours, neither can the Supreme Court do anything unless the executive branch carries out its orders for it.

We have three branches of the Government and I, for one, think it is absolutely essential that we work together, one, two, three. If any one of them does not cooperate with the other two, we break down, any one of the three.

Now, the President has acted within his rights. We have acted within our rights by reviewing his request moneywise as the representatives in Congress.

The recommendations from downtown were to cut 4 percent on some things and leave others completely out. The recommendations downtown were for a $2 billion increase in foreign aid. Not only did they not cut, but there was an increase of $2 billion.

Now, presumably the cuts that we made would be helpful to come up to the figure and add the $2 billion for foreign aid.

Now, the point I make is that my motion here is to refer this back to the Committee on Appropriations where we will be open to presentations by the executive branch or by anyone else to get any facts.

I yield to my colleague, with whom I have enjoyed working all year, the gentleman from Massachusetts (Mr. CONTE).

Mr. CONTE. Mr. Speaker, I want to thank the gentleman from Mississippi, my chairman, for yielding, and tell the gentleman how much I have enjoyed working with him and, of course, we are in accord; but the task before the House right now is either to refer this to the committee or to vote on sustaining or overriding the veto.

I do not see what good it is going to do to keep blaming somebody else, either our side blaming your side, your side blaming our side.

I think the task before us now is to get this thing over with. If you are going to refer it to the committee, let us refer it to the committee. Let us bring back a continuing resolution. Let us get down to the business of the day.

□ 1115

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

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

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

Mr. STRATTON. I thank the chairman for yielding to me.

Mr. Speaker, I find it impossible to understand what the minority leader (Mr. MICHEL) has just been saying. He said this same thing yesterday on the floor when everybody else was talking about how we were $600 million under the Senate bill, as the gentleman from New York (Mr. ADDABBO) has already said. On that occasion the gentleman from Illinois (Mr. MICHEL), stood up and said, "Can you guarantee that there will not be any supplemental requests on these entitlement programs?" Well, now——

Mr. WHITTEN. May I interrupt?

Mr. STRATTON. Apparently the gentleman from Illinois (Mr. MICHEL), is saying that the conferees actually cut the budget too far in the figures that they came in with, because he is complaining that there will not be enough in there to cover the various operations. Now, he simply cannot have it both ways. The President says we have put $2 billion too much into the continuing resolution, and that is why he vetoed it. But the distinguished minority leader says we do not have enough money in the resolution. Why do they not get their act together?

Mr. WHITTEN. May I yield to the gentleman from Florida?

The SPEAKER. The gentleman from Mississippi has the floor.

Mr. WHITTEN. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. I thank the chairman for yielding.

Mr. Speaker, I just wanted to ask if the chairman intends to delegate any time to this side of the aisle so that we can have an organized debate, rather than jumping up and down shouting at each other to yield.

Mr. WHITTEN. I have no objection to recognizing anybody. I do have control of the time. If the gentleman from Massachusetts, my counterpart on that side, asks for time, I will certainly give thought to giving it.

May I say I am not trying to restrict anybody. Anybody can talk about what they want to. I am trying to carry out my assignment on the ground that the three branches of Government must work together. You have not heard me criticize anyone.

Mr. YOUNG of Florida. May I inquire as to how much time is left in the debate, and if you would be willing to delegate some of that time to this side?

Mr. WHITTEN. If somebody wants to speak, I will yield to them.

Mr. YOUNG of Florida. I ask the gentleman to yield.

Mr. WHITTEN. I have yielded to you.

Mr. YOUNG of Florida. I thank the gentleman very much.

Mr. Speaker, I would like to say, like the gentleman from Mississippi and the rest of the conferees, I spent those long nights and days waiting for things to happen.

Mr. WHITTEN. And stayed in good humor all the time.

Mr. YOUNG of Florida. I would also like to say we are all living through very high drama today. We are hearing now about closing down the Government of the United States. This is a serious situation. Rather than close down the Government, we should solve the immediate problem and then close down the Congress for a couple of weeks while we get our act together on how we are going to handle appropriations in the future.

Mr. Speaker, the gentleman and I have discussed this many times and I think we agree. We have gotten our budgetary and appropriations processes to such a state of confusion that we really find it nearly impossible to appropriate and get it down on time. We had to change the date of our fiscal year by extending it an additional 3 months, and we still cannot meet the deadlines.

As I said to the chairman of the Appropriations Committee, it is not our fault. The gentleman from Mississippi and the gentleman from Massachusetts (Mr. CONTE), have led our Appropriations Committee in a fine fashion, and we have basically done our job. It is the people at the other end of the Hall, and I do not care which political party is in control but down there they have not done their job.

We ought to be sending to the President appropriations bills, bills that we have discussed and debated and amended and then enacted, and sent to the President. We ought not to be trying to put everything under the umbrella of a continuing resolution.

I thank my chairman for yielding.

Mr. WHITTEN. May I say that we have been drafted into handling these matters in a continuing resolution. It is not the best way to run the Government. But right now it is the only way. This problem did not start this year. So I do say that we in the House have met our responsibilities in this regard. We did have a terrible time this year, with about five budgets, and possibly receiving new batches of requests. The dates figure into what we were able to do this year.

But I want to say the gentleman has just made a real good argument as to why we cannot solve this thing by giving the other side more authority, by having six bills over there. We might never see them.

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

Mr. WHITTEN. I yield to the gentleman from Oklahoma.

Mr. WATKINS. Mr. Speaker, I would say to the chairman, I think with all respect to the President and to some of the discussion, we should all grant the fact that the President was not over there about 2 o'clock Sunday morning in the wee hours. I am quite sure he was home asleep.

But let me say this: Dave Stockman was there, and he had been signing off on the agreements over there in that conference. Now the question is: Is Dave Stockman the spokesman or is he not the spokesman for this administration? That is the question.

Now, Mr. Chairman, I would like to take it one step further.

Mr. WHITTEN. I was asked to guarantee a while ago. I was flattered my guarantee would mean anything. I am not in a position to answer the gentleman's question.

Mr. WATKINS. Mr. Speaker, I think the gentleman from Florida (Mr. YOUNG), made a point we need to take into consideration, and that is the appropriations bill. I hope the Speaker and I hope the chairman will consider. I think we should give due consideration to just adjourning this body, because the House has done its job. We sent the appropriations bills to the Senate, all 12 of them. Only one, the foreign aid, is remaining. They have been over there for 3 months, many of them. They are ready to act. We can save the Government $3 billion if they will act on the appropriations bills that we have sent over to the Senate. So it would be a very workable solution if we could adjourn, consider adjourning, and get the bills passed out of the Senate, and down to the White House for signature.

Mr. WHITTEN. We cannot afford to let the Government fall down. We cannot afford to.

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

Mr. WHITTEN. I yield to the gentleman from North Carolina.

Mr. HEFNER. I thank the chairman for yielding to me.

Mr. Speaker, I would like to make some observations.

I agree with the gentleman from Massachusetts (Mr. CONTE). From the very first start of this year—this is my first year on the budget—we have had confrontation. We have tried to work in a bipartisan way. The very first day the Budget Committee met we could not agree on assumptions because we had assumptions we believed and have been proven to be false, which has caused a lot of problems to this particular point. The Budget Committee debated right here on this floor, and we lost, and people that debated where the cuts should come and the committee should do their work, said, this administration, "We are not telling you the line items where to make these cuts; we are delegating that to the committees to make the appropriate cuts."

The committees went to work and made their recommendations, made their cuts. We came in here with a reconciliation. We got it at night, we passed that, delegated where the cuts were to be made. We have not dealt with the committee system in this body this year.

Now, the gentleman mentioned, "Can you guarantee us that on entitlements we will not come in for a supplemental?" If Members want to carry that argument a bit further, I sit on the Defense Subcommittee, we cannot guarantee that we will not be in with a joint defense budget supplemental. I support a strong defense, but let me tell you this: Over the next 3 years the Department of Defense has predicated their budget on a total cumulative inflation rate of 17 percent—over the next 3 years. And the way that we are embarking on the B-1, the Stealth, and the MX, God only knows how much this is going to cost. We cannot guarantee that we will not be in here for a massive supplemental in the military.

So when we are talking about guarantees, it is absolutely ridiculous to say what is going to happen out in the future. We do not know what the deficit is going to be next year. We may have to come in here for a lot of adjustments. We are going to have to use some realistic numbers.

One other point, Mr. Chairman. Now, the information that I have on this whole disarray we are in now, if the continuing resolution called for a billion and half dollars more in foreign aid, the President would sign it.

Am I correct, Mr. Chairman?

Mr. WHITTEN. Of course I cannot speak for the President I would say to my good friend.

Mr. HEFNER. Is that the understanding the gentleman from Mississippi had?

Mr. WHITTEN. I cannot answer that question. I do not believe anybody can answer the gentleman except the President.

May I yield to my colleague, the gentleman from Illinois (Mr. MICHEL), the minority leader?

Mr. MICHEL. Mr. Speaker, might I simply suggest we declare a truce for the moment? It is quite obvious from the gentleman's motion that it is intended to avoid a vote on either sustaining or overriding the President's veto. We know where the votes are.

Mr. WHITTEN. May I say to my colleague, it is to postpone any action like that so we will have a chance to pull the two branches together.

Mr. MICHEL. The longer we delay, the longer we take to get something over to the other body, the longer the final resolution. I am suggesting let us declare a momentary truce on the rhetoric. Let us refer it to committee. We are not going to force a rollcall on that. I think it is preordained what the results are. And then come up with the gentleman's resolution, or the majority leader's, and let us get on with it here.

Mr. WHITTEN. We have got to find a place for accommodation between the executive and the legislative branches, not just on this issue but on all issues. We are going to have to work together now and in the future. I am moving here to send this back to the committee. The effect may be as the gentleman from Illinois says. But my purpose is to give us a little time to clear the air and see if we can get together an accommodation from here on.

I think this is probably as good a chance as we will have.

The effect of the continuing resolution, if it is adopted is that if there is a veto, the Government will not come to a standstill. If the bill is ever agreed on, any bill, and signed, then it gets out from under the resolution automatically under the provisions of the resolutions.

So I have asked that we go back to the Appropriations Committee for such conferences and such information as might be available. As the gentleman says, it may have the effect of no immediate vote on this, but it easily can be brought back for consideration. But we should try to seek a means where we can work together, because certainly we cannot override the President's veto; certainly he cannot make us take affirmative action here. But that very fact means that we have got to find an accommodation.

Mr. Speaker, I move the previous question on the motion to refer.

The previous question was ordered.

The SPEAKER. The question is on the motion to refer.

The motion to refer was agreed to.

A motion to reconsider was laid on the table.

RECESS

The SPEAKER. Pursuant to the order of the House of November 19, 1981, the Chair declares a recess subject to the call of the Chair.

Accordingly (at 11 o'clock and 25 minutes a.m.), the House stood in recess, subject to the call of the Chair.

□ 1310

AFTER RECESS

The recess having expired, the House was called to order by the Speaker at 1 o'clock and 11 minutes p.m.

FURTHER CONTINUING APPROPRIATIONS, 1982

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent for the immediate consideration in the House of the joint resolution (H.J. Res. 368) making further continuing appropriations for the fiscal year 1982, and I ask that the previous question be considered as ordered thereon to final passage without intervening motion except for one motion to commit, and that the debate on the resolution be limited to 1 hour, the time to be equally divided and controlled by the gentleman from Massachusetts (Mr. CONTE) and myself.

The Clerk read the title of the joint resolution.

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

Mr. LOTT. Mr. Speaker, reserving the right to object, could I ask the distinguished chairman a couple of questions?

The gentleman is asking unanimous consent to bring up another continuing resolution. Did the gentleman specify in his unanimous consent request a date that he was asking for in this?

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

Mr. LOTT. I yield to the gentleman from Mississippi.

Mr. WHITTEN. I do not believe it is mentioned in my request but the resolution spells out the change which extends the old resolution from November 20, 1981, to February 3, 1982.

Mr. LOTT. So we would be proceeding under the old resolution?

Mr. WHITTEN. My resolution covers that by identifying it by number.

Mr. LOTT. We would be proceeding under the older existing continuing resolution level, not the one we voted on earlier this week or last night; is that correct?

Mr. WHITTEN. The gentleman is correct.

Mr. LOTT. And we will have 1 hour of debate equally divided; is that correct?

Mr. WHITTEN. That is correct. And the minority side would have the right under the request to offer one motion to commit.

Mr. LOTT. So one motion to recommit without instructions or with instructions would be in order?

Mr. WHITTEN. The gentleman is correct.

Mr. LOTT. I thank the distinguished chairman for that clarification.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the joint resolution, as follows:

H.J. RES. 368

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That clauses (c) of sections 101 and 102 of the joint resolution of October 1, 1981 (Public Law 97-51), are hereby amended by striking out "November 20, 1981" and inserting in lieu thereof "February 3, 1982".

The SPEAKER. The gentleman from Mississippi (Mr. WHITTEN) is recognized for 30 minutes.

Mr. WHITTEN. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, there is no need of reviewing what we have all been through the last few days and nights and no need of reviewing the position of the executive branch or the House or the Senate at this time. What I shall address myself to is what this present resolution does.

The rate of expenditures under this resolution is $400 billion a year. It is the same as the level which has been in place since October 1. The agreement in the continuing resolution just vetoed was $427 billion. So we will be saving money so far as spending money for such period as this exists because we will be operating at a level of $400 billion a year instead of $427 billion, approximately, which the other resolution contained.

My reasoning in setting this date, after consultation, is that we cannot act properly within a very limited period. The other resolution has been sent back to the Appropriations Committee where we will invite contributions from the executive or anybody else and be glad to consider those matters. I think we should do that. I think it is so important that we get along together, the executive and the legislative departments of Government.

Also may I say that if we did not do it in a few days, which we could not, we then have Christmas coming up and I know with all of the things we have had, we do not care to be tied up here through Christmas.

Then if we go beyond Christmas, how far should we go? The resolution which I introduced last night provides for February 25, I tried to take a number of matters into consideration. So I selected February 25.

But after being urged to shorten it, I put it ahead of that date to February 3. February 3 is a date which would give us a chance to know what the new budget recommendation will be. So I

think February 3 is as short as we reasonably can make it and still keep some order in our deliberations as we proceed with our work.

In order to be fair, and may I say they did not demand it, but in order to give the minority the same position that we take, we do provide in the unanimous consent request, which was accepted, that the minority have the right to make one motion, such as they may see fit to make. The two votes, on that and on final passage, would be all that would be required.

I repeat again, we have put the time date as short as we think we can afford to. We have not tried to make it drag out. But the longer it is, the more money we save because we are proceeding under that rate of $400 billion a year, whereas the resolution which had been sent back to our committee would be $427 billion a year.

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

Mr. Speaker, I am not going to take any time. Everything that has to be said has been said here in the last 3 or 4 days.

All I have to say is that we might as well vote on this. We will have a motion to recommit which I will exercise making the date December 15 rather than February 3. I think it is time to put the show on the road.

The only observation I think I ought to make here is that this resolution will be $27.3 billion below the resolution the President vetoed. That takes into account that Defense is spent at a lesser level of last year's level, and that accounts for $25 billion right there. So once the Defense bill is passed and signed into law, the savings over last night's bill will be $2.3 billion.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Does the gentleman agree that any new agreement that we have will be for a higher level of spending than is in this continuing resolution?

Mr. CONTE. Yes; the answer is "yes."

Mr. SMITH of Iowa. This continuing resolution is at the rate of about $400 billion a year. Any new proposal which replaces it at a later date will be at a higher rate from that?

Mr. CONTE. Could the gentleman give me an example of a new proposal?

Mr. SMITH of Iowa. Anything that we agree to on December 15 will be at a higher level than the $400 billion.

Mr. CONTE. The gentleman is absolutely right.

Mr. SMITH of Iowa. The only point is this, I think the gentleman will agree that the Whitten resolution provides for 50 additional days at a lower level of spending than we would have if we cut it off December 15?

Mr. CONTE. That is right. But we are told that we are going to get another veto if we go beyond the December 15 date, and I am willing to try anything here to see if we can get the Government greased, oiled up, and back to work.

□ 1320

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

Mr. CONTE. I yield to the gentleman from Pennsylvania.

Mr. EDGAR. I thank the gentleman for yielding.

I took the well last week to try to get a March 31 date, and I was hoping to offer the amendment that was offered by our colleague, JOHN RHODES, on the Republican side, on the previous resolution, to March 31. There was sentiment last week by the minority leader and by the minority whip that the March 31 date in the last resolution would have been acceptable. I understand what is happening in this particular process.

I wonder if the gentleman could explain why the administration is so concerned about the December 15 deadline. The 12 appropriation bills are laying on the Senate's desk. They could move those at any time. It gives us just enough leeway, taking it to February 3, to make it a responsible length of time and not cloud us with another closing down of Government by Christmas.

Mr. CONTE. Let us get this straight: The President would have vetoed the bill with the March 31 date in it. There is no doubt about it. That is not an issue. If I had my way—and the conferees who sat there with me for 3 days know what my feelings are—my feeling is that we would go right to the end of the year, because you have got to be masochistic to go through another meeting with the Senate for another 3 days.

Why does the administration want the December date? I will tell you why: Because they do not want this thing to drag on after the first of the year. They want this Congress to handle this issue in regards to the money problem. That is what it is all about. And that is why they want the December 15 date.

Mr. EDGAR. If the gentleman will yield, I can understand the administration's interest in getting appropriation bills out. It is troubling to the gentleman from Pennsylvania that the administration has not shown the same aggressive attitude in getting the appropriations bills off of the desk in the Senate and to his desk for signature.

Mr. CONTE. Well, you know what the score is there. We all know what the score is there. Nobody is going to send those bills down because they are going to be vetoed.

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

Mr. CONTE. I yield to the gentleman from Oklahoma.

Mr. WATKINS. In all fairness to their side, talking about the time of trying to get the appropriations bills from the Senate, the President has mentioned it two or three times publicly that the Senate has not sent them down to him. If we could get a February 3 date, that would give the Senate time to get the Appropriations Committee bills to the President, and that is what the President has indicated he is concerned about. It is impossible on December 15 to get the appropriation bills out of the Senate and down to the President, all of them; but by February 13, the Senate could act, act in great haste, move forward and get those bills down there by February 3, and we would have it all behind us. It looks like this is what the President would want.

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

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. YATES. Is it not particularly true, what the gentleman from Oklahoma says, in view of the fact that the Senate proposes to take up the Williams case for a period of a week and they will not be able to consider the appropriations matters during that period? So we are inevitably bound to look for another continuation on December 15.

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

Mr. CONTE. I yield to the gentleman from California.

Mr. ROUSSELOT. To answer my good colleague, the gentleman from Pennsylvania, several of these appropriation bills are in conference, and some have been completed.

Mr. CONTE. Right.

Mr. ROUSSELOT. Like agriculture.

Mr. CONTE. HUD.

Mr. ROUSSELOT. HUD.

Mr. CONTE. Transportation.

Mr. ROUSSELOT. So we are waiting for the leadership here to bring those up, and I am sure they will want to do it right away now.

Mr. PEYSER. Agriculture is not completed.

Mr. CONTE. The gentleman is talking about appropriations.

Mr. ROUSSELOT. The point is, the President wishes to encourage Congress to get the job done on appropriations. Even though we have acted on some, a lot of them are still in conference. We have got to get it done before the end of the year. Is that not the simple answer?

Mr. CONTE. That is right.

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

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

Mr. LONG of Maryland. The President and his advisers have been calling

various Members, asking them to vote more money for foreign aid, and this gives them the time in which to come before us with a real foreign aid bill and do it in the open, so that we can all get behind the foreign aid bill that the public has had a chance to know about, instead of doing it through the back door; is that not correct?

Mr. CONTE. No; it is not correct. The gentleman and I have had a running debate on this. He is the Chairman. Bring that bill out here, and let us act on it.

Mr. LONG of Maryland. The cheers are coming from those who intend to vote against it.

Mr. CONTE. Everybody knows the fact that we are waiting for Dr. LONG to give us that opportunity to debate the foreign aid bill. Let us bring it out here. For 3 years there has not been a bill. Three years. I want to help the gentleman. The gentleman knows that. Get that bill out here.

Mr. LONG of Maryland. I know that Otto Passman was the father of foreign aid and the gentleman from Massachusetts is the mother of foreign aid. But I just want to point out——

Mr. CONTE. I hate to claim I am the mother of anything around here. There are so many bastards walking around here. They need a mother to legitimatize them.

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

Mr. CONTE. I yield to the gentleman from Illinois.

Mr. MICHEL. I appreciate my colleague yielding.

Mr. Speaker and my colleagues, first, may I commend the gentleman from Massachusetts for bringing forth a resolution from which we can at least get off the dime here and get something started.

Now, having said that, I certainly intend to support the motion of the gentleman from Massachusetts (Mr. CONTE) to commit the resolution to the committee to change the date from February 3 to December 15.

Now, why do I favor that date as distinguished from the one proposed by my friend, the gentleman from Mississippi?

In the first place, when the President called me yesterday and said that he was compelled to look for the veto, he said, "I know you had planned to have this whole week off in the House for Thanksgiving and that there are Members who have made plans, and I understand that maybe you are not all that far away from an agreement. Could you request a time, say, 15 days?"

I said, "Well, that may be arguable because we have several Members, and maybe a significant number, who have made plans for trips of one kind or another during that week when it was announced that there would be very little business here, in the first week of December, and we may need some latitude to accommodate those particular Members."

I would emphasize again that I am not altogether sure we are all that far away from some kind of an agreement that could be arrived at. I recognize, as was the case this morning, passions get inflamed, tempers flare, and one thing and another. Much better, under this kind of situation, to even try to come to grips this afternoon—even though I would be willing to make that try—that there are those overriding feelings that Members have, it is just natural, it happens, so we take a week off for Thanksgiving, and a little bit more, and we have a little bit of wine and turkey, and all the rest, and back with the home folks, and come back here with a little fresher view. And those who have decided to make a trip abroad are also going to feel a little bit better. It will have a completely different flavor to it. December 15 is on a Tuesday, not a Friday. We had initially decided that we were going to get out of here on the 18th. And then the Speaker, in my colloquy a few days ago, made the determination we would like the 11th, if that is possible. And I say this is not all out of the ball park to set December 15, in the middle of the week. It also gives the gentleman from New York an opportunity to fulfill his earlier commitment with respect to a defense conference, and maybe that is still arguable. So it best appears to me that that gives us that opportunity to cool down a bit and then come at it again with a fresh approach. And why not February 3? Anything that gets over in that new year, if we are really going to be out of here until January 25 or 26, whatever the date is, we come into February, whether we do or do not have a week or so for the traditional Lincoln Day speeches—I am not sure—but consider this: We are coming into the new year then, again, after a delay, the normal January 3, and you are talking about the first concurrent resolution on the budget for 1983, you are considering a third concurrent budget resolution for 1982, the year that we are still in, we have got a supplemental that will be coming up for military pay and medicaid and student loans, and all of the rest which are not funded adequately in the appropriation bill, and then, on top of that, do you want to come to grips with a continuing resolution again?

□ 1330

Why there will be so many figures floating around here in budget authority and outlays this year and that year, and talk about confusion, that is what we will have.

Now we are going to have a lot better environment here within a couple of weeks if we only zero in on that one item, and it would be my druthers at that time that whatever we come to the conclusion on at that time, it is through the balance of the fiscal year. We have got that behind us. Then we do make that new approach in January when we do come back to deal with what has to be done at that time.

Mr. CONTE. I want to thank the minority leader, the gentleman from Illinois (Mr. MICHEL) for those remarks. Those were the exact same remarks that I made earlier, a couple of weeks ago, when I was looking for the September 30 date on the continuing resolution.

The gentleman is right. The platter is going to be so heavy around the middle of next year with rescissions deferrals, the 1983 bill, and supplementals we should not be acting on this date.

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

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

Mr. ADDABBO. I thank the gentleman for yielding.

In answer to the statement of the gentleman from Illinois (Mr. MICHEL) the feel for a December 9 conference was based on the fact that the Senate would still have to pass the bill. We have already passed it and they have only passed the bill out of the full committee. It has not reached the floor. I understand it may reach the floor the week of November 30.

If we are bound by a December 15 date on this continuing resolution, there is no way I can go to conference on the defense bill because I will be locked into this conference for at least 1 week or 2 weeks. We spent one night to 12 o'clock and one night to 2 o'clock and we thought we had a conference. I would be a conferee on the continuing resolution. There would be no way I could go to a conference on a defense bill if the December 15 date lies.

If the February 3 date lies, I can go to conference on the 9th because I will be free to go to conference, spend a couple of days with Senator STEVENS and his conferees and work out a bill before the end of the sine die. The sine die agreement was in the old conference report which has been vetoed and that is not before us any more.

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

Mr. CONTE. I yield to the gentleman from Texas.

Mr. HIGHTOWER. Did I understand the minority leader to say that when we come back, if we pass the December 15 date, that at that time then we would take up another continuing resolution for the balance of the fiscal year? Is that what the gentleman said a minute ago.

Mr. CONTE. I could answer that.

Mr. HIGHTOWER. I thought that was what the gentleman said.

Mr. CONTE. We have got to, certainly, because it expires on December 15.

Mr. HIGHTOWER. That is an assumption then that we are not going to get the business done between now and the 15th and we are just grinding into the process a determination that we are going to go through this same agony again.

Mr. MICHEL. If the gentleman will yield, no.

Taking the gentleman's logic, we are extending it to February 3. I am trying to shorten that process now.

Mr. HIGHTOWER. Could we not tell the Senate and the conferees, wherever the responsibility is, that they have got that much time to pass these appropriations bills, but we are going to say by doing it on December 15 that on that date we will take up one that will be for the balance of the year?

Mr. MICHEL. It may just have well been that the gentleman might find himself better off with a continuing resolution with set figures than having individual bills that exceed the President's budget, and on an individual basis would be vetoed, and he would have that kind of situation.

Mr. HIGHTOWER. I do not know. I do not think the country is going to find itself better off with a continuing resolution for the rest of the year. If we are going to take it in short bites, take it to December 15, then December 15 take another short bite, and get——

Mr. MICHEL. We will have to cross that bridge when we come to it. I think we are trying here to find some way of getting over the crisis that we got for this weekend and practically for this day.

Mr. HIGHTOWER. I want the gentleman to understand, I want us to get this done, and if a December 15 date will get a resolution signed by the President that will keep the Government in operation, fine, but I think we need to tell everybody that on December 15 we are going to either have all the bills passed that we possibly can or we are just going to go ahead and operate with a continuing resolution for the rest of the year.

Mr. WHITTEN. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, may I say to my colleagues that I disagree with the feeling many seem to have that there is little to this. I disagree greatly. Everything depends on what we do here. This is one of the major issues that has faced the country in a long time, with the President of one party and the majority of the House being of the other party. But that is not the important thing.

The important thing is whether we are going to have the executive branch call us and tell us what we have to do or else they will veto it, and our calling them back and saying, "Mr. President, we are not going to do so and so." We cannot have that condition exist here.

Now, there is no substantial difference, it is true, in the amount of money involved, because so help me in the resolution just vetoed we were about $600 billion below the Senate and we were below the request. We were about $3 billion below the House version of the resolution. So we have met every demand except we have not turned it over to the Office of Management and Budget to call the shots as to where it goes.

That is the issue, and today, if my colleagues will look in the Washington Post, and I quote only from that because he did not tell me that, Mr. BAKER, the majority leader in the Senate says that after everybody thought that we had agreed although nobody told me that we had. I quote the exact words that are quoted here:

> Majority Leader Howard H. Baker Jr. (R-Tenn.), had signed off on the conference report early yesterday morning, signaling that the White House would accept it. Baker was placed in the embarrassing position of urging members to buy something it turned out the president would not buy. Baker explained last night that the president had reached his contrary decision on the basis of morning-after Office of Management and Budget cost estimates that differed sharply from those that had been used in the conference.

We spent a whole day with our colleagues on the Senate side trying to get some firm figures.

We have recently read about how the Director of the Office of Management and Budget gets his figures to support his position. We have relied on the figures from the only professional group that I know of, which is the House group.

Now this is not to stir anything up. I want us to have sufficient time so we can deal with the executive branch, protect the rights and responsibilities of the Congress and the obligations of the Congress. That is, in the legislative field we must say how much and what for, instead of turning it over to anybody in the executive branch to call the shots on specific items.

So, it is a basic difference here. I respect the Presidency. I respect the President. But the figures that I heard this morning that he had given and the conclusions are based on figures in which I do not have complete confidence.

I think the other body and this body have to some extent lost confidence in the figures that might come from the Office of Management and Budget.

I think it is a basic hard line decision we face here. I will do my part to try to work with the executive branch. The issue involved here is whether we can do it in about 2 weeks. I do not think an adequate job can be done in this time. If we take the 2 weeks we will be here through Christmas. February 3 is reasonably soon. May I say again that under the present resolution and the one I would extend we are providing at a rate of $400 billion a year instead of $428 billion.

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

Mr. WHITTEN. I yield to the gentleman from Indiana.

Mr. MYERS. The chairman and I generally agree and I have the highest respect for him and my remarks earlier today did not reflect that I did not support what the committee and the conference was trying to do.

What we are really talking about is a difference of 7 days, because we are going to leave here probably the 18th. If we had the 15th or the 3d, it is a difference of about 7 working days by Congress.

I would like to the 15th of December or the 7th or the 3d of February because we are not coming back until the 26th of January. If we are going back on the 3d of February, let us stay in December and get the work done, keep the pressure on the committees and the other body to send the bills down.

I do not think there is anything sacred about any of these dates, that one is more magic than the other. I believe what we are wanting to do is get the appropriations bills out. The earlier date will force the other body to send those bills down and get them signed into law.

It is going to be the same argument regardless of the time. There are only 7 working days difference.

Mr. WHITTEN. May I respond and say that we have not been able to get the bills out of the other body since we began to send them over in July, and it is pretty difficult to anticipate we will get them through in 2 weeks. I want everybody to know that I have not threatened anybody. It is my feeling that if we have until December 15, on December 15 we will be asking the Congress to continue until February 3 or some such date. Why create all this uncertainty and go through this ordeal every 2 weeks? That is my feeling. That is not a threat to anybody. It is my conclusion as to what we really may expect.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Speaker, it involves 50 days at a different spending level. The resolution by the gentleman from Mississippi provides for spending at a $400 billion level until February 3. That is 50 days beyond December 15. That assures us that we will spend $7 billion less than would have been in the bill that was approved by the President, by Senator BAKER, and the Senate.

□ 1340

Now, it is $7 billion less. That 50 days represents $3.977 billion. You are assured of saving $4 billion more under the resolution the gentleman from Mississippi has than you are under the one by the gentleman from Massachusetts (Mr. CONTE).

What that means is that you must know that you are not going to get a foreign aid bill by December 15, so what you want to do is get out from under this resolution faster so you can spend more for foreign aid for that fiscal year.

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

Mr. WHITTEN. I yield to the gentleman from Indiana.

Mr. FITHIAN. I thank the gentleman for yielding. I have not taken part in this debate.

I want to commend the gentleman from Mississippi for his statesmanship on this.

There is only one point I wish to make. I think it must be clear that the December 15 date has yet a more hidden meaning than the gentleman from Illinois would either let us know or perhaps understand himself.

There is a certain media need in this administration, now that we are headed for an $80 to $100 billion deficit. I think that media need is to distract the country from what is at hand, the recession and $80 billion deficit.

It takes a veto about every 3 or 4 weeks with a sensational message to the American people to get that message there so that we can be distracted from the real problem. It is a media need.

Mr. WHITTEN. Mr Speaker, I yield to my colleague, the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. I thank my distinguished colleague, the gentleman from Mississippi, the chairman.

What worries me, though, the gentleman talks about the possibility if we go to the December 15 date we will be here to Christmas. I am worried about the crisis we are faced with right now and trying to find some way, without blaming anybody for how we got in this position, trying to find some way to work ourselves out.

If we do not go with the December 15 date, I am concerned that we are going to be here Thanksgiving Day.

I am worried right now about resolving the problem this week.

Mr. WHITTEN. My worry, may I say, is a little deeper than that of my colleague, the gentleman from Mississippi. My worry is that we are going to have a breakdown in the Government if we get at loggerheads between the executive branch and the legislative. I want to work it out. I think it will take a little time to do it.

Now, I want to say again, that is no threat. That is my worry about what will happen.

My worry, honestly, is that we may reach a stalemate between the executive and the legislative. There is no question that there are not the votes to override a veto, but there is no question that no President can tell the Congress what to do and make them do it.

We cannot take this kind of attitude. We have to reach some comity of understanding whether the two can work together. That is essential. I say that it will take a little longer than 2 weeks.

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

Mr. WHITTEN. I yield to my colleague, the gentleman from Wisconsin.

Mr. OBEY. I thank the gentleman.

I would like to repeat again, Mr. Speaker, what the gentleman from Iowa said. I have talked to at least 15 people on the floor in the last 10 minutes and I have been surprised at the point that escapes people, that if we follow the direction of the gentleman from Mississippi, if we follow the committee's resolution, we will be spending at a rate over an annual period which is $27 billion lower than the level we would be spending at in the resolution which was vetoed by the President this morning. That means that if we stick to the chairman's date, as the gentleman from Iowa has indicated, we will save at least $4 billion, because we call for a lower spending alternative, for a longer period of time, than any alternative around.

If you want to save money and guarantee the saving of money, you will stick with the committee, stick with the chairman's resolution.

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

Mr. WHITTEN. I yield to the gentleman from Indiana.

Mr. MYERS. What the chairman, the gentleman from Iowa (Mr. SMITH) and what the gentleman from Wisconsin have said would be true if we did not pass anything else and in the short framework of the time of this continuing resolution, they are right; but I hope that we are going to pass an appropriation bill, or we are going to pass a vehicle later for the continuing resolution, which changes not just what is spent, but a stretchout of the time. We are going to spend about the same number of dollars at the end of the year. It is a matter of when you spend it; so do not be clouded up here that you are going to save money by passing it for the 3d of February versus December 15. It is just when you are going to spend the money.

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

Mr. Speaker, let me clarify one thing here.

This observation by my colleague, the gentleman from Iowa (Mr. SMITH) and the gentleman from Wisconsin (Mr. OBEY) that the continuing resolution we are extending will be $27.3 billion less than the one that was vetoed is exactly right, and $25 billion of that $27.3 billion is for defense. The minute that the defense bill is signed and agreed to in conference, which we hope will be sometime in December, or whenever it is, the $25 billion will drop off, so you will have $2.3 billion in savings.

Mr. STRATTON. Mr. Speaker, will the gentleman yield to me?

Mr. CONTE. Yes; I yield to my friend, the gentleman from New York.

Mr. STRATTON. Does that not mean then that since $25 of the $28 billion that the bill is under, that all the talk about saving that the gentleman from Wisconsin (Mr. OBEY) was referring to a moment ago is going to be coming out of the hide of the Defense Department.

Mr. CONTE. Yes, $25 billion.

Mr. SMITH of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CONTE. Yes; I would be glad to yield.

Mr. SMITH of Iowa. That $2 billion, to be exact, $1.9 billion is foreign aid. Now, whenever the defense bill is passed, it will come out from under it, but the biggest difference the two resolutions will be whether you want to increase foreign aid sooner, rather than February 3.

Mr. CONTE. Well, we do not want to cloud the issue. It is a $27.3 billion saving for 12 months, $25 of that $27.3 billion is for defense.

Mr. Speaker, I yield 3 minutes to my good friend, the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Speaker, I will be brief, but I would like to take up again briefly the point I was discussing with the chairman just a moment ago.

If this December 15 date goes down, we are going to be here today, tomorrow, and maybe the rest of this week.

What is at stake is if we go with the February 3 date, and that should by some hook or crook get through the whole Congress, that would be vetoed and we would be back here again.

Now, the procedure we are working with here, this continuing resolution, without blaming anybody again, is certainly a bad one.

Let us do this thing on as short a basis as possible in the crisis we are dealing with, avoid the veto, give our appropriations conferees a chance to get back together now and before the 15th and try to come up with something that we can pass that the President will sign, that will take us to July 15.

The conferees are close now. They have done a lot of good work, but I am afraid if we just quit and let it go over

until February, it will be just like starting all over again.

So I would urge my colleagues, think about what is going to happen. We need to try to find a way to work ourselves out of this situation.

This resolution with the February 3 date is not going to do it. Let us try to come up with a short date that the President can sign and we can get our conferees back to the table.

I urge my colleagues to vote for the December 15 date.

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

Mr. LOTT. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding.

The President has vetoed the continuing appropriation bill, of course. I might say, this is within his prerogative. I support the President in his efforts to reduce Federal spending, and would have voted to sustain his veto. I was troubled by some of the 1-minute speeches this morning. I believe some of them were ill advised. We should put aside partisan differences and work together for the sake of the public good.

Now, I fear that we are in a posture of confrontation again. The President has indicated that he would sign a 15-day continuing appropriations bill.

I want to associate myself with the remarks of the gentleman from Mississippi (Mr. LOTT), and the gentleman from Massachusetts (Mr. CONTE). I think that we should pass the bill, send it down to the President, let him sign it, and during the 15 days we can go on about our business and the Government can go on with its business. We can work out departmental appropriations later on. Now, we need to do what is necessary to keep essential Government services going.

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

Mr. LOTT. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding.

Frankly, I am amazed that we are talking about a 2-week extension or even a February 3 extension with the situation as serious as it is today.

It seems to me we ought to be looking at what are specifically the problems with the White House in the conference report that came out and then deal directly with the objections in the conference report. Why postpone it until December 15? Why postpone it until February 3?

Mr. LOTT. Mr. Speaker, if I can reclaim my time, as the gentleman knows, we are working here with a lot of figures. There are a lot of people involved. They are working right now and have been working right up until the past few minutes trying to see what we can agree to, but we cannot do it at this moment with the attitude people have now. It is going to take a little time to get an agreement.

□ 1250

Mr. CONTE. I yield to my good friend, the gentleman from Ohio (Mr. MILLER), for a question.

Mr. MILLER of Ohio. I thank the gentleman for yielding.

Mr. Speaker, just to clear the record, I understood the chairman of the full committee read from the Washington Post newspaper that Senator BAKER signed off on the conference report; is that correct?

Mr. WHITTEN. I did not say he signed off.

Mr. MILLER of Ohio. That is what I understood.

Mr. WHITTEN. That is the gentleman's words. But I was quoting only from the article. The point of it is——

Mr. MILLER of Ohio. I wanted to make the point clear that Senator BAKER was not a conferee.

Mr. WHITTEN. May I say he was in the next room to the conferees.

Mr. CONTE. Senator BAKER was not on the conference.

Mr. WHITTEN. Mr. Speaker, I yield myself 2 minutes to clarify this.

The SPEAKER. The gentleman from Mississippi (Mr. WHITTEN) is recognized for 2 minutes.

Mr. WHITTEN. Mr. Speaker, I tried to avoid anything like that. I left the conference, as did my friend, the gentleman from Massachusetts (Mr. CONTE), the other night, and I would say all conferees left there with the feeling that the President would sign the resolution. Nobody told me such but I left there with the feeling that the resolution would be signed, since most of the Republican conferees signed it.

Be that as it may, the President, acting within his rights, vetoed the matter.

May I say I agree with my colleague, the gentleman from Mississippi, on the surface this is a rather minor problem. Underneath it is the basic problem of whether our system of government can work or not. I believe that is the basic question.

Without further adieu, I yield such time as he may require to the Speaker.

Mr. O'NEILL. Mr. Speaker, we all appreciate how serious these times are. There is no victory out there today for anybody, even though some people may think that there is.

The Government is technically stopped. People are sitting at their desks not doing any work, yet they are on a yearly salary. They are going to get paid for it, and it is wrong.

Now, let us get into the facts as to actually where we are.

Nobody likes a continuing resolution. I do not like a continuing resolution any worse or better than the President does. It has been the habit the last couple of years. For 3 years on foreign aid we have not been able to pass a piece of legislation. That is no secret. You had the authorization up here this year. What happened to it? What happened to the authorization?

I do not believe 100 people on that side of the aisle—even though the President wants it more than anyone else—would vote for the authorization. So let us put it where it is.

Mr. Haig called me and he said, "I desperately need the foreign aid in this bill." I think the figure was $1,600 million above the vetoed conference report level. He mentioned Turkey and other nations.

I said, "We would have brought this up, Mr. Secretary. We could not even pass it in the House, the authorizing bill, for the foreign aid budget, foreign assistance budget." I said, "Where do you think we can go?"

Well, he said, "I just desperately need it," and he said, "Anything you can give us, I would be delighted."

And you know the interesting fact about this? I am one who truly believes in a bipartisan foreign policy. There was a time when this Congress went along with a bipartisan policy. We had respect for the President; we had respect for his foreign policy. We had respect for the State Department. And whether you were a Democrat or a Republican, you debated, but you would go along.

That all changed in the last half dozen years. There are those who are set in cement and set in concrete that they are not going to give money even though it would advance peace around the world.

Now, the President maintains that he does not like the continuing resolutions. The House has demonstrated that we do not like continuing resolutions either. We have passed 12 of the 13 regular appropriation bills. We have not brought up the foreign aid for the reason that I have been talking about. For example, the HUD bill is almost ready to go down to the White House. All of a sudden it does not go down. Why? On several occasions Mr. BAKER told the subcommittee chairman, the President would sign it. But Stockman is apparently back on the deal now, and they changed their mind. Now they say no, do not sent it down; it will be vetoed. So they are holding the bill up there. You can multiply that by every one.

Why has the Senate not been acting? Because they have not been getting the figures from the White House. They have not been getting figures from whomever is making the decisions. I do not know whether it is Meese, whether it is BAKER. I do not know how Stockman is down there. Apparently in the last days he has made a bit of a comeback.

Let us look at the other evening. When I left here the other evening,

the gentleman from Massachusetts, the gentleman from Mississippi, and every Republican Member in the Senate had signed that conference committee report. On the House side, three Republicans did not sign it, but everybody else signed it. You did not sign it, JOHN MYERS, Brother MILLER did not sign it, and Brother YOUNG did not sign. But the rest of the conferees on your side signed it.

About 2 o'clock in the morning we had our problem solved. The feeling was there that the continuing resolution was going to be signed by the President of the United States. The problems were behind us. We would bring it up and it would sail.

Somewhere along the line something happened. Mr. Stockman said that the figures were wrong. And so we get back to where we are today.

Now, where are we today? We have offered a resolution. And I called the gentleman from Illinois, BOB MICHEL, on the telephone this morning, and I said, "BOB, we are going to come in with the resolution, an extension until February 1, February 2, or February 3."

Why do we come to that date? We come to that date because as true as we are sitting here today, if we go for a period of 15 days, or if we go to the 15th of December, you are going to be in exactly the same position on the 15th day of December, on the eve of Christmas, as you are on the eve of Thanksgiving.

I talked this over with the leadership or both sides of the aisle. We first talked about whether we would go with a March 30 date, and then we talked about a March 1 date. How did we arrive at a March 1 date? Because the majority leader in the Senate said to me, "I think we can get out of here December 11th." I said, "It appears to me it is going to be December 18th."

"Well, let us try to get out the 11th," he said. We agreed we would come back on the 25th of January. After we come back on the 25th of January comes Lincoln's vacation or week. During that period you people for years under the guise of honoring a great President go out and collect money for your campaigning. That is all right with me.

So we kind of looked at the calendar. Lincoln's birthday, I believe, is on a Sunday, and they want the week afterward off and then Monday is Washington's birthday, so you would come in on Tuesday. Let us see if we can settle a date beyond that for an extension.

Well, we talked this matter over. But there is no clearance from the White House. I am not the one to clear with the White House. I have to presume that when I am talking to the leadership of your party that they know what they are talking about, when we are talking about setting dates.

You have something to say, gentlemen? I will be happy to hear you. I am making a statement.

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

Mr. O'NEILL. Certainly I yield to the gentleman.

You distrust the statement I am making?

Mr. SOLOMON. No, sir, Mr. Speaker, but with all due respect to you, I do not think if we are talking about cooperation that we ought to stand here and degrade a man who is the President of the United States. Let me tell you——

Mr. O'NEILL. I am not degrading the President.

Mr. SOLOMON. Let me tell you something, Mr. Speaker. You know that the Appropriations Committee, the reason they do not want to meet this week and next week is because they plan to take a 2-week trip to Italy. Regardless of whether this trip is important or not, I think that it is more important for them, and for that matter, the entire Congress, to stay here and deal with this vital issue which affects every man, woman, and child in America.

I say let us all stay here as Mr. OBEY suggested. Let us get the work done. Let us put these people back to work. Let us make an effort at reducing inflation, lowering interest rates, and straightening out the American economy.

Thank you, Mr. Speaker.

Incidentally, I have asked the President, whom you do not think so much of, to ground all those planes leaving the country tomorrow.

Mr. O'NEILL. Wait a minute. You have got me wrong, believe me. You will never see a man who has higher respect for the President of the United States than I have, regardless of what party he comes from. You believe me. I am just trying to talk about the facts on this.

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

Mr. O'NEILL. I do not want to get this off into who is going to Italy and who is not going to Italy. I know I am not going to Italy. I do not yield at this particular time. Just let me complete my remarks.

□ 1400

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

Mr. O'NEILL. I will be happy to yield.

Mr. WYLIE. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker you indicated that the President had not been talking to the leadership of the House and Senate about this. May I respectfully suggest, Mr. Speaker, that you might call the President and ask him if he would sit down with you and the leadership of the House and Senate to see if something can be worked out within the next 2 weeks.

Mr. O'NEILL. The gentleman brought this to me before. I told the gentleman that I had a couple of conversations with the President yesterday.

Mr. WYLIE. That was before the veto.

Mr. O'NEILL. Well, when he called me to tell me that he was going to veto and to ask me what date we could go with I proposed that we could go to some time in April; and after some hesitation, and my talking about going the rescission or deferral route, he said he could not go with the date at that particular time.

Mr. WYLIE. I just do not think this impasse does any of us any good.

Mr. O'NEILL. Let me go along a little bit further.

Mr. WYLIE. I appreciate the gentleman yielding to me.

Mr. O'NEILL. What have you got out there right now? You have one resolution against the other. I called BOB MICHEL this morning. I said, "BOB, bring in any kind of resolution you want."

Now, what was the downfall the other night? It was the foreign aid program. They want to transfer $1,600 million more, to foreign aid. They—I am talking about the administration, the White House—and I am for it. If they want to put $1,600 million in there, that is fine, but Mr. Stockman wants to transfer that $1,600 million from the HHS programs.

I do not know how many billions we have cut out of that area already. We have cut almost $6 billion. Here we are, on the eve of Thanksgiving, do you not think that we have cut the poor and the needy of this Nation enough? Maybe you do not, but he wants to have more of that money transferred, to foreign aid and I think it is wrong.

I am for giving $1,600 million if it is necessary to help our allies around the world, the poor of the world, to help cement peace and make more allies. Yes, I am for it, but I do not think it should be at the expense of the people at home who need it. If you have that money in the budget, put it in the budget in both places. But if you want to go that route, BOB MICHEL, offer that proposal. That was the responsibility of the President after vetoing a continuing resolution. Offer it, offer what the President seeks, let us have a vote in the House. If you want to go to the 15th, then say, "the 15th, and I offer the following amendment because I know it is the will of Mr. Stockman that we take $1,600 million out of HHS and add it to foreign aid," then let the chips fall where they may. If you do not like elements of the continuing resolution before us, why

do you not offer a new budget, say with defense at a higher figure?

The truth of the matter is, we are trying to act in a manner which is not, who has political victories. Has the President of the United States licked TIP O'NEILL again, or has he licked the Democratic Party? There are no victories out there on a thing of this nature. The Government, as I said, technically has stopped.

On the issue of one date against another, I would agree to take the resolution until the 15th if I thought that at that time we were going to be able to salvage something. But what other bills do you have in the meantime? You have got the social security bill coming up. You cannot get out of here—remember that—you cannot get out of here without passing the second budget resolution, and you know that is going to take some time and some days.

You have got so many conference bills out there. Is it practical to go to the 15th?

I am not going to say any more. If it is a practical time and you people think yes, vote yes. If you think it is in the best interests of the people, of the Congress, of the institution, of the Government, to go to the 3d day of February, and I think it is voted that way. I think it is because I think we are going to be right back where we are.

Gentlemen, I hope you vote for the 3d of February, and I would hope that the President would sign it. If you vote for the 15th of December, I am not going to shed any tears about it.

The SPEAKER pro tempore (Mr. FOLEY). The gentleman from Mississippi (Mr. WHITTEN) has 1 minute remaining, and the gentleman from Massachusetts (Mr. CONTE) has 8 minutes remaining.

Mr. CONTE. Mr. Speaker, I just want to clear one thing here, in all fairness. I know of no finer man in this House than JOE ADDABBO, and I have worked very closely with him. If JACK EDWARDS were here, he would bear me out. The gentleman from New York has been most cooperative with the administration in scheduling the defense bill. He has been on target. They wanted to move the defense bill out of the continuing resolution, and he had agreed that he would go to conference December 9.

In regard to the Italian trip, let us set the record straight about that, because if you want to fault anybody, Mr. SOLOMON, you fault me.

The State Department and the people who head the earthquake project in Italy asked me if I could get a bipartisan group together to go to southern Italy sometime in December to sign the papers and contracts with regard to the earthquake that hit those poor unfortunate people, and then move the delegation up to some small towns in the Friuli region in northern Italy to dedicate some nursing homes and some schools that were built with American funds that this Congress so graciously appropriated. I did ask a group to go. It is no bargain, no junket, believe me.

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

Mr. CONTE. I yield.

Mr. SOLOMON. Mr. Speaker, I thank the gentleman. I have no objection to the gentleman going, and I hope he goes and I hope he is successful, but I think we ought to finish the business of the Government first. I think they are more important. I think we ought to stay here until we get this subject worked out the way it should be.

Mr. CONTE. I just want to say that if we go, I am head of that congressional delegation, and I am fighting for a December 15 date, so that should never have come up.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. CONTE. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I am an honorary member of the Italian Caucus, and I can address my congregation in pure Italian if anybody wants to hear it, but I would like to say that many of us in this country have friends and family, and I have family of Italian origin, and I think we ought to concern ourselves with what we have done in Italy that was good. I think the codelegation is an excellent expression of the concern that this country feels for our Italian friends.

Mr. CONTE. I am going to yield to the gentleman from New York, but before I do, I want to say and have always said that the gentlewoman from New Jersey was molta simpatica.

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

Mr. CONTE. I yield to the gentleman.

Mr. MOLINARI. I thank the gentleman very much. I would like to ask the gentleman from Mississippi a question, if I may.

Mr. CONTE. Just a minute. I will give the gentleman 1 minute to ask that question, because I know how the gentleman from Mississippi feels.

Mr. MOLINARI. This is very critical.

Mr. WHITTEN. May I say to my colleagues that if I do not know the answer, I will tell him.

Mr. MOLINARI. I will try to be brief, because this is very important to me and to a lot of others that are affected by it. The public health hospitals have only enough money for approximately 1 more week to run those hospitals.

□ 1410

Now, if we accept the gentleman from Mississippi's date, we are talking about roughly 10 weeks, and that means those four hospitals are going to close. If the gentleman means everything he talked about here today, I do not think he wants that to happen.

Mr. WHITTEN. Mr. Speaker, I certainly do not want that to happen, and I wish the gentleman had talked to the President about that before the veto.

Mr. MOLINARI. I would like to ask one more question.

Mr. WHITTEN. I did everything in my power. I took care of it. I brought it up, and we sent it down and it was vetoed.

Mr. MOLINARI. Mr. Speaker, I would like to ask the gentleman one more question, and maybe the Parliamentarian would have to answer this.

Is it possible to amend this resolution to permit the funds that are left over from fiscal year 1981, which is $8 million, to continue the operation of these hospitals?

Mr. WHITTEN. May I say to my colleague that we will be going to the Senate, and if I can find any way to bail us out, I certainly will be cooperative and make every effort to help.

Mr. MOLINARI. Mr. Speaker, I thank the gentleman very much.

Mr. O'NEILL. Mr. Speaker, will the gentleman yield?

Mr. MOLINARI. I yield to the Speaker of the House.

Mr. O'NEILL. I have a hospital in my area, too, and I know the concern of the gentleman. Maybe the minority leader would put it in his motion to commit. We have offered him the right to put other things in there.

Mr. CONTE. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I still want to implore my colleagues to support the motion to commit that will be offered by the gentleman from Massachusetts (Mr. CONTE).

The Speaker has expressed his preference for the date in February, but I think it is significant that he said he is not going to shed any crocodile tears if it is not that date, and that it is up to this body to make that decision.

Now, I would like to make one other argument. If we adopt this with the date of December 15, I am inclined to think, from what I have heard from the other body, that our Members will probably be free to leave for their Thanksgiving Day recess and we will not be tied down here beyond the day.

So far as the concern espoused by the gentleman from New York, I will say to the gentleman that the earlier date of December 15 will be much more preferable than the February date.

Mr. FITHIAN. Mr. Speaker, will the gentleman yield for a question?

Mr. MICHEL. I will be happy to yield, but first let me make one important point.

Some of the things that have been said here today, particularly by the gentleman from New York (Mr. ADDABBO) and several others, will not go unnoticed, and the record is also there for some others particularly in the executive branch to see. Maybe some of the things that have been aerated here will give this gentleman an opportunity to make a case that I might have otherwise not been able to handle.

So I plead with the Members again, give us that opportunity to come back in a calm, rational attitude 2 or 3 weeks hence and see if we can then come to some agreement.

Mr. FITHIAN. Mr. Speaker, will the gentleman yield for a question?

Mr. MICHEL. Yes, I yield to the gentleman from Indiana.

Mr. FITHIAN. Mr. Speaker, I thank the distinguished minority leader for yielding, and I know how hard he has worked and how responsible he has been.

Let me ask the gentleman from Illinois (Mr. MICHEL), would it be his judgment that when we get back, if we get out of here with the December 15 date should this motion carry and if it still continues that we have the two hangups, which are the foreign aid section out of HHS, we would then see a veto by the President on the December 15 date? If we have the same ingredients that we have now, does the gentleman expect a veto by the President?

The SPEAKER pro tempore. The time of the gentleman from Illinois (Mr. MICHEL) has expired.

Mr. CONTE. Mr. Speaker, I yield 1 additional minute to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, in answer to the gentleman from Indiana, my answer is obviously, no. That would not be my objective at all. It is one of striving always to come to an agreement, and I think we are so close except for this or that figure.

If I thought we could really get together this afternoon without a long dissertation about "you were wrong," "we were wrong," and "he was right," and go back and recap the last 2 days—and I have been through these things before—if I thought we could go back right now and make those few adjustments, I would say that this is just what I am looking for—a time when we could come to a meeting and say, "Boys, we have got it in place, and this is it. Let us agree to it and wrap it up."

Mr. FITHIAN. Mr. Speaker, as one Member I would say that if the gentleman from Illinois (Mr. MICHEL) would put in his continuing resolution precisely the numbers which the President would sign, I would be inclined as one Member who has not supported the administration to go along with the gentleman. But I do not know what we are buying other than another round of vetoes and another media exposition. If that is the case, then we are back to square one.

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

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

The SPEAKER pro tempore. The time of the gentleman from Illinois (Mr. MICHEL) has expired, and the time of the gentleman from Massachusetts (Mr. CONTE) has expired.

The gentleman from Mississippi (Mr. WHITTEN) has 1 minute remaining.

Does the gentleman from New York (Mr. ADDABBO) seek recognition?

POINT OF PERSONAL PRIVILEGE

Mr. ADDABBO. Yes, Mr. Speaker, I do.

I rise to a point of personal privilege. My name has been mentioned, and I would like an explanation from the gentleman from Illinois (Mr. MICHEL).

The SPEAKER pro tempore. The gentleman from New York does not rise to a point of personal provilege but without objection the gentleman from New York (Mr. ADDABBO) is recognized for 1 minute.

Mr. ADDABBO. Mr. Speaker, I would like an explanation from the gentleman from Illinois (Mr. MICHEL). He has mentioned my name along with some statement that was made that seems to be derogatory.

Mr. MICHEL. No. No, on the contrary.

I apologize if I said anything that the gentleman in his discretion believes is derogatory, and I have no such intention.

I just think that the administration knows of the position of the gentleman from New York, particularly in the defense matter, and I just think it is in a positive way that I brought it up, because it might very well influence the people who might not otherwise been influenced.

The gentleman from New York holds a very prestigious position on a committee here in the House, and he cannot be ignored in what he says. For that reason, I am happy that we have had this exchange.

Mr. ADDABBO. Mr. Speaker, I thank the gentleman for the kind remarks.

In answer to my colleague, the gentleman from New York, I would tell him exactly what I told the gentleman from Massachusetts about the trip, and that is that if this date is to be December 15, there is no way I could go on the trip because we would have to be here in conference on the continuing resolution and possibly on the Defense bill.

The SPEAKER pro tempore. As the Chair announced previously, the time of the gentleman from Massachusetts (Mr. CONTE) has expired, and the gentleman from Mississippi (Mr. WHITTEN) has 1 minute remaining.

Mr. WHITTEN. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, I rise to urge that the Members vote for the resolution as we have ordered it and vote against the motion to commit. I do so because we see here what we are faced with each and every time this issue comes up.

We must reach some accommodation with the executive branch so that the legislative branch can continue to discharge its functions and the executive branch can discharge its functions.

So, Mr. Speaker, I urge the Members to please vote for this February 3 date and give us time to reach an accommodation. I urge the Members to stay with the committee and vote for the resolution and vote against the motion to commit.

● Mr. McHUGH. Mr. Speaker, under the continuing resolution we are considering here today, there would be no reductions in the number of participants served in two important supplemental food programs for women, infants and children—the WIC program and the CSFP program.

The first continuing resolution required that these programs be continued at their fiscal year 1981 yearend caseload; for example, their September caseload. The conference report on that resolution stated that "the continuing resolution maintains the current levels of participation for the special supplemental food program know as WIC and the commodity supplemental food program. Any efforts to reduce funding allocations to the States, thereby affecting levels of participation, would be clearly contrary to the provisions of the joint resolution." These same requirements continue in effect for this second continuing resolution.

During the first continuing resolution, the administration submitted a deferral for a small portion of WIC and CSFP funds. However, the administration used unspent fiscal year 1981 funds to comply with the requirements of the resolution that the current caseload be maintained. If any deferral, or rescission, for these programs is submitted under the second resolution, the administration must nevertheless continue to maintain current participation.

It has been suggested by the administration that the first resolution may have provided funds for WIC only at a severely reduced rate of $720 million a year. It should be clear that there is no foundation for any such interpretation. The first and second continuing resolutions clearly provide sufficient funds to maintain current WIC and CSFP food packages for the current caseload.

I should also note that the administration is required under this resolution to move immediately to allocate funds to the States so that there is no interruption in WIC and CSFP funding leading to a shutdown or reduction in WIC operations. Many States will run out of WIC funds this week. The administration must allocate the funds provided under this resolution immediately. Otherwise, there will be reductions in participation and this is contrary to the resolution.

Finally, the resolution continues to maintain funding for current benefit levels in the food stamp program. The Secretary can have no cause under the resolution to find that any reduction in food stamp benefits is necessary. As we have noted on previous occasions, the Secretary cannot make such a finding until Congress is informed of a need for additional funding and takes action demonstrating that the funds will not be provided.●

● Mrs. SCHNEIDER. Mr. Speaker, I intend to cast my vote in favor of the joint resolution to extend spending authority at existing levels through December 15, 1981. I support this short deadline because I believe Congress and the administration have an obligation to the people of this country to complete action on the regular appropriations bill, rather than continue to rely on stopgap funding measures.

Furthermore, I agree with the President that this is no way to run a railroad and certainly no way to run a country. But I also believe the President must show more flexibility. While I strongly support his goal of reduced Government spending, I believe Congress already has cut spending for human services to the bone. The job before us is to apply the same kind of scrutiny to spending in other areas—including defense. There is no question in my mind that any program is better run and more effective when it is streamlined and trimmed of fat. Budget cutting should not be done with a cleaver, but with a scalpel. Equity is the bottom line. The best way for Congress to accomplish this is to act promptly on the pending appropriations bills.●

The SPEAKER pro tempore. Under an agreement of the House reached earlier today, the previous question is ordered on the joint resolution.

The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO COMMIT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Speaker, I offer a motion to commit.

The SPEAKER pro tempore. Is the gentleman opposed to the joint resolution?

Mr. CONTE. In its present form, yes, Mr. Speaker.

Mr. SPEAKER pro tempore. The Clerk will report the motion to commit.

The Clerk read as follows:

Mr. CONTE moves to commit House Joint Resolution 368 to the Committee on Appropriations, with instructions to that committee to report the joint resolution back to the House forthwith, with the following amendment: In the last line, strike "February 3, 1982" and insert in lieu thereof "December 15, 1981".

And at the end of House Joint Resolution 368, add: The joint resolution of October 1, 1981 (Public Law 97-51), is amended by adding after section 141:

SEC. 142. Notwithstanding any other provision of this joint resolution, such sums as may be necessary, not in excess of, and under the conditions of the budget request transmitted on November 9, 1981, for operation, improvement, transfer, and closure of Public Health Service hospitals and clinics.

The SPEAKER pro tempore. Does the gentleman from Massachusetts desire time?

Mr. CONTE. Yes, I do, Mr. Speaker.

The SPEAKER pro tempore. The gentleman from Massachusetts (Mr. CONTE) is recognized for 5 minutes in support of the motion to commit.

Mr. CONTE. Mr. Speaker, I will not take 5 minutes. I only have two things. I said everything I wanted to say on the floor.

I must make one clarification on what my good friend, the Speaker of the House, stated about the foreign aid bill. I think it was the State Department bill. This side voted it down, and I voted for it.

We have not been able to get the foreign aid bill up as yet, the gentleman is absolutely right, because the votes are not there. I just wanted to make that clear for the record.

This bill amends the Whitten resolution to make the expiration date December 15 instead of February 3, and it adds on that last clause to take care of the four public health hospitals until December 15. The gentleman from New York is absolutely right in saying the money for those hospitals will run out next week.

□ 1420

The Secretary of Health, Mr. Schweiker, asked me if I would offer that amendment.

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

Mr. CONTE. I yield to the gentleman.

Mr. WHITTEN. Would it be agreeable with the gentleman for me to ask unanimous consent, and I will ask unanimous consent that the original resolution be amended to include the language the gentleman has relating to public health hospitals?

Mr. CONTE. I cannot do that, Mr. Speaker. I cannot do that. You know that. As much as I love you, JAMIE, I cannot go that far.

Mr. WHITTEN. May I say to my colleague you are likely to get credit for having a political motive in mind.

Mr. CONTE. It is just too bad you did not think of it, JAMIE.

Mr. WHITTEN. Mr. Speaker, I rise in opposition to the motion to commit.

I trust our colleagues will stay with the committee on this. I assure you in the event you turn this down I will ask unanimous consent to include the same provision in the resolution that I have. Vote this down and I will ask permission to include the provisions for the hospitals in the original resolution that I introduced.

Mr. CONTE. If I may, I just hope no one will take that chance. It is in here now.

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

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to commit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to commit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 221, nays 176, not voting 36, as follows:

[Roll No. 335]

YEAS—221

Archer	Dicks	Hiler
Ashbrook	Dougherty	Hollenbeck
Atkinson	Dreier	Holt
Badham	Dunn	Hopkins
Bafalis	Dyson	Horton
Bailey (MO)	Edwards (AL)	Hubbard
Barnard	Edwards (OK)	Hunter
Beard	Emerson	Hutto
Benedict	Emery	Hyde
Bereuter	Erdahl	Ireland
Bethune	Erlenborn	Jeffords
Bliley	Ertel	Jeffries
Breaux	Evans (DE)	Jenkins
Broomfield	Evans (IA)	Johnston
Brown (CO)	Fenwick	Kemp
Broyhill	Fiedler	Kindness
Burgener	Fields	Lagomarsino
Butler	Findley	Latta
Byron	Fish	Leach
Campbell	Forsythe	Leath
Carney	Frenzel	LeBoutillier
Chappell	Gibbons	Lee
Chappie	Gilman	Lent
Cheney	Gingrich	Levitas
Clausen	Glickman	Lewis
Clinger	Goodling	Livingston
Coats	Gradison	Loeffler
Coleman	Gramm	Lott
Collins (TX)	Green	Lowery (CA)
Conable	Gregg	Lowry (WA)
Conte	Grisham	Lujan
Corcoran	Gunderson	Lungren
Coughlin	Hagedorn	Marks
Courter	Hall (OH)	Marlenee
Coyne, James	Hall, Ralph	Marriott
Craig	Hall, Sam	Martin (IL)
Crane, Philip	Hamilton	Martin (NC)
Daniel, Dan	Hammerschmidt	Martin (NY)
Daniel, R. W.	Hansen (ID)	Mavroules
Dannemeyer	Hansen (UT)	McClory
Daub	Hartnett	McCollum
Davis	Hatcher	McCurdy
Deckard	Heckler	McDade
DeNardis	Heftel	McDonald
Derwinski	Hendon	McEwen
Dickinson	Hightower	McGrath

McKinney
Michel
Mikulski
Miller (OH)
Mitchell (NY)
Molinari
Moore
Moorhead
Morrison
Myers
Napier
Nelligan
Nelson
O'Brien
Oxley
Panetta
Parris
Pashayan
Patman
Paul
Petri
Porter
Pritchard
Pursell
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts (KS)
Roberts (SD)
Robinson
Roemer
Rogers
Roukema
Rousselot
Rudd
Sawyer
Schneider
Schulze
Sensenbrenner
Sharp
Shaw
Shelby
Shumway
Shuster
Siljander
Skeen
Skelton
Smith (AL)
Smith (NE)
Smith (NJ)
Smith (OR)
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Staton
Stenholm
Stratton
Stump
Swift
Tauke
Tauzin
Taylor
Thomas
Trible
Vander Jagt
Walker
Weber (MN)
Weber (OH)
White
Whitehurst
Whittaker
Williams (OH)
Wilson
Wolf
Wortley
Wylie
Young (FL)

NAYS—176

Addabbo
Akaka
Albosta
Alexander
Andrews
Annunzio
Anthony
Applegate
AuCoin
Bailey (PA)
Barnes
Bellenson
Benjamin
Bennett
Bevill
Bingham
Blanchard
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Brinkley
Brodhead
Brooks
Brown (CA)
Burton, John
Clay
Coelho
Collins (IL)
Conyers
Coyne, William
Crockett
D'Amours
Danielson
Daschle
de la Garza
Dellums
Derrick
Dingell
Dixon
Donnelly
Dorgan
Dowdy
Downey
Dwyer
Dymally
Early
Eckart
Edgar
Edwards (CA)
English
Evans (GA)
Evans (IN)
Fary
Fascell
Fazio
Ferraro
Fithian
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fountain
Fowler
Frank
Frost
Garcia
Gaydos
Gejdenson
Gephardt
Ginn
Gonzalez
Gore
Guarini
Hance
Harkin
Hawkins
Hefner
Hertel
Holland
Howard
Hoyer
Huckaby
Jacobs
Jones (TN)
Kastenmeier
Kazen
Kildee
Kogovsek
LaFalce
Lehman
Leland
Long (LA)
Long (MD)
Luken
Markey
Matsui
Mazzoli
McHugh
Mica
Miller (CA)
Mineta
Minish
Mitchell (MD)
Moakley
Moffett
Murphy
Murtha
Natcher
Neal
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Pease
Pepper
Perkins
Peyser
Pickle
Price
Rahall
Rangel
Ratchford
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Savage
Scheuer
Schroeder
Seiberling
Shamansky
Shannon
Simon
Smith (IA)
Smith (PA)
Solarz
St Germain
Stark
Stokes
Studds
Synar
Traxler
Udall
Vento
Volkmer
Walgren
Washington
Watkins
Waxman
Weaver
Weiss
Whitley
Whitten
Williams (MT)
Wirth
Wolpe
Wright
Wyden
Yates
Yatron
Young (MO)
Zablocki
Zeferetti

NOT VOTING—36

Anderson
Aspin
Bedell
Biaggi
Bolling
Brown (OH)
Burton, Phillip
Carman
Chisholm
Crane, Daniel
Dornan
Duncan
Fuqua
Goldwater
Gray
Hillis
Hughes
Jones (NC)
Jones (OK)
Kramer
Lantos
Lundine
Madigan
Mattox
McCloskey
Mollohan
Montgomery
Motti
Patterson
Reuss
Rose
Roth
Schumer
Wampler
Winn
Young (AK)

□ 1430

The Clerk announced the following pairs:

On this vote:

Mr. Hughes for, with Mr. Mollohan against.

Mr. Roth for, with Mr. Biaggi against.

Mr. Winn for, with Mrs. Chisholm against.

Mr. Daniel B. Crane for, with Mr. Mattox against.

Mr. Brown of Ohio for, with Mr. Gray against.

Mr. Duncan for, with Mr. Schumer against.

Mr. Kramer for, with Mr. Lantos against.

Mr. GUARINI changed his vote from "yea" to "nay."

Mr. MARLENEE changed his vote from "nay" to "yea."

So the motion to commit was agreed to.

The result of the vote was announced as above recorded.

GENERAL LEAVE

Mr. WHITTEN Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on consideration of the joint resolution (H.J. Res. 368), and that I may include extraneous matter.

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

There was no objection.

Mr. WHITTEN. Mr. Speaker, I hope we may have a record vote on the final passage of the amendment I shall presently offer so that those who might have voted differently on the date may have a chance to vote, to show that we will cooperate and do our best.

Following that statement, Mr. Speaker, pursuant to the action just taken by the House, I report the joint resolution (H.J. Res. 368), back to the House with an amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment: In the last line, strike "February 3, 1982," and insert in lieu thereof "December 15, 1981," and at the end of House Joint Resolution 368, add: "The joint resolution of October 1, 1981 (Public Law 97-51), is amended by adding after section 141:

"SEC. 142. Notwithstanding any other provision of this joint resolution, such sums as may be necessary, not in excess of, and under the conditions of the budget request transmitted on November 9, 1981, for operation, improvement, transfer, and closure of Public Health Service hospitals and clinics."

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on passage of the joint resolution, as amended.

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

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 367, nays 26, not voting 40, as follows:

[Roll No. 336]

YEAS—367

Addabbo
Akaka
Albosta
Alexander
Andrews
Annunzio
Anthony
Applegate
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Bailey (MO)
Bailey (PA)
Barnard
Barnes
Beard
Benedict
Benjamin
Bennett
Bereuter
Bethune
Bevill
Bingham
Blanchard
Bliley
Boggs
Boland
Boner
Bonior
Bonker
Bouquard
Bowen
Breaux
Brinkley
Brooks
Broomfield
Brown (CA)
Broyhill
Burgener
Butler
Byron
Campbell
Carney
Chappell
Chappie
Cheney
Clausen
Clinger
Coats
Coelho
Coleman
Collins (IL)
Collins (TX)
Conable
Conte
Corcoran
Coughlin
Courter
Coyne, James
Coyne, William
Craig
Crane, Philip
Crockett
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Daub
Davis
de la Garza
Deckard
DeNardis
Derrick
Derwinski
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dorgan
Dougherty
Dowdy
Downey
Dreier
Dunn
Dwyer
Dymally
Dyson
Early
Eckart
Edgar
Edwards (AL)
Edwards (CA)
Edwards (OK)
Emerson
Emery
English
Erdahl
Ertel
Evans (DE)
Evans (IA)
Evans (IN)
Fary
Fazio
Fenwick
Ferraro
Fiedler
Fields
Findley
Fish
Fithian
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Forsythe
Fountain
Fowler
Frank
Frenzel
Frost
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Gregg
Grisham
Guarini
Gunderson
Hagedorn
Hall (OH)
Hall, Ralph
Hall, Sam
Hamilton
Hammerschmidt
Hance
Hansen (ID)
Hansen (UT)
Harkin
Hartnett
Hatcher
Heckler
Hefner
Heftel
Hendon
Hertel
Hightower
Hiler
Hollenbeck
Holt
Hopkins
Horton
Howard
Hoyer
Huckaby
Hunter
Hutto
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jones (OK)
Jones (TN)
Kastenmeier
Kazen
Kemp
Kildee
Kindness
Kogovsek
LaFalce
Lagomarsino
Latta
Leach
Leath
LeBoutillier
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Loeffler
Long (MD)
Lott
Lowery (CA)
Lowry (WA)
Lujan
Luken
Lungren
Markey
Marks
Marlenee
Marriott
Martin (IL)
Martin (NC)
Martin (NY)
Matsui
Mavroules
Mazzoli
McClory
McCollum
McCurdy
McDade
McEwen
McGrath
McHugh
McKinney
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Minish
Mitchell (NY)

Moakley	Rodino	Stratton
Moffett	Roe	Studds
Molinari	Roemer	Stump
Moore	Rogers	Swift
Moorhead	Rosenthal	Synar
Morrison	Rostenkowski	Tauke
Murphy	Roukema	Tauzin
Murtha	Rousselot	Taylor
Myers	Roybal	Thomas
Napier	Rudd	Traxler
Natcher	Sabo	Trible
Neal	Santini	Udall
Nelligan	Sawyer	Vander Jagt
Nelson	Scheuer	Vento
Nichols	Schneider	Volkmer
Nowak	Schulze	Walgren
O'Brien	Seiberling	Walker
Oakar	Sensenbrenner	Washington
Oberstar	Shamansky	Watkins
Obey	Shannon	Waxman
Oxley	Sharp	Weaver
Panetta	Shaw	Weber (MN)
Parris	Shelby	Weber (OH)
Pashayan	Shumway	White
Patman	Shuster	Whitehurst
Pease	Siljander	Whitley
Pepper	Simon	Whittaker
Perkins	Skeen	Whitten
Peyser	Skelton	Williams (MT)
Pickle	Smith (AL)	Williams (OH)
Porter	Smith (IA)	Wilson
Price	Smith (NE)	Wirth
Pritchard	Smith (NJ)	Wolf
Pursell	Smith (PA)	Wolpe
Quillen	Snowe	Wortley
Rahall	Snyder	Wright
Railsback	Solarz	Wyden
Rangel	Solomon	Wylie
Ratchford	Spence	Yates
Regula	St Germain	Yatron
Rhodes	Stangeland	Young (FL)
Rinaldo	Stanton	Young (MO)
Ritter	Stark	Zablocki
Roberts (KS)	Staton	Zeferetti
Roberts (SD)	Stenholm	
Robinson	Stokes	

NAYS—26

Beilenson	Garcia	Paul
Brodhead	Gejdenson	Petri
Brown (CO)	Hawkins	Richmond
Clay	Holland	Russo
Conyers	Hubbard	Savage
Dannemeyer	Johnston	Schroeder
Dellums	McDonald	Smith (OR)
Evans (GA)	Mitchell (MD)	Weiss
Fascell	Ottinger	

NOT VOTING—40

Anderson	Fuqua	McCloskey
Aspin	Ginn	Mollohan
Bedell	Goldwater	Montgomery
Biaggi	Gray	Mottl
Bolling	Hillis	Patterson
Brown (OH)	Hughes	Reuss
Burton, John	Hyde	Rose
Burton, Phillip	Jones (NC)	Roth
Carman	Kramer	Schumer
Chisholm	Lantos	Wampler
Crane, Daniel	Long (LA)	Winn
Dornan	Lundine	Young (AK)
Duncan	Madigan	
Erlenborn	Mattox	

□ 1450

Mr. DORGAN of North Dakota changed his vote from "nay" to "yea."

So the joint resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM

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

Mr. MICHEL. Mr. Speaker, I rise for the purpose of inquiring of the distinguished majority leader where we go from here.

It is my understanding, and I might make the observation to the distinguished majority leader that I have advised the Senate majority leader that we were about to make this move and whether or not the other body would simply take our product and run with it, in which case there would be no conference and Members would be free to leave.

The majority leader responded, I might further observe, that he would take a quick check and get back to me, but that was going to be his recommendation over in the other body.

I would be happy to yield to my friend, the gentleman from Texas, the distinguished majority leader, to advise us on how then we would proceed for the balance of this day.

Mr. WRIGHT. If the gentleman yields, based upon the advice we have just received from our very distinguished minority leader, it would be anticipated that we would simply stand in recess awaiting the formalization of that anticipated action on the part of the other body. Once formally and officially notified that that has occurred, we would ring the bells and come back into session for the purpose of adjourning.

At the end of this colloquy, I would plan to offer a House concurrent resolution providing that when we adjourn today and the Senate adjourns tomorrow or Wednesday, that we shall stand adjourned until 12 o'clock meridian on Monday, November 30.

The purpose of coming back in on November 30 is simply to have pro forma sessions.

Then the following week, December 7, we would have legislation and Members should expect to be present for the week of December 7.

Mr. MICHEL. But would we be on pro forma sessions then during that first week in December?

Mr. WRIGHT. Yes, pro forma sessions only on November 30. Monday and Thursday there will be pro forma sessions. On other days, no sessions at all.

Mr. MICHEL. Might I further suggest to the gentleman from Texas (Mr. WRIGHT) that if we are about to recess in anticipation of what we might hear from the other body, that as soon as we get that word from the other body that we over our respective whip phones let the Members know that, frankly, we have no more business to transact, other than formally adjourning ourselves until the date the gentleman has described.

Mr. WRIGHT. I think that is just exactly right.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair is advised by the majority leader that in the event that there was no business to transact except the formal adjournment of the House that there would be 15 minutes' notice and if there were any additional votes anticipated, there would be a half an hour notice.

Mr. WRIGHT. I think that makes eminently good sense. We do not anticipate any votes, but I am relying on the good advice from the distinguished gentleman from Illinois. I have implicit confidence in his judgment.

Mr. MICHEL. Well, we are certainly hoping that will be the run of events.

Mr. WRIGHT. If I were a betting man, I would bet on it.

Mr. MICHEL. And I would run right to the phone to see if we could get an update on this.

ADJOURNMENT OF THE HOUSE FROM MONDAY, NOVEMBER 30, 1981, TO THURSDAY, DECEMBER 3, 1981, AND FROM THURSDAY, DECEMBER 3, 1981, TO MONDAY, DECEMBER 7, 1981

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that when the House adjourns on Monday, November 30, it stand adjourned until 10 a.m. on Thursday, December 3, and that when the House adjourns on Thursday, December 3, it stand adjourned until noon on Monday, December 7.

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

There was no objection.

AUTHORIZING SPEAKER TO ACCEPT RESIGNATIONS AND TO APPOINT COMMISSIONS, BOARDS, AND COMMITTEES, NOTWITHSTANDING ANY ADJOURNMENT OF THE HOUSE UNTIL MONDAY, NOVEMBER 30, 1981

Mr. WRIGHT. Mr. Speaker, I ask unanimous consent that, notwithstanding any adjournment of the House until Monday, November 30, 1981, the Speaker be authorized to accept resignations, and to appoint commissions, boards, and committees authorized by law or by the House.

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

There was no objection.

ADJOURNMENT OF THE HOUSE FROM MONDAY, NOVEMBER 23, 1981, TO MONDAY, NOVEMBER 30, 1981, AND ADJOURNMENT OF THE SENATE ON TUESDAY, NOVEMBER 24, 1981, OR ON WEDNESDAY, NOVEMBER 25, 1981, TO MONDAY, NOVEMBER 30, 1981

Mr. WRIGHT. Mr. Speaker, I send to the desk a concurrent resolution (H. Con. Res. 228) and ask for its immediate consideration.

The Clerk read the concurrent resolution, as follows:

H. CON. RES. 228

Resolved by the House of Representatives (the Senate concurring), That when the House adjourns on Monday, Novembr 23, 1981, and that when the Senate adjourns on Tuesday, November 24, 1981, or on Wednesday, November 25, 1981, pursuant to a motion made by the majority leader in accordance with this resolution, they stand adjourned until 12 o'clock meridian on Monday, November 30, 1981.

□ 1500

The SPEAKER. Without objection, the Chair recognizes the gentleman from Texas (Mr. WRIGHT).

Mr. WRIGHT. Mr. Speaker, I rise in support of the resolution.

There is nothing more to be said about it. This is the resolution that permits us to adjourn over the Thanksgiving period. The dates have been cleared with the majority leader in the Senate and it is my understanding that they meet approval all around.

The concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

ELECTION OF HON. THOMAS S. FOLEY AS SPEAKER PRO TEMPORE DURING THE ABSENCE OF THE SPEAKER

Mr. WRIGHT. Mr. Speaker, I offer a privileged resolution (H. Res. 285) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 285

Resolved, That Hon. Thomas S. Foley, a Representative from the State of Washington, be, and he is hereby, elected Speaker pro tempore during the absence of the Speaker.

Resolved, That the President and the Senate be notified by the Clerk of the election of Hon. Thomas S. Foley as Speaker pro tempore during the absence of the Speaker.

The resolution was agreed to.

A motion to reconsider was laid on the table.

SWEARING IN OF HON. THOMAS S. FOLEY AS SPEAKER PRO TEMPORE DURING ABSENCE OF THE SPEAKER

The SPEAKER pro tempore (Mr. FOLEY). The Chair requests the Speaker to administer the oath of office.

Mr. FOLEY assumed the chair and took the oath of office administered to him by the gentleman from Massachusetts (Mr. O'NEILL).

MILITARY SPENDING IS AT THE HEART OF THE BUDGET CRISIS, OUR ECONOMIC PROBLEMS, AND THE THREAT TO NATO.

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

Mr. SEIBERLING. Mr. Speaker, in the heat of this debate, let us not lose sight of the fact that the reason why we are undergoing these tensions and the reason for the pressures is the tremendous increase in the defense budget at the expense of civilian needs and humanitarian programs. That is starting to tear this society apart. That is what is causing the tension within NATO. And it is time that we recognize that we are going to have to get the military monster under control or we will never solve the problems of inflation and high interest rates and never solve the problem of balancing the budget.

In yesterday's Washington Post there was an absolutely brilliant, penetrating article by Richard J. Barnet concerning the crisis that is building up over nuclear arms both in Europe and in the world as a whole. Mr. Barnet points out that the heart of the problem is that both United States and European countries have seriously weakened their economies and the strength of their societies by the continued diversion of scarce resources to the military and away from investment in the productive system and social infrastructure.

As Mr. Barnet says:

Much of the so-called "pacifism" in Europe is based on a growing conviction that piling up military hardware that cannot be used without destroying the user does not add to national strength. A much greater danger to the West than the unlikely Soviet invasion is an internal political, economic and moral crisis. Such weakness could indeed play into the hands of the Soviet Union.

He also notes:

Unless the Soviets are prepared to invade Europe—and reduce to cinders the very assets they would hope to take—then the blackmail threat is not credible, provided the internal economic and social strength of the continent is maintained.

Mr. Barnet concludes that:

Now that, as a result of popular pressure, President Reagan has at least opened up the possibility of a "zero option," similar pressure should be put on Moscow to make some unilateral reduction in the SS-20s. Such a gesture could make more likely the moratorium on deployment which is indispensable to a real reversal of the arms race. But the United States will have to come forward with less one-sided proposals than the Reagan offer. Were we prepared to act boldly, the alliance might once again serve to unite European and Americans rather than to divide them.

The President's long overdue foreign policy speech of last week indicates that he, or somebody in his administration, finally understands the nature of the public's concern both here and in Europe. We can only hope that out of this understanding will come a conviction, both in the White House and the Kremlin, that we can no longer go on as we have been without a mounting risk of destroying all that both societies have created through generations of toil and sacrifice.

The full text of Mr. Barnet's article follows these remarks:

WHY ON EARTH WOULD THE SOVETS INVADE EUROPE?

(By Richard J. Barnet)

For over 30 years the Western alliance has been obsessed with combating an unlikely threat with an incredible defense.

At no time since the establishment of NATO have military or intelligence experts rated the prospect of a Soviet military invasion as anything but remote. Originally, the military buildup in Europe was designed to be a "modest shield," as George Kennan put it, behind which recovery could take place. At the hearings on the North Atlantic Treaty held in the spring of 1949 John Foster Dulles, then serving as senator from New York, summed up the prevailing view. "I do not know of any responsible high official, military or civilian . . . in this government or any other government who believe that the Soviet now plans conquest by open military aggression."

Today Soviet capabilities to mount an invasion of Europe are no doubt greater than in the past, as former secretary of defense Harold Brown stated in his final posture statement. But, he added, "I doubt that we would have to contend with such an assault as a bolt out of the blue." Even strong advocates of a buildup of U.S. military forces, such as Paul Nitze, rate a Soviet invasion as "unlikely" but worry that the Kremlin could use the theoretical capability of launching such an attack as blackmail, John M. Collins, a self-styled "conservative critic of defense" at the Library of Congress, says, "I believe the likelihood that the Soviet Union will attack Western Europe . . . in the short-term or even midterm future is extremely remote."

So for almost two generations the NATO alliance has been beset by schizophrenia. The actual military threat against which the allies continue to arm is rated low; yet military planning conventionally addresses capabilities, not intentions, which after all can change.

The military problem—the theoretical possibility that the Soviet Union with its large standing army could launch hundreds of divisions across the Elbe—has no satisfactory military solution, but the whole NATO panoply, including the U.S. divisions, the U.S. "guarantee" and the endless public dis-

cussions such as Secretary of State Alexander Haig's disclosure of NATO's "nuclear warning shot" strategy, are all designed as an elaborate insurance policy.

The trouble, however, is that the premiums have become much too costly—not only because the monthly payments threaten the economies of the members, but because the payoff looks increasingly dubious. Nuclear "defense" is a sham, since the use of the weapons, with or without neutron warheads, will destroy that which is to be defended, whether or not the United States and the Soviet Union hurl missiles at one another.

A conventional defense is certainly more rational than a suicidal nuclear defense, but the most a conventional defense can do, assuming the Soviets make an all-out attack, is to delay their progress and to establish the political environment for a settlement. Given the nature of modern weapons, a short conventional war—10 days, six weeks or whatever—would also devastate much of Europe. Why the combatants would be willing then to display the reasonableness that seems to elude them now in a time of peace is not clear.

For the Europeans and the Americans to have a big enough conventional force to raise the "nuclear threshold," the industrial states would have to be prepared for a sacrifice of social spending beyond anything they have yet instituted and to introduce permanent conscription on a massive scale.

While Ronald Reagan is pleased to proceed with the former, he is reluctant to institute the latter—for the very good reason that in the United States conscription amounts to a popular referendum on foreign policy. In Europe, cutting government benefits such as social security and health care benefits that have been offered since Bismarck's time is politically dangerous even for conservative governments. Europe's only sure defense is peace, and that is why there is a huge peace movement on the continent.

The fundamental contradictions in NATO strategy explain why for more than 20 years so many weapons issues—the Skybolt missile, the Multilateral Force, neutron bombs, cruise missiles—have been highly divisive.

There are no good security answers for Europe within the present conceptual framework. The allies have used weapons issues as metaphors, and in the process much of the discussion has the appearance of a charade. When Germans like the conservative Christian Democratic leader Franz Josef Strauss say to the Americans that the alliance must not weaken in its resolve to use nuclear weapons in Germany, it is not that they wish to turn their country into a radioactive wasteland. All they mean is that the fiercer the threat, the better the deterrent.

Whether that was ever a prudent defense policy is questionable, but it is manifestly imprudent now that the Soviet Union has the capacity to match whatever the West does with nuclear weapons. When the risk of war by miscalculation was less than it is now, irresponsible statements about nuclear weapons were less dangerous. The rise of antinuclear sentiment in Europe reflects a growing sense that with respect to defense strategy, the emperor has no clothes.

There are some fundamental problems with existing theories of strength through deterrence. The deterrence system rests on assumptions about human nature which are probably wrong: for example, that leaders with a finger on the button will act rationally under conditions of ever-increasing threat. Because of the creep of technology, a deterrence system based on an elusive "balance" is inherently unstable; every weapons laboratory development, real or imagined, has a potentially destabilizing effect on the relationship.

A security system is likely to be more stable if it is based on positive incentives to keep the peace rather than on threats, particularly since the threats are becoming less credible because of their suicidal implications. But we will be living under a security system based largely on deterrence for a long time to come, if only because the leading nations are so heavily invested in it and the smaller nations have aped the great powers in designing their own security arrangements.

But it is essential to build a deterrence system on strength, not weakness. A strategy based on nuclear weapons in which the public quite properly has little confidence divides the society and invites outside pressure.

Nor does a society become strong by sacrificing growth, innovation and the soundness of its economy to an endless arms race.

The failure of the United States to manage its economy has shaken confidence in American leadership around the world. If the richest society in the world cannot manage its own affairs, how can it defend others?

The Soviets pose a potential military threat which seems increasingly implausible. If the Kremlin cannot successfully control Eastern Europe with military force or pacify a wretchedly poor country like Afghanistan, why would they think that they could successfully occupy Western Europe?

But high interest rates in the United States, to take one important example, are threatening European economies now. Part of the premium we and the Europeans are paying for the military security system are the adverse economic consequences that affect both of us.

If there should develop a genuine fear of a Soviet invasion in Europe, then the only workable deterrent would be to create the impression in the minds of Soviet leaders that the invading or occupying troops face the same prospect which has kept them out of Yugoslavia and, so far at least, Poland: the prospect of permanent popular resistance. The stronger the society in real terms—in its ability to manage its economy, to build popular solidarity, to arrange a secure resource base—the more credible such a prospect becomes and the less inviting a target it makes.

Much of the so-called "pacifism" in Europe is based on a growing conviction that piling up military hardware that cannot be used without destroying the user does not add to national strength.

In the United States we have fallen into the trap of measuring increments of strength in dollars even though we have yet to have a serious debate inside the government or in public about the actual uses to which the new military hardware and military bureaucracies would be put. By diverting scarce resources to the military from investment in the productive system and social infrastructure, successive U.S. administrations have seriously weakened the American economy, which is the foundation of national strength, and damaged its educational system and resource base.

When Americans demand the Europeans increase their military expenditures by some arbitrary percentage, typically the call to sacrifice is defended not as a means of delivering a radically different military reality, but as one that will overcome the competitive advantage Europe and Japan have had by virtue of their relatively low military expenditures over the past two decades.

A much greater danger to the West than the unlikely Soviet invasion is an internal political, economic and moral crisis. Such weakness could indeed play into the hands of the Soviet Union.

If in a time of slow growth the European democracies are unable to deal with the historic structural problems they face, they run the risk of the same sort of social dissolution that caused the fall of France in 1940, when it boasted the largest army in Europe.

A dynamic Europe that is modernizing its institutions, managing its economy and establishing mutually advantageous relations with resource-producing countries, has little to fear from Soviet intimidation. In the test of nerves against which we are supposedly arming—Kremlin blackmail—economic and political strength are far more important weapons than more hardware.

If a society is not prepared to surrender, then it cannot be intimidated. If it looks strong internally and demonstrates high morale and vitality, it is less likely to be tested.

The whole "blackmail" theory needs a hard look. It is not clear why the Europeans—who have been living 10 minutes away from Soviet city-destroying weapons for 20 years—should suddenly cave because the Soviets have new weapons capable of making the rubble bounce. It is not clear what the Soviets could blackmail Europe into doing.

Leaving NATO? It is more credible that some European governments will leave NATO because we have scared them away than because of a stiff note or nasty phone call from Moscow.

Keeping Solzhenitsyn off the television? That's what one distinguished exponent of the Finlandization thesis once argued to me. Is the fate of Europe going to hang on a question like that? If we have fools or cowards as leaders, no number of missiles will make the difference.

Reducing the industrial states of Europe to economic vassals? West Europe's proposed increased dependence on the Soviet Union for natural gas constitutes far more leverage than does the SS-20s.

Unless the Soviets are prepared to invade Europe—and reduce to cinders the very assets they would hope to take—then the blackmail threat is not credible, provided the internal economic and social strength of the continent is maintained.

The greatest threat to the capacity of the West to solve its security dilemma is the crippling psychological mood of the moment, based on the growing apprehension that nuclear war is inevitable. In the United States a recent Gallup poll showed that 47 percent of the population believes that a nuclear war within 10 years is either "fairly likely" or "very likely" and the overwhelming majority believes that their chances of personal survival in such event are no better than 50-50. In Europe the apprehension of nuclear war is even greater.

A security system in which the people to be protected have so little faith represents a serious vulnerability. The gathering pessimism is a consequence of the breakdown of negotiations and the attempt by the Reagan administration to make the deterrent credible by dramatizing the prospect of actually fighting a limited nuclear war.

Because of the inherent insolubility of the military security problem, we now face increasing danger of a serious split between the United States and Europe and a breakup of the alliance at exactly the moment it is most needed.

The security options available to Europe in such a situation are both unsatisfactory. In the wake of a collapse of NATO, any accommodation with the Soviet Union would be on distinctly less advantageous terms than could be negotiated as a U.S. ally. A decision to build up European nuclear forces would neither end the arms race nor the growing popular revulsion against nuclear weapons which every Western government must now confront. All it would accomplish would be to insure an even greater Soviet nuclear threat against Europe under circumstances in which the Soviets might well be tempted to exert pressure on European governments.

The outlook and strategy of the Soviet Union can be tested by serious negotiations. It is now clear from eight years of SALT negotiations that agreements must be simpler, more comprehensive, and more quickly negotiated than in the past. A licensed arms race under which some systems are controlled while others leap ahead is not a practical policy.

It would be most welcome if the Kremlin were to accept President Reagan's offer to trade a promise not to deploy the Pershing II and cruise missiles in Europe for the dismantling of all the Soviet intermediate-range missiles in Europe. Everyone on both sides would be safer if such a deal could be struck. But shrimps will whistle, as Khrushchev used to say, when the tough bargainers in the Kremlin can be induced to trade over 600 missiles in place for a promise not to deploy weapons that, because of political opposition, may well be undeployable. The proposal was aimed more at European public opinion than at the Soviets, but it is unlikely to deflate the peace movement.

If the president wants significant reductions of nuclear weapons of all ranges, then a good starting point would be a freeze on the testing and deployment of all nuclear weapons delivery systems, which would include both strategic and European-theater nuclear weapons. The freeze, which could be for a specified period, say four years, could be verified by national intelligence means. The conventional argument that a freeze would preserve a Soviet advantage in Europe is not persuasive for two reasons.

First, there never has been a "balance" of land-based middle-range weapons, and the U.S. abandoned the efforts to create one 15 years ago when we removed the last of the old-style intermediate-range rockets. If the NATO-assigned Polaris submarines are included, not to mention the French and British nuclear forces, there are enough European-based nuclear weapons to create the near-certainty in the minds of the Soviet leaders than an attack on Europe would result in the devastation of their homeland. The only "balance" of any significance is whether the capacity for retaliation exists on both sides.

Second, a four-year freeze would benefit the West. After all, it is the Soviets who are putting in a new missile every few days, not the United States. Indeed, it now appears that for technical reasons it may be almost three years before the first U.S. missiles arrive. It may well be that for political reasons they will never arrive. Without a freeze, the Soviets will be further ahead than ever.

Sooner or later, the United States, if we are really interested in arms reduction, will have to demonstrate our commitment to Europe by trading some of the cards we hold, such as forward bases, for the elimination of the Soviet nuclear threat against Europe.

Now that, as a result of popular pressure, President Reagan has at least opened up the possibility of a "zero option," similar pressure should be put on Moscow to make some unilateral reduction in the SS-20s. Such a gesture could make more likely the moratorium on deployment which is indispensable to a real reversal of the arms race. But the United States will have to come forward with less one-sided proposals than the Reagan offer. Were we prepared to act boldly, the alliance might once again serve to unite Europeans and Americans rather than to divide them.

GENERAL LEAVE

Mr. HOYER. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from California (Mr. EDWARDS).

SENATE CONFIRMATION OF MILAN BISH, GRAND ISLAND, NEBR., AS AMBASSADOR TO BARBADOS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Nebraska (Mrs. SMITH) is recognized for 5 minutes.

● Mrs. SMITH of Nebraska. Mr. Speaker, I am delighted that the Senate on November 20, confirmed Milan Bish, of Grand Island, Nebr., as Ambassador to Barbados, and concurrently as Ambassador to Santa Lucia and to Saint Vincent and the Grenadines.

A graduate of Hastings College, Hastings, Nebr., Milan Bish brings to this position extensive experience in business, banking, and agriculture, as well as in civic activities. Founder and president of Mid-Continent Enterprises, Inc., a land development, residential construction, and property management firm, he previously served in the same capacities for Bish Machinery Co., a farm implement and equipment enterprise.

The significant business acumen he has demonstrated in these roles has been enhanced by his organization of the Five Points State Bank and his membership on the board of directors of the Commercial National Bank & Trust Co., both in Grand Island.

Moreover, Milan Bish is a Nebraska cattleman, proud owner of 140 head of purebred Angus cattle.

While following these pursuits with energy and enthusiasm, Milan Bish has also taken the time to serve his fellow Nebraskans, as a member of the Nebraska State Highway Commission, district governor of Rotary International, and president of the Grand Island Chamber of Commerce. He has also been active in church and Masonic activities.

As an Ambassador of the United States, Milan Bish will draw not only on his diverse experience in various fields but also on his background of understanding and helping others.

When I first heard of Milan Bish, many years ago, the word from one of our State leaders was "Milan Bish doesn't have an enemy in this world. Everybody who knows him respects him, and also loves him." I have found this to be true through our years of close relationships with Milan and Allene Bish. He has been a dedicated, forward looking, and effective leader for every worthy civic and religious advancement for our entire State. He has used his leadership in a broad spectrum of personal and organizational efforts to make our great State "the good place to live." In the cattle business, in banking, in the contracting business, in organizations like Rotary and the chamber of commerce, in the highway commission, everywhere he has risen to top posts for leadership.

All of us are going to miss him in Nebraska these next few years but we are proud and happy that the Reagan administration has chosen a man of rich experience, a man of rare perception and intelligence, and a man of total dedication along with superb diplomacy to serve as our Ambassador in this important post. We are doubly sure because Allene Bish is a most gracious, knowledgeable, and delightful person who will, along with Milan, build good will and strengthen our post in the Barbados area.

Congratulations Mr. and Mrs. Ambassador.●

WHAT IS REALLY HAPPENING IN THIS GOVERNMENT?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. GINGRICH) is recognized for 60 minutes.

Mr. GINGRICH. Mr. Speaker, I will be talking this afternoon on the need to focus on what really is happening in this city and in this Government, to focus on the long-term historical implications of the conflict we are now engaged in between those of us who would change the way we have been governed recently, and those of us in this body who would continue to do what has been going on in the last 30 years.

There has been a great deal of loose talk today about one-man dictatorships, about irresponsible behavior by the White House, about the value of $1 billion, more or less.

The debate is in some ways characterized by the distortion of the Washington Post headline this morning,

and I quote, "House Finds Its Pride, Says No." That particular story is a fairly accurate model of the liberal bias which has made it so difficult for many in the news media and many in Washington to understand what is really happening and where we are going in this country.

The fact is that there are fundamentally three issues involved in the current crisis.

First, does the President have the right to preside?

Second, is $1 billion or $2 billion worth fighting over?

Third, should we engage in real political fights involving the risk of closing the doors of the Government?

Let me take those issues one by one.

□ 1510

First of all, does the President have the right to preside? Despite all the hysteria on the part of our liberal friends, despite the strong language today, the simple fact is that the Founding Fathers deliberately put in the Constitution the right to veto any bill which, in the President's judgment, was bad for America. The Founding Fathers deliberately decided to give the President the ability to impose his will on the legislature so long as the legislature is unable to override his veto. They gave the legislature the escape valve of being able to override an unwise or bad President by simply passing the bill over the veto. It should be very instructive to every student of Government and politics that the liberal Democrat leadership moved to refer the veto message to committee because it knew that it did not have a two-thirds majority; because it knew that it was not able to override the veto, and that any effort would in fact have been pointless.

What the effort should mean for every American is that at the present time President Reagan has in fact a constitutional majority; that under the rules of the game as written by the Founding Fathers a President, and allied with one-third plus one in the House or in the other body, has in effect a working majority to block bills he regards as unwise, and if he is willing to run the risk of closing the Government he has the ability to bring the American peoples' attention to the issue at hand, and it is up to the people to decide. If the people, upon looking at the issues, decide the President is wrong, they can write or call their Congressman and say, "No, no, the President is not doing the right thing. Vote to override the veto." But if, on the other hand, the American people, upon looking at the issues, decide that the President is right, they can then write or call their Congressman and say, "Support the President, support his veto and pass the kind of bill he is willing to sign."

It is in that context that it is very clear that President Reagan has a constitutional majority and is in fact able to fight the issue on his terms. It is regrettable that the Speaker of the House has not yet been willing to acknowledge that for all practical purposes the President does have the ability to preside, and that we would do far better to govern with the President rather than to delay, procrastinate, and hide in the hopes of governing against the President.

Second, is $1 billion worth fighting over? Few things surprise me more than the willingness of our good friends on the liberal side of this issue to get up and say cavalierly, "I don't understand why he vetoed it, after all, it is only $1 or $2 billion."

I think it is essential to recognize what Washington does to people after a while, how large numbers become meaningless, massive expenditures become automatic, and huge increases become reasonable.

A billion dollars in 1980 was the entire income of 50,000 American families; or to put it differently, in 1980, $1 billion was the total taxes for 442,477 families. Think of it. Over that small amount which our liberal friends did not particularly think important, we could have stopped all taxes for every family below the median level in four congressional districts in this country. Not a single family would have paid a dime. That, I think, is worth fighting over.

A billion dollars is worth fighting over because it came out of every pocket, because it is a child who cannot go to school, or a family that cannot buy Christmas presents, a realtor who cannot sell a house, or a young couple that cannot buy a house. It is one more step toward high interest rates and inflation, toward crushing the American economy and killing jobs.

So, my answer is yes, a billion dollars is worth fighting over, and I would challenge any Member of this Congress to go home and attempt to explain with a straight face to his audience back home why they think a billion dollars is trivial.

Third, should we engage in real fights over political issues that involve the risk of closing the doors of the Government? My answer is yes, for three reasons.

First, in this economy, where the Federal Government borrows money to cover its deficit, where it forces up interest rates by competing with people back home, we are closing doors for homebuilders, for car dealers, for people who work in the housing industry, for literally thousands of Americans.

If it is right for a small business in Douglasville to go broke, if it is right to close the doors of a car dealer in Clayton County, Ga., why is it not all right to run the same risk for the Government and say, "Yes, by George, if the only way to get your attention is to bring everything to a halt, and in order to save jobs, in order to create a healthy economy, in order to improve things, certainly we are willing to run the risk of applying to the Government the same dangers that affect every American."

Second, ultimately the only real tool we have to bring about change is the willingness to quit spending money and a willingness to shift where we spend money. If all we do in this body is talk, orate, posture, gesture, then in the long run we do not govern.

Ultimately, we have to say to the liberals who still run the House and who in many ways still run the bureaucracy, "We are going to take whatever steps are necessary in order to bring this Government under control. We are going to move decisively to balance the budget. We are going to cut spending as much as needed. We are going to protect the American family's pocketbook rather than the Federal bureaucrat's pocketbook, and if this means when we collide in our values, when there really is a fundamental difference in this Chamber, when we must run the risk of closing down the Government in order to force change, then that is far better than to keep open the doors of that Government at the expense of having no change."

Third, the liberal Democratic leadership which has cried "foul" all day in fact brought us to this point. Let me use two examples of how we have stumbled into this situation. Back in the summer, when we brought up the reconciliation bill, we attempted to pass a genuine health care block grant program. We wanted to really send the money back home without strings, without redtape, without tightly controlled bureaucracy. We were blocked in this room by the liberal Democratic leadership that controls the Health Care Subcommittee, that controls the calendar, that controls the schedule. So, we end up with the result that folks back home who think they got a block grant are shocked to discover the same old redtape is there, the same old bureaucracy is there, the same old waste of money is there. Yet, we could have easily passed the block grant if only the leadership of this body had cooperated.

Yesterday, we added an amendment to the continuing resolution to provide pay raises for the air traffic controllers who obeyed the law and stayed on the job, for the two unions which stayed on the job and obeyed the law, for the people who helped America's airplanes move. Why do we have to bring that up in a special setting, in an unusual means? Because the Democratic leadership that controls the committee that would bring that bill

out does not want to do so except on their terms, on their schedule, to force the rehiring of people who broke the law.

In other words, it was a sheer test of will, and the question was: How could we legitimately use the rules of the House, legitimately use the Constitution as designed by our Founding Fathers, to achieve the American people's will instead of to go back and give in, to cave in to the policies of the past?

The question now is, Where should we go from here? We are probably today going to pass a resolution in both bodies which will go to the President to be signed, which will buy us 2 weeks. What, then, should we do? How, then, should we proceed? Let me offer two suggestions.

First, having taken these steps, having vetoed the resolution that was unacceptable, the President should now clearly and in writing outline a series of dramatic changes, changes comparable to the reconciliation Act. The time to move toward a balanced budget in the future is now, not the future. The time to pass the changes necessary is now, not the future. The next continuing resolution should include decisive changes that move us toward a healthy economy, lower interest rates, a more stable inflation rate, and the creation of real jobs that will last for the future. We are heading into a recession. We are heading into a period of continued unbalanced budgets, and I think the time to change both the recession and the unbalanced budget is right now.

□ 1520

So I would hope that President Reagan would greet the Congress, when it returns from the Thanksgiving holiday, with a decisive, clear message about just the kind of resolution he would sign next. It should have (a), (b), (c), and (d) spelled out, and they should be in bold strokes, boldly designed to achieve real change to meet the needs of the American people.

There is no need, at a time when every American family has to change its plans, for the Government not to also have to change its plans, and the people should not be told, "We can't move that quickly here," when we know that small businesses have to move that quickly and that families with members laid off have to move that quickly. There is no easy continuing resolution for an unemployed steelworker, there is no easy continuing resolution for an unemployed schoolteacher, and there is no easy continuing resolution for a small community hit hard when its factories close. If they have to change, is it not only fair for the Government to have to change with equal speed?

Finally, we need to move toward positive changes and toward developing the positive models for legislation for the future. It is vital that we get a commitment from the liberal leadership of this House that they will hold positive hearings and that they will give us fair opportunity. There is a road-show atmosphere being developed, as represented by recent committee hearings around the country that are brutally partisan, that are narrowly conceived, and that are stacked to insure that only the dedicated liberal welfare state gets its hearing.

We are in fact at a turning point of American history. We are moving toward a continuing opportunity state built with different principles and with different allies to achieve different goals. The leaders of this House have an opportunity to help in the transition from the dedicated liberal welfare state toward the emerging concerned opportunity state. To the extent it continues to stack the deck, whether it stacks that deck by unfairly setting up the Rules Committee, the Ways and Means Committee, and the Budget Committee, or whether it stacks that deck by unfairly setting up hearings that are clearly designed for the narrowest of partisan purposes, stacking the deck makes it harder for the American people, makes it harder for the Nation, and slows down the emergence of the opportunity state, and in the long run can be of interest only to those who place partisan advantage above the health of the Nation.

That, I believe, is a fair summary of where we are today, Mr. Speaker. We have a legitimate conflict over legitimate differences fought out in the best constitutional tradition and using precisely the tools that the Founding Fathers gave us.

INTRODUCTION OF BILL TO PROVIDE FOR PURCHASE OF OIL AND STRATEGIC MINERALS AND MATERIALS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. PATMAN) is recognized for 5 minutes.

Mr. PATMAN. Mr. Speaker, last Friday I introduced a bill which will dedicate an estimated $3 billion a year for the purchase of oil and strategic minerals and materials. My purpose is to shore up our alarmingly deficient reserves, a deficiency that puts our Nation in grave peril.

The bill, H.R. 5063, would set aside Government revenues from oil leases on the Outer Continental Shelf for the purchase of oil for the Strategic Petroleum Reserve and for the purchase of nonfuel minerals and materials for the strategic materials stockpile.

A reliable and constant source of funds is needed quickly to assure that we will bring our reserves and stockpiles to adequate levels, levels necessary to avert national disaster should supplies be cut off.

To meet present stockpile goals for the eight minerals most vulnerable to disruption of supply will require $5.7 billion. These materials are considered absolutely indispensable to our industry and our national defense. Passage of H.R. 5063 will make funds available to begin these purchases.

We also face a serious shortage in the Strategic Petroleum Reserve. It is significantly behind schedule. It now contains about 200 million barrels of oil, only enough to cover a disruption in our supply of imported oil for approximately 50 days. We need to build this reserve to at least 750 million barrels.

The revenues from Outer Continental Shelf leases, as provided in H.R. 5063, would be distributed in the ratio of 80 percent to the petroleum reserve and 20 percent to the minerals and materials stockpile. These reserves will strengthen our national defense. They provide essential supplies to keep the Nation's industries operating in the event of an emergency.

This emergency could easily develop. The primary materials in our stockpile are extremely vulnerable to supply interruptions. The unstable nations of central and southern Africa control 64 percent of the world's vanadium, 95 percent of the world's chromium, 86 percent of the world's platinum, 53 percent of the world's manganese, and 52 percent of the world's cobalt. Persian Gulf countries produce 52 percent of the world's oil supply.

These are the parts of the world that Leonid Brezhnev was talking about when he said, "Our aim is to gain control of the two great treasure houses on which the West depends: the energy treasure house of the Persian Gulf and the mineral treasure house of central and southern Africa."

Our vulnerability is evident when we realize that one engine for an F-15 or F-16 aircraft requires 5,366 pounds of titanium, 1,656 pounds of chromium, 910 pounds of cobalt, and 171 pounds of columbium. And there are shortages of all these materials within our present reserves.

We must not allow our country to continue in this precarious situation. We must not leave our Nation in grave danger because we have failed to act. Other nations—for example, both Japan and Germany—are conscientious in filling their strategic reserves and stockpiles. Good stewardship and our national safety demand the same of us.

EXECUTIVE ORDER ON INTELLIGENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. EDWARDS) is recognized for 60 minutes.

● Mr. EDWARDS of California. Mr. Speaker, it seems that in the next few days, the President will sign a new Executive order on intelligence. The new order will put the CIA into the domestic spying business in a manner inconsistent with, if not the letter at least the original spirit of the National Security Act. None of the possible changes which have been discussed in recent days alters that basic fact.

Newspapers around the country have been speaking out against the proposal. Indeed it is ironic, that newspapers have had more access to the document and more involvement in the process than most Members of Congress and that we have to look to them for our understanding of what the intelligence community has in store for us.

I refer our colleagues to the following editorials:

[From the Providence (R.I.) Journal, Oct. 10, 1981]

Once again, the rules may be changed for America's intelligence agents operating within this country. Restrictions may be relaxed, and such a change would be risky.

During the 1960s and 1970s, some intelligence operatives, mainly those from the Central Intelligence Agency, were found to have gone way out of bounds in their domestic activities. Following these disclosures, President Jimmy Carter ordered a halt to any CIA spying on Americans in this country. Now the Reagan administration is trying to ease the CIA back into surveillance and infiltration activities on U.S. soil. It's an unsound move.

Members of Congress and civil-liberties groups have already protested provisions of the proposed directive, arguing that they would put intelligence agencies back into the business of interfering with Americans, mostly political dissidents. Indeed, the latest version of the order would allow agents not only to infiltrate, but to disrupt any group they suspected of subversive action.

The House Intelligence Committee has begun to get cooperation from intelligence officials, who at first were reluctant to discuss some of the proposed rule changes. But some difficult questions, bearing on potential civil-liberties abuses, have not been adequately addressed.

Skeptics are properly concerned about letting intelligence agents back into covert domestic activities. They fear that such a move would risk the re-emergence of programs like Operation Chaos, run by the CIA counterespionage unit, which spied on hundreds of U.S. citizens opposed to the Vietnam War and others, and compiled dossiers by the thousand.

Intelligence agencies are rightly concerned about U.S. citizens and foreign nationals who may be engaged in illegal work to commit violence or undermine U.S. security. It is not always easy to distinguish necessary investigative work from actions that intrude upon constitutional rights, but the one clear dividing line set in the Carter order was to prevent the agencies engaged in foreign intelligence from encroaching on domestic areas—and this would be undercut by the Reagan proposal.

Civil-liberties defenders, including many congressmen, fear the exercise of surveillance and infiltration powers solely at the discretion of intelligence officials. They insist that such powers be authorized and circumscribed by law, to preclude any new abuses by over-zealous agents or their superiors. As one congressman put it, "History has taught us in the United States to trust in the rule of law and not of men."

Americans, and their nation, clearly must be protected against foreign agents bent on either espionage or sabotage, but a democratic government cannot afford to let its own agents operate outside the law and thus damage the fabric of constitutional protections. The intent of the existing order was to leave domestic intelligence work to agencies like the Federal Bureau of Investigation. This separation should be firmly maintained, lest some variant of Operation Chaos take root in the future.

[From the Rockford (Ill.) Register Star, Oct. 9, 1981]

In politics and government, the cure isn't always worse than the disease, but you can bet that it often is at least as bad.

They call it the pendulum effect: The worse the abuse, the more extreme the "cure."

Without question, the top American spy agency, the CIA, has been the victim of just that.

The abuses were bad—terribly bad. The CIA had abused its powers and its secrecy to carry out politically-inspired domestic surveillance operations against those whose only crime was political disagreement. It had launched overseas assassination attempts at great embarrassment to this naton—attempts so bizarre in their concept that even a James Bond would have been ashamed. It put itself above Congress, above the courts, above the constitution, above all law.

There were abuses completely unacceptable to anyone who believes in democracy.

So the CIA had its wings clipped, but clipped so badly that the agency has been virtually unable to function in its intended role as the intelligence gathering eyes and ears of the nation. The abuses were so bad that in seeking cures, the pendulum swung too far.

Now the Reagan White House has sent Congress a proposal to revise and possibly loosen some of the restrictions placed on the CIA.

Clearly reform is necessary. But, just as clearly, this represents another swing of that pendulum. And it must not be allowed to once again swing too far.

The White House would once again permit domestic surveillance (the job of police and the FBI, not the CIA). The attorney general or the CIA chief would be empowered to determine the legality—even the constitutionality—of each individual CIA action. That would give the CIA boss powers reserved for the Supreme Court.

How well would those powers be exercised? There's a clue in the fact that Justice Department officials refused, even in secret session, to discuss with congressmen how they woud interpret the law and the Constitution.

Clearly, the CIA wants once again to be free of all congressional or court controls—controls Congress must never again surrender. The American public must be protected from politically-inspired CIA actions. The agency must not ever again be given the right to make its own U.S. foreign policy. Cures are needed, but not cures which are worse than the disease.

[From the Sentinel Star, Orlando, Fla., Oct. 10, 1981]

Shortly after his inauguration last January, Ronald Reagan began to implement one of his key campaign promises: "to unleash" the Central Intelligence Agency. In addition to his suggestions that congressional restraint and review of overseas covert activities be severely reduced, Mr. Reagan also tried to get legal clearance for the CIA to re-enter the domestic spying arena.

The resulting storm of protest forced the new President to backtrack. He rescinded the proposal posthaste. But now, less than six months after that rather ignominious defeat, Mr. Reagan is trying again. This time, rather than softening some of the more objectionable sections of the proposal, he is lowering his saber and sounding the charge.

In addition to the clearance for CIA domestic spying contained in last March's proposal, Mr. Reagan is also seeking authorization for the CIA not only to infiltrate domestic groups but also to be able to "influence" those groups where the director sees fit. All of this presumably takes place out of the view of congressional oversight committees.

How ironic. This Neanderthal proposal comes from the same man who says he opposes the draft because of the unwarranted intrusion it represents on an individual's constitutional rights.

There is a lot of work needed to revise unwarranted restrictions slapped on the CIA intelligence-gathering activities after its Watergate abuses came to light. Still, the CIA's work lies outside American borders; the FBI is supposed to take care of what goes on here.

For either of those organizations, the idea of acting as government-agent provocateur should have been dispelled by the FBI's disastrous experiences with Gary Rowe. Mr. Rowe was an FBI informer successfully planted inside the Ku Klux Klan. But instead of being a gold mine of information, he turned into an FBI nightmare when he participated in the murder of a female civil rights worker.

In a nation founded on individual freedom, the government's role in spying on its people must be severely limited and based on the premise that it is the exception, not the rule. You don't defend America's unique structure of government by jumping all over the rights of individuals in the name of the greater good.

[From the St. Louis (Mo.) Post-Dispatch, Oct. 7, 1981]

The Reagan administration has drafted a presidential order broadening the authority of intelligence agencies that would clear the way for police state tactics in the United States. If put into effect as reported, the order, among other things, would: (1) grant the agencies, including the Central Intelligence Agency, "broad authority" to infiltrate American organizations and seek to influence their activities, (2) allow agents to review bank, medical, telephone and other private records, (3) permit CIA agents to follow and photograph Americans abroad, even if the Americans were not believed to

be agents of a foreign power or involved in terrorism or drug traffic.

All of these activities were curbed by an executive order issued by President Carter in 1978, an order that the Reagan draft is designed to replace. Despite assurances from administration sources that all intelligence activities would be conducted according to law and be approved by the CIA director or the attorney general, the draft order raises alarming possibilities for Orwellian intrusion into Americans' private lives by the government. Given the kind of snooping licenses proposed and the lack of accountability to independent authority, how could innocent citizens be sure that their personal records were not being secretly examined, that their organizations were not being manipulated by secret government agents, that they were not being shadowed abroad by suspicious sleuths?

The proposed order apparently would authorize by presidential fiat what was forbidden by a 1947 act of Congress which explicitly said the CIA "shall have no police, subpoena, law-enforcement powers, or internal-security functions." If congressional intelligence committees, where opposition has already arisen, do not seek to counteract this plan with more restrictive laws to curb intelligence abuses, they will be acceding to Soviet-style big brotherism.

[From the San Jose News, Nov. 5, 1981]

FREEDOM'S JUST ANOTHER WORD UNDER REAGAN ORDER ON CIA

When Sen. Barry Goldwater and Rep. Don Edwards agree on anything, it's significant. When they agree that a proposed new executive order governing CIA activities is a frightening threat to civil liberties, it's time to head for the tornado shelter and batten down the doors.

The conservative Republican from Arizona is chairman of the Senate Select Committee on Intelligence; the liberal Democrat from San Jose is chairman of the Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee. Both are alarmed by the Reagan administration's proposed revision of Executive Order 12036, the document that defines the functions of the Central Intelligence Agency, the FBI and other components of the American intelligence machine. Goldwater and Edwards—and the rest of us—have a lot to be alarmed about.

The scariest part of the new order, and the once that has created the most controversy, is Section 2, Paragraph 9, which states: "No one acting on behalf of agencies within the Intelligence Community may join or otherwise participate in any organization in the United States on behalf of any agency within the Intelligence Community without disclosing their intelligence affiliation . . . except in accordance with procedures established by the head of the agency concerned and approved by the Attorney General."

Like a multiple warhead atop an ICBM, that paragraph, with its deceptively turgid wording and curiously inverted structure, contains a number of civil liberties bombshells.

In the first place, it would allow the CIA for the first time to infiltrate and engage in spying against organizations within this country. As a later passage makes clear, the CIA's sleuths would even be allowed to act as agents provocateurs. Under the existing executive order, signed by President Carter in January 1978, only the FBI can engage in such machinations.

Reagan's order also would give the CIA a much longer and looser leash. Under the present rules, acts of domestic counterintelligence must be approved in advance by the attorney general. The Reagan rules would require only that such activities conform to some general, as yet unspecified and inevitably secret "procedures" to be agreed upon by the CIA and FBI czars and the attorney general.

Invidious as it is, Section 2, Paragraph 9 is by no means the only frightening element of Reagan's proposal. The new order also would:

Remove the provision that Americans abroad can be subjected to continuing physical surveillance only if there is a reasonable belief that they are agents of a foreign power,

Make it possible for intelligence agencies to disseminate information they have collected about American citizens even if they are not the subjects of an investigation—"creating," as Edwards says, "serious privacy questions for Americans who are totally innocent of any wrongdoing";

Authorize the CIA to cooperate with state and local law enforcement agencies, a function currently limited to the FBI; and

Remove the requirement that the president receive a recommendation from the National Security Council before authorizing any covert actions overseas.

In drafting the National Security Act of 1947, the law that created the CIA, Congress took pains to bar the agency from any domestic spying role: "The agency shall have no police, subpoena (or) law enforcement powers or internal security functions." The consequences of ignoring that bit of legislative wisdom became chillingly clear a few years ago with the revelation that the CIA had spied on hundreds of thousands of Americans as part of "Operation Chaos," an elaborate—and unsuccessful—effort to prove that domestic dissenters were the puppets of sinister foreign powers.

Now the White House is about to give the CIA not merely a license but an official mandate to engage in precisely the same sort of police-state tactics again, with only the flimsiest procedural restraints. It's ironic that this administration, in the name of defending America and its institutions, is willing to endanger the very freedoms that distinguish this nation from its totalitarian enemies.

Congressman Edwards expressed the idea well in a different, but related, context: "If a free society is sacrificed for a better intelligence system, we have compromised our very goal."

Mr. Speaker, at the Subcommittee on Civil and Constitutional Rights' first hearing on the proposed executive order on intelligence activities, my distinguished colleague from Illinois, Congressman HAROLD WASHINGTON made a most eloquent opening statement about the dangers of permitting the CIA to become involved in domestic intelligence activities. He referred to his own experience as the target of domestic surveillance in Chicago in the 1960's and warned against any renewal of such illicit activities.

I urge my colleagues to read his statement. I think it raises important questions in the current debate over the direction of our intelligence policy.

OPENING STATEMENT OF CONGRESSMAN HAROLD WASHINGTON BEFORE THE SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS

Mr. Chairman, I commend you for holding these hearings.

I want to start by making it clear at the outset that I support the law enforcement and intelligence functions of the federal government. They are essential to the protection of our freedoms and of our social order. But the way to protect a free and open society against totalitarianism abroad is not to replicate the KGB at home. It has never been demonstrated to me that you can fight totalitarianism with totalitarianism, and history is replete with examples of what happens when you try to.

I do not want my remarks to be characterized as being against the Administration or against the intelligence community. This is not a football scrimmage. I am motivated by a sincere commitment to preserving the democratic ideals of this country, and also by a desire to protect the agencies themselves from political abuse.

The Administration has put forth a number of proposals which would significantly alter the ability of the Congress and of the public to guard against abuses. The Intelligence Agents Identities Act would make it a crime to disclose the identity of an intelligence agent, even absent malicious intent.

Proposed changes in the Freedom of Information Act would make it difficult for an individual to learn if he were a target of surveillance, and would deny a meaningful opportunity to correct misinformation which had been collected by government agencies.

Proposed changes in the exclusionary rule governing criminal prosecutions would remove many practical incentives for law enforcement agencies to stay within the bounds of permissible conduct.

Removal of the 19th century prohibition against military involvement in domestic law enforcement—a doctrine known as posse comitatas—has paved the way for a significant erosion of the separation between the armed forces and civilian law enforcement agencies. It is interesting to note that the same rationale—the need to strengthen enforcement of drug abuse laws—is being used here to extend the domestic jurisdiction of foreign intelligence agencies. While we don't approve the illegal use of controlled substances, it should be understood that this loosely stated rationale could extend the CIA's domestic intelligence and surveillance activities to cover the day-to-day affairs of many millions of Americans who, regardless of how we feel about it, make occasional use of marijuana or cocaine.

It is my understanding from newspaper accounts and the Committee's staff memo that the proposed Executive Order would also have a significant chilling effect which could undermine the functioning of other federal agencies. It provides for surveillance of U.S. officials, ostensibly to make sure that they are not under hostile surveillance.

It resolves a turf battle between the FBI and the CIA by giving virtually untrammeled powers to the CIA.

It orders heads of all executive departments and agencies to honor CIA requests for cover and support, and allows the CIA to dictate budgetary reprogrammings within other agencies, subject only to appeal directly to the President by the agency head involved.

It protects the CIA from embarrassment by providing for procedures to protect not only its sources, but its methods and analytical procedures, making it difficult to assess the validity of CIA conclusions and analyses of events. Any bureaucracy would love such a provision, but I doubt it contributes much to national security.

The proposed Executive Order allows the infiltration of domestic organizations and provides that this infiltration can also be used to influence the activities of the organization or its members if this is approved by the Attorney General. The Order would permit the collection and dissemination of information on U.S. citizens gained coincidentally through aerial reconnaissance flights over the United States—provided only that the purpose of such flights was not to target a specific individual. According to the Washington Post, these reconnaissance photographs can read a license plate.

The Order authorizes mail openings and other forms of domestic surveillance, subject only to procedures approved by the Attorney General.

It establishes no internal or external mechanisms for reporting or correcting or punishing violations. It provides only that the Attorney General shall report to the President violations of the Constitution or the laws of the United States—of which he somehow becomes aware. No other action is prescribed in the Order.

Finally, the proposed Order contains a catch-all phrase which effectively short-circuits what few protections it contains. In addition to its other overly-broad authorizations, the Order contains a catch-all authorization to permit such other intelligence activities as the President may direct from time to time.

Mr. Chairman, I submit that this proposal goes too far in creating the framework for precisely the sort of regime that we oppose abroad. There is little opportunity for review, and a very great likelihood for intimidating those who demand review.

Laws and regulations of this finality should not be passed for the moment. This is very likely to be abused over time.

The proposed Order would undermine the trust and confidence of our citizens in their government.

It would give rise to the worst sorts of political abuses, and force dedicated intelligence officers to spend time and resources tracking domestic political opponents of whoever occupied the oval office at the time. It would also bring chaos to the intelligence community every time there was a change of Administration.

Let me give you an example of the sorts of abuses that can occur. You are all aware of the FBI's attempted character assassination of Martin Luther King, and of the Bureau's infiltration of the Muslims and the Black Panthers, in a scheme to get these two groups to destroy each other. I was myself the target of surveillance by the Chicago Police during the Watergate era that most of us slept through.

Granted, this was not necessarily FBI or CIA surveillance. However, had it not been for the Freedom of Information Act, and a suit, I never would have obtained the information in my file. Before coming to the Congress, I was a member of the Illinois General Assembly for 16 years, including services on the Judiciary Committee of the State Senate. The only things I was engaged in were representing my District, politically opposing policies of the late Mayor of Chicago and his political machines, and combating crime and attempting to improve law enforcement in my community.

Because of this, I was subjected to surveillance. The records I obtained, which I am making available to the subcommittee, show that I participated in an annual children's parade, spoke to churches and made speeches before community organizations. In order to obtain these records, it was necessary for police agents to infiltrate religious and community groups. It was an enormous waste of time and public money. The police tactics caused distrust and resentments within the community which undermined respect and cooperation between citizens and the police. The fear and suspicion still lingers within many neighborhoods. Following the public outcry over the assassinations of Mark Clark and Fred Hampton, a request was made that 5 members of Congress investigate the shootings. This resulted in the police putting these Members of Congress under surveillance and opening files on them.

Mr. Chairman, I think you can understand that my concerns are genuine. I don't want to see a situation develop in which, for example, our students blame the CIA for everything that happens domestically, just as French or West German students now blame the CIA, rightly or wrongly, for everything that happens overseas. I don't want to see a situation develop where revelations of the sort of black-bag activities that have gone on overseas produce doubts and questioning among our own people about the activities of our government at home. I don't want to see a situation develop again in which our best thinkers and scholars and artists are afraid to express themselves publicly, or even privately to their friends, without fear of being caught up in some widely flung security apparatus, and having their thoughts and words misunderstood.

Finally, I don't want to see political expression and political activity driven underground, away from the light and exposure of public scrutiny, where it can become paranoid and warped. Where it will become paranoid and warped.

I think these are legitimate concerns. And I hope the Committee will continue these hearings until such issues are resolved.

I also wish to incorporate into the RECORD the following editorials:

[From the Chattanooga Times, Oct. 13, 1981]

MOVING TOWARD "1984"?

Coming from an administration pledged to "get government off the backs of people," a proposal that congressional sources say would strengthen the domestic activities of intelligence agencies, is strikingly paradoxical. Small wonder that the proposal, prepared by an interagency group headed by the Central Intelligence Agency, has stirred intense opposition from some members of the Senate Intelligence Committee. They are concerned, rightly, that the proposal would in effect license police state tactics in this country.

If the recommendations were implemented as reported, the proposal would, among other things:

Grant agencies, including the CIA, the right to infiltrate domestic organizations and try to influence their activities.

Delete current restrictions on the CIA's conduct of covert actions within the U.S.—if those actions were not intended to influence official policies or politics.

Allow the CIA to follow and photograph American citizens abroad—even if they were not suspected agents of another country or involved in illegal activities.

Free intelligence agents to review private citizens' personal bank, medical and other records.

President Carter prohibited these and other activities in an executive order signed in 1978 following revelations that the CIA had abused its authority in previous years. The Reagan administration claims that its recommendations would still ensure that any actions would be conducted legally, and would require prior approval by the attorney general or the CIA director. And it points out that the current draft of the proposal is much weaker than previous ones.

But that evades the real issue. Under the wide latitude permitted by the proposal, Americans would be vulnerable once again to an Orwellian abuse of power. We already know how widespread that abuse was when the CIA was explicitly forbidden to conduct domestic operations. How much more so would it become if the CIA were given broad new authority? In the absence of a requirement that the CIA be accountable to some independent authority, what recourse would an innocent citizen have if he suspected his personal records were being secretly reviewed, or an organization to which he belonged was being manipulated by intelligence agents?

When the CIA was created in 1947, Congress explicitly directed that it "shall have no police, subpoena, law enforcement powers, or internal security functions." Sen. Joseph Biden, D-Del., a member of the intelligence committee, has vowed to "spend the rest of my career in the Senate opposing this order." He deserves the support of his colleagues, including both Tennessee Senators. Otherwise, they, and their counterparts in the House, will be condoning ominous big-brotherism.

[From the Arkansas Gazette, Oct. 14, 1981]

UNLEASHING THE CIA

President Reagan has proposed a new framework for the Central Intelligence Agency that would give its agents broad authority to spy on Americans and to infiltrate domestic organizations with the intent of influencing their activities.

One may accept the protestations of administration officials that the proposed guidelines would be interpreted and implemented by the CIA and the Justice Department carefully, with due regard for civil liberties, and still be alarmed that the nation's intelligence agency can be clothed with such power. "History has taught us in the United States," Representative Albert Gore Jr. of Tennessee said of the administration's reassurances, "to trust in the rule of law and not of men."

History needs to be searched no further back than the '70s to show how national security can be used as a loose cover for infringing on the liberties of innocent Americans for purposes unrelated to the security of the country. It was owing to the involvement of CIA agents in Watergate-related activities and in such sordid work as mind-control experiments on unsuspecting Americans that President Jimmy Carter issued new rules, through an executive order in 1978, to circumscribe CIA work.

The longer tether that the intelligence community would receive under the guidelines proposed last week by an interagency group for the President is more worrisome because the administration also is moving in several ways to curtail oversight of domestic

intelligence activities. Taking advantage of a wave of revulsion over the mass identification of secret agents by former agent Philip Agee and Louis Wolf, who edits a counterspy magazine, the CIA wants to make it a crime for anyone to identify an intelligence agent, even if the purpose is to expose illegal activities by the agent. The bill might have blocked many of the Watergate disclosures if it had been in effect.

Mr. Carter's 1978 order prohibited the CIA from infiltrating domestic groups, but Mr. Reagan is proposing to lift that ban so that, with the approval of the attorney general, agents could penetrate organizations and try to direct their policies. The intention apparently is to influence groups promoting the interests of foreign countries—allies and enemies—but the authority is broader than that. The CIA could gather all kinds of personal records on Americans, regardless of whether they were breaking any laws.

The United States has never had a secret police and the President isn't proposing one.
* * *●

● Mr. KASTENMEIER. Mr. Speaker, last week the Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee held a hearing on the proposed Executive order on intelligence activities. The order, soon to be promulgated, gives the CIA a new license for domestic spying. Despite the dramatic shift in intelligence policy this proposal represents, Chairman DON EDWARDS' hearing was the first time any public discussion of the order had taken place.

The witness was the distinguished former Senator from Idaho and chairman of the original Senate Select Committee on Intelligence, the Honorable Frank Church. Mr. Speaker, I believe Senator Church's concerns should be shared with all Members of the House; for that reason, I wish to insert in the RECORD portions of his prepared testimony:

STATEMENT OF HON. FRANK CHURCH BEFORE THE SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS OF THE HOUSE JUDICIARY COMMITTEE, NOVEMBER 12, 1981

In 1928, Justice Louis Brandeis wrote:

"Decency, security and liberty alike demand that government officials shall be subjected to the same rules of conduct that are commands to the citizens. In a government of laws, existence of the government will be imperiled if it fails to observe the law scrupulously. Our government is the potent, the omnipresent teacher. For good or ill, it teaches the whole people by its example."

Those words have lost none of their cogency with the passage of time. It remains true that there can be no preservation of democratic government or individual liberty outside the law.

Nevertheless, when judged by past performance, many engaged in our government's intelligence activities seem to view the law quite differently; they apparently resent its constraints, and regard it not merely as a nuisance, but as an impediment to national security. Due to the nature of their work, they have, at times, deemed themselves entitled to disobey the law.

Those who hold this belief will be pleased with the newly proposed Executive Order to govern our intelligence agencies, now in its third revision. This newest version is plainly designed to enlarge the role of the CIA inside the United States, with respect to spying on American citizens and conducting covert operations in our own country, while diluting the role of the Justice Department as a check on the legality of these activities.

Expanding the scope of the CIA's involvement inside the United States is, in my judgment, as unwise as it is unwarranted. In this regard, I agree with the assessment made a few months ago by Admiral Bobby Inman, Deputy Director of the Agency, when he declared that the "job of the CIA is abroad."

Whatever view one takes of covert action abroad, the need for the CIA to comply with the law in its treatment of American citizens here at home, should be less ambiguous. Yet, the Senate Select Committee on Intelligence, which investigated the intelligence agency during 1975 and 1976, found the CIA to have been deeply involved in blatantly illegal conduct designed to spy upon, injure and harass thousands of innocent Americans. The factuality of the Committee's findings has withstood the test of time, and to this very moment, remains unchallenged.

[For example,] between 1967 and 1974, the CIA conducted Operation CHAOS, which began as an investigation abroad of any possible connection between anti-American foreign elements, on the one hand, and the Peace Movement in the United States, on the other. Soon, however, the investigation was spread so large as to engulf the lawful domestic activities of Americans protesting the Vietnam War. Before it finally ended, CHAOS had amassed some 10,000 intelligence files on American citizens and groups and indexed 300,000 names of Americans in CIA computer records, all without establishing the foreign connection for which it presumably searched!

It is therefore prudent, in my view, to limit the CIA to the field of foreign intelligence, for which it was created, leaving domestic intelligence and counter-intelligence activities to the FBI. In this, I agree with the argument recently advanced by Stansfield Turner, former CIA Director, who wrote:

"CIA officers are not trained to operate in the domestic environment, where regard for the law is a primary consideration. The ethic of intelligence is to get the job done in spite of local laws. It is unwise and unfair to force CIA operations into the domestic arena. It isn't necessary either, for that is exactly where FBI officers are trained to operate. * * * They have over many years proved themselves to be professionals at both counterintelligence and the gathering of positive intelligence. With more emphasis on the latter, they could cover whatever tasks the Administration has in mind for the CIA."

If the newly proposed Executive Order on Intelligence Activities is not modified in such a way as to retain the present restraints on CIA involvement in our domestic affairs, not only will the old frictions between the CIA and the FBI be rekindled, but the door will be thrown open again to the compilation of CIA dossiers on hundreds of thousands of law-abiding American citizens.

Concerning this, the proposed order leaves little doubt. For example, the CIA may now collect only three types of information about U.S. persons inside the United States:

(1) Information regarding commercial organizations or activities;

(2) Information obtained from co-operative sources, and

(3) Information regarding individuals about whom there is reason to believe they were acting on behalf of a foreign power.

Under the proposed order, these limitations are removed. There is no requirement that the individual about whom information is being collected be "reasonably believed to be acting on behalf of a foreign power," as the current order provides.

Other provisions in the proposed draft describe the investigative and information gathering techniques which can be used for this purpose. They include: infiltration of domestic organizations, access to bank, medical, telephone and other private rec- ords, and recruitment and assignment of informants.

If we are capable of learning from experience, we should not expose the American people once again to such broad-based surveillance by an agency created for the purpose of spying on foreigners.●

● Mrs. SCHROEDER. Mr. Speaker, there has been a great deal of discussion in the press and here in Congress in recent weeks about the proposed Executive order on intelligence activities and the extent to which it will permit the CIA and other intelligence agencies to engage in domestic intelligence activities.

Some people seem to think that, with a deletion here and a little rewording there, all the problems in the draft order will be fixed. Hearings held by the Subcommittee on Civil and Constitutional Rights of the House Judiciary Committee last week made it clear that this is not the case.

Because not all our colleagues have had the same opportunity to analyze the draft that the subcommittee members have had, I would like to call their attention to the following analysis written by the subcommittee chairman, Congressman DON EDWARDS. The column appeared in the San Jose Mercury on November 5, 1981. The article follows:

[From the San Jose Mercury, Nov. 5, 1981]

REAGAN'S PROPOSED EXECUTIVE ORDER WILL UNLEASH THE CIA

(By DON EDWARDS)

The public seems to believe that recent statements by the Senate and House Intelligence committees have cured the enormous defects in President Reagan's proposed Executive Order on Intelligence Activities. This is an erroneous perception.

All that has happened for certain is that Sen. Barry Goldwater, R-Ariz., has recommended one change—that the new order not include CIA authority for undisclosed participation in and influencing of domestic organizations. Rep. Edward Boland, D-Mass., chairman of the House committee, has also made recommendations which, again, do not begin to deal with the numerous problems raised by this proposal.

There is no sign from the CIA or the White House that any of these suggestions made hat-in-hand by members of Congress will be considered. But, whether or not any of these suggestions are accepted, it is important to bear in mind that the draft contains many other unnecessary and dangerous changes.

Those provisions, if included in the final order, would transfer many domestic spying activities to the CIA from the FBI, without most of the regulatory, statutory and institutional restraints that have kept the FBI from abusing this authority for the past five years.

The proposed order transfers responsibilities to the CIA, eliminates key definitions (such as what constitutes "terrorism" and even "intelligence"), discards restraints on the use of mail openings, and waters down the authority of the nation's chief law enforcement officer—the attorney general. The net result is a presidentially endorsed blank check to the CIA to spy on Americans.

When the FBI and CIA operated with such a blank check in the past, the result was not only massive intrusions into individual and organizational rights, but also the failure to gain any useful information.

There are several historical reasons why we should view with skepticism any move to authorize CIA activities within the United States. When Congress created the CIA in 1947, it wanted to make sure that such a secret, international agency would not be engaged in spying on Americans. The authorizing legislation spelled out this prohibition. However, beginning in 1952, and operating secretly, the CIA violated this standard on a wholesale basis.

At LaGuardia Airport in 1952 and later at Kennedy Airport, the CIA began a massive letter-opening program. It opened the mail of private organizations such as the American Friends Service Committee. It opened overseas mail to congressmen including Sens. Edward Kennedy and Frank Church. By 1973, when the program was halted by the Post Office Department, the CIA had reviewed 28 million pieces of mail, had photographed 2 million envelopes, and had opened 215,000 letters. In addition, the CIA's Operation Chaos had a cross index of more than 300,000 names of Americans.

The disclosures of this shocking CIA misconduct by the Church Committee in the Senate and the Pike Committee in the House resulted in presidential orders which generally prohibited the CIA from operating within the United States. The FBI was responsible for counterintelligence and internal security, supervised by the attorney general. Presidents, both Democratic and Republican, agreed to these rules, and the CIA is today operating under Executive Order, 12036, signed by President Carter in January 1978.

The proposed order represents a dramatic departure from this scheme. Written in secret, discussed only behind closed doors, the order presumably will be signed soon by President Reagan. It then will be published in the Federal Register. Before it becomes final, however, I believe the public has a right to know what the CIA has in store for us.

Currently, the attorney general must approve CIA counterintelligence activities within the United States. Under the proposed order, the director of the Central Intelligence Agency has an equal role with the attorney general. Now, an American under surveillance must be "reasonably believed to be acting on behalf of a foreign power." The proposed order deletes this requirement—no foreign connection is necessary.

Currently, undisclosed CIA participation in domestic organizations is limited to certain carefully defined situations and requires the attorney general's approval. Influencing the organization, its members, policies, or activities is prohibited. The draft order permits CIA infiltration under much broader circumstances and, in some circumstances, influencing the organization is permitted as well.

The current order requires warrants based on probable cause before mail can be opened in the United States. That provision is deleted from the proposed order.

Now, CIA involvement in terrorist investigations in this country requires a showing that the terrorist conduct is reasonably believed to be on behalf of a foreign power. The draft order deletes the foreign power connection. Presumably the CIA could investigate purely domestic groups, now investigated by the FBI under attorney general guidelines. These guidelines would not apply to the CIA, so the only restrictions on CIA activity would be those in the proposed order.

Currently, the CIA is prohibited from conducting covert actions in this country. Under the proposed order, the CIA can conduct covert actions in this country in certain situations.

Currently, the CIA must report evidence of criminal violations by its employees to the attorney general. Under the proposed order, only those crimes agreed upon in advance in general procedures established by the attorney general and the CIA director must be reported in a manner consistent with protection of sources and methods. This may mean that the CIA could encourage its employees to act outside the law and then not report them.

These and other changes are of such a serious nature that they deserve to be aired in a public forum. The CIA has not come forward to explain why these changes are necessary or how they are to be squared with the long standing commitment of the Congress to keep the CIA out of the domestic spying business. At the very least, the American people deserve an explanation.●

● Mr. WASHINGTON. Mr. Speaker, I would like to join with my colleagues from the House Judiciary Committee in expressing concern about the proposed Executive order on intelligence.

Our intelligence agencies have a difficult and dangerous task. I certainly do not want to see unnecessary impediments put in their way.

But I also do not want to see the CIA exceed or stretch the bounds of the Constitution and laws of this country. I believe this draft order authorizes this kind of encroachment by giving the CIA license to operate in this country.

Mr. Speaker, I am not alone in this view. I would like to share with my colleagues several editorials from newspapers around the country expressing alarm at what may lie ahead if this order is promulgated.

[From the Chicago Tribune, Oct. 15, 1981]

THE SEPARATE REALMS OF ESPIONAGE

The assassination of Anwar Sadat is being used as evidence that U.S. intelligence agencies ought to have a freer hand in plying their secret trade. It is cited as an example of the kind of terrorist threat that faces the United States. And though nobody is quite sure who was behind the murder of the Egyptian president, the event does strike a chord of fear.

Within the Reagan administration there has been a good bit of enthusiasm for lifting restrictions on U.S. intelligence agencies and enacting new laws to protect American spies. A bill to make it a crime to reveal the identity of a clandestine U.S. intelligence agent, whether or not the information came from classified sources, has already passed the House of Representatives. Like its predecessors, the Reagan administration has declined to rule out using journalists, academicians, and clergymen as potential spies abroad. There are efforts to grant intelligence agencies a broad exemption from the provisions of the Freedom of Information Act. And now a new draft of a proposed executive order which would permit CIA covert operations within the United States has surfaced.

No one should doubt that the United States exists in a dangerous world, nor that it must engage in various secret intelligence activities in order to protect itself from the clandestine machinations of terrorist groups and adversary nations. It should also be beyond argument that the post-Watergate bloodletting by congressional committees did damage to the CIA, FBI, and other agencies.

The rules governing intelligence operations—whether in internal agency guidelines, executive orders, or statutes—should not be exempt from reassessment based upon the experience of several years in which they have been in place. But cautious, practical review has not been the approach. Changes are put forward upon the crudest arguments. Appeals to fear rather than to experience rule the debate. There has been insufficient attention paid to the insidious danger of unfettered domestic spying and to what is supposed to be gained by taking the fetters off.

What reason is there, for example, to permit the CIA to do secret investigations within the United States? It is not as if under existing rules no U.S. agency can track potential terrorists, espionage agents, and domestic dissidents, likely to commit political violence. The FBI has the authority to operate in these areas within the United States. And it has done a good job of it.

There is a good reason, on the other hand, to keep the CIA out of domestic clandestine operations. That agency operates mainly abroad, where the danger of infringing upon the rights of Americans is smaller and where the usual standards of conduct that Americans properly insist upon at home simply do not apply. The CIA has developed certain habits abroad that would not be appropriate here. But the FBI is essentially a law enforcement organization. Its habits accord with the standards of behavior the Constitution requires of the government in its interaction with Americans. To be sure, the rules are slightly different when the FBI engages in counter-intelligence and counter espionage investigations. But the habit of restraint is significant.

Unless the advocates of the proposed new executive order provide some other persuasive reasoning, it would seem that the only objection to the FBI's conduct has been this very sense of restraint. And that makes the proposal ominous. It is very important to the morale and liberty of Americans that the rules of the national security game at home and abroad be kept quite distinct and separate. The distinction should not be sacrificed simply because of a vague sense of fear and appeals to unspecified inchoate dangers.

At the same time, there should be no objection to some revision of the rules of intel-

ligence, so long as the case for it is persuasively made. Certainly the CIA and FBI have a tremendous practical problem simply keeping up with the paper work the Freedom of Information Act produces, and some modification to ease the bureaucratic burden might be appropriate. Legislation to protect the identity of secret U.S. intelligence operatives abroad is in itself a good idea. But the bill that passed the House goes so far in limiting what private citizens may say and write that it is probably unconstitutional. The FBI, which supports the rules that govern its conduct of intelligence investigations, has considered recommending some modest changes in the language to make them more precise and more practical. These deserve to be accorded some weight.

But the intelligence zealots within the Reagan administration must not be allowed to translate their appeals to fear into a sweeping repeal of all limitations on the activities of the FBI and CIA. The heyday of U.S. intelligence, it must be remembered, did not bring us comfort and security. It brought us fear and animosity and the inevitable public reaction that damaged the intelligence agencies in the first place.

[From the Kansas City Times, Oct. 9, 1981]

THE CIA AT HOME

Civil libertarians are concerned, and for good cause, about an administration proposal that is being interpreted by some members of Congress as greatly expanding the Central Intelligence Agency's authority to spy on Americans. The Justice Department has been asked to study the draft document to see how it would apply to the CIA's domestic activities.

Some members of the Senate Select Committee on Intelligence, which has oversight authority over intelligence operations, have concluded that the proposal would allow U.S. agents to inspect medical, telephone, bank and other private records and to surreptitiously invade organizations in this country. No longer would intelligence agency chiefs be required to report suspected federal violations by their workers.

That appears to ease provisions of Executive Order 12036, issued by Jimmy Carter, then president, in January of 1978. Both the Carter order and a Ford administration directive that it replaced put limitations on the CIA. That was grounded in need. Late in 1974 it was revealed that the CIA had spied on thousands of Americans. This and other revelations led to two investigations of the CIA. These probes found that the intelligence agency had conducted drug experiments on unsuspecting victims and had engaged in covert activities abroad far beyond the purview of its intelligence-gathering assignment.

Though there are protections in federal law it is disturbing to hear that the CIA wants authority for domestic investigations. Traditionally that has been the jurisdiction of the Federal Bureau of Investigation. Certainly the CIA has plenty to do—it has been faulted for failing to do an adequate job on its international mission—without turning its network against private citizens in this country. The days of CIA-FBI jealousy and bickering surely are over.

Police state tactics have no place in a free society. These practices can create a climate of fear and infringe on the rights of association, speech and democratic participation. Left to their own devices, many intelligence officials would have unrestricted rein to combat what they see as dangers to the Republic. They tend to overlook the fact that their tactics many pose a greater threat to liberty than the individuals they would investigate.

Let's leave domestic espionage to the FBI and insist on close cooperation between it and the CIA. The two agencies are supposed to be working for the American people, not against each other.

[From the Idaho Statesman, Oct. 9, 1981]

SPYING ON AMERICANS

President Reagan's unrelenting support of a proposed executive order giving the Central Intelligence Agency free reign to infiltrate American organizations and secretly influence their activities is almost beyond belief. It contradicts a principle of freedom upon which this country was founded, that American citizens have the absolute right to organize politically without fear of government interference.

Supposedy, the CIA would employ such tactics only to investigate dangerous terrorist groups bent on violent overthrow of the United States. History, however, proves that people in power are apt to use such infiltration to attack their political foes. Richard Nixon proved that when he used the CIA and the Federal Bureau of Investigation to disrupt anti-war activities in the Vietnam era.

What Reagan proposes is more dangerous than what Nixon did. During Nixon's administration, the infiltration of political groups was done on the sly and without legal sanction. A number of the culprits—Nixon among them—were eventually brought to judgment, their actions condemned.

Reagan proposes to give official approval of the same tactics—to encourage them. As Sen. Patrick Leahy of the Senate Intelligence Committee said, that amounts to the establishment of the CIA as an internal police agency.

Though the comparision may seem outlandish, the whole concept is reminiscent of the Soviet Union and Eastern Europe, where it is all but impossible to organize political dissidents because the true dissidents never know which one of their supposed allies is a government informer.

Furthermore, Reagan's new role for the CIA is not needed. The FBI already has ample authority to conduct counterintelligence activities within the country.

The CIA's mission is to gather foreign intelligence. To carry out that mission it sometimes must hide its activites behind the shield of national security. Such a shield is necessary if the CIA is to operate in secret abroad, but it is a danger at home. If Reagan's proposal is enacted, one can easily imagine the CIA investigating labor groups, anti-nuclear activities, environmentalists or non-establishment political organizations on the pretext that they pose some threat to national security.

The United States simply cannot allow the government to spy on its citizens in that manner. Those who oppose such surveillance should write the White House, members of Congress from Idaho and the Senate Intelligence Committee.●

THANKS FOR THE MEMORIES

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

● Mr. PEPPER. Mr. Speaker, in the November 22 issue of Parade magazine, Bob Hope, America's most popular and beloved citizen, has given us a humorous but moving Thanksgiving message which I am sure expresses the sentiments of all Americans as we approach our national day of Thanksgiving. I include Mr. Hope's beautiful tribute under the title "Thanks for the Memories" in full in the body of the RECORD.

[From Parade, Nov. 22, 1981]

THANKS FOR THE MEMORIES

(By Bob Hope)

Exactly 361 years ago, the Pilgrims landed in America. It was great timing. A year later and they wouldn't have had a place to park.

When Parade asked me to do an article about Thanksgiving Day, I had a sneaking suspicion it was because I was present at the first celebration held by the Pilgrims. Well, I wasn't. You can ask George Burns—he was.

The Pilgrims gave thanks for their survival in a hostile atmosphere. Their daily existence was fraught with peril. They had none of the services and comforts of our industrial age . . . freeways, smog, water pollution, inflation and television. And never did they dream that someday a turkey would cost more than the entire Mayflower.

Today, as I give thanks for all my blessings, I can't help but think back. Who could have imagined when, at the ripe old age of 3, I landed on these shores from England that this marvelous country would provide me the opportunity literally to fulfill my wildest dreams—that I would someday be given the chance to reach for the stars and because of you, grab a whole galaxy. Where else could a former two-a-day hoofer who grew up in Cleveland be privileged to play golf with Presidents, sell toothpaste on the radio, make movies and be invited into millions of your homes via television? Thanksgiving is always tough for me. I spend so much time counting my blessings, I don't have time to eat the turkey.

Of course, I have some fond memories of Thanksgiving Days past. When I was a boy in Cleveland, Mother would put all the food out on the table in front of me and my six brothers, all of whom had teeth with power steering. We'd devour every morsel, then stare at each other. One year, Father tried to take a picture of us eating, but to this day there hasn't been a camera invented that can take a picture at such high speeds.

Last year, I had Thanksgiving dinner at the home of my daughter-in-law. She had a frozen turkey, frozen stuffing, frozen potatoes and frozen pies. She didn't announce dinner was ready . . . she pointed to the food and said, "Mush!"

On Thanksgiving, we often visualize the Pilgrims as almost comic characters, with those hokey hats and ridiculous pants. But when we think seriously, we give fervent thanks for their courage, persistence and intelligence in coping with hardships that stagger the mind. Had they lacked these qualities, New England would still be the happy hunting grounds of some tribe of Indians and, as for the rest of the country, it would be Nowhere, America.

Instead, from sea to shining sea, we have a bountiful land populated by 230 million souls of every race, religion and political persuasion. For the most part, they do their work, pray to their God and serve their communities with good humor, secure in the knowledge that whatever their role in life, it

will continue on an even course for the foreseeable future. For 205 years, we have had continuity of government, continuity of social institutions that benefit the vast majority, a continuity of unity even in our darkest days of war and depression. There are very few countries in the world where this is true.

We must give thanks that in this dangerous world, we're strong enough to answer any challenge to our way of life; that our elected and appointed leaders, whether we agree with them or not, are trying every day to make things better for us; that, thanks to our abundant economy, the vast majority of Americans can enjoy their leisure any way their hearts desire; that this is still the land of opportunity, where every individual, through his own initiative, talents and brainpower, can reach his potential.

All this because those comic-opera Pilgrims clawed, fought and thought their way to a better life than they'd known before and set the foundations for the moral, democratic, religious society we have today.

Thanksgiving Day is a time when we share what we have with those less fortunate. I'm happy to see that in Washington there isn't a Republican who isn't taking a Democrat to dinner.

Personally, every day is Thanksgiving Day for a guy who's three score and 18 (a sneaky way to give your age), whose wife, children and grandchildren are thriving, who's doing what he loves best, who's still traveling around the world, and who's still getting laughs on television, in personal appearances and on the golf course.

Today, as Americans across the country gather with their families and loved ones to count their blessings, I'd like to add this Thanksgiving wish:

May every nation on this globe at long last achieve a permanent peace so that, someday soon, we may raise our voices as one, giving thanks to our Creator for a world united in mutual respect and brotherhood and in the fervent hope of a brighter future for all mankind.●

RECESS

The SPEAKER pro tempore. Pursuant to the order of the House of November 19, 1981, the Chair declares the House in recess subject to the call of the Chair.

Bells will be rung 15 minutes before the House reconvenes.

Accordingly (at 3 o'clock and 30 minutes p.m.), the House stood in recess subject to the call of the Chair.

□ 1740

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. FOLEY) at 5:45 p.m.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint and a concurrent resolution of the House of the following titles:

H.J. Res. 368. Joint resolution making further continuing appropriations for the fiscal year 1982; and

H. Con Res. 228. Concurrent resolution providing for an adjournment of the House from November 23 to November 30, 1981, and an adjournment of the Senate from November 24 or November 25, to November 30, 1981.

DEAUTHORIZING CERTAIN PROJECTS WITHIN JURISDICTION OF ARMY CORPS OF ENGINEERS

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1493) to deauthorize several projects within the jurisdiction of the Army Corps of Engineers, and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

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

Mr. VOLKMER. Mr. Speaker, reserving the right to object, I do not plan to object, but I would like to ask the gentleman from Missouri (Mr. YOUNG) if it is not true that included with this bill also is an amendment to change the name of Clarence Cannon Dam and Reservoir to Clarence Cannon Dam and Mark Twain Lake in my district.

Mr. YOUNG of Missouri. Mr. Speaker, if the gentleman will yield, let me state that the gentleman from Missouri (Mr. VOLKMER) is correct.

Mr. VOLKMER. Mr. Speaker, I want to congratulate the distinguished gentleman from Missouri for his efforts to bring this bill to the floor and for including the amendment changing the name of Clarence Cannon Dam and Reservoir to Clarence Cannon Dam and Mark Twain Lake.

By naming this reservoir the Clarence Cannon Dam and Mark Twain Lake we honor two of the most notable men of northeast Missouri. Clarence Cannon served with distinction in this body for 41 years. As chairman of the Appropriations Committee, Representative Cannon had a profound impact on the events of this Nation. He was an outstanding legislator, admired and respected by all. I am proud to follow in his footsteps by representing the same district.

We all know of Mark Twain. One of the truly great writers in our country. His stories are still widely read and enjoyed. Mark Twain was born and raised in Florida, Mo., which is at the site of this lake. He spent his entire life in Missouri and lived for many years in my hometown of Hannibal. He always enjoyed and cherished the natural beauty and elegance of the Missouri countryside and it is fitting that this new lake and recreation area be named in his memory.

Again, I thank the distinguished gentleman from Missouri for his efforts and withdraw my reservation.

Mr. VOLKMER. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1493

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 204 of the Flood Control Act of 1965 (Public Law 89-298) is amended as follows: "The Dickey-Lincoln School Lakes project, Saint John River, Maine, is hereby modified to deauthorize that component of the project known and referred to as the Dickey Dam and its associated transmission facilities.".

(b) No Federal agency or department shall consider any license application relating to hydropower projects above the site of the Lincoln School Dam on the Saint John River and its tributaries, Maine, for a period of two years after the enactment of this Act.

SEC. 2. (a) The authorization for the Meramec Park Lake (hereinafter in this section referred to as the "project") contained in that portion of the general comprehensive plan for flood control and other purposes in the Upper Mississippi River Basin, which plan was authorized by section 4 of the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 28, 1938 (52 Stat. 1218), as modified by section 203 of the Flood Control Act of 1966 (Public Law 89-789), is hereby terminated.

(b) The Secretary of the Army, acting through the Chief of Engineers (hereinafter in this section referred to as the "Secretary"), shall immediately undertake interim management and maintenance of works, structures, and interests in lands related to the project pending the implementation of the subsequent provisions of this section.

(c) The Secretary shall dispose of works, structures, and interests in lands related to the project as follows:

(1) To the State of Missouri, all right, title, and interest in and to—

(A) Meramec State Park extension, consisting of three thousand eight hundred and twenty-three acres.

(B) Onondaga Cave State Park extension, consisting of one hundred and twenty-four acres.

(C) Huzzah State Wildlife Management Area extension, consisting of nine hundred and forty-five acres.

(D) Endangered species sites, consisting of not more than two hundred acres.

(E) Campbell Bridge access, consisting of not more than ten acres.

(F) Sappington Bridge access, consisting of not more than ten acres.

(G) Liberty Road access, consisting of not more than ten acres.

(2) A perpetual easement sufficient to safeguard for the river user the natural, cultural, and visual resources of the Meramec River and Huzzah and Courtois Creeks shall be conveyed to the State of Missouri within nine months from the date of this Act. The Secretary is hereby directed to establish such easements in conjunction with the

State of Missouri. Said easements shall be not less than one hundred feet nor more than one-quarter mile as measured from the normal highwater mark of said river and creeks, taking into consideration the varying terrain of such lands and the best public interest.

(3) A perpetual easement sufficient to provide for and allow pedestrian use of a corridor of land connecting Meramec State Park with the Huzzah State Forest shall be conveyed to the State of Missouri within nine months from the date of this Act. The Secretary is hereby directed to establish such easement in conjunction with the State of Missouri. Said easement shall be not less than one hundred feet in width and shall be used for the development of the Ozark Trail, which will be constructed and maintained by the State of Missouri.

(4) The remainder of the works, structures, and interests in lands related to the project shall be offered, within a period of one year from the date of enactment of this Act, for sale to the previous owners at the current appraised value. Such former owners shall have a period of one year in which to enter a contract for the repurchase of such properties, and interests in lands shall be sold at a public auction, or a series of public auctions, to be conducted following reasonable public notice and advertising of the time and place of such auction or auctions, until such time as all remaining works, structures, and interests in lands have been disposed of.

(d) The Secretary is authorized either to comply with or to enter into a mutual agreement to cancel any executory contract the United States has entered for the purchase of lands for the project at the request of any landowner who is a party to such a contract, within six months after the date of enactment of this Act.

(e) Nothing in this section shall terminate the authority or responsibility of the United States to satisfy, pursuant to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 U.S.C. 4601 et seq.) and any other applicable provision of law, all relocation assistance, and other obligations arising out of the acquisition, prior to the date of enactment of this Act, of any interest in real estate for the project.

(f) Funds authorized prior to enactment of this Act for the project specified in this section may be utilized by the Secretary, as necessary, to carry out the provisions of this section to deauthorize the project.

SEC. 3. The authorizations for the projects described in this section, at the locations described, are terminated upon the date of enactment of this Act:

(a) ILLINOIS: HELM RESERVOIR.—The project for Helm Reservoir, Skillet Fork of the Wabash River, Illinois, authorized by section 203 of the Flood Control Act of 1968 (Public Law 90-483), part of the Wabash River Basin comprehensive plan.

(b) ILLINOIS: LINCOLN DAM.—The project for Lincoln Dam and Reservoir, Wabash River, Illinois and Indiana, authorized by section 204 of the Flood Control Act of 1965 (Public Law 89-298).

(c) INDIANA: BIG BLUE DAM.—The project for Big Blue Dam, Big Blue River, Indiana, authorized by section 203 of the Flood Control Act of 1968 (Public Law 90-483).

(d) ILLINOIS: ILLINOIS RIVER DUPLICATE LOCKS.—The project for the Illinois Waterway, Illinois and Indiana, authorized by section 101 of the River and Harbor Act of 1962 (Public Law 87-874).

(e) INDIANA: LAFAYETTE DAMS.—The project for the Lafayette Dam and Reservoir, Wild Cat Creek of the Wabash River, Indiana, as authorized in section 204 of the Flood Control Act of 1965 (Public Law 89-298).

(f) VIRGINIA: NANSEMOND RIVER.—The portion of the project for the Nansemond River, Virginia, from the United States Highway 640 Bridge at Suffolk, Virginia, to the upstream project limits at river mile 18.66, a distance of approximately two thousand five hundred feet, authorized by the first section of the Act entitled "An Act making appropriations for the construction, repaired, and preservation of certain public works on rivers and harbors, and other purposes", approved August 11, 1888 (25 Stat. 410), and modified by the first section of the Act entitled "An Act authorizing the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved July 3, 1930 (46 Stat. 922).

(g) INDIANA: CLIFTY CREEK DAM.—The project for the Clifty Creek Dam, Clifty Creek, Indiana, authorized by section 204 of the Flood Control Act of 1965 (Public Law 89-298).

(h) DELAWARE-MARYLAND-VIRGINIA: INTRACOASTAL WATERWAY.—The project for the Delaware Bay, Delaware, to Cape Charles, Chesapeake Bay, Virginia, Intracoastal Waterway, authorized under the terms of section 201 of the Flood Control Act of 1965 (Public Law 89-298).

(i) MARYLAND: SIXES BRIDGE.—The project for Sixes Bridge Dam and Lake, Maryland, authorized by section 85 of the Water Resources Development Act of 1974 (Public Law 93-251).

SEC. 4. (a) The consent of Congress is hereby given to the City of Boston to construct, maintain, and operate a fixed-span bridge in and over the water of the Fort Point Channel, Boston, Massachusetts, lying between the northeasterly side of the existing Summer Street Bridge and the northeasterly side of the existing Northern Avenue Bridge.

(b) Work shall not be commenced on such bridge until the location and plans therefor are submitted to and approved by the Secretary of Transportation.

(c) Any project heretofore authorized by an Act of Congress, insofar as such project relates to the above described portions of Fort Point Channel, is hereby abandoned.

(d) In approving the location and plans of any bridge, the Secretary of Transportation may impose any specific conditions relating to the maintenance and operation of the structure which may be deemed necessary in the interest of public navigation.

SEC. 5. The plan for the project for Ellicott Creek, New York, authorized in section 201 of the Flood Control Act of 1970 (Public Law 91-611) is hereby modified in accordance with the recommendations of the Chief of Engineers in a report dated April 2, 1979: *Provided*, That local interests agree to meet local assurance requirements set forth in section 3 of Public Law 738 of the Seventy-fourth Congress (33 U.S.C. 701c).

SEC. 6. (a) The lock authorized by section 114 of the Water Resources Development Act of 1976 (Public Law 94-587), as a replacement for Vermilion Lock, Louisiana, shall hereafter be known as Leland Bowman Lock. Any law, regulation, map, document, or record of the United States which refers to such lock shall hereafter be held and considered to refer to such lock as "Leland Bowman Lock".

(b) The dam and reservoir on the Salt River, Missouri, known as the Clar- ence Cannon Dam and Reservoir, authorized by section 203 of the Flood Control Act of 1962 (Public Law 87-874) as the Joanna Reservoir, shall hereafter be known as the Clarence Cannon Dam and Mark Twain Lake. Any law, regulation, map, document, or record of the United States in which such dam and reservoir are referred to shall be held and considered to refer to such dam as the Clarence Cannon Dam and to such reservoir as the Mark Twain Lake, respectively.

● Mr. HOWARD. Mr. Speaker, I rise in support of this bill. It contains a provision passed by the House in H.R. 1855 last July which is necessary to allow vitally needed development in the city of Boston to progress. It grants the consent of Congress to the city of Boston to construct, maintain, and operate a fixed-span bridge over the Fort Point Channel. This will enable the city to replace a deteriorated drawbridge with a more efficient and less costly fixed-span bridge and provide a needed improvement in transportation access.

The bill also contains a provision terminating the authorization of the Meramec Lake project in Missouri. This provision also establishes procedures for the disposition of lands acquired for the project. Also, flood protection for St. Louis and Jefferson Counties which would be provided by the dam is preserved by a specific authorization provision.

I urge passage of the bill.●

● Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in strong support of S. 1493 as amended. This bill contains numerous provisions on projects which will be deauthorized. All of the Members in whose districts the projects are located agree with the deau- thorizations and the conditions for those deauthorizations in this bill. By not completing construction of these projects, well over $2 billion will be saved. In this time when fiscal restraint is most needed, this is an excellent statement on behalf of the Congress.

There are a few other provisions in the bill which make needed modifications in other water resources situations. I am especially pleased with the provision which prevents the Corps of Engineers from removing existing facilities at water resource areas under their jurisdiction. The Corps of Engineers has arbitarily determined that any houseboats, floating cabins, overnight facilities at marinas, cabins, and other facilities must be removed from Corps of Engineers property. The provision allows those structures which are maintained in useful conditions to remain.

It must be understood that this provision will not result in the proliferation of structures at Corps of Engineers projects. Only those which are in existence on the day of enactment

of this act are protected. There are situations throughout the country which this provision will protect. In Georgia and elsewhere, the Corps of Engineers is trying to remove cottages and cabins. Houseboats have been subject to the Corps of Engineers removal requirement in my own State of Arkansas and in Georgia. In Texas, Georgia, and elsewhere, beautiful marinas, which provide excellent recreational opportunities for many persons, are endangered by the arbitrary requirement to remove improvements, enclosures, and sleeping facilities. This provision will protect all of these situations and others.

Again, Mr. Speaker, I am most pleased with this bill, and urge my colleagues to join me in vigorously supporting its immediate passage.●

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. YOUNG OF MISSOURI

Mr. YOUNG of Missouri. Mr. Speaker, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. Young of Missouri:

Strike out all after the enacting clause and insert in lieu thereof the following:

That (a) section 204 of the Flood Control Act of 1965 (Public Law 89-298) is amended as follows: "The Dickey-Lincoln School Lakes project, Saint John River, Maine, is hereby modified to deauthorize that component of the project known and referred to as the Dickey Dam and its associated transmission facilities.".

(b) No Federal agency or department shall consider any license application relating to hydropower projects above the site of the Lincoln School Dam on the Saint John River and its tributaries, Maine, for a period of two years after the enactment of this Act.

SEC. 2. (a) The authorization for the Meramec Park Lake (hereinafter in this section referred to as the "project") contained in that portion of the general comprehensive plan for flood control and other purposes in the Upper Mississippi River Basin, which plan was authorized by section 4 of the Act entitled "An Act authorizing the construction of certain public works on rivers and harbors for flood control, and for other purposes", approved June 28, 1938 (52 Stat. 1218), as modified by section 203 of the Flood Control Act of 1966 (Public Law 89-789), is hereby terminated.

(b) The Secretary of the Army, acting through the Chief of Engineers (hereinafter in this section referred to as the "Secretary"), shall immediately undertake interim management and maintenance of works, structures, and interests in lands related to the project pending the implementation of the subsequent provisions of this section.

(c) The Secretary shall dispose of works, structures, and interests in lands related to the project as follows:

(1) To the State of Missouri, all right, title, and interest in and to not less than 3,382 acres nor more than 5,122 acres, as determined by the Governor of the State of Missouri.

(2) A perpetual easement sufficient to safeguard for the river user the natural, cultural, and visual resources of the Meramec River and Huzzah and Courtois Creeks shall be conveyed to the State of Missouri. The Secretary is hereby directed to establish such easements in conjunction with the State of Missouri. Said easements shall be not less than one hundred feet nor more than one-quarter mile as measured from the normal highwater mark of said river and creeks, taking into consideration the varying terrain of such lands and the best public interest. Said easement shall be available for the development of the Ozark Trail, which will be constructed and maintained by the State of Missouri.

The Secretary shall submit to the State of Missouri before January 6, 1982, an offer to convey the lands authorized by this section. If the State, by statute, disapproves such conveyance on or before April 30, 1982, the Secretary shall immediately offer all the works, structures, and interests in lands for sale to the previous owners in accordance with paragraph (2) of subsection (d) of this section. If the State fails to disapprove such conveyance on or after April 30, 1982, solely because of a veto by the Governor, the offer to convey by the Secretary shall remain valid until such time as the veto is sustained or overridden in accordance with State law.

(d)(1) Within 90 days of the date a conveyance is made to the State of Missouri in accordance with subsection (c) of this section, the Secretary shall offer the remainder of the works, structures, and interests in lands related to the project for sale to the previous owners at the current appraised value. Such previous owners shall have a period of one year in which to enter into a contract for the repurchase of such properties, after which any remaining works, structures, and interests in lands shall be sold at a public auction, or a series of public auctions, to be conducted following reasonable public notice and advertising of the time and place of such auction or auctions, until such time as all remaining works, structures, and interests in lands have been disposed of.

(2) If the State of Missouri disapproves such conveyance in accordance with subsection (c) of this section, the Secretary shall offer all the works, structures, and interests in lands related to the project for sale to the previous owners at the current appraised value. Such previous owners shall have a period of one year in which to enter into a contract for the repurchase of such properties, after which any remaining works, structures, and interests in lands shall be sold at a public auction, or a series of public auctions, to be conducted following reasonable public notice and advertising of the time and place of such auction or auctions, until such time as all remaining works, structures, and interests in lands have been disposed of.

(3) For purposes of this subsection, in any case in which the previous owner of any interest in land is dead, the surviving spouse or, if there is no surviving spouse, the heirs at law of such previous owner shall be deemed to be the previous owner of such interest.

(e) The Secretary is authorized either to comply with or to enter into a mutual agreement to cancel any executory contract the United States has entered for the purchase of lands for the project at the request of any landowner who is a party to such a contract, within six months after the date of enactment of this Act.

(f) Nothing in this section shall terminate the authority or responsibility of the United States to satisfy, pursuant to the provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (49 U.S.C. 4601 et seq.) and any other applicable provision of law, all relocation assistance, and other obligations arising out of the acquisition, prior to the date of enactment of this Act, of any interest in real estate for the project.

(g) Funds authorized prior to enactment of this Act for the project specified in this section may be utilized by the Secretary, as necessary, to carry out the provisions of this section to deauthorize the project.

(h) The Secretary of the Army, acting through the Chief of Engineers, is authorized and directed to undertake such structural and nonstructural measures as he determines to be economically and engineeringly feasible to prevent flood damage to communities along the route of the Meramec River in St. Louis and Jefferson Counties, Missouri. Such structural measures shall not include the construction of any dams or reservoirs. There is authorized to be appropriated for those fiscal years which begin on or after October 1, 1982 not to exceed $20 million to carry out the provisions of this subsection.

(i) The Secretary of the Army, acting through the Chief of Engineers, and in consultation with the Governor shall conduct a cooperative water supply study with the State of Missouri for the Meramec River Basin, Missouri, with particular emphasis on St. Louis and Jefferson counties, Missouri. In preparing such study, the Secretary of the Army, acting through the Chief of Engineers, and the State of Missouri shall coordinate with appropriate units of local government and shall consult with other individuals and organizations having a direct interest in water supply problems in such river basin. The report required by this section shall be submitted to Congress not later than January 1, 1983. The views of the Governor shall accompany the report of the Secretary of the Army.

SEC. 3. The authorizations for the projects described in this section, at the locations described, are terminated upon the date of enactment of this Act:

(a) ILLINOIS: HELM RESERVOIR.—The project for Helm Reservoir, Skillet Fork of the Wabash River, Illinois, authorized by section 203 of the Flood Control Act of 1968 (Public Law 90-483, as part of the Wabash River Basin comprehensive plan.

(b) ILLINOIS: LINCOLN DAM.—The project for Lincoln Dam and Reservoir, Wabash River, Illinois and Indiana, authorized by section 204 of the Flood Control Act of 1965 (Public Law 89-298).

(c) INDIANA: BIG BLUE DAM.—The project of Big Blue Dam, Big Blue River, Indiana, authorized by section 203 of the Flood Control Act of 1968 (Public Law 90-483).

(d) ILLINOIS: ILLINOIS RIVER DUPLICATE LOCKS.—The project for the Illinois Waterway, Illinois and Indiana, authorized by section 101 of the River and Harbor Act of 1962 (Public Law 87-874).

(e) VIRGINIA: NANSEMOND RIVER.—The portion of the project for the Nansemond River, Virginia, from the United States Highway 640 Bridge at Suffolk, Virginia, to the upstream project limits at river mile 18.66, a distance of approximately two thousand five hundred feet, authorized by the first section of the Act entitled "An Act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and other purposes", approved August 11, 1888 (25 Stat. 410), and modified by the first section of the Act entitled "An Act authorizing the con-

struction, repair, and preservation of certain public works on rivers and harbors, and for other purposes", approved July 3, 1930 (46 Stat. 922).

(f) INDIANA: CLIFTY CREEK DAM.—The project for the Clifty Creek Dam, Clifty Creek, Indiana, authorized by section 204 of the Flood Control Act of 1965 (Public Law 89-298).

(g) DELAWARE-MARYLAND-VIRGINIA: INTRACOASTAL WATERWAY.—The project for the Delaware Bay, Delaware, to Cape Charles, Chesapeake Bay, Virginia, Intracoastal Waterway, authorized under the terms of section 201 of the Flood Control Act of 1965 (Public Law 89-298).

(h) MARYLAND: SIXES BRIDGE.—The project for Sixes Bridge Dam and Lake, Maryland, authorized by section 85 of the Water Resources Development Act of 1974 (Public Law 93-251).

SEC. 4. (a) The consent of Congress is hereby given to the City of Boston to construct, maintain, and operate a fixed-span bridge in and over the water of the Fort Point Channel, Boston, Massachusetts, lying between the northeasterly side of the existing Summer Street Bridge and the northeasterly side of the existing Northern Avenue Bridge.

(b) Work shall not be commenced on such bridge until the location and plans therefor are submitted to and approved by the Secretary of Transportation.

(c) Any project heretofore authorized by an Act of Congress, insofar as such project relates to the above described portions of Fort Point Channel, is hereby abandoned.

(d) In approving the location and plans of any bridge, the Secretary of Transportation may impose any specific conditions relating to the maintenance and operation of the structure which may be deemed necessary in the interest of public navigation.

SEC. 5. The project for the Sandridge Dam and Reservoir, Ellicott Creek, New York, for flood protection and other purposes as authorized in section 201 of the Flood Control Act of 1970 is hereby modified to authorize the Secretary of the Army, acting through the Chief of Engineers, to construct a combination of channel enlargement work and diversion channels along Ellicott Creek mostly in the town of Amherst in accordance with the report of the Chief of Engineers dated April 2, 1979, except that cost sharing for such project shall be as provided in the report of the Board of Engineers for Rivers and Harbors dated July 20, 1978, at an estimated cost of $13,200,000.

SEC. 6. (a) The lock authorized by section 114 of the Water Resources Development Act of 1976 (Public Law 94-587), as a replacement for Vermilion Lock, Louisiana, shall hereafter be known as Leland Bowman Lock. Any law, regulation, map, document, or record of the United States which refers to such lock shall hereafter be held and considered to refer to such lock as "Leland Bowman Lock".

(b) The dam and reservoir on the Salt River, Missouri, known as the Clarence Cannon Dam and Reservoir, authorized by section 203 of the Flood Control Act of 1962 (Public Law 87-874) as the Joanna Reservoir, shall hereafter be known as the Clarence Cannon Dam and Mark Twain Lake. Any law, regulation, map, document, or record of the United States in which such dam and reservoir are referred to shall be held and considered to refer to such dam as the Clarence Cannon Dam and to such reservoir as the Mark Twain Lake, respectively.

SEC. 7. (a) The consent of Congress is hereby given to the city of Tampa, Florida or its designee, to construct and maintain two fixed-span bridges in and over the waters of the Garrison Channel, Tampa, Florida; one bridge to be at or adjacent to the site of the existing bascule railroad bridge and the other bridge to be at the site of the southerly extension of Franklin Street. Work shall not be commenced on such bridges until the location and plans therefor are submitted to and approved by the Secretary of Transportation.

(b) In the case of any project authorized before the date of enactment of this Act which relates to that portion of Garrison Channel from the point of intersection of the easterly right-of-way line of the existing railroad bridge with the existing pierhead and bulkhead line on the north side of Garrison Channel, westward to, but not to include the turning basin at the junction of Garrison and Seddon Channels, the authorization relating to such portion of Garrison Channel shall be terminated upon approval by the Secretary of Transportation of the location and plans for the first of the bridges refered to in subsection (a) of this section.

(c) Any project authorized before the date of enactment of this Act as it relates to the construction and maintenance of Seddon Channel, is hereby modified to provide for a channel 200 feet wide by 12 deep from the junction of Sparkman and Seddon Channels northwesterly to its intersection with the Federal navigation project for the Hillsborough River.

(d) In approving the location and plans of any bridge under this section, the Secretary of Transportation may impose any specific conditions relating to the maintenance and operation of the structure which the Secretary deems necessary in the interest of public navigation.

SEC. 8. No houseboat, floating cabin, marina (including any with sleeping facilities), dock, cabin, or other structure of a permanent nature shall be required to be removed before December 31, 1989, from any Federal water resources reservoir or lake project administered by the Secretary of the Army, acting through the Chief of Engineers, on which it was located on the date of enactment of this Act, if such property is maintained in usable condition.

Mr. YOUNG of Missouri (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

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

There was no objection.

The amendment in the nature of a substitute was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in the RECORD in support of the Senate bill, S. 1493, just passed.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF HOUSE CONCURRENT RESOLUTION 178

Mr. OBERSTAR. Mr. Speaker, I ask unanimous consent to remove my name from cosponsorship of House Concurrent Resolution 178.

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

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. CARMAN (at the request of Mr. MICHEL), for today, on account of a death in the family.

Mr. MADIGAN (at the request of Mr. MICHEL), for today and the balance of the week, on account of illness in the family.

Mr. MONTGOMERY (at the request of Mr. WRIGHT), for today (legislative day of November 20), on account of medical reasons.

Mr. SILJANDER (at the request of Mr. MICHEL), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. HOYER) to revise and extend their remarks and include extraneous material:)

Mr. EDWARDS of California, for 60 minutes, today.

Mr. PEPPER, for 5 minutes, today.

Mr. PATMAN, for 5 minutes, today.

Mr. BINGHAM, for 10 minutes, today.

(The following Members (at the request of Mr. HARTNETT) and to include extraneous matter:)

Mrs. SMITH of Nebraska, for 5 minutes, today.

Mr. GINGRICH, for 60 minutes, today.

(The following Member (at the request of Mr. PATMAN) to revise and extend his remarks and include extraneous material:)

Mr. COELHO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DICKS, prior to the vote on the motion to commit House Joint Resolution 368.

Mr. OBERSTAR and to include extraneous matter notwithstanding the fact

that it exceeds two pages of the RECORD and is estimated by the Public Printer to cost $1,320.

(The following Members (at the request of Mr. HARTNETT) and to include extraneous material:)

Mr. WHITEHURST.
Mr. NAPIER.
Mr. LEWIS.
Mr. HANSEN in four instances.
Mr. SMITH of New Jersey.
Mr. GILMAN in two instances.
Mr. MCEWEN.
Mr. PARRIS.
Mr. GOODLING.
Mr. FINDLEY in three instances.
Mr. DANNEMEYER.
Mr. HYDE.
Mr. FRENZEL in six instances.
Mr. SNYDER.
Mr. SAWYER.
Mr. EMERSON.
Mr. JEFFORDS.
Mr. NELLIGAN.
Mr. PHILIP M. CRANE.

(The following Members (at the request of Mr. HOYER) and to include extraneous matter:)

Mr. ALBOSTA.
Mr. EDWARDS of California in two instances.
Mr. WASHINGTON.
Mrs. SCHROEDER.
Mr. KASTENMEIER.
Mr. FAUNTROY in two instances.
Mr. LELAND.
Mr. BENJAMIN.
Mr. SOLARZ.
Mr. FORD of Tennessee.
Mr. JOHN L. BURTON in two instances.
Mr. MCDONALD in five instances.
Ms. OAKAR.
Mr. PEPPER.
Mr. LUNDINE.
Mr. NOWAK.
Mr. EDGAR in two instances.
Mr. SWIFT.
Mr. FORD of Michigan.
Mr. DORGAN of North Dakota.
Mr. LAFALCE in two instances.
Mr. PEASE.
Mr. WEISS.
Mr. GAYDOS.

(The following Members (at the request of Mr. YOUNG of Missouri) and to include extraneous matter:)

Mr. MINISH.
Mr. FORD of Michigan.
Mr. FRANK.
Mr. GAYDOS.
Mr. GEPHARDT.
Mr. JOHN L. BURTON.
Mr. MCDONALD in five instances.
Mr. OBERSTAR.

ENROLLED JOINT RESOLUTIONS SIGNED

Mr. HAWKINS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled joint resolutions of the House of the following titles, which were thereupon signed by the Speaker:

H.J. Res. 357. Joint resolution making further continuing appropriations for the fiscal year 1982, and for other purposes; and

By the SPEAKER pro tempore:

H.J. Res. 368. Joint resolution making further continuing appropriations for the fiscal year 1982.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. HAWKINS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H.R. 3413. An act to authorize appropriations for the Department of Energy for national security programs for fiscal year 1982, and for other purposes;

H.R. 3454. An act to authorize appropriations for fiscal year 1982 for the intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, and for the Central Intelligence Agency retirement and disability system, to authorize supplemental appropriations for fiscal year 1981 for the intelligence and intelligence-related activities of the U.S. Government, and for other purposes;

H.R. 4144. An act making appropriations for energy and water development for the fiscal year ending September 30, 1982, and for other purposes;

H.R. 4522. An act making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending September 30, 1982, and for other purposes; and

H.J. Res. 357. Joint resolution making further continuing appropriations for the fiscal year 1982, and for other purposes.

ADJOURNMENT

Mr. YOUNG of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to.

The SPEAKER pro tempore. Pursuant to the provisions of House Concurrent Resolution 228, 97th Congress, the Chair declares the House adjourned until 12 o'clock noon, November 30, 1981.

Thereupon (at 5 o'clock and 50 minutes p.m.), pursuant to House Concurrent Resolution 228, the House adjourned until Monday, November 30, 1981, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2568. A letter from the Comptroller General of the United States, transmitting his review of the deferrals of budget authority contained in the message from the President dated October 20, 1981 (House Document No. 97-102), pursuant to section 1014(b) of Public Law 93-344 (H. Doc. No. 97-116); to the Committee on Appropriations and ordered to be printed.

2569. A letter from the Secretary of the Army, transmitting the annual report of the U.S. Soldiers' and Airmens' Home for fiscal year 1980, together with the report of the annual general inspection of the home, 1981, by the Inspector General of the Army, pursuant to sections 1 and 2 of the act of March 3, 1883; to the Committee on Armed Services.

2570. A letter from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

2571. A letter from the Secretary of the Interior, transmitting a report by the National Academy of Sciences on surface coal mining in Alaska, pursuant to section 708 of Public Law 95-87; to the Committee on Interior and Insular Affairs.

2572. A letter from the Clerk, U.S. Court of Claims, transmitting a copy of the court's judgment order in Docket No. 87-C, *The Pyramid Lake Tribe of the Pyramid Lake Reservation* v. *The United States*; to the Committee on Interior and Insular Affairs.

2573. A letter from the Administrator of Veterans Affairs, transmitting a report covering fiscal year 1981 on the nature and disposition of all cases in which an institution, approved for veterans benefits, utilizes advertising, sales or enrollment practices which are erroneous, deceptive or misleading, pursuant to 38 U.S.C. 1796(d); to the Committee on Veterans' Affairs.

2574. A letter from the Secretary of Health and Human Services, transmitting a summary report on the assessment of current State practices in day care programs funded under title XX of the Social Security Act, pursuant to section 1001(c) of Public Law 96-499; to the Committee on Ways and Means.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PICKLE (for himself and Mr. CONABLE):

H.R. 5102. A bill to require a two-thirds vote of each House of Congress (except in a state of emergency) to pass a joint resolution to continue appropriations for departments, agencies, and other entities of the Federal Government pending the passage of appropriation acts for such departments, agencies, and other entities; to the Committee on Rules.

By Mr. MINETA (for himself and Mr. HOWARD, Mr. CLAUSEN, and Mr. SNYDER):

H.R. 5103. A bill to terminate functions of the Civil Aeronautics Board and to transfer certain functions of the Board to the Secretary of Transportation, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. RAILSBACK:

H.R. 5104. A bill to amend title 28, United States Code, to authorize the Attorney General to acquire and exchange information to assist Federal, State, and local officials in the identification of certain deceased individuals and in the location of missing children and other specified individuals; to the Committee on the Judiciary.

By Mr. RITTER:

H.R. 5105. A bill to require all nationals of Communist countries to register with the Attorney General before engaging in certain activities involving Members of Congress and congressional employees; to the Committee on the Judiciary.

By Mr. WHITTEN:

H.J. Res. 368. Joint resolution making further continuing appropriations for the fiscal year 1982; considered, amended, and passed.

By Mr. WRIGHT:

H. Con. Res. 228. Concurrent resolution providing for an adjournment of the House from November 23 to November 30, 1981, and an adjournment of the Senate from November 24 or November 25 to November 30, 1981; considered and agreed to.

By Mr. MINISH:

H. Con. Res. 229. Concurrent resolution calling upon the Union of Soviet Socialist Republics to end the current policies of Jewish emigration discrimination and anti-Semitism and expressing the sense of the Congress that the dramatic decline of Jewish emigration from the Union of Soviet Socialist Republics is morally reprehensible; to the Committee on Foreign Affairs.

By Mr. WRIGHT:

H. Res. 285. Resolution electing the Honorable Thomas S. Foley as Speaker pro tempore during the absence of the Speaker; considered and agreed to.

MEMORIALS

Under clause 4 of rule XXII,

225. The SPEAKER presented a memorial of the Legislature of the Territory of Guam, relative to national tuition tax credit legislation; to the Committee on Ways and Means.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 25: Mr. CAMPBELL and Mr. DREIER.

H.R. 316: Mr. EMERSON, Mr. SMITH of Pennsylvania, Mr. OXLEY, Mr. MCCLORY, Mr. ROBERTS of South Dakota, Mr. SMITH, of Oregon and Mr. LEBOUTILLIER.

H.R. 756: Mr. PARRIS.

H.R. 1564: Mrs. SCHNEIDER.

H.R. 1603: Mr. PHILIP M. CRANE and Mr. MCCLOSKEY.

H.R. 1776: Mr. ANTHONY and Mr. DECKARD.

H.R. 1813: Mr. KOGOVSEK, Mr. MURPHY, Mr. PEPPER, Mr. CORRADA, Mr. OTTINGER, Mr. WON PAT, Mr. CONYERS, Mr. MCDADE, Mr. GEPHARDT, Mr. SIMON, Mr. MARKEY, Mr. SAVAGE, and Mr. FITHIAN.

H.R. 2102: Mr. SMITH of New Jersey, Mr. DERWINSKI, Mr. CORRADA, Mr. BLILEY, Mr. GINGRICH, Mr. KINDNESS, Mr. PORTER, Mr. SAWYER, Mr. WORTLEY, Mr. HUGHES, Mr. JEFFORDS, Mr. MITCHELL of New York, and Mr. FORSYTHE.

H.R. 2414: Mr. COATS, Mr. RAILSBACK, Mr. FISH, and Mr. BENEDICT.

H.R. 2488: Mr. MOLLOHAN and Mr. ENGLISH.

H.R. 3008: Mr. EDWARDS of California and Mr. GRAY.

H.R. 3117: Mr. BROOKS, Mr. SMITH of New Jersey, Mr. SCHUMER, Mr. MATSUI, Mr. FORSYTHE, Mr. LELAND, Mr. SUNIA, Mr. MILLER of California, Mr. GUARINI, Mr. HUGHES, Mr. BINGHAM, Mr. WHITEHURST, Mr. PORTER, Mr. DWYER, Mr. BEVILL, and Mr. PEPPER.

H.R. 3252: Mr. JACOBS, Mrs. BYRON, Mr. AKAKA, Mrs. HECKLER, Mr. BEREUTER, Mr. LOWERY of California, Mr. WIRTH, Mr. EDGAR, Mr. DENARDIS, Mr. MILLER of Ohio, Mrs. FENWICK, Mr. SMITH of Alabama, Mr. CHENEY, Mr. BRODHEAD, Mr. DANIEL B. CRANE, Mr. WEBER of Ohio, Mrs. SNOWE, AND Mr. RUDD.

H.R. 3671: Mr. EDWARDS of Alabama.

H.R. 3781: Mr. ADDABBO, Mr. ARCHER, Mr. BENJAMIN, Mr. BINGHAM, Mr. BONIOR of Michigan, Mr. CHAPPELL, Mr. CORCORAN, Mr. COUGHLIN, Mr. JAMES K. COYNE, Mr. DANIEL B. CRANE, Mr. D'AMOURS, Mr. DENARDIS, Mr. DICKS, Mr. DOWNEY, Mr. DUNN, Mr. DWYER, Mr. EDGAR, Mr. ENGLISH, Mr. FASCELL, Mr. FAZIO, MS. FERRARO, Mr. FOGLIETTA, Mr. FRANK, Mr. GEJDENSON, Mr. GIBBONS, Mr. GINN, Mr. GRADISON, Mr. GRISHAM, Mr. GUARINI, Mr. HOPKINS, Mr. HOWARD, Mr. HUBBARD, Mr. HUTTO, Mr. JACOBS, Mr. KOGOVSEK, Mr. LAFALCE, Mr. LEACH of Iowa, Mr. LEHMAN, Mr. LUJAN, Mr. MCKINNEY, Mr. MADIGAN, Mr. MATSUI, Mr. MAVROULES, Mr. MAZZOLI, Mr. MICA, Mr. MILLER of California, Mr. MINISH, Mr. MITCHELL of New York, Mr. MOTTL, Mr. MURPHY, Mr. NEAL, Mr. PEPPER, Mr. PEYSER, Mr. RICHMOND, Mr. RINALDO, Mr. ROE, Mr. ROSENTHAL, Mrs. ROUKEMA, Mr. SCHEUER, Mr. SEIBERLING, Mr. SHAW, Mr. SKEEN, Mr. SMITH of Alabama, Mr. SMITH of New Jersey, Mr. STENHOLM, Mr. STUDDS, Mr. WEAVER, Mr. WOLPE, Mr. YATES, Mr. YOUNG of Missouri, Mr. ZEFERETTI, Mr. YATRON, Mr. MARKEY, Mr. PURSELL, Mrs. MARTIN of Illinois, Mrs. SNOWE, Mr. YOUNG of Florida, and Mr. IRELAND.

H.R. 3861: Mr. PAUL.

H.R. 4004: Mr. PATTERSON.

H.R. 4313: Mr. HAMILTON, Mr. PATTERSON, and Mr. ROBINSON.

H.R. 4326: Mr. MITCHELL of New York, Mr. DYSON, Mr. STOKES, Mr. MYERS, Mr. COATS, Mr. FORSYTHE, Mrs. BOUQUARD, Mr. CONYERS, Mr. HAGEDORN, Mr. MCEWEN, Mr. OTTINGER, and Mr. GREGG.

H.R. 4362: Mr. JEFFRIES.

H.R. 4382: Mr. LEBOUTILLIER.

H.R. 4398: Mr. HAMILTON.

H.R. 4418: Mr. PHILIP M. CRANE.

H.R. 4443: Mr. GEJDENSON.

H.R. 4449: Mr. MILLER of Ohio, Mr. JAMES K. COYNE, and Mr. NAPIER.

H.R. 4454: Mr. BAILEY of Missouri, Mr. BARNARD, Mr. BEARD, MR. BLILEY, Mr. BRODHEAD, Mr. COATS, Mr. COURTER, Mr. JAMES K. COYNE, Mr. DAVIS, Mr. DICKS, Mr. DUNN, Mr. EVANS of Georgia, Mr. FISH, Mr. GINGRICH, Mr. GRAMM, Mr. RALPH M. HALL, Mr. SAM B. HALL, Jr., Mr. HANCE, Mr. HIGHTOWER, Mr. HUNTER, Mr. MOLINARI, and Mr. STATON of West Virginia.

H.R. 4467: Mr. RUSSO and Mr. FOGLIETTA.

H.R. 4545: Mr. PERKINS, Mr. MOFFETT, Mr. RAHALL, Mr. BARNARD, and Mr. DASCHLE.

H.R. 4554: Mr. FRENZEL and Mr. ROSE.

H.R. 4555: Mr. GUNDERSON and Mr. MCDADE.

H.R. 4562: Mr. WEISS.

H.R. 4572: Mr. HOLLAND and Mr. RAHALL.

H.R. 4576: Mr. HIGHTOWER, Mr. WORTLEY, and Mrs. SNOWE.

H.R. 4587: Mr. OTTINGER.

H.R. 4593: Mr. FORD of Tennessee, Mr. DUNCAN, Mr. LANTOS, MS. MIKULSKI, Mr. GUARINI, and Mr. SCHUMER.

H.R. 4596: Mr. LEACH of Iowa, Mr. OBERSTAR, Mr. LANTOS, Mr. RATCHFORD, Mrs. SCHROEDER, Mr. LOWRY of Washington, Mr. FRANK, Mr. MITCHELL of Maryland, Mr. FRENZEL, Mr. FAUNTROY, Mr. OTTINGER, Mr. BARNES, Mr. HARKIN, Mr. EDGAR, Mr. GEJDENSON, Mr. SHAMANSKY, Mr. MURPHY, Mr. BINGHAM, Mr. HAMILTON, Mr. PICKLE, Mrs. CHISHOLM, Mr. YATRON, and Mr. CROCKETT.

H.R. 4617: Mr. SCHUMER and Ms. OAKAR.

H.R. 4645: Mr. HUTTO.

H.R. 4686: Mr. GUARINI and Mr. JEFFORDS.

H.R. 4705: Mr. SMITH of Pennsylvania, Mrs. BOUQUARD, Mr. DANNEMEYER, Mr. WHITEHURST, Mr. BARNARD, and Mr. MARTIN of New York.

H.R. 4763: Mr. DAUB.

H.R. 4784: Mr. BEDELL, Mrs. CHISHOLM, Mrs. COLLINS of Illinois, Mr. CORRADA, Mr. FAZIO, Mr. FLORIO, Mr. FORSYTHE, Mr. GUARINI, Mr. HORTON, Mr. MCEWEN, Mr. MINISH, Mr. MITCHELL of New York, Mr. NAPIER, Mr. NEAL, Mr. RAHALL, Mr. ROBERTS of South Dakota, Mr. ROE, Mr. SCHEUER, and Mr. VENTO.

H.R. 4786: Mr. DICKINSON, Mr. FLIPPO, Mr. YOUNG of Alaska, Mr. BETHUNE, Mr. SHAW, Mr. COATS, Mr. ROGERS, Mr. ROEMER, Mr. EMERY, Mrs. HOLT, Mr. WEBER of Minnesota, Mrs. ROUKEMA, Mr. MOLINARI, Mr. MITCHELL of New York, Mr. KEMP, Mr. EDWARDS of Oklahoma, Mr. WALKER, Mr. RALPH M. HALL, Mr. PETRI, Mrs. MARTIN of Illinois, Mr. MYERS, and Mr. HILLIS.

H.R. 4808: Mr. MCCLOSKEY, Mr. BEDELL, Mr. EDGAR, and Mr. ROBERTS of South Dakota.

H.R. 4815: Mr. PERKINS.

H.R. 4862: Mr. CORRADA and Mr. IRELAND.

H.R. 4865: Mr. SMITH of Pennsylvania, Mrs. ROUKEMA, Mrs. FENWICK, Mr. MINISH, Mr. SMITH of New Jersey, Mr. RINALDO, Mr. FORSYTHE, Mr. MCKINNEY, and Mr. LAGOMARSINO.

H.R. 4869: Mr. MOTTL, Mr. FRENZEL, Mr. ROE, and Mr. WILLIAMS of Ohio.

H.R. 4898: Mr. PETRI, Mr. FORSYTHE, Mr. SUNIA, Mr. LEBOUTILLIER, Mr. GRISHAM, Mr. STUMP, and Mr. DINGELL.

H.R. 4899: Mr. HUGHES, Mr. SMITH of Pennsylvania, Mr. WHITEHURST, Mr. SCHEUER, Mr. ROE, Mr. MOTTL, Mr. STATON, of West Virginia, Mr. ALEXANDER, Mr. AKAKA, Mr. BAILEY of Missouri, Mr. BEARD, Mr. VANDER JAGT, Mr. RAHALL, Mr. BONER of Tennessee, Mr. BRODHEAD, Mr. FAZIO, Mr. WORTLEY, Mr. WON PAT, Mr. MONTGOMERY, Mr. YOUNG of Alaska, Mr. WEISS, Mr. WINN, Mr. BOLAND, Mrs. BOUQUARD, Mr. TAUZIN, Mr. SUNIA, Mr. STANGELAND, Mr. BROWN of Colorado, Ms. MIKULSKI, Mr. WIRTH, Mr. SOLARZ, Mr. WALGREN, Mr. LUNGREN, Mr. WILLIAM J. COYNE, Mr. SIMON, Mr. STENHOLM, Mr. NICHOLS, Mr. FRENZEL, Mr. BEREUTER, Mr. YOUNG of Missouri, Mr. MATSUI, Mr. MAVROULES, Mr. UDALL, Mr. CLAUSEN, Mr. PURSELL, Mr. RICHMOND, Mr. MITCHELL of New York, Mr. MAZZOLI, Mr. BAILEY of Pennsylvania, Mr. ADDABBO, Mr. FISH, Mr. PASHAYAN, Mr. WHITTAKER, Mr. NEAL, Mr. BEDELL, Mr. WEBER of Ohio, and Mr. SILJANDER.

H.R. 4928: Mrs. FENWICK.

H.R. 4930: Mr. ANTHONY, Mr. BEVILL, Mr. BRINKLEY, Mr. FINDLEY, Mr. FORD of Michigan, Mr. FORSYTHE, Mr. GINGRICH, Mr. HOLLAND, Mr. JENKINS, Mr. KINDNESS, Mr. LAGOMARSINO, Mr. MILLER of Ohio, Mr. MITCHELL of Maryland, Mr. NEAL, Mr. PURSELL, Mr. RANGEL, Mr. SHAMANSKY, Mr. SHARP, Mr. DECKARD, Mr. TAUKE, and Mr. MINETA.

H.R. 4952: Mr. BLILEY, Mr. DANNEMEYER, Mr. BENJAMIN, Mr. REGULA, Mr. PARRIS, Mr. DAN DANIEL, Mr. CORCORAN, Mr. ATKINSON, Mr. SMITH of Pennsylvania, Mr. DOUGHERTY, Mr. MURPHY, and Mr. CLINGER.

H.R. 4977: Mr. ADDABBO, Mr. AKAKA, Mr. BAFALIS, Mr. BARNARD, Mr. BARNES, Mr. BEREUTER, Mr. BEVILL, Mr. BROWN of California, Mr. BROYHILL, Mr. BURGENER, Mr. CAMPBELL, Mr. CORRADA, Mr. D'AMOURS, Mr. DANNEMEYER, Mr. DE LA GARZA, Mr. DERWINSKI, Mr. DORNAN of California, Mr. EDWARDS of Oklahoma, Mr. ERDAHL, Mr. EVANS of Georgia, Mr. FARY, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO Mrs. FENWICK, Mr. FIELDS, Mr. FITHIAN, Mr. FORD OF MICHIGAN, Mr. FORSYTHE, Mr. FROST, Mr. GILMAN, Mr. GINN, Mr. GOODLING, Mr. GORE, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEBOUTILLIER, Mr. LEHMAN, Mr. LIVINGSTON, Mr. LOWERY of California, Mr. LUNGREN, Mr. MCDADE, Mrs. MARTIN of Illinois, Mr. MILLER of Ohio, Mr. MINISH, Mr. MOLINARI, Mr. NAPIER, Mr. NEAL, Mr. O'BRIEN, Mr. PANETTA, Mr. PATMAN, Mr. PEPPER, Mr. PETRI, Mr. PEYSER, Mr. RAHALL, Mr. REUSS, Mr. RITTER, Mr. RODINO, Mr. SIMON, Mr. STATON of West Virginia, Mr. SUNIA, Mr. WILSON, Mr. WOLF, Mr. WORTLEY, Mr. YOUNG of Florida, Mr. YOUNG of Alaska, and Mr. ZABLOCKI.

H.R. 5076: Mr. LUNGREN, Mr. YATRON, Mr. ROBERT W. DANIEL, JR., Mr. HORTON, and Mr. JAMES K. COYNE.

H.J. Res. 197: Mr. BARNARD, Mr. BOLAND, Mr. CRAIG, Mr. DORNAN of California, Mr. FOLEY, Mr. FORD of Michigan, Mr. GEJDENSON, Mr. GILMAN, Mr. HERTEL, Mr. HOLLENBECK, Mr. HOWARD, Mr. JACOBS, Mr. KOGOVSEK, Mr. LEACH of Iowa, Mr. LOWRY of Washington, Mr. MCGRATH, Mr. PAUL, Mr. RATCHFORD, Mr. ROTH, Mr. SAVAGE, Mr. SKEEN, Mr. WALGREN, and Mr. WILLIAMS of Ohio.

H.J. Res. 293: Mr. HOYER, Mr. LEACH of Iowa, Mr. DAUB, and Mr. LEWIS.

H.J. Res. 323: Mrs. SCHNEIDER.

H.J. Res. 334: Mr. WAMPLER and Mr. DAUB.

H.J. Res. 350: Mr. FOWLER, Mr. CLINGER, Mr. CHENEY, Mr. GIBBONS, and Mr. HANCE.

H.J. Res. 354: Mr. GILMAN, Mr. JEFFORDS, Mr. ADDABBO, Mr. ROBERTS of Kansas, Mr. EMERSON, Mr. FOGLIETTA, Mr. SCHEUER, Mr. SKEEN, Mr. NAPIER, Mr. DUNN, Mr. SMITH of Pennsylvania, Mr. LAGOMARSINO, Mr. ROE, Mr. ROBERTS of South Dakota, Mr. PASHAYAN, Mr. BARNARD, Mr. SKELTON, Mr. LEBOUTILLIER, and Mr. WAXMAN.

H.J. Res. 360: Mr. HUGHES, Mr. HOYER, and Mr. ZABLOCKI.

H. Con. Res. 77: Mr. OBERSTAR, Mr. RICHMOND, Mr. AUCOIN, Mr. JACOBS, Mr. BINGHAM, Mr. FAUNTROY, Mr. SCHEUER, Mr. WEISS, Mr. HOLLENBECK, Mr. BAILEY of Pennsylvania, Mr. MAZZOLI, Ms. OAKAR, Mr. DWYER, Mr. MCKINNEY, Mr. BEDELL, Mr. GILMAN, Mr. PATTERSON, Mr. FRANK, Mr. MINETA, and Mr. GORE.

H. Con. Res. 151: Mr. ROSENTHAL and Mr. MATSUI.

H. Con. Res. 178: Mr. CARNEY and Mr. ROSE.

H. Con. Res. 196: Mr. PATTERSON.

H. Con. Res. 205: Mr. ST GERMAIN, Mr. BROWN of California, Mr. DREIER, Mr. ECKART, Mr. SABO, Mr. HARKIN, and Ms. OAKAR.

H. Con. Res. 214: Mr. MCCLORY, Mr. DREIER, Mr. MONTGOMERY, Mr. JONES of Tennessee, Mr. FASCELL, Mr. ROBERT W. DANIEL, JR., Mr. HALL of Ohio, Mr. COURTER, Mr. RAILSBACK, Mr. TAUZIN, Mr. GUARINI, Mr. MOLLOHAN, Mr. GINN, Mr. LOEFFLER, Mr. CHAPPELL, Mr. NEAL, Mr. MCEWEN, Mr. SMITH of Pennsylvania, Mr. EVANS of Indiana, and Mr. DAN DANIEL.

H. Con. Res. 219: Mr. KEMP, Mr. BROOMFIELD, Mr. DORNAN of California, Mr. LEBOUTILLIER, Mr. ROSENTHAL, Mr. COURTER, Mr. WEBER of Ohio, Mr. HYDE, Mr. PEPPER, Mr. WEBER of Minnesota, Mr. FORSYTHE, Mr. BROWN of Colorado, Mr. SOLARZ, Mr. RODINO, Mr. HUNTER, Mr. HOWARD, Mr. WALKER, Mr. EDWARDS of Oklahoma, Mr. BRODHEAD, Mr. ARCHER, Mr. GILMAN, Mr. RINALDO, Mr. SMITH of Pennsylvania, Mr. MCEWEN, Mr. ATKINSON, Ms. FIEDLER, Mr. WILSON, Mr. FITHIAN, Mr. BLANCHARD, Mr. LEHMAN, Mr. BEARD, Mr. MAVROULES, Mrs. SCHROEDER, Mr. FROST, Mr. CORCORAN, Mr. LOWERY of California, Mr. FISH, Mr. GLICKMAN, Mr. WAXMAN, Mr. FLORIO, Mr. ROE, Mrs. ROUKEMA, Mr. DWYER, Mr. GUARINI, Mr. HOLLENBECK, Mr. PRITCHARD, Mrs. SNOWE, Mr. SMITH of Alabama, Mr. OBERSTAR, Mr. PORTER, Mr. SILJANDER, Mr. GRADISON, Mr. LENT, Mr. WYDEN, Mr. DOUGHERTY, Mr. GRAY, Mr. MINISH, Mr. FAUNTROY, Mr. HALL of Ohio, Mr. BARNES, Mr. BINGHAM, Mrs. FENWICK, Mr. PHILIP M. CRANE, Mr. SCHEUER, Mr. KOGOVSEK, and Ms. MIKULSKI.

H. Con. Res. 225: Mr. GOODLING and Mr. JEFFORDS.

H. Res. 233: Mr. KEMP and Mr. HOLLENBECK.

H. Res. 239: Mr. ANTHONY, Mr. EMERY, Mr. BARNES, Mr. WEBER of Ohio, Mr. OTTINGER, Mr. SYNAR, Mr. FITHIAN, and Mr. PATTERSON.

H. Res. 243: Mr. BIAGGI, Mrs. BYRON, Mr. COATS, Mr. ENGLISH, Mr. GOODLING, Mr. HUBBARD, Mr. JACOBS, Mr. LEE, Mr. LOEFFLER, Mr. MCCLORY, Mr. MARTIN of New York, Mr. MINISH, Ms. OAKAR, Mr. OTTINGER, Mr. ROUSSELOT, and Mr. WOLF.

H. Res. 252: Mr. BONER of Tennessee, Mr. FOGLIETTA, Mr. GORE, Mr. BINGHAM, Mr. SCHEUER, Mr. WEAVER, Mr. SHANNON, Mr. ERDAHL, Mr. MAVROULES, Mr. HAWKINS, Mr. WEISS, Mr. WYDEN, Mr. MITCHELL of Maryland, Mr. SEIBERLING, Mr. KASTENMEIER, Mr. FAZIO, Mr. GIBBONS, Mr. GRAY, Mr. WILLIAM J. COYNE, Mr. GILMAN, Mr. DELLUMS, Mr. AUCOIN, Mr. JOHN L. BURTON, Mr. FRANK, Mr. OTTINGER, Mr. COURTER, Mr. REUSS, Mr. EDWARDS of California, Mr. JAMES K. COYNE, Mr. PHILLIP BURTON, Mr. YATES, Mr. ROSENTHAL, Mr. LUNDINE, Mr. GUNDERSON, Mr. GREGG, Mr. MARKEY, Mr. GUARINI, Mr. DICKS, Mr. WIRTH, Mr. MINISH, Mr. EMERY, Mr. GREEN, Mr. FLORIO, and Mr. FITHIAN.

H. Res. 264: Mr. LUNGREN and Mr. OXLEY.

H. Res. 265: Mr. HOWARD, Mr. ROBERTS of Kansas, Mr. BROWN of Colorado, Mr. GLICKMAN, Mr. YATRON, Mr. MORRISON, Mr. LAGOMARSINO, Mr. DERWINSKI, Mr. FORSYTHE, Mr. MOORE, Mr. LEBOUTILLIER, and Mr. WHITTAKER.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H. Con. Res. 178: Mr. OBERSTAR.

EXTENSIONS OF REMARKS

CRITICAL VIEW OF FEDERAL SOIL CONSERVATION POLICY

HON. GEORGE E. BROWN, JR.
OF CALIFORNIA
IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. BROWN of California. Mr. Speaker, I had an opportunity November 9 to address the Sixth Annual Midwestern Conference of Food, Agriculture, and Public Policy in South Sioux City, Nebr.

This excellent conference included panels on a number of issues of great concern to me, including one on Federal soil conservation policy. A particularly provocative presentation was made by Dr. Arnold Miller, formerly of the U.S. Department of Agriculture's Office of Budget and Planning Evaluation.

The remarks of Dr. Miller raise a number of serious questions about the soundness of the recently released Resources Conservation Act (RCA) soil and water resources conservation program. While the views of Dr. Miller on this matter may appear to some of my colleagues as extreme, they nonetheless deserve congressional attention because of Dr. Miller's extensive experience as a conservation program analyst in USDA throughout the 3-year period during which the RCA program was developed.

The text of Dr. Miller's speech follows:

Approaching Soil Conservation as Though Resources Mattered

(By Arnold Miller)

Federal programs for the conservation of soil and water resources used in agriculture have spanned nearly five decades. They have cost the Federal Treasury at least $60 billion at current prices. Outlays by farmers and local and state programs add additional billions to this figure. Yet the erosion problem continues. We are told it is likely to get worse. We are also told that solving the problem would be "prohibitively expensive," that the cost would be "horrendous." The facts of the matter, however, do not support this conclusion.

Very significant progress can be made in reducing erosion within one year. Solutions are available now. Solutions that cost no more than current programs, and probably less. These conclusions are based on three key elements of conservation policy:

1. The nature and extent of the erosion problem;
2. Our technical ability to solve it; and
3. Past and prospective tools and objectives of conservation policy.

THE EROSION PROBLEM

No one denies that we have an erosion problem; but the manner in which the problem is described can make a great difference, particularly if we intend to solve it. Quoting national average erosion rates or certain other aggregate figures can be an inadequate, if not deceptive, approach. Understanding the erosion problem requires taking a broad view, evaluating each piece of the land base to determine what things are like now and what erosion might be if things were different.

In 1977, the Soil Conservation Service did one of the best things it has ever done. It surveyed the erosion problem using techniques far superior to those used in earlier inventories of conservation needs. The 1977 National Resource Inventory gives policymakers virtually the same information by which to set national policy as is used by SCS to make conservation plans for individual farms.

Erosion on cultivated land is by far the most serious problem if our concern is with food and fiber production. On most cultivated land, sheet and rill erosion is much more serious than wind erosion. This is because most of the country gets enough rain that soil is too wet and well-protected to blow.

Looking at the sheet and rill erosion recorded in the SCS erosion inventories can be revealing. It can be very revealing if one groups soil into sets that are uniform with respect to the combined impacts of rainfall, erosivity, slope length and slope gradient. Grouping soil in this manner allows comparison of erosion rates on soils that have the same potential for erosion. Once this is done, one can compare erosion rates on soils with the same erosion potential but which have been treated with one or more conservation practices, or none at all.

As a starting point, it is useful to know what the erosion situation would be if no conservation practices were used by farmers on land used to grow row crops and small grains. If all readily available cropland was cultivated using straight rows running directly up and down slopes and without practices to improve crop cover conditions, gross sheet and rill erosion would exceed 3.2 billion tons, considerably more than today. The majority of the cropland, however, would not suffer from significant erosion. Some 66 percent of the cultivated land would erode at rates below the conventional standard of 5 tons per acre, and 81 percent would suffer erosion rates under 10 tons per acre. Even if all cropland were cultivated using no conservation practices, the majority would not suffer significant erosion.

Erosion problems would be very severe, however, on the 5 percent of the land that eroded at rates over 25 percent per acre. They would be severe on the 8 percent of the cropland that eroded of between 15 and 25 tons per acre and they would be moderate on the 6 percent of the cropland that eroded at rates between 10 and 15 tons per acre.

Largely is a concentrated problem; it does not threaten every acre of every farm. Actual and potential erosion problems are and will be concentrated on a relatively small fraction of the cropland base. Fortunately, the vast majority of this Nation's cropland is blessed with gentle slopes and other factors that eliminate erosion as a threat to its productive capacity. The first task of soil conservation policy is to address the erosion problem where it is, rather than where it is not now and will not be in the future.

ABILITY TO CONTROL EROSION

If we know the extent and severity of erosion problems, can we solve them? Do conservation practices act on the physical forces that cause erosion with sufficient power that erosion can be controlled to predetermined levels? Again, the National Resource Inventory gives us answers.

As part of the resource inventory, SCS personnel recorded the number of conservation practices being used on each survey area. Sorting through this information tells us how effective erosion control practices are under actual farm conditions. For example, cultivated land that would erode at 10 tons per acre without treatment was reported as eroding at 8 tons per acre when minimum tillage was used; 6 tons per acre when farmed on the contour; and 5 tons per acre when farmed using terraces and supporting practices.

Those familiar with current policy will note that only one of the erosion rates just quoted was at the so-called maximum tolerable erosion rate. All others were above that rate even though the land had been treated with one or more conservation practices. The rates quoted apply to land that erodes at only 10 tons per acre when not treated for erosion control, far from the most erosive. They suggest that our power to control erosion is strictly limited so long as fragile land is used to grow row crops or small grains.

Of the 337.5 million acres that were cultivated in 1977, 85.9 million had potential for sheet and rill erosion at rates higher than 5 tons per acre when farmed using no conservation practices. A full 70 percent of this land is treated with at least one erosion control practice.

The evidence strongly suggests that it is not possible to cultivate inherently erosive land and hold erosion to predetermined levels using even multiple erosion control practices. Yet this land is responsible for the lion's share of the erosion problem. Unfortunately, current programs attempt to reduce erosion to 5 tons per acre while land remains in cultivation—an unrealistic objective that is used to justify bureaucratic programs that consume far too many resources for the amount of soil they save.

INCENTIVE MECHANISMS

Conservation policy must recognize who gets things done in American agriculture. It is not the bureaucrat, regardless of the level of Government he represents. Clearly, the most powerful productive force in agriculture is the farmer.

I submit that the solution to the erosion problem lies with the strength and initiative of the American farmer. It is futile to attempt to solve the erosion problem by building bureaucratic empires, as the current USDA proposal would do. If the public wants erosion control, we should decide how much we are willing to pay for it and then offer that price to the farmer. If soil can be conserved at that price, it will be done. If it can't, then society would be worse off for insisting on erosion control; it would consume

resources of greater value than those it preserves.

The primary role of the bureaucrat in soil conservation is to ensure that the public gets its money's worth out of the conservation bargain. Properly compensating farmers for reducing soil loss would make the rewards of conservation compete with the rewards of production. Such an approach could make erosion control as abundant as corn production, and at a very reasonable cost.

Rewarding famers for reducing erosion is a radical departure from present policy. In effect, current conservation programs are tantamount to asking farmers to grow a crop for which there is no market. Under the present scheme of things, there may be little economic benefit to farmers or landowners in reducing erosion. The total value of a ton of erosive soil in perpetual corn production is about 73 cents at current prices, but assuming 1.5 percent annual growth in yields. This benefit accrues in small annual increments. It is subject to enormous risk and uncertainty. Moreover, the traditional approach to soil conservation often entails costs that far exceed the long-term public benefits of erosion control. Too often the resources consumed in reducing erosion have greater productive power than the soil they preserve.

Current conservation policy offers free labor services and cost-sharing to do something that yields little, if any, economic benefit to the farmer. That farmers have responded by applying conservation practices to 214.5 million acres of cultivated land is a credit to them. Where existing conservation programs are concerned, however, this figure is a public disgrace Some 70 percent of the practices have been applied to land that has little if any potential for significant erosion. There is reason to believe that too much of the 600 million acres of conservation farm plans that have been prepared over the years amounts to little more than wasteful bureaucratic meddling in farm operations.

COMMENT ON CURRENT PROPOSAL

There is little room for optimism in USDA's recently proposed conservative program. The proposal cuts cost-share incentives to farmers by 41 percent. While these incentives focus farmer attention on using conservation practices rather than actually saving soil, at least they are of the right form.

In contrast, USDA would increase funds for labor intensive conservation bureaucracies by some 60 percent. The department estimates that erosion would be reduced by 126 million tons per year, but entail annual costs in excess of $400 million. If these funds were paid to farmers as compensation for placing acutely erosive land in a soil reserve, a full 58 percent of all excess sheet and rill erosion could be eliminated. Rather than reducing erosion by 126 million tons per year, a reduction in excess of 500 million tons could be achieved. Still greater savings could be obtained if set-asides and acreage-diversion efforts aimed at production adjustment were also targeted at acutely erosive land.●

LATVIAN INDEPENDENCE DAY

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 19, 1981

● Mr. NELLIGAN. Mr. Speaker, 63 years ago on November 18, 1918, the modern Republic of Latvia was established as a free country. Yet it was not until February 1922, that the Latvian Constitution was adopted. The United States granted full recognition to Latvia as an independent country on July 28, 1922.

This independence lasted slightly more that 20 years. In 1940, the country was invaded by—and incorporated into—the Soviet Union, and a puppet government was established. When the Germans invaded in 1941, the Baltic countries of Latvia, Lithuania, and Estonia were combined with Byelorussia into a province known as "Ostland." This arrangement lasted 3 years. Then the Russians retook Latvia. Today, Latvia is an occupied territory of the Soviet Union. In response to this, the United States and other Western powers have maintained a policy of nonrecognition toward forced Latvian annexation into the Soviet Union.

The people of Latvia have much of the free world supporting them, and it is important that we restate our support for the continuing struggle of the Latvian people toward independence. It is important on this day to stress our support, because it is in hope that we will no longer have to mark this day for the celebration of short-lived Latvian independence earlier in this century—but rather a new day, celebrating the final independence of the country.

As a member of the ad hoc committee on the Baltic States and Ukraine, I join with Americans of Latvian descent in the 11th District of Pennsylvania, which I am honored to represent, in reiterating our support for the Latvian people and the determination to suppress unchecked Soviet aggression in the world today.●

CAB SUNSET ACT OF 1981

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. SNYDER. Mr. Speaker, today we are introducing legislation which would sunset the Civil Aeronautics Board 5 months after the bill is signed into law. Most of the functions of the CAB which are now scheduled to terminate on December 31, 1982, would do so 60 days after enactment with the remaining functions being transferred 90 days later.

As my colleagues are aware, the Airline Deregulation Act of 1978 (ADA) adopted a phased timetable for the termination of various CAB functions with a final sunset date of January 1, 1985.

This landmark legislation adopted a rather conservative timetable for the sunset of the CAB because the Congress wanted to assure that the transition to deregulation would proceed smoothly. While the process has not been without its problems, I think most would agree that the aviation community and the traveling public have adjusted quite well to the changes which have accompanied deregulation and that we are ready to accelerate the process.

I want to stress, however, that in doing so we fully realize that there will still be a legitimate Federal role in assuring that the next phase of airline deregulation can proceed as successfully as the first.

Accordingly, we believe it is important to continue a Federal presence in many aspects of domestic air transportation although the statutory responsibility will be exercised, in most cases, by the Department of Transportation. For the most part, the Board's existing regulatory authority as it relates to foreign air transportation will merely be transferred to the Secretary of Transportation.

The legislation which we are introducing today will not affect the first phase-out of the Board's authority as mandated by the ADA other than to extend its provisions to cargo operations. Accordingly, with the exception of the essential air service program, the CAB will no longer have any authority over the regulation of domestic routes effective January 1, 1982.

The bill will, however, make some substantial changes to the sunset provisions regarding the CAB's authority over domestic fares. While the ADA called for this authority to terminate at the close of 1982, this legislation will accelerate the process so that most types of domestic fare regulation will terminate 60 days after the bill is enacted. In light of the substantial fare flexibility which now exists domestically, we see no reason to retain the Board's regulatory authority in this area substantially beyond the date of enactment.

Once the board loses its authority to regulate domestic routes and rates, we believe that sunset should follow as quickly as possible. Most would agree, now that we have had the opportunity to observe how the domestic air transportation system responds in a deregulated environment, that there is little reason to keep the CAB in existence beyond the time when it loses its authority to regulate routes and fares. Accordingly, our bill calls for the

Board to go out of existence 90 days after the termination of domestic rate authority, or 150 days after enactment of this legislation.

Other major provisions in the bill would: First, impose a 2-year period of mandatory price posting which would assist the industry in transitioning from a tariff filing regime; second, retain mandatory joint fares and divisions for 6 years after date of enactment, with the first 3-year period to require that divisions be based on costs; third, transfer to the Secretary of Transportation all authority to approve and immunize intercarrier agreements affecting domestic and foreign air transportation, with authority over domestic intercarrier agreements to expire on January 1, 1986; fourth, retain the Federal Government's general consumer protection authority as well as its authority over unfair and deceptive practices; and fifth, codify existing CAB orders which set fare flexibility zones for foreign air transportation of passengers while allowing the Board (for 5 months)—and subsequently the Secretary of DOT some discretion to change the zones in the future.

In the area of labor protection, the legislation would make substantial changes to the provisions enacted in 1978. First, it would modify the duty to hire provisions of the ADA by making it clear that the airlines' duty to hire is applicable only when an employee loses his job on account of a qualifying dislocation. Second, it would exempt flight deck crewmembers from the right of recall provisions so that if a crewmember is hired by another air carrier, he would not retain his seniority rights or rights of recall with the carrier that furloughed or terminated him. Third, we have extended the applicability of the duty to hire provisions to include all carriers operating aircraft having a passenger capacity in excess of 60 seats and cargo carriers engaging in foreign air transportation operating aircraft with a maximum payload capacity in excess of 18,000 pounds, regardless of when they began operations.

Another related provision dealing with labor protection is also included in the introduced bill. It would require certain carriers, before they could merge, to work out labor protective provisions as good or better than those contained in the so-called Allegheny-Mohawk orders of the CAB, which have been the governing standard in the industry concerning the integration of employee seniority lists, compensation and other related matters. Because these provisons have served the industry well in years past, we believe they should be codified since the CAB would no longer have the authority to approve air carrier mergers under section 408 of the Federal Aviation Act.

Obviously, the issues we have addressed in this legislation are complex and will significantly affect the ways in which the air transportation industry will function in the years ahead. I believe that the bill recognizes the importance of continuing the procompetitive policies of the past few years which have, on balance, worked quite well. It does, however, slow down the process in some cases and makes some refinements to the 1978 law based on the prevailing conditions in the industry today.

I want to emphasize that in introducing this legislation, we have thoroughly evaluated the testimony taken during the hearings held by the Aviation Subcommittee as well as other materials submitted by interested parties. The input we have received has been most helpful and constructive and I hope that it will continue in the months ahead.

While I believe the bill strikes a balance between the desirability of continued deregulation and the need to maintain a Federal presence in many significant areas, we will continue to welcome suggestions from interested parties on ways it might be improved.●

TELEVISION NEWS PROJECTIONS SHOWN TO HURT VOTER TURNOUT

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. SWIFT. Mr. Speaker, Westerners got a double whammy in November 1980. Jimmy Carter conceded defeat and NBC projected Ronald Reagan the winner—both before our polls had even closed.

Then this month a New York TV station called the New Jersey Governor's race—wrong, incidently—before polls closed there, demonstrating that this is not just a west coast problem.

Television news executives have testified before two committees of this House that such projections have not been shown to hurt voter turnout. There is now substantial evidence to the contrary. Further, the network news executives cloak themselves in journalistic professionalism and, speaking ex-cathedra, calling that the traditions of their profession require them to report projections.

It is very encouraging that other professionals in the field are not buffaloed by this poppycock. I would like to insert in the RECORD an excellent editorial from my hometown newspaper, the Bellingham Herald, which addresses this issue thoughtfully. Further, this editorial's suggestion is entirely consonant with the thinking of those of us who are studying this problem here in Congress. Ideally, Congress should do nothing but let the Network News organization's sense of responsibility lead them to rethink where their election result projection policies are leading them and this Nation's most fundamental democratic process—voting.

TV SHOULD HOLD BACK

Research has confirmed what many of us on the West Coast felt last November—that announcement of the winner in the presidential election hours before the polls closed out here changed the election outcome.

The University of Michigan Center for Political Studies found that about a fourth of those who planned to vote in the 1980 presidential election later in the day decided not to if they heard the networks' projections or Jimmy Carter's subsequent concession.

The study concludes that it was Carter and the Democrats who were disadvantaged by the announcement. Democrats lost some key races by close margins, notably in Oregon.

A number of suggestions have been made to avoid the situation in the future, and several bills are pending in Congress. Some would require that polls open and close at the same time across the country. Others would change the national election day to Sunday. One would prohibit election results or projections from being broadcast before the polls close. There are objections to all of the proposals.

It would be better if the networks would police themselves. In the news business there is a tradition that to be first is to be best. Such competition is fine, but the networks have gone beyond news gathering. For elections, they have taken to news forecasting. By means of sample exit interviews at key polling places, they have developed sophisticated methods for predicting how an election will turn out hours before voting stops.

If each network would independently decide to report only actual vote counts on election day, there would be no need for passing laws and regulations. Three hours before polls close on the West Coast, a few scattered returns from the East Coast would be available, but there would be enough doubt to make it worthwhile for us to want to vote.

Reporting what has actually happened, as against guessing at what is likely to happen, would not only be more honest news coverage, but the added suspense would assure the networks of keeping larger audiences longer.

If nothing else, self-interest should push the TV networks toward a more responsible treatment of election news.●

STEEL

HON. HAROLD WASHINGTON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, November 18, 1981

● Mr. WASHINGTON. Mr. Speaker, I join my colleagues and the Steel Caucus in calling the attention of the Congress and of the administration to the plight of the domestic steel industry. Steel is a basic industry, employing many people in skilled and semi-

skilled jobs of the sort which are not being generated by other segments of the economy. It is essential that these employment opportunities be preserved.

It is equally important that U.S. productive capacity be maintained. It is incredible to me that some still encourage policies which favor imports at the expense of domestic production, while our own people are unemployed and American manufacturing is threatened with extinction.

While we consider the serious strategic implications of this trend, I hope you will also reflect upon what it means in human terms, to our own men and women and to the families they support, when a major steel producer is allowed to die.

I am including for the RECORD an excellent article from the May 1981 Chicago Reporter, a very fine publication edited by John McDermott. The article makes clear the enormous consequences of a major steel plant closure.

For example, the closure of Wisconsin Steel, located in Chicago adjacent to my district, resulted in revenue losses to local, State, and Federal Governments of $40 million annually. Another $30 million in employee benefits and some $70 million in annual payroll were lost by individuals. While many younger workers were crushed, the average steelworker at the plant was 42 years old and had 22 years experience. The prospects for older workers are especially bleak.

I hope each of you will read this article very closely with your own district or other parts of your State in mind. Preserving jobs in basic manufacturing ought to be one of our most fundamental priorities.

WISCONSIN STEELWORKERS DENIED $13 MILLION IN BENEFITS

(By John F. Wasik)

The shutdown of Wisconsin Steel Company in March 1980 has hit its former employees hard and has put a big dent in the tax base.

Employees are still owed some $13 million in contractual benefits and about another $16.2 million in supplements to their pension benefits. These figures do not even take into account the workers' loss of salary. Wisconsin Steel had an annual payroll of about $70 million.

The tax rolls have lost at least $40 million in the past year, according to estimates based on the 1978 tax contributions by Wisconsin Steel and its employees (see chart, this page).

The plant, located on the Calumet River at 106th Street and Torrence Avenue, ceased operation after its mortgage was foreclosed. The closing sent more than 3,500 employees, most of them minority, to the unemployment lines without warning.

The tax rolls will probably never recoup the loss, and workers face a long wait while a bankruptcy court determines who is responsible for paying their contractual benefits.

Wisconsin Steel's millworkers, most of whom live within 10 miles of the plant, became hardship cases overnight. The job market in the steel and other heavy industries is poor, and state unemployment benefits for the workers have expired. Many of them have had to apply for food stamps and public aid.

Company records show the average steelworker at the plant was 42 years old, had 22 years of experience and earned $22,260 a year. The workforce was one-third black, one-third Latino and one-third white.

The workers received no warning of the shutdown. On March 28, 1980, International Harvester Corp. foreclosed without notice on the $64 million mortgage it arranged when it sold the plant in 1977 to EDC Holding Corp., a subsidiary of Envirodyne Industries Corp. of California.

When Harvester foreclosed, the Chase Manhattan Bank withdrew support on a $15 million working cash loan it made to Envirodyne at the time of the sale. Chase's move froze raw material shipments to the company and the mill could not operate. Two days after the shutdown, Wisconsin Steel filed for protection under Chapter XI of the bankruptcy laws.

Currently, the Economic Development Administration, a branch of the Commerce Department, owns the mill as a result of its guarantee of a $90 million loan package for plant improvements in November 1979.

Wisconsin Steel's employees were stuck with $1,787,000 in bad paychecks when Chase Manhattan seized the payroll account funds. The bank did this under a law called "right of offset" which allows a potential creditor to seize all available debtor funds in the event of a bankruptcy.

Although the workers won back $1,339,000 of their last paychecks from Chase Manhattan in a September 1980 court settlement, they are still owed $448,000 in back wages, according to court records.

Additionally, four benefits under a contractual agreement between the 3,200-member Progressive Steelworkers union and Wisconsin Steel were never paid: severance pay, vacation pay, extended vacation pay and supplementary unemployment benefits.

The largest employee loss is the lack of severance pay, a lump sum based on years of service to be paid laid-off workers, which amounted to $7.3 million.

The other benefits denied the workers are $3.5 million in accrued vacation pay, $966,000 in extended vacation pay based on seniority and $800,000 in supplementary unemployment benefits to be paid for up to 13 weeks during layoffs.

Another blow to workers was the loss of pension supplements, totaling about $16.2 million. These benefits would have paid retirees $300 a month until they reach age 62, qualifying them for federal social security benefits. Most millworkers qualifying for pension at Wisconsin Steel retired at age 55, company records show.

Retirees are still getting their basic pensions, guaranteed by the Pension Benefit Guaranty Corp., a federal agency which insures pension plans.

The loss in insurance and hospital coverage is incalculable.

According to a November 1979 study by Wisconsin Steel to support its application for the EDA loan guarantee, the plant and its employees paid $28.8 million in federal, state, county and local taxes in 1978.

Based on the 1978 taxes, the cost of the plant closing to the tax rolls includes: $12.5 million in federal income taxes, $8.2 million in social security payments, $1.9 million in state income taxes, $1.6 million in state sales and use taxes on the mill's production and $2.4 million in Cook County property taxes.

State and federal coffers also were deprived of substantial unemployment insurance premiums; Wisconsin Steel contributed more than $1 million in premiums in 1978.

The actual cost of unemployment benefits to the laid off workers over the past year has not been published. But the 1979 report estimated that closing the plant would result in $8.9 million in unemployment payments.

The report also predicted that as much as $20.6 million would be added to the mill's tax contributions five years after the improvement loan was granted.●

SMALL BUSINESS INNOVATION BILL COSPONSORS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. LAFALCE. Mr. Speaker, yesterday I placed in the RECORD a list of the 117 Members who are cosponsors of H.R. 4326, the Small Business Innovation Development Act of 1981.

I would like today to place in the RECORD a list of those Members who have endorsed the principle of small business innovation legislation by cosponsoring one of the other small business innovation bills introduced in this Congress:

MARTIN FROST, Texas;
HAROLD HOLLENBECK, New Jersey;
CLAIR BURGENER, California;
ANTHONY MOFFETT, Connecticut;
MARGARET HECKLER, Massachusetts;
GEORGE MILLER, California;
THOMAS TAUKE, Iowa;
LAWRENCE COUGHLIN, Pennsylvania;
ALBERT GORE JR., Tennessee;
KEN KRAMER, Colorado; and
CLAUDINE SCHNEIDER, Rhode Island.●

CAB SUNSET ACT OF 1981

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. CLAUSEN. Mr. Speaker, as my colleagues are aware, our air transportation industry has undergone considerable change as a result of legislation which has removed much of the regulatory structure which characterized the industry since its inception. It is a process which began domestically with the cargo deregulation amendments of 1977, continued with the passage of the Airline Deregulation Act of 1978, and broadened to include certain aspects of foreign air transportation with the adoption of the International Air Transportation Competition Act of 1979.

Now, as we evaluate the country's experience under these laws, we are taking another signficiant step in the process by introducing a bill to sunset

the CAB 150 days after this legislation is enacted. Under existing law, the Board would sunset on January 1, 1985, in accordance with the provisions of the Airline Deregulation Act.

I want to emphasize that this legislation does not terminate outright all of the functions of the CAB. Some Federal involvement will still be necessary and, in those areas, we have provided for the orderly transfer of the Board's existing authority to the Department of Transportation where consistent with the public interest. Examples of this are: First, the essential air service program, one of the most important features of the Airline Deregulation Act, which was designed to guarantee service to small communities; second, the authority to determine financial fitness of air carriers as it relates to the FAA's safety responsibilities; and third, the authority to prescribe mandatory joint fares and divisions.

In introducing this legislation, we have considered the effect that deregulation has had on the aviation industry and the traveling public and determined that our experience justifies an earlier termination of the Board. I think it is fair to say that deregulation has generally been successful, although there are cities which have experienced declines in air service from prederegulation levels. On balance, however, the pluses and minuses associated with deregulation have generally been the result of competitive market forces at work. Since it was certainly the intent of Congress to make the industry more competitive, I think we can safely say that this has already been accomplished and that competition will increase in the years ahead.

Among the major provisions in the legislation are: First, the retention of the section 406 subsidy program at reduced levels through fiscal year 1985 for points enplaning less than 80 passengers per day; second, the transfer of CAB's rate-setting function for foreign air transportation of mail to the Secretary of Transportation, with the Board's domestic authority to be transferred to the Postal Service to be exercised through negotiations and competitive bidding; third, the repeal of the Board's authority to approve mergers between air carriers, but reserving to the Government a right to intervene in antitrust litigation arising out of proposed airline mergers; fourth, a requirement that all temporary certificates issued in limited designation international markets be issued for an initial period of 5 years with a rebuttable presumption that such certificates shall be renewed, and fifth, a separate section which grants antitrust immunity to air carriers which comply with DOT rules concerning price notification.

In addition to the provisions affecting the Civil Aeronautics Board, the bill also amends some of the title VI safety authority of the Federal Aviation Administration.

Under existing law, the duties of the FAA, as well as its exemption authority, in the areas of passenger screening, law enforcement support, and airport certification in general are tied to whether or not a carrier is certificated by the CAB. Since the Board will no longer issue certificates to domestic air carriers, a new distinction is needed.

After careful consideration, and because of the agency's fine record in this area, we have given the FAA the discretion to determine whether or not a particular carrier or airport can be exempted from its security regulations. In addition, we have broadened the coverage of section 612 so that the agency will now have the authority to require airport operating certificates for airports serving commuter air carriers. This modification is necessary given the increasing importance of commuter carriers and the need to assure the highest level of safety for those operations. Moreover, it will insure that the FAA has the necessary tools to move toward a fully integrated national airport system.

Mr. Speaker, this legislation will continue the trend toward deregulation which has been firmly established in recent years while retaining a Federal role in some necessary areas. It will assure that the transition to a fully deregulated environment will continue to proceed expeditiously and as smoothly as possible in the years ahead.

I believe the bill which we are introducing today will accomplish these objectives and that our air transportation industry and the traveling public will reap substantial benefits from its enactment.

It is also my hope that the considerable input which we have received from the aviation community, Members of Congress and the traveling public will continue as the legislation moves through the Congress. It is only with the cooperation and dedication of all those interested in airline deregulation that we in the Congress can fashion legislation which is truly responsive to the needs of all concerned.●

THE FUTURE OF TOBACCO SUPPORTS

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. SNYDER. Mr. Speaker, tobacco was recently the subject of some contention in this body and during the debate on the future of the Federal tobacco price support program, I realized that a good many of my colleagues have probably never had the opportunity to relish for themselves the joy of working a field of tobacco.

To rectify that situation and provide my colleagues a brief glimpse at a tobacco farmer's life, I would like to share with you "Raisin' Burley", a poem written by the Honorable Clyde E. (Jack) Greenwood, judge executive of Trimble County, Ky.

RAISIN' BURLEY

(By Clyde E. "Jack" Greenwood)

Work all year long
Raisin' burley
Goin' to bed late
An' gettin' up early;
Burnin' the beds,
Plantin' th' seeds
An' frettin' 'bout keepin'
Down th' weeds;
Lay on a sack
Stretchin' out prone
Till th' feelin's all gone
In one hip bone;
Then you roll over
On th' other side,
Hit a canvas nail
An rake off some hide;
But ye pay no mind
'Cause tis surplus fat,
An' ye just cuss a little
An' let it go at that.
Plants turn yellow,
Th' flea bugs are bad,
Then blue mold sets in
An' things look bad
So ye call th' county agent
Fer him t' come an' look,
An' he buzzes in with
An experiment book,
He takes a sample
An' ye all talk it o'ver;
Then he leaves a pamphlet
An' says he'll send more.
You do what he says
Then the plants begin to grow,
Turnin' right green
An' lookin' good fer sho'
Set it in th' field
An' watch it die;
See th' wireworms
An' cutworms ply;
Then you set it again
An' maybe it'll stay,
But if it don't
It's too late anyway.
Get th' plow
Tear up th' middle
Get a hoe
An' piddle an' piddle.
Plow some more
Then lay it by,
Pinch out th' button
When it gets so high.
Pick off th' worms
As big as snakes,
An' pray fer rain
While it makes.
Git on th' suckers,
Jerk 'em out
An' make way
Fer others t' sprout.
Grab up a spear
An' put it on a stick—
Use a tomahawk
Accurate an' quick.
Get it in th' barn
'Fore th' frost
So none of its quality

Will be lost.
When it has cured
Start strippin' fast
T' hit th' market first
'Stead of last.
Take it t' town,
Put it on th' floor
At your favorite house
Where ye been before;
Watch th' grade,
Wish it was higher,
Then trust a raise
Will come from a buyer.
Some of it goes
Over is a rule,
But th' one ye wanted raised
Goes to the pool.
Go back home
A little bit ahead
An' get ready
T' make a plant bed.●

A PERSONAL EXPLANATION

HON. BYRON L. DORGAN

OF NORTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. DORGAN of North Dakota. Mr. Speaker, on Wednesday, November 18, 1981, during consideration of H.R. 4995, Department of Defense appropriations, I was necessarily absent on official business. Had I been present, I would have voted as follows:

Yes, on rollcall No. 315—to delete $1.79 billion for Air Force procurement of the B-1 bomber;

Yes, on rollcall No. 316—to delete $1.8 billion for the B-1 bomber;

Yes, on rollcall No. 317—to delete $1.9 billion for the MX missile and its basing mode;

No, on rollcall No. 318—to reduce by 2 percent funding for military procurement and research and development, except spare parts;

No, on rollcall No. 319—to reduce by 2 percent funding for military procurement and research and development, except spare parts, repair parts, and ammunition; and

Yes, on rollcall No. 320—on final passage of the bill H.R. 4995.

My support for final passage of the bill reflects my belief that we need to strengthen our national defense. My objection to funding for the B-1 bomber arises because I doubt this aircraft will really improve our strategic deterrent and because we can make a more cost-effective investment in the advanced technology, or Stealth, bomber. I oppose the MX system in the bill because military experts have raised grave doubts about its survivability; it therefore amounts to a waste of the taxpayers' money. We need a defense system that works and not one that wastes.●

THE TOUGHLOVE SOLUTION

HON. CLAIR W. BURGENER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. BURGENER. Mr. Speaker, I have for many years been an admirer of Dr. Garrett Hardin. He is professor emeritus of human ecology at the University of California at Santa Barbara, and chairman of the board of the Environmental Fund in Washington. His writings on the subject of illegal immigration into the United States have provided, in my opinion, a beacon light of reason in an otherwise murky and troublesome area.

Recently Newsweek published an essay of Dr. Hardin's on the subject of the United States' relationship with poor or underdeveloped nations. I believe it to be so thought provoking it should be shared with readers of the CONGRESSIONAL RECORD. Dr. Hardin's article follows:

[From Newsweek, Oct. 26, 1981]

THE TOUGHLOVE SOLUTION

(By Garrett Hardin)

Why should the United States be concerned with the suffering of poor countries? Two sorts of reasons are given, one moral and the other prudential.

The prudential reasons are plausible, but basically unsound. We are told that if we don't take care of a poor nation it might attack us. Nonsense. Modern warfare is so expensive that even rich nations cannot afford it. If a poor country can't afford bread, it certainly can't afford guns. International terrorism comes cheaper, of course. So long as there is envy in the world—which is forever—terrorism will be a tempting option. The answer to terrorism is police action: this is not a perfect answer, but it is the best there is.

What about this: "If we don't take care of poor people in their own countries, won't they migrate into ours?" Unfortunately, there are 2.5 billion poor people in the world, and they are increasing by 40 million per year. We cannot possibly keep up with this need. Our responsibility is to keep our country from being overwhelmed by immigrants. The responsibility of each poor country is to keep the excess population from being produced.

LESSON

What remains are the moral reasons for helping other countries, and these are weighty. But we must remember what we have learned from domestic experiences: we can't solve social problems by blindly throwing money at them. We've had a salutary lesson in the development of India and China during the past three decades. Since 1950 India has received massive foreign aid from many countries, but China from only one country (the Soviet Union) and that only until 1957. At the outset the two countries were equally miserable and had equally poor prospects. Today? Without question the people of China are far better off. Foreign aid did not rescue India from poverty; lack of aid did not handicap China. In fact, it may be that China did so well precisely because she was not "helped" by "aid."

Back in 1945 Mao Tse-tung committed China to a policy of "regeneration through our own efforts." Fertilizers and factories are splendid things, but far more important than technology is what is inside the heads of men and women. Foreign aid can supply technology: the people must be willing to make the social changes that will make technology work.

It is essential that we distinguish between crisis and crunch. When an earthquake killed 23,000 people in Guatemala in 1976, that has a crisis. The world responded generously, and it should have. But when thousands—or millions—of people die of starvation in an overpopulated country like Bangladesh, what we are confronted with is not a crisis but a crunch. Ninety-four million Bangladeshi live in an area the size of Iowa—which has only 3 million people. Bangladesh, with its fertile soil and a climate that permits three crops a year, is a rich country, but not rich enough to add three-quarters of an Iowa every year to a population already 30 times as large. Direct food aid to such a country merely subsidizes further destructive population growth.

Sensing that gifts are bad, we generate euphemisms to hide our tracks. "Concessionary rates of interest" is a euphemism; anyone who can borrow money at 3 percent when the going rate is 8 percent is getting a gift. A loan forgiven is certainly a gift. Poor countries ask for, and get, loan after loan. As their debt mounts, the burden of "servicing the debt"—paying the interest—becomes unbearable. Finally, since foreclosure is out of the question, the lender has no choice but to forgive the debt.

DRUGS

Way back in 1953 John Foster Dulles saw the direction foreign aid was taking. "You know," he said to a friend, "aid is like opium. There are withdrawal pains when you remove it." I think we have now reached the stage when foreign-aid addicts should be subjected to the "cold turkey" treatment. Most of the world's wretchedness is caused by the crunch of overpopulation, which will only be made worse by the drug called "aid." That this drug is addictive is shown in a statement made by the President of Kenya in 1980: "No country can maintain its economic independence without assistance from the outside." What a long way from Mao, and what a curious definition it implies of "independence"!

Now that rich countries are catching on to the corruption of the word "loan," poor countries are taking a different tack: they are demanding concessions in foreign trade. They want to be paid more than market prices for their exports and to buy at less than the market—gifts under another name.

Times are changing. Notice what is happening to parenting. We are relearning what has been known for thousands of years: love must be combined with discipline. Recently, a group of American parents, driven to distraction by their children's drug taking and rampant hedonism, joined forces to lay down the law to their children—with love. These parents meet to exchange ideas, and they meet with their children to say, "Shape up or ship out." Significantly, the parents called their organization Toughlove.

COURAGE

Toughlove parenting is perilous, but it has at least the possibility of solving problems permissiveness has created. Toughlove takes courage. Some of the children clear out. This is hard on parents, but they accept the risk because the alternative of continuing to support irresponsible behavior is worse.

Relations among nations must be guided by Toughlove, too. Spokesmen for poor nations now threaten us with the loss of their love if we do not give them everything they demand. We must be prepared to lose their love out of genuine concern for the long-term interests of their people. Most of the poor countries are, in fact, rich—rich in natural resources. It is their governments, usually, that are poor.

To realize a country's inherent richness, a government must see to it that population matches the carrying capacity of the land. China has shown how to use incentives and disincentives to work toward this goal. China's methods may not be acceptable everywhere, but the goal should be universal. Each country must choose the means that meshes with its culture. Outsiders can furnish the technology of birth control, but population control must grow out of the will of the people, expressed through their political decisions.

There is no survival without self-reliance, which cannot be donated from the outside. Self-reliance must be generated inside each nation, by the people themselves. There is no other way.●

ENERGY BLOCK GRANT LEGISLATION

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. EDGAR. Mr. Speaker, I would like to call to the attention of the House a statement prepared by the Northeast-Midwest Congressional Coalition regarding the future of Federal energy assistance and conservation programs.

In testimony submitted to the Senate Energy and Natural Resources Committee the NMCC attempts to assess the regional impact of proposed legislation which would convert current weatherization and low-income fuel assistance programs into block grants for the States. The coalition foresees several significant problems with this legislation. First, the allocation of money to the States would be based on population rather than need, ignoring the special fuel and conservation needs of the colder States in the Northeast and Midwest. Second, the proposed authorization level would be drastically lower than current levels for energy assistance programs. Third, the repeal of existing Federal conservation programs would move the Federal Government further away from its legitimate role in guiding national energy policy. Lastly, a large State match requirement would effectively prevent many of the States in our region from taking advantage of the block grant. Many of the States in our region are already facing severe fiscal constraints, unlike many energy-producing states in the South and West which find themselves in more comfortable circumstances.

I hope the members of the House will consider the coalitions observations when dealing with important energy legislation over the coming months.

The testimony follows:

On behalf of the Northeast-Midwest Congressional and Senate Coalitions, we would like to thank Senator James A. McClure and the other members of the Senate Energy and Natural Resources Committee for the opportunity to submit our comments on "The State and Local Energy Block Grant Act of 1981." As members of the Executive Committee of the 2 organizations, we represent the House and Senate members from the 18 states in the Northeastern and Midwestern United States. The Coalitions seek to inform members about the regional implications of national policies and proposals, and to influence those issues of greatest importance to Northeastern and Midwestern states. Few issues are as important to the Northeast-Midwest region as energy. Our disproportionate dependence on imported oil, the preponderence of an older, energy inefficient housing stock, the lack of oil and gas reserves, and inordinately high energy prices have combined to make our region most vulnerable to energy price rises and supply interruptions. The Northeast-Midwest region, aptly labeled the "Frostbelt", must grapple with the problems common to energy consuming states on a daily basis—particularly during the coming winter months when cold weather and high energy prices threaten the health and well-being of much of our low income and elderly population.

In an effort to develop a unified approach to solving our energy problems, the Northeast-Midwest Congressional Coalition conducted an energy agenda setting process during April, May and June of this year. Field hearings, chaired by Coalition members, were held in Stamford, Boston, Sioux City, St. Paul, and Pittsburgh, and covered the future of coal; co-generation, district heating and cooling, and municipal waste to energy systems; rural and urban perspectives on the use of conservation and renewable resources; and the effect of rising energy costs on the elderly and poor. The hearings culminated in a national conference in Washington on June 4. Over 350 public- and private-sector leaders, scholars, and others participated in the energy agenda setting process. The product of the 3 month exercise was an energy agenda that put the Coalition on record in support of energy conservation, renewable energy technologies and the increased use of coal.

In addition, during the same time, research conducted for the Coalition by the Northeast-Midwest Institute showed that America's energy bill in 1980 was $387 billion—a massive increase over the $83 billion Americans paid for energy in 1970. After adjustment for the dollar's decline in value, this represents an increase in energy spending in 1980 of 141 percent over the amount spent in 1970. This increase outstripped the decade's inflation rate of 94 percent and the small 37 percent increase in real personal income. The Northeast-Midwest region felt the impact of this increase particularly hard—where the costs of residential and industrial energy were the highest in the nation.

It is within this context that Coalition members have continually supported energy conservation programs. The reconciliation bill, for example, maintains the authority for the energy conservation programs most important to the Northeast-Midwest region. And the importance of energy conservation and renewable energy technologies was reiterated recently when over 120 House Coalition members cosponsored a resolution putting the House on record in support of existing conservation and energy supply tax credits. Our region's support and dependence on conservation and renewable energy programs should not be underestimated.

S. 1544

The "State and Local Energy Block Grant Act of 1981" would repeal a number of existing conservation programs, require a state match, authorize $200 million for an energy block grant to states and distribute funds based primarily upon a state's population. While the block grant approach to funding conservation efforts may be worthwhile, we feel that the provisions of this bill are not in the best interest of either the Northeastern and Midwestern states or the entire nation.

We have 4 major concerns:

ALLOCATION FORMULA

75 percent of the block grant funds would be allocated on the basis of state's population and 25 percent would be distributed equally among all states. The proposed formula would significantly reduce the proportion of energy conservation funds allocated in Northeastern and Midwestern states.

Specifically, our primary concern with the formula is the reliance on population as the sole factor for allocating funds. We believe that it is necessary to incorporate a measure of need into the allocation formula. The low income weatherization program, for example, uses heating and cooling degree days to approximate need. This has the effect of targeting funds to those states where energy costs are highest and the potential to save energy and reduce our dependence upon imported oil is greatest.

AUTHORIZATION LEVEL

The proposed legislation would authorize a $200 million funding level for each of the fiscal years 1982, 1983 and 1984. We feel that this is inadequate. The low income weatherization program alone was funded at $182 million in fiscal 1981 and the reconciliation bill proposes $336 million (with $175 million earmarked for weatherization) for these programs.

A funding level of $200 million would require states to substantially reduce or eliminate many of their energy conservation activities. We are particularly concerned about the future of the low income weatherization program. The program has proven to be an effective method of reducing energy costs and saving scarce energy sources. With the intense competition for funds among a number of very desirable energy saving programs, the needs of our low income residents may not be adequately addressed.

STATE MATCH

The proposed legislation would require a 30 percent state match in fiscal 1982 and a 50 percent match in 1983 and 1984. We believe that this is excessive and would discriminate against energy consuming states—many of whom are already experiencing serious fiscal problems. At least 87 percent of the states' surplus in fiscal 1982 is projected to be in the South and West.

We fear that these match requirements may force some of the states most in need of assistance to forego federal block grant funds.

REPEAL OF CATEGORICAL PROGRAMS

The legislation would repeal many existing energy conservation programs. While we

would agree that regulatory changes could be made in some of the programs, we are concerned about outright repeal. The federal government would be removing itself from energy conservation activities—leaving the states with no direction as to how to use the block grant funds most effectively. In addition, we fear that combining all of the programs into a single block grant increases the likelihood of total elimination or substantially reduced funding for future energy conservation efforts.

In summary, we urge the Committee to incorporate a measure of need for energy conservation in the block grant allocation formula, authorize a funding level adequate to conduct a comprehensive conservation program, and reduce the state match so that all states will be able to qualify for assistance.

Again, we thank the Committee for the opportunity to submit our comments.●

DISARRAY AT INS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. HYDE. Mr. Speaker, the disarray in the Immigration and Naturalization Service is highlighted in an excellent article appearing in the New York Times of November 23, 1981.

We in Congress must share the blame for our failure to commit adequate resources or to oversee the operations of this important agency.

I hope my colleagues will read this UPI article carefully and become as upset as I am at the facts alleged therein. Then, let us do something about it.

BACKLOG MOUNTING ON FILES OF ALIENS—30 MILLION FORMS ON FOREIGN VISITORS ARE UNPROCESSED, AGENCY'S STUDY SHOWS

WASHINGTON, Nov. 22 (UPI)—Bureaucratic problems have left the Immigration and Naturalization Service unable to keep track of 30 million forms filed by foreign visitors, and it may be 1983 before it is known who entered or left the country in the last two years.

Disclosure of the backlog was made in a study conducted for the agency and by immigration officials in interviews.

The forms have not been processed so that they can be fed into the agency's computer system. Meanwhile, the millions of forms have simply been put on microfilm and left stacking up in cartons at agency facilities here.

Only a year ago, top immigration aides pledged to Congress that the agency would soon upgrade its computer system so it could better monitor the mounting flow of aliens in the country, including 10 million visitors a year. The Reagan Administration has also submitted proposals to Congress calling for stricter controls on illegal immigration.

A THREAT TO CREDIBILITY

Robert Kane, the agency's Associate Commissioner for operations support, said the backlog in processing of visitor forms "puts the whole credibility of the system into question—it puts the credibility of the I.N.S. into question."

He said the agency would soon present Congress with a 10-year plan for a sophisticated computer system to handle nearly every aspect of its mission. He said the current computer that stores visitors' data was "outmoded."

Irvin Klavan, the Associate Commissioner for information services, said the backlog of I-94 forms, which are filed when visitors enter and leave the country, totaled more than 30 million on Sept. 30, when the last official count was taken. He said it was now probably 32 million, covering 20 million visitors who each had an arrival and departure I-94.

He also said 664,000 visitors' applications for extensions of their temporary visas had not been put into the agency's computer because they could not be matched to the original arrival forms.

LONG WAIT IS FORESEEN

Immigration officials are working to eliminate the backlog, but they say it will be at least January 1983 before agency files are brought up to date.

Mr. Klavan and Mr. Kane conceded that the agency was better able to monitor foreign visits in 1976, before such files were put into the computer system.

Price Waterhouse & Company, a private consulting firm that conducted a six-month, $100,000 study of agency's nonimmigrant control system, termed the I-94 backlogs "very troublesome."

Agency officials, who typically blame shortages of funds for failures to keep track of aliens, this time blamed a private contractor, Milmark Services Inc. of Crofton, Md. They said Milmark failed to perform acceptably on a contract calling for it to enter the data into the agency's computer system.

The task of key-punching is complicated because the visitors' forms are often written in foreign languages.

Agency officials said Milmark was not paid for any of its work in a two-month period in the summer of 1980 because none of the work was acceptable.

COMPANY OFFICIAL RESPONDS

Thomas Ruger, Milmark's treasurer, said from his home in Wilmington, Del., that his company was being unfairly portrayed as a "goat" and that the agency had a backlog of 10 million forms before the company got the contract.

Mr. Ruger said the agency postponed the start of work under the contract six times while Milmark's previous owners frantically built up and reduced their staff in anticipation of doing the work. He said the company finally got only a week's notice, and "you just don't put 100 people together in a week." Mr. Ruger said Milmark had been a successful Government contractor for 14 years and that the immigration episode had threatened its future.

Mr. Klavan declined to comment on the charges, referring all questions to Jack Keller, the project manager for the Milmark contract, whose home telephone number could not be obtained.

On Sept. 30, the agency awarded $2 million in contracts providing for processing of the forms, this time assigning three private companies to do the job.●

CHAMPIONSHIP FOOTBALL—NEW YORK VERSION

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. LUNDINE. Mr. Speaker, a proud moment in Chautauqua and Cattaraugus Counties' high school football fortunes was achieved this year as an unprecedented five schools in my district earned berths in the Western New York Football Federation's championship games played in Rich Stadium, the home of the Buffalo Bills.

The Western New York Federation is unique in format for postseason championships. There are 10 divisions with a total of 72 schools. The federation was founded in 1970 by the late Louis Foy, of Salamanca, as the guiding light. As a member of Section Six High School Athletics Council, which included five western New York counties, Foy was entrusted to draw plans guaranteeing southern tier high schools with competitive football schedules.

Three years ago, the federation advanced its progress to postseason championships played in the Buffalo Bills' Rich Stadium. So successful have these championship games been that other sections in the State are following our lead. The long-sought New York State football championships could be scheduled for Syracuse University's Carrier Dome.

Three of the schools are from Chautauqua County and two from Cattaraugus County—the 5 comprised one-half of the 10 schools in the Saturday, November 14, championship round.

Jamestown High School, my alma mater, went 9-0, Frewsburg went 8-0 with Panama going 6-2 as the Chautauqua County representatives, Olean High School holds a record of 9-0 and West Valley 7-1 as the two Cattaraugus County champions.

Although my alma mater lost 20-14 in a very spirited game with West Seneca, two teams from Cattaraugus won their games. It was a glorious day for the Olean High School Huskies just as I knew it would be. Olean High School trounced Springville 13-7 to complete an exciting underfeated season—10-0. The game between West Valley and Panama was a difficult one to predict. Panama prevailed after a difficult struggle, therefore bringing joy to many in Chautauqua County and pride to the fans of West Valley.

I am delighted that the outstanding efforts of a very dedicated Louis Foy created the Western New York Federation. The federation provides our local athletes the opportunity for competition and recognition they deserve.●

REAGAN BUDGET CUTBACKS

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. PEASE. Mr. Speaker, last week the House Ways and Means Committee conducted hearings in Baltimore to gain an understanding of how the Reagan budget cutbacks are interacting with one another. That is the topic I addressed in my weekly column, Washington Report. It follows:

WASHINGTON REPORT

(By DON J. PEASE)

When President Reagan induced Congress last spring to cut $35 billion in spending for social programs, the cuts were generally considered separately from one another—a cutback in one program, the trimming of another, etc.

How the cutbacks interact with one another was the subject of a hearing which the House Ways and Means Committee held in Baltimore last week. We heard from a wide range of witnesses from city, county and state government and from private organizations.

As witness after witness testified on various social program reductions, I picked out the impact on one particular problem—that of mental retardation in children.

We were told that Baltimore's Maternal and Infant Care Program, largely federally funded, will have to severely cut back its efforts to find high risk poor patients early in their pregnancies and to provide them with continuing care through birth and infancy. Nearly 50 percent of the women in this program are pregnant teenagers.

Inadequate care and nutrition during pregnancy greatly increases the chances for both premature birth and mental retardation.

We were told of the case of a child born two and a half months early to such a mother. The baby, weighing one and a half pounds, suffered through two months of life-threatening crises. Discharged after three months, the baby had run up a hospital bill of $54,513. Federal-state limitations held Medicaid payments to $13,322. The local Mercy Hospital got stuck with the balance of $41,191.

We visited Baltimore's Kennedy Institute (affiliated with Johns Hopkins University Hospital), which combines research with training of children with mental retardation, cerebral palsy, brain damage, etc. Largely on an outpatient basis, the institute trains children, their parents, community health workers and university students to deal with the children's handicaps. The institute faces loss of half of the federal funds which make up about 60 percent of its total budget.

So the poor parents who are now more likely to bear retarded children are less likely to find help at the Kennedy Institute.

We were told by Maryland education officials that cutbacks in federal education funding will mean few special education classes available when a mentally handicapped child reaches school age.

But with the federal government withdrawing from social programs, can't the gap be filled by state, local government and private sources?

Governor Harry Hughes said the state will try, but success will be limited. The Reagan block grant approach transfers important social responsibilities to the states. The states get all of the responsibility but only 65 to 80 percent of the money which the federal government had been spending. And federal revenue sharing funds for the states have been eliminated.

Local governments? Baltimore Mayor Donald Schaefer testified that local taxes are already twice as high for Baltimore, an aging industrial city with a high proportion of poor people, as for any other Maryland community.

Local charitable organizations? Put down Mercy Hospital for $41,191 for one baby. And a bright spot—the local United Fund increased its receipts from $19 million to $22 million, a healthy increase.

Local industry also gets high marks for pledging $500,000 to fund programs once provided by federal funds.

But as Mayor Schaefer emphasized, the extra $3.5 million from United Fund and industry won't quite cover Baltimore's $80 million loss of federal funds. Some of the truly needy are going to get hurt.●

RESEARCH IN BUFFALO AIDS BATTLE AGAINST MULTIPLE SCLEROSIS

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. NOWAK. Mr. Speaker, the media recently has reported on a 2-year "pioneering study" by a team of researchers in my hometown of Buffalo, N.Y., whose findings indicate the positive effect of treating multiple sclerosis patients with the substance interferon.

According to a copyrighted article in the Buffalo Evening News the findings by the researchers at the Dent Neurologic Institute of Millard Fillmore Hospital and at Roswell Park Memorial Institute "may lead to a major breakthrough in the treatment of the disease." The team was headed by Dr. Lawrence Jacobs, a neurologist at the Dent Neurologic Institute.

I would like to congratulate Dr. Jacobs and the other members of the team who contributed to this significant project, which further enhances the Buffalo area's reputation for excellence in medical research.

Mr. Speaker, at this point in the RECORD, I would like to bring to my colleagues' attention the following article on this study which appeared in the Buffalo Evening News on November 19, 1981:

"PIONEERING STUDY" HERE SHOWS INTERFERON IS EFFECTIVE IN TREATING MULTIPLE SCLEROSIS

(By Arthur Page)

A two-year study by a team of Buffalo researchers has shown that the substance interferon appears to be an effective treatment for multiple sclerosis—a disease for which there has been no successful treatment to date.

The majority of the Buffalo area patients receiving interferon, which has been tested primarily in cancer patients up to now, appear to have had the progression of their multiple sclerosis slowed down—if not stopped—for periods of up to two years.

The findings, which may lead to a major breakthrough in the treatment of the disease, were the result of studies by researchers at the Dent Neurologic Institute of Millard Fillmore Hospital and at Roswell Park Memorial Institute.

The most common crippling disease of young adults, multiple sclerosis is estimated to affect 123,000 persons in the continental United States.

Eight of the 10 patients with multiple sclerosis who received injections of interferon into their spinal fluid over a six-month period at the beginning of the study, experienced no exacerbations, or disease progression, during the period up to this August.

While two experienced exacerbations, they have fewer than would be expected based on the medical history of their multiple sclerosis.

A group of 10 multiple sclerosis patients, who received no treatment and acted as a control, experienced exacerbations at a rate slightly higher than would be predicted based on their disease history.

Dr. Lawrence Jacobs, neurologist at the Dent Neurologic Institute and principal investigator for the study, said the results in the patients receiving interferon are considered "very significant" from a scientific point of view. Statistical analysis supports the fact they occurred because the patients received interferon and were not due to chance, he added.

Dr. Jacobs said the use of interferon could not be considered a "cure" for the patients. While some experienced less physical disability after the study than before, there were others among the eight with no exacerbations who were just as disabled and some still confined to wheelchairs.

The study indicates, he added, that in cases where multiple sclerosis is diagnosed early, use of interferon may prevent disability and deterioration of the individual's nervous system.

Dr. Jacobs said it appears that in the eight patients, interferon either knocked out the triggering agent which causes multiple sclerosis, or bolstered the patient's natural defense system to fight it.

Since interferon is active against viruses, he said the work lends credence to theories that multiple sclerosis is caused by a virus.

Working with Dr. Jacobs on the study has been Dr. Judith O'Malley, senior cancer research scientist at Roswell Park; Dr. Arnold Freeman, chief of Roswell Park's Pediatric Oncology Department; and Roslyn Ekes, a medical technician at Dent. The human fibroblast interferon used in the study was prepared at Roswell Park in the laboratory of Dr. Julius Horoszewicz.

The results up to this past August will be published in an article in the Nov. 27 issue of "Science," the prestigious publication of the American Association for the Advancement of Science. Updated results will appear in an article in "Archives of Neurology" next spring.

Calling the Buffalo researchers work a "pioneering study," one of the reviewers who Science asked to evaluate the study said their effort "appears to have paid off handsomely."

While noting that some of their conclusions may be open to question, he added: "At the very least, this study has shed new light on the probable role of interferons in

the pathogenesis of multiple sclerosis; at best it may have opened a new era in its managment."

Dr. Jacobs said the previously unpublished work was "very well received" when he presented it in September at the 12th World Congress of Neurology in Kyoto, Japan, and in early October at the Second International Conference for Interferon Research in San Francisco.

He and Dr. O'Malley are consulting with researchers in Switzerland, planning to duplicate the study.

The study was entirely locally funded by the James H. Cummings Foundation, Baird Foundation, Josephine Goodyear Foundation, Harry M. Dent Foundation, Margaret H. Wendt Foundation, Delaware North Companies and the Losasso and Slepian families of Niagara Falls.

Dr. Jacobs said the study was based on the hypothesis that if multiple sclerosis is caused by a virus, which is a popular yet unproven theory held by many in the field, administration of interferon may be effective as a treatment.

Interferon is a protein which is among the most biologically active known substances. A component of the body's immune system, it normally is produced by all human cells when they are invaded by a virus and protects cells not yet affected by the virus.

Dr. Jacobs explained that a previous study showed multiple sclerosis patients "do not make a normal amount of interferon in response to a challenge by a virus."

The local study involved two groups of multiple sclerosis patients: 10 who received interferon and 10 who received no treatment but whose conditions were monitored in the same precise ways as those receiving interferon. Those receiving interferon agreed to forgo any treatments for the symptoms of their disease for the first year of the study.

Dr. Jacobs said the human fibroblast interferon was administered by lumbar punctures into the cerebrospinal fluid.

Interferon injected systematically, he added, does not get into the central nervous system, the area directly affected by multiple sclerosis, because of a "blood-brain barrier." The "only practical way" to get it there is through a lumbar puncture, he added.

While the participants were distributed randomly, the study was not a "blind" one in which one group received treatment while the other received placebo treatments with no medication and the researchers did not know which group individual patients were in. The researchers felt, he added, that lumbar punctures to administer placebo treatments to the controls could not be justified.

Patients receiving interferon were given lumbar punctures twice a week for the first four weeks and then once monthly for five months.

They were observed in the hospital during the first week of the study to monitor any reactions to the interferon. Dr. Jacobs said the most common side effect of the treatment was headache, which in some cases was severe, and in some cases there was fever, weakness and muscle aches.

"Some were very mildly ill," he added. "Some were so sick they had to go to bed for up to 10 days to two weeks."

The effects of the interferon on the multiple sclerosis of those receiving it were measured in terms of exacerbations in their condition and monitoring of their degree of disability.

Multiple sclerosis usually is characterized by periods of active disease alternating with rest periods. For a period of active disease to be considered an exacerbation for the study, Dr. Jacobs said it has to be "a separate episode or period of development of new symptoms or group of symptoms when the clinical course had been stationary or improving during the previous month.

The bout had to last longer than 24 hours and there had to be objective neurologic changes confirming the deterioration examination."

Careful histories were done on the multiple sclerosis of each patient to document the number of exacerbations they had experienced prior to the study and their annual rate. By multiplying the amount of time on the study by the rate of exacerbations before the study, the researchers determined the number of exacerbations which would be expected to occur in each participant during that time.

Analysis of data from those receiving interferon and those in the control group, comparing the numbers of exacerbations which occurred with those that would be expected, showed significantly fewer exacerbations among the former and a very slight, insignificant increase among the controls.

While the 10 patients receiving interferon would be expected to have a total of 27.3 exacerbations during the period of the study, they experienced only 4 and those four occurred among only two patients. Dr. Jacobs said.

Eight of the patients, who would be expected to have from .6 to 6.0 exacerbations during their time in the study, had none.

Of the two receiving interferon who had exacerbations, both had less than would be predicted. The one who experienced 3 would have been expected to have 5.3, and the one who had 1 would have been predicted to have 4.6.

The controls, on the other hand, had slightly more exacerbations than would be expected, experiencing a total of 10 when the researchers expected 8.1. Four of the patients in the control group, none of whom was expected to have more than one during the period, had no exacerbations.

Ironically, while the two groups were determined by a flip of a coin, Dr. Jacobs said the group receiving interferon as a whole had a history of more exacerbations annually than the controls and would have been expected to have more than three times as many of them during the study than the control expected group.

The annual exacerbation rate for the interferon recipients took what Dr. Jacobs called a "highly significant" drop, with the rate during the study being .25 exacerbations per year, compared to 1.8 annually before the study. The rate for the controls increased slightly, from .69 to .83, but not significantly, he added.

The exacerbation-free intervals experienced during the study by three of those receiving interferon were the longest such intervals they had experienced since their multiple sclerosis began, he noted.

Comparing "clinical disability status scores" for patients in both groups, Dr. Jacobs said the researchers labeled 5 who received interferon and 1 in the control group as being "better" at the end to two years. In 4 recipients and 4 controls the score was "unchanged" and in on 1 recipient and 5 controls it was "worse."

Analysis of data on those who were judged to be "better," he added, showed they tended to "have had their disease for a shorter time, have had less exacerbations and to have been less severely disabled before the study."

The researchers, Dr. Jacobs said, are still collecting data on and monitoring conditions of the 10 patients in each group.●

HOW DO WE JUSTIFY PASSAGE OF HOUSE JOINT RESOLUTION 349?

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. PAUL. Mr. Speaker, House Joint Resolution 349 authorizes the participation of the United States in a "multinational force and observers" to implement the treaty of peace between Egypt and Israel.

In authorizing this participation, I realize that the intentions of this body were entirely honorable. The desire for peace in this most troubled and sensitive area of the world is something we all share. Nevertheless, the commitment of American combat forces and civilians to a peacekeeping force, without a security pact, for an unlimited period of time, is an act of great import, an act unprecedented in the history of this Nation, an act taken in haste, and an act we may soon regret.

Twelve hundred members of the Armed Forces will take part in the MFO, and will make up about half of the total. Along with soldiers from Fiji, Colombia, and perhaps several other countries, our boys will be equipped for combat.

We have also undertaken the bulk of the financial commitments needed to sustain this force. The initial cost to the taxpayers prior to September 1982 will be $135 million, or 60 percent of the startup costs. Thereafter, tentative initial estimates call for American contributions of $35 million per year, or one-third of the continuing costs.

Relative to the outrageously large military and economic subsidies to Israel and Egypt, the sums involved may seem modest. But at a time of alleged budget austerity, when our Government considers canceling the minimum social security benefit to save money, how on earth can we justify this sort of expenditure?

Some will argue that the cost of war is far greater than the cost of peace. But the threat of war would be significantly lessened if the United States, once and for all, stopped subsidizing both sides of every conflict that arises. Not only have we armed both sides in the Middle East—Israel, Saudi Arabia, Jordan, Egypt, and perhaps even Iraq—but now we are committing our own combat forces to stand in the midst of this torrid chaos of armed might to try and keep these peoples

from one another's throats. The Camp David accords have already cost the taxpayers over $5 billion. We have no right committing additional millions, little less all those hundreds of American lives, to a conflict in which we have no part.

The Soviet Union succeeded in thwarting a U.N. peacekeeping force, and we can be sure that they will do their best to create mischief for this new American commitment. As my colleague, PAUL FINDLEY, has pointed out, they will also exploit this situation as an example of American imperialism.

The fact is that the Middle East is not the responsibility of this Government; the only responsibility of this Government is the security of American territory and American citizens. We have not the moral warrant, the constitutional authority, nor the economic wherewithal to police the world.

I say this not out of meanness or a lack of concern with world peace. In the first case, we are not spending our money but the people's money, and it is high time that we observed the constitutional limits imposed on our activities. In the second case, it is clear to me that the history of American interventionism is not a happy one.

Since America abandoned her tradition of principled neutrality to intervene in a European war, half a million of our young people have given their lives in absurd foreign adventures. We must face the facts: We have not made the world safer for democracy or anything else; we have not advanced the cause of peace or American interests; we have not adhered to the principles that made this country great.

What have we done? We have sacrificed the life and liberty of millions of our citizens in immoral conscriptions, we have violated the professed principles of antipaternalism which should apply to Government policies equally at home and abroad, we have unwittingly contributed credibility to the Soviet Union's propagandistic claim that we are an "imperialistic" people, and we have also contributed to bloodshed and horror on a ghastly scale.

We already have forces stationed all over the world. But now, along with the stationing of support personnel in Saudi Arabia as part of the AWACS deal, we send American combat personnel to take up positions in the Sinai peninsula.

It is this sort of activity which allows us to spend hundreds of billions on "defense" without providing for the security of our own country. Why? Because we are bent on supplying everyone in the world with arms, we insist on intervening in conflicts we do not understand, and we refuse to learn from past experience. The world will have no relief from our fine intentions until we correct the fundamental mistake of thinking that it is weapons that sustain a government. We should have learned in Vietnam and Iran that it is not weapons, but ideas.

I would like to remind my colleagues that noninterventionism has not always meant pacificism or anti-Americanism or leftwing naivete about the need to defend our freedom. From the days of our founding as a Nation until William McKinley led us into a war with Spain, this country largely adhered to a policy of "no entangling alliances." Grover Cleveland iterated the principle as eloquently as any President:

> The genius of our institutions, the needs of our people in their home life, and the attention which is demanded for ... our vast territory, dictate this scrupulous avoidance of any departure from that foreign policy commended by the history, the traditions and prosperity of our republic. It is the policy of independence favored by our position and defended by our known love of justice and by our power. It is the policy of peace suitable to our interest. It is the policy of neutrality, rejecting any share in foreign brawls, and ambitions upon other continents, and repelling their intrusion here. It is the policy of Monroe and Washington and that of Jefferson: peace, commerce, and honest friendship with all nations; entangling alliances with none.

It was Woodrow Wilson who radically departed from a neutral, noninterventionist policy. He sought "to make the world safe for democracy." "America's duty," he said, is

> To stand shoulder-to-shoulder, to lift the burdens of mankind in the future, and to show the path to freedom to all the world ... The American flag is henceforth to stand for ... the assertion of the right of one nation to serve other nations of the world ... America is now rich enough and free enough to look abroad for great tasks to perform ... Our duty is to serve the world.

Lovely sentiments; foolhardy policy, with consequences too tragic to be considered merely quixotic.

In place of military intervention, I would have our foreign policy based on free trade. Voluntary aid from the American people to other people overseas should not be restricted; and American boys should never be coerced into taking up arms to fight and die for Arab sheiks or anyone else. The American Revolution was fought without a conscripted army, and was won against great odds. However, with all our firepower, and a conscripted army, we couldn't defeat the wretched butchers of North Vietnam.

I will close with an unavoidable conclusion, first noted by a great American nearly 30 years ago. Robert Taft's observations remain to the point:

> The freedom of the people of the United States is in serious danger from the foreign policy of the present Administration. . .the danger to liberty at home from the constant increase in the activity, the spending, and the power of the Federal Government, but today the threat from foreign policy is even greater. . .We are embarked on a voyage at this moment in which a continued failure of understanding and judgement may wreck the greatest adventure in freedom the human race has ever known . . .
>
> We cannot adopt a foreign policy which gives away all of our people's earnings or imposes such a tremendous burden on the individual American as, in effect, to destroy his incentive and his ability to increase his production and productivity and his standard of living. We cannot assume a financial burden in our foreign policy so great that it threatens our liberty at home.

Mr. Speaker, I very much want this administration to succeed in its bold attempt to restore fiscal responsibility and limits on the power of Government. We must not allow entangling foreign alliances, which do no good for those we seek to serve, to stand in our way. This is why I oppose the passage of House Joint Resolution 349.●

TRANSPORTATION FOR THE RURAL ELDERLY

HON. BILL EMERSON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. EMERSON. Mr. Speaker, on Friday, November 20, the House of Representatives passed H.R. 3046, reauthorizing the Older Americans Act for 3 years. During consideration of this legislation, my distinguished colleague from the State of Missouri (Mr. COLEMAN) offered an amendment which will add improved transportation systems for the rural elderly to the list of eligible demonstrations projects funded under title IV of the act.

Of all the problems faced by the senior citizens of my own congressional district, one of the most serious is the problem of transportation.

In southeast Missouri we have two types of public transportation available to the elderly: That provided by the Southeast Missouri Transportation System and the county bus service made possible in part by the Southeast Missouri Area Agency on Aging.

The Southeast Missouri Transportation System has experienced a cut in its funding by 63 percent, while the system providing service in St. Louis received a 118-percent increase over its prior year's funding.

As a result of this drastic decrease in funding for the rural transportation system, the Southeast Missouri Area Agencies on Aging have attempted to fill in the gaps left by the reduction in public transportation service. Needless to say, the area aging agencies have been working hard in cooperation with the various counties in my district so that the elderly will be assured a reliable source of transportation. Individual communities have contributed to this cause. For example, the senior citizens in one community have held a singing contest to raise money for the

system and the seniors in another community recently raffled a quilt.

However, there still remains a substantial gap in the public transportation system serving the elderly in the 10th Congressional District.

Senior citizens feel that this service is an essential one to their well-being. In many cases elderly persons do not have an automobile or are simply not able to drive anymore. Therefore, they must rely on someone else to get to the bank, the grocery store, the doctor, or to visit friends, and participate in other senior citizen activities.

Needless to say, the kinds of transportation services offered in urban areas simply are not there for our rural elderly.

It is for these reasons, Mr. Speaker, that I strongly supported the amendment offered by Mr. COLEMAN and accepted by the full House of Representatives on November 20.

The purpose of Mr. COLEMAN's amendment is to strongly encourage the Commissioner on Aging to fund demonstration projects which can be replicated by local transportation projects serving the elderly.

As transportation is indeed a serious concern, not only for our rural elderly, but for all senior citizens, I believe that it should be one of the highest priorities under the Older Americans Act.

Reliable transportation is essential to the mental, emotional, and physical well-being of our senior citizens. It is a need that we cannot allow to go unfulfilled.●

AMERICAN NUNS MISSING IN GUATEMALA

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. SAWYER. Mr. Speaker, I would like to call to my colleagues' attention the disappearance of two American nuns in the troubled country of Guatemala. It is with much concern that I present to you the information which I have been able to gather about the Dominican Sisters, who have been missing since Friday, according to the Dominican Sisters of Grand Rapids.

In speaking with the State Department, I have found that Sisters Jean Reimer and Helen Lavalley did not return to their home in the village of Acatenango after a church meeting in another village. As my colleagues will recall, several priests and other nuns have been abducted in Guatemala previously, and as recently as September 13 a Mennonite missionary was murdered in the same province where the two American nuns live. Therefore, I have urged the State Department to make every effort to locate Sisters Reimer and Lavalley immediately, by continually pushing for the cooperation of local Guatemalan officials. I have been told that thus far the local authorities have been very helpful, and have pledged their continuing efforts. Our Embassy is making every attempt to question everyone who might have information about the whereabouts of the missing nuns.

According to sister Thersa Houlihan, superior of the Dominican Sisters in my hometown of Grand Rapids, the two missing nuns had not been involved in any political activities. Sister Reimer has been working in Guatemala for 11 years, while sister Lavalley has only been in Guatemala for 1 year. Both nuns were reportedly involved in religious education work and distributed food donated by Caritas.●

PROGRESS BEING MADE ON H.R. 2203, FCC VOLUNTEERS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. DANNEMEYER. Mr. Speaker, on February 26, 1981, I introduced H.R. 2203, a bill to permit the use of volunteers by the Federal Communications Commission in the amateur radio and citizens band services. Since that time, a bipartisan coalition of 14 Members of the House have cosponsored the measure. In addition, H.R. 2203's provisions were incorporated into S. 929, which unanimously passed the Senate.

On Thursday, November 19, 1981, the gentleman from Colorado (Mr. WIRTH), the chairman of the House Energy and Commerce Subcommittee on Telecommunications, Consumer Protection and Finance, held a hearing on H.R. 5008, the chairman's so-called Track I amendments to the Communications Act of 1934. The proposed Communications Technical Amendments Act of 1981 addresses many of the issues raised by H.R. 2203. The chairman of the subcommittee is to be commended for his leadership and cooperation in this effort.

I testified before the subcommittee at its hearing. Due to the interest in this subject generated by inquiries from across the country to Members' offices, I ask permission to insert a copy of my prepared remarks at this point in the RECORD:

STATEMENT OF HON. WILLIAM E. DANNEMEYER

Mr. Chairman and members of the Subcommittee on Telecommunications, Consumer Protection and Finance: Thank you for allowing me to appear before you today as you commence your hearings on the "Communications Technical Amendments Act of 1981." The proposed Act addresses a number of issues concerning the Amateur Radio and Citizens Band services in which I have been interested since meeting with a group of constituents in 1980. The residents of my area who are active amateur radio and CB enthusiasts expressed their frustration over not being able to assist the FCC in its monitoring activities despite a willingness to volunteer their services.

Accordingly, on December 8, 1980—after considerable study—I introduced H.R. 8445 to permit the use of volunteers in the amateur radio service. On February 26, 1981, I reintroduced an expanded and modified bill, H.R. 2203, in the 97th Congress. As introduced this legislation would:

First, authorize the use of volunteers by the FCC in the monitoring of amateur and CB radio;

Second, clarify the legal status of the FCC's practice of using volunteers to administer the novice class license, a practice dating back to 1938; and

Third, exempt volunteer monitoring activities from the provisions of the secrecy provisions (Section 605) of the Communications Act of 1934, as that section has been interpreted in the Reston court decision.

The essential reason for the volunteer authority is to tap a resource of manpower that is ready, willing and able to assist the FCC in its enforcement of rules and regulations designed to facilitate the proper use of the airwaves. Written rules, however, are mere paper tigers if they are not enforced. In the case of the FCC, it is clear that the Field Operations Bureau does not have the resources to adequately monitor the entire country. In the current budgetary climate, it is not feasible to spend additional sums on enforcement activities. Furthermore, it is not clear that expanding the FCC's own efforts alone would solve the problems of noncompliance.

While the FCC lacks the structure to monitor the airwaves alone, the thousands of amateur radio operators and the millions of CB operators form an infrastructure that could improve monitoring effectiveness, and hence enforcement. The use of volunteers will save the FCC time and money as well.

As you may know, in at least two instances, current federal statutes prohibit or impeded the use of volunteers by the federal government. (see 5 U.S.C. 3111 and 31 U.S.C. 665(b)). There are precedents, however, for waiving the general rule against volunteers in specific circumstances. Examples relate to the Coast Guard Auxiliary, the National Park Service, the Office of Drug Abuse Policy, the Teachers Corps, Civil Defense, firefighters, and the Federal Aviation Adminstration.

Subsequent to the introduction of the bill in February, the concept of permitting the use of volunteers in the exam and monitoring areas has met with general approval. Fourteen members of the House, on a bipartisan basis, have co-sponsored H.R. 2203 to date. The chairman of the Federal Communications Commission voiced his support, subject to several recommended changes, in a letter to me on June 1, 1981. The Senate, is unanimously adopting S. 929, authorized the use of volunteers by the FCC as well.

Mr. Chairman, you are to be commended for including volunteer provisions in the pending "Communications Technical Amendments Act of 1981." I would like to turn to the specific provisions of the pending legislation:

First, one of the few concerns that has been raised about the use of volunteers is the possibility that a few individuals might exceed the bounds of propriety and legality in the conduct of their volunteer duties. While I believe that the chances of abuse are small, it is nonetheless a prudent step

for Congress to include safeguards in the authorizing legislation for a volunteer program. Accordingly, I support the language in the bill that specifies the functions of volunteers and the limitations on their responsibility and authority.

Second, while my bill (H.R. 2203) only authorizes the use of volunteers in the preparation and administration of the Novice class amateur license, I am pleased that the proposed Act takes the volunteer concept one step further by authorizing the use of volunteers to prepare and administer any class of amateur license.

Third, the proposed Act does not address the use of volunteers by the FCC in the case of CB radio. As I indicated earlier, H.R. 2203 also contains provisions for a CB volunteer program. In my discussions with members of the subcommittee, some expressed concern about a volunteer program for CB. In additon, in his letter of June 1, 1981, FCC Chairman Fowler presented the view that a volunteer program should first be tried in the Amateur Radio service. He pointed out that while 90 percent of the active amateurs are members of the American Radio Relay League (ARRL) and hence an organization is in place to help implement the program by identifying possible volunteers, the largest CB group (REACT) has 35,000 members out of a total of 14 million CB licensees.

While I agree that the volunteer concept should first be the subject of an experiment in the amateur service, I would urge the subcommittee to consider amending the proposed Act to either: (a) permit the FCC to expand the volunteer program by rule to CB and other personal radio services; or (b) require the FCC to report to Congress on the results of amateur experimentation with a volunteer program and a recommendation on possible expansion. The report should be filed one year after enactment.

Fourth, I would like to discuss the proposed section 4(F) of the Act, which seeks to prevent anyone with a financial conflict-of-interest from participating in either the preparation of exams or the administration of exams. Specifically, the section is a well-intentioned effort to prevent anyone associated with an entity that publishes exam study materials from enjoying a competitive advantage by reason of that entity also being associated with the preparation or administration of the exam itself. It is my understanding that this section would most likely apply to the American Radio Relay League (ARRL). As I noted earlier, the ARRL represents 90 percent of the active amateurs and thus would be a likely source of the individual volunteers who would administer the exams. My concern, Mr. Chairman, is that the language of the proposed section 4(F) might inadvertently impair the use of volunteers in the administration of exams if the language were to be so broadly interpreted as to preclude the ARRL's members from serving as volunteers. It seems to me that the conflict arises only when the ARRL itself is associated with the administration of the exam, as opposed to merely helping the FCC recruit individual volunteers to administer the exam without the auspices of the ARRL. Accordingly, I would urge the subcommittee to a) allow the FCC to work with amateur radio groups in the recruiting of exam volunteers just as these groups are allowed to assist in the recruitment of monitoring volunteers; and b) that the conflict-of-interest language be refined so that it only applies to the administration of exams.

Mr. Chairman, in conclusion, again let me express my thanks for your consideration of my bill, H.R. 2203, and the inclusion of many of its provisions in your proposed "Communications Technical Amendments Act of 1981." I respectfully urge the subcommittee to approve the Act with the volunteer provisions together with any changes along the lines I have mentioned that the subcommittee might deem appropriate.

I look forward to favorable Congressional action before the adjournment of the first session of the 97th Congress so that the FCC and radio volunteers might benefit from the program during the balance of fiscal year 1982, and beyond.●

AGAINST THE BUDGET CUTS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. WEISS. Mr. Speaker, the voices of many in the private sector have been loud and persistent in their support of the President's economic program. But some business executives have been more cautious in endorsing the budget reductions, especially those which cause the young, the old, and the poor much hardship. J. Richard Munro, the president of Time, Inc., expressed his sober views against many of these budget cuts in an article "Against the Budget Cuts" in the New York Times on November 15, 1981.

Mr. Munro understands the value of social stability that is threatened by wholesale budget cutting. In this article, he notes that cuts in education at all levels, jobs and training programs, medicaid, housing aid, food stamps, school nutrition, support for poor families with children, energy assistance, unemployment insurance and numerous other social services would leave serious and immediate human needs unmet. Munro concludes, "As business executives, I do not think we should stand by and let this happen."

Mr. Munro also emphasizes the economic value of social spending that is actually an important investment in human capital. He observes:

Out of economic necessity, we can't afford to let the productive potential of any of today's children languish because of our neglect. More than ever, they are vital to our future, and we should help them get the best possible start in life. That means good schools, good nutrition, health care, housing, stable homes.

Mr. Speaker, I ask permission to have this important article from the November 15, 1981, New York Times, by Mr. Munro printed in full following these remarks and commend it to attention of my colleagues:

AGAINST THE BUDGET CUTS

(By J. Richard Munro)

I know that business executives are not supposed to disapprove of the Administration's spending program. Polls show support among us hovering around 90 percent. That's a phenomenal vote of confidence. I support the new policies that promote growth, new investment and greater productivity.

Yet, in the rush to fight inflation and stimulate investment, I fear that we have cut too deeply, that we have put too high a burden on the poor and elderly, and that we are jeopardizing the long-term goals of this program and the interests of business.

I am especially concerned about the cuts in social spending. They have gone too far, too fast. And too few of us understand their impact.

Most of us probably have found comfort in the notion that the cuts were marginal and that the cuts fall equally on everyone. The cuts are anything but evenhanded, and the effects are far from marginal as the numbers show. About 70 percent of the 1982 cuts now in place come from programs affecting the poor.

You can go down the line—education at all levels, jobs and training programs, Medicaid, housing aid, food stamps, school nutrition, support for poor families with children, energy assistance, unemployment insurance, and numerous other social services. Every one of these received major spending cuts adding up to $25 billion of the $35 billion total cut from the budget this summer.

That doesn't include $13 billion in more cuts just proposed, and the $100 billion in cuts projected for 1984. Although those cuts are mostly unspecified, programs for the poor will again be on the chopping block.

Combined with tax cuts that benefit mostly higher-income people, this program adds up to a major redistribution of money in our society, from the lower end to the upper end of the scale.

Despite Administration assurances, the truly needy will have to cut back family budgets that simply can't be stretched any more.

The truly needy include the elderly and disabled poor. But the group that concerns me most is children, in families headed by a woman.

One out of 6 of all American children, about 10 million, lives in poverty today. One out of 4 of all children will need welfare support at some time before growing up. About one out of 6 of all children has no regular source of medical care. One out of 3 has never seen a dentist. Among black children, 2 our of 5 are poor.

Under the new budget, they are losing a little here and there, not too much taken one by one. But when the losses total several hundred dollars this year per family with even greater losses next year and the next, that will have a great impact.

We should also be concerned about the many social services, Government and privately run, being cut severely under this budget.

In Fairfield County, my wife and I are active in the Juvenile Diabetes Foundation. It's just been hit by Federal budget cuts that sharply reduce its research program. Actually, I think we can probably raise money locally to replace some of the loss. Buy what about similar organizations with no access to corporate contributions or well-funded local governments?

Let me sum up. The budget cuts are leaving serious and immediate human needs unmet. And if the budget cuts continue as scheduled, the problems of the poor will worsen intolerably. As business executives, I don't think we should stand by and let this happen.

On a practical level, let's consider the opportunity cost of letting the cuts go through. This year, we have the chance to

restore business incentives for greater investment. The President, the Congress, and, most important, the public are behind us. Yet, this public support will vanish if the burdens of this program remain so uneven, and if the promised surge of prosperity pays off only for those already well off.

While we can talk about the need for patience until the long-term benefits arrive, the next election is a year away—close to the bottom of what appears to be a deep recession—at the very time the budget cuts put more holes in the "safety net" for people.

Also, while the economy declines, safety, health, consumer and environmental protections are weakening; civil rights enforcement is taking a giant step backward, and the share of taxes paid by corporations drops significantly.

That's not a scenario designed to build confidence in the current program. Consequently, in the next election, people may decide that they're not getting the changes they really wanted. And it'll be another generation before we get a similar chance to enact business incentives.

George Will wrote in a recent column that programs like Social Security spring from Americans' acceptance of "the ethic of common provisions." He went on to say that President Reagan "must convince Americans that his conservatism is compatible with that ethic."

Let's consider the economic effects. Remember that in a few years, the children of today will be our employees, adding, we hope, to our bottom line. Because of the end of the baby boom, there will be far fewer of them available. And we can already read projections of labor shortages later in this decade, especially in skilled labor. Budget cuts in training and education will worsen that problem.

Consider also Social Security: There are three workers today for every beneficiary. In 30 years, there will be two, when the children of today should be in their prime working years.

Out of economic necessity, we can't afford to let the productive potential of any of today's children languish because of our neglect.

More than ever, they are vital to our future, and we should help them get the best possible start in life. That means good schools, good nutrition, health care, housing, stable homes.

Yet, we're moving in the opposite direction now and in the foreseeable future. That disturbs me, and I think it should disturb you.●

AN IMPORTANT SPEECH BY GOV. JERRY BROWN

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. BROWN of California. Mr. Speaker, Gov. Edmund G. Brown, Jr., of California is a political figure who tends to stimulate widely varying emotions among those impacted by his words and actions. The extent of this emotion is evidenced by the fact his detractors describe him with words like "flaky" and "Governor Moonbeam," yet Governor Brown is also grudgingly conceded to be a figure with marvelous powers of political recuperation. However, even friends and sympathizers, and I generally count myself in that camp, are on occasion puzzled and appalled by his treatment of politics and political issues. It is difficult to discern whether he is playing the role of philosopher or saint, delivering the prophetic gospel to the masses, or the role of playboy humorist, manipulating the levers of power for his own amusement. It appears that only rarely does he project the image of a pragmatic and effective leader of a great State, the role which those who represent that State in the U.S. Congress would most like to see.

Governor Brown is currently the leading unannounced candidate for the Democratic nomination for U.S. Senator from California in next year's elections. There are some political soothsayers who would not be surprised if the Governor still retains an interest in even higher office, as he has evidenced in prior years. It is doubtful that he will be successful in this aspiration, if he really holds it, unless he can appeal to truly significant and deeply felt needs of the American people.

Last month, October 27, 1981, the Governor made a speech to the Annual Convention of the American Association of Port Authorities which seemed designed to make that appeal. We should all be interested in making our own objective analysis of what he said, and how the public reacts to what he said. This speech contains the themes which the Governor believes, as far as I can tell from my years of contact, hold the key to American progress. Since we can expect to hear them again, we shoud get acquainted with words such as:

Our most fundamental challenge is to achieve economic growth in a new "era of limits" on energy, on resources, on skilled people.

Expensive and scarce energy and resources are now producing * * * a turning point in our history * * *

This new turning point is often called "the information revolution" in which information is replacing energy as the key to productivity growth.

To grow in the new era of limits, we must accumulate capital and carefully direct it into modernizing our economy.

We will need, in short, a national investment strategy to encourage new information technologies, efficient resource use through careful stewardship of our environment, skilled labor, expanded world markets and public infrastructure.

Our top political priority in this decade must be to foster a new spirit of cooperation in which we come to see that the benefit of each depends on protecting the public trust.

I consider this speech to be significant and worthy of review by each of my colleagues. Accordingly, I am including the full text of Governor Brown's remarks below.

America today is in search of a vision for this transitional period in which we now find ourselves.

We are the strongest power on earth. So too were Spain, France, and England in the final season of their greatness. Like them, we are a rich, aging minority in a world undergoing fundamental change. We must change as well or face our own season of decline. Our most fundamental challenge is to achieve economic growth in a new "era of limits" on energy, on resources, on skilled people.

America, unique among the nations, lives on an ethic of growth.

Expansion has been critical to our economy, but as Frederick Jackson Turner noted in his classic, "the Frontier in American History," growth has also been critical to our social cohesion. It is difficult to imagine America at peace with itself or with the world if it does not produce rising incomes for all of its people.

But, though grow we must, we cannot grow as we have. The cheap energy and resources powering our past expansion have become increasingly expensive and hazardous commodities in the late twentieth century.

Expensive and scarce energy and resources are now producing as profound a turning point in our history as the nineteenth century shift from agriculture to industry, or our own twentieth century turn from domestic to international markets.

This new turning point is often called "the information revolution" in which information is replacing energy as the key to productivity growth.

In this new era, the building blocks of our economy are undergoing basic change. First, information technologies have replaced heavy industry as our new growth sectors. Second, using less energy and resources, not more, has become a key to increased productivity. Third, labor shortages pose a major obstacle to growth for the first time in our history. And fourth, expanding markets lie principally in the Third World rather than in Europe.

These four historic shifts in the world economy require corresponding shifts in our own economic policy.

Too much of our current investment policy is geared to maintaining obsolete equipment, energy sources, labor practices, and international trading relationships.

To grow in the new era of limits we must accumulate capital and carefully direct it into modernizing our ecomony.

This means wisely renewing and expanding our physical capital—roads, bridges, ports, space facilities, trains and transit of all kinds, water and waste disposal and recycling projects, and radically improving our investment in human capital through education, training and retraining, and research and development.

We will need, in short, a national investment strategy to encourage new information technologies, efficient resource use through careful stewardship of our environment, skilled labor, expanded world markets and public infrastructure.

Let me suggest today a five-point program for such a national investment strategy, which I believe we badly need if we are to meet the challenge of the sophisticated economics of Asia and Europe and at the same time meet our domestic need for meaningful work, economic prosperity and a sustainable environment.

1. INVESTMENT IN NEW TECHNOLOGIES

Our top economic imperative is to invest in the information technologies which have become our major growth sector: semi-conductors and software, personal and business computers, biosciences and the new telecommunications, robotics, and the new space industries of the 90's. These new technologies, often thought of as distant possibilities, are in fact now driving our economy today. The new industries built around them are already among our leading growth sectors.

In California, semi-conductors and electronics have supplied 25 percent of all manufacturing jobs over the past decade. More importantly, the information technologies are key to saving our existing industries—from textiles, where computer aided design is spreading, to the auto industry which is introducing robots on the production lines. And these technologies are driving growth in the service sector as well, as anyone can testify, who has dealt with an airlines clerk, done computer aided research, or banked through an electronic teller.

But information technologies will not insure economic growth without a radical shift from excessive consumption to long term investment. We need to invest billions in research, improvement of new technologies, and retooling our aging plant and infrastructure. The decade-long trend, which has seen us lag behind other nations in research growth, must be turned around.

The times demand joint efforts between industry and government, and substantially increased spending for basic research through the National Science Foundation, the National Institutes of Health, the Environmental Protection Agency, the National Institute of Occupational Safety and Health, and the National Aeronautics and Space Administration.

This year we have created a state-financed micro-project at the University of California to do basic research on microelectronic and computer sciences. The research projects will be jointly financed by state government and private industry on a matching dollar basis.

The key emphasis must be on capital formation in both the public and private sectors to spur modernization. Our tax code has to be geared to encouraging innovative investment and discouraging consumption. Recently in California, for example, we took such a step. We eliminated completely the capital gains tax for businesses with less than 500 employees, the traditional source of technological innovation, and made up the revenue loss by increasing the capital gains tax on antiques, paintings, gold, silver and other collectibles. This is a concept that some call targeting. In the future we are going to do more of that. It is by directing or targeting our incentives to new growth-producing technologies that we will find a new economic path for the 80's. Neither across-the-board reduction in depreciation schedules nor government bailouts are adequate to insure a steady flow of capital to modernization.

2. INVESTMENT IN RESOURCE EFFICIENCY THROUGH STEWARDSHIP OF OUR ENVIRONMENT

As energy and resources costs continue to climb we must develop cogeneration, photovoltaic, wind, and other renewable technologies that can generate electricity safely and at a reasonable cost.

We should also develop new and more efficient industrial processes as well as create substitutes to reduce the spread of toxic chemicals and pesticides.

We need research for new, clean transportation fuels that can be developed out of agricultural wastes, biomass, and coal. Tremendous possibilities exist for methanol development if we just first make the commitment.

And more immediately, we need new incentives to commercialize existing least-cost energy strategies. The California Public Utilities Commission has already ordered our utilities to offer conservation and solar loans because it has found that giving people a low or a zero-interest loan for conservation retrofit and solar devices is actually more cost effective than centralized power plants.

Finally, we need to pay more attention to restoring and protecting our fish, our forests, our soil, and our water. This is true foundation of our national wealth. You may have read recently about the severe danger of soil erosion. It is not a topic that we hear about every day. Nevertheless, the food that we eat and which also provides so many export dollars derives from the soil and the water. These are resources which must be protected and wisely managed. Yet, today more soil is shipped down the Mississippi River than corn, and it won't be too many years before that top soil is gone unless we change our ways.

To create one-inch of topsoil takes at least 1,000 years. In ancient times, Mesopotamia was every bit as proud as our own middle west. Today the soil of that area is long gone with only barren desert blowing in the wind because of inadquate understanding and the mismanagement of salt buildup, mineralization and erosion.

We look at North Africa and can hardly believe it once was covered with rich forests. But mighty Rome needed wood for aqueducts, ships of war and maybe even for hot tubs. God help us if we fall into the same trap when we have the capacity to increase the productivity of our own timberland by 50 percent. In California, we have already embarked upon a major program of reforestation through funds derived from geothermal, oil and gas revenues. Our philosophy is to tax our nonrenewable resources, the depletable resources, and redirect the funding into the renewable resources.

With respect to fisheries, we face more than a 50 percent decline from historic levels. We can reverse this but only by clearing thousands of miles of streams throughout our state. And that is precisely what we are now doing through our California Conservation Corps. As for water, we intend to recycle at least 400,000 acre feet and even more if our desalting plants perform as well as expected.

Environment and growth are not opposed—they are inextricably linked. Wise, careful, caring use of our natural resources produces the wealth that is at the foundation of our civilization.

3. INVESTMENT IN HUMAN CAPITAL AND A NEW WORK FORCE

The third great shift we are experiencing is the increase in the shortage of skilled workers and this demands entirely new policies. The baby boom of the fifties is moving into middle age. Americans between the ages of 16-24 will decline in the 80's, not surge by 40 percent as in the last decade.

The new growth industries are creating highly sophisticated jobs and that demands more trained workers than are currently available. Skilled jobs are going begging side by side with rising unemployment. And that is the paradox; we have a shortage of nurses, a shortage of electronics people, computer specialists, engineers and we have to do something about it. Automation will compound the problem by displacing 45 million existing jobs in the next two decades. Growth in the 80's therefore demands a major investment in education and job retraining going far beyond anything we have done before.

Our elementary and high schools need to return to a new emphasis on fundamental communication, calculating, and scientific skills. We have to upgrade our teaching and provide more sophisticated equipment such as personal computers which can allow students to take a more active role in their education. Our universities need a sputnik-like push to turn out more scientists and engineers. Already, Japan, with half our population, is turning out 2,000 more electrical engineers every year than we are. The gap is growing. If we do not shift our priorities, it is only a matter of time before what happened in autos, TVs, calculators, and cameras is repeated in the electronics field. Then there will be very few industries left in which America leads. Such an outcome is totally unnecessary if we make the kind of shift that I am suggesting today.

Vocational education and job retraining programs also have to be upgraded and retooled. We need employment-based job training and retraining.

What we need to recognize is that wealth derives from people—from human intelligence—and that we have to nurture that intelligence through education, research and manpower training in the private sector and in the public sector. And we have a model on how to do that. It's called the California Worksite and Educational Training Act. It is a $25 million effort that we started three years ago. It has had a remarkable success by targeting job training at the lower end of the scale but including a career ladder for those who participate. Several thousand people and dozens of industries have worked very well with the community colleges to bring this about, particularly in electronics and nursing.

Finally, we need a training program targeted to areas of special need, from youth to minorities to welfare clients to those who are displaced by plant closings.

Beyond training, we also need to invest in strategies designed to involve working people in their own production, and in the quality of their work. The quality circle is an idea which was developed in America, transferred to Japan, and now brought home again. We have at the California Department of Motor Vehicles an experiment in quality circles where workers meet on a regular basis to discuss their work and share insights from the bottom up to improve productivity and their working lives. We are involved in international competition. We have to work better with greater insight and caring if we are going to secure our economic prosperity.

4. INVESTMENT IN NEW MARKETS

Our economy in the post-World War II era has depended on new markets created in Europe and Japan, made possible through the Marshall Plan. We've seen the Third World primarily as a source of cheap raw materials during the same period. Now, Japan and Europe are our more vigorous competitors in more slowly growing domestic and international markets. And the Third World is no longer merely a source of cheap materials.

To develop in the 1980s, we can no longer look just to the developed countries of

Europe and Japan. We have to turn our attention to the Third World, and help foster an economic framework there, so that the developing nations can become partners in global economic prosperity. The key is expanding the buying capacity in the Third World. Many of the markets, particularly in steel and autos, in the developed world are simply stagnant. Unless we can transfer technology to the countries of the Third World and help stimulate their buying power, we are going to find that our present period of economic stagnation will continue for the rest of this century. We may need to create something like a Marshall Plan for the Third World which would involve a cooperative undertaking among the rich nations.

5. INVESTMENT IN THE PUBLIC INFRASTRUCTURE

The explosive growth and development of the United States and other advanced nations in the last century was made possible only through a combination of private and public investment.

Waterways, canals, ports, and roads first opened up the country. Then came the railroads, followed by super-highways and, finally, the network of airports.

We have invested trillions of dollars in our public infrastructure of ports, highways and other public works vital to industry and private citizens.

And now, following many years of neglect, we face a financial crisis of alarming proportions because of aging facilities and the huge expenditures needed for replacement and expansion of our public structures.

A study this year by the National Council of State Planning Agencies asserts that:

The nation's 42,000 mile interstate highway system is deteriorating at a rate requiring repair of 2,000 miles of road per year. Over 8,000 miles of the system are substandard, along with 13 percent of the bridges. Estimated cost: $700 billion.

Bridge rehabilitation and construction will require $33 billion.

To maintain and renew city water systems will require between $75 and $100 billion in new investment.

More than $25 billion will be needed for water pollution control and treatment facilities.

Tens of billions of dollars will be needed to expand and upgrade our ports to meet the needs of a doubling of foreign trade by the year 2000.

Upgrading the nation's rail systems will require many more tens of billions of dollars.

As we continue to expand coal exports through our nation' ports, the need for improved rail service and connections with ports is even more vital.

The total public investment this nation now requires staggers the mind. The Urban Institute estimates that maintenance alone—just keeping existing public infrastructure in repair—will cost over $660 billion in the next 15 years.

In the face of this crying need for repair, reconstruction, and expansion of the public infrastructure, investments have been steadily declining in real dollars since 1965 from $33.7 billion to less than $25 billion in 1979, a 28 percent drop.

As a percent of the Gross National Product, public works investment has declined 53 percent.

You men and women connected with our nation's ports know full well the need for and the value of capital investment.

Our ports are essential to this nation's economic prosperity as we expand foreign trade to the Third World. The Los Angeles-Long Beach harbors alone expect to see an increase in trade of 350 percent by the year 2000.

With all of these unmet needs, what do we find coming out of Washington? New budget slashes across the board, shutting down public works projects, slashing education and training budgets and reducing research and scientific development. The administration is proposing to cut transportation alone by $31 billion in the next five years.

The revenue cupboards are bare in California and in other states.

Cities and counties have no money.

And unprecedented double-digit interest rates have crippled the bond markets, undermining the ability of state and local governments to make needed public investments.

A federal budget out of balance by at least $50 billion and headed for $75 billion.

A trillion dollar federal debt requiring nearly $100 billion a year for interest alone.

A proposed $1.5 trillion defense budget over the next five years.

And in the face of all those enormous needs and expenditures a tax cut of $750 billion.

I say to you ladies and gentlemen, something is out of whack.

With bridges falling down from rust and highways collapsing from erosion and ports needing dredging and new loading and unloading facilities; with 6,500 trains derailed in 1980 because of track deterioration; with water and sewer systems in collapse and prisons filled beyond capacity.

With all of that and much, much more, I say to you this country must look into its own soul and find a new, positive vision that will allow us to build for the future and not steal from it.

What I am really addressing myself to is the development of a new national consensus—a shared vision of what America is and what it can become.

To grow in this era of limits, we must put aside facile economic nostrums. Neither conservative calls for less spending nor liberal calls for more spending really address our central economic dilemma, insuring that our spending, whatever it is, is directed toward modernizing our economy. What is needed is basic agreement among leaders, business and labor, university and government, representatives of different regions and ethnic groups on a new strategy. This will demand a political shift as profound as any we have ever encountered. For years our nation has thrived despite adversary relationships between managers and labor, between different regions of the country, and more recently, between environmentalists and developers. Such a division we can no longer afford. Our top political priority in this decade must be to foster a new spirit of cooperation in which we come to see that the benefit of each depends on protecting the public trust. Corporation managers will have to place a new emphasis on risk-taking and long-term investment rather than just short-term profits and immediate gain.

Creating this new spirit of cooperation and national focus will not be easy. It will be as challenging as anything we have seen in our history in time of peace or war. But we have no choice. We have to proceed and proceed we must—confident in the knowledge that our best days are yet to come.●

THE TAX BILL: SMALL BUSINESS'S LOSS

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. LaFALCE. Mr. Speaker, the deep recession into which our economy is sliding is seriously hurting the small business community. Interest rates remain at high levels, orders and sales are slowing down, unemployment is shooting up, and business bankruptcies are at record levels.

As you recall, all of this was not suppose to happen. Last summer, we were told that prosperity without inflation was just around the corner. All we had to do was enact the administration's tax and budget programs. The tax-cut bill was especially important, we were told. It would infuse new money into the economy that would be used for new savings and investment. Business would no longer suffer from a crushing tax burden and would be unleashed. Small business would particularly benefit. And small businessmen lined up in strong support of the administration bill even though there were lone voices who warned that small business was being seriously shortchanged by the legislation.

I was one of those who was concerned that small business was not receiving the special consideration it merited under the administration's tax-cut plan. That plan was too heavily tilted toward the large, capital intensive industries and did not include items that small business needed.

Now, an article that appeared in a recent issue of Inc., the highly respected and widely read magazine of small business, lays out just how much small business had been shortchanged under the administration tax bill.

By one estimate, according to the article, the tax cut proposed by the House Democrats targeted nearly $27 billion in tax cuts to small businesses over the next 5 years. The administration bill, on the other hand, targeted only $6 billion over the same period.

The extent to which small business does not benefit from the biggest tax cut passed in out Nation's history worries me. Small business is the most vital sector of our economy. It is where the new jobs will be created that will put our citizens back to work; it is where the new tax revenues will be generated, it is where the new technological breakthroughs will come that will make our economy productive and competitive. But these things will not happen if small business continues to be ignored at best and discriminated against at worst by the current administration.

I would like to include the following article in the RECORD because it sets

forth in an objective, straightforward manner how much small business lost under the Economic Recovery Tax Act of 1981. Moreover, it demonstrates how little the small business community has received from the administration in return for its support.

WHY SMALL BUSINESS LOST ON THE TAX BILL

(By Tom Richmond)

Looking back on the tax fight that occupied Congress and the Administration throughout the summer, lobbyists and even some legislators contend that small business could have wrangled many more concessions out of the Administration—deeper corporate rate cuts and more depreciation—if they had used the same political tactics employed by other interest groups.

Instead, many small business constituents decided to be good patriots and support the Reagan Administration tax bill, even though the Democratic version was far more favorable to their interests.

"Corporate robber barons picked up billions of dollars in relief from the windfall profits tax," said Allen Neece, a lobbyist working with Small Business United, a coalition of 14 regional, state, and metropolitan small business associations. "But small business didn't want to be greedy. They wanted to do 'the right thing.' "

House Democrats had, in fact, put together a tax package that gave small business almost everything it ever dreamed of in tax reform, including two whoppers:

Substantial reductions in the corporate income tax rates and further graduation of those rates for net incomes up to $200,000 (see box);

Immediate expensing of the first $25,000 in capital investments each year and, after a 10-year phase-in, the ultimate in simplified and accelerated depreciation—immediate expensing of all capital expenditures.

By one estimate, the Democrats' bill targeted nearly $27 billion in tax cuts to small companies over the next five years, compared with just $6 billion in the Reagan-backed bill.

Unfortunately for the Democrats, many small businessmen rejected the bait. Vernon Raymer, the owner of a dry-wall contracting firm based in Denver, was one. Raymer attended a White House meeting on July 15 with President Reagan, top administration officials, and about three dozen small business executives, and came away firmly believing that the President should have the chance to make good On his economic promises. As for the Democrats' tax bill, Raymer wasn't interested. "If the opposition had wanted to help us," he said, "they had already had the opportunity."

Richard Johnston, chief executive officer of a Belle Chasse, La., company working in oil field fabrication, also attended the cabinet meeting. Afterwards, he said he too was skeptical of Democratic efforts to attract business interest to their rival tax cut measure. The Democrats, said Johnston, never had a plan of their own. "They were just trying to win a battle; Reagan was trying to win a war."

The views of Raymer and Johnston apparently typified the attitude of most small business owners and excutives. The Main Street business preferred to stick with Reagan. "they could trust him," said John Fitch, a lobbyist for the National Association of Wholesaler-Distributors. Fitch said his members seemed to have an almost "spiritual" bond with the President.

But small business may have played a cruel joke on itself. In viewing Reagan as a "knight on a white horse," said Neece, small business people were naive. "The most shocking thing is that they stopped thinking. People did not want to be bothered with the facts."

Being team players also limited the effectiveness of some members of Congress, who might otherwise have pushed a bit harder for tax revisions for small business.

TAX REDUCTION PROPOSALS VARY WIDELY

To appreciate what small business *didn't* get in the 1981 tax reform act, take a look at the differences between the corporate tax reductions offered by Democrats in the House Ways and Means Committee bill and the corporate rate reductions accepted by the Administration and eventually adopted by Congress.

MARGINAL TAX RATES

[Dollars in thousands]

Net income	In percent		
	Old tax law	New tax law[1]	Ways and Means[2]
$0 to $25	17	15	15
$25 to $50	20	18	15
$50 to $75	20	30	20
$75 to $100	40	40	20
$100 to $150	46	46	25
$150 to $200	46	46	30
Over $200	46	46	34

[1] When fully effective in 1983.
[2] When fully effective in 1987.

As an example, assume that a corporation has $250,000 in net income.

	Tax liability	Effective tax rate (percent)
Old tax law	$95,750	38.3
New tax law	94,750	37.9
Ways and Means proposal	62,000	24.8

Sen. Dave Durenberger (R-Minn.), for example, headed the Finance Committee's "small business task force," named by chairman Robert Dole (R-Kans.) Its job was "to work on some small business things that could be done inexpensively," according to a Senate staffer. The task force did successfully recommend the addition of two relatively inexpensive provisions to the committee's bill: incentive stock options—much sought after by high-tech companies competing for scarce management personnel—and an increase in the value of used equipment eligible for investment tax credits. "But when we needed someone with clout [to push for corporate rate reduction]," said Lewis Shattuck, executive vice-president of the Smaller Business Association of New England, "Durenberger was out sharpening his pencil."

To assess the small business gains and losses in the Economic Recovery Tax Act of 1981, as the legislation is officially known, you must ask: Compared to what?

If you accept as sufficient the Administration's criterion that, as articulated by Assistant Treasury Secretary Paul Craig Roberts, "anytime the general economy rises, small business automatically benefits," then the small business sector did well—provided, of course, the Reagan economic plan does give the economy a rise.

If, on the other hand, you take the position that a healthy economy, while necessary, is not by itself sufficient to insure accelerated growth in a declining small business sector—and it is declining as a proportion of the gross national product—then small business didn't fare very well.

"The bias against small business compared to large corporate interest," said Rep. Ed Jenkins (D-Ga.), "has not been narrowed by this bill." But while small business didn't gain much, it didn't lose much, either, Jenkins said. "We forced the Administration to at least keep them halfway even."

P.S. Remember the "second" tax bill that Reagan promised if the Congress would keep the first one clean? "You will have [another] tax bill next year," insisted special presidential assistant Wayne Valis a few days before Reagan signed the first one. What's to be in it? "We don't know yet," Valis said. "We have to get social security out of the way first."●

THE SAUDI PEACE PLAN, FULL TEXT

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. ROSENTHAL. Mr. Speaker, the ideas and opinions which Crown Prince Fahd of Saudi Arabia has advanced as a peace plan for resolving the Arab-Israeli conflict have provoked widespread commentary.

In the interest of informed debate, I wish to share the text of Prince Fahd's remarks as distributed by the Riyadh Domestic Service in Arabic and translated by the Federal Broadcast Information Service.

Tomorrow I will offer two recent commentaries on the Saudi plan which help to place it in the context of Middle East politics.

[Dated Aug. 7, 1981]

[Interview with Saudi Arabia's Prince Fahd ibn 'Abd al-'Aziz, heir apparent and deputy prime minister of the Council of Ministers; in Jidda, date not given—questions and answers read by announcer.]

[Text] Question: News agencies have extensively reported that Saudi Arabia played a part in bringing about the cease-fire in Lebanon? What is the truth about the Saudi role?

Answer: I will not be revealing a secret if I say that Saudi Arabia played a part in the cease-fire which came into effect in Lebanon recently. Ever since the situation began to dangerously deteriorate following the savage Israeli raid in Beirut, the king directed that there was a need to make moves on various levels in order to protect the lives of innocent civilians—old people, women and children who were falling victim to the Israeli military machine, which deliberately bombed, killing and wreaking destruction both in Beirut and in southern Lebanon.

This was the principal reason why his majesty the king and Saudi Arabia made a move. In addition, we believe that any aggression on an Arab country is an attack on us. On the orders of his majesty the king, we contacted Washington and expressed our extreme concern at the deterioration in the situation. We asked Washington to put pressure on Israel before the situation exploded.

The cease-fire agreement was concluded after intensive, urgent efforts. We notified all Arab parties directly involved in the dispute of what had taken place. In this connection I wish to affirm that the cease-fire had been dictated by certain humanitarian circumstances at a given, crucial moment in time, bearing in mind that this does not mean that the Palestinian people should cease their march toward gaining their rights and that our national commitment to the issue of Palestine and our organic relation with the struggle of its people imposed on us to move to save the innocent souls which were harvested by the Israel aircraft. And I take the opportunity to praise the rare heroism shown by Palestinian and Lebanese fighters over those 15 days with their limited capabilities and their unlimited faith, they opposed the aircraft and missiles of the Israeli enemy. To Yasir 'Arafat I send in the name of the kingdom, king, people and government, greetings of appreciation and admiration, to him and to the Palestinian and Lebanese people, for their steadfastness and determination to confront and fight Israeli barbarism.

Question: Does this mean that you are satisfied with the U.S. response to the kingdom's efforts?

Answer: The U.S. Government responded to us quickly and effectively, and we appreciate this. But here we rightly talk about one aspect of our relations with the U.S., which concerns a certain circumstance. We continue to be dissatisfied with the overall U.S. policy in the Middle East, especially as concerns the Palestine problem and the rights of its peoples. And I confirmed to the U.S. that there was no dispute between us and any U.S. administration other than that which concerns the national rights of the Palestinian people. This dispute is not to be scorned, because it is connected with the security of our region and its stability; and subsequently it is related to U.S. interests. I do not understand how successive U.S. administrations continue to expose their relations, and subsequently their interests with the Arab nation, to danger by supporting Israel politically, financially and militarily while the latter continues to occupy the whole of Palestine—in addition to other Arab lands—to build settlements, expropriate land and kill the innocent with American weapons it had agreed not to use for aggression. The U.S. should halt this support in order to safeguard world peace, which threatens to explode. What increases our sorrow is that the U.S. Government continues to adhere to the Camp David accords, whose failure has been proven. We continue to hope that the Reagan administration will accept the uselessness of the Camp David agreements as a framework for just and comprehensive peace in the Middle East and will initiate a drastic change in U.S. policy which would lead to the withdrawal of Israel from the Arab territories occupied in 1967 and the establishment of an independent Palestinian state. Any attempt which does not seek to force Israel to withdraw and does not seek the establishment of a Palestinian state shall lead to more unrest, killing and destruction, as is happening in Lebanon today.

Now we fear that time will pass without the current American administration embarking on a new serious move that is drastically different from Camp David. Then we shall hear the enduring excuse that Congressional elections are nearing, which will be followed 2 years later by the presidential elections, and subsequently there is a need to await the results, and so on for 30 years. Following the recent events in Lebanon, the international and Western press, especially the Americans, expressed the opinion that the U.S. Government should recognize the PLO. It is a fact that any comprehensive peace in the region should be based on reality and fact and not illusions that lead to unfavorable consequences, as happened in Angola, Ethiopia and Afghanistan. The time has come for the U.S. Government to be less biased toward Israel and more equitable toward the Arabs.

Question: It appears from the analysis made by Your Highness that the setting up of an independent Palestinian state is the basic condition for any comprehensive, settlement in the Middle East. Does Your Highness have a practical vision of such a settlement or the way in which it could be reached?

Answer: Naturally I cannot go into detail now, but there are a number of principles which may be taken as guidelines toward a just settlement; they are principles which the United Nations has taken and reiterated many times in the last few years. They are:

First, that Israel should withdraw from all Arab territory occupied in 1967, including Arab Jerusalem.

Second, that Israeli settlements built on Arab land after 1967 should be dismantled.

Third, a guarantee of freedom of worship for all religions in the holy places.

Fourth, an affirmation of the right of the Palestinian people to return to their homes and to compensate those who do not wish to return.

Fifth, that the West Bank and the Gaza Strip should have a transitional period, under the auspices of the United Nations, for a period not exceeding several months.

Sixth, that an independent Palestinian state should be set up with Jerusalem as its capital.

Seven, that all states in the region should be able to live in peace.

Eight, that the United Nations or member states of the United Nations should guarantee to execute these principles.

As I have said, the principles I have mentioned are not of my own making; I did not invent them—they are General Assembly decision. They may be summed up in one principle, to emanate from the Security Council, and to provide a framework for a comprehensive and just settlement.

I wish to reaffirm that the principles of a just comprehensive solution have become familiar and do not require great effort:

1. An end to unlimited American support for Israel.

2. An end to Israeli arrogance, whose ugliest facet is embodied in Begin's government. This condition will be automatically fulfilled if the first condition is fulfilled.

3. A recognition that, as Yasir 'Arafat says, the Palestinian figure is the basic figure in the Middle Eastern equation.

Talking about the responsibility of the U.S. in the Arab-Israeli dispute does not absolve the countries of Western Europe from their responsibilities. This applies particularly to Britain, which is now chairman of the EEC, and which bears a great responsibility for what happened to the Palestinians during its mandate. The interests of Western Europe in the Arab region is no less important or vital than those of the U.S. We have heard a great deal about European moves and a European initiative, but so far we have not seen anything definite. In my view a European move should be in two directions: Toward the Middle East on the one hand and toward the United States on the other, as the United States is the main partner in NATO and the leader of the free world.●

WALL STREET STORY ON BUDGET CUTS IMPACT IS MUST READING FOR PRESIDENT

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. FAUNTROY. Mr. Speaker, on Friday, November 20, 1981, the Wall Street Journal, which is one of the Nation's most respected newspapers and the principal voice of business activities in the country carried as its lead story the impact of the budget decisions of the Reagan administration.

These decisions which the administration has foisted upon the American people as being necessary to control inflation, and reduce Government expenditures are not actions which one can point to as being productive of social good. Instead, the reductions cause people to lose hope, to mistrust the Government, and break up family ties because that becomes the only way to obtain needed assistance. Surely, that cannot be the goal of government and I am sure—I hope—that is not the goal of the administration. Yet, diminution of hope, the possible loss of a business, of a home, of a family are all the possibilities that come from these budget cuts.

The administration must remember that cuts in the social programs are not events that can be accomplished in a sterile atmosphere. They are accomplished by putting people out of work as was demonstrated in the Wall Street Journal of the young boy who had a CETA job that gave him pride and hope. These cuts are accomplished by making it more profitable to quit work and rely only upon public aid. They prevent the erection of low- and moderate-income housing which means that the owners of property fear to raise rents to cover their own costs for they know that the poor will have no place to live. Those whose rents are raised can look to living in the streets this winter for there is no affordable housing, no new assisted housing, and no possible rises in welfare benefits that would allow them to live elsewhere.

The story is clear and straightforward. It should be read by every administration official who has anything to do with cutting the budget for those who are the least among us. Before the President sends another message to this Congress seeking more budget cuts, before he vetoes another bill, I would hope that he and his advisers read this story and then tell

us in truthfulness that they believe that these kinds of human tragedies will restore the Nation to economic vitality, health, and trust of government.

[From the Wall Street Journal, Nov. 20, 1981]

BUDGET CASUALTIES: IN HARTFORD, THE POOR ALREADY FEEL EFFECTS OF THE REAGAN BUDGET

BOY LOSES JOB, AND MOTHER WAITS LONGER FOR HOME; THE WORST IS YET TO COME: PRESIDENT ATTACKED, PRAISED

(By Timothy D. Schellhardt and Burt Schorr)

HARTFORD, CONN.—Nationwide, President Reagan's budget cuts add up to a great deal of money—$1 billion less for welfare, $1.3 billion less for food stamps, $6 billion less for job training, and so on. They also add up to a great deal of difficulty for countless individuals.

In and around this capital city, budget cutting in Washington means that—

Fifteen-year-old Danny Salb has lost his $3.37-an-hour job feeding homeless dogs at the pound.

Cynthia Huff and her two children, living for the past four years with her sister's family in a cramped cottage, will have to wait three more years, at least, before they can get a government-subsidized apartment.

College junior Holly Koch must work five hours more a week to earn the extra money needed to stay in school.

Fifty-nine-year-old Evangie Bernal, practically crippled from a bone disease and living on a low income, can't get free legal aid to try to avoid eviction from her apartment.

Former welfare recipients Sixto Moreles, Jessie Arrington and Arsula Little face unemployment again because the furniture-manufacturing company where they work has lost its federal funds and will close at the end of this month.

EASY TO FORGET

"Sometimes it's easy to forget that the budget-cut casualties are people, not simply programs," says Flora Parisky, an urban-policy consultant here. It has been only seven weeks since Mr. Reagan's fiscal-1982 budget ax began falling, but the casulaties already are piling up here.

There aren't any firm estimates of how many of Hartford's 136,400 residents—30% of whom get some kind of federal assistance, including Social Security benefits—are being hurt by budget reductions—But local and state officials believe they number in the thousands. Miss Parisky estimates, for example, that more than 10,000 youngsters under age 18 have been affected by cuts in child-assistance, job-training and other programs.

For most of this city's middle-class families, which make up the majority, the effects of the federal budget reductions aren't yet easily discernible. Gone, to be sure, is the 12:01 a.m. Amtrak to New Haven, forcing night travelers to catch the 8:41 p.m. train or wait until 3:52 a.m. Nine other trains also stop here no longer. And those who pay for school lunch are being charged a nickel more for it by the public schools as officials try to make up for a cut in federal funds. But the main budget casualties are the poor.

SOFTENING THE BLOW

Even for them, local and state authorities say, the full effect won't be felt in Greater Hartford for several months. Officials have been able to make up for some of the cutbacks—somewhat softening, for instance, the blow to programs for expectant low-income mothers. At Martin Luther King Jr. Elementary School, principal Harold Barrow used $131.20 from his school's activity fund to pay for lunches of youngsters who have been removed from the free-lunch list or required to pay more for reduced-price meal tickets under the Reagan program.

But those resources are drying up fast. "People are going to get less service, and less people are going to be eligible for help," says Stephen Heintz, a state planning official. Echoing him is Marlene Berg, an official of the local United Way organization, which finances 65 Hartford-area agencies. She says: "There's going to be a cold, cold time for social-services agencies."

For many, the cold times are already here, and many of those who have been hurt are bitter, upset with President Reagan for slashing programs that aid them.

AN ANGRY MOTHER

"There are other things he should be doing instead of cutting able-bodied people who want to work," says Cynthia Huff. The 30-year-old Mrs. Huff, a welfare mother until she took a job as a school-bus attendant, finds her food-stamp allotment has been pared by $22 a month and other federal benefits cut by $54 a month because of new higher federal-aid standards.

But not all the budget victims blame the President. Some say the efforts to balance the federal budget are essential to the nation's economic vitality.

"It's got to be done. If Reagan had continued to go along the same old path, the result would have been disastrous," says J. James Asbeck, the President of Maverick Corp., a furniture producer that serves primarily as a job-training employer." Since 1975, Maverick has found other jobs in the area for 650 ex-convicts, welfare mothers and workers financed under the Comprehensive Employment and Training Act, or CETA. A $1.7 million cutback in its job-training and other federal funds is forcing Maverick to close Nov. 30, even though its sturdy pine bunk beds and accessories "are selling like hot cakes," grossing more than $525,000 in the first nine months of this year.

Whether cutbacks are necessary is beside the point to those—such as Maverick's Sixto Moreles, Jessie Arrington, and Arsula Little—who are ultimately hurt by them. A $150,000 cutback in federal housing funds in Hartford, theoretically justified or not, means that fewer rent-subsidized apartments will be built here. The waiting list for such apartments already exceeds 5,000.

Ineffie Sargent, a Hartford caseworker, says that the federal cuts, or the fear of reductions, have increased "stress and depression" among her low-income clients. The number of mothers asking to have their children placed in foster homes has risen sharply, she says. Turning the pages of her notebook, she counts 23 children whom she herself placed in the past three months. A year ago, she says, her placements averaged only one a month. Reported cases of child abuse in Connecticut, which dropped to a three-year low last April, have climbed in recent months.

The federal cutbacks, says Marlene Berg of United Way, have trimmed the staffs at many social agencies, reducing Hartford's ability to measure "internal domestic violence that could become street violence." For example, there is no one to answer the telephone anymore between midnight and 8:30 a.m. for people who call North Central Infoline, the special state and United Way emergency number serving Hartford and surrounding communities. Infoline's callers have numbered 31,000 a year and latenight callers often are potential suicides, runaway teen-agers, people who have overdosed on drugs and those needing emergency shelter. "We don't know how they're getting help," says Cheryl Berger, Infoline's assistant director.

Many Hartford residents no longer are getting the help they once counted on. Here is how the federal budget cuts have affected some of them.

THE JOBLESS TEEN-AGER

Danny Salb wants to be a veterinarian. That may be more fantasy than reality for a ninth-grade youngster from a welfare home, but when the soft-spoken, bantam-sized boy says it, you believe him.

Danny's favorite school subjects these days are algebra and earth sciences, and he is doing well in them. Last fall, in the eighth grade, it was different story. "I was flunking everything," Danny remembers.

One person who worried about Danny's future was his mother, who with her four children lives in an uninsulated rented house where the furnace remains off this chilly Connecticut autumn for lack of oil money. Danny's poor schoolwork, she believes, reflected his "frustration and anger" at being unable to earn money for his family. He was stymied by his inability to find work on his own.

It was Uncle Sam who offered Danny his first paying job. A local community-service agency, with a $32,000 Labor Department CETA grant, created a "work experience" program for low-income or handicapped people ages 14 to 21. Danny worked two hours a day after school, five hours a day during summer vacation, at the Town of Vernon dog pound.

John Cagianello, a high-school teacher hired to run the project, noted after a few weeks that "Danny felt better about himself." It spilled over to his schoolwork. He saved $320 from his earnings, giving money to his mother for groceries and using the rest to buy clothes for himself.

Danny knew from watching television news and talking with his mother that President Reagan intended to cut the federal budget. But he didn't connect that with his own life until a few weeks ago when Mr. Cagianello confirmed school rumors that the CETA jobs had been axed. "I was pretty upset," Danny recalls. His mother says he had counted on the income to buy the shoes he needs for this winter.

THE BUSINESSMAN

Teofilio Babun Jr. seems just the sort of voter President Reagan expected to please when he pushed his budget cutbacks through Congress. And the Cuban-born electrical engineer, at 33 well up the American business ladder, indeed thinks that the cuts were a swell idea—except for their effect on his life. That, he says, "was something I needed like a hole in the head."

When Mr. Reagan took office last January, Mr. Babun was pulling down over $40,000 a year as a marketing manager for Crouse-Hinds Co.'s Arrow Hart division here, which makes electrical switches. But he had bigger plans. Together with two partners, he was negotiating to buy a small electrical relay plant owned by a local unit of Western Pacific Industries Inc.

All he needed was a 90% guarantee from the Economic Development Administration

for an $850,000 loan that a Hartford bank had agreed to make to finance the purchase. The federal agency appeared interested. It sent Mr. Babun the first draft of a proposed loan-guarantee pact and followed up with oral assurances of the application's ultimate success. In February, with the closing only weeks off, Mr. Babun gave notice at Arrow Hart.

Then came the bad news: Under White House orders, the EDA had frozen its business-aid programs, including loan guarantees. After unsuccessful appeals to Washington, Mr. Babun's only chance to save the deal was to line up his own financing, which he did—but at a price.

Instead of a single bank, he had four separate lenders to deal with and a variable interest rate that has ranged above 22%. (An interest rate on the single-bank loan hadn't been set but undoubtedly, with the federal guarantee, would have been far lower.) Things are working out okay, for now, with sales running about 250% higher than a year earlier. But the four separate loans, which require quarterly reports to each lender, "are expensive and confusing," said, Mr. Babun. Looking ahead, he sees complex negotiations with the lenders over additional financing. Looking back, he wonders, "Can you trust your own government?"

THE TENANT

Evangie Bernal, the disabled former practical nurse, has been told she must vacate her two-bedroom $180-a-month apartment by Dec. 1. A new owner has purchased the house in which Mrs. Bernal lives and wants to raise the rent to $350 a month, which Mrs. Bernal is unable to pay. The owner says that her own $891 monthly mortgage and tax payment on the house requires the higher rental income.

Mrs. Bernal asked Neighborhood Legal Services for help, but a 30 percent reduction in the agency's $600,000-a-year federal funds forced it to stop handling tenant-eviction cases, effective Oct. 15. Mrs. Bernal applied after the cutoff date. She has submitted her case to Hartford's Fair Rent Commission, but the eviction threat remains. A neighborhood Legai Services attorney doubts that Mrs. Bernal, who is somewhat confused by her rent problem, would be able to represent herself effectively in court. Meanwhile, Mrs. Bernal has stopped going out of her apartment for fear that her landlord, who lives upstairs, "might lock me out."

THE WELFARE MOTHER

Bernice Roberts says that these days "all I do is cry." Seated at her dining-room table, the 37-year-old mother of eight sons fingers the letter she received recently from the state welfare agency. "You have been informed," the letter begins, that her public-assistance check this month will be slashed to $291.12 from $499.63 because her outside earnings have risen somewhat, thus reducing her federal benefits, and because federal eligibility standards have been raised to cut welfare costs.

Since April, Mrs. Roberts has worked as a home health aide, helping an invalid four hours a day, seven days a week. For that, she earns about $300 a month. Her welfare check and her salary barely cover her $220-a-month rent and heat bill, her grocery bill and the cost of her other essentials. "I have $14 in the bank," she says. The reduced welfare benefits, she says, will mean "there might not be any Christmas." She pauses, then adds: "There might not be a Thanksgiving, either."

THE COLLEGE STUDENT

"Thank God my parents got divorced," exclaims Holly Koch, a junior at the University of Hartford. Miss Koch, a business major, thinks that if her father's income had been considered in weighing her financial-aid request, she wouldn't have gotten the assistance she needs.

Because of federal cuts, Miss Koch's annual basic-aid grant has declined by $50, to $996, and her work-study grant has been chopped in half, to $500 from $1,000, even though her university costs have increased by $1,530 this year. As a result, she works 15 hours a week in the university's financial-aid office this year instead of the 10 hours or so she averaged last year. "That increase doesn't sound like much," she says, "but it is when you're carrying a full load of courses."

Of the federal budget cuts, Miss Koch says President Reagan "has good intentions. I don't know what else he could have done." She adds, "We're all willing to scrimp a little around here, but if there's any more, forget it." If she could plan her college career over again, she says, "I'd go two years to community college" because it's cheaper.●

DEREGULATION OF CIVIL AERONAUTICS BOARD

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. MINETA. Mr. Speaker, today we are introducing legislation which will accelerate both the transition of the airline industry toward economic deregulation and the sunset of the Civil Aeronautics Board.

In 1978 the Congress passed landmark legislation setting the airline industry, previously one of the most regulated in the country, on a course toward economic deregulation. We provided for a transition for specified periods up to 10 years, extending protection to various activities and interests, including small communities and airline employees. We also believed that by 1985 this transition would have progressed far enough so that too few economic regulatory functions would remain at the CAB to justify its continuation as a separate and independent agency.

We have carefully monitored the performance of the industry under this transition-to-deregulation regime through numerous hearings and through periodic studies by the General Accounting Office. We believe, as do many others, that the introduction of mangerial discretion, free enterprise, and marketplace competition, in place of economic decisionmaking by Government bureaucracy, has generally been beneficial both to airlines and to consumers. Any transition, especially one so fundamental as this one, is bound to have its rough spots and difficult moments, but the data thus far indicate that the efficiencies offered by less economic regulation have been significant. This is all the more remarkable in light of the fact that external economic conditions, mainly drastic increases in fuel costs, an economic recession which depressed demand for travel, and high interest costs which drastically increased the burden of equipment and credit costs, would have made the period since late 1979 a painful one for airlines whether they were regulated or not. Just to cite one of these factors as an example, in March 1979 the average jet fuel price in this country was 40 cents per gallon. In the following 12 months it doubled, and by April 1981 it hit $1.07 per gallon.

Looking at this industry's total costs over the first 3 years of deregulation (1978 through 1980), GAO found that the above factors pushed total airline costs up an incredible 60 percent, yet under the beginnings of deregulation air fares were held to an average increase of only 37 percent. Deregulation has permitted new entry by low-cost carriers and price competition by both new and old carriers. As a result, passengers in many markets have been given the opportunity to fly at fares 50 percent or more below the regulated fare level.

The 1978 act has also protected small communities against termination of air service. Before 1978, airlines could terminate all service to a small city with CAB permission, and between 1968 and 1978, CAB granted permission for termination of certificated air service at 137 cities. The 1978 act requires CAB to insure that there is adequate replacement service at any city at which certificated service is terminated. If necessary, replacement service will be subsidized. Since the Deregulation Act no certificated city has totally lost service and a GAO study has shown that small cities received more aircraft departures in 1980 than they did in 1977.

There are, of course, those who believe that the 1978 decision to begin a transition to deregulation was a mistake, and they often try to blame every problem in the industry since 1978 on deregulation. Yet we find that a general consensus has formed among both those in favor of deregulation and those opposed to it that the transition has proceeded rapidly enough so that we are better off accelerating that transition, rather than leaving this beast somewhere in the middle, neither fish nor fowl.

We find that some of our original provisions for transition need adjustment in light of experience; we find that in many respects our basic transition timetable can be accelerated; and we find that given the accelerated termination of many of the economic regulatory functions, including all of the major ones, it is now appropriate and

advisable to sunset the CAB substantially sooner than called for in our original legislation. In all these findings we have the concurrence and support both of the administration and of the CAB, both of which have previously submitted comprehensive legislative proposals similar to the legislation we introduce today.

The introduced bill is designed as a vehicle to begin markup on this important legislation. We consider the bill as a starting point for a dialog on the issues, and we welcome suggestions for improving the bill.

In the near future, I will place in the record a detailed section-by-section analysis of the bill. At this time, several general observations may be made.

The bill's basic schedule for sunset is that all CAB functions which are not being transferred will terminate 60 days after enactment.[1] 150 days after enactment the CAB, itself, will be sunset and its remaining functions will be transferred to other agencies, generally to the Department of Transportation.

The basic philosophy of the bill is to terminate economic regulations of interstate air transportation and to leave decisions on prices and service to the marketplace.

However, there are some areas in which we believe that a further transition period of regulation is required to insure that the impact of deregulation does not fall too heavily on particular groups, and to insure that all groups have a reasonable opportunity to adjust to the new economic environment.

The Deregulation Act of 1978 included a transition period, with protective provisions, for small communities and airline employees. The introduced bill continues these programs. As in the 1978 Act, communities which were receiving certificated air service when that law was enacted are guaranteed essential air service till 1988. Where necessary, subsidy will be available to support this service.

The 1978 Act also protected airline employees, who had begun their employment when air transportation was a regulated industry. These employees were protected against displacement caused by the 1978 Act's change in the rules of the game. The introduced bill retains this program. There have been suggestions from management, labor and the administration on improvements to the labor protection provisions and the introduced bill adopts several of these suggestions. It should be emphasized that we recognize that this is a complex and controversial area, and that we remain open to further suggestions.

[1] The bill makes no basic change in the provisions in existing law which terminate CAB route regulation of interstate transportation on Dec. 31, 1981.

The introduced bill makes no changes in the 1978 act's compensation program for displaced employees. The bill continues the provisions in the 1978 act giving displaced employees a right of first hire when positions become available on other airlines. The bill makes several modifications in this program. The program is made subject to the same trigger as the compensation program: Specifically a 7½-percent reduction in employment by an airline in a 12-month period and a finding that deregulation was a major cause of this contraction in employment. In addition, the introduced bill extends the obligation to hire displaced employees to all airlines operating large aircraft and provides that flight deck crew members who exercise their right to a position with another airline, do not keep their right to be recalled by their original employer.

A further employee protection provision in the bill provides that when airlines operating large aircraft merge, employees must be protected by arrangements at least as favorable as the Allegheny-Mohawk conditions developed by the CAB.

The Deregulation Act of 1978 provided for a complete termination of any regulation of airline fares, including any requirements that airline fares be filed with the Government. For the most part, we are adhering to this concept. However, we are providing that during a transitional period some limited aspects of fare regulation will be retained, to give airlines, travel agents, small communities and commuter carriers a fair opportunity to adopt to total deregulation.

The introduced bill provides that during a 2-year period after enactment, airlines will be required to continue to file their fares and changes in the rules governing the construction and availability of particular fares. This transition period will enable airlines and travel agents to develop new methods of providing fare information to consumers and sellers of air transportation.

The bill also continues some regulation of joint fares for a transitional period. Joint fares are of particular value to the small communities which are guaranteed essential air service. To insure that joint fares will continue to be available, the bill provides that during the 3 years after enactment, CAB and DOT must continue to prescribe a uniform, cost-based formula for establishing joint fares and dividing the revenues therefrom. For 3 additional years DOT will be required to prescribe a uniform formula, but DOT will have discretion over the concept on which this formula is based. The bill permits carriers which do not interline with any other carriers to continue to operate without interlining.

Travel agents have expressed concern about a possible premature termination of the antitrust immunity under which they now operate. To provide adequate time for consideration of whether antitrust immunity continues to be in the public interest the introduced bill provides that the Department of Transportation will have authority to grant antitrust immunity to agreements such as the travel agent agreement through January 1, 1986.

The bill gives commuter carriers an opportunity to play a greater role in furnishing essential air service to small communities. As has been discussed the bill insures that the commuters will continue to be able to offer joint fares at small communities. In addition, the bill places limits on the section 406 subsidy program, which has been the basis for subsidizing certificated airlines operating large aircraft to serve small communities. The bill provides that the section 406 program will be limited to cities with under 80 enplanements a day and that the program will be subject to annual ceilings, which will decrease through fiscal year 1985. A commuter will be able to replace a section 406 carrier if the commuter establishes that it can provide equivalent or better service at a lower cost in subsidy.

Other provisions of the bill are designed to help U.S. carriers compete more effectively against foreign air carriers, particularly those foreign carriers which have an unfair competitive advantage as a result of direct or indirect government subsidy, and/or as a result of foreign government rules and practices which discriminate against U.S. carriers. Foreign air transportation has not been fully deregulated by the United States, and although we are working in this direction, deregulation requires the agreement of other governments, some of which continue to favor protective regulation.

The bill requires the U.S. Government to negotiate bilateral agreements which eliminate rules and practices which discriminate against our carriers. To facilitate the ability of U.S. carriers to develop international routes, the bill provides that initial international certificates must be issued for a term for at least 5 years, and that in cases on renewal of these certificates there will be a presumption in favor of renewal of the incumbent carrier's authority.

To insure that U.S. carriers will have an opportunity to change their fares promptly when costs increase, the bill increases the zone of upward fare flexibility. Initially, this zone will be 10 percent or any higher zone currently established by CAB. CAB may adjust a zone if the competitive situation changes, but the zone may not be reduced below 10 percent. Finally, to

insure that U.S. international carrier will continue to receive fair compensation when they carry mail for the U.S. Postal Service on international routes, the bill continues Government regulation of international mail rates, to be exercised by the Department of Transportation after sunset of CAB.

As I mentioned, I intend to place a more complete summary of the bill in the RECORD in the near future. We hope to move this legislation quickly over the next few months, and to conclude the historic transition to deregulation which we began a few years ago.●

WHY THE FEDERAL BUDGET HAS NOT BEEN CUT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. McDONALD. Mr. Speaker, all through the debate on the budget this year, the press has failed to inform the American people that the small cuts enacted in the budget are really only decreases of projected increases in the Carter budget. We are not really much closer to balancing the budget than we were before. President Reagan is struggling to hold down the increases, and these are daily rising due to the so-called entitlement parts of the budget. Thus, while today's veto over a difference of $2 billion may seem small, the stakes are very high and each dollar counts. The future of the Nation's economy and the future of the United States is at issue. The lead story in Human Events for November 28, 1981, by M. Stanton Evans explains this situation in detail. I commend it to the attention of my colleagues.

"ENTITLEMENTS" OUT OF CONTROL—WHY THE FEDERAL BUDGET HAS NOT BEEN CUT

(By M. Stanton Evans)

For Ronald Reagan and others who want some real economy in government, the battle cry these days should be, "We have not yet begun to fight!"

Contrary to popular impression, generated by the struggle over the continuing resolution last week, the gigantic federal budget continues to surge wildly out of control, with spending estimates climbing higher on a monthly basis. And while few in the Capital talk as if they understand the process, the President himself, in a wide-ranging interview with columnist Donald Lambro, indicated full awareness of the problem and the steps required to handle it.

Despite constant media and interest group clamor about "more budget cuts," and the stringent economies demanded by Reagan, the total federal budget has not been cut at all. As previously noted in this journal (October 24, 1981 issue), the spending estimates for fiscal 1982 are already $100 billion higher than the original Jimmy Carter budget for 1981, and $65 billion higher than the final numbers in that budget.

As the accompanying chart indicates, what Reagan has been attempting to do is to slow the rate of increase of federal spending below that proposed by Carter. The budget would continue to grow, but not at so rapid a pace. Unfortunately, even this limited objective is endangered by the freight-train momentum of the federal spending process.

Indicative of the problem is what has happened to Reagan's own budget, quite apart from any comparison with Carter's. When Reagan offered his budget revisions in March, total spending for fiscal 1982 was estimated at $695 billion. By the time of the mid-session review in July, this had been boosted upward to $705 billion. By September, the total had increased again to $722 billion—and was heading higher still.

Thus, the Reagan budget itself went up by $27 billion in five months' time, and pressures in Congress to jack up appropriations have added to the total. It was this process and the yawning deficit that it implies which prompted Reagan's September call for $13 billion in new cuts, and his threat last week to veto the budget-busting appropriations resolution.

While the conventional wisdom has it that Reagan's suggested $13 billion in September went much too far, it is noteworthy that even if he got all of these economies, spending for the year would still be higher than the total estimated in July ($709 billion vs. $705 billion). Some budget cut!

All of which, of course, is directly contrary to what the American people have been told in many of the media and by many of their elected representatives. While there is massive outcry about hardships, cutbacks, and the tight-fistedness of the Administration, almost never is there any mention of what the budget total for 1982 is, the fact that it is $100 billion higher than the budget for 1981, or that it has leaped upward by roughly $30 billion in the past six months.

As a result, congressional debate and public consideration of budget issues have taken place in a rhetorical vacuum—readily filled by wailing interest groups and politicians who want to continue spending money in their accustomed manner. In the circumstances, there is little chance for the President to get even modest economies through Congress, and zero prospect that the mandate he was given to reverse the trend of federal growth can be fulfilled.

How is it possible that the federal budget keeps right on growing, despite the efforts of an economy-minded President, highly advertised economy moves, and repeated clamor about the hardships inflicted on the suffering and the needy? The answer lies in the way the federal budget is constructed, and the ground rules established for attempting to reduce its rate of increase.

The major villain in the piece, as Reagan noted in his interview with Lambro, is the machinery of "entitlement" programs, geared to external economic indicators such as the Consumer Price Index, unemployment levels, income status, age, disability, etc. As the CPI goes up, or unemployment rises, people entitled to such benefits get more of them, or new people are added to the roster.

Some three-quarters of the federal budget, by one estimate, consists of "relatively uncontrollable" payouts—Social Security, disability, Medicare and Medicaid, food stamps, unemployment compensation, AFDC welfare, and the like. As economic factors affecting such programs change, billions gush forth from the federal treasury, on an automatic basis. It is the dynamism of this process that has pushed the budget ever higher, and makes mincemeat of the official forecasts.

The inexorable power of entitlements has played havoc with Reagan's own budget estimates. The common assumption is that outlays for 1982 have had to be revised because of rising interest rates, which are indeed a factor. Most of that ($10 billion) was accounted for, however, in the mid-session review. In the $17-billion jump occurring between July and September, the principal problem was not interest payments, but the upward push of the entitlements.

Of that figure, $3.8 billion was for Social Security (because proposed savings were not enacted), $2.8 billion for other "entitlements and uncontrollables" (ditto), $2.4 billion for farm price supports, $800 million for Medicaid, and $700 million for food stamps. These and other budgetary odds and ends amounted to almost $12 billion in projected spending hikes, compared to $5.6 billion for additional interest.

As long as the entitlement process keeps running in this manner, adopting piecemeal budget cuts in individual programs is like trying to sweep back the tide with a whisk broom. Dollar "caps" and percentage cutbacks on food stamps or Medicaid look good on paper, but are futile in practice. As fast as such efforts are made to curtail outlays, the entitlement process can—and usually does—increase them, making all the numbers meaningless.

A good example is the fate of savings sought by the Administration for a cluster of entitlement programs including welfare, Medicaid and food stamps. In March, the Administration estimated 1982 outlays for these programs at $45 billion, and proposed savings of $6.5 billion to bring the total down to roughly $38 billion. By October, actions by Congress and the power of entitlements had pushed it right back up again, so that we faced a potential outlay of $44.8 billion—virtually what it had been before the projected economies.

While marginal efforts have been made to slow the entitlement process, the ground rules of the budget battle have compounded the problem. Many of these programs are defined as part of the "safety net" exempt from budget-cutting—Social Security with its highly indexed benefits providing the prime example. This means the entitlement machinery keeps running merrily along, driving budget totals ever higher.

It also means that non-entitlement areas—federal staffing, revenue sharing, other discretionary grants in aid—must be cut back even more severely to get anywhere near the desired budget objectives. This in turn generates more outcries about the hard-hearted Reagan Administration and feeds the public image of severe economy while total outlays soar ever higher.

Obviously, if the growth of the federal budget is ever to be curtailed, the Administration and the Congress must come to grips with the entitlements. Reagan has outlined this as a major objective, and the Administration was supposed to come up with a plan to reform the process in October. Now the plan has been deferred until the first of the year—which, considering the current disarray of the budget totals and the battering the Reagan program is taking on the Hill, is none too soon.

Suffice it to say that federal spending will continue to expand at dizzying velocity as long as entitlements are not reformed. Until

they are, don't let anybody tell you the federal budget has been cut.●

AN UNHAPPY ANNIVERSARY

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. MINISH. Mr. Speaker, I rise today so we in this Chamber may pause for a few moments and commemorate an unhappy anniversary. This month marks the 64th anniversary of the Bolshevik revolution in Russia. The civil war in that country lasted for 3 years. At the end of that time, the Union of Soviet Socialist Republics was formed and the domination of those courageous people began. On this anniversary, I believe it important that we in the free world reiterate our concern for all who are forced to live under Communist rule.

The violations of human rights in the Soviet Union are well known. For instance, November not only marks the anniversary of the Bolshevik revolution, but it also marks the fifth anniversary of the founding of the Ukrainian Public Group to Promote the Implementation of the Helsinki Accords. That group was established to monitor the U.S.S.R.'s compliance with the provisions of the final act of the Conference on Security and Cooperation in Europe. Unfortunately however, the overwhelming majority of the brave members have either been imprisoned, sent to labor camps, or forced into exile. One member of the group committed suicide after it was reported that he was continually harassed. Many of us in Congress sent a letter to Ambassador Dobrynin expressing our distress at this situation and urgently requesting that the imprisoned members be released.

Mr. Speaker, as was pointed out to me by the Congress of Russian-Americans, Inc., the words "Russian" and "Soviet" are not synonymous and the Russian immigrants in the United States warn us of the dangers of totalitarian regimes. It is my earnest hope that one day we will not have to call for human rights for individuals, because that goal will have been attained. Sadly, history presents no reason for optimism. Until that day, our commitment toward insuring human rights for all people of the world must remain ever vigilant.●

REAUTHORIZATION OF THE NATIONAL ADVISORY COMMITTEE ON OCEANS AND ATMOSPHERE

HON. CLAUDINE SCHNEIDER

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mrs. SCHNEIDER. Mr. Speaker, on November 17, 1981, the House of Representatives passed S. 1133 which provides for the reauthorization of the National Advisory Committee on Oceans and Atmosphere—NACOA. This Presidentially appointed body, including representatives of industry, the scientific community, and academia, advises the Congress and the President on policy issues relating to marine and atmospheric affairs. I am pleased that, as a result of the passage of this bill, the Congress will continue to receive the information and recommendations of this committee.

A recent example of NACOA's contributions to ocean policy debate is their report on "The Role of the Ocean in a Waste Management Strategy." This report provides an analysis and recommendations regarding current ocean waste disposal policies which have stimulated discussion and a reexamination of the issues by both scientists and policymakers. In the past year, under the direction of acting chairman John Knauss, dean of the Graduate School of Oceanography of the University of Rhode Island, this committee has provided timely reports and position statements to several congressional committees on topics including barrier island legislation, ocean dumping policy, and Coast Guard aids to navigation, among others.

S. 1133 provides for a reauthorization for NACOA at a level of $555,000 for fiscal year 1982 and reflects the administration request for funding of this committee. With increasing capabilities and interest in developing the living and nonliving resources of the oceans and increasing utilization of our understanding of atmospheric processes, both the administration and the Congress will have a growing need for the advice and recommendations NACOA is mandated to provide. This committee has demonstrated that they are capable of fulfilling this mandate. I fully support this bill and am pleased that it was passed by both the House and the Senate.●

ELIMINATION OF BATF WILL HURT EFFORTS TO COMBAT CRIME

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. FRANK. Mr. Speaker, I and many others have been deeply disappointed by the failure of the Reagan administration to conform the reality of its actions to the strength of its rhetoric against crime. The President and the Attorney General have spoken out vigorously against crime. But crime is not deterred by official speeches. Unfortunately, the administration's anticrime rhetoric has not been accompanied by any serious anticrime action. In fact, several actions of this administration have undercut the Federal Government's ability to provide needed aid to the State and local forces who serve as our frontline troops in the fight against crime.

The most blatant example of this is the administration's decision to dismantle the Bureau of Alcohol, Tobacco and Firearms. I have been struck, in my conversations with police officers in Massachusetts, by their highly favorable attitude toward the work of the BATF. From police chiefs to patrol officers, I have been told by working police officers that the BATF has been among the most helpful of Federal agencies in the fight against violent and dangerous crime.

Further testimony of the important role the BATF has played in the effort to protect our citizens comes from the Anti-Defamation League of B'nai B'rith. The ADL cooperates closely with law enforcement agencies all across this country in combating violent acts against members of minority groups. Leonard Zakim, the very able civil rights director of the New England regional office of ADL and Massachusetts civil rights leader, recently brought to my attention a resolution adopted by the ADL National Executive Committee violence against minorities. As the ADL says in its letter, "The alertness and skill of BATF personnel in thwarting * * * terrorist schemes, surely saved the lives of many innocent Americans."

Mr. Speaker, it is distressing, indeed, that an administration which professes to be supportive of a vigorous Federal anticrime effort launches its program in this area by abolishing one of the Federal agencies which has been most effective in helping law enforcement agencies. Nothing threatens law enforcement personnel more thoroughly than illegal weapons and explosives in the hands of criminals. It is sad that the administration has taken a step backward in protecting our law enforcement personnel against the

proliferation of weapons in the hands of criminals. Mr. Speaker, I insert the letter from the Anti-Defamation League National Executive Committee about the important role of the BATF at this point in the RECORD.

NOVEMBER 6, 1981.

Hon. DONALD T. REGAN,
Secretary of the Treasury,
Treasury Building, Washington, D.C.

DEAR MR. SECRETARY: At its recently concluded National Executive Committee meeting in San Francisco, the Anti-Defamation League of B'nai B'rith adopted a resolution relating to reported plans to eliminate the Bureau of Alcohol, Tobacco and Firearms (BATF). The ADL opposes the dismantling of BATF and having its various functions distributed to other federal agencies.

Our concern is for the security and safety of Americans who are potential targets of violence at the hands of extremists and bigots. The record is clear that BATF has performed in exemplary fashion its responsibility of monitoring illegal weaponry and explosives. For example, its agents were responsible for uncovering the information which led to the successful prosecution of Klan members or neo-Nazis in such recent cases as the Greensboro bombing conspiracy, the Dominica invasion scheme, the planned assassination of an NAACP leader in Maryland, and the attempt to bomb a synagogue in Nashville, Tennessee. The alertness and skill of BATF personnel in thwarting these terrorist schemes surely saved the lives of many innocent Americans.

In light of the fact that there has been an increase in the extremist activities of hate and terrorist organizations and radical groups, we are troubled by the reported dismantling of so successful an operation as the BATF. What is required is not the elimination but the reinforcement and strengthening of a law enforcement agency with such an outstanding record and under such growing need for its activity.

It is for this reason that the National Executive Committee of the Anti-Defamation League unanimously adopted a resolution urging the Administration to reverse its apparent intention to abolish the Bureau of Alcohol, Tobacco and Firearms.

It is our hope that you will give your active sympathy and consideration to this urgent matter.

With every good wish.

Sincerely,

KENNETH J. BIALKIN,
Chairman,
National Executive Committee.●

NOTICE OF HEARINGS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. FORD of Michigan. Mr. Speaker, I would like to announce that the Post Office and Civil Service Committee will hold hearings at 10 a.m. on December 2 on the administration's proposal to raise pay and benefits for Federal Aviation Administration employees.

We have asked Transportation Secretary Drew Lewis to be the first witness.

The administration's package, according to Mr. Lewis, provides an average 6.6 percent increase in pay and benefits for FAA employees, in addition to the 4.8 percent provided for all Federal employees.

In addition, the administration's proposal would waive the premium pay cap for FAA employees, allowing them to exceed the $50,112.50 pay limit on other Federal employees with premium pay.

The proposal was added as an amendment to the continuing resolution passed November 22, but died when the President vetoed that piece of legislation.

These hearings reflect the committee's continuing interest in this matter.

I hope the Senate will begin hearings soon to guarantee full and speedy examination of this proposal.

The hearings are being held at this time because of the urgency of this matter, clearly demonstrated during lengthy debate on the House floor during deliberations on the continuing resolution.●

VALOR REWARDED 37 YEARS LATER FOR LYLE BOUCK, ST. LOUISAN

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. GEPHARDT. Mr. Speaker, on October 26, 1981, I had occasion to witness a most moving and remarkable event at Fort Myer, Va.—the Valor Awards ceremony honoring the Intelligence and Reconnaissance Platoon of the 394th Infantry Regiment, 99th Infantry Division. The ceremony was conducted in recognition of the extraordinary acts of heroism of I. & R. members—18 in all—who, though grossly outnumbered, repeatedly repelled an elite German battalion for almost an entire day in the area of Lanzareth, Belgium, thus enabling the 99th Infantry Division to regroup and hold on against this last German offensive until the allied armies could react and win the 1944 "Battle of the Bulge."

Unfortunately, the I. & R. members were finally overrun and taken prisoner, and the platoon's efforts, because of the great confusion of the day, went unnoticed until the writings of Gen. John Eisenhower brought them to light in his account, "The Bitter Woods." Through the efforts of St. Louisan Lyle Bouck, the platoon leader, sufficient information was developed to bring to the platoon members four Distinguished Service Crosses, five Silver Stars, nine Bronze Stars with a Valor Device, and the prestigious Presidential Unit Citation, which reads as follows:

THE PRESIDENTIAL UNIT CITATION (ARMY) FOR EXTRAORDINARY HEROISM TO THE INTELLIGENCE AND RECONNAISSANCE PLATOON, 394TH INFANTRY REGIMENT, 99TH INFANTRY DIVISION

The Intelligence and Reconnaissance Platoon, 394th Infantry Regiment, 99th infantry Division, distinguished itself by extraordinary heroism in action against enemy forces on 16 December 1944 near Lanzerath, Belgium. The German Ardennes Offensive which began the Battle of the Bulge was directed initially against a small sector defended by the Intelligence and Reconnaissance platoon. Following a two-hour artillery barrage, enemy forces of at least battalion strength launched three separate frontal attacks against the small Intelligence and Reconnaissance Platoon of 18 men. Each attack was successfully repelled by the platoon. The platoon position was becoming untenable as casualties mounted and ammunition was nearly exhausted. Plans were made to break contact with the enemy and withdraw under cover of darkness. Before this could be accomplished a fourth enemy attack finally overran the position and the platoon was captured at bayonet point. Although greatly outnumbered, through numerous feats of valor and an aggressive and deceptive defense of their position, the platoon inflicted heavy casualties on the enemy forces and successfully delayed for nearly 24 hours a major spreadhead of the attacking German forces. Their valorous actions provided crucial time for other American forces to prepare to defend against the massive German offensive. The extraordinary gallantry, determination and esprit de corps of the Intelligence and Reconnaissance Platoon in close combat against a numerically superior enemy force are in keeping with the highest traditions of the United States Army and reflect great credit upon the Unit and the Armed Forces of the United States.

Mr. Speaker, in my opinion the heartfelt thanks of the Congress should be added to that of the President and the American people for these heroic men.●

A PLAN FOR COMPREHENSIVE RETIREMENT REFORM

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. JEFFORDS. Mr. Speaker, America's future retirees may be substantially less well off than today's retirees. In a series of statements in the CONGRESSIONAL RECORD, I have tried to alert the House to this possibility and to offer suggestions and recommendations on how to improve the retirement outlook for America's workers.

There are two critical prerequisites for meaningful reform. First, we must not cut the basic social security benefits of those who have either already retired or who are near retirement age. This breach of faith would undermine the greatest strength of the social security system: the confidence that both retirees and workers have

that the Nation will honor its retirement income pledge to them.

The second prerequisite for improving retirement security is that the reforms undertaken be truly comprehensive. No amount of tinkering with the social security system can provide American citizens with a reasonable retirement income in the 21st century. Improved work incentives and opportunities, better private pension programs, and more individual savings incentives need to be established now, if we are to be able to respond to a reduced role for social security in the future.

With these considerations in mind, I would like to outline a plan that I believe would constitute a reasonable reform of U.S. retirement policy. This is a complex area of the law, so I have not attempted to write independently legislation nor to describe my proposals with a high degree of precision. Also, I do not have adequate actuarial data to make definitive statements about the budgetary impact of all of the proposals contained in this outline. Nevertheless, I consider it imperative that the Congress begin to view the retirement issue in a broader context.

AN OUTLINE FOR FUTURE RETIREMENT SECURITY

The legislation outlined below contains four major reforms. These are: First, reform of the national social insurance program; second, reform to improve employment opportunities for older workers; third, reform of private pension requirements; and fourth, reform of individual retirement savings incentives. I believe that these reforms can provide our future retirees with a better retirement future than they can reasonably expect today.

REFORM OF THE NATIONAL SOCIAL INSURANCE PROGRAM

Reform or replacement of the current social security system is a top priority. Increasing life expectancies coupled with declining birth rates and relatively stable and slow economic growth have set the system on an inexorable course toward steady decline. For those now retired, social security has been a good investment. For those now entering the work force, social security will be a burden with an unsatisfactory long-term payoff. Continuing on our present course is not a satisfactory or desirable option. At the same time, we need to make changes in an orderly and well-advertised fashion so that current retirees or near retirees are not denied the benefits that they have been promised and so that the public's confidence in the Government is not shattered.

There are several other considerations that we need to keep in mind as well. We need to be careful that we do not raise the retirement age so high that members of minority groups or citizens working in physically or emotionally wearying occupations—because of their lower than average life expectancies—are effectively denied any opportunity to retire. We need to make sure that service breaks—common in women's careers due to child rearing—are not unfairly penalized. We need to make sure that the Government's promise for retirement income is greater for those who work than for those who do not work and greater for those who work longer and pay higher taxes than for those who work less. And, finally, we need to construct a system that does not discourage the productive employment of those older workers who desire to continue in the work force. I believe that these goals can be best achieved through a social insurance system designed along the following lines.

ENACT CHANGES INTO LAW IN 1981 AND MAKE THEM EFFECTIVE IN 2001

This would allow many workers currently in the work force to retire under the current system and would give at least 20 years notice to workers 42 and under that their retirement savings and pension investment plans will have to be adjusted to meet a new retirement income expectation.

Establish minimum and maximum social insurance benefit levels and relate these to the maximum welfare benefit for the aged. All of those who have contributed a specified minimum amount of work to our society ought to be promised a minimum level of old age retirement income (say 150 percent of the elderly poverty level). Likewise, there should be a maximum level of social insurance income for those who have worked longer than the minimum level of work and have contributed more to the social insurance fund (say 200 percent of the elderly poverty level). All of those who do not meet minimum work requirements would not be paid out of the social insurance fund, but out of general revenues. For these individuals, adjustments would be made in the current Supplemental Security Income program so that when all cash or in-kind income (including SSI, food stamps, section 8 housing, other Federal, State or local programs, earnings, etc.) are considered, they would not have incomes over 100 percent of the poverty level. In other words, SSI would only provide such dollars as would be necessary to bring the total benefit amount up to the minimum level.

This change would redirect the social insurance program from a basic elderly income program to a program with the social objective of eliminating old age poverty. At the same time, it would recognize differentials between those who contributed a lifetime of work to the society and those who did not and between those who met a minimum work and income standard and those who exceeded this standard (although not to the full extent of the differential).

STREAMLINE BENEFIT FORMULAS AND QUALIFICATION TESTS

One of the most confusing and least useful characteristics of the current social security system is its complex benefit formulas with "bend points," "averaged indexed monthly earnings" and other esoteric concepts. These could be replaced with a simple formula that compared the contributions of an employee with the minimum and maximum level of contributions during the period of his worklife and awarded him an annuity at the fixed percentage of the elderly poverty level corresponding to his level of contributions.

ESTABLISH A NEW, MORE RELEVANT, ADJUSTMENT RATE FOR INFLATION OR DEFLATION

By linking social security payment levels to the "elderly poverty level," there would be an automatic adjustment when prices in the general economy rise and fall. This index can be determined by the Bureau of Labor Statistics and should make adjustments for differences in the spending needs of the elderly—that is, housing costs would be less heavily weighted than they are in the CPI and medical costs would be more heavily weighted in the elderly index than they are in the CPI. This should result in an adjustment that more nearly reflects the CPI increase adjustment. Also, this index would deflate as well as inflate earnings when this became appropriate.

PHASE IN BENEFIT PAYMENTS

The current social security system is based on the premise that at some magic date, a worker moves from a life of full-time work to a life of full-time leisure. Thus, retirement benefits begin in full at a certain date and any earnings are offset against these benefits. This is neither realistic nor productive.

A much more characteristic situation is that a worker's earning capacity declines with advancing age. I would propose a system that recognizes this by beginning payments at 75 percent of the earned level at age 65 and starts to pay 100 percent of the earned benefit level at age 68. For those workers who are disabled or incapable of maintaining reasonable wage levels prior to these ages, 75 percent of a discounted level of benefits could be obtained at age 62 and 100 percent at age 65.

ELIMINATE THE RETIREMENT TEST

Since the goal of this new policy would be to establish a poverty floor for the aged, there is no reason that those who exceed this floor and continue in productive employment should be penalized. Therefore, I would propose that there be no offset of earnings. Those who continue to work should get the same earned benefits as those who do not continue to work.

ELIMINATE TESTS FOR CONTINUITY OF WORK

The new social insurance system would not be based on requirements for recency or continuity of work. These provisions often work against women who leave the work force periodically for child rearing responsibilities. I would propose a single requirement of 15 to 20 years of system contributions whether continuous or discontinuous in order to qualify for the minimum social insurance benefit.

MAKE THE NEW SOCIAL INSURANCE PROGRAM UNIVERSAL

By changing the orientation of the social insurance program, we will eliminate any rationale for exclusion of public employees or nonprofit organization employees. Indeed, if we change social insurance and fail to require national participation, it is likely that many public organizations currently covered by social security might withdraw from the system. The coverage of the employees in these organizations might be less unattractive to them than it now seems to be, because the new system ought to be able to be financed by lower employee contributions than is now the case.

REFORM TO IMPROVE EMPLOYMENT OPPORTUNITIES FOR OLDER WORKERS

The announcement of this new social insurance program can establish a much better environment for those who wish to continue in the work force. They will have superior return from their work and they will not forego opportunities for retirement income. For instance, they could be covered by medicare and they would have no income offset. I would additionally suggest that the following steps be considered.

RELAX OR REPEAL MANDATORY RETIREMENT RULES

Congress has moved to reduce the opportunities for private companies to impose mandatory retirement on their employees. This type of restriction on employment has tremendous symbolic impact on all older Americans seeking work. I believe that the Congress should consider outlawing the practice altogether.

ENCOURAGE ALTERNATIVE WORK SCHEMES

As I have already stated, the reduction in work capacity, rather than its loss is characteristic of the aging. The Congress should remove all legal barriers to alternative work arrangements for the elderly. These arrangements would include part-time employment, flexible working hours, etc. To the extent, possible, private employers and unions ought to be encouraged to exempt older workers from contracts that they negotiate if these contracts prohibit flexible work practices.

REFORM OF PRIVATE PENSION REQUIREMENTS

Having removed the likelihood that social insurance will provide a fully adequate retirement income for most individuals, it becomes very important to increase the availability of pension programs and to increase the likelihood that employees covered by these programs will receive meaningful benefits. Since employees of small businesses make up about 79 percent of those who are not currently covered by company pension plans, reforms need to be targeted to these types of firms. Several actions should be taken by the Congress.

PROVIDE TARGETED TAX CREDITS TO SMALL BUSINESSES THAT ESTABLISH PENSION PROGRAMS

Tax deductions for pension expenditures are of substantially more value to large companies (with their higher effective corporate tax rate) than they are to small businesses. The President's Commission on Pension Policy recommended that small businesses be offered the opportunity to take a tax credit of 46 percent—the corporate rate-up to 3 percent of their total payroll. I think that this is a concept worth trying.

REDUCE PENSION PAPERWORK REQUIREMENTS

By allowing financial intermediaries—like banks and insurance companies—to assume an added share of the ERISA documentation, certification and reporting burdens, pension plan establishment and maintenance can be made more attractive to the small businessman. Also, because organizations managing pension programs are most often from heavily regulated industries, it might be appropriate for ERISA or the applicable regulations to be amended to allow financial pension fund intermediaries to substitute other (non-ERISA) reports required of them to demonstrate their soundness and reasonable funds management policies.

REDUCE PENSION VESTING REQUIREMENTS

"Cliff vesting"—full vesting rights after 10 years—is the most common form of pension vesting. This type of vesting formula, however, is out of touch with the work patterns of most Americans. By mandating that mature pension plans provide for some reduced level of employee vesting—40 percent to 50 percent—after 5 years of service, the Congress can go a long way toward insuring that those who are covered by pension plans earn at least some benefits from these plans. Full vesting could still be earned after 10 years. Although the benefits earned under such a system would not be great, I believe that pension plans would generate a great deal more support from the public than they do today if they adopted such a system. Also, pension plans should not operate in such a way that they stall or unnecessarily discourage movement within the workforce. Newly established plans might have difficulty meeting the more rapid vesting schedules proposed. There should be some authority for the Department of Labor to exempt these plans from any faster mandated vesting schedule until the plans have been in operation for 5 to 10 years.

REDUCE PENSION INTEGRATION WITH SOCIAL SECURITY

IRS guidelines should be modified so that less integration of pension and social security benefits is allowed. By reorienting the social insurance benefit toward the eradication of old age poverty and keeping benefits low, it is unlikely that lower income workers would have the same overcompensation effect in retirement that could now occur without integration of benefits. For pension programs to be meaningful to these workers, a lower offset—say 50 percent maximum—should be allowed than is currently the case—now 83½ percent.

ENCOURAGE INCREASED EMPLOYEE PARTICIPATION IN PENSION MANAGEMENT AND PENSION PROFITS

One of the major debates of the future may well be over who owns and controls pension funds. Good public policy would suggest that the government encourage—through tax incentives or reduced regulation—employee oversight and advice in the management of pension funds. Also, the Congress should consider withholding tax incentives from pension programs that fail to give employees the opportunity to share in the outcome of pension investments and limits their participants to fixed annuity payments.

REQUIRE THAT ANY LIQUIDATED PENSION RIGHTS BE PAID INTO AN INDIVIDUAL RETIREMENT ACCOUNT (IRA)

From a public policy perspective, it makes little sense to provide major tax incentives for pension programs designed to enhance the retirement of older Americans and to then have these pension earnings returned to employees before their retirement in a lump sum. Most frequently, the money is turned toward current consumption and does not fulfill the public purpose that justified the creation and public subsidization of the pension program. At the same time, it would be unreasonable to require pension funds to maintain very small inactive accounts until an individual's retirement and then to provide a miniscule payment. Such a strategy would only serve to create substantial additional administrative expense for the fund while providing little additional benefit for the former employee.

I propose that the money be clearly earmarked for retirement, but that it be returned to the employee. This twin objective can best be realized by requiring that any pension plan "cashing out" employee benefits must pay these benefits to a qualified IRA program for the employee. This would have two important effects. First, it would introduce many workers who do not currently take advantage of it to the IRA program. Second, it would make it more likely that short term

savings could be translated into substantially longer term savings. This would only be the case, however, if the employee maintained the IRA account after it was established, rather than immediately cashing it in. To create better IRA retention requires that we make the IRA more attractive to the middle and lower income wage earner. This should be an integral part of our retirement reform package.

REFORM OF INDIVIDUAL RETIREMENT SAVINGS INCENTIVES

The individual retirement account is the best mechanism for establishing incentives for personal retirement savings. However, this program could be dramatically improved by improving the incentives to save and by eliminating the penalties for closing the account. The program should be made more like the Canadian Registered Retirement Savings Plan (RRSP) after which it was originally modeled.

This year, the Economic Recovery Tax Act of 1981 made some important improvements in the IRA program. Maximum contribution levels were raised and employees who had previously been excluded from the IRA program because of their coverage by an employee pension plan were allowed to establish IRA's. Despite these gains, IRA's can be made substantially more attractive through the following actions.

ELIMINATE THE 10 PERCENT IRA TAX PENALTY

Currently, the IRS assesses a 10 percent penalty on withdrawals from an IRA before age 59½. I believe that this penalty may be a large reason for the lower use of IRA's in the United States among low and middle wage earners compared to the Canadian experience. For a young worker aged 25, the prospect of a 10-percent penalty on his savings must be a substantially greater disincentive to establish an IRA than the incentive that if he holds the account for another 34½ years, he will be taxed at a lower post-retirement marginal tax rate. This is especially true if the worker is a lower wage earner and already has a low marignal tax rate. The only worker for whom the IRA penalties may not outweight their benefits is the higher income worker who can easily forego the consumption of $2,000 per year and who is relatively certain that his post-retirement income will be substantially lower than his pre-retirement income. The IRA would definitely be improved by better incentives toward saving; it might be improved by eliminating the penalty for closing the account. For this reason we should study the effects of an elimination of the penalty, and then consider the possibility of implementing the elimination.

PROVIDE INCENTIVES FOR THE MAINTENANCE OF AN IRA

In economic terms, the current IRA program says to the 25-year-old worker that if he uses an IRA to save for 10 years he has made a mistake and should be penalized; if he saves for 20 years he has made a mistake and should be penalized; only if he saves for 34½ years has he made a good economic decision. For all but the wealthiest, worker, this is ridiculous.

Both from the point of view of the individual worker and from the point of view of a society that needs increased savings to produce additional capital investment, these incentives are counterproductive. The IRA should be more attractive after 5 years, still more attractive after 10 years, and even more attractive after 20 years and so forth until its maximum return is realized after retirement. Tax incentives can be established to promote this saving. For instance, the marginal tax rate on a 5-year old IRA could be set at 3 percent below the marginal tax rate that would otherwise apply for an individual. The tax rate on a 10-year-old IRA could be 5 percent below the tax rate that would otherwise apply to the individual, and so forth. This would put the incentive on saving and make it attractive to the individual worker at all income levels. This program could do more for our economy than any incentive in the 1981 Economic Recovery Tax Act and would have the additional effect of helping individuals prepare for their retirement.

ESTABLISH AN IRA CAP AND ELIMINATE ANNUAL IRA LIMITS

A final incentive for IRA savings which would make these accounts more accessible for the average worker would be to eliminate the restrictions on annual IRA contributions—$2,000 per year—and substitute a lifetime cap on contributions for all workers—say $40,000 to $60,000. This would have little impact on wealthy workers who could as easily contribute $40,000 one time as $2,000 per year over 20 or 30 years. However, the average and below average wage earner may often find years in which he is so strapped that he cannot make any contributions to his IRA and, instead, must withdraw from it. The elimination of annual caps would allow him to "catch up" his contributions in his later working years as he neared retirement and was able to save additional income. Or course, this assumes that there is adequate protection against using the withdrawals as tax loopholes.

One major objection that this proposal would face is the fact that it might lose substantial short term tax revenues. For this reason, I would propose that it be enacted prospectively, to become effective in 1985 when we will, hopefully, be nearer to a balanced Federal budget. In any event, over the long run, this proposal should not result in any greater loss to the Treasury than would be the case with regular annual IRA deductions. If there were additional revenue losses, they would have resulted from increased retirement savings from those who would not otherwise have saved and this loss would be substantially offset by the impact of this new investment in the economy. Also, these new investors will have helped fulfill a social goal by becoming better prepared for their retirement.

CONCLUSION

The plan that I have outlined, if enacted, could represent a successful long term, comprehensive retirement program for America's workers. It blends comprehensive reform of our social insurance program with new incentives for work, savings and investment (both by private pensions and by individuals). This proposal contains several elements that are missing in other reform proposals.

First, this proposal is comprehensive. Without changes in our social insurance program, lower income workers will have no incentive to seek IRA's or other savings instruments.

Second, this proposal guarantees that current retirees and near retirees will not face reduced benefits. Unless we keep our current retirement promises, there is no reason for the next generation to believe that we will keep our promises to them.

Third, our social insurance program will be clearly directed to do what it has done best—eradicate old age poverty. At the same time, it will recognize a difference between welfare and the award of benefits to those who have contributed a lifetime of work to the country.

Fourth, work disincentives will be removed for those who wish to continue in the work force. As the general population ages, it is important to keep more older workers in the work force if we are to maintain a stable level of national economic growth.

Finally, tax and other incentives will be brought to bear to give more individuals an opportunity for a good retirement life. My proposal is directed at the groups that currently have inadequate coverage: employees of small businesses and individuals who do not spend a lifetime with a single employer.

We need to make short-term adjustments in the social security system, but we should not end our efforts there. I urge the Congress and the administration to be bold and to take a more comprehensive view of our national retirement future. We must seek solutions to our long-term problems as well as to those that confront us in the short term. I hope that my proposal can signal the start of a search for a broader, more permanent solution to our retirement crisis. I invite others to join this debate.●

MON VALLEY "MON-STER" TO PREY ON POLLUTION

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. GAYDOS. Mr. Speaker, on November 14, Allegheny County and the Mon Valley of southwest Pennsylvania unleashed a new weapon against the twin problems of pollution and unemployment which plague that area and other sections of the country. They unveiled the Mon Valley "Mon-ster," a green, fuzzy beast with bulging eyes atop its head, the adopted symbol of the task force for the clean air and stable economy (CASE) program.

The "Mon-ster" will be used to emphasize the fact that air pollution not only is detrimental to the health of humans but is also capable of causing economic illness as well. The CASE program was launched by Allegheny County to rid 34 communities in the Mon Valley, which stretches from McKeesport to Pittsburgh, of the pollution coming from nontraditional sources.

A few years ago Allegheny County and the Mon Valley were cited by Federal and State officials for their pollution-laden environment. Restrictions were imposed on additional industrial development in the valley until the environment was improved. This was a blow to an area dependent upon heavy industry for its economic base.

On the heels of that edict, the area sustained another shock. An economic downturn forced the temporary closing of a large steel mill in the valley. Workers were laid off. The gloom over the valley thickened. Suddenly, through the clouds came a ray of light, a startling discovery that lifted the hopes of citizens and communities alike.

Pollution monitors were surprised to find the continued presence of pollutants in the air which should not have been there with the closing of the mill. Further studies revealed industry contributed on 13 percent of the particulate emissions in the Mon Valley. Most of it, as much as 48 percent, came from nontraditional sources: that is dirt and debris kicked up from the streets and sewer catch basins by passing vehicles, dust rising from vacant lots and construction sites. The balance was blown into the county and area from other locations, the experts said.

The problem was further compounded by the geography of the area. According to the monitors, complex wind factors in the valley whipped tiny particulates into the air and then held them in a kind of bowl. Some particles are so small that once airborne they never come down, it was reported.

Thomas J. Foerster, chairman of the county commissioners, reacted to this information by ordering the establishment of a clean air task force to attack the area's soot, dust, fumes ash, et cetera. CASE was organized under the direction of Robert M. Cox, a McKeesport businessman with a strong belief in the future of the valley.

Mr. Cox, in turn, worked with representative organizations from the communities in the valley. These organizations, known as councils of government are volunteer groups bound together in a common cause—community improvement. The 34 communities in the valley are represented by three councils. The Turtle Creek Valley Council, John Mores, executive director; the Twin Rivers Council, Edith Scheiner, executive director; and the Steel Valley Council, Robert Callan, executive director.

Equipment was purchased and personnel trained for the all-out push to clean up the offending streets and sewer basins. Each of the councils were assigned two sweepers and a vacuum truck and their mission will go into full swing in the spring.

Officials at all levels express the hope that once CASE brings pollution readings into line with Federal and State requirements, industries in the area will begin expanding or replacing their facilities, preserving jobs, and strengthening the economies of the valley communities.

"We are not only trying to clean up the environment," said one, "We are trying to fulfill the second mandate of the task force: Providing a stable economy."

Mr. Speaker, as the representative from the Mon Valley, nothing could please me more than to see the Mon Valley "Mon-ster" flex its muscles, dust off its opponents and, as soon as possible, accomplish its objectives.●

PERSONAL EXPLANATION

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. ROTH. Mr. Speaker, I would like to record my intention to have voted for the Conte amendment to House Joint Resolution 368 and in support of final passage of the resolution as amended had I been in the Chamber at the time of the recorded vote. Please note that my support for the motion to recommit is reflected in the RECORD as a pair vote.●

AMERICANS ARE GOING BACK TO RURAL AMERICA

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. OBERSTAR. Mr. Speaker, this week the House Public Works and Transportation Subcommittee on Economic Development held 2 days of hearings on economic development policy, focusing on projected changes in the economy, population, labor market, and work force, and their implications for future policy and legislation.

These hearings will set the framework for future legislative action in the area of economic development. Because they are crucially important, I want to share with my colleagues the testimony presented at the hearing, by Calvin L. Beale, U.S. Department of Agriculture.

Dr. Beale is one of the Nation's foremost specialists on rural population trends. He speaks with vast knowledge, gained from analysis of national statistics but, more important, from personal travel to countless communities across rural America over many years.

His statement documents a startling trend of population movement back to rural areas, back to small towns—the first such trend in 120 years.

Because this movement is quite unexpected and was unpredicted, I encourage my colleagues to read Dr. Beale's full statement.

POPULATION CHANGE IN RURAL AMERICA AND IMPLICATIONS FOR ECONOMIC DEVELOPMENT

(By Calvin L. Beale)

There were a number of demographic surprises in the United States during the 1970's—the low level of the birth rate, a decline in the death rate, the extent of decline in average household size, and the degree of the shift of people to the South and West. But nothing was less anticipated in academic circles or in the literature of public debate than the population turnaround in most rural and small town (nonmetropolitan) areas. There had been some sense of urbanization slowing down, but no hint that the outflow of people from rural America that had characterized the whole century would rather suddenly be reversed.

The counties that were nonmetropolitan in 1970 had about 2.8 million more people move out than in during the 1960's. However, in the 1970's, it can be conservatively estimated that at least 3.5 million more people moved into these counties than out of them. As a result, population in the nonmetropolitan part of the Nation grew at a faster rate than that in metropolitan areas for the first time since the early decades of the Republic.

The renewal of rural and small town growth during the 1970's was very widespread. Forty-eight of the 50 States either increased their nonmetropolitan growth or

at least reduced their previous loss.[1] Slow metropolitan growth, however, was not national in character. There was a virtual collapse of population growth in most of the metropolitan areas of the North (especially in some of the largest ones) and an increase in growth in most of those in the South and West. If one considers the South and West as a unit, there was equally rapid growth of urban/suburban and rural/small town population—each increased more than 21 percent. However, in the North there was essentially no growth in metropolitan centers, but a 9 percent increase in nonmetropolitan areas.

Why did rural and small town losses shift to growth or, at least, taper off nearly everywhere? I think several forces have come into play that have produced an economically fostered but socially motivated change.

1. The decades-old displacement from farming is now so small that it can no longer dominate rural trends. Farm losses only result in overall population loss in a diminishing number of counties that do not have alternative sources of employment and income, such as thinly settled farm counties in the Great Plains.

2. There has been a significant revival of employment in mining, whereas the opposite was true earlier.

3. All other types of employment expanded faster in rural and small town communities than in metropolitan areas during the 1970's—such as trade, services, and manufacturing.

Thus job opportunities have improved greatly, whether for local residents with no desire to move to the city, or for city and suburban residents who wanted to live in a smaller community. Nevertheless, the importance of social motivations is still evident.

1. Every survey of newcomers to nonmetropolitan areas has shown that the great majority give social reasons for their move rather than economic reasons.

2. One of the leading sources of growth is retired people who, given a sufficient retirement income to be mobile, choose to move to a smaller community.

Several other features of the nonmetropolitan trend deserve notice. One is the fact that there is now almost no relationship between the income level of nonmetropolitan counties and their rate of population change. In the 1950's and 1960's, the population growth in rural and small town counties was strongly associated with income levels. At that time, poor counties lost population heavily, while more affluent ones attracted people. Since 1970, however, the extent of population turnaround has been greatest in low income counties, and, with the exception of those that are predominantly Black racially, low income areas are increasing in population just as fast as higher income areas. Black counties have also had improved population retention, although not as great as that in predominantly White counties, and the level of rural Black population has stabilized considerably. Generally, the relative income gap between rural counties and the Nation as a whole has narrowed somewhat, but only a handful of the counties of 1970 have now risen to the national average income. Despite this fact, these areas are now evaluated as much more attractive places to live than they were before.

A second point of interest is that the new growth has occurred disproportionately in low density and open country districts. Although small towns and cities have participated in the nonmetropolitan growth trend, the same tendencies toward decentralization and sprawl are evident around these small towns as they are around metropolitan cities. The pattern appears to reflect what people want, but it does pose potential problems for provision of public facilities and services and for preservation of farm land. The rural (open country and village) population grew by 5.6 million from 1970-80, even after reclassification of growing towns as urban and some liberalization of urban definitions. Only the decade from 1850-60 saw previous rural growth of this amount.

Proximity to metropolitan areas favors settlement somewhat, but it is the spread of growth to more distant areas that is more remarkable. In one vast region of the West, embracing portions of Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, and California, the nonmetropolitan population grew by more than 50 percent in the decade of the seventies. Although local density is still very low in this region, the collective numbers of people involved are beginning to mount. None of this is to imply that America is on its way to becoming a nonmetropolitan nation again. Three-fourths of the people still live in metropolitan areas, and small new metropolitan areas continue to be created by growth around the largest nonmetropolitan cities. Furthermore, small and medium sized metropolitan areas up to about three-fourths of a million people have accelerated in population growth as a class (with some notable Northern exceptions). We are experiencing a drop in the average size of communities in which people live, but with the overall character of the system still very much metropolitan.

The people who have moved into rural and small town areas during recent years represent a wide range of backgrounds. The full spectrum of education, age, income, and occupational categories is present. It can be said, however, that they are disproportionately White, and more likely than longer-term residents to go into white collar jobs (see table 2). Many are of earlier rural or small town background, but others are urban natives. It should be stressed, too, that the change in the flow of net migration is partly caused by a reduction in outmigration from rural areas. The same forces that impel people to leave cities also persuade others not to move to them in the first place.

Within the metropolitan areas, there has been a major loss in the dominant demographic role of the central cities, especially in their relative importance. Forty-five percent of our central cities declined in population during the 1970's, typically from a combination of narrow and inflexible city limits, the decay and abandonment of many core areas, the reduced density at which cities are inhabited these days, and the reduction in the average number of people per housing unit. As late as 1960, a slight majority of metropolitan residents lived in the central cities. Today, only 40 percent do so.

In many of our major metropolitan areas the central city population is now less than a third of the area total, even though we continue to think of the area in terms of the name of the central city. This is true, for example, in cities as widely scattered as Boston, Washington, Cleveland, Detroit, Miami, Atlanta, Minneapolis-St. Paul, St. Louis, Seattle, and San Francisco-Oakland. It occurs least in the South and Southwest where annexations have been more attainable. Thus, the cities themselves have less of a leadership function and political and commercial dominance than used to be the case.

RAPID GROWTH AREAS

Some of the most rapidly growing counties have been mining areas. As a group, counties with a heavy mining dependence (20 percent or more of all employment) grew in population at a rate about double that of the U.S. as a whole in the 1970's. All but a few of them are in the South and West, and the revival of mining employment contributed to the more rapid growth of these regions. Among the mining counties are some genuine boom areas—defined here as those having a population increase of at least 50 percent during the decade. Although energy development dominates these cases, mining of metallic ores and trona have also created mining boom growth.

However, if one considers all rapid growth areas, mining is the major cause of growth in only a minority of cases—media attention on these cases notwithstanding. (Figure 2 shows the location of all rapid growth counties.) More of them result from resort and retirement developments (which often occur together) or from suburbanization or urban flight.

As an illustrative example, three energy mining boom areas in the West that have probably had the most public attention (the counties containing Gillette and Rock Springs, Wyoming, and Colstrip, Montana) has less absolute and relative growth combined than did two small contiguous counties in Florida growing largely from recreation and retirement (Citrus and Hernando counties).

There appears to be much more anxiety about the impacts of population growth in Western communities than elsewhere. I suspect it is partly cultural, and partly the product of a sense of fragility about the Western environment, especially concern over water supply, the open nature of the landscape, the nearly pollution-free air, and the impermanance of some mining projects. Whatever the reasons, I make the point because of what I believe to be an inaccurate public perception of the factors producing most instances of boom population growth today. Many and perhaps all rapid growth communities need planning and could use assistance in coping with their change. I doubt, however, that the mining communities need much more help than other similarly affected areas, or that the energy mining towns need more than other mining towns.

POPULATION GROWTH AND PUBLIC SERVICES

The population turnaround has already affected the level and scope of public services provided in small towns and rural areas. Not only must the local governments extend existing services to a growing population, but new residents often demand public services at levels more similar to those provided in urban areas. As a result, in the mid-1970's local government expenditures per capita were increasing at a faster rate in nonmetropolitan areas than in metropolitan areas.

If expenditures are any indication of service levels, the greatest change in nonmetropolitan services took place in water, sewer and other public utilities, health care, and police and fire protection. For those communities that experienced gradual growth, increased demand for public services was

[1] The two exceptions were Connecticut and Rhode Island—overwhelmingly metropolitan States whose three nonmetropolitan counties are quasi-metropolitan in character.

generally matched with increasing revenue bases with which higher expenditure levels could be financed. However, for communities undergoing boom-level growth, serious fiscal problems can result as growth in local government revenues lags behind the need for expanded public services.

As population grows in the years ahead, local governments in rural America will continue to face increased demands for water and sewer facilities, health care facilities, and police and fire protection. In addition, major expenditures may be needed for roads, schools, and public buildings in general as existing facilities become overcrowded and deteriorate with age. Whether rural officials will be able to finance higher service levels and the construction of new facilities remains to be seen. At present, rural governments are heavily dependent on intergovernmental aid. In 1977, more than 47 percent of the general revenues of local governments in nonmetropolitan areas came from the State and Federal governments.

In adjusting to cuts in intergovernmental aid, local governments will have to cope with such problems as high borrowing costs, State imposed restrictions on revenue sources, and water resistance to tax increases. Most rural communities still have only low-to-moderate population growth, but those with faster growth will naturally have pressing needs for new infrastructure, if the quality of their public services is not to deteriorate.

IMPLICATIONS

If asked to make a judgement about the merits of the improved retention of people in rural and small town areas and the shift of the flow of net migration toward them, I would say that on balance it is beneficial.

It is clearly in accord with the policy objectives of Congress designed to obtain a better balance of population growth, and economic opportunity, as expressed, for instance, in the Rural Development Act of 1972.

The new trend is more in accord with the residential preferences stated by people. In effect, we now have more people living where they want to live rather than merely where they feel economic circumstances dictate.

The trend reflects the fact that basic material conditions of life in rural areas at long last approximate those in urban areas sufficiently to make rural living attractive. I refer to such things as electricity, water supply, central heating, telephone service and other communications, paved roads, secondary education, and some choice of occupations.

The growth of rural communities also communities also serves to stabilize the age composition (except in retirement areas) and to end the decades-long atmosphere of economic community decline and decay that overhung so many communities. Like most social trends there are costs.

There sprawling nature of population growh in rural areas increases the loss of farmland to other uses, and has the potential of restricting farmers in their traditional farming practices where these are objectionable to newcomers.

The decline of population in large cities creates social and economic problems even though it provides relief from earlier impacts of growth.

As noted earlier, there has been a major increase and diversification of jobs available in nonmetropolitan areas. Much of the increased employment has been of rural women, who in the past had much lower formal participation in the labor force than did urban women. Their employment has substantially increased the number of nonmetropolitan families with two incomes, and has helped to narrow the gap between average metropolitan and nonmetropolitan incomes. Now, however, there is no longer as much potential for increasing rural family incomes to urban levels through this means. Nonmetropolitan family incomes are 80 percent of metropolitan incomes today, and the gap has not narrowed since 1974.

Aside from unemployment rates, which are now slightly higher among rural and small town people than in the metropolitan areas, the nonmetropolitan areas also show chronically higher percentages of involuntary part-time workers (who would like full-time work) and "discouraged workers" who do not report themselves as in the labor force but indicate they would like to have work. It may be that rural areas by their very nature (low density settlement and limited job mix) will never be able to achieve full parity with urban/suburban areas in income and in the rate and fulltime nature of employment. If further improvements in nonmetropolitan income are to be attained, there will have to be further upgrading, diversification, and expansion of employment.

FUTURE PROSPECTS

Mr. Chairman, although you have asked that I discuss projections and prospects for the next five to ten years, I have a strong sense of diffidence in doing so. There is an understandable and, indeed, insatiable demand for projections, but the record has not been good. The government has put out embarrassingly bad projections of demographic and related economic trends.

We have not demonstrated ability to forecast inflections in population trends—much less outright reversals. So many of our trend changes have resulted basically from changes in social behavior rather than from readily foreseeable responses to objectively measured conditions. Nowhere was this more true than in regard to rural and small town population growth.

With this heavy caveat, I will express some views about the next decade in qualitative terms. I think it likely that the renewed growth in nonmetropolitan areas will continue, because of the diversity of forces producing it. It should be noted, though, that in the last two years of the 1970's the rate of job growth in the nonmetropolitan areas no longer exceeded that in metropolitan America as it did in the other years of the decade. Furthermore, in the last 4 years we have seen the nonmetropolitan unemployment rate catch up to and slightly surpass that in metropolitan areas. These more recent trends could indicate that the bloom is off of the nonmetropolitan economic surge, even though a return to preturn-around conditions is highly unlikely. The social motivation for more people to move out of the metropolitan areas than into them will probably last until the popular perception of the conditions and terms of life in large urban areas improves, and/or until the philosophic underpinning of the shift to smaller communities weakens (environmentalism, anti-materialism, homesteading, and the like). Whatever the complex of reasons inducing people to leave the Northern metropolitan areas for other regions or to rural hinterlands, the process has to be regarded as a transition. Just as the earlier exodus from rural areas eventually exhausted the factors that had produced it, so too the Northern areas will reach a level of population more consistent with their revised role in the national economy. How quickly this will occur and how much further demographic change it will involve is, I think, unknowable. Personally, I do not have an apocalyptic view of the future of the urban North, but I think substantial outmovement is yet to come. Most of this will probably go to other regions. Some will go to Northern rural and small town areas.

In closing, I should like to emphasize that even though most rural and small town counties have improved their population retention over earlier years, many hundreds of them still have net outmigration, especially where dependence on agriculture is high and nonfarm work is scarce. There is great diversity in rural and small town conditions, just as there is between metropolitan areas. From a public policy standpoint we have to deal simultaneously with problems created by very rapid growth in many places and decline in many others.

TABLE 1.—POPULATION CHANGE BY METROPOLITAN STATUS AND SIZE OF LARGEST CITY

Characteristic	Population				
	Number in thousands			Percentage change	
	1980	1970	1960	1970–80	1960–70
Metropolitan [1]	163,503	148,877	127,191	9.8	17.0
Nonmetropolitan	63,002	54,424	52,132	15.8	4.4
Total	226,505	203,301	179,323	11.4	13.4
Nonmetropolitan:					
Adjacent counties [2]	32,901	28,031	26,113	17.4	7.3
Nonadjacent counties	30,01	26,394	26,019	14.0	1.4
Nonadjacent counties:					
With city of 10,000 or more [3]	13,642	11,910	11,132	14.5	7.0
With no city of 10,000	16,458	14,484	14,887	13.6	−2.7

[1] Metropolitan status as of 1974.
[2] Nonmetropolitan counties adjacent to Standard Metropolitan Statistical Areas.
[3] Counties with a city of 10,000 or more population in 1970.

Source: U.S. Census of Population 1970 and 1980, U.S. Bureau of the Census. Prepared by Population Studies Program Area Economic Development Division ERS, USDA.

TABLE 2.—CHARACTERISTICS OF U.S. NONMETROPOLITAN POPULATION IN 1975 BY MIGRATION STATUS SINCE 1970

[Population in thousands]

Characteristic	Nonmetropolitan population			
	Total, 1975	Nonmetro in both 1970 and 1975	Metro in 1970 and nonmetro in 1975	
			Number	Percent of total nonmetro
Total, 5 yr old and over	53,295	47,078	6,217	11.7
White	48,183	42,318	5,865	12.2
Black and other races	5,113	4,761	352	6.9
Male	25,902	22,837	3,065	11.8
Female	27,393	24,241	3,152	11.5
South	22,231	19,606	2,625	11.8
North and West	31,064	27,472	3,592	11.6
5 to 14 yr	10,677	9,270	1,407	13.2
15 to 24 yr	10,644	9,388	1,256	11.8
25 to 34 yr	7,398	5,809	1,589	21.5
35 to 44 yr	6,014	5,272	742	12.3
45 to 64 yr	11,890	11,059	831	7.0
65 yr old and over	6,673	6,280	393	5.9
Median age	31.9	33.4	27.3	.....
Total, 18 yr old and over	38,928	34,449	4,479	11.5
Elementary school	9,805	9,234	571	5.8
High school, 1 to 3 yr	6,778	6,046	732	10.8
High school, 4 yr	14,495	12,841	1,654	11.4
College, 1 to 3 yr	4,408	3,662	746	16.9
College, 4 yr and over	3,442	2,666	776	22.5
Median yr	12.2	12.2	12.6	.....
Civilian employed, 16 yr old and over	21,586	19,130	2,456	11.4
Agriculture	2,039	1,911	128	6.3
Mining	428	378	50	11.7
Construction	1,388	1,216	172	12.4

TABLE 2.—CHARACTERISTICS OF U.S. NONMETROPOLITAN POPULATION IN 1975 BY MIGRATION STATUS SINCE 1970—Continued

[Population in thousands]

Characteristic	Nonmetropolitan population			
	Total, 1975	Nonmetro in both 1970 and 1975	Metro in 1970 and nonmetro in 1975	
			Number	Percent of total nonmetro
Manufacturing	5,042	4,598	444	8.8
Transportation and public utilities	1,256	1,116	140	11.1
Trade	4,217	3,694	523	12.4
Finance, insurance, and real estate	753	621	132	17.5
Professional services	3,819	3,256	563	14.7
Services other than professional	1,615	1,430	185	11.5
Public administration	1,032	912	120	11.6
Median income:				
Male	$7,072	$6,954	$7,850	.....
Female	2,620	2,611	2,650	.....

Source: Unpublished data from March 1975 Current Population Survey, Bureau of the Census, retabulated for the Department of Agriculture.

MOTOROLA, INC., SHOWS HOW AMERICAN PRODUCTIVITY CAN PREVAIL

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, I would like to pay tribute to a major corporation within my district responsible for taking a leadership position on an issue of critical importance to all Americans: the challenge posed to U.S. industry by Japan's manufacturing success.

Throughout its 53-year history, Motorola, Inc. has been responsible for saving lives, offering protection, and promoting the general welfare in the noblest traditions of our incentive society through development of high quality electrical and electronic products sold around the world.

There is a much broader story being written by Motorola today, one that has far reaching implications within the competitive system of the international marketplace.

We have heard repeatedly that one of the most important challenges facing American business is competing successfully with Japanese firms. American business has fought a difficult battle in supporting our national balance of payments. Critics point to how U.S. manufacturers are losing market share in world markets to Japanese products offering technological advances, high quality, and low prices. Indeed, we have lost markets within our own boundaries to the Japanese.

Critics of American business spread the notion that the Japanese are inherently superior to us for reasons of history, culture, or philosophy. Critics of American labor assert that the U.S. worker is too unconcerned or too highly paid to any longer turn out good products at reasonable prices. And some critics of the U.S. Federal Government maintain that we here in the Congress have been remiss in not establishing tariff, quota, and other barriers against a flood of imports created by a so-called cartel of interlocking industial giants, banks, and Government agencies which is known to some observers as "Japan, Inc."

But none of this prescribes a cure for our national economic problems. During the past three decades, Japan has become the world's second-largest economic power in part by concentrating its national efforts upon manufacturing and exporting high-quality goods produced through efficient use of scarce or expensive raw materials and energy. It is true that the Japanese can reach a special kind of national consensus to further these efforts that American business and legal philosophy forbids us to duplicate. But like much of the rest of the world, Japan relies upon a strong, confident America as trading partner and ally.

We know that it is possible for an American company, paying American workers in American plants to compete successfully with Japanese companies. This success has been demonstrated by Motorola, a worldwide corporation with headquarters at Schaumburg, Ill., in the State's 12th Congressional District.

Motorola is known throughout the world for introducing the first economically manufactured car radio more than 50 years ago and, today, for its sophisticated communications and data equipment, and its state-of-the-art semiconductor technology. When the first woman climbed Mount Everest in 1976, she carried a Motorola portable FM two-way radio to help guide her to the top. That was not a Japanese radio, although the climber was a Japanese schoolteacher, Junko Tabei.

This incident underscores an important principle that can lead American industry into the kind of competitive posture which will restore our national economic health. Robert W. Galvin, Motorola's board chairman and chief executive officer, sums up that principle succinctly:

If you make a better quality product than your competition, your competition's customer will buy it.

Within that terse statement lies the key to answering the question all of us hear so often from our constituents: "What are you doing about Japan?" I believe we in the Congress have begun to answer that question. And when American industry begins to answer it in the way that one Illinois-based firm has, the reply will be good not only for the United States but also for Japan.

There are many things that American companies do extraordinarily well today. There are things that American labor does extraordinarily well. The men and women of Motorola have shown that by harnessing these skills of management and labor, by freeing them up from self-imposed strictures, by directing a total effort toward enhanced quality and productivity, we can meet and outscore the competition.

Motorola and other progressive American companies have evolved a successful response to Japanese competition years before that competition was widely reported. These actions need not take years to duplicate at other U.S. companies. There are five steps that American business management, American workers, and the Federal Government can take to meet Japan's challenge.

First, American corporations must give constant attention to improving productivity. Productivity enhancement is not merely speeding up the assembly line. Instead, it involves capital spending on new technology, on the latest tools and machines to help workers work smarter, not harder. Continuing training and retraining programs improve employee skills and upgrade them for more complex tasks while sharpening workers' awareness of ways total company productivity can be increased.

Second, steady quality improvement is essential to long-term success. Improved quality means that a product or service performs in excess of the customer's accepted standard, and it applies to design, sales, and service as fully as to production.

Third, employee participation in management is vital. Over the years of our Nation's industrial history, this has been one of the great sources of new and better products and ways to make them. Motorola already has more than 11,000 of its 45,000 U.S. employees involved in a comprehensive participative management program wherein the workers themselves help diagnose problems, recommend solutions, and are rewarded for their success.

Fourth, American business must continue to concentrate on technology management. It must harness and manage new technology to serve its customers effectively and anticipate its customers'—and its foreign competitors'—needs 5, 10, and 20 years in the future. It must create strategic business plans to meet those needs. The United States has unequaled professional skills for this.

Finally, companies and Government must cooperate to increase U.S. exports. The rules must be fair for all, and companies can best defend fair trade principles by aggressively attacking unfair trade practices, bringing them to the attention of the administration and of the Congress when appropriate. We here in the Congress

must remain aware of the impact of unfair trade barriers upon our national balance of payments, and we must do our part to promote fair access to the home markets of Japan and other nations for U.S. products.

Today, a number of companies are speaking out on the need for American business and American workers to compete on even terms with their Japanese counterparts, and we in Congress must commend this. As more companies apply the lessons which have been learned, and as we in the Congress remain involved in the real issues involved in international trade, our Nation as well as much of the world will share in the benefits.●

NEW BELIEVERS ON THE COAST

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. JOHN L. BURTON. Mr. Speaker, I am pleased to share this article from Time magazine with my colleagues which illustrates the tremendous contribution Coach Bill Walsh has made to the success of the San Francisco Forty Niners this season.

A fine human being, with a keen understanding of people as individuals, Bill Walsh is finally receiving the recognition he deserves.

In addition to other qualities, Bill is the last disciple of Jock Southerland, and is the only NFL coach considering a return to the single and double wing offense complete with the buck lateral series.

The article follows:

[From Time, Nov. 23, 1981]

NEW BELIEVERS ON THE COAST

(By Tom Callahan)

These days O.J. Simpson, who grew up and grew old with the San Francisco 49ers (unfortunately, U.S.C. and the Buffalo Bills came in for all the good stuff in between), is sounding like the boy who cheered the 49ers in the '50s, not the man who left the ruins of his team for retirement two years ago. "I don't know about depth," says O.J., "but the 49ers have championship-quality frontline players. I mean it. I'm saying the first 25, 26 guys are the best in football. Can you believe it? My team."

On both sides of the bay, San Francisco is "my team" again, and nobody around the National Football League can believe it. After winning six games and losing ten last season (two and 14 for the two years before that), the 49ers suddenly are running away with the Western Division of the National Conference. Rather, they are passing, and defending against the pass.

A team completely without logic or losses for two months, San Francisco is a defensive power under an offensive coach, a sensitive inventor named Bill Walsh. The defense is founded on two known mercenaries (ex-Charger Fred Dean and ex-Ram Jack Reynolds), who argued their way out of other towns over money and who now "lecture" on motivation in San Francisco, and three unknown rookies (Cornermen Ronnie Lott and Eric Wright, and Safety Carlton Williamson). When was the last time anyone heard of an all-rookie secondary in the N.F.L.?

Or a Notre Dame quarterback who was winning as a pro (Joe Montana)? Or a play in which the quarterback dashes off the field at the last instant and leaves the wide receiver to take the snap from center? Montana and Freddie Solomon pulled that one. Solomon rolled out for seven yards, and the 49ers rolled on to a 17-14 victory over the Atlanta Falcons, the seventh straight 49ers victory, pushing their division lead to three games with only a third of the season left.

"There isn't anything flippant about our offense," says Walsh, although four nonquarterbacks have passed or threatened to pass this year. "We don't have a gifted all-around offense: our longest run is 23 yards on the last play of a half. We have to be resourceful and fully dimensional." And what does fully dimensional mean? "There is basic, rock-solid, block-and-tackle football. Then there is crazy, circus-play, flea-flicker football. We fit somewhere in between."

Where Walsh, 49 fits among coaches is not easy to tell, either. His pedigree is complicated. Walsh is not just a pup out of Paul Brown, as people say. He is by Brown out of Al Davis with a touch of Sid Gillman (since Davis is really Gillman taken to the *n*th degree). "Al gave me the taste for offense," Walsh says of the year (1966) he assisted the evil genius of the Oakland Raiders. "He opened vistas."

Then for eight seasons after that, Walsh sketched vistas and drew plans for Brown's Cincinnati Bengals. "The coaching atmosphere under Paul was almost clincial. Let's say, you were assured of the players' absolute attention." Brown put more than a chill in the players. He put the classroom into pro football. Still, his best students (Don Shula, Chuck Noll, Walsh), all have been different. No great coach is like any other, really.

After the Bengals, continues Walsh, "I coordinated the offense in San Diego one year for Tommy Prothro, with even more freedom to express myself." Then he turned around, and he was middle-aged. Whether or not it blew in from Brown, sore at losing his *X*s-and-*O*s man, Walsh felt a definite coolness in the marketplace. "I was 45 before I even had an interview for a head coaching job in the NFL." He could hear teams thinking: "Why hasn't he been a head coach before now? What's the flaw?" And whispering: "A good technician, not a head coach." To be somebody's head coach, not to mention his own man, Walsh went back to college football, to Stanford, where he had assisted John Ralston in the mid-'60s.

His way with quarterbacks had always been his most obvious gift. In Walsh's time with the Bengals, Ken Anderson was the top-rated passer in the league twice, and Greg Cook once. At San Diego he made Dan Fouts one of the best passers in the league. All of his quarterbacks speak warmly and a little wondrously of Walsh. At Stanford, he touched Guy Benjamin and Steve Dils. They moved to the head of the N.C.A.A. passing charts, and Stanford won bowl games, and Walsh won coaching awards, and he was happy, except . . .

"Why do I need the N.F.L.?" he asked himself when the 49ers called two years ago. "Stanford is the ideal atmosphere for coaching football—the most brilliant people, one of the honest, legitimate programs. There is dignity to it, playing against machines and beating them." All the same, Walsh did need to be a head coach in the N.F.L.

"We're going to tactically approach offense while building defense," proclaimed the new coach and general manager. Probably nobody understood. But that is exactly what Walsh has been doing.

It is advisable in pro football to sneak new men into the secondary one at a time, not to change three of the four spots in one year. But Walsh has been in a hurry. "The moment we drafted the three, we released our veteran starters," he says. "That's Paul Brown too: don't vacillate."

At 34, Veteran Linebacker Reynolds (a.k.a. "Hacksaw") has not allowed the younger players to get carried away. "Play with emotion, but don't show it outwardly," he lectured in the clubhouse after the Falcon game. "Stay reserved." This from a man who, when he was in college at Tennessee, reacted to a loss to Mississippi by hacksawing a 1953 Chevy in half.

Fred Dean dissects quarterbacks instead. "He has set a whole new standard here," says Chuck Studley, the defensive coordinator. "If you don't hurry to the quarterback now, Dean will be there waiting for you." Not since Alan Page's M.V.P. year for Minnesota in 1971 has one lineman's impact on the league seemed so profound. Dean is a seven-year veteran, merely 230 lbs., but brutally strong, and quick. He arrived in San Francisco in the season's sixth week, when the 49ers dispatched Dallas (45-14) and then in quick order, two other Super Bowl teams, Los Angles (20-17) and Pittsburgh (17-14).

"It's going to get harder on us, but we're going to get better," Walsh says. The thought of teams gunning for the 49ers still seems a bit strange, but it does not worry Walsh. How far does he think they can go this year? Walsh smiles and offers the most unlikely answer. "I haven't allowed myself to think."●

THE GREEN BERETS DO NOT FORGET

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 23, 1981

● Mr. McDONALD. Mr. Speaker, yesterday, was November 22, and the anniversary of the death of President John Fitzgerald Kennedy. It was also the occasion that as many Green Berets that can make it, come back to say "Thank You" President Kennedy for visiting Fort Bragg, N.C., in the fall of 1961, where as Commander-in-Chief, he authorized the wearing of the Green Beret to America's highest trained and most dedicated elite fighting force. In his own words, President Kennedy called that Green Beret: "A symbol of excellence, a badge of courage, and a mark of distinction in the fight for freedom."

It was a cold blustering day, and approximately 100 Green Berets came back to not only honor President Kennedy, but their own fellow comrades in arms at Arlington National Cemetery. Special Forces Association President

Bill C. "Pappy" Greer led off the first part of the ceremony by presenting a Special Forces Memorial Plaque for permanent display in the memorial display room adjacent to the Tomb of the Unknown Soldier. The plaque simply stated: "In memory of all American heroes known but to God. Special Forces Association—November 21, 1981."

The plaque will indeed be a permanent and fitting memento. Most moving however, were the words of "Pappy" Greer expressed for all present, and those who gave that last full measure of devotion—their lives. So that all may know what was said I share first with my colleagues those remarks of "Pappy":

One of the precepts for the founding of the Special Forces Association is to commemorate the memory of Special Forces troops who have given their lives in defense of the Free World. Today, we wish to expand that precept to all Americans through the course of our country's history who have done no less. Mr. Costanzo (Superintendent of Arlington Cemetery), we the members of the Special Forces Association, assembled here today, place this plaque in your custody, to protect and display in this memorable hall.

"Pappy" Greer then concluded his remarks with this very moving and memorable sentence: "We dedicate this tribute to all American soldiers who have given their tomorrows so that we might have our todays."

Then came Brig. Gen. James E. Moore, Director of Operations, Readiness and Mobilization, DESOPS, U.S. Army, with an invocation no one present will ever forget:

O Eternal Father, our strength and refuge in this and every time of need, we gather today to lift our prayers of thanksgiving for your servant President John Fitzgerald Kennedy. Through his life of service to mankind, you have truly blessed the lives of countless millions of people throughout our world. His deeds of personal courage, still stand as a torchlight of inspiration and challenge to us all. Continue to fulfill his dreams within our world, we pray, and grant his soul your eternal peace and freedom. We also honor, O Father, the fallen soldiers of our land whom President Kennedy so gallantly inspired—especially those men of the Special Forces to whom he gave the Green Beret as a "symbol of excellence, a badge of courage, and a mark of distinction in the fight for freedom." May these our departed comrades have the eternal mercy and joy which you alone can give. For their families and friends, we ask the consolation and comfort of your Holy Spirit.

For those of us who still have the blessings of life on Earth, O Lord, we pray that the sacrifices of these whom we honor today will always challenge us. May we, like those before us, be led to give of ourselves unselfishly for the causes of justice, freedom, and peace throughout the world. Grant us your wisdom and courage for the living of these days, that Your Kingdom may come and Your Will might be done on Earth as it is in Heaven. We offer ourselves and our prayers in your Holy name. Amen.

I feel very privileged and honored to be a member of this Special Forces Association. I know of the sacrifices that these men have made. I know also that had they had their way in Southeast Asia, those lands and those people would be free today. The total mission and dedication to "Free the Oppressed," would have been fulfilled. It was not to be.

I would conclude these remarks today in honor of all the Green Berets worldwide with a quote from a realistic novel, soon to be published, about another group the Green Berets will never forget, the Missing In Action (MIA). The title of the book: "Mission M.I.A.," by J. C. Pollock. And the quote:

Every man who wears the Green Beret today owes a measure of his pride to those who went before him. Heroic in spirit as well as deed, they fought and they died; they served with honor and integrity, and in the end were denied and denigrated by lesser men. But the final victory is theirs—they know what they are: a special breed of men.

To that can only be added: For those who died, Rest In Peace; for those who live: Carry On.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, November 24, 1981, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 25

9:30 a.m.
Foreign Relations
African Affairs Subcommittee
To hold a closed briefing to discuss the situation in Africa, and to discuss an internationally recognized settlement in Namibia.
Room S-116, Capitol

Veterans' Affairs
To hold hearings on the nomination of Charles T. Hagel, of the District of Columbia, to be Deputy Administrator of Veterans' Affairs, Veterans' Administration.
412 Russell Building

10:00 a.m.
Judiciary
Security and Terrorism Subcommittee
To hold hearings to examine the presence of Cuban intelligence operations within the United States.
2228 Dirksen Building

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

NOVEMBER 30

9:30 a.m.
Judiciary
Immigration and Refugee Policy Subcommittee
To hold hearings on certain provisions of the Immigration and Nationality Act (Public Law 94-571), relating to the H-2 temporary worker programs and nonimmigrant programs.
2228 Dirksen Building

2:00 p.m.
Judiciary
To hold hearings on S. 1758, providing an exemption from the copyright law for certain types of video-recording for noncommercial purposes.
6226 Dirksen Building

2:30 p.m.
Banking, Housing and Urban Affairs
To hold hearings on S. Res. 209, S. 1859, S. Con. Res. 40, S. 971, S. 1609, and S. 1691, measures revising certain provisions of the Federal Reserve Act relating to the structure and membership of the Federal Reserve Board.
5302 Dirksen Building

DECEMBER 1

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings on America's role in the world coal export market.
3110 Dirksen Building

Finance
International Trade Subcommittee
To hold hearings to review recent developments in the U.S. automobile industry and the U.S. market for automobiles.
2221 Dirksen Building

Small Business
Productivity and Competition Subcommittee
To hold hearings on Federal antitrust policies, focusing on recent small business mergers.
424 Russell Building

10:00 a.m.
Commerce, Science, and Transportation
Consumer Subcommittee
To hold oversight hearings on the activities of the Consumer Product Safety Commission.
235 Russell Building

2:00 p.m.
Armed Services
Preparedness Subcommittee
To hold open and closed hearings on the status of the National Guard and Reserves.
212 Russell Building

DECEMBER 2

10:00 a.m.
Energy and Natural Resources
Business meeting, to resume markup of S. 1484, promoting the development of oil shale resources by revising the authority to lease lands containing oil shale deposits, S. 506, reinstating and validating certain numbered U.S. oil and gas leases, and other pending calendar business.
3110 Dirksen Building

Environment and Public Works
Business meeting, to mark up S. 1692, providing for the operation, maintenance, and construction of deep-draft channels and national harbors.
4200 Dirksen Building

Foreign Relations
To hold hearings on activities of the International Atomic Energy Agency (IAEA), focusing on its programs of safeguards.
4221 Dirksen Building

10:30 a.m.
Conferees
On S. 884, authorizing funds for fiscal years 1982 through 1985 for commodity price support programs administered by the Department of Agriculture, for agriculture research and conservation, and agriculture exports.
Room to be announced.

1:30 p.m.
Foreign Relations
To hold hearings on the nominations of Kenneth L. Brown, of California, to be Ambassador to the People's Republic of the Congo, and Francis T. McNamara, of Vermont, to be Ambassador to the Gabonese Republic and to serve concurrently and without additional compensation as Ambassador to the Democratic Republic of Sao Tome and Principe.
4221 Dirksen Building

2:00 p.m.
Foreign Relations
To hold hearings on the Treaty of Friendship with the Republic of Kiribati (Ex. A, 96th Cong., 2d sess.), Treaty of Friendship with Tuvalu (Ex. W, 96th Cong., 1st sess.), Treaty with the Cook Islands on Friendship and Delimitation of the Maritime Boundary (Ex. P, 96th Cong., 2d sess.), and Treaty with New Zealand on the Delimitation of the Maritime Boundary between the United States and Tokelau (Treaty Doc. No. 97-5).
4221 Dirksen Building

DECEMBER 3

9:30 a.m.
Energy and Natural Resources
Energy and Mineral Resources Subcommittee
To resume oversight hearings on America's role in the world coal export market, focusing on the domestic coal transportation network.
3110 Dirksen Building

Finance
Health Subcommittee
To hold hearings on competitive contracting for the administration of medicare.
2221 Dirksen Building

10:00 a.m.
Environment and Public Works
Business meeting, to resume markup of proposed amendments to the Clean Air Act (Public Law 95-95).
1202 Dirksen Building

Foreign Relations
To hold hearings on the Convention on the Prevention and Punishment of the Crime of Genocide, adopted unanimously by the General Assembly of the United Nations in Paris on December 9, 1948 and signed on behalf of the United States on December 11, 1948, (Ex. O, 81st Cong., 1st sess.).
4221 Dirksen Building

Governmental Affairs
Federal Expenditures, Research, and Rules Subcommittee
To hold hearings on proposed legislation providing for a uniform Federal procurement system.
3302 Dirksen Building

DECEMBER 4

9:30 a.m.
*Banking, Housing, and Urban Affairs
To hold hearings on the use of Defense Production Act authorities to stimulate domestic production of titanium.
5302 Dirksen Building

Finance
Savings, Pensions, and Investment Policy Subcommittee
To hold hearings on S. 829, increasing annuities payable to survivors of Tax Court judges in accordance with certain salary increases, S. 1607, providing a minimum interest and dividend exclusion for each individual, and S. 1645, permitting funds in an individual retirement account to be invested in collectibles.
2221 Dirksen Building

Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold hearings on Federal regulatory enforcement policy.
3302 Dirksen Building

DECEMBER 8

9:00 a.m.
Governmental Affairs
To hold hearings on debt collection procedures in the health professions student loan program, focusing on high delinquency rates.
5110 Dirksen Building

9:30 a.m.
Environment and Public Works
To hold oversight hearings on the Endangered Species Act (Public Law 96-159).
4200 Dirksen Building

Labor and Human Resources
To resume oversight hearings to examine affirmative action regulations of the Office of Federal Contract Compliance Programs, Department of Labor.
4232 Dirksen Building

DECEMBER 9

10:00 a.m.
Energy and Natural Resources
Business meeting on pending calendar business.
3110 Dirksen Building

2:00 p.m.
Joint Economic
Monetary and Fiscal Policy Subcommittee
To hold hearings on Federal Government policy as it relates to the defense industrial base
6226 Dirksen Building

DECEMBER 10

9:00 a.m.
Energy and Natural Resources
To hold hearings on S. 1867, to increase the acreage limitations and abolish the residency requirements of the Federal reclamation laws.
3110 Dirksen Building

Judiciary
*Criminal Law Subcommittee
To hold hearings on S. 613, amending the Federal Criminal Code to revise the scope of, and penalties under the Hobbs Act, prohibiting interference with commerce by threat or violence.
2228 Dirksen Building

9:30 a.m.
Environment and Public Works
To resume oversight hearings on the Endangered Species Act (Public Law 96-159).
4200 Dirksen Building

Labor and Human Resources
To resume oversight hearings to examine affirmative action regulations of the Office of Federal Contract Compliance Programs, Department of Labor.
4232 Dirksen Building

10:00 a.m.
Governmental Affairs
Energy, Nuclear Proliferation and Government Processes Subcommittee
To hold oversight hearings on activities of the Department of Energy.
3302 Dirksen Building

10:30 a.m.
Judiciary
Juvenile Justice Subcommittee
To hold hearings on current conditions of correctional institutions.
6226 Dirksen Building

2:00 p.m.
Judiciary
To resume hearings on S. 995, providing for contribution of damages in antitrust price-fixing suits.
2228 Dirksen Building

DECEMBER 11

9:00 a.m.
Energy and Natural Resources
To continue hearings on S. 1867, to increase the acreage limitations and abolish the residency requirements of the Federal reclamation laws.
3110 Dirksen Building

9:30 a.m.
Veterans' Affairs
Business meeting, to mark up S. 349, providing for limited judicial review of the administrative action of the Veterans' Administration, and for reasonable fees to attorneys representing legal counsel for veterans.
412 Russell Building

10:00 a.m.
Environment and Public Works
Business meeting, to resume markup of proposed amendments to the Clean Air Act (Public Law 95-95).
1202 Dirksen Building

JANUARY 13, 1982

9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on S. 1761, amending the Voting Rights Act of 1965, to provide for the application of preclearance provisions to all States and political subdivisions, and provide for submission of any changes under the pre-

clearance provisions to the appropriate U.S. district court.
2228 Dirksen Building

JANUARY 14, 1982

9:30 a.m.
Judiciary
Constitution Subcommittee
To continue hearings on S. 1761, amending the Voting Rights Act of 1965, to provide for the application of preclearance provisions to all States and political subdivisions, and provide for submission of any changes under the preclearance provisions to the appropriate U.S. district court.
2228 Dirksen Building

JANUARY 20, 1982

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on S. 1761, amending the Voting Rights Act of 1965, to provide for the application of preclearance provisions to all States and political subdivisions, and provide for submission of any changes under the preclearance provisions to the appropriate U.S. district court.
2228 Dirksen Building

JANUARY 26, 1982

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To resume hearings on S. 1541, amending the Employee Retirement Income Security Act (ERISA) by simplifying both reporting and disclosure requirements, and the process for employers to provide retirement income to employees, and providing incentives for employers to provide pension benefits to employees.
4232 Dirksen Building

JANUARY 28, 1982

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on S. 1761, amending the Voting Rights Act of 1965, to provide for the application of preclearance provisions to all States and political subdivisions, and provide for submission of any changes under the preclearance provisions to the appropriate U.S. district court.
2228 Dirksen Building
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1785, increasing the penalties for violations of the Taft-Hartley Act, requiring immediate removal of certain individuals convicted of crimes relating to his official position, broadening the definition of the types of positions an individual is barred from upon conviction, increasing the time of disbarment from 5 to 10 years, escrowing a convicted official's salary for the duration of his appeal, and clarifying the jurisdiction of the Department of Labor relating to detecting and investigating criminal violations relating to ERISA.
4232 Dirksen Building

FEBRUARY 4, 1982

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on S. 1761, amending the Voting Rights Act of 1965, to provide for the application of preclearance provisions to all States and political subdivisions, and provide for submission of any changes under the preclearance provisions to the appropriate U.S. district court.
2228 Dirksen Building

FEBRUARY 10, 1982

9:30 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on S. 1748, exempting certain employers from withdrawal and plan termination insurance provisions of title IV of the Employee Retirement Income Security Act (ERISA).
4232 Dirksen Building

FEBRUARY 11, 1982

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on S. 1761, amending the Voting Rights Act of 1965, to provide for the application of preclearance provisions to all States and political subdivisions, and provide for submission of any changes under the preclearance provisions to the appropriate U.S. district court.
2228 Dirksen Building

FEBRUARY 18, 1982

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on S. 1761, amending the Voting Rights Act of 1965, to provide for the application of preclearance provisions to all State and political subdivisions, and provide for submission of any changes under the preclearance provisions to the appropriate U.S. district court.
2228 Dirksen Building

FEBRUARY 23, 1982

11:00 a.m.
Veterans' Affairs
To hold hearings on legislative recommendations of the Disabled American Veterans.
Room to be annonced

FEBRUARY 25, 1982

9:30 a.m.
Judiciary
Constitution Subcommittee
To resume hearings on S. 1761, amending the Voting Rights Act of 1965, to provide for the application of preclearance provisions to all States and political subdivisions, and provide for submission of any changes under the preclearance provisions to the appropriate U.S. district court.
2228 Dirksen Building

CANCELLATIONS

NOVEMBER 24

2:00 p.m.
Judiciary
Security and Terrorism Subcommittee
To continue hearings to examine the presence of Cuban intelligence operations within the United States.
2228 Dirksen Building

NOVEMBER 25

10:00 a.m.
*Governmental Affairs
To hold hearings on proposed legislation requiring the Inspectors General of certain Federal agencies to periodically review their department's programs.
3302 Dirksen Building
Judiciary
Juvenile Justice Subcommittee
To resume hearings on S. 1688, making it a Federal offense when a convicted criminal commits a series of crimes involving firearms, and S. 1689, providing that a convicted criminal sentenced to life imprisonment under State habitual criminal statutes be incarcerated in a Federal penitentiary.
5110 Dirksen Building

DECEMBER 1

9:30 a.m.
Agriculture, Nutrition, and Forestry
To hold joint hearings with the Committee on Labor and Human Resources on S. 1442, revising and updating American food safety laws.
4232 Dirksen Building
Labor and Human Resources
To hold joint hearing with the Committee on Agriculture, Nutrition, and Forestry on S. 1442, revising and updating American food safety laws.
4232 Dirksen Building

DECEMBER 2

9:30 a.m.
Agriculture, Nutrition, and Forestry
To continue joint hearings with the Committee on Labor and Human Resources on S. 1442, revising and updating American food safety laws.
4232 Dirksen Building
Labor and Human Resources
To continue joint hearing with the Committee on Agriculture, Nutrition, and Forestry on S. 1442, revising and updating American food safety laws.
4232 Dirksen Building