SENATE—*Tuesday, June 22, 1982*

(Legislative day of Tuesday, June 8, 1982)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

PRAYER

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

Let us pray.

Eternal God, Father of Abraham, Isaac, Jacob, and of all peoples, on this day when the monumental heroism of Raoul Wallenberg during World War II is being remembered, may we rededicate ourselves to the fundamental conviction of our Founding Fathers.

"We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights * * * That to secure these rights, Governments are instituted among men, deriving their just powers from consent of the governed."

Forgive us Lord, when we as a people have been involved in or tolerant of violation of this fundamental in our natonal credo. Help us to see that when we fail to recognize and honor Thee, the One who created equality and endowed human rights, we forfeit both and the principle that government is instituted to preserve both.

Help us, dear God, to recover our spiritual and moral roots that we may preserve their fruit. In Jesus' name. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

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

THE JOURNAL

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

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

ORDER FOR PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. STEVENS. Mr. President, I ask unanimous consent that, following the recognition of the two leaders under the standing order and the special orders for Senator FORD and Senator CHILES, there be a period for the transaction of routine morning business until 11:30 a.m., and that Senators may speak therein for a period of not to exceed 5 minutes each.

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

ORDER FOR CONSIDERATION OF CONFERENCE REPORT ON URGENT SUPPLEMENTAL APPROPRIATIONS BILL AT 11:30 A.M. TODAY

Mr. STEVENS. Mr. President, following routine morning business, I ask unanimous consent that at 11:30 a.m. the Chair lay before the Senate the conference report on H.R. 5922, the urgent supplemental appropriations bill; that there be a period of debate for one-half hour on the House amendment to the Proxmire amendment; and that that debate terminate at noon.

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object.

Mr. President, I have no objection.

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

Mr. STEVENS. Mr. President, we will take up the urgent supplemental appropriations at 11:30 a.m. and after a half hour of debate of the House amendment to the Proxmire amendment, we will then go into recess from 12 noon until 2 p.m. There is an order at the present time for a vote at 2 p.m. Is that correct?

The PRESIDING OFFICER (Mr. ANDREWS). If a motion to disagree is made.

Mr. STEVENS. Yes.

Is the order previously entered that the vote will occur at 2 p.m. on the motion to disagree or on an amendment to that amendment, if it is made by 2 o'clock?

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. That is the intention of the leadership.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. ROBERT C. BYRD. A vote could be requested on the matter, whether or not the motion was made.

Mr. STEVENS. Yes, that is correct. As I understand it, it is an alternative. We can either offer an amendment or disagree with the House amendment to the Proxmire amendment, and that is left open.

The PRESIDING OFFICER. The Senator is correct.

Mr. STEVENS. Is that the Senator's understanding?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I want to make sure the distinguished minority leader agrees. It is our intention, and I understand the decision has been made tentatively, to proceed with the motion to disapprove of the House amendment to the Senate amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. A vote could be asked for on concurrence in the House amendment.

Mr. STEVENS. Yes; as I understand it, there are all three options: either to concur, or disagree, or amend.

The PRESIDING OFFICER. The vote could be structured in any of many ways.

Mr. STEVENS. I thank the Presiding Officer and my friend from West Virginia.

THE ECONOMY IS "POISED FOR RECOVERY"

Mr. STEVENS. Mr. President, news reports indicate that the economy is "poised for recovery." This conclusion is based upon the recently reported expansion of the gross national product at an annualized rate of 0.6 percent for this quarter. In my opinion, this positive sign is another indicator that the economy is heading in the right direction.

If one cares to examine it, he would find that May car sales are up substantially in comparison from previous months. Housing starts in the first quarter of this year were over 1 million, the highest level in a year. The Consumer Price Index shows the annual rate of inflation to be approximately 6.6 percent over the last 12 months. The rate of inflation over the last 3 months is 0.8 percent on an annualized basis. To me, Mr. President, all of these indicators show that the economy is on the way to recovery.

I was pleased to see that the major newspapers, including the Washington Post, the Wall Street Journal, and the New York Times, we receive here in Washington, have taken notice of the 0.6-percent annual increase in the gross national product as yet another sign of economic recovery for our Nation. This increase is after the GNP had fallen in the previous two quarters; however, we must note that high interest rates still curtail the full effect of this important economic indicator. There are signs, Mr. President, that the increase in the GNP would be even greater if the high interest rates

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

did not persist. Mr. President, we must remain concerned about the high level of interest rates, for I believe that a healthy recovery from this recession can only be possible by moderating those rates.

We have been taking the right steps in that direction by making progress on spending and deficit levels that will eventually reduce the need for the Federal Government to borrow in the money markets. Not only must we eventually eliminate our need to borrow on that money and to roll over the debt literally, I believe we must start now to make a complete effort to pay off our trillion-plus dollar national debt. That debt, I hope, will not be a burden that my children and your children will have to carry.

We have a substantial way to go before we achieve full recovery and before our economy is in the shape in which it should be, but I hope others are also encouraged by the upturn in the GNP as reported by the Commerce Department. This indicator, along with these other indicators I have mentioned—housing starts, the CPI, and others—demonstrate that if we maintain our resolve we will be on our way to a vibrant economy once again.

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

ALLOCATION OF TIME

Mr. STEVENS. Mr. President, I ask unanimous consent that it be in order to yield 5 minutes to my friend from Utah (Mr. HATCH) and 5 minutes to my friend from South Carolina (Mr. THURMOND) following the special order of the Senator from Florida.

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

RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The minority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, does the Senator from Georgia wish time to speak?

Mr. CHILES. Would the minority leader be able to yield some time to the Senator from Georgia?

Mr. ROBERT C. BYRD. Mr. President, I yield time to the Senator from Georgia, to follow the special order of the Senator from Florida.

RECOGNITION OF SENATOR CHILES

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

CRIME CONTROL ACT OF 1982

Mr. CHILES. Mr. President, for over a month now, Senator NUNN and I have been coming to the floor of the Senate every day to speak out on crime, and on the need for the Senate to act promptly to pass crime fighting legislation. We are speaking out because we are concerned that, unless the Senate moves on anticrime legislation, we will lose this opportunity to show the American people that we have heard their demands for action to make our communities safe once again. We need to act promptly, because their is little time remaining in this Congress, as few as 48 days in session. We have an opportunity to act, because we can consider either one of the two crime fighting bills which are now on the Senate Calendar. The first one, S. 2543, was introduced by me and by Senator NUNN last month. Seventeen other Senators have joined with us in cosponsoring S. 2543. Just before Memorial Day, Senator THURMOND and Senator BIDEN introduced another crime fighting bill, S. 2572, and it, too, was placed directly on the Senate Calendar. Senator NUNN and I have cosponsored that proposal, and there are now a total of 52 Senators who have signed on as sponsors of S. 2572.

One critical component of any fight against crime must be an attack on the drug lords. Today, with the posse comititus law revisions on the books and with the elimination or restrictions on using foreign aid money for drug crop eradication programs, we have the capability to stop drugs before they reach our shores. But we must add to these new laws, and make sure that those who control the traffic in illegal drugs are brought to justice. One important key in doing that is reforming our bail laws. It does little good if the drug smugglers who are arrested never come to trial because they buy their way out of jail by posting bail, no matter how high it is set, and then disappearing. We must change today's bail laws, and close the present "revolving door" situation with regard to drug dealers. One graphic example of the need to change our bail laws is shown by the case of Leon Serna. Serna, a 37-year-old Colombian, was arrested in Miami in January 1980. When Serna was arrested, he was in possession of 220 pounds of high-grade cocaine. Mr. President, at $100 a gram, this translates into a street value of $10 million. Law enforcement officials were delighted with the arrest of Serna. Intelligence reports had indicated that he was the head of a criminal organization responsible for the distribution of a thousand pounds of high-grade cocaine. Bail for Serna was originally set at $5.5 million. Later however, over the objection of the U.S. attorney's office, it was reduced to $500,000. Serna made bail easily, disappeared, and remains a fugitive today. Serna is one of the approximately 300 drug dealers in south Florida who jumped bail after arrest and remain at large.

Last year, Pat Sullivan, an assistant U.S. attorney in south Florida, said,

> We have someone jump on $500,000 bond every week. When someone can put up $500,000 bond straight cash, that's a clue. We're never going to see that guy again.

Another U.S. prosecutor in south Florida viewed the situation a different way.

> The drug traffickers are flouting our laws, coming up here making a fortune. They get caught, are out on bond and right back in Bolivia. They're back there laughing at us.

Mr. President, it is unfair to expect our law enforcement officials to try to bring drug dealers to justice when the drug dealers who are arrested are able to take advantage of our bail laws and walk free with no more than a temporary business loss. We can help them, and cut the flow of drugs, by reforming our bail laws.

Mr. Atlee Wampler, the former U.S. attorney for the southern district of Florida, has recommended placing restrictions on bail bond for any suspected major drug traffickers. He believes that, in such cases, the person arrested should bear the burden of showing that there is no risk involved in his release. Title 2 of S. 2543 is a bail reform measure. For certain persons who have been arrested for drug trafficking, it would reverse the presumption of release on bail, and force the defendant to bear the burden of proving that he should be allowed to get bail. People like Mr. Serna would not be able to use the revolving door of today's bail laws if new bail laws were put on the books. We in the Senate have the opportunity and the responsibility to put those laws on the books. But time is running out on us, and we must move on crime-fighting bills soon. The drug dealers continue to operate. We can help stop them, but only if we act.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. NUNN. Mr. President, in calling the Senate's attention to the critical and urgent need for strong anticrime legislation, Senator CHILES and I have described example after example of violent and organized criminal activity. A cursory review of those examples or, for that matter, the daily paper, confirms the fact that, as violent crime has spread, our criminals have become more blatant in their contempt and disrespect for our criminal justice system. We have reached the unfortunate stage where direct attempts to influence and intimidate the judicial process are a routine criminal modus operandi rather than a daring last resort.

Consider, for example, Harold Morton's response to the Government's narcotics charges against him. On November 18, 1977, Sandra Jones, Gloria Roe, and Morton were arrested at Kennedy Airport for importing heroin into the United States from Amsterdam. Upon arrest, both Jones and Roe agreed to cooperate with the Government and testify against Morton. Morton set about to change their minds and thus deprive the Government of critical evidence against him.

He successfully convinced Roe to plead guilty without cooperating or incriminating Morton. Jones, however, was not so easily swayed. She refused Morton's requests and fled to San Diego.

Facing substantial prison terms, Morton was not easily dissuaded. He paid Thornell McKnight $3,500 to kill Jones. McKnight traveled to San Diego, accompanied Jones to Los Angeles for the alleged purpose of picking up some money he promised her, and on December 11, 1977, shot her to death. Morton had accomplished his purpose: On the day after Jones' murder, the charges against Morton were dismissed.

Federal law currently provides criminal penalties for the attempted or actual influence, intimidation or injury of trial and grand jury witnesses. At the time of Morton's attempts, however, neither Roe nor Jones had testified against him. Moreover, they had not even been subpenaed by the Government. As contemplated or potential witnesses, they did not come within the specific protection of Federal law.

In the absence of an applicable Federal obstruction of justice or murder statute, Morton was eventually convicted of violating Jones' civil rights some 2½ years later after her death. McKnight, having pled guilty to second degree murder in State court, cooperated and testified against Morton.

Under title I of the Crime Control Act of 1982, Federal prosecutors would have had two directly applicable statutory tools with which to prosecute Morton: the bill makes both contract murder and the influence or injury of potential, as well as actual, witnesses in Federal offenses. The bill is a clear warning to all criminals that Federal law will protect all individuals who may provide critical information in a grand jury investigation or criminal prosecution, even where they are not, as yet, under subpena. This type of legislation will not only greatly improve the arsenal of Federal prosecution tools but also help insure credibility and respect for our criminal justice system.

Unfortunately, we are running out of time in which to act on the problem of crime. The Crime Control Act of 1982 has now been on the Senate Calendar for nearly a month. We cannot afford to stand by any longer while organized and violent crime daily terrorizes the American public. I ask the Senate to give strong anticrime legislation the urgent attention which it so amply deserves.

Mr. HATCH addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah is recognized for 5 minutes.

THE FEDERAL INSANITY DEFENSE

Mr. HATCH. Mr. President, I rise to call upon Congress to enact major reforms in the Federal insanity defense. I do not rise because I believe that the jury was necessarily wrong in the Hinckley case yesterday; I rise because the law is wrong.

I introduced S. 818 last year on March 26, 1981, a few weeks before Hinckley attempted to assassinate the President. This legislation, along with companion legislation later introduced (S. 1558), would effect two major reforms in our criminal justice system relating to the insanity defense. These reforms, if in place in the District of Columbia for the Hinckley trial, might well have resulted in a different verdict by the jury. They might well have insured that an individual who is a clear and present danger to society was appropriately punished for his wrongdoing and precluded from ever again causing the kind of suffering that he caused last year—suffering to individuals, suffering to families, and suffering to the Nation.

The first major reform would eliminate the traditional insanity defense, and substitute a new, so-called mens rea defense. Instead of the jury focusing upon sophisticated and largely unanswerable psychiatric questions along the lines of "Did the defendant appreciate right from wrong?", "Did he suffer from some irresistible impulse?", "Was the defendant able to control his passions?", or "Did he have a substantial capacity to appreciate the nature of his actions?", the jury would focus upon an entirely different and entirely more appropriate question. That would be, "Did the defendant possess the requisite state of mind for the charged offense?" If he did, he would be in violation of the law; if he did not, he would not be in violation. This new defense would focus the jury upon issues traditionally within their ability to decide.

While there would still be some need for psychiatric testimony in the courtroom, the present spectacle of competing psychiatrists consuming months of testimony would be largely eliminated. The issue before the court would be an essentially legal issue, not a medical issue for which the jury is totally ill-equipped.

The second major reform would establish a new Federal criminal verdict to account for the mentally ill. This would allow a court or jury to find a culpable, but insane defendant "guilty but mentally ill." (Although my bill currently reads "not guilty only by reason of insanity," this will be amended to read "guilty but mentally ill.") Those individuals who were suffering from such a severe mental disease or defect that it negated the requisite criminal state of mind would be adjudicated guilty but mentally ill. The verdict, I might add, under my amended legislation would provide that an individual found guilty but mentally ill would not be released back on the streets immediately, as may occur under present Federal law.

Rather, he would be confined in an appropriate mental institution for analysis, and would only be released after it was conclusively established that he no longer posed a danger to the community or to other individuals. He would continue to be incarcerated until that showing was made.

Mr. President, this legislation was recently incorporated as title VII of S. 2572, the Violent Crime and Drug Enforcement Improvements Act, which is likely to be considered by the full Senate this summer. I hope that my colleagues will carefully consider this provision—and indeed this entire legislation—and restore a semblance of commonsense public policy to our criminal justice system. The time is long overdue for this Nation to restore traditional concepts of individual responsibility to our criminal justice system, and to reestablish this system as one designed to pursue truth rather than one designed to pursue the perfect trial, procedurally. Yesterday's action was simply one of the more publicized instances of how society suffers when these basic perspectives are lost.

Let me also express my admiration to the distinguished Senator from Nebraska (Mr. ZORINSKY) for his outstanding efforts in this area.

Mr. President, our current insanity defense law, as demonstrated by the verdict in the case of the man who shot the President and three others, is a vicious circle. Anyone who would attempt such a heinous crime is not the kind of person any of us would call "normal." And this lack of normalcy is exactly the plea that would release this criminal within 50 days. In a sense, the crime itself has become an argument used by the criminal to escape punishment. The Hinckley defense seemed to be saying: "I would not have committed this murderous act if I were normal, so because I am clearly not normal, you must absolve me of all responsibility."

My contention is that, in fact, almost anybody who commits that type of crime is suffering from some sort of mental imbalance or instability. To not recognize that in appropriate criminal law, it seems to me, is a tragic mistake. I wonder how Miss Jodi Foster feels right now knowing this man might be on the street within just a few days or a few months as a result of this acquittal yesterday?

As I say, it is about time the criminal justice system started to demonstrate some feelings for those who are the victims of criminal conduct rather than for those who commit the criminal act itself.

I thank the Chair.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 5 minutes.

THE USE OF THE INSANITY DEFENSE IN THE JOHN HINCKLEY TRIAL

Mr. THURMOND. Mr. President, as probably all of my colleagues are aware this morning, the jury returned a verdict in the Hinckley trial of not guilty by reason of insanity on all 13 counts of an indictment arising out of his attempt to kill President Reagan. I am simply dismayed by this result.

This case has demonstrated over the many weeks of conflicting "expert" testimony that there is something fundamentally wrong with the expanded modern insanity defense. It is deeply troubling to me when the criminal justice system exonerates a defendant who obviously planned and knew exactly what he was doing. The current Federal rule provides for a defense based on mental disease or defect if by reason of such disease or defect the defendant could not distinguish right from wrong or could not conform his conduct to the law. Once the defendant raises the issue, the burden shifts to the Government to disprove the defense—prove the defendant sane—beyond a reasonable doubt.

Mr. President, it is strictly fortuitous that John Hinckley will be committed for further examination to determine his danger to himself or to the community. He committed the offense in the District of Columbia, the only Federal jurisdiction, I am advised, that has a mandatory commitment procedure. In all other jurisdictions, he would be free unless some State jurisdiction was willing to assume the responsibility to have him civilly committed.

Mr. President, even this short recitation suggests that some things should be carefully considered to remedy the spectacle we have witnessed. S. 2572, a bill I, along with Senator BIDEN, introduced on May 26, 1982, and which has been cosponsored by 52 other Senators, would accomplish two major changes in the law.

First, it would eliminate the so-called right-wrong and irresistible impulse tests and replace them with a mens rea test. The sole inquiry at trial would be whether the defendant was capable of forming the mental state required for the crime. This means that if he essentially knew what he was doing he would be held criminally responsible for his conduct. His mental state would seldom exonerate, but would be highly relevant, during the sentencing process or disposition. The sentencing process is the place psychiatric testimony and advice is the most useful.

Second, the bill would create a Federal civil commitment procedure for a person found to be insane under the more limited test if no State could be found to take him. This closes a loophole in current law.

Finally, Mr. President, I see no rationale for placing the burden on the Government to prove sanity beyond a reasonable doubt. Indeed, a person should be presumed to be sane. We should take a close look at enacting a Federal rule similar to one applied in many of the States wherein the defendant has the burden of proving by a preponderance of the evidence that he was insane when he committed the crime.

Mr. President, although S. 2572 addresses the problem, it occurs to me that yet other improvements can be made. In this connection, I have this morning forwarded a letter to Senator CHARLES MATHIAS of Maryland, Chairman of the Subcommittee on Criminal Law of the Committee on the Judiciary, requesting that he hold a hearing on the subject of the insanity defense as quickly as the same can be arranged. I have pledged to him the full support and assistance of the staff of the full committee.

Finally, Mr. President, I call your attention to a column written by William Raspberry entitled "The Senseless Insanity Defense", which appeared in the May 12, 1982, issue of The Washington Post. I attach a copy of the editorial to these remarks and ask unanimous consent that it be printed in its entirety in the CONGRESSIONAL RECORD.

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

[From the Washington Post, May 12, 1982]

THE SENSELESS INSANITY DEFENSE

(By William Raspberry)

It's probably a good thing that I am not a member of the Hinckley jury. It wouldn't look good if the artists' sketches they use in the media showed me struggling (and perhaps failing) to stay awake.

I don't mean to suggest that I find the shooting of President Reagan, two law officers and presidential aide Jim Brady uninteresting. What I would find boring to the point of distraction are the tedious arguments over the obvious.

The defense would be trying to convince me that John W. Hinckley Jr. was crazy 14 months ago when he gunned the three men down. I was convinced of that within hours after the shooting. The prosecution would try to make me believe that Hinckley knew what he was doing. I am already convinced of that, too.

With Hinckley, as with nearly all the insanity-defense cases I can recall, the question for me is not the state of the defendant's mind. What I would want to know is what they intend to do with him when the trial is over.

Send him home? Unthinkable.

Send him to prison, just as though he were sane? That hardly seems right.

Send him to a secure mental hospital? That makes more sense, but for how long? Until a panel of psychiatrists pronounces him no longer dangerous? There's no reassurance in that. After all, young Hinckley had been seen by a psychiatrist before the assassination attempt, and that psychiatrist clearly did not think him sufficiently dangerous to suggest that he be confined. I have no basis for supposing that Dr. John Hopper is any less competent than the psychiatrists who might one day be called upon to determine whether Hinckley is cured and no longer dangerous. It's just that I doubt the psychiatrists can know enough to offer such assurances.

That's one of my problems with the insanity defense. In some jurisdictions, a defendant found not guilty by reason of insanity is free to leave—unless the government (or some other party) takes the additional step of seeking his confinement in a mental institution. That makes no sense to me. In fact, insanity as a defense doesn't make much sense to me.

I'll grant that there are circumstances under which I would not like to see the perpetrator of an act convicted as criminal. If your 2-year-old points a gun at me and pulls the trigger, I'm willing to assume that he didn't intend to hurt me. If it were a 40-year old with the mental capacity of a 2-year old, I'd make the same assumption.

But that's not what insanity defenses are about. In all the cases that come to my mind, there was never any question about intent. Surely Hinckley intended to hurt someone.

For my money, the fact that the defendant intended to break the law and did would be enough to justify a conviction. Convince me that he was crazy when he did it, and I'd be willing to let him serve his sentence behind the bars of a mental institution instead of in prison. Convince me six months later that he is sane again, and I'd consider it interesting, gratifying, but essentially irrelevant.

What I am saying, I suppose, is that in all but the rarest of cases, we ought to assume that people—even people with mental problems—are responsible for what they intentionally do. Treating people as though they are responsible for their acts may actually be therapeutic. But even that is irrelevant. The criminal justice system isn't about curing people; it is about punishment and deterrence.

(The following statements by Mr. ZORINSKY, Mr. PRESSLER, and Mr. MATTINGLY are printed at this point in the RECORD by unanimous consent.)

THE NEED TO REFORM THE INSANITY DEFENSE

Mr. ZORINSKY. I am very disappointed by the verdict that was made yesterday by the jury in the trial of John Hinckley, Jr.

Neither society nor Mr. Hinckley was well served by this verdict. I really feel that society should demand a higher degree of accountability from an individual for his or her actions. Allowing a person to commit a violent crime, and then to admit the action but claim that he or she just could not control the action is absolutely unacceptable to me. We all must be held accountable for our actions, unless we suffer a mental disease or defect which would cause us to be unable to know that what we were doing was wrong.

Last year I introduced a bill to amend the insanity defense in Federal cases. In light of yesterday's court decision, I feel that this is a most opportune time to take a close look at just what we are doing.

The bill I introduced last year would eliminate the defense of "not guilty by reason of insanity" and substitute a plea of "guilty but insane." To me this is a much more reasonable course of action. A defendant would admit to the commission of the act, and then be given the opportunity to show that he or she was insane at the time of the crime. If the jury, or the judge in a nonjury trial, agreed, the defendant would be found "guilty but insane." This defendant would remain under the jurisdiction of the Federal court for treatment and whatever else is determined to be necessary. Release from the supervision of a mental institution would be up to the trial judge, with input from the doctors, as well as the Government lawyers and defense lawyers.

The trial judge would be able to take into account the welfare of the defendant as well as the protection of society. This is certainly more responsible than the way we do it now, where we have all heard of the instances in which a person is released from the mental hospital only to go out and commit another terrible crime.

I hope that last night's verdict will help us see the need to make these changes.

I want to thank Senator HATCH for his efforts in this area; his leadership is important.

Mr. PRESSLER. Mr. President, a number of years ago while a law student I wrote a paper on the McNaghten rule on the insanity defense, and it seems to me that we have always moved in the wrong direction. The insanity defense was never intended to be exercised if one committed a crime with premeditation or if one thought out the crime in advance. That is a great concern with me regarding the Hinckley verdict. I believe that the Hinckley case illustrates much that is wrong with our criminal justice system.

First of all, the insanity defense is a rich man's defense. A poor man can use it successfully only if he is a cause celebre or somebody else finances it. The fact of the matter is that you have to have wave after wave of psychiatrists examine you before the date of the trial, and you have to be able to afford to pay those psychiatrists at the date of trial.

I am told that the bill from one law firm is close to half a million dollars, and the bill for the psychiatrists is unknown but would probably be at least that much. So it is a millionaire's defense. The ordinary citizen, unless someone is very interested in him or it is an unusual case, just cannot afford to have that kind of psychiatric testimony at his trial.

While we must not react out of passion, I think the Hinckley case is an illustration of what is happening all over our country as criminals get off on legal technicalities.

This situation arose from court decisions, largely court of appeals decisions. We had the Durham rule in the District of Columbia which I think was part of the problem.

The point is that we are in a situation where there is a citizens' revolt brewing over our criminal justice system, and the Hinckley case is the straw that breaks the camel's back. It is the case that illustrates and brings out all that people are thinking about in our criminal justice system.

I shall join as a cosponsor of the Violent Crime and Drug Enforcement Improvements Act of 1982. I especially support title VII of that bill which deals with the insanity defense and mental competency amendments.

I shall also sponsor a bill of my own, supplemental to this, which would provide that the insanity defense cannot be used where there is premeditation. In the Hinckley case, we had a matter where a person premeditated, where he attempted to assassinate the President. He did strike the President and struck another person, Jim Brady who may possibly be an invalid the rest of his life.

John Hinckley has been found innocent by reason of insanity, and he will be confined to St. Elizabeths. He could be released in as little as 50 days. He probably will not be, because of the celebrity status of the case. But, increasingly, there are efforts to mainstream people in these mental hospitals. There have been examples of similar cases where people have been on the streets in as little as 2 months after such a case. I hope this is not the case with Hinckley, but it could be.

Therefore, the second part of my proposed legislation will call for a mandatory period of confinement. If someone is successful with the insanity defense, they should receive a mandatory period of confinement similar to the sentence they would have received if found guilty. That period of confinement would be served in an institution for the mentally ill.

Our present law and our present procedures have caused outrage in reaction to this case. I emphasize that we do not want to act in the heat of passion. This is one case, but there have been many others like it. It is illustrative of what is happening throughout our criminal justice system.

So, Mr. President, I join in some of the other statements that have been made. I hope we move quickly on the Violent Crime and Drug Enforcement Improvements Act of 1982. To move it quickly, we probably cannot change the bill very much, but I certainly would advocate adding to it a mandatory period of confinement if the insanity defense is used.

Mr. MATTINGLY. Mr. President, the public knows that Hinckley is guilty. The verdict in the Hinckley case is an affront to justice. Highly paid lawyers and psychiatrists whined in court until the commonsense of the jury was apparently destroyed. This ridiculous verdict will probably speed reform of insanity defense laws, but it will be too late to help the victims of this crime.

The same lawyers and psychiatrists will sooner or later be attempting to prove Hinckley sane and deserving of release.

In Georgia last week, a man was arrested for shooting his roommate. That same man, 6 years before, had been charged with murder and found not guilty by reason of insanity. After 4 years in a mental hospital, he was turned out on the streets.

Society has a right to be protected from the likes of John Hinckley, sane or insane. Judging from the past history of psychiatry and courts, it will not be.

The average American may not know all the legal technicalities, but he has a highly developed sense of justice. Somehow, we need to move our laws and our courts back toward that concept of justice.

THE INSANITY DEFENSE IN FEDERAL CRIMINAL TRIALS

● Mr. DOLE. Mr. President, earlier today the distinguished senior Senator from South Carolina (Mr. THURMOND) who is chairman of the Senate Judiciary Committee called for early hearings by the Criminal Laws Subcommittee on the insanity defense in Federal criminal trials. As a member of that subcommittee, and as the author of legislation to revise and reform the current insanity rule, I join with Chairman THURMOND in making the call.

Last night, after 24 hours of deliberation over a 4-day span, a District of Columbia jury found John W. Hinckley, Jr. not guilty of attempting to assassinate President Reagan because he was legally insane at the time. Under the prevailing insanity rule of the District of Columbia, Mr. Hinckley will be committed to St. Elizabeth's mental institution for a short period of evaluation. Within 50 days, the Federal court in the District of Columbia must determine whether Hinckley is a danger to himself or the community. If the judge finds that he is not, then Hinckley must be released. If Mr. Hinckley or at his attorney's request, this procedure can be repeated every 6 months.

In many U.S. jurisdictions, if a defendant is found not guilty by reason of insanity, the trial judge has no other alternative but to release the acquitted defendant to the community. Without attempting to second guess or to pass judgment on the conduct of the Hinckley trial or the jury verdict in the case, it seems more than appropriate, Mr. President, that the Federal insanity defense be reexamined in light of its application in the District and elsewhere with a view in mind of what reforms might be appropriate.

If the phone calls that my office received today are a barometer of public sentiment on this case, then change may very well be in order.●

RECOGNITION OF SENATOR FORD

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

Mr. FORD. I thank the Chair for the recognition and, for his information, I shall probably not need the total of my 15 minutes if other Senators need time.

STUDENT LOAN ASSISTANCE AMENDMENTS OF 1982

Mr. FORD. Mr. President, last year, the Omnibus Reconciliation Act of 1981 eliminated student benefits for social security child beneficiaries effective May 1 of this year. Current student benefit recipients will have their benefits phased out 25 percent a year over 4 years. Clearly, this action was nothing short of a promise broken by the Government—a reneging on an agreement this Government made with the social security-covered worker that in the event of his death, disability or retirement, his children would receive Government assistance in obtaining a college education. It is this type of action that is causing the American people to lose faith in their Government today.

Mr. President, today I am introducing legislation to right this wrong—to restore faith in this Government and provide for those children whose parents counted on social security student benefits to enable their children to better themselves through a college education. The Student Loan Assistance Amendments of 1982, legislation that I am introducing today, is a modest proposal designed to provide an alternative source of financial assistance to those students who would have received social security student benefits if not for the provisions of the Omnibus Reconciliation Act of 1981. My bill will enable all persons receiving social security child benefits, as of any month prior to September 1981, to apply upon enrollment in college for a supplemental guaranteed student loan. Currently, the guaranteed student loan program provides up to $2,500 a year in loans to undergraduate college students. My bill will increase the annual maximum loan amount available to eligible social security child beneficiaries to the lesser of $2,000 or the annual amount of social security student benefits that the child would have been entitled to if not for provisions of the Omnibus Reconciliation Act of 1981.

Recognizing current budgetary constraints and past criticisms of the social security student benefit program, my bill provides that the supplemental loan amount will be subject to a determination of need, based on the current GSL needs analysis. Currently, the GSL program requires a needs analysis to determine the amount of the loan for student applicants from families with adjusted gross income greater than $30,000. The needs test for the supplemental loan program, however, will apply to all students regardless of family income.

The economic justification for termination of the social security student benefit program was based, in large part, on a 1979 GAO study which recommended that these benefits be discontinued. However, in its recommendation to eliminate the student benefits program, GAO recommended that Congress "take the necessary steps to assure the Office of Education will have sufficient financial resources to meet any increased demand arising from such discontinuance." Unfortunately, Congress did not heed the advice of GAO to increase resources in other student financial aid programs. In fact, the exact opposite has occurred.

For fiscal year 1982, the academic year of 1981-82, Congress eliminated social security student benefits for future college students. In this same year, five of the six student aid programs identified by GAO as possible social security student benefit replacement programs experienced funding cuts. And, the fiscal year 1982 cuts were simply a continuation of cuts made in the fiscal year 1981 budget. The administration's fiscal year 1983 proposals continue this trend.

Clearly, Mr. President, in light of these past cuts and proposed future cuts in student financial assistance, social security child beneficiaries do not have the other financial aid programs to turn to that GAO said were necessary if the student benefits program was to be discontinued.

While I would prefer to simply reinstate the social security student benefit, I recognize in these times of fiscal restraint all sectors of the budget are being called upon to carry a fair share of spending reductions. However, it is clear that social security child beneficiaries have been called upon to bear a disproportionate share of the budget burden. My proposal to expand the guaranteed student loan program is a modest one in light of the jeopardy present and future social security child beneficiaries are placed in with respect to obtaining a college education. The GSL program is one of the most efficient of the student financial aid programs because it is based on private market capitalization, with Federal funds used mainly for interest subsidies. Therefore, the GSL program can serve a large number of students at a low cost to the Federal Government.

The Congressional Budget Office cost estimates for this legislation project a $2 million increase in outlays to the GSL program in fiscal year 1983, increasing to $155 million in fiscal year 1987.

I have heard from the parents of the children who have been eliminated from this program; they had made financial plans over the years, based on provisions of the Social Security Act, to assure that their children would receive a college education. They worked in the social security program with the idea that the Government would assist their children should they die, retire or become disabled. But, suddenly Congress, as part of the Omnibus Budget Reconciliation Act , with little committee debate and no floor debate, terminated this program and pulled the rug out from under these families. For many of the child beneficiaries the hope for a college education is now gone.

In this time of fiscal restraint, we are all being called upon to tighten our belts. However, the elimination of the social security student benefit does not represent fiscal restraint. It represents a broken promise by this Government—a promise to parents that their children would have the chance to attend college if they were unable to provide for it due to retirement, disability or death. Without alternative sources of support, these children will not be able to pursue their higher education. Their dreams and the dreams of their parents, who put their faith in this Government to provide for their education, will never be realized.

I urge all of my colleagues to join with me in cosponsoring this legislation, that in some small way, honors that Government promise to the parents of children who, due to acts of Congress, are now in need of additional student financial assistance. I hope that the Labor and Human Resources Committee will be able to hold hearings on this important issue in the very near future.

Mr. President, I ask unanimous consent that a State-by-State breakdown of the students in current payment status who are affected by the elimination of these benefits appear in the RECORD following my remarks; and that the text of my bill and a summary also appear at the end of my statement, as well as a copy of the CBO cost estimate for this legislation.

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

SUMMARY

SECTION 1

Section 1 amends Section 425(a) of Title IV of the Higher Education Act of 1965 by adding a new Subsection 425A. This subsection provides for an increased maximum limitation for student loans under the Guaranteed Student Loan (GSL) Program to certain students and/or children who lost their eligibility for student benefits under the Social Security Act as a result of provisions of the Omnibus Budget Reconciliation Act of 1981. The former Social Security Student Benefit Program provided for an extension of child's benefits to those beneficiaries attending a postsecondary institution on a full-time basis. Students were eligible for these extended benefits after age 18 and up until age 22, or for several months beyond age 22 if the student had not completed his 4-year college degree. Provisions of the Omnibus Budget Reconciliation Act of 1981 eliminated these student benefits to any child beneficiary not attending a postsecondary institution on a full-time basis as of May 1, 1982. Additionally, current student beneficiaries will have their benefits reduced by 25 percent annually over 4 years and no benefits will be paid after April 1985.

SUBSECTION (A)

This subsection increases the loan amount available under current law for the Guaranteed Student Loan Program. Currently, undergraduate students are eligible to receive a maximum loan of $2,500 per academic year, or its equivalent. This subsection provides that this maximum yearly amount be increased by $2,000.

This subsection also defines the scope of the "Student Assistance Amendment of 1982" by defining a student, for the purposes of this bill, as an individual who was entitled to child benefits under Sec. 202(d) of the Social Security Act for any month prior to September 1981 (enactment of the Omnibus Budget Reconciliation Act of 1981); or, any student who would have received student benefits if not for provisions of the Omnibus Budget Reconciliation Act of 1981.

Subsection (a) also limits the total amount of the supplemental loan available under this bill to any student in one academic year, or its equivalent, to the lesser of $2,000 minus the amount received that year in Social Security student benefits; or, the lesser amount of $2,000 or the total amount of benefits the child beneficiary would have been eligible for if not for provisions of the Omnibus Budget Reconciliation Act of 1981.

Finally, this subsection increases the aggregate loan amount for undergraduate and graduate students under the Guaranteed Student Loan Program to reflect the supplemental borrowing power provided by this bill. Currently, undergraduates can incur a maximum GSL debt of $12,500. This maximum would be increased by $10,000. A graduate or professional student can incur a maximum GSL debt of $25,000, including undergraduate borrowing. This limit would be increased by $15,000.

SUBSECTION (B)

This subsection provides that a needs analysis must be provided to the lender by the eligible institution for all students applying for the supplemental loan amounts as provided by the bill. Currently, the GSL program requires a needs analysis for those student applicants from families with adjusted gross income greater than $30,000. For these students, the loan amount is based on this determination of need. This subsection would not change that requirement for the initial $2,500 yearly GSL loan amount. However, all students, regardless of family income level, who apply for the supplemental loan amount as provided by this bill would have to undergo a needs analysis to determine the amount of their supplemental loan. Therefore, regardless of the student's borrowing eligibility under the initial GSL program, he or she would be limited to borrowing only that amount determined to be need under the supplemental loan provisions of this bill.

Finally, this subsection provides that a student's estimated cost of assistance; a student's financial assistance; and the determination of need will be determined in the same manner as prescribed by current law for the GSL program.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 3, 1982.

Hon. WENDELL FORD,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FORD: In response to your letter of April 16, 1982, we have prepared the attached estimate of the proposed Student Loan Assistance Amendments of 1982.

We will be glad to answer any questions you have on the attached estimate.

Sincerely,

RAYMON C. SCHEPPACH
(For Alice M. Rivlin, Director).

CBO ESTIMATE OF THE PROPOSED STUDENT LOAN AMENDMENTS OF 1982

This estimate is based on bill language provided by Senator Ford on April 16, 1982.

The proposed Student Loan Assistance Amendments of 1982 would amend the current guaranteed student loan (GSL) program by creating a new loan program for the college and university students whose social security benefits were either reduced or eliminated in the 1981 reconciliation act. This amendment would increase the current GSL annual borrowing limit of $2,500 to a maximum of $4,500 for these students in order to compensate for reductions in cash benefits. Any additional borrowing above the current limits would be subject to a financial need analysis under current program definitions and limited to the level of the reduction in cash social security benefits, up to $2,000.

Before the passage of the Omnibus Reconciliation Act of 1981, roughly 600,000 college and university students in fiscal year 1983 would have received approximately $3,000 each in social security student benefits. Under current law, however, two-thirds of these students will have their benefits reduced by over $1,000 in 1983. The remaining third, new freshmen students, are ineligible for any social security student benefits. By 1985, none of the 550,000 college and university students who would have received benefits under prior law would be eligible for any social security student benefits.

About 70 percent of these students are from families with incomes below $20,000. Depending on the amount of other grant aid, many of these students would have some assessed financial need. Over the next few years, however, most of them would probably increase their borrowing within current GSL program guidelines. In fact, CBO's current law baseline projections for GSL already assume increases in borrowing as a result of the changes made in the 1981 law to social security student benefits. Thus, CBO's estimate of the additional loan volume and costs associated with this amendment reflects further increases in borrowing due solely to the increased borrowing limits in the bill.

In 1983, CBO expects that those students who would increase their GSL borrowing as a result of this bill would be those who had the largest reduction in cash benefits and who attend either private schools or out-of-state schools where education costs are relatively high. By 1987, many of the 550,000 students who would have been eligible for social security benefits are expected to increase their borrowing to cover the loss of cash benefits and the higher cost of education. Loan volume in 1983 is projected to increase from a current law level of $6.8 billion to $6.9 billion. By 1987 the current law volume of $6.5 billion is projected to increase to $7.2 billion as a result of this amendment.

Table 1 below shows the five year projection of cost increases to the GSL program as a result of this bill. The above mentioned increases in loan volume are not federal costs because the federal government only guarantees those loans. Rather, the federal costs include the additional interest subsidies and special allowances paid to lenders as a result of increased borrowing by these students. As shown in Table 1, these interest subsidies would increase outlays by $2 million in 1983 and by $155 million in 1987.

TABLE 1.—CBO ESTIMATE OF THE GSL CURRENT LAW COST AND THE IMPACT OF THE STUDENT LOAN ASSISTANCE AMENDMENTS OF 1982, UNDER CBO ECONOMIC ASSUMPTIONS

[By fiscal year, in millions of dollars]

	1983	1984	1985	1986	1987
Current law:					
Budget authority	3,903	4,345	4,050	3,773	3,531
Outlays	3,670	4,311	4,158	3,843	3,592
Incremental cost of the Student Loan Assistance Amendments of 1982:					
Budget authority	5	32	61	113	168
Outlays	2	26	53	100	155

STUDENTS: TOTAL PAYMENTS BY STATE, CALENDAR YEAR 1981

State	Number [1]	Payments (thousands)
Total	760,508	$2,491,700

STUDENTS: TOTAL PAYMENTS BY STATE, CALENDAR YEAR 1981—Continued

State	Number [1]	Payments (thousands)
Alabama	15,523	46,780
Alaska	613	2,020
Arizona	7,381	25,060
Arkansas	7,049	20,210
California	76,751	258,270
Colorado	7,454	25,970
Connecticut	10,138	36,320
Delaware	2,059	7,090
District of Columbia	2,800	7,860
Florida	30,483	100,970
Georgia	19,733	59,830
Hawaii	2,955	9,300
Idaho	2,230	7,850
Illinois	35,879	124,750
Indiana	14,083	50,990
Iowa	7,724	26,600
Kansas	5,157	18,280
Kentucky	9,606	30,980
Lousiana	12,115	36,070
Maine	3,777	11,560
Maryland	13,057	43,830
Massachusetts	20,597	67,900
Michigan	34,473	122,570
Minnesota	14,646	49,160
Mississippi	10,308	26,690
Missouri	13,715	46,180
Montana	3,040	10,520
Nebraska	4,214	14,180
Nevada	1,447	5,200
New Hampshire	2,427	8,360
New Jersey	27,947	97,160
New Mexico	3,699	11,020
New York	74,717	250,500
North Carolina	22,812	69,260
North Dakota	2,240	7,090
Ohio	36,028	125,280
Oklahoma	6,159	20,560
Oregon	7,885	28,380
Pennsylvania	38,333	132,660
Rhode Island	3,432	11,300
South Carolina	12,528	36,380
South Dakota	2,083	6,560
Tennessee	14,136	44,800
Texas	31,054	100,140
Utah	2,863	10,160
Vermont	1,559	5,120
Virginia	18,832	59,110
Washington	13,671	48,750
West Virginia	6,729	21,420
Wisconsin	15,350	53,280
Wyoming	812	2,950
American Samoa	112	150
Guam	112	250
Puerto Rico	18,220	30,390
Virgin Islands	260	620
Abroad	7,501	17,100

[1] As of December 1981.
Source: Social Security Administration, May 10, 1982.

S. 2655

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 "Student Loan Assistance Amendments of 1982".

SEC. 2. Part B of title IV of the Higher Education Act of 1965 is amended by adding after section 425 the following new section:

"INCREASED LOAN LIMITATIONS FOR CERTAIN STUDENTS WHO LOST SOCIAL SECURITY BENEFITS

"SEC. 425A. (a)(1) Notwithstanding any other provision of this part, the total amount of loans made to any student described in paragraph (2) shall be increased from the amounts specified in sections 425(a), 428(b), 428A(a), and 428B(b)(4), as the case may be, by the amounts specified in paragraphs (3) and (4) if such student meets the requirements of subsection (b).

"(2) For purposes of paragraph (1), a student described in this paragraph is an individual who—

"(A) was entitled to a child's benefit under section 202(d) of the Social Security Act for any month prior to September 1981; and

"(B)(i) for any month during the 12-month period described in paragraph (3) is not entitled to a child's benefit under such section 202(d) but would have been so entitled but for the amendments made by section 2210 of the Omnibus Budget Reconciliation Act of 1981; or

"(ii) for any month during the 12-month period described in paragraph (3) is entitled to a child's benefit under section 202(d) of the Social Security Act solely by reason of section 2210(c) of the Omnibus Budget Reconciliation Act of 1981.

"(3) The amount of the additional available loan amount for any student described in paragraph (2) for an academic year or its equivalent (as determined by the Secretary) shall be an amount equal to the lesser of—

"(A) $2,000 minus the amount of the benefits to which such student is entitled under title II of the Social Security Act for the 12-month period beginning with the month in which such academic year begins; or

"(B) the total amount of the benefits to which such student would have been entitled under title II of the Social Security Act for such 12-month period but for the provisions of, and amendments made by, section 2210 of the Omnibus Budget Reconciliation Act of 1981, but determined without regard to any cost-of-living adjustments under section 215(i) of such Act made after such individual's entitlement to child's benefits under such title II ended.

"(4) The aggregate insured unpaid principal amount of loans for any student described in paragraph (2) shall be increased by—

"(A) $10,000 in the case of any such student who has not successfully completed a program of undergraduate education, and

"(B) $15,000 in the case of any such student who is a graduate or professional student (as defined by regulations of the Secretary), including any loans which are insured by the Secretary under this part, or by a State or nonprofit institution or organization with which the Secretary has an agreement under section 428(b), made to any such individual before he became a graduate or professional student, except that the Secretary may increase the limit applicable to graduate or professional students subject to this section who are pursuing programs which the Secretary determines are exceptionally expensive.

"(b)(1) Each student described in paragraph (2) of subsection (a) qualifies for the additional maximum loan amount described in paragraphs (3) and (4) of subsection (a) if the eligible institution, at which the student has been accepted for enrollment, or at which the student is in attendance, has provided the lender with a statement evidencing a determination of need for the additional amount of the loan requested by such student.

"(2) For the purpose of paragraph (1) of this subsection—

"(A) a student's estimated cost of attendance;

"(B) a student's financial assistance; and

"(C) the determination of need

shall be determined in the same manner as is prescribed by section 428(a)(2)(C).".

Mr. PROXMIRE. Will the Senator yield to me part of his time?

Mr. FORD. Mr. President, I am delighted to yield to the distinguished Senator from Wisconsin the remainder of my time.

Mr. PROXMIRE. I thank the senior Senator from Kentucky.

SOVIET NUCLEAR POWER AS SEEN BY THE U.S. JOINT CHIEFS OF STAFF

Mr. PROXMIRE. Mr. President, yesterday, I read into the RECORD the overall assessment of the Soviet military power as stated by Secretary of Defense Weinberger in April of this year. I did this in connection with my series of statements on the floor setting forth some of the basic facts essential to our understanding of any nuclear arms limitation agreement with the Soviet Union.

Today I call to the attention of my colleagues the assessment by the U.S. Joint Chiefs of Staff of Soviet military power. This assessment relates to the strategic—that is nuclear offensive and defensive Soviet power. It documents the buildup as seen by our top military command of the Soviet forces.

I have condensed and edited this report to give a concise but accurate picture of what we face in the eyes of our top military experts.

I ask unanimous consent that the report be printed in the RECORD.

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

U.S. MILITARY POSTURE FOR FISCAL YEAR 1983

STRATEGIC OFFENSIVE NUCLEAR FORCES

(Charts and pictures not reproduced in the RECORD)

For the past two decades, the Soviet Union has devoted substantial resources to the development and deployment of ICBM and SLBM forces, and to a lesser extent, deployment of an intercontinental bomber force. As a result of these efforts, the Soviet Union has moved from a position of relative inferiority in the strategic nuclear field to a position of equivalance, or superiority, in many weapon systems.

INTERCONTINENTAL BALLISTIC MISSILES

The Soviet Union has nearly completed the deployment of fourth generation ICBMs (SS-17, SS-18, SS-19), with approximately half of the 1,398 deployed launchers now containing new missiles. New missile silos are considerably harder than earlier versions, and thus potentially less vulnerable. The remainder of the force consists of older generation SS-11s and SS-13s. Most of the RV's are on the fourth generation ICMBs, of which certain versions of the SS-18 and SS-19 have significantly improved accuracies. Also, the Soviets are apparently ready to begin flight testing of two new solid propellant ICBM's; either or both could reach IOC by the mid-1980s.

Soviet ICMB Force as of January 1, 1982

System:	*Inventory*
SS-11	580
SS-13	60
SS-17	150
SS-18	308
SS-19	300
Total	1,398

Conversion of all SS-9 launchers to the SS-18 configuration has been completed.

The retrofit of SALT II-accountable MIRVed launcher silos associated with the SS-19 is underway. The program to convert silos from SS-11 to SS-19 Mod 3 configuration will probably require several years to complete. There were little or no changes in the deployment of the SS-13 and SS-17. The majority of the 150 SS-17 launchers contain the four-RV MIRVed missiles.

According to accumulating evidence, the Strategic Rocket Forces may have plans to reconstitute and reload at least a portion of their silo-based ICBM's during a protracted nuclear conflict. Contingency plans for reloading and refiring of silos probably have been developed. The cold-launched SS-17 and SS-18 are well suited for refiring. Additional evidence supports the hypothesis that the hot-launch systems also have a reload and refire capability.

SUBMARINE-LAUNCHED BALLISTIC MISSILES

The Soviet Union has 70 modern SSBN's with 950 SLBM launchers Of these, 62 SSBN's are routinely on station in the western Atlantic, or in transit overlap may raise the number of units on patrol temporarily. Delta-class SSBN's are normally on patrol in the Greenland, Norwegian, and Barents Seas.

The Soviets normally maintain Yankees in the eastern Pacific patrol area, with an additional unit in transit. Delta I/III SSBN's are routinely on patrol in the Pacific. Both the SS-N-8, carried on Delta I/II, SSBN's, and the SS-N-18 carried on the Delta III, can strike targets in the United States from adjacent Soviet waters or even home ports. Readiness of the Soviet SSBN force is assessed as high.

The Typhoon, latest class of Soviet SSBN's, commenced sea trials in 1981. The SS-NX-20 missile, which is to be carried by the Typhoon, has been test fired. The Typhoon will likely soon finish sea trials, but the complete weapon system probably will not be operational until the mid-1980's.

SOVIET AIR FORCE STRATEGIC BOMBERS

The strategic bomber force consists of over 880 aircraft. Bombers form the core of the force for strategic air operations in the European and Asian theaters. Three-fourths of the bombers remain poised opposite NATO, while the remainder are located along the Chinese border.

Soviet Air Force bomber inventory as of January 1, 1982: Bear, 100; Bison, 75; Backfire, 70+; Badger/Blinder, 600; Total, 880+.

Badger, Blinder, and Backfire aircraft assigned to the Soviet Air Force strategic bomber force would carry out missions primarily against Europe and Asia. Bear and Bison bombers could perform theater roles as well, but are primarily reserved for strategic maritime or intercontinental missions. Age is a major limiting factor in the theater bomber force. About 75 percent of the bombers are over 10 years old.

Evidence would indicate that the Soviets are in the process of developing a new long-range bomber and probably a strategic cruise missile carrier. Additionally, the Soviets are developing a tanker version of their IL-76/Candid transport aircraft.

The Soviets are also working on a program to develop long-range cruise missiles.

MAJOR SOVIET THEATER MISSILES AND ROCKETS

System	Range (kilometers)	Replacement system	Range (kilometers)
SS-4	2,000	SS-20	5,000
SS-5	4,100	SS-20	5,000
FROG	70	SS-21	120K
SCUD B	300	SS-23	500K
SS-12	900	SS-SS-22	900k

THEATER NUCLEAR FORCES

The Soviet Union continues to expand and modernize its theater nuclear forces at a rapid pace. The Soviets view TNF assets in both strategic and tactical contexts, with some forces serving a dual function. In particular, TNF provide a layered threat to Europe, allowing concentrations of theater forces to exist independently of Soviet strategic forces. Soviet TNF doctrine stresses mobility and readiness.

Soviet and Warsaw Pact nuclear and nuclear-capable conventional force modernization programs continue. For every ground-launched missile or rocket system which existed prior to 1976, the Soviets have fielded or are in the process of deploying a replacement system with a new level of accuracy. Chart B-3 shows older Soviet theater systems on the left and replacement systems on the right.

The number of long-range TNF (longer-range INF) ballistic missile launchers has remained relatively stable over the years. The Soviets have deployed well over 260 SS-20 launchers since 1977 and deactivated over 200 SS-4 and SS-5 launchers.

In 1981, the Soviets initiated construction of additional new SS-20 bases, from which missiles are capable of striking NATO Europe. The remaining SS-20 deployments likely will be located in the western Soviet Union. The number of launchers probably will be less than SS-4 and SS-5 levels, but the number of RVs will be considerably greater because of the three-MIRV payloads (Chart B-4). If one refire is allocated each missile, the number of IRBM RVs have more than doubled between 1977 and 1982.

The wider deployment pattern of the SS-20 and its increased range capability over the SS-4 and SS-5 have enabled the Soviets to extend their LRTNF capability to the Middle East, Southwest Asia, and East Asia.

The growth in the number of Soviet short-range ballistic missile launchers and free-rockets-over-ground (FROGs) has also continued. There is currently no indication that the Soviets will draw down these older systems to counterbalance the introduction of newer systems.

STRATEGIC DEFENSIVE FORCES

The Soviets have deployed the most extensive strategic air defense system in the world. This force poses a significant threat to penetrators of Soviet air space. Modification of existing systems, along with the development and deployment of new weapons, assure that the force capability will continue to improve.

RADAR SURVEILLANCE AND DETECTION

The Soviet air defense network has good detection and tracking capabilities under all-weather conditions against aircraft at medium-to-high altitudes. Radars with improved low altitude acquisition capabilities are not yet fully operational.

A major improvement in Soviet detection and tracking capability is expected from the deployment of an airborne warning and control system. The system will extend detection over land and water and improve interceptor control capabilities.

SURFACE-TO-AIR MISSILES

The Soviets have about 10,000 SAM strategic launchers deployed at about 1,000 sites. The SA-1 system continues to provide primary air defense for Moscow from sites deployed in two rings around the city. Throughout the Soviet Union, the long-term drawdown of the SA-2 may resume due to replacement with the more capable SA-10. Meanwhile, SA-5 deployment has increased slightly, and the SA-3 force continues to convert from the two-rail to the four-rail launcher. Over half of the AS-3 sites now have four-rail launchers. Tactical SAMs, with better low altitude capabilities, would be expected to augment strategic defenses.

INTERCEPTORS

Modernization of Soviet air defense aviation continues with the first operational deployment of the Modified MiG-25/Foxbat and new deployments of the MiG-23/Flogger and MiG-25/Foxbat. Older model SU-9/Fishpot, MiG-17/Fresco, and MiG-19/Farmer interceptors have been phased out of the active inventory. The Soviets have resumed modernizing regiments equipped with the YAK-28/Firebar.

BALLISTIC MISSILE DEFENSE

The program for upgrading ballistic missile defenses in the Moscow area continues. These defenses once consisted of four anti-ballistic missile (ABM) complexes with 64 ABM-1b/Galosh above-ground launchers, but in late 1979, 32 of the launchers were dismantled. The Soviets could build to the 100 ABM launcher limit allowed by the 1972 ABM Treaty.

A new large phased-array radar is being constructed near Moscow. This radar probably will serve in a battle management role for the upgraded Moscow system, augmenting or possibly replacing existing dog house and cat house systems.

Other ballistic missile defense system components include the try add engagement radars at the Moscow complexes, peripherally located hen house early warning radars, and new large phased-array early warning radars which are not yet fully operational. Phased array radars are superior to the hen house network and probably are designed to close existing gaps in coverage.

NOW . . . AFTER ALL THESE YEARS

Mr. PROXMIRE. Mr. President, a German documentary has been released recently in the United States, a film called "Now . . . After All These Years." The motion picture centers on a very small Prussian village called Rhina. As a 1928 schoolgirl's essay recounts in the film, Rhina was the only town in Prussia inhabited by a large Jewish majority. By 1939, not a single Jew remained in that German village.

The Jewish survivors of Rhina are interviewed on film, and we see how the holocaust is etched deeply and permanently in the memories of these exiles. For them, genocide is not an abstract phenonmenon discussed in legislative chambers, not a definition to be dissected in a treaty, not even the inconceivably abominable crime that we know it to be. For the victims, genocide is all too conceivable, all too vivid. Sterilization. Torture. Gas chambers. Starvation. Decimated families. Death. All the words in the English vocabulary would not convey the full horror of genocide to those of us fortunate enough to have never been touched by its devastation.

Yet, filmed interviews of modern-day citizens of Rhina illustrate how easily we erase the most horrible of our memories. Indeed, only the teenagers of Rhina seem interested in the fate of the town's Jewish population. Says one youth: "All we know is Jews once lived here; nobody knows what happened to them." Says another: "We never hear anything about it." How hard it is to remember an event so ugly.

It is too easy to forget. It is too easy to ignore. But we cannot forget, cannot ignore our global legacy of genocides. That is why I speak each day to remind all of us of the unratified Genocide Convention. By ratifying this treaty, the world's greatest power can reaffirm its role as the world's leading spokesman for human rights and human dignity. America can help keep moral principles alive in the anarchy of international relations, to keep genocide among the rallying points for universal condemnation. Most important, in such an atmosphere, perhaps the constraint of world public opinion can save a number of precious human lives.

The more we inject ethics into diplomatic debate, the more we play America's strongest suit. In the competition for international good will, our ideals can be our greatest weapon, if we have the courage and good sense to act upon them. I urge the Senate to do so. The treaty has been waiting patiently for our approval since 1949. It is time we ratified the Genocide Convention—now, after all these years.

Mr. BAKER. Mr. President, will the Senator yield to me for a moment?

Mr. PROXMIRE. I am delighted to yield to the distinguished majority leader.

Mr. BAKER. I thank the Senator for yielding.

WAIVER—CONFERENCE REPORT ON SENATE CONCURRENT RESOLUTION 92

Mr. BAKER. Mr. President, this has been cleared on both sides.

I ask unanimous consent that the requirements that the conference report on Senate Concurrent Resolution 92 be available for 3 days be waived when that conference report is received from the House of Representatives.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Mr. President, the Democrats have no objection.

Mr. BAKER. Mr. President, the Republicans are grateful.

I thank the Senator for yielding.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. There will not be a period for the transaction of routine morning business.

89-059 O-86-22 (Pt. 11)

CONFLICT OVER MAINE ACTION GRANT

Mr. MITCHELL. Mr. President, I rise today to express my deep concern about the intervention of the National Broiler Council and several Southern Congressmen in opposing an application submitted by the city of Lewiston, Maine, under the Urban Development Action Grant (UDAG) program administered by the Department of Housing and Urban Development.

The poultry industry has long been an important part of Maine's economy, contributing in past years up to $200 million annually. However, the industry has fallen on hard times of late as a number of problems have made operations difficult, if not impossible.

Those problems include high transportation costs for a State that is at the end of the distribution chain, the consequent escalation in the price of feed grain, and high energy costs for a State dependent on imported oil. Further, the national economy has been in a deep and prolonged recession and has been troubled by overproduction in the broiler industry. The result has been the closing of most of the processing plants in my State and the initiation of bankruptcy proceedings.

The city of Lewiston is in the second largest population center of Maine and has itself been the victim of the declining fortunes in the poultry industry. For 25 years, it was the home of Hillcrest Foods Inc., a poultry processing plant that once processed 110,000 broiler chickens a day and employed upward of 700 people. It was the city's fourth largest employer.

Adverse conditions forced Hillcrest to close its doors on May 29, 1981, throwing 268 employees out of work and putting about 50 chicken growers out of business.

But those chicken growers were undeterred, however. They proceeded to form a cooperative last summer with the intention of buying the plant and its remaining equipment. They received help from the Maine Department of Agriculture, from the Lewiston-Auburn Economic Growth Council which assisted in investigating sources of financing for the plan, and from the city.

Subsequently, Charles Auger came forward with plans to reopen the plant. He is former president of a poultry processing plant in Maine and president of Corbett Egg Farms. He worked closely with city officials and had the winning proposal for revitalizing the poultry operation.

The end result of these efforts was the recent submission of an Urban Development Action Grant application, requesting $500,000 in Federal grant funds. The aim of the proposal is to redevelop the Hillcrest operation by means of a $3.64 million investment package to permit Food Processors of Maine, Inc., and Farm Marketing Systems of Maine, Inc., both owned by Mr. Auger, to acquire the fixed assets of the bankrupt company. Total private investment associated with the project would equal $2.75 million.

If approved, the application would generate new property tax revenue, 124 new production jobs by the second year of operation, and activation of 40 area poultry farms dependent on the processing industry for their livelihood.

As officials at the Department of Housing and Urban Development (HUD) began their intensive review of the proposal earlier this month, I learned that the National Broiler Council was in touch with the agency to oppose the application and that several Members of Congress from Southern States were doing the same.

Mr. President, I find this intervention, on the part of both the industry association and other Members of Congress, unfortunate. It is unfortunate because of the efforts being made by the private sector in Maine to revitalize a small part of the broiler industry, mostly with the aid of private funds. Second, there is ample precedent for the Federal financial support of bankrupt companies under the UDAG program. The program itself was designed to help severely distressed cities whose local economies are stagnating. And finally, there is an interregional dispute at stake, where one region of the country is attempting to keep another down. I strongly disapprove of such behavior. Substantial disparities already exist between the Frost Belt and the Sun Belt. Such efforts to exacerbate the differences and stifle competition cannot be condoned.

Mr. President, I want to conclude my remarks by commending local officials in Lewiston and all of the individuals in the private sector and in government agencies who worked to put together a viable redevelopment package for Hillcrest Poultry. The application will now have to be held over by HUD for another round of competition so the city and interested parties can have additional time to put the financial commitments in proper form. I sincerely hope they will be successful in their effort to secure Federal funds and will not be further impeded by outside interference.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982—CONFERENCE REPORT

The PRESIDING OFFICER. The clerk will report the pending business.

The legislative clerk read as follows:

The House recedes and concurs with an amendment to Senate amendment No. 62, an amendment in disagreement to the conference on H.R. 5922.

The pending amendment in disagreement is as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 62 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter inserted by said amendment, insert:

SEC. 217A. (a) The last sentence of section 162(a) of the Internal Revenue Code of 1954 (relating to trade or business expenses) is amended by inserting ", but amounts expended by such Members within each taxable year for living expenses shall not be deductible for income tax purposes in excess of $3,000" after "home".

(b) Paragraph (4) of section 280A(f) of such Code (relating to coordination with section 162(a)(2)) is amended to read as follows:

"(4) COORDINATION WITH SECTION 162(a)(2).—Nothing in this section shall be construed to disallow any deduction allowable under section 162(a)(2) (or any deduction which meets the tests of section 162(a)(2) but it allowable under another provision of this title) by reason of the taxpayer's being away from home in the pursuit of a trade or business (other than the trade or business of renting dwelling units).".

(c) Subsection (a) of section 139 of the Act of October 1, 1981 (95 Stat. 967), is hereby repealed.

(d) The amendments made by this section shall apply to taxable years beginning after December 31, 1981.

SEC. 217B. (a)(1) Except as provided by paragraph (2), no Member may, in any calendar year beginning after December 31, 1981, have outside earned income attributable to such calendar year which is in excess of 30 per centum of the aggregate salary as a Member paid to the Member during such calendar year.

(2) In the case of any individual who becomes a Member during any calendar year beginning after December 31, 1981, such Member may not have outside earned income attributable to the portion of that calendar year which occurs after such individual becomes a Member which is in excess of 30 per centum of the aggregate salary as a Member paid to the Member during such calendar year.

(b) For purposes of subsection (a), honoraria shall be attributable to the calendar year in which payment is received.

(c) For the purposes of this section—

(1) "Member" means a United States Senator, a Representative in Congress, a Delegate to Congress, or the Resident Commissioner from Puerto Rico;

(2) "honorarium" means a payment of money or any thing of value to a Member for an appearance, speech, or article, by the Member; but there shall not be taken into account for purposes of this paragraph any actual and necessary travel expenses incurred by the Member to the extent that such expenses are paid or reimbursed by any other person, and the amount otherwise determined shall be reduced by the amount of any such expenses to the extent that they are not paid or reimbursed;

(3) "travel expenses" means, with respect to a Member, the cost of transportation, and the cost of lodging and meals while away from his residence or the greater Washington, District of Columbia, metropolitan area; and

(4) "outside earned income" means, with respect to a Member, wages, salaries, professional fees, honorariums, and other amounts (other than copyright royalties) received or to be received as compensation for personal services actually rendered but does not include—

(A) the salary of such Member as a Member;

(B) any compensation derived by such Member for personal services actually rendered prior to the effective date of this section or becoming such a Member, whichever occurs later;

(C) any amount paid by, or on behalf of, a Member to a tax-qualified pension, profit-sharing, or stock bonus plan and received by such Member from such a plan; and

(D) in the case of a Member engaged in a trade or business in which the Member or his family holds a controlling interest and in which both personal services and capital are income-producing factors, any amount received by such Member so long as the personal services actually rendered by the Member in the trade or business do not generate a significant amount of income.

Outside earned income shall be determined without regard to any community property law.

Mr. PROXMIRE. 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. SPECTER. 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. KASTEN. Mr. President, I commend the action of the conferees on the Polish debt amendment to the urgent supplemental appropriations bill. The language in this conference report would require a declaration of Polish default unless the President certifies that such a declaration would not be in our national interest. The President would be required to submit a monthly written report to Congress each time the default option is not used, and this requirement would remain in effect until the end of fiscal year 1982.

By including this language in the conference report, Congress has decided to stand up for the people of Poland, to focus national attention on the issue of the Polish debt, and to require a monthly reevaluation of the U.S. response to martial law in Poland. President Reagan would be given discretion over when the default declaration is to be made, and it is my hope and expectation that he will soon decide to declare Poland in default on its debts to the United States.

Poland is bankrupt—it cannot make even the interest payments it owes to the United States this year—and unless new loans are made, default is inevitable. The question is who will declare the default—Poland or the West. Up until now, our allies have been unwilling to even discuss Polish default, and they have been cool to a proposed limit on future credits to the Soviet Union. It is time for the United States to take the initiative on the issue of Polish default. It is time to lead instead of follow.

Mr. MATTINGLY. Mr. President, I am opposed to the conference report on H.R. 5922, the urgent supplemental appropriations bill. I have urged the President to veto it when it reaches his desk. I am fairly confident that he will do so and then I will vote to support the President's veto if this body attempts to override it.

My reason for opposing this piece of legislation is uncomplicated—our current economic distress with its stubbornly high interest rates and deeply troubling unemployment figures, has been caused by excessive Federal spending. And this bill is more of the same. It would be folly to think that we can solve our economic ailments by following the same course of action that brought on the disease.

This bill is 6.4 billion tax dollars over the President's request, including $3 billion in a bailout provision for the housing industry.

Where is all this money going to come from? Is there going to be a tax increase to cover the cost? Is everyone who plans on voting for this measure prepared to face the voters and tell them that we need a $3 billion tax increase to pay for it?

Is the Federal Reserve going to inflate the money supply and print the $3 billion? Not according to Federal Reserve Board Chairman Paul Volcker.

So, presumably, the Federal Government will move more deeply into the credit markets—the same markets where interest rates already hover at over 16 percent precisely because Washington has been absorbing an enormous amount of the available credit in order to finance its huge deficits.

High interest rates are the symptom of a larger problem, Mr. President, and that problem is Federal spending.

If the infusion of taxpayers money into a struggling industry is a surefire way of ending its difficulties, then why stop at housing? Why not extend similar aid to agriculture, automobiles, steel, and everyone of the thousands of areas hurt by the recession?

If Federal spending was the answer, Mr. President, we should be in an economic Shangri-la by now because Congress has done nothing but spend the taxpayers money for the past 20 years.

We are just beginning to see some optimism in the economy. Housing starts rose 22 percent in May and climbed above the 1 million unit annual level for the first time in 10 months. Building permits increased in May for the third straight month and housing starts have risen 27 percent from last October's figures.

Inflation has moderated over the past year, labor-management contract negotiations have taken on a conciliatory tone with each side recognizing the other's difficulties, and we just might be able to salvage something from the first budget resolution.

All that will be undone if this bill becomes law.

We have all been hearing the talk lately about the need for Congress and the President to send a signal to the financial market about the need to let the money people know that we in Washington are serious in our stated intention to get Federal spending under control.

Well, this bill sends a signal, all right. A clear, unmistakable signal that we are about to return to business as usual. That we are returning to the old tax-and-tax, spend-and-spend way of doing things. There would be no better way to choke off our economic recovery.

As any addict must do, Congress must recognize its addiction to spending money, the taxpayers money. Then a cure can begin.

Look at the bill before us. Several weeks ago, the President sent us a request for $4.5 billion in new budget authority and a request to rescind $7.7 billion. So he was seeking a net reduction in Federal spending authority of $3.2 billion.

What are we sending back to him? A bill that contains close to $9 billion in new budget authority and $5.7 billion in rescissions for a net increase of $3.2 billion in spending authority. That represents an incredible $6.4 billion over the President's request.

It is time to say no, Mr. President. No to Federal spending. No to Federal bail outs. And most emphatically, no to this bill.

● Mr. SYMMS. Mr. President, I rise in strong opposition to the measure that is being considered.

In my opinion it is wrong that we should even be considering passing a supplemental appropriations bill at this time. Our economy is already falling under the weight of uncontrollable Government spending and here we are adding to that burden.

Congress is supposed to pass one appropriations bill each year, appropriating moneys for the various programs that have been authorized. Since I came to Congress in 1973, the practice of enacting inadequate appropriations bills and then passing, throughout the year, very large supplemental appropriations bills has grown out of control. Somehow, we think that we can fool the voters, the markets, the investors, and the general taxpaying public that we are controlling spending. That notion lends credibility to the phrase that "Washington is 8 square miles surrounded by reality." The fact of the matter is, is that we are not fooling anybody except ourselves. Spending simply has to be controlled, and this practice of continually feeding Government's voracious appetite needs to be terminated.

I know that many of you believe that you can blame all of our economic troubles on the tax bill that was passed last summer. However, if this situation is carefully examined, all of the facts clearly indicate that it is not the tax bill that is causing our problems, it is the fact that we have not controlled spending.

Unemployment has reached a postwar high. Corporate profits are down substantially and many companies both large and small are in trouble. Business and personal bankruptcies are increasing. Interest rates remain at unacceptably high levels. Public and private debt will keep them that way unless the Government reduces its budget over the long term and the private sector pays on its debts. The economy cannot afford another supplemental appropriations bill. The most important domestic social program, the most important foreign policy initiative, the most important national security effort we can undertake is to get our economy back on the track again.

The economy will only be able to recover if our long-term capital markets are restored. Long-term capital markets are essential to a capitalist economy and those markets will not be restored until investors can determine that Congress is committed to controlling spending over the long term. The markets must see a real decline in Government spending. Dubious reductions, through such things as overestimating management savings or tax receipts, or by shifting costs between sectors, are not the answer. Tough program reductions on an across-the-board basis are what is needed. Those program reductions should begin right now with the Senate's decision not to implement this supplemental appropriations bill or any other that might be considered in the future.

The private sector is being strangled by the excesses of this Congress. The blame for our current economic woes rests squarely on the shoulders of those who refuse to perform the job they were elected to do—and that is be responsible public leaders who are concerned about the welfare of our entire society, rather than specific interest groups who try to lay claim to an unfair and unearned share of our economy.●

CONGRESSIONAL TAX DEDUCTIONS AND OUTSIDE EARNINGS

Mr. DECONCINI. Mr. President, amendment No. 62 repeals the special congressional tax deduction and, as amended by the House, reimposes a limit on outside earnings in the Senate. I believe we should adopt the amendment without further delay and I want to take a few moments to outline the argument for doing so.

First, my position on the special tax deduction for congressional away-from-home expenses is well known. It is at best a backdoor pay raise; at worst, it is a loophole available to no other class of American taxpayers. Seen either way, it is just plain wrong. That is why I introduced legislation repealing it and was pleased to cosponsor the Proxmire amendment which put the repealer on the Urgent Supplemental. That is what is really at stake here, Mr. President. Shall we eliminate this special congressional tax break or not? I say we should.

Second, the House amendment is not unreasonable. Indeed, it does what the Senate should have done on its own initiative—sets a ceiling on how much Senators will be allowed to earn for speeches, articles, and other services beyond but not unrelated to their official duties. Prior to the spate of self-serving amendments enacted last year, the Senate had set a ceiling on such "honoraria" and, their earnings, at $25,000 per annum. The House amendment would put the cap at 30 percent of official salary or something more than $18,000 per annum. Either provides a generous supplement to a Member's ordinary income which is, it should be recalled, roughly three times that of the average family of four in this country.

However one judges the adequacy of congressional remuneration, Mr. President, there are even more compelling reasons for restraint on outside earnings. Citizens do not elect Representatives and Senators in the expectation that they will spend a substantial part of their time moonlighting to augment what most would regard as an already generous compensation package. I dare say most of our constituents are under the impression that we hold full-time jobs. Furthermore, in most instances, the activities for which honoraria and similar fees are paid relate directly to the duties of office. To the extent that they do, there is legitimate ground for concern that what should be a public trust is being exploited for purely private gain. How many of us, after all, would be invited to address organizations and associations or submit articles for publication were we private citizens and what would we be paid for doing so?

There is a darker, more insidious side to this relationship as well. It is not accidental that many of the groups that are most willing, not to say eager, to pay so handsomely for our services as speakers and writers also have a well-defined legislative agenda. Under such circumstances, one might expect that the members and chairman of a committee would have more opportunities than chance would predict to supplement their salaries from groups with an interest in issues within its jurisdiction. One would not be disappointed.

In the vast majority of cases, of course, no impropriety is involved in this relationship; it simply reflects the influence of common policy concerns and of the substantive expertise the committee system is intended to foster. Nonetheless, appearances, as we all know, can be more important in politics and governance than reality. The effective functioning of governmental institutions in a democratic order presupposes popular confidence in their fundamental fairness and integrity. Absent this, the hard choices required in coping sensibly with the problems we face as a nation—and God knows how serious they are and they are getting worse every day—are impossible. The Congress, if the polls are right, is already in something of a bad odor with the American public. To risk further damage to our representative institutions by insisting on the "right" to unlimited moonlighting is a high price to pay to continue what amounts to a kind of supplemental security income for Senators. Therefore, a no vote on the Hatfield motion to disagree with the House is the right vote. It says clearly that special tax privileges for Members of Congress are not acceptable.

AMENDMENT TO THE SUPPLEMENTAL TO REINSTATE A CAP ON OUTSIDE EARNED INCOME

Mr. MITCHELL. Mr. President, I rise in support of the amendment to the emergency supplemental appropriations bill to place a limit on a Member's outside earned income.

In 1976, Congress enacted the Federal Election Campaign Act. Among other things, the act placed a $25,000 cap on the amount of money Senators could earn by giving speeches. The purpose of this cap was to insure that Senators devoted sufficient time to their official duties in Washington.

In September of last year, the Senate adopted an amendment to the continuing appropriations bill to repeal the $25,000 cap on outside earned income. I strenuously opposed that amendment because, in my mind, it was nothing more that a back-door attempt to raise Senators' salaries without going through the politically painful act of voting on a salary increase. At a time when spending on social programs in this country was being slashed, I believe the amendment was inappropriate and ill timed.

The amendment under consideration would place a cap on the amount of outside earned income a Member of Congress may receive of 30 percent of congressional salary, or $18,200. I support this amendment.

Since coming to the Senate, I have consistently opposed both direct and indirect efforts to increase the salaries of Members of Congress. In 1980, I voted against an amendment to increase Members' salaries by $10,000. Last year I opposed the repeal of the $3,000 limit on tax deductions Members of Congress may take for living expenses. I am pleased that the emergency supplemental before us reinstates the $3,000 limit on tax deductions.

There is no doubt that Washington is an expensive city in which to live. There is no doubt that it is expensive to maintain two homes, one in a Member's home State and another in the District of Columbia.

In the final analysis, we must ask ourselves the following question: Have we been so effective at getting Federal spending under control that we can grant ourselves a back-door pay raise? I think not.

We have an opportunity today to send the American people an important signal. Let us tell the American people that yes, we made a mistake when we voted to repeal the cap on honoraria last September. Let us tell the American people that we are willing to share in the national sacrifice to bring spending under control. Let us vote to reinstate the cap on outside earned income.

● Mr. MATTINGLY. Mr. President, I am going to vote in favor of the motion to disagree with the House on amendment No. 62 and I hope that the Senate will send the bill back to the House with the Fazio provision deleted and the $3,000 limitation on tax deductions for Members in place.

I am not completely satisfied with that particular resolution of the matter, preferring as I do to have each Member of Congress treated by the Internal Revenue Service just like any other taxpayer instead of placing ourselves in a special category with a ceiling on deductions.

I continue to believe that the American people, our constituents, not the IRS and not the Congress, are the best judges of what is and what is not appropriate behavior within the tax laws.

The entire matter of Members salaries, pay raises, tax breaks, and the like should be handled by the committee process, receiving a thorough examination and airing at each step during the process, up to and including debate on the Senate floor. By continuing to attach amendments dealing with these sensitive issues to any vehicle that comes along—sometimes late at night—we continue to heighten the belief of the public that we are engaging in some shoddy, underhanded dealing that would not stand up to close scrutiny in the light of day.

The Senate has a provision in its rule 36 that will limit the outside earned income of its Members to 15 percent of the Senators salary beginning on January 1, 1983. The Fazio provision would place a cap of 30 percent of such income and I prefer the Senate version.

I urge a yea vote on the motion to disagree.●

(The following proceedings occurred during Mr. SPECTER's address and are printed at this point in the RECORD by unanimous consent.)

Mr. HATFIELD. Mr. President, I move that the Senate disagree to the House amendment to Senate amendment numbered 62.

The PRESIDING OFFICER. Under the previous order, there will be a vote on that motion at 2 p.m.

Mr. HATFIELD. I wanted to get the motion before the body at this time and that is the motion I make at this time.

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

[Conclusion of transferred material.]

ORDER OF PROCEDURE

Mr. SPECTER Mr. President, I ask unanimous consent to proceed as if in morning business.

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

S. 2658—A BILL TO AMEND TITLE 18, UNITED STATES CODE, TO DELIMIT THE INSANITY DEFENSE

Mr. SPECTER. Mr. President, I send to the desk a bill providing for amendment of the United States Code with respect to the issue of the insanity defense, providing that:

(a) It shall be an affirmative defense to a prosecution under any Federal statute that the defendant, as a result of a mental disease, did not know the nature and quality of his actions or did not know the wrongfulness of his actions at the time he committed the acts otherwise constituting the offense.

(b) The defendant has the burden of proving by clear and convincing evidence the defense of insanity.

(c) Expert witnesses shall not be permitted to offer opinions on the ultimate legal issues presented to the trier of fact.

This bill is introduced in response to the verdict in the Hinckley case last night, which has caused such public and private outrage in this country, and perhaps the world. My own consideration of the issue of the insanity defense has spanned the past 20 years in my work as an assistant district attorney, as district attorney for Philadelphia, and more recently on the Judiciary Committee which has considered in the Criminal Code Reform Act of 1981 the subject of the insanity defense.

This morning is an appropriate occasion for the introduction of this bill in the wake of the tremendous concern generated by the verdict in the case of the United States against Hinckley. In my judgment, it is important for the public to know at the earliest possible moment that the law is not powerless to act in response to the outrageous verdict of acquittal which was rendered in the Hinckley case where, in my judgment, there was a misunderstanding of the law on insanity and tremendous confusion engendered by a superabundance of psychiatric evidence, which was not capable of being distilled in a practical sense, so that an inappropriate result was reached.

There has already been public outcry noting that the acquittal of the defendant Hinckley was occasioned by the fact that he was wealthy and had high-priced legal talent. I share that sense of outrage from my experience as a prosecuting attorney. I have already had calls from the media asking about the effect of the decision, about the legal standards used, and have had discussions with colleagues in the Senate about the inappropriateness of the verdict and the issue of what can be done to learn from the mistakes of this case, to correct the application of the insanity defense.

If the defense of insanity is permitted to be applied as it was by the jury in the Hinckley case, then every public official and every citizen and every person is a sitting target for acts of violence without redress, where the violent actor can simply contend that he was not responsible for what he did.

The question of responsibility was succinctly summarized in a dialog between Dr. Karl Menninger, a noted psychiatrist, and a trial judge, wherein the judge put to Dr. Menninger, this question, referring to a criminal defendant:

If he is not responsible, then technically he is not guilty.

Dr. MENNINGER. Your Honor, responsible is another one of these functionally undefined words.

The JUDGE. But your colleagues have often testified in this court that in their opinion a certain prisoner was or was not responsible.

Dr. MENNINGER. Yes, Your Honor, because the word responsible is in everyday use. But this use is different from the legal use, as you well know, and that fact is not always clear to your witnesses.

That exchange between a judge and a noted psychiatrist underscores the impracticality of the psychiatric response to the question who is responsible. If the Hinckley rule is permitted to stand, then no defendant, no violent actor, is responsible for his conduct.

Mr. President, I submit that it is high time that the Congress of the United States address the issue of the insanity defense. It is important to note that at no time has the Congress done so, up until this date. The verdict in the Hinckley case, which involves a Federal issue of the highest magnitude, the attempted assassination of the President of the United States, is an obvious occasion for addressing this issue. Realistically, the issue should have long since been addressed by the Congress. It should not have been left to develop through the legal process simply from court decisions, with the very heavy academic input and very heavy medical and psychiatric overlay they contain and without some analysis and action by the Congress agreeing or disagreeing with the judicial tests that have come into play. Let the occasion of the violent attack on President Reagan and the unconscionable verdict of the Hinckley case be the event by which we can profit from our prior mistakes.

The literature in the field abundantly demonstrates the impracticality of reliance on psychiatric evidence in an unfettered way in ruling on the question of insanity as the basis for acquittal in criminal prosecutions.

In testimony before the Royal Commission on Capital Punishment, the Director of Public Prosecutions stated that—

A volitional standard. . . ceased to be one to which objective tests could readily be applied and became a matter of metaphysical speculation which presented an impossible problem to the Judge and jury.

The reference to a "metaphysical speculation" and "an impossible problem" underscores the difficulty that a jury has in coming to a conclusion on the issue of criminal insanity.

The concluding portions of the exchange between Dr. Menninger and the trial judge further illustrate the impossibility of applying the current standard. Dr. Menninger continued in their exchange by saying to the judge:

What you want to know, I suppose, is whether this man is capable of living with the rest of us and refraining from his propensity to injure us. You want to know whether he is dangerous, whether he can be treated and cured—whether we must arrange to detain him in protective custody indefinitely.

The JUDGE. Exactly. This is indeed what the court would like to know. But it seems we do not know how to communicate with one another, and our laws do not permit us to ask you. How, I beg of you, may I obtain direct, nonevasive answers to precisely these questions?

Dr. MENNINGER. Your Honor, by asking for them. As you say yourself, you are not permitted by precedent and custom to do so.

That exchange further illustrates the practical impossibility of applying the prevailing Federal standards for sanity or insanity as a basis for determining legal responsibility.

The report of the Committee on the Judiciary accompanying S. 1630, the Criminal Code Reform Act of 1981, notes at page 98:

The control tests and volitional standards thus acutely raise the problem of what is meant by lack of power to avoid conduct or to conform to the requirements of law which leads to the most fundamental objection to the control tests—their lack of determinate meaning.

It is the absence of a determinate meaning, as noted in the report of the Committee on the Judiciary, which underscores again the gravity of coming to any practical test from the existing standards.

The same report continues on page 99:

Durham suggested—

That is, the case of Durham against United States—

that the notion involved in a determination of responsibility was freedom of will. But it is in significant part the difficulty of ascribing operational meaning to concepts of volitional freedom which make it a nebulous, if not impossible, criterion to litigate.

Those words once again demonstrate the impossibility of applying newly developed standards. They are nebulous and difficult, if not impossible, to litigate.

There has been a practical or commonsense rejection of excusing conduct for reasons given by Hinckley's psychiatrist. If the standards as applied in the Hinckley case are a basis for an exoneration and an acquittal, then it is impossible for a court of law, in the context of a criminal prosecution, to hold the defendant responsible for conduct for which the defendant ought to be held responsible.

There is an excellent analysis of the background of the insanity defense appearing in the June 20, 1982, edition of the Washington Post, the day before yesterday. It deals with this issue of the practical or commonsense rejection of excusing conduct for reasons such as those given by Hinckley's psychiatrists.

It is noted that in 1760, an English Solicitor General said:

My Lords, in some sense, every crime proceeds from insanity. All cruelty, all brutality, all revenge, all injustice is insanity. There were philosophers, in ancient times, who held to this opinion.

So that by one standard, it might be said that a person who engages in criminal conduct is necessarily insane, which would, of course, excuse all criminal conduct.

The Post article cogently quotes Aristotle: "What lies in our powers to do, lies in our powers not to do." This points to the commonsense criterion that men and women should be responsbile for what they do, because if they have the power to act, they similarly should have the power not to act. That, of course, is subject to some limitations, but not to the broad range of excuses illustrated by the Hinckley verdict.

In discussing the psychiatric defenses of psychosis and schizophrenia, the Post article makes this observation:

Schizophrenics have served effectively as Senators, judges, heads of major institutions, presidents of schools, distinguished surgeons, psychiatrists and, in all probability, if the grapevine is reliable, president of the United States.

If that obsevation is accurate, and there is good reason to believe that it is, what excuse can there be for a schizophrenic to be exonerated from criminal liability when he has murdered another or caused the homicide of another or attempted the assassination of a President?

What then, should the standard be? Or should there be any standard for the defense of insanity? Some have urged that there should not be a defense of insanity at all. In my judgment, based upon experience as a prosecuting attorney and having reviewed the literature in the field, I believe that it is necessary to have a defense of insanity.

As the Model Penal Code commentary illustrates, at least one proper subject of insanity would be posed by the example of a madman who believes that he is squeezing lemons when he is actually choking his wife. Conduct which is also illustrative of a situation where there should not be responsibility exists when the actor does not know or understand the nature of his act, where freedom of choice is absent, such as the unconscious act of a sleepwalker or the act of someone who is being seized by an epileptic fit.

The appropriate standard, in my judgment, for the defense of insanity should be a combination of the tested M'Naghten rule, which holds a person liable when he knows the nature and quality of his actions combined with a limited application of the defense where there is mental disease present. That is a standard which is embodied in the bill which I have sent to the desk. It would provide for the affirmative defense where the defendant, as a result of mental disease, did not know the nature and quality of his actions or did not know the wrongfulness of his actions at the time he committed his acts otherwise constituting the defense.

The McNaghten rule, which was long the standard for insanity, essentially turned on whether the actor knew right from wrong. That is a much more commonsense test that a jury can understand in much more practical terms. Because of the limitations of that test, I propose as an additional ingredient the reference to the "result of a mental disease." That would impose a substantially higher standard than is present under the contemporary ALI, Model Penal Code test, adopted in this and other Federal circuits, which provides:

A person is not responsible for criminal conduct if at the time of such conduct as a result of mental disease or defect he lacks substantial capacity to appreciate the criminality of his conduct or to conform to the requirements of law.

In the Hinckley case, as reported in the media, the jurors were convinced that there was some sort of a mental disorder. The ALI language uses the concept of "mental defect." The bill which I have sent to the desk would limit the standard to what is a "mental disease" in an effort to limit the scope of what kind of a standard would excuse otherwise criminal conduct.

The second portion of the bill which I have submitted would provide that the defendant has the burden of proving the defense of insanity by "clear and convincing evidence." During the course of the Hinckley trial, the issue arose whether the defendant or the prosecution had the burden of proving insanity or sanity. The District of Columbia Code enacted in 1970 by the Congress of the United States provides that the defendant has the burden of proving that he is insane. The trial judge in Hinckley rejected that standard and instead imposed upon the prosecution the burden of proving beyond a reasonable doubt that the defendant was sane. As noted in this morning's Post, the issue of burden of proof appeared to have been decisive in this case.

That inference arises not only from the report of the juror, who commented that, "There was not enough evidence that he was sane," but also by the length of deliberations. It is also a reasonable inference from the complex psychiatric evidence which was provided, which most likely left the jury in a state of confusion and unable to draw a clearcut inference from the evidence. The evidence may well have been in equipoise; the evidence may well have been simply not understood. Thus, the burden of proof was not found to have been met. In such a context, the instruction on the burden of proof would be very important. When the trial judge instructed the jury that the prosecution had the burden of proof beyond a reasonable doubt, a very high standard, that may well have been determinative in this case.

The bill provides not only that the defendant has the burden of proof, but the standard has been chosen so that the burden must be met by "clear and convincing evidence" of insanity. That is a higher burden than "preponderance of the evidence." It is not as high a burden as "proof beyond a reasonable doubt," but I submit an appropriate standard for the defendant to bear in a case where he seeks to avoid criminal responsibility.

The third part of the bill provides that expert witnesses shall not be permitted to offer opinions on the ultimate legal issues presented to the trier of fact. This provision addresses a phase of the law of evidence where, in many situations, as a matter of common law, expert witnesses are not permitted to testify to the ultimate issue where that issue is susceptible to being concluded by the jury without such expert testimony. In a case like the Hinckley case, where there are numerous witnesses lined up on both sides and those expert witnesses are permitted to give psychiatric evidence and then to offer an opinion on the ultimate question: to wit, that the defendant was criminally insane, it is my submission that they usurp the function of the jury and also tend to confuse the jury. It would be a much better evidentiary rule to limit the psychiatric evidence to their findings on observations and conclusions, including opinions as to what they find as to the defendant himself, but not to go the step beyond to make the ultimate conclusion on the underlying issue of fact presented to the jury as to whether or not the defendant is criminally insane.

Mr. President, in making the submission of this bill with promptness after the verdict in the Hinckley case, I think it is important that the Senate proceed to hearings on the issues which are raised within the context of this bill, which parallel the critical issues in the Hinckley case on the three aspects of standard of insanity, burden of proof, and scope as to where expert witnesses may be permitted to testify.

The public respect for law is a subject of much analysis and much discussion in this country. A great deal has been written and said on this subject because of the development in the course of the past 25 years of a body of technical law which has resulted in frequent acquittals of the guilty in order to protect constitutional rights.

The Hinckley case, which has been much-heralded worldwide because it involved the attempted assassination of the President of the United States, again calls into question the appropriateness of rules of evidence and standards of conduct as they are applied in criminal cases. It is my suggestion that we should move promptly to hearings and to a determination to show the public that law is not helpless to correct obvious inequities which result in the trial of criminal cases.

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

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

S. 2658

Chapter 1 of title 18, United States Code, is amended by adding at the end thereof the following:

Section 16. Insanity defense.

(a) It shall be an affirmative defense to a prosecution under any Federal statute that the defendant, as a result of a mental disease, did not know the nature and quality of his actions or did not know the wrongfulness of his actions at the time he committed the acts otherwise constituting the offense.

(b) The defendant has the burden of proving by clear and convincing evidence the defense of insanity.

(c) Expert witnesses shall not be permitted to offer opinions on the ultimate legal issues presented to the trier of fact.

(During the remarks of Mr. SPECTER the commencement of the midday recess was extended by 5 minutes.)

Mr. PROXMIRE. Mr. President, will the Senator yield 30 seconds?

Mr. SPECTER. I do.

Mr. PROXMIRE. I commend the distinguished Senator from Pennsylvania. I have been sitting here most of the morning, and I have heard a lot of speeches on this Hinckley matter. I must say I am tremendously impressed by what the Senator from Pennsylvania has told us. I am glad I was on the floor to hear his remarks. They are, I think, very wise and very thoughtful. They come from a person who has served as a prosecuting attorney and who understands these issues very well.

For the first time in my life it has been called to my attention that in 200 years Congress has never dealt with this issue before.

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

Mr. PROXMIRE. I ask unanimous consent for 1 more minute.

The PRESIDING OFFICER. One more minute.

Mr. PROXMIRE. Also, I think there is a very interesting kind of graveyard humor element here in that people afflicted with schizophrenia have occupied high offices and have had great responsibility and authority in this country before and yet that is a defense against committing a crime.

At any rate, I commend my good friend from Pennsylvania on what I think was a superlative analysis. I once again thank him for it because I appreciated it and learned a great deal from his remarks.

Mr. SPECTER. Mr. President, I thank the distinguished Senator from Wisconsin for those very kind remarks.

I ask unanimous consent that Senator RUDMAN be added as an original cosponsor of this bill.

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

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 2 p.m.

Thereupon, at 12:06 p.m., the Senate recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. SIMPSON).

URGENT SUPPLEMENTAL APPROPRIATIONS, 1982—CONFERENCE REPORT

The Senate resumed consideration of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Oregon to disagree. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from South Dakota (Mr. ABDNOR) and the Senator from Minnesota (Mr. DURENBERGER) are necessarily absent.

I further announce that the Senator from New Jersey (Mr. BRADY) is absent to attend a funeral.

Mr. CRANSTON. I announce that the Senator from Virginia (Mr. HARRY F. BYRD, JR.) and the Senator from Nevada (Mr. CANNON) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 54, nays 41, as follows:

[Rollcall Vote No. 191 Leg.]

YEAS—54

Andrews	Glenn	Mattingly
Armstrong	Goldwater	McClure
Baker	Gorton	Murkowski
Baucus	Hart	Nunn
Biden	Hatch	Packwood
Boschwitz	Hatfield	Percy
Bumpers	Hayakawa	Pryor
Chafee	Heinz	Quayle
Cochran	Hollings	Roth
Cohen	Huddleston	Rudman
Cranston	Humphrey	Specter
D'Amato	Inouye	Stafford
Denton	Jepsen	Stennis
Dixon	Johnston	Stevens
Dodd	Kassebaum	Symms
Dole	Laxalt	Thurmond
Domenici	Lugar	Tower
Garn	Mathias	Tsongas

NAYS—41

Bentsen	Heflin	Pell
Boren	Helms	Pressler
Bradley	Jackson	Proxmire
Burdick	Kasten	Randolph
Byrd, Robert C.	Kennedy	Riegle
Chiles	Leahy	Sarbanes
Danforth	Levin	Sasser
DeConcini	Long	Schmitt
Eagleton	Matsunaga	Simpson
East	Melcher	Wallop
Exon	Metzenbaum	Warner
Ford	Mitchell	Weicker
Grassley	Moynihan	Zorinsky
Hawkins	Nickles	

NOT VOTING—5

Abdnor	Byrd, Harry F., Jr.	Cannon
Brady		Durenberger

So the motion that the Senate disagree to the House amendment to Senate amendment No. 62 was agreed to.

Mr. HATFIELD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

LEGISLATIVE PROGRAM

Mr. BAKER. Mr. President, that concludes action on the conference report on the supplemental, does it not?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Mr. President, it is my impression that the conference report on the budget resolution, which has now passed the other body, will arrive here within the next 30 minutes. If that message does reach us from the House of Representatives in the next hour or there about, it would be my hope and expectation that we would proceed to the consideration of that measure as soon as possible.

In the meantime, there may be other matters we can take up that will require only a short time, and I will confer with the minority leader and others to see if we may do that.

I congratulate the managers of the conference report for their expeditious handling of the matter that has just been completed. I am grateful, and I am sure the Senate is.

Mr. ROBERT C. BYRD. Mr. President, will the majority leader yield?

Mr. BAKER. I yield.

Mr. ROBERT C. BYRD. Mr. President, what does the distinguished majority leader see insofar as the program is concerned for tomorrow and Thursday, and, if possible for him to look into next week, what would he expect next week?

Along with that, I assume that the President may veto the supplemental appropriations bill because of the housing provision. Does the distinguished majority leader have any word on this, so that we will know what to anticipate?

Mr. BAKER. I thank the minority leader.

Mr. President, in answer to the minority leader's last question first, I do not have any official word from the President. I discussed this matter with him this morning. It is my impression that he will veto the bill when it reaches his desk, but he has not told me that.

I also observe that the House must act first, if there is a veto message. According to some accounts I hear from the other side of the Capitol, they may send us a new bill instead.

In any event, I expect us to take some further action on an urgent supplemental appropriations bill as soon as it is available and as soon as we can deal with it, and I hope it will not be a prolonged debate.

As to this week, Mr. President, I may say that we are making good progress—I would say excellent progress—and if we can bring up the budget resolution conference report this afternoon, and if we make similar good progress on that, I think there is a real possibility that by staying late Thursday night, perhaps we could avoid a Friday session this week. I should like to do that.

The House of Representatives will not be in session next week. Their Fourth of July break begins, I believe, at the close of business on Friday of this week or Thursday. I would not be prepared to ask the Senate to follow the example of the House. We have many, many matters that must be dealt with.

What I should like to do, if it is possible to arrange, and if we continue to make good progress, is to go out at the close of business on Thursday and come back—after a pro forma session on Friday—on Tuesday next, and to have a full legislative agenda for Tuesday, Wednesday, and Thursday of next week, with the hope, once again, that on Thursday evening or during the day Thursday, if we could complete the necessary agenda of legislative action that is required of us, we could go out on July 1 instead of July 2.

The things that remain to be done between now and then, of course, are the disposition of the supplemental, to which I have already referred, and action on the budget conference report, as I have suggested.

I should like to take up a debt limit bill. It is my understanding that if the Senate adopts the budget resolution conference report, as I hope it will, the Clerk of the House, under the House procedures, would then enroll and transmit to the Senate two House messages—first, a debt limit increase that would extend through September 30, 1982, and another that would extend to September 30, 1983.

If those messages are received in the Senate, it would be my hope that we could take up the shorter of those two before we go out for the Fourth of July break and pass it without amendment.

It is also my intention, as I have announced, to call up or attempt to call up the constitutional amendment on the balanced budget. But if we move in the way I have described, I think it would be better to call up the balanced budget amendment at the end of next week or at the very beginning of our return on July 12 and to debate it prior to proceeding to the consideration of the second and longer debt limit increase.

It would be my intention to turn to the second debt limit bill sometime during the summer and as soon after the Fourth of July recess as possible and to deal with the constitutional amendment proposal prior to doing so.

Mr. MOYNIHAN. Mr. President, might we have order?

The PRESIDING OFFICER. The Senator from New York is correct. May we please have order in the Chamber.

Mr. BAKER. Mr. President, to recap, in order to meet the schedule that I hope for; that is to say, to go out at the close of business on Thursday this week, to return Tuesday, Wednesday, and Thursday of next week and to go out on July 1 and to return on July 12—we must complete the ultimate action on the urgent supplemental appropriations bill, on the budget resolution conference report, and on, I hope, a debt limit bill, the shorter of the two debt limit bills that will reach us from the House of Representatives.

Mr. ROBERT C. BYRD. I thank the majority leader. I have one final question. So Senators will know what to expect next week on Tuesday, Wednesday, and Thursday, is the majority leader prepared to state there will be rollcall votes on each of those 3 days and, if so, is he prepared now or later during the day to indicate which measures might be called up on Tuesday, Wednesday, and Thursday of next week?

Mr. BAKER. Mr. President, I would expect rollcall votes on Tuesday, Wednesday, and Thursday of next week. The list of items that might be cleared for action are: Perhaps a reclamation bill—and I will confer with the minority leader on all of these items before we try to set the agenda—perhaps the immigration bill, which has been reported from committee. We might go to the bankruptcy reform bill, which is eligible; to the bipartisan crime package, which has been reported by the Judiciary Committee; a jobs training bill, which is on the calendar and is sponsored by the Senator from Indiana and the Senator from Massachusetts (Mr. KENNEDY); and perhaps the military construction authorization bill.

But, once again, I will confer with the minority leader to ascertain which one of these and how many it might be practical to deal with during that period.

But, with that agenda of important measures to deal with, that is one of the principal reasons I feel we cannot take off all of the week next week.

Mr. ROBERT C. BYRD. Was there a deregulation bill included,

Mr. BAKER. No; there was not. But I would be glad to consider one if the Senator wishes me to.

Mr. ROBERT C. BYRD. It is not that I would wish it. I do not mean to give the Senator an impertinent answer, but I merely wanted to be sure whether or not that might be expected.

Mr. BAKER. Let me check that.

Mr. ROBERT C. BYRD. I think I will probably vote against that bill, airline deregulation having taught me a lesson.

Mr. BAKER. Airline deregulation left you and me without much service.

Mr. President, I will check on that.

Mr. CRANSTON. Will the majority leader yield?

Mr. BAKER. I yield to the Senator from California.

The PRESIDING OFFICER. May we have order, please, in the Chamber?

Mr. CRANSTON. Mr. President, it was not quite clear to me whether or not the majority leader intended to bring up the debt limit extension, the short term.

Mr. BAKER. Mr. President, if it can be cleared, and if there is a good probability we can act on it without amendments, I would hope to take up the short debt limit extension yet this week after we complete action on the budget resolution conference report.

Mr. CRANSTON. It would probably be the next item after the budget resolution?

Mr. BAKER. Perhaps; yes. I still have some clarifications to work on my side of the aisle and I suspect on yours, as well. But I would hope to do that before we finish this week.

Mr. ROBERT C. BYRD. Mr. President, if I may address another question to the majority leader. Is it not important that the debt limit extension, certainly the short term, be consummated before we go out this week? Because the House will be leaving this week and if that is amended in any way and it is held over until the House gets back, it is going to create some problems in Government for some people, as I understand it.

Mr. BAKER. The Senator is absolutely correct, Mr. President. I think that it is essential that we have a debt limit extension before we go out this week, not next week, because the House will go on their Fourth of July break beginning at the end of this week, at the close of their session this week. So it is my intention to try very hard to get up the short debt limit extension this week and deal with it before the House goes out.

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

The PRESIDING OFFICER. The clerk will call the roll.

The Secretary of the Senate proceeded to call the roll.

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

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

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, it is clear that there may be Senators who wish to speak or to transact other routine matters of business. It seems to me the best thing to do might be to provide a brief period for the transaction of routine morning business. I ask unanimous consent that there now be a period for the transaction of routine morning business to extend not past the hour of 3 p.m. under the same terms and conditions as heretofore provided.

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 Secretary of the Senate 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.

CHIEF JUDGE H. CARL MOULTRIE I

Mr. HOLLINGS. Mr. President, the District of Columbia Judicial Nomination Commission has redesignated H. Carl Moultrie I as chief judge of the Superior Court of the District of Columbia. Judge Moultrie, who is from Charleston, S.C. and is a graduate of Avery Institute, was first appointed to the superior court in 1972, and was sworn in as chief judge on June 22, 1978.

I am pleased that the Commission has reappointed my good friend, Judge Moultrie, for another 4-year term which commences today. It is no wonder that the Commission came to its decision as I have its release, which indicates that all of the letters they received—most of which came from Judge Moultrie's colleagues on the superior court—urged his continuation as chief judge. It is no wonder why Carl enjoys such solid support as he has brought a high level of administrative and management skills to the court that are coupled with an even-handed, fair, and respectful treatment of his associates.

Chief Judge Moultrie has achieved many of the goals he set for his first term, which is highly commendable in this era of unrealized expectations. His great accomplishments are described fully in the Commission's release, and instead of detaining the Senate by detailing them, I ask that it be printed in the RECORD.

The material follows:

DISTRICT OF COLUMBIA JUDICIAL NOMINATION COMMISSION, WASHINGTON, D.C.

On June 12, 1978, this Commission, acting pursuant to its statutory authority, designated then-Associate Judge H. Carl Moultrie I as the Chief Judge of the Superior Court of the District of Columbia. Judge Moultrie was sworn in as Chief Judge on June 22, 1978. His four-year term will expire on June 21, 1982.

In the process of deciding upon which eligible person would be designated as Chief Judge this time, the Commission invited nominations from the Bench, bar and public-at-large. The Commission received numerous letters in response to the invitation. All of the letters urged the redesignation of Chief Judge Moultrie. Most of the letters were from Judge Moultrie's colleagues on the Superior Court.

The comments made by the persons who wrote to the Commission included praise for Judge Moultrie's concern for high level performance; his even-handed, fair and respectful treatment of the Associate Judges; his demonstrated superior administrative and management skills; his energy; imagination and dedication; his ability to interact well with members of the bar and the community on matters of mutual interest; his implementation of innovative programs to assist in the management of the Court's caseload; the long hours he works to carry his load as a Judge in addition to his many administrative duties as Chief Judge; his superb tact and patience; his understanding; his insightful opinions; his skillful handling of budget matters with the executive and legislative branches; and his overall ability to administer, to lead, to guide and to evoke response in performance.

The Commission on its own looked at the record of Chief Judge Moultrie in terms of goals that he set for himself and the Court at the beginning of his term as Chief Judge. Many of those goals have now been achieved. They include, just to name a random sample, the institution of a participatory management system under which Presiding Judges have been selected and utilized; the institution of a court delay reduction project which contributed greatly to the knowledge of the Court's case processing methods and which reduced by one-half the median time for misdemeanor case dispositions; the hiring of a Data Processing Division Director who has established a long-range plan for the most effective use of the Court's data processing machinery; establishment of a Fiduciary Division of the Court; improvements in the Court library; the opening of a Public Information Center; institution of an arbitration system as an alternative disputes resolution; the institutionalizing of the juvenile Screening and Diversion Program and Restitution Program in the continuing effort to improve the Court's juvenile services; establishment of a Mental Retardation Branch, whose small staff aided by approximately 200 volunteer workers has worked hard to bring about improvements in the Court's handling of mental retardation cases; and establishment of a Judge's speaker's bureau under which Judges of the Court give talks to various committees, churches and civic groups. In addition, during his four years as Chief Judge, Judge Moultrie has willingly met with the Judicial Nomination Commission to provide it with reviews and updated reports on his court management program, and with information on new programs and modifications in the operations of existing programs.

In light of his performance, his long list of accomplishments during his first term as Chief Judge, and the apparent uniform respect and praise that he has earned from the Associate Judges of the Court, from Court personnel and from the bar and public, the Commission is well satisfied (1) that Judge Moultrie has demonstrated and continues to possess the ability to lead the Court, to promote a sense of cooperation among the Judges and the Court staff, to promote confidence in the Court and the judicial system, and to provide intellectual leadership to the Court; and (2) that Judge Moultrie has the requisite interest in Court administration as well as the requisite administrative ability and experience to be Chief Judge.

The Commission, therefore, is pleased to announce that it has redesignated Chief Judge Moultrie for another four-year term, and wishes him continued success in the position.

FREDERICK B. ABRAMSON,
Chairperson,
CHARLES T. DUNCAN,
HAROLD H. GREENE,
JOHN W. HECHINGER, SR.

IN COMMEMORATION OF THE ANNIVERSARY OF THE CANONIZATION OF ST. THOMAS MORE

Mr. DURENBERGER. Mr. President, it is entirely appropriate that the Senate take a few moments this afternoon to reflect on the life and legacy of one of history's great leaders, Sir Thomas More.

For those of us who are Roman Catholic, June 22 is the Feast Day of St. Thomas More—the 47th anniversary of his canonization by Pope Pius XI. But the legacy of this remarkable man goes far beyond his accomplishments as a spiritual leader.

More as a barrister—among the outstanding barristers of his time. He personified the virtues of the family as a husband and father. He was a writer of drama, poetry and letters. He was a philosopher whose ideas on government, society, and theology have had a profound effect on human development for more than 500 years.

Above all else, he was a man of deep religious conviction. His life melded the temporal and spiritual, and gave all of us in public service a clear example of how one man's adherence to fundamental values can build a foundation for generations of social progress. As the Abbé Germain Marc'hadour observed in his remarks to the Thomas More Society of America in 1980, the philosophy of St. Thomas "* * * represents a noble attempt to push man's intellect to the frontiers of science as well as theology and to discover how each of these fields illuminates the others."

Few have as much to learn from this remarkable life as those of us who have the privilege of public service. As a writer and philosopher on the role of government, Thomas More was on the leading edge of social concepts that continue to shape the fabric of our society. In "Utopia," More was among the first men in history to speak clearly of the need to: Grant full social and economic equality to women; insure free and open elections of public officials; provide free and life-long public education; insure freedom of speech and religion; provide humane conditions in the workplace; and establish voluntary military service.

He was also among the first to articulate society's responsibility for the social welfare of its poorest members.

More spoke to his values as eloquently with his death as he did in life. By choosing to die as "the King's good servant, but God's first," he died for a principle that is as valid today as it was 500 years ago—the principle that law is a means to an end, but not an end in itself. Though a leader of the state, he gave his life for the principle that religious freedom is more important than political loyalty. And while he believed strongly in society's right to make laws for its own well-being and protection, he cared enough to die for the principle that laws must themselves be based on principles, values, and human dignity rather than convenience. He was, in short, not just a religious martyr, but a martyr for principle, freedom, and human dignity itself.

Thomas More's life was a testimonial to human values—an affirmation of the fact that it is possible for man to take a leadership role in temporal society without weakening his adherence to principle. I recently had the privilege of reading two fine essays on the life of Thomas More, essays that I would like to share with my colleagues this afternoon. The first, entitled "Thomas More—A Man for This Season," is the text of a talk given to the Thomas More Society by Chief Judge Howard T. Markey a year ago. The second, "The Essense of Saint Thomas More," was authored by Joanne F. Wall of the College of Holy Cross in Worcester, Mass. I ask unanimous consent that both essays be printed in full in the RECORD at the conclusion of these remarks.

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

(See exhibits 1 and 2.)

Mr. HOLLINGS. Fifty years ago, G. K. Chesterson wrote that:

> Sir Thomas More is more important at this moment than at any moment since his death, but he is not quite so important as he will be in a hundred years' time.

History has borne out this prediction, and I firmly believe that a century from now, our children and grandchildren will also pause on June 22 to measure their lives against the life of this great man. Thomas More is truly a man for all seasons, and it is a privilege to join in honoring the 47th anniversary of his canonization.

Mr. President, while I have the floor, I would like to take a moment to inform my colleagues that a group of Thomas More's admirers have created an organization—the Sir Thomas More Society of America (1211 Connecticut Avenue NW., suite 700, Washington, D.C. 20036)—to explore the life and legacy of this brilliant man.

The Thomas More Society will be sponsoring a series of events to honor More's memory. Today, in conjunction with the First Friday Club of Capitol Hill, the Thomas More Society will be sponsoring a noontime mass to honor St. Thomas. The mass will be held at St. Peter's Church on Capitol Hill. Celebrant and homilist will be the Reverend Raymond O'Brien, assistant dean, Catholic University Law School. An informal luncheon will follow the ceremony, and all are invited to attend.

On September 16, Chief Justice Warren Burger will be awarded the first honorary membership in the Thomas More Society of America. The award will be presented at the society's annual banquet. At the banquet, the Chief Justice will make a major address linking issues faced by More with the issues that arose early in the development of the U.S. Constitution.

EXHIBIT 1

THOMAS MORE—A MAN FOR THIS SEASON

(By Chief Judge Howard T. Markey)

If Thomas More were to visit us today, he would find much that would discourage him and yet a good deal that would please him.

He would be discouraged to find many of us so busy picking up the golden apples from the tree of free enterprise as to have no time to fertilize the roots; many who have forgotten that the best way to destroy one's laurels is to sit on them; many more interested in something for nothing than in sacrifice for others; many so anxious to be loved as to have forgotten how to be respected; and many who study the three R's in order only to make money and who have forgotten the two R's, respect and responsibility, required for the conduct of a free society.

At the same time, More would find much to please him, for he would see in the history of these United States a substantial adoption of great portions of his vision.

G. K. Chesterton said, in 1929, that "Sir Thomas More is more important at this moment than at any moment since his death, but he is not quite so important as he will be in a hundred years' time." A widespread growth in the study of the life of this man, who "reverenced the goodness of authority but reverenced even more the authority of goodness," is to be devoutly prayed for. His last words on the scaffold, "I die the King's good servant, but God's first" summed up his entire life. Those words also provide a guide for all men, for all seasons, and for this season.

More's life is especially important and valuable to today's busy citizen. Most saints were contemplative and withdrawn. More, after four years as a contemplative in the Charter House, elected to spend his allotted time on earth enmeshed in the business, professional and governmental life of his nation. He was scholar, author, lawyer, judge, diplomat, public official, statesman, martyr and saint—and he excelled in all. He held the offices of Under-Sheriff of London, Privy Counsellor, Master of Requests, Speaker of the House of Commons, Under Treasurer, Chancellor of the Dutchy of Lancaster, and Lord High Chancellor.

Though praying half the night, every night, More was a busy, busy man—appearing in some court capacity in almost every case, calming rioters, negotiating in France and the lowlands for his country, presiding in the House, and advising a king. No other saint ever quite undertook such a vocation.

Basset called More "a child of his age." That was an age of transition much like our own and had many problems similar to ours. A study of More is fully justified by the choices and changes we face in our own age. As our world struggles with world government, nuclear weapons, and peaceful coexistence, More's most famous work, "Utopia," should receive growing attention. As our leisure is increased by automation and technology, our need for a true education leads us to More's home at Chelsea where the right use of leisure, the value of crafts, and the dangers of idleness, were emphasized in theory and practice. For men who have lived and are living under dictatorship and tyranny, the lesson of More's life is increased in stature. The issue that faced and ruined Cromwell, Cranmer and Norfolk is the same as that which faced and ruined Hitler's men, exactly 400 years later. How much human tragedy might have been avoided if those men had known and followed the wisdom and courage of More's attitude toward kings.

Because he was humorist, writer, statesman and father, we so easily forget that More was a holy man. Canonization is of course evidence of a holy life. But because More never paraded his holiness—his hair shirt being known only to his beloved daughter Meg—it is so easy to forget that he was in fact a holy man. Perhaps this is his greatest lesson to us; that it is in truth possible to live a busy life—a life successful in the eyes of the world—it is in truth possible to be a successful lawyer and an eminent judge—and yet be truly a holy man of God.

More's love affair with God, his spiritual view of life and his spiritual realism in his approach Godward, as Basset points out, involve four basic ingredients: (1) an intelligent understanding of death; (2) the folly of worldliness; (3) awareness of God's presence in nature and in the wonderful little ordinary happenings of life; and (4) a constant awareness of the love of God.

The light shown on the human condition by the life Thomas More is as of as much value to us as ever it could be. Human nature remains unchanged in its essentials. Spiritually, every baby starts from scratch. Unlike the piling on of knowledge and technology from generation to generation, man has not yet learned to build upon the past in the area of ethics and morals. We can ever maintain hope, however, for with every baby our troubled humanity gets a new start. The simplicity and realism of More's approach Godward would match many of our moods, if we would but let it.

That More's "Utopia" is still read, after 400 years, shows that he touched a part of us all. Of course we lose when we attack the dreamers. Man constantly dreams of better days and often the dreamer wins out over "practical" men. Both parts of More's "Utopia" are amazingly relevant today and illustrate the point. Book I, an attack on the social ills of England—misrule by the rich, suffering of the poor, diplomatic intrigue, ruinous war, excessive taxation, inadequate legal system—sounds like yesterday's "Washington Post" or today's "Washington Star."

Book II set forth a better society. It is amazing how much of More's ideas we have adopted or are moving to adopt, remembering that none of them existed when More was writing. Here is the list.

1. Eligibility of all for public office.
2. Nomination or election of all officials.
3. A secret ballot.
4. Equality of women in all fields.
5. Universal free public education.
6. Efficient sanitation.
7. A shortened working day.
8. Free choice of religion.
9. Voluntary military service.
10. Various forms of social security.

Thus More might be pleased with such of what he'd see if he returned today. In fact he'd find only a few parts of "Utopia" still lacking. All property is not held in common, but More was against that, as he argues in the book, because it wouldn't work. He argued from his first hand experience that that idea works only in a monastery, like the Charter House. We do not have the Utophians' free medical care, but whether it would work or not, some folks are pushing for it. He would chide us about our idleness, particularly, no doubt, about wasted hours before the TV. He detested and feared idleness. In Utopia there is none. He cautioned against it in his many letters to his children. He saw it destroy a king.

But if we have adopted 90 percent of More's vision, why are we not happy? Perhaps it is because we ignore the holiness which motivate More. Perhaps we still have worldliness too much our guide and our god. For example, More in "Utopia" suggests universal education throughout life—but as an essential ingredient of human happiness. He considered intellectual development a joy in itself—not just a means to pass exams and earn a buck. He carried this out with his children. As another example, we have shattered families. In "Utopia," and in More's own home, there were large families with the old and the young eating, living and praying together.

That brings me to a most beautiful facet of More's life—his love for and dedication to his family. In these fast-paced days of hard-pressed, commuting, ambitious fathers, a major legacy of More is his demonstration that "the busiest man in the realm" can be a true father. More offered his personal attention and love to all, but most intensely at home—to servants, secretaries, tutors, to children, grandchildren, stepchild, foster child, sons and daughters-in-law, at times numbering over 40 persons. More would have much to say to those male parents who consider their fatherly task completed when they've earned the cash. As he wrote, "When I am come home I must commune with my wife and chat with my children." He held that that must be done "Unless a man will be a stranger in his own house." Note that the famous Holbein painting is of More's family, not just More alone. He personally gave music lessons to Dame Alice. He taught his children their first lessons himself. More's home was the center of his life. Though much outside business existed to worry and sadden him, he never brought it home, but was every merry and cheerful with his family. More's home reveled in love and laughter for 30 years. Some believe More's true vocation was as a father. His books, his career, his money, his friends—all were secondary to More's home. Home, in this sense, was More's path to heaven—his equivalent of the monastery.

More acted always on his lifelong perception of his last end, and that of all men, and of the purpose of the human life. Without a basic perception of some kind, can any man speak seriously of law and human liberty? Can we wisely devise rules for man's conduct without first determining what we think man is for? When the human being and his purpose are ignored, law may be left to rest on mere naked force instead of on conscience, on interest instead of on justice.

Hence, I believe that a phenomenon like that called "Watergate" could could not have happened if More's principles had been operating. You may recall that More told Cromwell, when the latter was about to enter the king's service "In your counsel-giving to his grace, ever tell him what he ought to do, but never what he is able to do." In the play, when Roper describes Cromwell as "A nimble lawyer," More responds that Cromwell is "A pragmatist." We have, to our sorrow, heard much in praise of pragmatism in recent times. Whatever may be the rationale of the now infamous "enemies list," it may be contrasted with More's charity—not only to those friends like Tungstall and his daughter, Meg, who surprised him by signing the oath—but at the end of his trial also to those who—knowing better—participated in his condemnation. His last words in court were, "So I verily trust and shall therefore right heartily pray that though your lordships have now here in earth been judges to my condemnation we may yet hereafter in heaven merrily all meet together to our everlasting salvation."

As the schoolmen say, every comparison limps, but neither Henry nor Hitler could have achieved mastery without compromise, cowardice and corruption. Evil is evil at any time and anywhere. Its methods never vary. A primary tool is fear. Secret police, spies and informers are always employed, as they were in More's time. The simple, ordinary folk cannot be blamed—for they are kept in ignorance and without power. The defeat of evil must come, if at all, from the intellectuals, from those of us who may be favored by education, background and position. Alone, More could not defeat the evil of his day. But a few, just a few more, with his courage, might have done so. The four who died with More were one bishop and three priests—while all the other bishops and priests in England were cowed and took the oath. One prominent layman—only one—Thomas More—stood fast. That only one such man was prepared to stand, and that the nobility of his life was then forgotten for 300 years—tells us something, it seems to me. We cannot change what happened to More, but More's stand tells us that if man would change his world, he must first change himself.

Today, when the world is more clearly than ever divided between those, whatever their current label, who believe that man exists for the state and those who believe that the state exists for man, More's willingness to die for the principle that there is an area, the mind and soul of man, not subject to invasion and control by the state, is a constant beacon.

For More died of a principle dear to every lover of freedom, every respecter of humanity, every admirer of our constitution. That principle is that there can be something higher than a king's or a state's written law. It matters not whether we call it "fairness," or "ethics," or "natural law," or "moral law" or "God's law." There are higher considerations to which even the state is subject. The alternative, of course, is to hold that the writ of ethics and morality does not run at all to the field of human law—and to authorize judges, in all logic, to accept and enforce laws permitting murder—or to approve and enforce the master-race acts of the Third Reich.

Should, heaven forbid, we be faced with such choice, resignation or worse would not seem difficult with More's sacrifice before us. Particularly might we find it even easier to stand with More if we recall his never failing merry humor—his famous remarks on the scaffold, when he asked to be assisted up but said he would see about his coming down himself, and when he delayed the axe while he lifted his beard saying "It has done no treason." To paraphrase Basset, had we been there, standing where we could see, and had we looked just above that beard, as the axe was descending, I think would have seen that God's servant Thomas More was—smiling.

EXHIBIT 2

THE ESSENCE OF SAINT THOMAS MORE

(By Joanne F. Wall)

In 1534 Thomas More disobeyed his king's orders by refusing to take the Act of Succession oath. More's letters, works, and early biographies reveal the underlying reasons and justifications for his disobedience. More, a man of profound religious insight and comprehension, believe the act violated his conscience's understanding of the ultimate source of authority, and therefore warranted his disobedience. In fact, his refusal to sign the oath was a display of his love for God, rather than an indication of disrespect for his king.

Born in 1478, Thomas More quickly rose to power during the reign of Henry VIII. He was appointed Undersheriff of London, and distinguished himself as a man of wisdom and knowledge in the courts and in foreign affairs. Henry, hearing of More's capabilities and intelligence, summoned him to court in his service. More proved himself so admirably as an ambassador to Rome that Henry not ony designated him Master of Requests, but, one month later, dubbed him a Knight, and a member of the Privy Council. Soon More was appointed Treasurer of the Exchequer, and, in 1523, at the summoning of Parliament, was made Speaker of the House,[1] on More's condition that Henry would permit freedom of speech.

In England during the 1530's, Henry's divorce from Katharine of Aragon and his remarriage to Ann Boleyn was the most important domestic issue.[2] As early as 1528, Henry obtained a commission from Pope Clement VII to debate whether or not he was indeed lawfully married to Katharine. However, in 1529, after much stalling, Clement revoked the commission. Henry, angered and impatient, dismissed Cardinal Wolsey and appointed More as Lord High Chancellor. Henry conferred the divorce matter upon loyal university men and a packed Parliament to receive their opinion. To guarantee his marriage to Anne, Henry coerced the clergy into recognizing him as the Supreme Head of the Church by accusing the Convocation of being guilty of praemunire. The clergy submitted to the will of the king in Feburary of 1531, by declaring Henry as the "sole and Supreme Protector and Head of the Church",[3] "so far as the law of Christ allows."[4] As a result of the Submission of the Clergy, More, pleading reasons of ill health, resigned from the office of Chancellor. A year later, Ann Boleyn was crowned queen of England.

In 1534, Parliament passed the Act of Succession which stated that Anne's children were the legitimate heirs to the throne. The Act also included the "admission of the invalidity of the marriage with Katharine,

Footnotes at end of article.

and the denial of Papal authority."[5] More refused to deny the authority of the pope, and consequently, he was imprisoned. In the same year, Parliament passed the Act of Supremacy which reiterated that the King was Supreme Head of the Church of England. In addition, Parliament passed the Act of Treason which declared that, after February 1535, it was high treason, "by words or writing maliciously to deprive the King of his dignity, title, or name of his royal estate."[6] More twice refused to take the oath. More, however, did not object to the king's remarriage; in fact, he reasoned that the divorce was a political matter, which "lay within the legitimate domain of the king and Parliament."[7] Specifically, More objected to the denial of the supremacy of the pope.

Although More was a loyal citizen, (indeed, his "Utopia" discussed the importance and necessity of obedience), More had a profound understanding of the distinct realms of authority—spiritual and political. Whereas the king possessed authority over political matters, the church possessed authority over spiritual matters, and each institution rightfully demanded the obedience of its subjects. In a letter to Parliament, More wrote that "No man living is there, my Lords, that would with better will do the things that should be acceptable to the King's Highness than I."[8] Even when Henry imprisoned him in the Tower of London, More did not condemn or denounce his king.[9] In fact, he entered political life solely out of deference to the entreaties of his king. Although More realized his necessary obedience to the king, he respected God's law as demanding a higher obligation. More obeyed the king's law only in so far as it did not oppose God's law. Guided by his conscience, More believed that the denial of papal authority was in direct confrontation to God's law as expressed in the teachings of the Catholic Church. When pressed to take the Oath of Supremacy, More replied that "he willingly would with the losse of one of his limmes, for that matter any thing to find whereby he could with his conscience safely serve his graces contentation."[10] In a letter to a bishop, More wrote: "it lieth not in my power but that they may devour me; but God being my good Lord, I will provide that they shall never deflower me!"[11] More esteemed the integrity of his conscience more important than the preservation of his own life. Therefore, More believed that he could not obey the king's demands or authority without violating his conscience, as it understood the word of God. At one of the hearings, More reminded the king of his own advice, that one is obliged "first to looke vnto God, and after God vnto him."[12] More believed that the higher law to which man ultimately owes his allegiance is discovered and understood through man's reason and conscience.

Thomas Cromwell, and a host of others, asked More how he could maintain his belief that man should be guided by his conscience, and yet, justify his treatment of the heretics. However, as Richard Sylvester so aptly stated, More's understanding of conscience "should be viewed here in its late medieval contest where ethical speculation has never reached firm conclusions concerning the right of an heretical conscience."[13] More would have argued that heretics did not have well-informed consciences, because their consciences opposed principles espoused by the saints and the universal church. Heretics, by opposing these standards and principles, threatened the peace, order, and unity of the universal Catholic Church. More feared that disunity within the Catholic Church would naturally invite universal chaos. More envisioned that after the heretics succeeded in "casting out of the clergy," they would incur the wrath of God. To punish man for his impudence, God shall "withdrawe his grace and lett all run to ruine."[14] More's beliefs led to his fear that Henry's usurpation of papal authority would inevitably result in the usurpation of regal authority, and certain destruction of the order within society.

More understood conscience not simply in terms of moral integrity; rather, conscience "was the result of years . . . spent reflecting in the presence of God on the true meaning of authority."[15] As a result of the time and effort spent contemplating the essence of authority, More "knew whom to obey"[16] in the king's great matter. More appealed to his conscience in deciding whether or not to sign the Oath of Supremacy. Conscience he believed to be an absolute which must be valued and obeyed. The individual's conscience should be prevailed upon and determined by the universal church of Christendom,[17] (the "great council of" Christendom,[18]) the wise men throughout time,[19] and the revelation of God. After being declared guilty of high treason, More finally revealed that, in his opinion, the Act of Supremacy was a "law disagreeable with the general law of Christ's universal Catholic Church,"[20] and therefore was a trespass against God. Neither the Parliament nor the king had the right to tamper with the laws of God, "as rightfully belonging to the See of Rome"[21] and as accepted and decreed by St. Peter and other holy and wise men of the past. He stated that "he had found no authority for the supremacy of a secular prince",[22] and therefore, he was bound to refuse the oath. In addition, he noted that the Act of Supremacy violated the Magna Charta as well as the king's sacred coronation oath. He also argued that Henry's decree was unlawful and directly repugnant to his conscience by the very fact of its being in opposition to the law of Christendom. He argued: "Therefore am I not bound, my Lord, to conform my conscience to the Council of one realm against the general council of Christendom!"[23] At his last interrogation, he argued that his conscience was more obliged to the laws "of the whole body of Christendom; than to the opposing laws of the realm."[24]

More believed that by remaining faithful to the informed conscience, the Christian displayed his profoundest faith in God. In fact, by maintaining the purity of his conscience, and by remaining faithful to the informed conscience, the Christian displayed his profoundest faith in God. In fact, by maintaining the purity of his conscience, and by refraining from swearing to the oath and perjuring himself, he felt that he was saving his soul from damnation. According to his biographer Harpsfield, More considered that "every true and good subject is more bounde to have respect to his saide conscience and to his soule then to any other thing in all the world beside,"[25] by the very fact that swearing against one's own conscience is sure to "offend God very sore."[26] More believed that he must submit to provoking a king's displeasure for fear of incurring God's displeasure. Although the man who refuses to obey a king's law may indeed suffer temporal pain, the man who refuses to obey God's law, (as expressed by the general council of the Catholic church and the informed conscience), most assuredly will suffer eternal damnation.[27] In a letter to his daughter Margaret while at Westminster, More stated that although he "would not deny to swear to the succession, yet unto the oath that was offered [him], [he] could not swear without the jeopardizing of [his] soul to perpetual damnation."[28] More's religious beliefs rendered him stubborn and obstinate in the eyes of his contemporaries, and, as a result, he was imprisoned.

When his interrogators wondered at his persistence in adhering to his conscience, he replied that his conscience, so long diligently studied and informed, would "stand with my own salvation. I am no man's judge."[29] His faith in his well-studied conscience professed his faith in God. In a prayer written while in the Tower of London, he counselled his readers to "Stand stiff" to one's conscience and "steadfast faith." Those who show "no hope of God's help [and] fly for succour to man's help"[30] display their faithlessness and eventually succomb to the temptations of the devil.

Many people urged More to swear to the oath, and yet in his heart disguise and maintain his belief in papal supremacy. He refused to perjure his word, however, for fear of swearing against his conscience and condemning himself to hell. More equated the swearing of his word with the swearing of one's true conscience before God; therefore, by perjuring against one's word, one was perjuring against one's being.[31] His daughter Margaret, by appealing to his sense of love and concern for his family, entreated More to take the oath, and, when he refused, begged him to disclose his reasons. In response, More asked her why he labored "to make [her father] swear against his conscience, and so send him to the Devil?"[32] At another point, More reiterated that he could not "sweare without the hazarding of [his] soule to perpetuall damnation."[33] More, a steadfast orthodox Catholic, equated perjury with damnation.

Another reason More would not perjure himself stemmed from his great fear of hell. In his unfinished book, "The Four Last Things," More planned to write on death, Judgment, Hell, and Heaven, to remind his readers of their mortality and of the impending Judgment: "all of us [are] prisoners under sentence of death."[34] As such, men must prevent themselves from succombing to temporal pleasures. Man must always obey God's authority, or "fear Him which when He hath killed, hath in His power farther to cast him whom He killeth into everlasting fire."[35] According to Harpsfield, More had "a sure ayme of the lamentable world that followed,"[36] and therefore strove to maintain the integrity, sincerety, and wholeness of his soul. While in the Tower of London, More wrote a prayer admonishing man to obey God's law above temporal authority, or else expect to be cast into hell: "Whoever so saves his life that he displeases God thereby shall soon after, to his no little grief, full sore mislike the same," and ought to expect to confront the "everlasting torments of hell."[37] However, he who, for God's sake, endures tribulation and death, shall be greeted with "the everlasting joys of heaven."[38] Therefore, More refused to sign the oath not only in fear of hell, but also in anticipation of a glorious heaven to come.

More's deep religious faith lent him the necessary strength to staunchly refuse to sign the oath and stoically endure imprisonment. He believed that trial and tribulation allowed man to share the passion of Christ and display one's faith in God. He understood that his imprisonment was "no painful punishment, but of his patience profitable exercises."[39] Furthermore, More felt that man most sincerely displayed his faith by believing in his conscience and patiently enduring suffering. In a prayer, More wrote: "Whosoever suffers any trouble or adversary according to the will of God, must wholly commit his soul into the hands of God, his trusty and faithful creator."[40] Suffering serves to elevate and perfect one's comprehension of the kingdom of God. Suffering, furthermore, not only challenges the individual to conform his will to God's will, but also challenges the individual to seek comfort in God's mercy. In fact, God bestows comfort upon the sufferer by revealing "the secret inward inspiration of His Holy Spirit."[41] More perceived suffering to be a blessing because of the opportunity it lends the individual to elevate his understanding of the Absolute. In a letter to Margaret he urged her to rejoice that God "hath aduanced (me) to this high honour, and vouchsafed to make (me) woorthie to spende my life for the defense and vpholding of vertue, justice, and religion."[42] Man must not seek to obtain the kingdom of heaven without first enduring trial and tribulations on earth. Noting Christ's example, More stated that man must patiently experience hardship because: "We may not looke at our pleasures to goe to heauen in Fetherbeddes. It is not the way; for Lord himself went thither with great paine and by many tribulations."[43] More wrote "A Dialogue of Comfort against Tribulation" to advise Christians as to how they should maintain their faith and strength in the face of persecution.[44] More counselled that not only should the Christian endure suffering in anticipation of the joys of Heaven, but he must also refrain from assuming that he may obtain this kingdom without hardship. Indeed, in the "Dialogue," More questioned: "Who can for very shame desire to enter into the kingdom of Christ with ease, when Himself entered not into His own without pain?"[45]

In the "Dialogue," More also discussed false martyrdom. Those individuals who suffered and died in attempts to purge their own sins and to "pay their own ransoms, and save their souls themselves,"[46] were, in fact, sinning against the sacredness of participation in the Passion of Christ. More, however, refused to sign the oath and endured hardship for the superior and transcending vision of perserving "the vnitie of the Church and the Catholike fayth of the same."[47] (In fact, More wrote his "Dialogue" to prepare other Christians to withstand persecution in the name of Catholic unity.) Harpsfield proclaimed More as the first layman "that dyed a maryr for the defence and preseruation of the vnitie of the Catholike Church."[48]

On the way to being taken to court by Henry's officials, More confided in Roper: "I thank our Lord the field is won."[49] Suffering and contemplation had inspired More to transcend personal and temporal attachments for the sake of more universal and spiritual goals. Harpsfield wrote that: "the loue [he had for] God wrought in him so effectually that it conquered all his carnal affections from his wife and children, whom he most deerely loved." (p. 167.)

More was convicted of treason in July of 1535 on the perjured evidence submitted by Sir Richard Rich, when, in fact, More had never vocally denied the supremacy of the king. Thomas More, scholar, lawyer, and statesman, was first and foremost a man of God. His faith in his conscience and in his God assured him a sense of certainty and stability in the world he loved. By coming to an understanding of the true meaning and essence of authority, More learned to transcend earthly concerns in anticipation of a greater world to come.

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FOOTNOTES

[1] William Roper, "The Lyfe of Sir Thomas Moore, Knighte" (New York: The Swallow Press and William Morrow and Co., 1950), pp. 17-21.

[2] Arthur D. Innes, "Ten Tudor Statesmen" (London: Eveleigh Nash, 1906), pp. 94-6.

[3] Innes, p. 103.

[4] Thomas More, "A Dialgoue of Comfort against Tribulation" (London: Indiana University Press, 1965), p. 30.

[5] Innes, p. 105.

[6] Innes, p. 319.

[7] Leland Miles, ed., "Introduction," A Dialogue of Comfort against Tribulation" (London, Indiana University Press, 1965). P. xix.

[8] Roper, p. 59.

[9] André Prévost, "Conscience: The Ultimate Court of Appeal" in "Essential Articles for the Study of Thomas More," eds. R. S. Sylvester and G. P. Marc'hadour (Connecticut: Archon Books, 1977), p. 566.

[10] Nicholas Harpsfield, "The Life and Death of Sir Thomas Moore, Knight, sometimes Lord high chancellor of England" (London, Oxford University Press, 1963). p. 57.

[11] Roper, p. 54.

[12] Harpsfield, p. 65.

[13] Richard S. Sylvester, "Introduction," "St. Thomas More: Action and Contemplation: Proceedings of the Symposium Held at St. John's University, Oct. 9-10, 1970" (London: Yale University Press, 1972), p. 9.

[14] Harpsfield, p. 71.

[15] Dame Bede Foord, ed., "Conscience Decides: Letters and Prayers from Prison written by Sir Thomas More between April 1534 and July 1535" (London: Geoffrey Chapman, 1971), p. 10.

[16] Foord, p. 11.

[17] Prévost, p. 567.

[18] Foord, p. 30.

[19] Roper, 78.

[20] Roper, p. 77.

[21] Roper, p. 77.

[22] Harpsfield, p. 195.

[23] Roper, p. 79.

[24] Foord, p. 87.

[25] Harpsfield, p. 186.

[26] Foord, p. 53.

[27] Foord, pp. 51-3.

[28] Foord, p. 26.

[29] Foord, p. 88.

[30] Foord, p. 109.

[31] Robert Boll, "Preface to A Man for All Seasons" in "Essential Articles for the Study of Thomas More," eds. R. S. Sylvester and G. P. Marc'hadour (Connecticut: Archon Books, 1977), pp. 476-77.

[32] Foord, p. 44.

[33] Harpsfield, p. 71.

[34] Theodore Maynard, "Humanist as Hero: The Life of Sir Thomas More" (New York: The MacMillan Co., 1947), p. 107.

[35] "Dialogue," p. 255.

[36] Harpsfield, p. 67.

[37] Foord, p. 109.

[38] Foord, p. 109.

[39] Roper, p. 67.

[40] Foord, p. 110.

[41] "Dialogue," p. 185.

[42] Harpsfield, p. 199.

[43] Harpsfield, p. 77.

[44] Sylvester, p. 66.

[45] "Dialogue," p. 232.

[46] "Dialogue," p. 78.

[47] Harpsfield, pp. 133-4.

[48] Harpsfield, p. 209.

[49] Harpsfield, p. 166.

STEEL UNFAIR TRADE PRACTICE CASES

Mr. HEINZ. Mr. President, I call up Calendar Order No. 677 and ask that it be stated.

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

The assistant legislative clerk read as follows:

A Senate concurrent resolution (S. Con. Res. 100) expressing the sense of the Congress that pending steel unfair trade practice cases be vigorously pursued and promptly concluded.

Mr. ROBERT C. BYRD. Mr. President, first, let me say I have no objection to calling up the resolution. That question should have been put.

Second, I have no objection to the request of the distinguished Senator and give our unanimous consent on this side of the aisle for calling up the resolution. I commend his work on this resolution. Following his statement, I shall have a statement.

The Senate proceeded to consider the concurrent resolution.

Mr. HEINZ. Mr. President, I thank the minority leader. I observe that he is an original cosponsor of this resolution, which was reported last week by the Senate Committee on Finance. I shall not take the time of the Senate to go through all the reasons I am pleased to bring this resolution to the floor and why I think the Senate needs to pass it. I just note the two resolving clauses in the resolution.

The first resolving clause states that it is the sense of the Congress that the President should exercise the authority granted to him by the Congress to direct the appropriate agencies to vigorously pursue and promptly conclude the countervailing duty and antidumping investigations being conducted concerning foreign trade practices involving carbon steel products and specialty steel products; second, that Congress, if necessary, should promptly consider appropriate legislation to strengthen the trade laws of the United States.

Mr. President, I think the first resolving clause is self-explanatory. In 1979, in our new Trade Act, we provided a good deal of new authority to this country, to our President, to our agencies to take action against unfair foreign competition. This resolution stands squarely behind the idea that we should use our trade laws as they were intended to be used, to restore free market conditions and to uphold the international rules that most countries have accepted.

It is the final clause of this resolution that carries that thought one step further; namely, that we in Congress should promptly consider additional appropriate legislation to strengthen our trade laws should that be necessary.

I should like to make clear in that regard, Mr. President, that thus far, the laws we have, the ones we wrote in the 1979 Trade Act, do appear to be operating normally and that statutory deadlines have been met. The preliminary determinations of June 10 found subsidies on steel of roughly 50 percent of the EEC steel being shipped into this country. Subsidies range from a very small amount to a high of 40 percent in the case of British steel.

While I want to examine the details of the decisions more closely to see if what Congress intended in 1979 has been adhered to, I think that, in the aggregate, a good start has been made and that the effect of the decisions made by the Commerce Department will be to reduce significantly the volume of steel imported into this country from the EEC.

I also think it is worth noting, Mr. President, that this result is very, very different from that which would have occurred prior to the enactment of the 1979 Trade Act. In that legislation, we in Congress substantially rewrote our unfair trade practice laws. I was privileged as a member of the Committee on Finance to play a role in that process. Let me go over some of the changes we made.

First, we successfully insisted that the language on injury make clear that there was no toughening of the injury standard over the then current law despite the insertion of the term, "material."

Second, one of my amendments provided for a broad definition of the term "subsidy." Prior to that time, that definition had been so narrowly construed as to be meaningless. What we did was include subsidies beyond those simply specified or mentioned in the Subsidies Code and thus insured that a wider variety of unfair trade practices would be caught by the law.

Another amendment, one I also suggested and which was adopted, provided for severe restrictions on the then administering authority, the Department of the Treasury—it is now the Commerce Department's authority—to reduce or eliminate subsidies by offsetting other taxes or charges against them. We used to offset the subsidies found, so much so that at times, we practically thought we owed other countries money rather than their being subject to a duty.

What we have done is to insure that if a subsidy is found its full amount will be assessed.

Fourth, we placed strict limits on the authority of the Government to settle a case short of a final determination on the subsidy issue. This was the most serious shortcoming in the Carter administration's proposal, as it provided authority to settle on virtually any terms. My amendment narrowed that authority and made it more difficult to settle a case without the effective approval of the complaining party. These provisions will come into play if the European countries at this point seek to settle the cases. The Commerce Department, of course, continues to have authority to settle outside the provisions of the statute, if—and only if—it can persuade the petitioners to withdraw their petitions, but that process accords the complaining industry a significant role in the process.

Fifth, finally, we successfully reformed the procedures of section 301 to eliminate the administration's practice of burying complaints by never agreeing to accept them, as in fact happened in a steel case early in the Carter administration. The new procedures required a decision on accepting a complaint in 45 days, and they then establish tight time limits which guarantee an end to the case, even if the Gatt dispute settlement process is not concluded. These procedures have been particularly relevent to and effective in the pending specialty steel 301 cases.

Taken together, Mr. President, what we have are a series of procedures in our Trade Act which now appear to be working. We want to be sure that they are working, but I must say that at the present time it is my view that the Commerce Department has made a very credible and good start. I think the decisions of June 10 are evidence of that intent by the Commerce Department. So the purpose of this resolution is to make clear to all concerned that the intent of Congress is that we will continue to expect the law to be faithfully implemented, and we are serving notice once again that we are watching very carefully how these cases proceed.

Let me say if problems do develop then we will discuss them with the Government. But I do not want to rule out the possibility of strengthening legislation.

While the resolution does not speak directly to that point, I do mention it to make clear that the resolution's concluding point about trade law amendments is by no means an empty phrase. Indeed, we anticipate there will be trade legislation here on the floor of the Senate in the very near future. The Finance Committee reported reciprocity legislation just last week, and the same day we reported this resolution, so ours is not an empty threat, Mr. President, should that be what is necessary.

Mr. President, I hope none of my colleagues think that we are here, Senator ROBERT C. BYRD and myself and our other 27 or 28 cosponsors, crying "wolf" when there is no wolf in the forest.

To the contrary, I would just like to refresh my colleagues' memories about the kinds of subsidies that were found. In the case of Belgium subsidies were found in the neighborhood of 20 percent on some items; in the case of France as high as 30 percent on some items; in the case of Italy 18 percent; in the case of South Africa 16 percent; and, of course, the record is held at this point by British steel at over 40 percent.

We are talking about a considerable volume of steel that has come into this country. Even during the time period over the last year, a large part of which time these cases have been pending, the imports from the European Community are up substantially, up some 36 percent in the year to date versus last year and, as you might expect, the biggest increases, by and large, are from those countries subsidizing the most.

Mr. President, I think it is about time that we in the Congress made it very clear we are determined that the trade be both free and fair. Subsidies are not fair, dumping is not fair. Both violate the concept of fairness and also free trade.

I want to thank all my cosponsors, all those who support this resolution, for their support. It is about time that we spoke up and out for what we believe in, and that is that trade that is going to be free has to be fair.

Mr. ROBERT C. BYRD addressed the Chair.

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

Mr. ROBERT C. BYRD. Mr. President, I am pleased to be an original cosponsor of this resolution to express the Senate's support for prompt and vigorous enforcement of our trade laws affecting carbon steel and specialty steel.

The steel industry has been one of the hardest hit sectors of our economy during the current recession. Steel is a basic commodity that is used throughout the economy—in automobiles, buildings, equipment, and consumer products—and as such it is directly affected by the downturn in those industries.

While the domestic economic problems facing the steel industry are great, there is a special threat from beyond our shores. Grossly unfair trading practices, in particular dumping and subsidization of steel, are being used extensively by European steelmakers. Those practices have turned a recession into a depression for American steelmakers.

More than 100,000 American steelworkers are on layoff. Another 31,000 are working short weeks. Both figures are climbing, as mill after mill reduces its operating capacity.

For the week ended June 19, 1982, the steel industry was operating at 45.4 percent of capacity. Last year at this time, the industry was operating at 81.4 percent of capacity. Steel production for the week ended June 19, 1982 was 1.345 million short tons, compared to 2.410 million short tons at this time last year. That is a 44.2 percent decrease in production.

Such low operating levels cannot be sustained by privately owned firms that must compete with nationalized firms, or with companies that receive special subsidies from their governments.

It appears that some European countries subsidize their steelmakers as a practical solution to unemployment problems. Unemployment rates in many of the European countries that are most active in unfair trading practices are low compared with the United States. This country's current record post-Second World War high unemployment rate of 9.5 percent—10.5 million people—is nearly twice as great as West Germany's 5.6 percent. However, the unemployment problem is merely exported from Europe to America by the use of unfair and illegal trading tactics.

One purpose of this resolution is to urge the President to seek the timely enforcement of the trade laws that the United States has in force.

The other purpose of this resolution is to state firmly the intention and willingness of the Senate to consider legislation to strengthen our trade laws. This is a key factor in forming a credible trade policy for this country. I am already convinced of the urgent need for more stringent trade legislation. I have introduced S. 2603, the Fair Trade Act of 1982. My bill would provide a mandatory relief mechanism for domestic firms who are being discriminated against in entering a foreign market.

The purpose of my legislation is to provide a mechanism for fair, reciprocal treatment for American firms seeking foreign markets, and to reduce the incentive for unfair trading practices by making it possible for the United States to retaliate in kind.

It is critical to let our trading partners know that we are serious about enforcing fair trade in steel.

The effects of unfair trade do not stop at the steel industry. The metallurgical coal industry is now in the process of laying off thousands of miners—including over 7,000 in the southern West Virginia coalfields. The overall number of unemployed coal miners in West Virginia is close to 9,900. The interdependence of the metallurgical coal industry and the steel industry causes increased suffering when unfair trade is victimizing domestic steelmakers.

It is cold comfort when the unemployed coal miner joins the unemployed steelworker in the unemployment line.

We must defend our industrial base. We have no choice but to do so, and in a forthright manner. The world that we inhabit is volatile—anything could happen. America needs to have a secure strategic industrial base for its own defense. Both the specialty steel industry and the carbon steel industry are integral parts of a viable defense industrial base.

I commend Secretary of Commerce Malcolm Baldrige for his announcement, on June 11, that the Commerce Department had found evidence of subsidization of steel producers by foreign governments. While the actual amount of the subsidies found by the Commerce Department were in most cases less than the level alleged by American steelmakers, the ruling by Secretary Baldrige is a very hopeful sign.

I urge the Secretary to pursue these subsidization cases to a successful conclusion. The antidumping cases filed by the domestic steel producers are still under investigation by the Commerce Department. I know that my colleagues would join me in urging that these cases be pursued vigorously as well.

I hope that the practical effect of this resolution will cause our European trading partners to closely examine their practices with respect to the steel business.

The unemployed steelworkers in West Virginia and in many other States are not going to wait patiently for relief. The modern, competitive steelmakers in this country are not willing to see their industry crumble into dust. Our commitment to the steel industry and its thousands of employees is firm. The 2,600 laid-off workers at Weirton Steel in West Virginia's northern panhandle, and the 8,000 steelworkers still on the job, for the present, at that mill, want to see their Government help them. The least that we can do is to tell them with one voice—"We are on your side, and fighting for fairness for American free-enterprise."

Mr. President, I congratulate Mr. HEINZ. I commend him on the introduction of this resolution. I am happy to support him and join him in speaking on behalf of the resolution. I hope that the Senate will quickly adopt it.

Mr. HEINZ. Mr. President, I want to thank the distinguished minority leader for his kind remarks. It has been my pleasure for many years to collaborate with him on issues important both to the carbon steel industry and the specialty steel industry. He has been very, very helpful in making the Steel Caucus an effective voice, and I hope that our bipartisan effort both in the Senate and in the House, where Congressman GAYDOS chairs the House Steel Caucus, will continue. It is my hope that the House—this resolution has already been introduced—will see fit to pass, as we are today, this resolution.

It seems to me that the time is right and, frankly, within the next 30 to 40 days, the European governments and the companies against whom American producers have filed complaints had better come to the realization that our trade laws are now working and, with that realization planted for the first time firmly in their minds, that they had better get serious about curbing their dumping, their subsidies, and their other illegal practices.

These sections of the 1979 Trade Act are not criminal statutes. They are civil. But the effect of the preliminary determination of subsidy by the Commerce Department is to find the Europeans, the British, the Italians, the French, the Belgians, guilty as charged in the petitions.

I do not think that we should be in any rush to accept some kind of inadequate plea bargain by the Europeans. They should understand that if the Commerce Department or the petitioners are going to undertake any settlement of these issues, it is going to have to be a real settlement; that there are going to have to be real safeguards in it; that it is going to have to include not just the carbon steel items in the petitions that were ruled on favorably but to go well beyond that to the specialty steel covered in the 301 petition.

I hope that the message is delivered loud and clear to our friends in the capitals of Europe that if they want to settle this issue, they are going to have to settle it in all the steel categories where their guilty behavior has violated the international laws against free and fair trade.

Mr. SPECTER. Mr. President, I rise in support of the concurrent resolution of the distinguished senior Senator from Pennsylvania (Mr. HEINZ). The prompt and vigorous conclusion of the present antidumping and countervailing duty investigations is crucial for the maintenance of an efficient and producitve steel industry—an industry that is so vital to our national security interests.

The June 10 Commerce Department preliminary finding confirmed what many of us have known for years: the Europeans and other producers are heavily subsidizing their steel exports. In one case, the rate of subsidy reached 40 percent. The Department of Commerce decision involved nearly 4 million tons of imported steel, or about 20 percent of total 1981 U.S. steel imports.

The American steel industry has been materially injured by unfair competition of this kind; one industry analyst has estimated that over the past 7 years, the industry has lost at least $20 billion in terms of lost revenues, wages, and benefits due to dumped steel. As many as 20,000 American steelworkers may have lost their jobs because of unfair trade practices. Needless to say, the ripple effect on the economy as a whole has been much more severe than on the steel industry alone.

With the steel industry currently operating at only 44 percent of capacity and with import penetration over 20 percent, strict enforcement of our trade laws is essential.

In March of this year, I introduced S. 2167, the Unfair Competition Act of 1982. This bill will grant American companies broader and direct access to the courts to prevent economic injury in antidumping and countervailing duty suits. I feel that this bill will provide more expeditious and effective relief to those industries injured by unfair competition. Under the current law, it is too enticing and easy for foreign producers to "dump and run," in the process throwing American workers out of their jobs. On May 24, hearings were held before the Judiciary Committee, and 2 days later, I introduced S. 2167 as an amendment to the urgent supplemental appropriations bill. Additional hearings on S. 2167 will be conducted this Thursday, June 24.

Mr. President, unemployment in the steel industry has reached 120,000 employees, and the industry's capital investment plans are seriously jeopardized. Given the continuing and rapid decline of the American steel industry, it is absolutely essential that the Department of Commerce and the International Trade Commission vigorously enforce our fair trade laws. To delay any longer will only invite the further decline and attrition of an industry so vital to our national security.

Mr. RANDOLPH. Mr. President, I join again with my colleagues in the Senate steel caucus in support of Senate Concurrent Resolution 100 to express the conviction that prompt and vigorous pursuit of the steel cases pending under our trade laws should be a matter of the highest priority of this administration.

I have long been an advocate of fair trade. And I have been actively involved in the development of policies which will revitalize our domestic steel industry. We must not, by inaction, allow this basic industry to be destroyed by unfair foreign imports as tens of thousands of American workers lose their jobs. I say with all sincerity that this country cannot remain strong without a viable domestic steel industry.

In our State of West Virginia, steel is a critical component of the economic base. Currently, unemployment in our State is approximately 10 percent. I have traveled the area of our northern panhandle and have seen the tragedy of unemployment in the steel industry. Steel is the lifeblood of Weirton, W. Va., and other towns in our State. Employment at Weirton Steel, our single largest steel employer, has been cut back to 8,400 workers from around 12,000. We know that National Steel Corp., which owns Weirton Steel, has announced its intention to sell the plant to the employees. I have been working diligently with the Weirton community, my West Virginia colleagues, the Governor, and others to assist in that effort. Unfair importing of steel is one of the biggest problems facing Weirton.

I am somewhat encouraged by the Commerce Department's preliminary findings on the initial complaints filed by the domestic steel producers. While these and other carbon and specialty steel complaints continue through the lengthy investigative processes, I urge the Senate to approve this resolution and send a strong message that the United States expects fair trade in our markets and vigorous enforcement of our trade laws.

● Mr. HUDDLESTON. Mr. President, I am an original cosponsor and strong supporter of this resolution expressing the sense of the Congress that the pending steel unfair trade practice cases be pursued vigorously and concluded promptly.

The steel industry is the Nation's fourth largest, with 1981 sales of $61 billion, a work force of 391,000, and wages and salaries of $12 billion. A healthy steel industry has long been recognized as necessary to a healthy economy and a secure Nation. But, the steel industry is in serious trouble, and that trouble is being felt throughout the country.

Only 42.5 percent of our steel industry capacity is in use; 106,000 steelworkers have been laid off, and another 28,500 are on short workweeks. Some $7 billion in planned capital investment is threatened. Demand is down; prices have been dropped.

At the same time, however, imports are surging. Imports took 16.3 percent of the U.S. market in 1980, 19.1 percent in 1981, and 22.8 percent in the first quarter of this year. For ferroalloys specifically, the situation is even more dramatic. The domestic ferroalloy industry operated at only 31 percent of capacity the first quarter of 1982, and shared only 43.8 percent of the domestic market in 1981 figured on a contained basis, posing potential threats to our military capability and industrial strength.

While these figures alone do not prove that the industry has fallen victim to unfair trade practices, there is substantial economic data to that effect. Preliminary findings by both the Department of Commerce and the U.S. International Trade Commission indicate that our domestic steel industry is being economically injured by imports subsidized by their countries of origin. Both the Department and the ITC have an obligation, not just to the steel industry but to our economy and our national security, to conclude their proceedings expeditiously and assure the vigorous enforcement of our fair trade laws.●

● Mr. QUAYLE Mr. President, I am pleased that the Senate has before it consideration of Senate Concurrent Resolution 100, a resolution regarding the implementation of our trade laws with respect to steel, which I have cosponsored.

This resolution expresses the sense of Congress that the President should use his authority to direct this Government to vigorously pursue and promptly conclude the antidumping duty and countervailing duty cases now pending investigation concerning foreign trade practices involving carbon steel mill products and specialty steel mill products.

Furthermore, this resolution states that "the Congress, if necesary, should promptly consider appropriate legislation to strengthen the trade laws of the United States."

I believe the message in this resolution is very clear: Congress will take action regarding the enforcement of our trade laws with respect to steel if the investigations now underway are not expeditiously carried out.

The beleaguered steel industry received some encouraging news on June 11. On that day the Commerce Department released its preliminary findings on subsidization of steel imports by foreign governments. To the surprise of no one in the steel industry, Commerce found steel products in nine countries are benefiting from subsidies. The subsidies range from less than 1 percent to over 40 percent. Importers will now be required to post cash or a bond equal to the estimated subsidy to insure payment of countervailing duties when final findings are made. For a company like British Steel Corp., which was found to have an estimated 40 percent subsidy, the bond requirement would be substantial. This will have the effect of sharply reducing imports.

However encouraging is this preliminary finding, the final determinations are not due until August with the International Trade Commission's final determination on injury not due until October 8. The preliminary findings in the dumping cases will not be made until August and their final outcome will take longer to resolve.

Considering how long these investigations will take and how extensive these investigations are, it is important for Congress to signal that it is very serious about strong enforcement of our trade laws. I commend the Finance Committee for their expeditious consideration of this resolution.

My State of Indiana gives a fine example of how important the steel industry is not only to our national economy but to our national defense needs. More than 20,000 steelworkers are unemployed in northwest Indiana. This accounts for almost half of the 41,400 people unemployed in this part of my State. While the unemployed rate for the State of Indiana is 13.3 percent, the rate of joblessness in the northwest corner is 14.4 percent. Due to the severe economic decline, other businesses in the area have been forced to curtail activities, or worse, close their doors. Clearly, if the steel industry was running at a higher capacity, this corner of Indiana would not be facing such dire circumstances.

I am concerned that if any relief is to come from the pending import cases, that it come in time to aid this industry and its workers. Therefore, I am pleased to lend my support and cosponsorship to this resolution which indicates congressional intent for the enforcement of our trade laws and that the President should act vigorously in pursuing these petitions for relief.●

Mr. PERCY. Mr. President, I would like to associate myself with the remarks of the Senator from Pennsylvania (Mr. HEINZ) who has brought this resolution to the floor today. I am a cosponsor of the resolution and urge the Senate to pass it, thereby letting the administration know that these steel import cases are at the top of our list of priorities.

It is essential to the well-being of the American steel industry that it be allowed to continue on its program of modernization at full speed. As you know, the amount of capital required to finance modernization of our steel mills is enormous. Though the companies have planned for record high levels of investment for updating equipment and facilities, the industry faces a major obstacle to implementing its plans due to unfair competition from abroad. Imported steel sold at prices below production cost undercuts the market for American producers and consequently prevents the formation of the large capital pool necessary for modernization.

Dumped and subsidized foreign steel hurts American companies in several related ways. In addition to reducing sales volume for the domestic mills, artificially low priced imports depress revenues, profits, and cash flow on the remaining American share of the market. Furthermore, reduced production volume means higher average unit costs. The industry capital pool is thus siphoned off at both sales and production while lessened by the overall reduced volume of trade.

While capital formation is stifled by the unfair trade practices of foreign producers, our industry has nevertheless made substantial efforts to modernize in recent years. Since November 1980, American companies have announced modernization and expansion projects totaling about $7 billion—an unprecedented amount for so short a period of time. During the last 10 years domestic producers phased out many of the old open hearth furnaces and replaced them with modern and efficient basic oxygen and electric furnaces. Open hearth furnaces produced only 11.1 percent of this country's steel output in 1981, compared to 29.5 percent in 1971. By the end of the decade, virtually all open hearths will have been replaced. Another major effort to improve efficiency and productivity is the increased use of continuous casting. This process yields tremendous savings in time and energy during steel production. In 1981, 21.6 percent of all raw molten steel was continuously cast, up from only 9 percent in 1975. Last year domestic producers announced plans to install more than a dozen new continuous casters. These plans are contingent, however, on the availability of large sums of capital. A caster can cost more than $120 million.

Clearly, American steel companies are working toward building a productive, modern industry. In order to amass the capital necessary for realizing this goal, our companies need an environment of fair competition. Fair competition cannot exist while foreign companies benefiting from government subsidies sell their products below cost. It is therefore incumbent on us, Mr. President, to urge the vigorous enforcement of the U.S. trade laws by swift passage of Senate Concurrent Resolution 100.

Mr. HEINZ. Mr. President, is there any further discussion? If not, I move the adoption of the concurrent resolution.

The PRESIDING OFFICER. The question is on agreeing to Senate Concurrent Resolution 100.

The concurrent resolution (S. Con. Res. 100) was agreed to.

The amendment to the preamble was agreed to.

The preamble, as amended, was agreed to.

The concurrent resolution, and the preamble, as amended, are as follows:

Whereas the steel industry of the United States is critical to the national defense and to the maintenance of a strong industrial economy, which employs millions of workers and sustains the Nation's prosperity;

Whereas between 1971 and the present there have been three distinct episodes of dramatic surges in importation of apparently dumped and subsized steel mill products, episodes which contributed to the destruction of 118,000 steelmaking jobs, to the shrinking of production by 20 percent, and to aborted capital investment planned to modernize the steel industry;

Whereas the 1981-1982 episode, which is the most serious, has contributed to 100,000 layoffs and 31,000 workers on short workweeks and threatens to abort $700,000,000 in planned capital investment; and

Whereas the past failure of the United States Government to vigorously enforce the trade laws has contributed to the decline of the steel industry, and the failure of the Government to so enforce the trade laws in this most serious crisis in the steel industry would endanger critical planned investment and modernization, which in turn would threaten the economy and the national defense of the United States: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring),That it is the sense of the Congress that—

(1) the President should exercise the authority granted to him by the Congress to direct the appropriate agencies to vigorously pursue and promptly conclude the countervailing duty and antidumping duty investigations being conducted under title VII of the Tariff Act of 1930, and the investigation being conducted under the title VII of the Tariff Act of 1930, and the investigation being conducted under chapter 1 of title III of the Trade Act of 1974, concerning foreign trade practices involving carbon steel mill products and specialty steel mill products; and

(2) the Congress, if necessary, should promptly consider appropriate legislation to strengthen the trade laws of the United States.

Mr. HEINZ. 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.

(During Mr. HEINZ' remarks the following occurred:)

Mr. BAKER. Mr. President, will the Senator yield to me? I ask unanimous consent that no interruption appear in the Senator's presentation.

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

Mr. BAKER. Mr. President, I yield so that the Chair can admit a messenger from the House of Representatives.

MESSAGES FROM THE HOUSE

At 3 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House recedes from its amendment to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982; and agrees to the same with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bill, without amendment:

S. 1519. An act to designate certain national wildlife refuge lands.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6094. An act to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade representative for fiscal year 1983, and for other purposes.

FIRST CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1983—CONFERENCE REPORT

Mr. BAKER. Mr. President, if the Senator will continue to yield to me for a moment, the message just arriving from the House of Representatives is the conference report on the budget resolution. It is at the desk under the rules of the Senate.

It will be my hope that sometime in the next little while we will ask the Senate to proceed to the consideration of that item. I will not do so, of course, until we finish the matter at hand and until the principals who will manage the measure are available.

I thank the Senator for yielding.

(Conclusion of earlier proceedings.)

THE NEXT STEP

Mr. KASTEN. Mr. President, I congratulate President Reagan on his decision to toughen trade sanctions against the Soviet Union. As I stated in a June 16 letter to the President, "The ban on technology exports was one of the few effective U.S. trade sanctions enacted to protest the Soviet-backed imposition of martial law in Poland." President Reagan's swift and concise action regarding the Soviet Union's natural gas pipelines leaves no doubt as to the resolve of the American people on this issue. Strong American action intensifies our call for freedom, as Poland remains in the shackles of political and economic repression. I recognize the domestic unpopularity of these sanctions, yet I fully support the decision to maintain our principles of resisting Soviet development at the expense of the free world.

The entire Soviet economy is in a perilous condition on which America must capitalize. The heavy economic costs of repression in Poland, Afghanistan, and elsewhere have weakened their economy substantially. These tough new sanctions will slow construction of the Soviet pipeline, delay the influx of hard currency Russia hopes to gain, and therefore force the Soviets to divert money from their military sector to shore up their domestic economy.

Now is the time to go one step further and declare Poland in default in it's debts to the United States. Poland is bankrupt—it cannot even make the interest payments it owes to the United States this year—and unless new loans are made, default is inevitable. The question is who will declare the default—Poland or the West? It is time for the United States to take the initiative on this issue.

Mr. President, I ask unanimous consent that my June 16 letter to President Reagan, two Washington Post articles entitled "Pipeline Sanctions Toughened" and "Soviet Economy Called Basket Case," and two William Safire essays entitled "Hello, Mr. Deeds" and "Weaning Japan from Soviets" be included in the RECORD.

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

U.S. SENATE,
Washington, D.C., June 16, 1982.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am writing to urge a continued ban on high technology exports to Russia, and swift disapproval of the export licenses requested for the Russo-Japanese Sakhalin Oil Project.

The ban on technology exports was one of the few effective U.S. trade sanctions enacted to protest the Soviet-backed imposition of martial law in Poland. Six months have passed, and the situation in Poland has not improved. Lech Walesa remains in confinement, the Solidarity movement has been forced underground, and the people of Poland continue to fight in the streets for their political and economic freedom.

Any easing of the export ban now would signal to the world that, as far as the Reagan administration is concerned, the Polish crisis is over. I strongly urge you to reject the advice of those who would have you send such a signal. For months we have been told that it is too late to stop construction of the natural gas pipeline in Europe. Now we have a real opportunity to delay a similar project in Japan right at the start. Disapproval of the Sakhalin export licenses would strike a blow at the Soviet economy, while demonstrating U.S. resolve on the question of economic sanctions and strong support for those who continue to fight for political and economic freedom in Poland.

Best regards,

ROBERT W. KASTEN, Jr.

[From the Washington Post, June 19, 1982]

PIPELINE SANCTIONS TOUGHENED

REAGAN DISREGARDS EUROPEAN ALLIES IN ANTI-SOVIET MOVE

(By Dan Morgan)

President Reagan yesterday brushed aside appeals from European Allies and major U.S. companies and ordered tough new trade sanctions aimed at delaying the Soviet Union's natural gas pipeline in retaliation for continued repression in Poland.

In a move certain to cause new friction with the western allies, the president expanded his Dec. 29 ban on the sale of U.S. oil and gas equipment to the Soviets to cover overseas subsidiaries of U.S. companies and non-American firms producing such equipment under U.S. licenses.

Officials explained that the unprecedented measures are intended to prevent companies in France, West Germany, Britain, Italy and Japan from taking over business lost to U.S. firms as a result of the Dec. 29 embargo. They said legal action, to be spelled out later, would be taken against foreign companies that violate the new sanctions.

The president's action represents a major victory for forces inside the administration that want an all-out campaign to weaken the Soviet economy as a way to make Moscow divert resources from its military buildup.

Secretary of State Alexander M. Haig Jr., the major opponent of this policy inside the administration, argued that it would anger U.S. allies that depend heavily on trade with the Soviets and would not significantly slow construction of the 3,600-mile pipeline from Siberia to Western Europe.

As recently as Tuesday, State Department spokesman Dean Fischer said it was "neither the intent or the substance of U.S. policy" to wage "economic warfare" against the Soviets.

One option before the President would have allowed U.S. companies to go through with deals made with the Soviets prior to Dec. 29. This would have enabled Caterpillar Tractor to sell $90 million worth of pipelaying equipment and General Electric to sell more than $100 million worth of gas turbine rotors.

Officials said this possibility, favored by Haig, had been rejected in favor of the "toughest" option.

"The objective of the United States in imposing the sanctions has been and continues to be to advance reconciliation in Poland," the President said in a statement yesterday. "Since Dec. 30, 1981, little has changed concerning the situation in Poland; there has been no movement that would enable us to undertake positive reciprocal measures."

Although Reagan has been under pressure from fellow conservatives to maintain the sanctions, his decision touched off criticism from members of his own party on Capitol Hill.

House Minority Leader Robert H. Michel (R-Ill.), whose district includes the world headquarters of Caterpillar in Peoria, said he was "distressed, to put it mildly, that the administration persists in this foreign policy farce."

"We are aiming at the Soviet Union but we keep hitting the American worker, and in the long run America looks even weaker because we cannot persuade our allies to follow our lead."

An even stronger reaction came from Senate Foreign Relations Committee Chairman Charles H. Percy (R-Ill.). Noting that three Illinois companies—Caterpillar, Fiat-Allis and Sunstrand—have been hurt by the embargo, he said that "the voices of Illinois business and labor have not been heeded."

Percy added that the action would "split the western alliance," and he questioned the "methods that may be used to enforce this controversial new policy."

When the administration first considered extending the sanctions to include overseas subsidiaries and companies operating with U.S. licenses, officials said a number of enforcement measures were available, including "blacklisting" violators from doing business in the United States, attaching their assets here and even arresting officials of those companies when they traveled to this country.

The new measures appear aimed mainly at several European companies licensed by General Electric to manufacture turbines of the kind sought by the Soviets to pump gas through the pipeline.

Three of these companies—AEG-Kanis of West Germany, John Brown of Britain and Nuovo Pignone of Italy—are now under contract to sell the Soviets 125 turbines, utilizing rotors supplied by GE in the United States. As these rotors were embargoed, the companies had been seeking to obtain the same components from a French firm, Alsthom-Atlantique, which also has a GE license.

But under the measures announced yesterday, the administration would seek to block Alsthom-Atlantique from supplying the rotors, made under GE license.

This puts French President Francois Mitterand on the spot, since he has publicly opposed the American sanctions policy.

In a brief statement, GE said:

"While we have not seen the details of the president's decision, GE has said from the beginning that it would comply with the directives of the U.S. government."

Administration officials stressed yesterday that they were pleased with the results of the Versailles summit's "significant first step" in obtaining some agreement to monitor trade with the Soviet Union and limit credits to it. They said the measures were aimed not at the Europeans, but at the Soviet Union to relax marital law in Poland.

Nevertheless, the attempt to put restrictions on European companies dealing with the Russians is certain to revive allied charges that the Reagan administration is one-sided in its policy, given the fact that American grain exports to the Soviet Union are continuing at record levels.

Administration officials, mindful of this, said that restoration of the grain embargo imposed by former president Carter, which Reagan lifted last year, was an option.

[From the Washington Post, June 17, 1982]

SOVIET ECONOMY CALLED "BASKET CASE"

PRESIDENTIAL AIDE SAYS U.S. SHOULD CONTINUE PRESSURES ON TRADE AND CREDIT

(By Michael Getler)

A top White House official yesterday called the Soviet Union "an economic basket case" and said the United States "should not provide the trade and credits necessary to prop up the Soviet economy except in exchange for specific and meaningful Soviet actions that promote stability. . . ."

Thomas C. Reed, who was a consultant to the National Security Council in recent months and yesterday was named a full-time special assistant to the President, gave no details on how such economic pressure on the Soviets would be carried out or what would constitute "meaningful" actions by Moscow.

But Reed's remarks in a speech prepared for delivery before the Armed Forces Communications and Electronics Association last night come as President Reagan faces a difficult decision on whether to lift restrictions barring use of American-made components in equipment being built by West European countries for a Soviet natural gas pipeline.

The President, officials say, is expected to make a decision this weekend. Allies in Western Europe want Reagan to lift the restrictions and some top officials here, including Secretary of State Alexander M. Haig, Jr., are said to support this view. Defense Secretary Caspar W. Weinberger and others, however, are said to oppose it, preferring to tighten the economic screws on Moscow as much as possible.

Some White House officials also say privately they are dismayed over the Europeans' failure to adopt a tougher trade policy at the recent economic summit meeting that would have required a substantial Soviet cash down payment for Western equipment and an end to interest subsidies.

Although lacking specifics, Reed's speech illustrates the view of those officials who believe that the United States must take advantage of Moscow's alleged economic weakness.

Writing in The Wall Street Journal on Tuesday, Treasury Secretary Donald T. Regan also suggested that economic pressure would be used in the Strategic Arms Reduction Talks (START) that open in Geneva June 29. The Soviets and their East European allies had better "make some accommodation with us in the field of strategic arms or else watch [their] own weak economies weaken further," he wrote.

Reed claimed the Kremlin had now outstripped this country "by most measures of strategic nuclear power" in the missile field and "within 30 days it can mobilize 200 divisions" on the ground.

But Reed said Moscow also has considerable problems of its own. The Soviet political system, he charged, has lost its "revolutionary zeal." The government "cannot feed its own people" and "the potential for corruption and decay . . . has mushroomed in the dank darkness of the Soviet dictatorship," he said.

Reed also recently directed a White House study of U.S. security policy and yesterday made these key points:

Although the Joint Chiefs of Staff are known to believe the current administration strategy for countering the Soviets cannot be met with the present five-year, $1.6 trillion budget plan, Reed says "our strategy is to live within" that budget and plan. "We cannot seek more," he said, because the country's economic well-being is also part of the strategy.

The idea, Reed said, is to "put first things first and develop plans for how we will conduct ourselves if worst comes to worst."

The highest single defense priority is to improve the command and communications systems with which the president would control America's nuclear forces in an atomic war and to improve the chances of survival for the president or his legally designated successors.

"There should be no doubt in the minds of Soviet planners that any attempts to disconnect the national command authorities from control of American weapons in time of crisis will fail," Reed said.

The Reagan administration has made a major financial commitment to improving these functions as a way to convince Moscow that the United States would be able to respond to any first strike. But Reed went on to say that "perhaps for the first time" these functions "are now of direct concern to this president." Actually, former president Jimmy Carter issued presidential directives in 1980 that called for more effective procedures for protecting the president and better command and control over the weapons at his disposal.

[From the New York Times, June 21, 1982]

HELLO, MR. DEEDS

(By William Safire)

WASHINGTON, June 20.—The National Security Council gathered in the Cabinet Room at 1:30 p.m. on Friday, June 18, to consider whether or not to offend our European allies by denying them access to U.S. technology in the construction of that great monument to détente, the Siberian gas pipeline.

National security adviser William Clark called on Larry Eagleburger, sitting in for the Secretary of State, for the department's view. Undersecretary Eagleburger went through the defeatist litany: the West Germans insisted the deal could not be undone, and our legal position on extraterritoriality was challengeable. State recommended a "grandfather" exemption on deals made before the Polish repression.

Treasury Secretary Don Regan refrained from continuing to follow slavishly State's lead in foreign economic matters; instead, he practiced what one participant called "the William Casey Artful Mumble," generally but unquotably supportive of a harder-line view. Secretary Regan had been a good soldier at the Versailles summit, professing to be "more than satisfied" at our allies' niggardly response to our plea for restraints on credit to the Soviet Union, but evidently his eyes had been opened.

Defense Secretary Fraspar Weinlucci (Caspar Weinberger and Frank Carlucci have merged) made the case for refusing to help build the pipeline: (1) the President promised "further steps" if the Soviets did not ease up in Poland; (2) the pipleline would make the Europeans significantly dependent on the Soviet Union for energy; (3) an alternative potential supply exists in Norway; (4) the hard-currency earnings of the Soviets on this European-financed deal would enable the Kremlin to buy more Western technology.

Commerce Secretary Malcolm Baldrige hoped that we would not shoot ourselves in the foot with the denial of licenses: that sanctions might penalize the Germans and British and reward the French, who had been the most contemptuous of the U.S. position. The N.S.C. members were aware that President Mitterrand, in his post-Versailles press conference, had snatched away whatever tiny fig leaf U.S. negotiators thought they had arranged on subsidizing Soviet-bloc credit.

Then, at 1:45 with Admiral John Poindexter taking official notes, Ronald Reagan asserted himself as President of the United States and leader of the free world: "I don't want to shoot ourselves in the foot, either," he said, "but a matter of great principle is at stake. It affects our credibility with our allies and with the Russians."

Got that, Poindexter? You may not be backed up by a recorder, and you wouldn't want to miss one of your Commander in Chief's finest moments. Mr. Reagan went on to say that he had just made a speech calling on the Soviets to come up with "deeds, not words," and that he could hardly send a signal of a deed that went against his own strong words.

The President then decided not only to refuse to ease sanctions on oil and gas equipment, but to take one long-promised "further step"—to extend sanctions to foreign companies producing such equipment under American licenses. An option to exempt the Japanese for their Sakhalin oil-and-gas deal was swept aside; the Japanese, who so quickly moved in to replace Caterpillar equipment denied the Soviets when we put in sanctions, will get no further help from us in becoming energy-dependent on the Soviet Union while they reduce the Kremlin's hard-currency bind.

A group headed by Lionel Olmer at Commerce, including an expert flown in from Europe by Defense's Fred Ikle, was directed to draw up regulations to capture subsidiaries, licensees and joint ventures—even denying spare parts for technology transferred up to 10 years ago on which royalties are still being paid.

West German Chancellor Helmut Schmidt, who sees this huge gas deal as the political basis for decades of expanding East-West trade, will mutter bloody murder; but Helmut Kohl, the Christian Democratic leader most likely to replace the fast-fading Mr. Schmidt, will keep cool. Mr Mitterrand of France may take the U.S. to the World Court or pass blocking legislation, precipitating a minor trade war—or he might just back off. The irritation and the respect of other world leaders will increase as they detect an American seriousness of purpose.

Hardliners, resigned to a Haigian hegemony, are amazed and delighted; Percycats are aghast; détentniks are confounded; State's accommodationist Robert Hormats is looking for a job in private industry (and a smart miltinational should snap him up). The Russians now know that continued repression in Poland could lead to a grain embargo.

The refusal of our European allies to provide even a fig leaf at Versailles triggered the response characteristic of the "real" Reagan: to remember what he promised after the Soviet crackdown in Poland, and to support words with deeds.

WEANING JAPAN FROM SOVIETS

(By William Safire)

A Kremlin master plan to create energy dependencies in key industrial nations around the world, while turning a profit for the Soviet Union, is now becoming apparent.

In Europe, the construction of a gas pipeline to Siberia, financed by the French and West Germans, which our latest intelligence estimates say could supply up to 40 percent of European natural gas consumption within a decade, is proceeding apace. Halfhearted Reagan efforts to stop it have met with Schmidt-Mitterrand scorn, and we are now reduced to pleading with our allies not to build a second pipeline to the Soviet Union.

In the Pacific, the Russo-Japanese Sakhalin Oil Project is moving smartly along, unremarked by American strategists. Sakhalin (pronounced sock-a-LEEN) Island, off the Siberian coast, was split between Japan and the Soviet Union until Stalin shrewdly snatched the oil- and gas-rich territory at Yalta.

In recent years, the Russians have induced the Japanese to provide "credits redeemable when successful," which commits Japan to all the risk. In return, for 10 years the Japanese would get half the oil produced at a price 8 percent below oil sold in the Persian Gulf.

So far, Sakhalin exploration has been successful: 12 out of 18 wells have come in. The Japanese are responsible, under a General Agreement signed on Jan. 28, 1975, to provide all the technology and expertise needed for exploration. In 1982, the Japanese are obligated to provide about $20 million in goods and services.

But here is where the deal becomes vulnerable: The Japanese, who have been able to clobber us on most technology, and who—post-Afghanistan—readily provided the Russians with over 1,000 Komatsu tractors after our Caterpillar production was withheld, are dependent on the U.S. for oil and gas technology.

Next month, the Japanese must get from the Reagan administration export licenses for some $2 million worth of products and consultant time. Time is short; the foul weather at Sakhalin limits exploration to the summer months; the Japanese cannot do without the equipment from several Texas and Oklahoma companies or without U.S. technicians to calibrate instruments in the well-logging process.

If the Japanese cannot get these licenses from the U.S., they will be in breach of contract. In the words of an agonized Japanese paper submitted to our government, "The General Agreement does not contain any provisions excusing Japanese nonperformance due to failure to obtain U.S. export licenses for necessary equipnent and services."

Thus, for lack of a lousy two million bucks in American know-how, the Japanese could blow a deal in which their greed and supreme confidence in American acquiescense led them to put themselves in Soviet control: In their words. "a breach will cost Japan a total of over $500 million."

Resistance to accommodating the Japanese developed at the Department of Commerce. But as might be expected, the members of the Figleaf Brigade at the Department of State, who have been urging the President to remove obstacles to the construction of the Kremlin's European gas pipeline, also recommended that we grant the Japanese the export licenses they need to become dependent on the Soviet Union for oil and gas.

Just as State asks our European allies to provide a figleaf of credit controls to cover the new energy dependency, State wanted to ask our Japanese ally to think about similar controls, and to delay the delivery of a few of those Komatsu tractors, especially in view of the unemployment at Caterpillar.

At a National Security Council meeting this week, the President slipped his handlers and balked at okaying the Sakhalin deal. The fight between Ronald Reagan and his staff on this matter is still going on.

Hasn't it occurred to anybody at our National Security Council that there is a similarity between the Soviet gas deal in Western Europe and the Soviet oil and gas deal with Japan? Isn't it becoming evident that the Soviet Union is following an eco-political strategy to create energy dependencies on its eastern and western borders? Certainly there is a pattern to the way the Kremlin is getting the industrial democracies to finance Soviet energy resources that will then generate the hard currency the Soviet Union needs to buy more Western technology.

For months, State and Treasury have been telling us that it is too late to stop the Kremlin pipeline in Europe. Here, right now, is a way to delay a similar thrust in the Far East. Instead of providing the Japanese with the means to shackle themselves to Soviet energy policy, we should remind them that the Russians have never been their friends. The Sakhalin project is a trap for them and a disservice to their only superpower ally.

By the single stroke of denying these licenses, we can show the Japanese that their predatory trade practices have not gone unnoticed in the U.S.; we can show the Europeans that we are serious and consistent; and we can show the Russians that we know what they are up to and are prepared to counter them.

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

The PRESIDING OFFICER (Mr. HEINZ). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mrs. HAWKINS). Without objection, it is so ordered.

Mr. BAKER. Madam President, I ask unanimous consent that the time for the transaction of routine morning business be extended not past the hour of 5:30 p.m. under the same terms and conditions as heretofore.

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

ORDER OF BUSINESS

Mr. BAKER. Madam President, I might say for the benefit of those who may be listening on their speakers in several offices on the Senate side of the Capitol that it is still my intention to ask the Senate to turn to consideration of the message from the House on the conference report on the budget resolution this afternoon.

There are certain conversations going on now among members of committees, several committees who have particular interests in that conference report. Those meetings, I hope, will expedite the ultimate consideration of this matter by the Senate. That is the reason for the delay. Members should not assume, however, that the Senate will not take up this matter or that there will not be rollcall votes. I do expect at least one rollcall vote yet today.

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

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

THE BOEING DILEMMA

Mr. MATTINGLY. Mr. President, as Congress is still in the process of deciding what aircraft should be purchased for our future military airlift needs, I thought my colleagues would be interested in an article from the Atlanta Constitution entitled "Lockheed Grinning over Boeing Dilemma." We heard during the Senate debate the problems with unloading equipment from the Boeing 747. Now we learn that when the Army leased a 747 to fly National Guard troops, they were unable to land at Augusta, Ga.'s airport because there was no special ramp available. If a 747 cannot even deliver troops from one airport to another, what can it do? I doubt if the United States in a combat situation could depend on Greyhound delivering troops the last 100 miles to a battlefield.

I ask unanimous consent that the article to which I referred be printed in the RECORD.

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

[From the Atlanta Constitution, June 22, 1982]

LOCKHEED GRINNING OVER BOEING DILEMMA

(By John Maynard)

Boeing advocates in the congressional battle over rebuilding America's military airlift fleet might have a difficult time convincing some 400 members of the Puerto Rican National Guard that the Boeing 747 is a better buy than the Lockheed-Georgia built C-5 Galaxy.

The Boeing Co. side, which has already persuaded the Senate to buy the 747 instead of new C-5s to be built in Marietta, faces the embarrassment of having to explain to House members how a 747, couldn't unload the guardsmen at the Augusta airport last weekend.

Lockheed-Georgia Co. officials are already spreading the tale around Washington of how the Military Airlift Command chartered a 747 from TransAmerica Corp. to move the guardsmen from San Juan to Fort Gordon near Augusta. The 747, however, could not fly directly to Augusta because the airport there has no stairway for the 747, which sits 16 feet off the ground.

"A guy could break an ankle jumping from that height," a Lockheed-Georgia spokesman said Monday.

When the chartered 747 landed in Atlanta on Saturday afternoon, it parked at the Lockheed terminal and was met by eight chartered Greyhound buses. The buses then ferried the soldiers on a 2½-hour drive to Fort Gordon, where they were scheduled to begin two weeks of summer training exercises with the 67th Signal Battalion.

A Lockheed-Georgia spokesman noted that a single C-5 could have carried six of the buses from San Juan to Augusta.

The Military Airlift Command said it chartered a 747 because that was the most economical aircraft to move such a large group.

"But we couldn't fly into Augusta because the plane requires a great deal of support equipment, especially people moving equipment," said Lt. Lorrie Kropp of MAC.

"We tend to try to move people by contract. We like to keep the military aircraft to move equipment," she said.

The travel arrangements for the return trip of the Puerto Rican guardsmen on July 3 have not been made yet, Lt. Kropp said.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, in a moment, I am going to ask the Chair to lay before the Senate a message from the House on the conference report on the disagreeing votes of the two Houses on the budget resolution. Before I do that, let me say it is my hope that we can complete the debate on the conference report itself tonight, have a vote on the conference report, and save debate and consideration of the substitute, which is the item in disagreement, until tomorrow.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—CONFERENCE REPORT

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a report of the committee of conference on Senate Concurrent Resolution 92 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 concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for fiscal year 1982, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of June 21, 1982.)

Mr. BAKER. Mr. President, it is my hope that the managers on both sides will make their statements tonight and that we can proceed to vote on the conference report. I anticipate it will be a rollcall vote. It is my hope we can finish that stage of development not later than the hour 7 p.m.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I yield myself 10 minutes.

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

Mr. DOMENICI. Mr. President, after difficult negotiations, the House and Senate conferees on the first concurrent budget resolution for fiscal year 1983 have reached agreement.

This conference report retains most of the elements that the Senate-passed version of the budget contained. For example, we have been able to cap increases for many cost-of-living adjustments. We have been able to cap the size of increases for Federal pay. We have been able to keep most of the appropriated accounts at the 1982 level for fiscal year 1983.

In addition, we have outlined a fiscal path for the Government that, if fully implemented and enforced, will cut more than $378 billion from the cumulative deficits for the fiscal years 1983 through 1985.

The conference agreement mandates revenue increases of $98.3 billion during the 3 years, compared to the revenue increase of $108.3 billion requested in the Senate version. This is good news for the American taxpayer.

The conference agreement attempts to balance cuts in discretionary, appropriated accounts with reduced spending in entitlements. In fact, if you add COLA savings to other entitlement reforms, you will see that the conference agreement mandates savings of $6.6 billion in 1983 in entitlements, compared to savings of $5.9 billion in discretionary, nondefense appropriated accounts, and $7.8 billion in defense program outlay savings.

In short, this budget, if enforced, will reduce pressures on interest rates substantially, will cut the growth rate of Federal programs to about half of its present rate, and will begin essential reforms in entitlements. In these respects, this budget resolution stands as a great step toward fiscal restraint.

If this resolution is enforced, Federal spending will grow by only 4.9 percent in 1983, by 6.8 percent in 1984, and by 7.2 percent in 1985. Much of the new spending in the outyears will be in defense. In fact, domestic spending would show little growth at all.

In conference, we restored funds in many of the appropriated accounts as compared with the House resolution. I would remind my good friends on the Appropriations Committee that this was not easy, considering the nature of the conference and the nature of the House resolution.

We added money for veterans. We removed some of the more draconian cuts that the House-passed budget would have imposed on Federal programs that bore the brunt of cuts last year. But, in the aggregate, the total spending for these programs will be at about the same level in 1983 as they were in 1982.

Let me elaborate on that last point. During the so-called "Gang-of-Seventeen" negotiations, it was calculated that a strict BA freeze on all discretionary, nondefense appropriated accounts would yield a savings of $5.7 billion in fiscal year 1983. We have now negotiated a conference report that asks for savings of $5.9 billion in those items.

In fact, domestic discretionary programs are actually cut less than a freeze. The conference agreed on an outlay level for the international affairs function that is some $600 million deeper than a freeze. If we adjust for this, domestic discretionary programs are actually provided some $400 million more in fiscal year 1983 outlays than a strict freeze would permit.

Surely, this is not an enormous burden. I am sure they wish there was more in those appropriated accounts, but I think the facts and the dollar numbers are as I have stated.

What it means is that the Appropriations Committee can appropriate precisely the same budget authority in these accounts as it appropriated last year and help fulfill the promise of this budget. And, it means that for the millions of Americans who benefit from these programs, they can be assured that what they will receive in 1983 will be no less than they received in 1982, or that it should not be significantly less.

Now, to further elaborate on the question of COLA's and other entitlements, let me make a few points about the conference result. The Senate voted to freeze automatic COLA adjustments, with the exceptions of railroad retirement, food stamps, SSI, and severely disabled veterans. The conference agreement provides for a 4-percent cap on COLA's, with the exemptions I have stated, and assumes further that all veterans will be completely exempt from such a cap. The principle of capping or changing automatic increases—a prime cause of out-of-control Federal spending—has been established by this resolution if the Congress follows this madate, but the actions to be taken are less drastic than provided in the original Senate resolution.

I stress that these will not be automatic. Authorizing committees have been directed to do them but only in the typical reconciliation manner. They may save money in other ways. It appears obvious that this is the intention.

In the areas of food stamps, medicare, medicaid, SSI, and Aid to Families with Dependent Children, the conference agreement is almost a "split-the-difference" compromise between the House and Senate versions of the budget. The conference agreement asks for somewhat smaller savings in medicare than the Senate-passed budget, but still asks for substantial slowing of growth.

Mr. President, I have a variety of tables which summarize the spending compromises, the revenue compromise, and other information. I ask unanimous consent that they be printed in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. DOMENICI. Now, Mr. President, let me outline some additional facts about the budget resolution produced by the Senate-House conference.

First, the size of the deficits: This resolution provides for budget deficits totaling $353.5 billion in the 4 fiscal years starting with fiscal year 1982 and ending with fiscal year 1985. Those deficits are larger than anyone would like. Indeed, they are unprecedented. They look horrible—until you compare them to the deficits we would have if the policies recommended in this resolution were not adopted.

Mr. President, if we were to continue all present law and spending policies unchanged, we would have deficits totaling $745.6 billion in the 4 years covered by this resolution. This resolution cuts the cumulative deficits for the 4 years by $392.1 billion, so we are going a long way in deficit reducing. I wish we could have gone further, but I am convinced that this is as much as can be achieved right now.

I only hope that in the remaining days of this year, the Senate and the House will see fit to enforce and implement this so that these levels can be achieved. For those who want more, let me say that this Senator hopes we shall accomplish this much. This much will not be easy.

It is most significant that this resolution moves us off a path of rapidly rising deficits and onto a path of declining ones—not declining as fast as I would like, but I think it is the best we can do under the circumstances. The fiscal year 1985 deficit projected in this resolution is slightly less than $60 billion versus a current policy of "baseline" deficit of $231 billion in that year. In other words, the projected fiscal year 1985 deficit has been reduced by 74 percent.

Now lets look briefly at how this resolution reduces the deficits. It does it largely on the spending side. Three-fourths of the deficit-reduction actions come through outlay reductions. Only one-fourth come from revenue increases. I think this is consistent with what most Senators and most citizens would want.

There is balance in this resolution. It spreads the pain around in ways that I believe to be both appropriate and equitable. No part of the budget is excused from restraint. One of the tables I am inserting in the Record provides the details on this "spread-the-pain" point.

Let me just list the 3-year numbers for deficit-reducing actions in the major categories identified by the "Gang of Seventeen":

	Billions
Revenue Increases	$95.0
User fees:	
Revenue Increases	3.3
Spending offsets	4.2
Defense Programs Reductions	26.4
Restraint on Federal Pay Raises	26.1
Restraint of COLAs	5.4
Other Entitlement Savings	25.3
Management Savings	46.4
Savings in Non-defense discretionary programs	35.1

All of this assumes that interest would come down if all of this were accomplished and there are lower interest costs over current law in the amounts of 52.8 and 54.9—that is,

	Billions
Lower interest cost:	
Due to lower deficits	52.8
Due to lower rates	54.9
Other program reductions	3.6
Total deficit reductions (fiscal year 1983-85)	378.5

Mr. President, before I leave the subject of the deficits, I want to deal with one additional point. The deficits in the conference agreement are smaller than those in the original Senate-passed resolution by a total of $39.2 billion over the 4 years. For those who think the Senate gave too much in the conference with the House, let me point out that the House voted at 1:45 p.m. today for this budget resolution by a slim margin of 210 to 208.

From my contacts with many people in the other body over recent weeks, I can tell my colleagues the size of the deficits was a tremendous problem over there. The House came up on deficits; the Senate came down.

I do not think there is any realistic possibility that we could negotiate a budget with larger deficits or larger revenue increases that would pass the House. I say again: I am convinced this is the best budget we can produce under the circumstances.

Mr. President, there have been some allegations that the budget conferees used artificial estimates to keep outlays down in certain areas and thus hold down the budget deficits. This has, in turn, led to concern on the part of members of the Appropriations Committee and others that the upward reestimates of entitlements may squeeze out money for discretionary appropriated programs and leave the Appropriations Committee in the position of being unable to fund those programs at the levels assumed in this resolution. As I understand it, this concern is intensified by the provision in this resolution (section 7) that this first budget resolution will automatically become the second resolution on October 1, 1982, unless Congress has adopted a new second budget resolution by then.

Let me try to answer these concerns: First, there are only five areas in which the conferees did not fully accept CBO estimates. In these areas, the conferees decided to use estimates provided by the administration. These differences for fiscal year 1983 were:

Revenues: $4.8 billion. CBO was lower than conference.

Defense outlays: $1.8 billion. CBO was higher than conference.

OCS receipts: $3.8 billion. CBO was lower than conference.

Civil service retirement: $0.3 billion. CBO was higher than conference.

Interest costs: $1.8 billion. CBO was higher than conference.

In each of these categories, there are good arguments that can be made on both sides of the estimating differences. The truth of the matter is that there are large uncertainties in estimating budget outlays and revenues. I can assure the Senate that there is a reasonable basis for the numbers included in this resolution. We have not "cooked up" a lot of numbers.

Let me try to reassure those concerned about squeezing out discretionary appropriations. During the Senate-House conference, a clear record was made committing the two Budget Committees to scorekeeping in such a way that the Appropriations Committees will not have to "eat" upward reestimates in the areas in which the conferees did not use CBO estimates.

Let me quote from the official transcript of the conference, page 211:

The CHAIRMAN (Mr. JONES). I would also suggest that for scorekeeping purposes, CBO uses these economic and technical assumptions for scorekeeping. Is there any disagreement to that? (No response.)

The CHAIRMAN. Without objection, so ordered.

I assure the chairman of the Appropriation Committee and the other members of that committee that I will personally take the lead in whatever actions are necessary to permit the Appropriation Committee to have available every dollar this resolution provides for discretionary nondefense programs. This could include revising the budget resolution, changing scorekeeping procedures, or waivers under section 904 of the Budget Act.

I believe the automatic second budget resolution is a step forward. It recognizes that the Senate and House calendars are going to be very congested this fall. It recognizes that we are over a month late with this first budget resolution and that less than 90 days remains before the September 15 deadline for the second budget resolution. There is little likelihood that Congress will want significantly different fiscal policies in 90 days. If it does want to make changes, it can produce a second resolution. If it does not do so, this resolution will become the second automatically on October 1. This is not a permanent change. If it does not work well this year, Congress can go gack to two resolutions a year.

SUMMARY OF RECONCILIATION

REVENUE RECONCILIATION

The conferees adopted the lower House revenue reconciliation. It provides that revenues be increased by $20.9 billion in fiscal year 1983, $36.0 billion in fiscal year 1984, and $41.4 billion in fiscal year 1985, for a total of $98.3 billion over 3 years. Of this 3-year total, $3.3 billion is expected to come from increased user fees.

The Senate revenue reconciliation was for somewhat higher levels in each of the 3 years.

SPENDING RECONCILIATION

The conferees adopted a level for reconcilation for spending programs that was below the levels passed by both the Senate and the House in their respective resolutions.

The reconciliation spending levels agreed to by the conferees total $6.6 billion in outlays for fiscal year 1983, $9.3 billion in fiscal year 1984, and $11.3 billion in fiscal year 1985, for a total of $27.2 billion over the 3-year period. This 3-year total compares to $36 billion as passed by the Senate and $35 billion as passed by the House.

The amounts in the conference agreement are lower than the Senate-passed reconciliation for two main reasons. First, the conferees decided on a somewhat lower amount for the Committee on Finance reflecting lower estimates of achievable savings in medicare. Second, the conferees decided on a lower amount for the committees on Armed Services and Governmental Affairs, reflecting the conferees' decision to provide for a 4-percent COLA adjustment for Federal, military, and civilian retirees this year as proposed by the House, as compared to the total freeze for this year passed by the Senate.

In most other respects, the conference agreement is similar to the Senate-passed position on major items. It was agreed to drop the small amount of reconciliation that had been proposed by the Senate in programs under the jurisdiction of the Labor and Human Resources Committee and the corresponding committees in the House. However, a reconciliation instruction proposed by the House but not the Senate for the two Banking Committees was agreed to by the conferees.

The House also conceded a major point by agreeing to firm, binding reconciliation instructions for 3 years, as passed by the Senate. The House resolution technically provided reconciliation only for fiscal year 1983.

Mr. President, the remainder of my statement contains some summary information on what this budget provides for each budget function and for credit activities. It details what we did and what we intend.

[Summary]

FUNCTION 050: NATIONAL DEFENSE

The budget approved by the conference committee continues the substantial growth in funding necessary to strengthen the nation's defense capabilities. There is real growth of 9.4 percent in fiscal year 1983 budget authority and of 6.1 percent in fiscal year 1983 outlays.

The conference provides for a 4 percent cost-of-living increase for military retirees in fiscal years 1983 through 1985.

The conference provides for a 4 percent pay increase for civilian and military employees of the Department of Defense beginning October 1, 1982.

The conference agreed to use OMB outlay estimates in place of the CBO re-estimates used by the Senate. OMB estimates were used by both Houses in fiscal year 1982

FUNCTION 150: INTERNATIONAL AFFAIRS

In the International Affairs function, the House conferees agreed to come three-fourths of the way toward the Senate budget authority total for fiscal year 1983 for a total of $15.9 billion.

The conference agreement accommodates the critical Caribbean Basin Initiative ($350 million in BA; $278 million in fiscal year 1982 outlays) to bolster the economic development and security of our southern neighbors.

The conference agreement allows for a traditional continuing resolution this year that would provide for the current level or the President's request, whichever is lower. Any major increases for new requirements would have to be funded through reductions in existing programs.

In addition, there is a small allowance for somewhat higher levels than the traditional continuing resolution for top priority programs. The appropriators will determine what those top priority programs are, but it is clear that many are concerned about security assistance, the Export-Import Bank, and the operating expenses of the Department of State.

The relationship of budget authority to outlays in this function will make it easier for the appropriators to fund slower-spending programs, such as long-term development programs and the Export-Import Bank, than fast-spending quick-fix solutions.

I am convinced that the Department of State and the appropriators can get together and make sure that this $11.5 billion is reserved for the highest priority foreign policy objectives and is equitably allocated among our friends and allies. If too much goes to one or two countries, there just won't be enough to go around.

FUNCTION 250: GENERAL SCIENCE, SPACE, AND TECHNOLOGY

For basic science research and the NASA space program, the Conference Agreement is at the same level as the Senate-passed and the President's request. This function would increase by 7 percent above fiscal year 1982 levels which would provide real growth for basic science research and would maintain the space shuttle on its current schedule.

FUNCTION 270: ENERGY

For the energy function, discretionary appropriations would essentially be maintained at fiscal year 1982 levels. Spending for energy conservation, energy research and other programs would be 10 percent above the President's request. Nuclear waste user fees as passed by the Senate are also assumed.

Loan levels for the Rural Electrification Administration (REA) would be maintained at fiscal year 1982 levels as in the Senate-passed resolution. No changes in interest rates, supplemental loan ratios and the present loan evaluation criteria for REA are assumed.

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

For the natural resources and environment function the Conference Agreement would allow a 9 percent increase in discretionary programs above the President's request. This would maintain water resources, environmental protection and Department of Interior programs at fiscal year 1982 levels.

FUNCTION 350: AGRICULTURE

The Conference Agreement would allow spending for all agricultural programs in fiscal years 1982 and 1983 to total almost $23 billion. This is nearly two-thirds larger than any prior two year period.

Budget authority for discretionary programs in the agricultural function would essentially be at the fiscal year 1982 level.

FUNCTION 370: COMMERCE AND HOUSING CREDIT

The conference agreement assumes sufficient outlays in this function to accomodate the level of funding the Lugar mortgage interest subsidy bill provided in the conference agreement on the fiscal year 1982 Urgent Supplemental Appropriations bill. This emergency legislation will help over 200,000 families buy recently constructed homes and create jobs in the depressed home building industry.

The conference agreement assumes $400 million in funds for the Postal Service in each of fiscal years 1983 through 1985. The House resolution assumed no money for the Postal Service. It would allow for the continuation of subsidized postal rates, at increased levels, for many classes of mail (for example, newspapers, classroom publications, third-class bulk mailings by non-profit educational and charitable organizations and mail for libraries). Mail for the blind and handicapped would continue free of charge.

The conference agreement provides $367 million in fiscal year 1983 for Small Business Administration (SBA) business support programs. This level of funding allows $100 million for SBA direct business loans; the House resolution had assumed that the program would be eliminated. The SBA direct loan program assists small businesses that cannot obtain private loans or afford to pay high interest rates.

The conference agreement assumes user fees proposed by the President for the Patent and Trademark Office, the Commodity Futures Trading Commission and Ginnie Mae. These fees will impose more of the cost of the services provided by these agencies on private sector beneficiaries.

The conference agreement assumes $1.2 billion in savings in fiscal year 1983 from the President's proposals to charge homebuyers whose mortgages are insured by the Federal Housing Administration (FHA) a one-time, up-front premium at the time of settlement and to sell mortgage loan assets acquired in previous years under the housing for the elderly and handicapped program. The new FHA mortgage insurance premium will have little impact on the homebuyer's monthly payment and will significantly reduce the workload of the Federal government and private lenders.

The conference agreement assumes $71 million in fiscal year 1983 in reductions below fiscal year 1982 funding levels for discretionary programs such as the Patent and Trademark Office, Scientific and Technical Research, the Travel and Tourism Administration, the FCC and the FTC.

FUNCTION 400: TRANSPORTATION

The Conference Agreement continues funding for discretionary programs at the fiscal year 1982 budget authority level including an allowance for additional fiscal year 1982 supplemental appropriations such as CAB air carrier payments, FAA operations and Coast Guard operations.

The Conference Agreement is 12 percent in budget authority and 3 percent in outlays above the level requested by the President. Funding is restored for highways, Coast Guard programs, Amtrak, airport grants-in-aid (ADAP), ship construction subsidies, rail service improvement programs, and urban mass transit.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

The totals for this function would allow all discretionary programs in the function to be funded at fiscal year 1982 budget authority levels during the next three fiscal years.

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

The conference agreement allows for increased funding in key education and employment programs to improve education and employment opportunities for the neediest of our nation's citizens.

The conference agreement increases funding for elementary and secondary education by $250 million in fiscal year 1983 budget authority over the current level. This money will allow for significant increases in the compensatory education program for disadvantaged children, the education of the handicapped, vocational education, and state block grants.

The conference agreement increases funding for the Pell grant program, a student aid program targeted on the neediest of our country's college and university students, by $100 million over the amount in the fiscal year 1982 continuing resolution.

The conference agreement increases funding for training programs and job search activities for unemployed individuals by $900 million over the amount provided in the fiscal year 1982 continuing resolution. Increased funding is assumed for job training activities, for the work incentive program (WIN) for welfare recipients, for the state employment service offices, and for rehabilitation services for the handicapped.

FUNCTION 550: HEALTH

MEDICARE

During the three years 1983 through 1985, the spending in the medicare program will be reduced by $15.4 billion. These savings will reduce the projected growth in this program from 16 percent to 13 percent.

The level of savings in medicare which the Finance Committee is mandated to achieve, $11.5 billion, is the same as that passed by the House. The conferees added $3.8 billion in additional non-reconciled savings. Half of these can be achieved through adminstrative tightening by HHS.

These mandates will permit the Finance Committee to begin to restore financial solvency and fiscal control in the medicare program.

The medicaid program was reduced by $2.2 billion over three years—the Senate level. This level is only one-third of the House-passed savings. Many of the assumed savings in this program will save both federal and state dollars and do not represent a cost shift to the states.

FUNCTION 600: INCOME SECURITY

For almost every program affecting low-income persons, the lesser Senate reductions were adopted by the conferees. In food stamps, medicaid, and welfare we sustained the Senate position. These reductions were balanced by cuts in cost-of-living adjustments and medical services provider reimbursements that affect middle class individuals. The poor were not singled out for unfair treatment in this agreement.

In food stamps we adopted reconciliation instructions identical to the Senate-passed resolution—$3.3 billion in reductions over three years. These reductions can be taken from other programs under the Agriculture Committee's jurisdiction if they wish to take alternative savings.

We removed assumptions proposed by the House to cut child nutrition programs. The agreement envisions no cuts in school lunch or breakfast programs.

In subsidized housing, we assumed budget authority levels sufficient to accommodate the Senate bipartisan reform bill. The agreement calls for $15 billion more than the House position. It is our hope that Senator Garn can translate this assumption into a long overdue restructuring of low-income housing aid.

Recipients of social security, supplemental security income (SSI), and railroad retirement benefits are granted their full 7.4 percent cost-of-living adjustment in July 1982.

Recipients of civil service retirement, federal workers compensation, black lung disability, and foreign service retirement benefits receive a 4 percent cost-of-living adjustment in fiscal year 1983—instead of the freeze proposed by the Senate.

Cuts in AFDC, SSI, and child support enforcement totaling $400 million sought by the House were not agreed to.

Trade adjustment assistance and railroad retirement windfall benefits are fully funded—an increase of $150 million over the House resolution.

FUNCTION 700: VETERANS BENEFITS AND SERVICES

The conference agreement accommodates a full cost-of-living increase this year for pensioners and for service-connected disabled veterans receiving compensation benefits.

The conference agreement provides funding at the level of the President's budget request for major Veterans Administration (VA) medical programs, including medical care, research, and hospital construction.

The First Budget Resolution also provides funding at the level of the President's budget request for the administration of VA non-medical benefits with modest restraint in other non-medical activities.

The conference agreement assumes enactment of management initiatives proposed by the President, including the VA housing loan origination fee, to achieve budget savings with minimal impact on individual veterans.

FUNCTION 750: ADMINISTRATION OF JUSTICE

The conference agreement provides roughly $150 million in budget authority and outlays in fiscal year 1983 above the House-passed levels for this function.

The conference agreement would allow funding slightly below fiscal year 1982 budget authority levels for programs in this function in each of fiscal years 1983 through 1985.

FUNCTION 800: GENERAL GOVERNMENT

The conference agreement calls for funding in this function at House-passed levels.

A reduction of $200 million in funding for Legislative Branch activities is assumed. This would allow funding for Legislative Branch activities at fiscal year 1981 levels.

Also assumed is a $58 million reduction in the General Services Administration (GSA) supply activities. This savings was proposed by the Administration as part of a reorganization of the GSA which would allow GSA to be reimbursed for providing federal supply activities.

Funding is provided for all other programs in the function at fiscal year 1982 budget authority levels.

FUNCTION 850: GENERAL PURPOSE FISCAL ASSISTANCE

The totals for this function would allow all discretionary programs in the function to be funded at fiscal year 1982 budget authority levels during the next three fiscal years.

The current funding level of $4.6 billion for the general revenue sharing program is provided in each of fiscal years 1983 through 1985.

FUNCTION 900: INTEREST

The conference agreement assumes the President's savings bond legislation.

The conference agreement assumes the interest rate reduction and the interest cost savings resulting from the lower fiscal year 1982 and fiscal year 1983 deficits in the conference agreement.

FUNCTION 920: ALLOWANCES

The conference agreement assumes a 4 percent pay raise for federal employees in October 1982.

The conference agreement assumes that 50 percent of the costs associated with the October 1982 pay raise will be absorbed through savings in other activities.

The conference agreement assumes an additional 2 percent reduction in the federal workforce.

The conference agreement assumes slightly higher sales of surplus federal property than the President's request.

The conference agreement assumes an allowance for employment stimulus and unemployment legislation.

The conference agreement assumes the President's management initiative savings for improved debt collection and reductions in waste, fraud, and abuse.

CREDIT BUDGET

The conference agreement generally assumes that fiscal year 1982 appropriations act limitations on new direct loan obligations and loan guarantee commitments will be maintained in fiscal year 1983.

The conference agreement does not assume the President's proposed reductions in REA direct loans and loan guarantees, FHA mortgage insurance, or Ginnie Mae guarantees of mortgage-backed securities.

The conference agreement includes, for the first time, language providing for enforcement of the credit budget aggregates.

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

The conference agreement assumes the Administration estimates for rents and royalties on the Outer Continental Shelf.

The conference agreement assumes the President's management initiative savings for disposal of surplus federal property.

EXHIBIT 1.—CONFERENCE SUBSTITUTE—FIRST BUDGET RESOLUTION, FISCAL YEAR 1983, REVISED JUNE 18, 1982

[In millions of dollars]

Function	Fiscal year 1982		Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
050: National defense	218,200	187,550	253,566	213,966	279,483	243,283	323,650	279,000
150: International affairs	16,750	11,400	15,900	11,500	16,400	11,900	21,000	11,800
250: General science, space, and technology	7,000	7,000	7,800	7,600	7,700	7,800	7,300	7,400
270: Energy	4,800	6,400	4,800	4,500	3,950	3,300	3,800	3,000
300: Natural resources and environment	10,300	12,800	9,500	10,950	8,700	9,800	8,300	8,700
350: Agriculture	9,900	13,800	6,692	9,042	8,300	7,600	6,700	7,110
370: Commerce and housing credit	9,480	3,750	7,100	2,837	7,600	2,521	7,223	1,880
400: Transportation	20,800	21,300	21,450	19,900	21,700	19,700	22,050	19,600
450: Community and regional development	7,000	8,500	6,900	7,700	6,900	7,500	7,100	7,400
500: Education, training, employment, and social services	25,400	28,100	26,832	26,205	26,700	26,900	26,214	26,161
550: Health	78,500	73,700	79,569	77,816	91,725	86,249	103,229	98,830
600: Income security	256,792	250,300	274,797	270,895	291,042	287,531	322,373	308,858
700: Veterans benefits and services	24,800	23,800	24,560	23,823	25,746	25,017	26,752	26,497
750: Administration of justice	4,500	4,600	4,540	4,650	4,500	4,500	4,500	4,500
800: General Government	5,200	5,000	4,800	4,650	4,500	4,450	4,500	4,300
850: General purpose fiscal assistance	6,400	6,300	6,500	6,500	6,700	6,700	6,850	6,850
900: Interest	100,700	100,700	113,200	113,200	118,000	118,000	111,500	111,500
920: Allowances	2,850	800	−3,016	−2,816	−2,383	−2,033	−2,150	−1,750
950: Undistributed offsetting receipts	−31,700	−31,700	−43,100	−43,100	−48,790	−48,790	−50,280	−50,280
Total spending	777,782	734,100	822,390	769,818	878,473	821,928	960,611	881,356
Revenues		628,400		665,900		738,000		821,400
Deficit		105,700		103,918		83,928		59,956
Public debt		1,143,100		1,290,200		1,420,219		1,533,491
Change in revenues		−200		+20,900		+36,000		+41,400
Change in public debt limit		+63,300		+147,100		+130,019		+113,272

CONFERENCE AGREEMENT—FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983, JUNE 22, 1982, REVISED SENATE BUDGET COMMITTEE ESTIMATES

	Fiscal year 1983	Fiscal year 1984	Fiscal year 1985	Total fiscal years 1983–85
Summary of changes from baseline:				
Baseline deficit	182.0	216.0	232.5	
Adjustment to baseline [1]	−1.3	−1.4	−1.5	
Adjusted baseline deficit	180.7	214.6	231.0	
Deficit reduction measures:				
Revenue increases	20.0	35.0	40.0	95.0
User fees (revenue increases)	.9	1.0	1.4	3.3
Defense (except pay and entitlements) [2]	7.8	8.3	10.3	26.4
Federal pay raises	5.1	8.9	12.1	26.1
Nondefense discretionary programs	5.9	10.1	18.8	34.8
COLA's	.5	1.8	3.1	5.4
Other entitlement savings	6.1	9.0	10.3	25.4
Management savings	13.7	17.1	15.8	46.6
User fees (spending offsets)	1.1	1.4	1.7	4.2
Other program reductions	1.2	1.3	1.1	3.6
Net interest:				
Lower rates	8.0	19.1	27.8	54.9
Lower deficits	6.5	17.7	28.6	52.8

CONFERENCE AGREEMENT—FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1983, JUNE 22, 1982, REVISED SENATE BUDGET COMMITTEE ESTIMATES—Continued

	Fiscal year 1983	Fiscal year 1984	Fiscal year 1985	Total fiscal years 1983–85
Total deficit reduction	76.8	130.7	171.0	375.5
Remaining deficit	103.9	83.9	60.0	

[1] Reflects actual cost-of-living adjustment for retirement programs of 7.4 percent in July 1982 (baseline assumed 8.1 percent).
[2] Assumes lower OMB estimates of defense outlays (baseline assumed higher CBO estimates).

RECONCILIATION BACKUP TABLES, JUNE 21, 1982 (REVISED)

TABLE 1.—RECONCILIATION BY FUNCTION

[In millions of dollars]

	Senate Committee	House Select Committee	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
			Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Function 050: Military retirement COLA	Armed Services	Armed Services	−212	−212	−691	−691	−1,228	−1,228
Function 370: FHA premiums	Banking	Banking		−695		−697		−687
Function 400: Coast Guard retirement COLA	Commerce	Merchant Marine	−4	−4	−15	−15	−27	−27
Function 550:								
Medicare	Finance	Ways and Means		−3,162		−4,122		−4,240
Medicaid	Finance	Energy and Commerce	−513	−674	−739	−737	−812	−808
PHS retirement COLA	Armed Services	Armed Services, Energy and Commerce	−1	−1	−2	−2	−3	−3
Total, function 550			−514	−3,837	−741	−4,861	−815	−5,051
Function 600:								
Food stamps	Agriculture	Agriculture	−779	−779	−1,083	−1,083	−1,428	−1,428
AFDC	Finance	Ways and Means	−390	−390	−400	−400	−401	−401
SSI	Finance	Ways and Means	−158	−158	−254	−254	−368	−368
Child support enforcement	Finance	Ways and Means	−45	−45	−51	−51	−159	−159
Civil service retirement (non-COLA)	Governmental Affairs	Post Office and Civil Service		−104		−136		−160
Civil Service retirement (COLA)	Governmental Affairs	Post Office and Civil Service		−270	−240	−917	−534	−1,633
Foreign Service retirement COLA	Foreign Relations	Foreign Affairs, Post Office and Civil Service.		−2	−2	−8	−4	−15
Total, function 600			−1,372	−1,748	−2,030	−2,849	−2,894	−4,164
Function 700:								
Veterans' pensions COLA	Veterans' Affairs	Veterans' Affairs			−87	−80	−150	−148
Veteans' compensation	Veterans' Affairs	Veterans' Affairs			−68	−75	−5	−7
Unspecified entitlement reductions	Veterans' Affairs	Veterans' Affairs	−77	−77				
Total, function 700			−77	−77	−155	−155	−155	−155
Grand total, reconciliation			−2,179	−6,573	−3,632	−9,268	−5,119	−11,312

TABLE 2.—Reconciliation by Senate Committee

[In millions of dollars]

	Function	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
		Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry: Food stamps	600	−779	−779	−1,083	−1,083	−1,428	−1,428
Armed Services:							
Military retirement COLA	050	−212	−212	−691	−691	−1,228	−1,228
PHS retirement COLA	550	−1	−1	−2	−2	−3	−3
Total, Armed Services		−213	−213	−693	−693	−1,,231	−1,231
Banking, Housing, and Urban Affairs: FHA premiums	370		−695		−697		−687
Commerce, Science, and Transportation: Coast Guard retirement COLA	400	−4	−4	−15	−15	−27	−27
Finance:							
Medicare	550		−3,162		−4,122		−4,240
Medicaid	550	−513	−674	−739	−737	−812	−808
AFDC	600	−390	−390	−400	−400	−401	−401
SSI	600	−158	−158	−254	−254	−368	−368
Child support enforcement	600	−45	−45	−51	−51	−159	−159
Total, Finance		−1,106	−4,429	−1,444	−5,564	−1,740	−5,976
Foreign Relations: Foreign Service retirement COLA	600		−2	–	−8	−4	−15
Governmental Affairs:							
Civil Service retirement (non-COLA)	600		−104		−136		−160
Civil Service retirement COLA	600		−270	−240	−917	−534	−1,633
Total, Governmental Affairs			−374	−240	−1,053	−534	−1,793
Veterans' Affairs:							
Veterans pensions COLA	700			−87	−80	−150	−148
Veterans compensation	700			−68	−75	−5	−7
Unspecified entitlement reductions	700	−77	−77				
Total Veterans' Affairs		−77	−77	−155	−155	−155	−155
Ground total, reconciliation		−2,179	−6,573	−3,632	−9,268	−5,119	−11,312

TABLE 3.—RECONCILIATION BY HOUSE COMMITTEE

[In millions of dollars]

	Function	Fiscal year 1983		Fiscal year 1984		Fiscal year 1985	
		Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Agriculture: Food stamps	600	−779	−779	−1,083	−1,083	−1,428	−1,428
Armed Services:							
Military retirement COLA	050	−212	−212	−691	−691	−1,228	−1,228
PHS retirement COLA	550	−1	−1	−2	−2	−3	−3
Total, armed services		−213	−213	−693	−693	−1,231	−1,231
Banking, Finance, and Urban Affairs: FHA premiums	370		−695		−697		−687
Energy and Commerce:							
Medicaid	550	−513	−674	−739	−737	−812	−808
PHS retirement COLA	550	−1	−1	−2	−2	−3	−3
Total, energy and commerce		−514	−675	−741	−739	−815	−811
Foreign Affairs: Foreign Service retirement COLA	600		−2	−2	−8	−4	−15
Merchant Marine and Fisheries: Coast Guard retirement COLA	400	−4	−4	−15	−15	−27	−27
Post Office and Civil Service:							
Civil service retirement (non-COLA)	600		−104		−136		−160
Civil service retirement COLA	600		−270	−240	−917	−534	−1,633
Foreign Service retirement COLA	600		−2	−2	−8	−4	−15
Total, Post Office and Civil Service			−376	−242	−1,061	−538	−1,808
Veterans' Affairs:							
Veterans' pensions COLA	700			−87	−80	−150	−148
Veterans' compensation	700			−68	−75	−5	−7
Unspecified entitlement reductions	700	−77	−77				
Total, Veterans' Affairs		−77	−77	−155	−155	−155	−155
Ways and Means:							
Medicare	550		−3,162		−4,122		−4,240
AFDC	600	−390	−390	−400	−400	−401	−401
SSI	600	−158	−158	−254	−254	−368	−368
Child support enforcement	600	−45	−45	−51	−51	−159	−159
Total, Ways and Means		−593	−3,755	−705	−4,827	−928	−5,168
Gross total, House committees		−2,180	−6,576	−3,636	−9,278	−5,126	−11,330
Remove double counting:							
PHS retirement COLA	550	+1	+1	+2	+2	+3	+3
Foreign service retirement COLA	600		+2	+2	+8	+4	+15
Total, double counting		+1	+3	+4	+10	+17	+18
Grand total reconciliation		−2,179	−6,573	−3,632	−9,268	−5,119	−11,312

Mr. DOMENICI. Mr. President, I ask unanimous consent that the presence and use of small electronic calculators be permitted on the floor during consideration of conference report 97-478 of Senate Concurrent Resolution 92.

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

Mr. DOMENICI. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on the Budget and of several Senators be granted the privilege of the floor during consideration of the conference report:

MAJORITY STAFF

Rich Bartholomew, Steve Bell, Sid Brown, Michael Carozza, Jack Conway, Gail Cowper, Becky Davies, Pete Davis, Charles Flickner, Gail Shelp Fosler, Tom Foxwell, Bob Fulton, Laurie Greene, Paul Heilig, David Hooker, Cheryl Janas, Jan Grassmuck Lilja.

Deborah Swartz Lipman, Terrence Lyons, Jeff Malashock, S. Anthony McCann, Carole Baker McGuire, Nancy Moore, David Nummy, Elise Paylan, Mary Payne, Joyce Purcell, Chuck Riemenschnieder, Robin Seiler, Alan Struthers, Diane Tebelius, Marilyn Turner, C. G. Nuckols, Paul Van der Water.

MINORITY STAFF

Liz Tankersley, Bob Sneed, Marty Kress, Tom Sliter, John Nelson, Ann Hadley, Dorothy Blocklin, Steven Palmer, Rick Brandon, Ken Apfel, Kem Stokes, James Stasny.

OTHER STAFF

Tim Baade, Judee Burnell, Merritt Chesley, Elizabeth Farcht, Tish Niffenegger, Mary P. Gassman, Patricia Hameister, Kathryn Hamilton, Sandi Hughes, Margaret Janowski, Gina Knoll Mellen, Anne Miller, Ronald Newlin, Lisa Ostapczuk, Debbie Paul, Susan Yurko, Pat Hollingsworth, Carolyn Barber, Debbie Goerlich.

Richard Billmire on behalf of Senator Armstrong.

Guy Clough on behalf of Senator Kassebaum.

Lillian Saunders on behalf of Senator Boschwitz.

John Craddock on behalf of Senator Tower.

Elise Paylan on behalf of Senator Kasten.

Barbara McLennon on behalf of Senator Quayle.

Bob Thomas and Dianne Tebelius on behalf of Senator Gorton.

Dave Sullivan on behalf of Senator Symms.

Kris Kolesnik on behalf of Senator Grassley.

Hayden Bryan on behalf of Senator Hatch.

Rick Brandon on behalf of Senator Chiles.

Dick Andrews on behalf of Senator Biden.

Laura Hudson on behalf of Senator Johnston.

Lance Simmens on behalf of Senator Sasser.

Carolyn Kamlet and Bob Hamlin on behalf of Senator Hart.

Thom Hall on behalf of Senator Metzenbaum.

Don Campbell on behalf of Senator Riegle.

Rob Shapiro on behalf of Senator Moynihan.

Jan Oberg on behalf of Senator Exon.

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

Mr. DOMENICI. Mr. President, in my remarks I referred to using the Department of Defense estimates on imilitary spendout, function 050, and on OCS indicated that we had gone with the administration instead of CBO. In that regard I have a letter dated June 22 from Secretary of Defense Weinberger directed to me wherein he says:

Realizing the extreme importance of the budget resolution and urgency of actions necessary to complete the effort, I thought it would be useful to assure you of the credibility of the administration's outlay estimating methodology.

This same methodology, which was used in the fiscal year 1982 outlay estimates, has achieved results at the end of the third quarter which confirm the analyses, assumptions, and methodology.

If I can be of further assistance on this matter, please do not hesitate to call upon me or my staff for such assistance.

I have a similar one from the Secretary of the Interior which indicates, among other things:

Our reviews show no reason to question the validity of the fiscal year 1983 OCS receipts estimate of $15.7 billion contained in the April update to the President's budget.

Mr. President, I ask unanimous consent that the letter be printed in full.

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

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., June 21, 1982.

Hon. PETE V. DOMENICI,
Chairman, Committee on the Budget, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Recent developments in the world oil market and possible delays resulting from litigation have caused the Department of the Interior to evaluate the Administration estimate of anticipated receipts from our Outer Continental Shelf leasing program.

We have also examined the assumptions and methodology employed by the Congressional Budget Office in generating its estimate of OCS receipts.

Our reviews show no reason to question the validity of the fiscal year 1983 OCS receipts estimate of $15.7 billion contained in the April update to the President's Budget. We still believe our estimate to reflect the most probable level of receipts in fiscal year 1983. The Administration estimate is $3.8 billion above the corresponding CBO estimate of $11.9 billion.

If I can be of further assistance in clarifying this matter, please let me know.

Sincerely,

JAMES WATT,
Secretary.

Mr. HOLLINGS. Mr. President, I yield myself such time as is necessary. It is difficult to know where to begin. Let me say to my distinguished chairman and colleague, Chairman DOMENICI, that he might want to check with our colleague from Ohio. We have only 10 hours on the resolution.

I want to cooperate in order to get a vote on the resolution this evening and then proceed to the amendment itself in a nature of the substitute passed by the House this afternoon. That would limit our time tomorrow to 1 hour evenly divided on that particular amendment. I can assure our colleagues that the Chairman and I are not trying to crowd our colleagues into any kind of limited debate. If we can confer with the leadership on both sides, we will likely get an agreement to put some time over until tomorrow so we can debate the guts of this resolution before the entire Senate for more than an hour. The vote this evening is just the first page of the report, the general language itself.

With respect to this, Mr. President, it is difficult to know where to begin. I hesitate to comment upon this difficulty because I hear statements from the distinguished chairman which I know are not quite on target. And yet I know there is no one more sincere and no one who has worked more diligently to try to bring about a budget resolution than our distinguished chairman.

There are two things that immediately come to mind, and that is in trying to gain cooperation for a resolution on this side of the aisle, Chairman DOMENICI makes two observations: We tried, but we could not get the votes. Mr. President, we had to do it this particular way. Let me comment on the fact that we have tried and could not get the votes.

The fact of the matter is that the Democrats did try and attempts were made, in a bipartisan fashion, to develop a true Senate resolution. Without recalling the entire history of the year, after the President submitted his budget in January, we tried and our attempts would not fly. The Senate could reach agreement on no approach.

We then came together as the "Gang of 17" to work in a bipartisan fashion. We tried that for a dozen or so meetings—Chairman DOMENICI and myself, representatives from the White House, the House side, Republicans and Democrats. But that process broke down.

Thereafter, when we had in essence the voting down of the President's budget, we had the budget process invaded by the White House and ransacked so that Democrats have been on the outside of this process since that particular time. And this strategy of the administration has made a farce of all congressional actions on the budget.

(Mr. HUMPHREY assumed the chair.)

Mr. HOLLINGS. I refer particularly to the article published in today's Washington Post by former Secretary of the Treasury William Simon entitled "Sham, My Friends, All Sham." I ask unanimous consent that the article be printed in the RECORD.

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

"SHAM, MY FRIENDS, ALL SHAM"

(By William Simon)

You know what the very worst thing about Congress is? Incompetence? Irresponsibility? Cowardice? They're bad all right and, also, all very much in abundance. But voters soon recognize these traits, and it doesn't take long to turn the rascals out.

But, where we get into trouble, where we can get taken year after year, where we are so quietly fooled is in the fine art of congressional sham. You've seen it time and again; after a lot of huffing, heaving, howling and hollering, the Congress acts! Hooray, they all cry, we did it. And we poor folks out there, who have to live under the laws these fellows pass, sort of bask in the afterglow of their self-congratulations. Last week, you could almost palpably feel, not just hear, the collective sighs of relief that passed from one end of the country to the other when the House passed a budget resolution.

Sham, my friends, all sham.

First, there was the disgraceful performance itself. The delay, the partisanship, the bickering, the cavalier dismissal of any sense of responsibility was appalling. The debate declined to a point at which one senator lost his cool. He shouted at his colleagues, "Who are we kidding? Only Congress can appropriate money. We created this problem. I hope the American people are smart enough to place a plague on both parties if this continues. . . . We should start facing up to the nature of the problem, and I do not care which side of the aisle faces up to it. There should not even be an aisle on the issue."

I'm sick and tired of hearing modern-day congressmen, analysts and pundits claim that progress in Congress has resulted from the adoption of more responsible budget procedures over the past 10 years.

I'm not prepared to judge whether policy decisions were better or worse for having been made over a bottle of bourbon and branch water in Sam Rayburn's office. And, I don't much care what Wilbur Mills did in his off hours, but can you imagine either of these two gentlemen and hosts of others risking the American economy, American financial institutions and indeed the well-being of all Americans by tolerating the performance that went on in the House of Representatives this year?

Then there's the budget resolution itself. Believe me, you can abandon the notion that we now have a budget, even assuming a quick compromise between the Senate-passed initial resolution and the House-passed resolution of last week. Remember that these resolutions, woefully late, are simply the first and easiest step of the budget process and have never—I repeat, never—been lived up to. Now it is incumbent upon our elected representatives to begin the real work, the department-by-department, program-by-program, line-by-line analysis. Because, now these two estimable bodies, having set an upper limit on deficit but having shied away from any specific revenue-raising measures face the task of passing a real budget to meet these goals.

And guess what? They've already failed! This is no exaggeration. Already the Congress has made short shrift of its own targeted budget deficit by rushing through the hoppers what I'm sure will be the first of several "urgent supplemental appropriations." The first one is for a $3-5 billion mortgage subsidy program over the next five years to help the ailing housing industry. The next little boondoggle wending its way quickly through congressional halls is a little gimmick in which Uncle Sam (read: you and I) will issue some promissory note that, in essence, goes to any thrift institution whose net worth falls under 2 percent of its assets. These notes will make up the difference, i.e., create solvency. Can there be any doubt, given the state of thrifts today, that this one can cost us untold billions?

Now that's congressional action in the last few weeks, and the legislators have only begun. It is still four months until election day as our law-makers become office-seekers pursuing their first priority, the retention of their seats. And, look at all the ailing industries! Why there's steel, the autos, the aircraft builders and the airlines and lots more. How can Congress, in an election year, let them suffer the results of their own mistakes? And, of course, there's the usual march on Washington by all the various groups who feel put upon with their lot in life and whose cases seem so poignant just before election, almost any group which can muster sufficient political clout to get Congress to start an entitlement program.

And yet with all the back-slapping and hand-shaking last week you would have thought we had a budget. Sham! And shame!

And all the while interest rates soar, the stock market declines, bankruptcies are at the highest level since the great depression, unemployment rises and the economy stagnates. Is it any wonder that even some liberals turned on the philosophy that somehow converted a desire into a government-guaranteed right. John F. Kennedy said, "Everytime we try to lift a problem from our own shoulders, and shift that problem to the hands of the government, to the same extent we are sacrificing the liberties of our people." And New York's Mayor Koch commenting on all of these entitlement program advocates said, "I don't believe in half their crap—that government solves all problems. I once believed that. I have contempt for government. I should know—I'm in it. When you remove the profit motive, that's what happens. You remove the penalty. There's always someone there to pick up the deficit."

Yet, here we sit while this annual budget charade passes before our eyes and we let it continue. We let them get away with it and what's more we even laugh at the jokes about Congress. Mark Twain derided them ". . . there is no distinctly American criminal class except Congress." A wily fur trapper in the 1800s observed that people are the only animals in the world that can be skinned more than once."

Americans have grown accustomed to getting skinned very election year by members of Congress who fatten their reelection prospects by sacrificing the nation's general good as they seduce those groups which can be helpful politically.

I suppose we shouldn't really complain. We are getting exactly what we voted for and, therefore, what we perhaps deserve.

Mr. HOLLINGS. Mr. President, the distinguished former Secretary of the Treasury, Mr. Simon, takes the Congress to task, and I mean the entire Congress. In fact, he is finding out and pointing out, as he refers to us, about "incompetence," there is an abundance of that; "irresponsibility," there is an abundance of that; "cowardice," he finds that all very much in abundance; and finally near the end of the article he finds us, quoting Mark Twain as "there is no distinctly American criminal class except Congress." So we end up not only as cowards but as criminals.

It could be that we have not done the job. I would agree with my distinguished friend, the former Secretary of Treasury, that we have not done the job. But I take it from his article that he finds the Congress as the one at fault. The fact of the matter is that in trying to fix the responsibility—and there is plenty of blame to go around—but if you want to really fix that responsibility, it would have to be on the executive branch and the President himself.

Why do I say that? Many of us come here with some experience, and one of the great experiences you get as the mayor of a city, or as a Governor of a State, is to know the capability of a legislative body or general assembly, and, in this case, the capability of the Congress.

When you develop a consensus for some $425 billion in deficit reductions over a 3-year period, to be achieved either through reduced spending or increased revenues, then you have asked for a mammoth task that a Congress, generally speaking, is incapable of performing by itself.

The answer is one which anyone can understand: it is not cowardice and not the lack of courage, not the lack of competence, nor the lack of responsibility. It is the dynamics of the legislative political process. On the House side there are some 435 all running for reelection. This is June, and they are running for reelection in November, and they have specific records with their constituents back home. They have voting records on defense, entitlements, tax cuts, and they feel a responsibility, having worked hard for their constituents, to justify that record. Where is the responsibility on that individual Congressman, if you please, to come up with some $425 billion in savings?

I tried to explain this to the White House. I told Jim Baker when we got together in the "Gang of 17," which chaired for over a dozen times, I said, "Mr. Baker, your task is the economy." By that I mean you have got to put a credible, comprehensive proposal on the table that the public can believe and that solves the problem.

Once that is understood, Mr. President, that the President has a good program, then the phones will ring and public opinion will say to individual Senators and individual Congressmen, "I don't care how you voted last year. Here we have an opportunity to get the deficits down, get the interest rates down, and the country moving. And I want you to vote that way."

That is not the message today as we meet on this budget because this conference report does not contain a credible, comprehensive program.

Why do we not have a credible product to approve and why could any Democrat not sign it? We are a conscientious group. We feel keenly our responsibilities on the Budget Committee, particularly myself. I realize the predicament our distinguished chairman finds himself in. I tried to recommend an equitable, shared sacrifice, an across-the-board freeze. I submitted that back in February and I have been updating ever since to keep it current. I was ready to submit that budget plan in the conference and I would submit it as a substitute today if we could get the votes, to do exactly what I described the President should do. I am not in that position.

I ask unanimous consent that the budget plan dated June 16, 1982, be included in the RECORD at this point.

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

BUDGET PLAN

	Fiscal year 1983	Fiscal year 1984	Fiscal year 1985
Baseline deficits	181	215	231
Spending changes:			
1. COLA's—One year freeze (beginning January, 1983) on all COLA's except for food stamps and SSI; 4 percent cap on COLA's in 1984 and 1985	5	18	26
2. Pay—One year freeze on federal pay military and civilian; 4 percent cap in 1984 and 1985	7	11	14
3. Management savings—CBO estimates of Administration proposals; one-half of waste, fraud, and abuse and land sales proposals	7	9	9
4. Nondefense discretionary—Current law for all programs plus essential increases in selected propgrams such as law enforcement, job training, education, and highways	2	7	13
5. Entitlements—Selected cuts in medicare, medicaid, AFDC food stamps, GSL, revenue sharing	3	5	7
6. Interest savings:			
Market effect, (lower rates)	11	24	35
Debt Service, (lower deficits)	3	18	29
7. Defense—6 percent real growth	7	11	17
8. Total spending changes	45	103	150
9. REVENUES—Assume increases over current law by repealing July 1, 1983, 10 percent cut; repeal indexing; ACRS reform; repeal of safe-harbor increased collection; leasing; strengthen minimum corporate tax; tax compliance; other small increases	21	59	81
10. Total deficit reduction	66	162	231
11. Remaining Deficits	115	53	0

TAX PROPOSALS

[Fiscal years, billions of dollars]

	1983	1984	1985
Eliminate 3d year (10 percent of tax cut)	7.5	32.9	35.9
Eliminate indexing			9.8
Strengthened corporate and individual minimum tax	2.0	4.0	4.0
Accelerate corporate tax payments	1.4	1.7	.9
ITC basis adjustment to eliminate negative tax rates	.7	1.3	2.6
Eliminate 1985–86 ACRS changes			1.7
Repeal leasing	2.9	4.6	6.5
Tax compliance bill	4.3	5.8	7.0
Increase floor under medical and casualty loss deductions and repeal separate $150 deduction for insurance premiums	.4	2.2	2.5
Modified coinsurance compromise between industry and administration	1.5	1.7	2.0
Consumer interests—repeal deduction in excess of investment income (2,000 excluded, mortgage and business interest excluded)	.4	2.8	3.0
$200/month cap on exclusion for employer paid medical expenses		2.0	5.3
Total	21.1	59.0	81.2

Mr. HOLLINGS. I thank the distinguished Presiding Officer.

That is the approach I wanted to use, but that is not in the ball game. Why not? Because the President invaded and ransacked this budget process. It is ironic for him and Bill Simon to talk about courage and cowardice, or this being a Mickey Mouse operation. I take deep exception to their comments. The President submitted his budget and it was voted down. Then they worked with David Stockman and developed some figures for the Budget Committee report. That is when the stonewall began. I have never had that feeling before. Maybe we did it that way, but I do not recall any instance of it.

The budget finally was reported but even the Republicans, Mr. President, objected to it. When it came time for floor consideration, they used the unique approach of having the Senate here but being in recess for 2 days while they were right down the hall, working on budget No. 3. The first was the President's budget, then No. 2 was the Domenici/Budget Committee budget and now No. 3 was the one that they finally, after 2 days, brought out to the Senate floor.

This document before us is not a budget but a very clever, contrived political instrument. It is a political instrument in the sense that they arranged to take care of the necessary concerns. Then, once they had the necessary votes, they go out of recess and back into regular session and then vote straight down the line. I think the railroad retirement amendment was the only one that got by them. But that would not fly over on the House side; BOB MICHEL's budget was voted down and Mr. Stockman went to work on the Latta budget. They brought that out after all the political ducks were in line and it passed.

So this conference report was born of two political instruments and it is not surprising that the conference report is anything else.

Mr. DOMENICI. Before doing that, will the Senator yield 30 seconds for one observation?

Mr. HOLLINGS. Yes, sir.

Mr. DOMENICI. The Senator was accurate, except as to the modification that he referred to that we worked out when we recessed for 2 days. The Director of OMB was not involved in that. The Senator could call that Domenici, call it Domenici-Baker, call it consensus Republican, but he was not involved in that.

Mr. HOLLINGS. I stand corrected. These fellows are taking on bad habits. They better watch out who they associate with. They are acting like him, that is the trouble.

Mr. DOMENICI. We just asked our people what they could support. The Senator is right on that.

Mr. HOLLINGS. I see. In any event, the conference agreement understates the true size of the deficit. If all the policy assumptions in the resolution become law, which is highly improbable, the deficits estimated by CBO would be $113.8 billion in 1982, $116.4 billion in 1983, $104.6 billion in 1984, and $92.7 billion in fiscal year 1985. According to the CBO, the conference agreement overstates revenues—even with the $98 billion increase in revenues for assumed tax increases—by $39 billion over the fiscal year 1982-85 period. The conference agreement understates outlays by $35 billion in this same period. CBO estimates of the spending are also rejected in the agreement leading to artificially lower spending totals in areas such as defense, which is lowered or understated by $8.9 billion, OCS receipts by $11.4 billion, civil service retirement by $1.3 billion, social security by $0.4 billion, unemployment insurance by $0.6 billion, the Federal Deposit Insurance Corporation by $0.1 billion, and interest costs by $11.9 billion.

In addition to underpricing the defense budget, Mr. President, the conference agreement assumes unrealistically low inflation in defense procurement and it ignores the historical cost growth of weapons programs due to ineffective procurement policies, engineering changes and the like.

What this refers to is the cost history on 50 major procurement programs. I am enlightening your memory now, Mr. President, on this issue. The Selected Acquisition Reports of the DOD identify about 50 procurement items that had been originally scheduled to cost roughly $145 billion. Well in February, all of a sudden DOD estimates that the systems may cost $325 billion. How does that occur? It occurs here on the floor of the Senate. And how does it occur on the floor of the Senate? By just adopting this kind of budget which underprices the inflation rate in defense procurement contracts. It is not very difficult for many of my colleagues to support this reckless procedure. It is for me. We say, we are going to put budget watchguards over at the Pentagon. We pass the Nunn amendment—which is a good policy—telling the Pentagon to report back to us when they have program problems. We talk of stopping Defense waste, fraud and abuse. We are going to do this and we are going to do that. But where does it start? Right here on this vote that we will have in a little while and again tomorrow. Because we are the ones putting these things in Defense programs that we later call waste, fraud, and abuse or cost overruns. We are creating the problem right here and now in this conference agreement. Let us look at some of these problems.

The defense budget in the agreement assumes 50 percent absorption of the DOD pay raise, a historically unprecedented level. The 10-year average absorption is about 20 percent and in fiscal year 1982, no absorption was required for the DOD pay raise.

In the Armed Services Committee, when the senior Senator from Mississippi (Mr. STENNIS) was the distinguished chairman for many, many years, we never pushed for over 20 percent absorption. But when we had that 20 percent and when the DOD absorbed it as required, what occurred, they cut readiness—operations, maintenance, ammunition—all the things we find ourselves so deficient in today.

How is that caused? What happens? We will hear big talks about big items of procurement and little-bitty items of weaponry. Some do not want big carriers; they want little carriers. Do not buy big tanks; buy little tanks. Be prepared to fight Peru or Sri Lanka. But the accent on procurement, all procurement, undermines readiness and our ability to fight is eroded.

I can tell the Senate when the readiness costs disappear. They disappear right here because of a 50-percent absorption requirement.

The combination of high absorption and unrealistic outlay estimates could lead to cuts in defense readiness next year of over $3 billion more than contained in the conference report. Underestimates of defense spending nearly always are made up for by cutting readiness programs.

What this Republican conference agreement for defense amounts to is the "cut defense readiness" budget.

Mr. President, you think things are bad in Defense? Well hold on, they get worse. Now, watch. It is going to be like tying the cats by the tails and throwing them over the clothesline. They will be scratching and clawing at each other after the Fourth of July recess when the Finance Committee reports on the floor—on July 12, with a tax increase bill. They are supposed to find, I believe, about $22.3 or $23 billion in user fees and increased taxes. That is when the difficulties start, not only with the Finance Committee but also with the Governmental Affairs Committee and with the Agricultural Committee. Look at this list.

The conference agreement assumes more savings in entitlement programs than it requires to be saved through reconciliation. In fiscal year 1983, for instance, the budget assumes cuts in medicare of $3.6 billion, yet the Finance Committee is directed to save only $3.16 billion. Similarly, the budget assumes cuts in food stamps of $949 million yet requires the Agriculture Committee to save only $779 million. Further, guaranteed student loans are assumed to be cut yet there is no reconciliation directive to the Labor and Human Resources Committee at all. One vote says we cut students' assistance. The other says we did not reconcile it or direct the Labor Committee to do anything, and you can bet your boots it will not occur. This lack of enforceability is a critical flaw in this budget resolution.

The budget assumes $7.5 billion in user fees similar to those in the House-passed budget. Many committees rejected similar user fees last year and these user fees are not reconciled to any committee, thereby further decreasing the likelihood that any will become law.

The budget assumes large unspecified reductions in programs ranging from foreign aid to general government. As was demonstrated last year, unspecified savings have an uncanny ability to disappear at the last moment.

That is a euphemism. We cannot find the money. We have met, and we cannot meet any of these needs any longer, and we have to get something on the floor, so we put in a figure of unspecified savings and we vote on it, as though we do it in a studied fashion and in a serious vein, and we destroy the credibility.

The distinguished chairman of our Budget Committee counters and says:

Senator, if you think this is so bad, I will bet you this budget is not any more out than what the budget was when you were the chairman, when we had predicted a balanced budget and ended up with almost a $60 billion deficit.

I do not think that is the test, but let us look at it as if it were the test. The test was that at the time we passed that budget we did not see the effects of a jump in oil prices from $14.50 a barrel up to $22.50 a barrel. By the end of the summer, we had been kicked into a recession, so we predicted in August, even though the resolution took until November, a $27 billion deficit.

Then, we had called for $20 billion in reconciliation, and were able to get, with a lame duck Congress, only $8 billion of the $20 billion; we missed by $12 billion. So of the $58 billion actual deficit, we misjudged it by only about $18 billion.

The point is that I can explain, after the fact, the change in circumstances, that caused the miscalculation. But in this budget, the miscalculation is built in. We know what the miscalculations are right now.

I think that is a very poor way to approach budgeting.

Talking about budget deficits, we always used to cite the $66 billion deficit of President Ford. At least, we did so for 4 years under the Carter administration, to say we are never going to go that high again. That is how we were elected in 1976, with the $66 billion deficit. It was a vivid, clear lesson.

So, with all the so-called tax and tax and spend and spend Democratic Congresses we never exceeded $66 billion, did we? No. We are talking here with pride.

I appeared with David Stockman the other day and was shocked. He said the administration would be happy, would be overjoyed, to have a deficit next year of $100 billion. I never thought we would even talk in those terms. I could not believe my ears.

I should also point out that the reconciliation amounts we talked about shall constitute, if we do not have a second resolution by October 1—the second resolution and be binding. So we are getting a binding resolution here, and I think that should be emphasized.

Despite all its faults, House Republican Leader ROBERT MICHEL has said of this conference report,

"With all the blood, sweat and tears that went into this thing we can sell some people on swallowing hard and voting for it in sufficient numbers.

Maybe so. But he will not be able to sell the Nation on the insufficient numbers the budget itself contains. This budget it a squandered opportunity. It wastes the chance to make some honest corrections in the economy. It is not tough enough. We had a chance to do better.

Just 2 days after the President released his February budget, I offered a substitute. My plan was tough and credible. But it was also fair and reasonable, a plan Federal Reserve Chairman Paul Volcker said. "would have a galvanizing effect on the markets." The plan contained three central features.

First, it would have moderately reduced the growth in defense spending without jeopardizing readiness. The fact is no matter how much we might be willing to spend, we can only buy so much in a given year. As evidence of that, I would point to the $33.8 billion in unobligated balanced for defense at the end of fiscal 1982. That figure would have grown to $43.1 billion under the President's February defense budget for fiscal 1983.

Second, my plan would have put a 1-year freeze on the automatic cost of living adjustment (COLA) on social security and several other entitlement programs. The social security COLA freeze would have been a temporary, specific suspension of benefit increases—not a cut in benefit. And it would have produced results, strengthening the trust funds without inflicting hardship on beneficiaries.

It is important to remember that the automatic cost-of-living increase was not even put into operation until 1975. We did not increase social security in the Great Society when Lyndon Johnson provided the last balanced budget in 1968–69.

The temporary freeze would have not been a penalty directed at anyone. Rather, it would have been a realistic way of preventing inflation-driven annual increases from threatening the welfare of either the beneficiaries or the system itself.

Third, my plan would have canceled the third installment of the Kemp/Roth tax cut. It was not a step to increase taxes, but rather would have simply let stand the two tax cuts already provided under last year's tax legislation. But that feature of my plan met intractable opposition from the White House.

I argued—and continue to maintain—that whatever modest gain taxpayers might derive from a slightly smaller tax bill, they will lose still more to deficit-driven high interest rates on anything they put on credit. If there is any doubt about the relative tradeoff between a tax cut and high interest rates, consider this example.

A one-earner married couple with two dependents and an income of $20,000 will receive $371 in calendar 1983 as a result of the tax cut. Let's say that same family has a mortgage of 17 percent. If that mortgage rate declined to 14 percent—a rate estimated by a Salomon Brothers economist as the level necessary to trigger a recovery in the housing industry—that family would save $1,685 annually on a $60,000 mortgage.

This is, of course, only an illustration. But there is a sizable difference between the $371 the family will get because the President has stubbornly insisted on his tax plan, and the $1,685 the family will not get because the President has stubbornly insisted on his tax plan.

If we had cut the deficit by eliminating the third year of the tax cut, people could have profited more from lower interest rates than from the tax cut itself.

The President would argue, as he has so many times before, that the tax cut will lead to greater personal savings upon which business will be able to draw for investment in job-producing expansion.

Will it?

The evidence suggest that families do not tend to save personal tax reductions which occur because of lower tax rates. In 1981, the personal savings rate was 5.3 percent. In the first quarter of 1982, the rate is 5.5 percent, not a statistically significant change.

Moreover, Murray Weidenbaum, the chairman of the President's Council of Economic Advisers is telling us we will need a high level of consumer savings to sustain a recovery, while the chief economist of the Commerce Department is saying "a lot of people in the administration might hope that all of the tax cut will be spent."

Supply-side economics has become a theoretical rubber band, with purists arguing that everyone will save their tax cuts to save the economy, while another group of supply-siders says they hope everyone will spend their tax cut to save the reputation of supply-side economists. Supply-siders have their fingers crossed that the rubber band will not snap until November 3.

With all the serious supply-side problems, people were still reluctant to buck the President. So Congress would not go along with my plan. In fact, some people in my own party told me to keep still, and not make waves. Yet, the fact is my plan would have brought us a balanced budget by 1985 because it made cuts where the big outlays were. People did not want to hear that because they worried about the political risks involved. Well, I remember Harry Truman saying once that, "I never give them hell. I just tell them the truth and they think it's hell."

The basic truth of the Hollings plan was that it would have put our feet to the fire. No doubt about it. But that's why we are here, to make the hard choices for the benefit of the overall picture. I see no reason why we could not have taken the steps already taken by many States, cities, and private organizations.

In the face of rough economic weather, Oregon called a special session of its legislature to cut its budget and raise taxes to head off its projected State deficit. Among the steps they took was to save $34 million in revenues by postponing for 6 months the planned lowering of State income tax withholding rates.

Other States have also acted. Wisconsin has raised taxes. A recent Tax Foundation estimate shows that 18 States have increased their taxes by a total of $4 billion. Michigan, Minnesota, Nebraska, Vermont, and Washington have all raised State income taxes.

The upshot of these changes is that while State governments understand that increases are unpopular, they have shown the vision and discipline necessary to see their States through the economic downturn.

Cities have taken similar steps. In January the Joint Economic Committee of the Congress sampled 50 large cities to examine what actions they had taken to balance their budgets. The survey found that 40 percent of the responding cities had increased their tax rates. Only four of the cities had reduced taxes. When the U.S. Conference of Mayors polled 100 cities early last November they found that 41 percent of the cities they contacted had raised taxes.

What the cities and States are doing at the public level, both business and labor have been doing in the private sector. Businesses have increased management savings. Labor has joined in with givebacks. In January of 1981, General Tire and the United Rubber Workers worked out a wage cut package. In October of 1981, International paper and the International Woodworkers of America agreed to a 20-percent wage cut to avert a plant closing. This year, Ford and the UAW negotiated a pact dealing with wage increases and cost-of-living adjustments.

None of these steps, public or private, have been easy to take. But all share a common characteristic. They illustrate what happens when concerned groups clearly identify a problem and do what needs to be done to correct it.

Washington has been unable to do those things this year largely because the White House was not a willing partner. This budget was played out from a White House game plan under White House rules.

What we have in this conference report is a budget that is not believable, and a congressional budget process heaped with ridicule. We already know what the President thinks of the process. His top counselor, Ed Meese, has even suggested that the President be given a line-item veto. I do not know why. The White House with its deferral and rescission powers and buttoned-down budget procedures already dominate the budget to an imperial extent.

So it is a White House budget, and one would expect the administration would be dripping confidence. But, Ed Meese told reporters in May that the White House might have to look at alternative measures if the program did not work out. He went on to say, however, "It's better not to discuss" those alternatives.

Next, we have Treasury Secretary Regan telling the Washington Post that, for the last 3 months, he has been putting together other plans because, in his words, "You cannot wait until someone says, you know, we are in a crisis, let's change. And you say, to what?"

Along comes House minority leader, BOB MICHEL, putting a big distance between himself and the budget. "I think it's been overemphasized as to how much we, in what we're doing here on the budget thing, influence the money markets."

But, it was left to other guiding forces behind this budget, the White House political director, Edward Rollins, and Republican National Chairman, Richard Richards, to have the final word on the budget's authenticity. They have told their party leaders not to expect an economic upturn, and to go ahead and shift the blame for the recession to the Democrats.

The economy has been choking on the supply-side menu while the White House has decided to let it cough a little more in the hope that everything will come out all right. It makes you think the White House is more concerned about their restaurant than about the patrons.

Amid all the doubts about this budget and the process that created it, we are hearing again about a constitutional amendment to balance the budget. Such an amendment might work, and I am willing to give it a chance. But, it is no guarantee the budget will be balanced. Furthermore, the problem is here and now—not 2 or 3, or 6 years from now.

If the public wants a constitutional amendment to balance the budget, it is fine with me. My point is that no new layer of arcane procedures will improve the situation. We already have procedures enough. If we will use them, if the White House will honor them, we will have just as good a chance of balancing the budget as we would with an amendment. But, that decision will be made in a few days. The decision we must make now is on this conference report.

I am afraid that choice has already been made. It was made the day the White House took over the budget process, and the pollsters took over politics. We got ourselves trapped between the Reagan rule and the pollsters rule. The Reagan rule says, "No way, but our way," and the pollsters' rule says, "If you have to make a choice, find another issue."

Together, they have left Congress with a budget that cannot be trusted, and a budget that will not work.

I will vote against the conference report.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from the Congressional Budget Office, dated June 22, 1982, addressed to me, with a copy to the distinguished chairman of the committee, signed by Alice M. Rivlin, Director. The letter outlines the major CBO estimating differences with revenues and outlays for the conference substitute.

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

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., June 22, 1982.

Hon. ERNEST F. HOLLINGS,
U.S. Senate, Washington, D.C.

DEAR SENATOR HOLLINGS: Pursuant to your request of June 18, the Congressional Budget Office has prepared an estimate of the conference substitute for the First Congressional Budget Resolution for Fiscal Year 1983. As you requested, the estimate is based on the post-policy consensus economic assumptions adjusted for the actual July cost-of-living adjustment, the latest CBO estimate of revenues, and the spending assumptions consistent with the bipartisan baseline.

The major CBO estimating differences with revenues and outlays are listed on the attached table. Each estimating difference is identified by budget function and deficit reduction category.

Two aspects of these estimates deserve special mention. First, CBO has reestimated the figures in the conference substitute only in those cases where the conference explicitly chose not to use CBO estimating techniques. With the exception of OCS accelerated leasing, CBO has not reestimated any of the policy changes assumed in the conference substitute, because it is our understanding that the dollar reductions assumed take precedence over any specific programmatic assumptions.

Second, many of the assumptions in the bipartisan baseline date from February. Based on our analysis of actual revenues and spending through April, CBO projects that fiscal year 1982 revenues will be in the range of $625-630 billion, outlays will be in the range of $735-740 billion, and the deficit will be in the range of $105-115 billion.

Should you so desire, we would be pleased to provide further details on these estimates.

Sincerely,

ALICE M. RIVLIN,
Director.

MAJOR CBO ESTIMATING DIFFERENCES WITH REVENUES AND OUTLAYS FOR CONFERENCE SUBSTITUTE

[By fiscal year, in billions of dollars]

	1982	1983	1984	1985
REVENUES				
Conference substitute	628.4	665.9	738.0	821.4
CBO estimating differences	−1.2	−4.8	−11.3	−22.1
Conference revenues as reestimated by CBO	627.2	661.1	726.7	799.3
Outlays				
Conference substitute	734.1	769.8	821.9	881.4
CBO estimating differences:				
Defense spending (Defense; functon 050)	3.3	1.8	1.8	2.0
OCS receipts (Management savings; function 950)	1.2	3.8	3.8	2.6
Civil service retirement (Entitlements; function 600)		.3	.4	.6
FDIC (Other changes; function 370)	.1			
Social security (Entitlements; function 600)	.4			
Unemployment insurance (Entitlement; function 600)	.6			
Interest costs (Debt service savings; function 900)	1.3	1.8	3.4	5.4
Conference outlays as reestimated by CBO	741.0	777.5	831.3	892.0
Deficit				
Conference substitute	105.7	103.9	83.9	60.0
Conference deficit as reestimated by CBO	113.8	116.4	104.6	92.7

Mr. HOLLINGS. Mr. President, before yielding to other Senators who may have some comments, I come back to the issue of responsibility.

My point is this: How can you get the votes when we are not even allowed to get into the group and persuade? We are not even allowed to argue our points. The votes are fixed before us.

I believe we could have succeeded if we had kept on a bipartisan course, and they had persuaded me on giving in on certain points vice versa. The record will show—there is no top secret to that—that the Speaker of the House, through his representative, DICK BOLLING, submitted a package that amounted to $415 billion in savings one afternoon. I turned to the distinguished chairman, Mr. BAKER, and said, "We should quit now and go home for a party."

Once you get TIP O'NEILL that far, you had better not quibble, pick, and choose and try to make a bunch of little changes.

You have accomplished a mammoth task and all that remains is to iron out the details,

If I could iron out a billion here and a billion there, then I had a commitment from the Speaker of the House that we would not be blocked in the Rules Committee or on the floor and we would have cooperation in the presentation, then we could have worked it out together. The Speaker did submit an alternative but it was rejected and the Republicans went back to their own caucus.

So do not say we could not get the votes. We stayed in those meetings up to a particular point. We worked together all last fall realizing that a major adjustment had to be made in Reaganomics. It had gone awry. We told them so. The market tells them so. The bankruptcies tell them so. The real interest rates tell them so. The farm sales tell them so. The stock market tells them so.

Remember, the campaign pledge: We are going to improve the economy and reduce Government. Government has increased from 22.1 to 23.1 percent of GNP. They talk of outlay reductions but the reverse is true. We have increased outlays in defense. We have increased outlays in entitlements. We have increased outlays in interest costs. We have done away with basic programs, but Government has still increased. The stock market is below 800; the economy has decreased.

We have been trying to tell them so. I do not know what will bring them to their senses. The only sign of success I believe they can point to is that the inflation rate is down. But it is back up today. They all say it is the recession. But what brought on the recession, other than President Reagan's deficits?

You and I, say to the Senator from Oregon, we cannot cut spending and increase taxes fast enough to keep up with the Reagan deficit. Now, that is a fact of life.

This Congress is going to be like a dog chasing its tail around for the next 2 or 3 years unless the bubble breaks and we all come to our senses and do like every city and every Governor and every State and every industry and every organized labor union is doing. We need to hold up on these defense increases, these entitlement costs, and tax spending. We have got to put a tourniquet on these things. We are not doing it.

If we believe that the recession was caused by Jimmy Carter, and since the recession brought the inflation down, why do they not send in a thank you note to Plains and give him credit for something if they really believe that? They cannot have it both ways.

Mr. President, we have tried hard to counter the notion that the national Congress is to blame. I could get together right now with this group on the floor, I could take the Senator from New Mexico, Mississippi, Louisiana, Oregon, and Missouri, and I know we could get together, and the distinguished Senator from New Hampshire. We could get together on a budget.

The President of the United States has forbidden anyone to touch his sacred programs—his tax cut and all the rest. How can we succeed? We are not magicians.

That fellow SIMON put down the national Congress. Tell him to come up here and try to do it. He blames the Congress for trying to put in a housing subsidy program. But he does not blame the President for recommending tuition tax credits for private schools. He cannot find any fault with the executive branch. The Congress is criminal, he says. I resent it and I reject it and I hope, Mr. President, that the Senate will reject the conference report.

Mr. PROXMIRE. Will the Senator yield?

Mr. HOLLINGS. Yes.

Mr. PROXMIRE. Mr. President, I am going to vote against this budget resolution. Despite all of the hard work which has gone into its production, I believe it sets the stage for continued high interest rates, an anemic economic recovery, and possibly another sharp recession next year.

Proponents of this resolution contend that congressional passage will convince the financial markets that we are serious about controlling the deficit. They contend that interest rates will fall quickly upon enactment of this resolution and that they will stay down. Real GNP, after adjusting for inflation, is expected to rise by 5.4 percent while the Consumer Price Index will increase by less than 7 percent. Unemployment, meanwhile, is supposed to decline to an average of 8.4 percent.

These are wonderful goals but I do not believe this resolution will get us from here to there. It does almost nothing to reduce interest rates. This conclusion is supported by data supplied by the Office of Management and Budget, data which are compatible with those used by the Budget Committee. According to OMB, the Nation's credit markets had about $408 billion to lend in fiscal year 1981. The Federal Government borrowed about $142 billion—35 percent—of this total. By fiscal year 1982 this situation had changed and changed dramatically. This year about $368 billion will be available for lending but the Government will take about $206 billion—about 56 percent. This situation does not improve significantly for fiscal year 1983. An estimated $458 billion should be available; the Government will take about $212 billion—at least 46 percent.

The Nation's credit markets work reasonably efficiently. For those who wonder why interest rates remain high in the face of declining inflation rates and a recession, look at the proportion of available credit swallowed by the Government. For those who expect interest rates to drop, look at the proportion of credit which the government will take next year and explain why.

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I believe the 46-percent figure, high as it is, is an underestimate. The only reason the amount of credit taken by the Government declines from 56 to 46 percent is the OMB estimate that the pool of credit increases from $368 billion in fiscal year 1982 to $458 billion in fiscal year 1983—nearly 25 percent.

Such as increase is unlikely. Most economists are now predicting that consumers are going to have to lead the way out of this recession. That means they must spend instead of save. I do not believe it possible for consumers to spend enough to sustain an economic recovery and, at the same time, save enough to increase the credit pool by 25 percent.

On the other side of the equation, the Government may well require more than $212 billion in fiscal year 1983. There are ample signs that the deficit is underestimated. To keep the deficit down, the conference committee disregarded estimates made by the nonpartisan Congressional Budget Office. What the Budget Committee did in conference may come back to haunt them. Other committees, operating under reconciliation instructions, can juggle their estimates as easily as the Budget Committees did. An optimistic estimate of revenues to be received, an underestimate of the rate of spending, and a political problem disappears. The deficit, of course, increases.

Under these circumstances, the Government could take over 50 percent of the Nation's credit pool. If the deficit was underestimated by $24 billion, a modest figure given past underestimates, the Federal Government would take 50 percent.

What should be done to get us out of this mess? One thing we should not do is look for a scapegoat. I can already hear the rustling in the bushes as the search begins. The Chairman of the Federal Revenue Board is the clear target of all this searching. Finding a scapegoat, however, will not solve the economic problems facing this country. After what happened in the seventies, does anyone really believe that a rapid increase in the money supply will bring down interest rates. Such an increase is more likely to rekindle inflationary fires. The inflationary premium demanded by lenders will go up, not down.

We could change the tax laws to try to increase incentives for savings. The effect of such changes, however, would be uncertain. It takes time for people to respond to such changes and their response is unpredictable. Besides, consumers should lead the recovery. Changes in the tax laws to increase savings would invariably penalize consumption and slow the recovery. Therefore, this door seems to be closed.

We could increase taxes which would reduce the deficit. Therefore, the Government would need to borrow less. But raising taxes in the middle of a fragile economic recovery is an unappealing prospect. Close loopholes, certainly. Eliminate economically obsolete deductions, by all means. But a general tax increase is something else. Because of the feedback effects of tax increases—reduced consumer spending, slower growth in GNP, we may have to raise taxes by something like $100 billion to make much of a dent in Federal borrowing. An increase of this size would clearly slow the recovery.

That leaves additional cuts in Federal spending and credit programs. Despite all of the rhetoric about cuts, spending will increase from $734 billion in fiscal year 1982 to $770 billion in fiscal year 1983. This is an official increase of 5 percent. I say "official" because it already looks as if the deficit will be at least $25 billion higher than the estimate. If this more realistic estimate is used, the real increase, after adjusting for inflation, will be close to 3 percent. This real increase will be about the same as we have had in the past few years. On spending, the rule seems to be: rhetoric, yes; action, no.

Mr. President, when the automobile companies got into trouble, management and labor took decisive action to remedy the situation. They reduced the white-collar overhead. Labor negotiated give-backs. These changes hurt. They were not easy to make. But management and labor made them. The automobile industry is in a far better position to survive and prosper now than it was 3 years ago.

Compare their decisive action with what we are doing. We have slowed the rate of growth of some programs. Many of these cuts, however, are for programs which serve the truly needy. We may have cut the fat and be cutting into muscle on these programs. We have done very little to cut programs which benefit the well-to-do. Public-works spending rolls along. Revenue sharing—what revenue do we have to share—continues unabated. The cuts in the Defense budget are plainly paper cuts. Instead of taking decisive action, consistent with the economic mess we find ourselves in, Congress has once again resorted to subterfuge.

The American people are expecting decisive action. With this resolution, we are giving them business as usual. They deserve better.

Mr. JOHNSTON. Mr. President, I regret that I am unable to support the conference agreement now pending before the Senate. This is not a decision I reached lightly or happily. Rather, for me it is an unpleasant decision given the seriousness of our economic situation.

There are three reasons I believe this agreement is counterproductive to efforts to get our economy back on the right track.

First, the numbers are phony. The best evidence indicates that the deficit will not be the $103.9 billion in fiscal year 1983 as projected in this resolution. Rather, it will more likely be in the range of $116 to $120 billion. If the Congressional Budget Office made a reestimate as is the custom in this matter, we believe their reestimate would be close to the higher figure.

More specifically, the numbers projected in the conference report are phony in the following respects:

First. Fiscal year 1983 Outer Continental Shelf oil and gas receipts of $15.7 billion are excessive by $3.8 billion according to the Congressional Budget Office (CBO). The accuracy of the CBO estimate was reconfirmed last week by the General Accounting Office (GAO). Moreover, recent sales in the Gulf of Mexico which brought in substantially less than anticipated confirm the fictitious nature of the resolution's numbers.

Second. Defense outlay projections are understated by at least $1.8 billion according to the Congressional Budget Office. The CBO's estimate is based on historical spending patterns for defense procurement and the validity of its methodology has been demonstrated. Again, spending which has actually occurred in the first quarter of fiscal year 1982 has reconfirmed this.

Third. The interest bonus projected is excessive by at least $2.2 billion in fiscal year 1983 and by as much as $100 billion over the fiscal year 1983-85 period. The conferees assume a ½ percent reduction in interest rates beginning July 1982 and an average reduction of 2.5 percent each year over the fiscal year 1983-85 period, with interest rates falling to 6.9 percent by 1985 even though their plan does not balance. Indeed, even using the phony numbers of this budget resolution a deficit of $60 billion in 1985 is forecast and that is hardly the kind of economic news which will reassure Wall Street.

Fourth. Management initiatives are excessive by at least $23 billion. The two most egregious examples of overestimation in this category are waste, fraud and abuse where $3 billion in savings are projected and land sales which are projected to bring in $9 billion, both over a 3-year period. No credible plan reflects these numbers and the track record of this administration as well as previous administrations confirms the excessive nature of this estimate.

The second reason I must oppose the conference agreement is that I believe it lacks equity in the treatment of comparable programs. The most flagrant example of this inequity is seen in the differential treatment of cost of living adjustments (COLA's). Federal, military, Foreign Service, and veterans retirees are assured to receive a COLA capped at 4 percent. The other large retirement program (social security), however, will receive a COLA based on 100 percent of the increase in the Consumer Price Index. In my view, this differential treatment is fundamentally unfair.

Finally, and most important, the deficits are still grossly excessive even if you assume the validity of the numbers. This resolution projects a 4-year deficit of over $355 billion—almost twice the total Carter administration deficit ($191 billion); more than five times the deficit of the first 4 years of the Nixon administration ($64 billion); and more than nine times the 4-year deficit of the Johnson administration ($37 billion). Moreover, as a percent of GNP, the deficit will continue on an upward trend, rising from 2.3 percent in 1980 to 3.5 percent in 1982.

I do not oppose this agreement in a partisan spirit. I believe our economic plight is too serious for that. I remain ready, as I have since the budget was first unveiled, to work with my Republican colleagues and the administration in forging a credible plan to reduce the unacceptably high deficits projected for the next 3 years and specifically to put us on the path to a balanced budget. This is what the financial markets expect, the economy needs, and the American people deserve. Anything less will be counterproductive to a real and lasting economic recovery.

Mr. BENTSEN. Mr. President, as a strong and consistent advocate of a bipartisan effort to reduce the deficit and bring down interest rates, I inform my colleagues that I simply cannot, in good conscience, vote for this resolution.

The resolution before the Senate is an implied mandate for high interest rates, business bankruptcies, continued recession and record deficits far into the future. It suggests that we are not serious about putting our economic house in order. It sends the wrong signal at the wrong time to financial markets anxious for evidence of our determination to get spending and deficits under control before irreparable damage is done to the American economy.

We are being asked to approve a budget resolution that projects a 3-year, $248 billion deficit. Even that figure, Mr. President, may well be optimistic. But even if it is right on target, the resolution we are considering would increase the national debt by almost $400 billion over the next 3 years. That is a staggering figure; an impressive monument to fiscal irresponsibility. To finance a deficit of that magnitude the Federal Government would have to dig even deeper into the credit markets and borrow an average of $11 billion every month for the next 3 years.

There are Members of the Senate—and I am one of them—who have worked hard over the years to provide some new incentives for private sector savings and investment that will help us boost productivity and fashion a more efficient and competitive American economy.

In recent years we have made some important progress in the direction of incentives. But let us understand that if this resolution is passed, if the Senate votes to add another $250 billion to the national debt, you will create a situation in which the Federal Government will borrow virtually every dollar saved by individuals over the next 3 years just to help finance the national debt.

Those individual savings will not be recycled through the economy to create jobs, modernize plants and equipment, or increase productivity. They will be borrowed by the Government to pay interest on a national debt that seems to grow geometrically. Mr. President, I cannot think of a surer way to maintain pressure on the credit markets—to keep interest high and drive it higher—than to approve this budget resolution.

Let us remember that it was only last year that the total national debt surpassed the $1 trillion level. That occasion produced much soul-searching and negative comment about fiscal irresponsibility. It took America decades and several wars to amass a $1 trillion national debt, but today the Senate is being asked to increase that figure by at least 25 percent between now and 1985.

That may explain why the prospect of this budget resolution has been greeted with such obvious lack of enthusiasm by both Wall Street and Main Street. You do not need to be a banker, an economist, or a businessman to understand that a 3-year, quarter-of-a-trillion deficit is hardly the cure for what ails the American economy. The proposed resolution means another year lost in the effort to move the budget into balance and bring down interest rates. It means deferring the effort to create jobs, boost productivity, and improve America's capital base.

That is precisely the sort of delay our country can no longer afford. We talk in terms of recession, but if you are in the home building industry or the automobile industry—if you are one of more than 10 million Americans without work—this is a depression. There is no other term to describe it. Home mortgage foreclosures are at record rates. Thousands of our farmers, caught in the squeeze of high interest and low prices, are being forced off the land. Every hour of every business day 36 small businesses declare bankruptcy—and perhaps five times that many simply close their doors.

Mr. President, there has never been a clearer or more urgent requirement to embrace fiscal responsibility and a balanced budget. The resolution before the Senate is deficient in both respects, and I will oppose it.

At the outset of this debate I pledged my support for a bipartisan effort to help reduce the deficit and bring the budget into balance. I think it is worth recalling that the Senate considered an alternative budget resolution offered by Senators JOHNSTON, NUNN, and EXON that would have reduced the deficit to $64 billion in 1984 and produce a balanced budget in 1985. That proposal, Mr. President, received only 21 votes.

The Johnston-Nunn proposal had obvious political liabilities: It reduced Federal spending in all areas and was based on realistic revenue goals. It called for an equal sharing of sacrifice all across the American economy. Nevertheless, I voted for the proposal because it provided a realistic opportunity for balancing the budget by 1985, thereby enabling us to get on with the job of rebuilding our economy and our productive capacity a year earlier.

We need to balance the budget if the American economy is to prosper and grow in the decade of the eighties. We simply cannot afford more years of record deficits piled one on top of the other. We cannot afford more years of recession, high interest, and record unemployment. But that is what this resolution will give us, and that is why I shall vote against it.

Mr. BOREN. Mr. President, I cannot in conscience vote for the budget resolution which emerged from the conference committee. Under its own most optimistic assumptions it will result in deficits of over $247 billion over the next 3 years. It will not bring us to a balanced budget by 1985 or in the foreseeable future. It assumes, in my opinion, at least $180 billion more of savings than are likely to be achieved because of overly optimistic assumptions. If this budget is fully enacted, it is in fact, likely to add well over $400 billion more to the national debt by 1985. It also makes the questionable assumption that almost $100 billion of new taxes will be adopted. Finally, it does not face up to the need to reform the basic entitlement programs in order to assure their financial solvency.

Mr. President, the most urgent need for our economy is a rapid reduction of the ruinously high interest rates. This budget with its huge deficits will not send a strong enough message to the financial markets sufficient to adequately bring down interest rates. Mr. President, the people of my State have forcefully urged me to work for a balanced budget. I voted for an amendment during earlier Senate consideration of the budget which would have balanced the budget by 1985. I cannot believe that they would want me to vote for a budget with deficits likely to approach one-half trillion dollars. I know of no way to indicate my belief that continued high deficits are a blueprint for economic disaster other than casting a protest vote against this resolution. It is still my hope that the President will take the lead in calling together those who would be willing to join in a genuine bipartisan effort to bring our Nation to a balanced budget no later than fiscal 1985. We should not fool ourselves by saying that we must have a budget no matter what it contains nor should we defraud the American public by telling them that a budget with these huge deficits will solve our economic problems.

● Mr. BIDEN. Mr. President, the Senate appears about to approve in final form a budget for fiscal year 1983. That budget is an extraordinary document because it proposes unprecedented deficits—deficits of $247.8 billion in the next 3 fiscal years.

The budget proposes a deficit for fiscal year 1983 of $103.9 billion. For 1984 it projects a deficit of $83.9 billion. And for the third year of the budget, fiscal year 1985, it projects a deficit of $60 billion.

I cannot support such an action by the Senate.

It would be bad enough if it could be said that these deficits were unintentional, perhaps the result of bad economic times. Certainly that is a part of it. But the fact is that these deficits are intentional, they are planned. They are part of a policy of deficit financing pursued by the administration and implemented by the majority here in the Senate.

What is worse, Mr. President, unless the economy is extraordinarily helpful over the next 2 to 3 years, the deficits are going to be larger than those proposed in this budget. And what is more, everyone knows it.

At the time the Senate passed its revision of the budget in May, I said that the budget system was being distorted to achieve certain policy ends at the expense of serious damage to fiscal responsibility and to our ability to manage Federal finances. That is even more true of the budget we have before us today.

Mr. President, when times are bad, and the red ink is flowing, it is no time to disguise the problem by using estimates that minimize it. To do so simply means the problem is ignored or underestimated and becomes worse from inattention. That is the danger today.

Mr. President, I was critical in May about failure to use fully the estimates of spending prepared for Congress by the Congressional Budget Office. Its estimates have not been perfect, but they have consistently provided us with the best information available. But in the conference with the House, the Senate conferees agreed to accept figures used by the House of Representatives which were widely known and reported to understate the extent of our fiscal problems.

In the area of national defense the conference has rejected estimates of defense spending prepared by the Congressional Budget Office, and has been able to show $5.6 billion in savings over the 3-year period that is most unlikely to occur.

The conference report assumes that there will be so-called management savings of $46.6 billion over the 3-year period. This is a staggering figure. It is a figure which in large part assumes that certain actions will occur over which the Federal Government has relatively little control. The biggest single item assumes that there will be receipts from oil and gas leases on the Outer Continental Shelf of $22.6 billion. If you accept CBO estimates, that figure is overstated by about $10 billion! When one is in difficult financial straights, it does not make sense to estimate the most money you could receive, it makes sense to estimate what is certain. But that is not the policy in this budget.

This budget continues the assumption that interest rates will fall to below 7 percent by 1985 and that the 3-year savings from this will be $54.9 billion! It is clear that there is a lot riding on the assumption that interest rates will fall! Another $52.8 billion in interest costs is estimated to be saved in the next 3 years from lower deficit levels. But it is doubtful if this interest saving will be realized either, as bad estimates drive the deficits upward from $104 billion.

In fact, Mr. President, it seems likely that the deficits in fiscal year 1983 will be, at a minimum, $116 billion, and quite possibly much higher. The budget process is being torn apart by the unwillingness to use real numbers. And the economy is being torn apart by the resulting deficits. Mr. President, I shall submit for the RECORD a table showing CBO reestimates of the budget be printed at the end of my remarks.

There is one procedural issue which I addressed in May which should be mentioned again, and it ties in with what the deficits really will be. The Senate conferees have achieved by indirection what could not be achieved by direct action. There will be no Second Budget Resolution in any meaningful sense this fall unless a majority of the House and Senate Budget Committees and of the full Houses want it. In fact, we may well be adopting the second resolution here today. The conference report provides that the First Concurrent Resolution on the budget will automatically become the Second unless some other budget resolution is adopted before October 1.

Just what this will mean, of course, has to await the condition of the budget this September. But this provides a way to avoid the embarrassment of a budget run wild this fall. It avoids the embarrassment faced last fall which finally end in a public reaffirmation of a wholly outdated budget. This may be avoided this year by having an "automatic" budget resolution which takes effect no matter how outdated it may be with no action from anyone!

Mr. President, this is a distortion of the budget process for the sake of being able to sidestep some potentially very messy budget problems this fall. The Second Budget Resolution was not provided for no reason. It was provided so that the budget would have to be reconsidered in the light of changed economic conditions and spending patterns. Certainly we have ample evidence in the last year of how changing economic conditions can destroy budget promises. If reality this fall does not match budget promises, then we should be prepared to face the issues and resolve them, not just sidestep them.

Mr. President, I have been a part of the budget process here in the Senate since it was established. I would be the first to admit my disappointment at its obvious failings. But to go back to the old system with dozens of spending bills, never even totalled to know what the deficit is, is unthinkable. The budget process is something to be built on and improved. I have proposals before this body to improve that process. But the action we are going to take today is a move toward the destruction of the process, a step to rob it of any meaning.

Mr. President, I regret that I must, once again, vote against a budget that falls so short of meeting the needs of the economy and of our Nation and its people.

The table follows:

TABLE A.—MAJOR CBO ESTIMATING DIFFERENCES WITH REVENUES AND OUTLAYS FOR CONFERENCE SUBSTITUTE

[By fiscal year, in billions of dollars]

	1982	1983	1984	1985
REVENUES				
Conference substitute	628.4	665.9	738.0	821.4
CBO estimating differences	−1.2	−4.8	−11.3	−22.1
Conference revenues as reestimated by CBO	627.2	661.1	726.7	799.3
OUTLAYS				
Conference substitute	734.1	769.8	821.9	881.4
CBO estimating differences:				
Defense spending (Defense; function 050)	3.3	1.8	1.8	2.0
OCS receipts (Management savings; function 950)	1.2	3.8	3.8	2.6
Civil service retirement (Entitlements; function 600)		.3	.4	.6
FDIC (Other changes; function 370)	.1			
Social security (Entitlements; function 600)	.4			

TABLE A.—MAJOR CBO ESTIMATING DIFFERENCES WITH REVENUES AND OUTLAYS FOR CONFERENCE SUBSTITUTE—Continued

[By fiscal year, in billions of dollars]

	1982	1983	1984	1985
Unemployment insurance (Entitlements function 600)	.6			
Interest costs (Debt service savings; function 900)	1.3	1.8	3.4	5.4
Conference outlays as reestimated by CBO	741.0	777.5	831.3	892.0
DEFICIT				
Conference substitute	105.7	103.9	83.9	60.0
Conference deficit as reestimated by CBO	113.8	116.4	104.6	92.7

●

● Mr. MOYNIHAN. Mr. President, I, for one, do not take lightly the Nation's current economic and fiscal crisis and the integrity of the congressional budget process. As a member of the Senate Budget Committee, I have been a close observer of and participant in this year's budget debate. I participated in 2 months of hearings before Budget Committee, as administration witnesses defended the President's budget submission and its $132.4 billion deficit for the next fiscal year. I can report that after I pressed the Budget Committee for an up-and-down vote on the President's proposal, its members did reject it by a unanimous 20 to 0 vote. I watched while the majority members of the Budget Committee fashioned a new compromise proposal from within their own ranks, having excluded the minority members of the committee. When the first version of this compromise proposed to use social security benefits over the next 3 years, I led the fight on the Senate floor to protect the Government's solemn pledge to the Nation's elderly. Happily, the majority responded by retreating from this indefensible strategy.

With Senators SASSER and RIEGLE, I also offered an alternative budget plan worked out with the staff of the Joint Economic Committee. We proposed to restore some commonsense to the foundations of fiscal policy, fashioning a basic midcourse correction in the current economic program by tieing additional fiscal restraint to a more moderate monetary policy. Under our proposal, the Federal Government would have been able to fulfill its basic social commitments and restore the basis for economic prosperity, while producing a 1983 deficit some $35 billion less than the one projected under this resolution. Unhappily, the administration and the majority would not reconsider their support for a discredited economic strategy and an ill-conceived budgetary policy.

Precisely because I have participated so closely in this budget process, precisely because I have taken so seriously the fiscal and economic crisis facing America, I must decline to support this resolution. And for the same reasons, I feel such deep regret that the administration and the majority of this Chamber have refused to confront the failures of the current economic program and the fiscal crisis so closely associated with its failures.

The shortcomings of the Senate version of this budget resolution have been retained or compounded in this conference version. The conference resolution projects a $103.9 billion Federal deficit for fiscal year 1983. Let me say that a deficit exceeding $100 billion is simply not acceptable to the American people, not acceptable to the Nation's financial markets, and not acceptable to the senior Senator from New York. Nor should it be.

This $103.9 billion deficit projection, moreover, is a fraud. The actual deficit will be much higher—and that much more unacceptable. The conference resolution, for example, has rejected the nonpartisan professional outlay estimates developed by the Congressional Budget Office in favor of the outlay assumptions offered by the minority Republican staff of the House Budget Committee. On this basis alone, the CBO estimates, the 1983 deficit will be some $10 billion more than projected under this resolution, or nearly $114 billion.

The $114 billion projection, moreover, rests on certain economic assumptions that, to state the fact simply, are totally unrealistic. The deficit under this resolution will be $114 billion next year only if the Nation's real gross national product grows by 4.5 percent in 1983, as the resolution assumes. But two of the Nation's most eminent private economic forecasting firms—Data Resources, Inc. and Evans Economics—have told us that real growth next year will be between 1 and 2 full percentage points less than this assumption, reducing Federal deficits and increasing the Federal deficit. The resolution also assumes that interest rates, at long last, will fall nearly 3 percentage points next year. But Chase Econometrics reports that, in all likelihood, interest rates will run some 1½ percentage points higher than this assumption; another prestigious private forecaster, Wharton Economics, forecasts interest rates some 3½ percentage points higher than the resolution's assumes.

It makes a difference. Continuing high interest rates will reduce growth next year, and will tend both to increase Federal outlays, while depressing Federal revenues. In short, the deficit projections in this resolution are seriously underestimated. The fiscal year 1983 deficit under this budget plan will run some $130 billion—perhaps as high as $150 billion.

The majority's strategy for this resolution is as clear as it is disheartening; accept whatever economic assumptions and outlays rates are required to produce at least the appearance of greater deficit reductions than will actually occur. This is a basic violation of the congressional budget process, a basic violation of the American people's faith in their Government. This is not acceptable.

The projected deficit, the largest in the Nation's peacetime history, also rests on ill-advised reductions in some of our most important social commitments. Under this resolution, more than $3 billion will be cut next year from medicare operations to care for the Nation's elderly. Medicaid operations, the only program to provide basic health services for the Nation's poor, will be reduced some $700 million next year. While the Nation struggles with the most extended period of economic stagnation and decline since the Great Depression, this resolution also proposes to cut support for job training, social services, employment, and education programs by more than 25 percent over the next 3 years, in inflation-adjusted terms. Commerce and housing programs, sectors devastated by the current recession, face even greater reductions, or nearly 40 percent. Mass transit and other transportation programs, which absorbed a 14 percent real reduction last year, now face further cuts of more than 15 percent under this resolution.

I cannot accept the proposition that the root cause of our current economic difficulties lies in those programs desined to provide basic security for the Nation's elderly, disabled, unemployed, and disadvantaged. Nor can I expect any budget resolution that tries to achieve short-term deficit reductions by sacrificing basic components of the Nation's social and economic infrastructure, fundamental elements for the Nation's long-term growth and productivity.

This resolution's unacceptable deficits, false economic and outlay assumptions, and arbitrary reductions in the Government's social commitments leave our basic economic and budget crises unresolved. This I cannot and will not accept.

The first concurrent resolution may be over—or will be by the end of today's business—but it is not too late for Congress and the administration to face their responsibilities. We can resolve to restore the integrity of the congressional budget process. We can seize this occasion to redouble our determination to correct a failing economic program and fiscal strategy. Can we not produce a second concurrent resolution which truly responds to the needs of our economy and fulfills the Government's commitments to the American people? I call on my colleagues in this Chamber and in the administration to join me in meeting this great responsibility. ●

EMERGENCY MORTGAGE INTEREST REDUCTION PAYMENTS

Mr. LEAHY. Mr. President, I strongly support the emergency mortgage interest reduction payments program. I believe that this program will help bring down unemployment and stimulate the economy while providing needed assistance to the deeply depressed housing and lumber industries. The mortgage aid programs passed by the House and the Senate, with their unique provisions by which borrowers repay their subsidies to the Government when they sell or refinance their homes, represent an innovative, short-term, governmental response to the economic problems posed by staggering unemployment and the depressed state of the housing industry.

Congress should be commended for recognizing that economic growth is essential to our common goal of bringing the frightening budget deficits projected for the next several years under control. Continued cuts in domestic spending will not, by themselves, lead to significantly decreased budget deficits.

Congress, by overwhelmingly endorsing this program, is sending a clear signal to the administration and the Nation, that the real enemies are unacceptably high interest rates and intolerable unemployment levels. This employment and housing stimulus bill is desperately needed to get the economy back on its feet. If this program is not enacted into law, and enacted soon, the result will be continued stagnation in the housing industry, and higher budget deficits.

Over the last 5 years, housing starts have declined by 45 percent nationwide, and by 30 percent in my home State of Vermont. Under the mortgage interest reduction payments program, $3 billion will be available to subsidize the purchase of approximately 230,000 new and recently constructed homes.

In Vermont, approximately $14.42 million in mortgage interest subsidy payments will be available under the program. Of this total, $12.43 million will be available to stimulate the production of up to 1,250 new homes. The remaining $1.99 million will be available to subsidize the purchase of up to 200 recently constructed homes.

Approximately 23 percent of the Nation's economic activity is tied to home building, home furnishing, home sales, and home financing. With unemployment in the construction industry presently in excess of 18 percent, this direct, short-term stimulus will not only create construction jobs, but will bring about urgently needed job expansion in other areas of the economy as well. It is estimated that up to 478,000 new jobs will be created by the enactment of this program.

The housing industry must be able to take advantage of this program during this current building season. In order for the program to be successful, it is essential that the Secretary of Housing and Urban Development (HUD) issue final regulations, make allocations and begin to issue commitments within 30 days of enactment as specifically called for in the act. I would also strongly suggest that the Secretary set the interest rate at such a level so as to encourage full participation by lenders in this program.

Mr. LONG. Mr. President, will the Senator yield to me for a question?

Mr. HOLLINGS. Yes.

Mr. LONG. First, let me commend the Senator for his very dedicated efforts to try to put us on a glide pattern toward a balanced budget. I honestly feel that we should say this to the Senator, and I do say that in the course of the debate over the budget resolution he convinced some of us that we had to do more than was being proposed by the committee to reduce the deficit and to put ourselves in a position such that eventually we would have a balanced budget.

Now, the Senator has made a valiant effort. I am pleased to say he is one of those who voted for the last-ditch effort, the effort by my colleagues, Mr. JOHNSTON and Mr. NUNN, at the closing hour to propose an amendment that would seek to balance the budget in 3 years. It failed, but there were 21 of us who voted for it.

I think, in due course, some of us should say to Mr. SIMON and others: "You know, all it takes is votes. If you had 51 votes for that Johnston-Nunn amendment, we would have had a balanced budget in 3 years and we would be on a glide path to it."

It is the thought of the Senator from Louisiana that perhaps we ought to make another try. We ought to have an effort to put an amendment on a debt limit bill that would force us to set a glide pattern toward a balanced budget. Some years back, we did prevail upon the Budget Committee before the Senator from South Carolina was the chairman. We did prevail upon the committee to recommend a proposed balanced budget by an amendment to a debt limit bill. The thought occurs to this Senator that perhaps we could work out an amendment, not necessarily the same thing, but work out an amendment to the debt limit bill that would help to point us toward a balanced budget.

I just would hope that the Senator would not feel that the budget resolution is the only recourse available to us to try to do something to limit spending and to move toward fiscal responsibility; I say that as one who voted for a great number of things the Senator has recommended.

I agree with his logic. I just think we are going to have to try whatever method is available to us if we are going to ever achieve the Senator's objective, and that is to move toward at least a procedure or a pattern that would help get us to a balanced budget.

How would the Senator feel about an amendment to a debt limit bill?

Mr. HOLLINGS. Mr. President, I appreciate what the distinguished Senator from Louisiana has stated and his nice comments to me.

The point is, I would try to stick to the budget process as it was intended to work. I would hate to have to go around the end and just tack it on to some other measure. I think it would not stand any chance of being accepted on the House side and it would be an exercise in futility.

Maybe we will try it. I know it would be vetoed. I thought perhaps that I was the reason we could not achieve it. That is why I stood aside—and I worked together with Senator JOHNSTON all year long on the Budget Committee—I stood aside and let him and Senator NUNN work it out to see if they could get some votes for their amendment. I commend the distinguished Senator from Louisiana, because his position all year long was: "I am willing to vote for these things as long as the great communicator comes out."

Well, my answer to you is the great communicator has yet to come out for them. And whether they be in the budget resolution, whether they be on a debt limit bill, that gentleman really believes his program is working well and needs no change.

Before he went overseas, he went before the Chamber of Commerce and said: "Murphy's law: if it ain't broke, don't fix it."

So he, in his mind, is still persuaded that his program is working well. Yes, there will be some suffering, but he generally must be insulated from all this suffering. He is a very human person, but he does not feel it. I think when it comes July and they get the increases in the social security checks and the tax cut, as the distinguished Senator from Texas pointed out on the floor, nearly all of the savings for the next 3 years will be gobbled up by the U.S. Government in financing these programs. We cannot have lower interest rates and economic recovery if the Federal Government borrows $2 out of every $3.

So there is not going to be any great spurt in the economy. You are now experiencing a $38 billion tax cut right this minute. Does it feel good? Are you reindustrialized? Are you saved?

We are broke. Using Secretary Regan's description, we are dead in the water.

They ought to know what a $38 billion tax cut does. Why should a $40 billion cut do anything different?

Mr. LONG. I read where the Secretary of the Treasury was speaking to the chamber of commerce downtown and said something to the effect that in this business, perception is reality. I think that is what he said.

Mr. HOLLINGS. Right.

Mr. LONG. The Senator from Louisiana has been in this business since the day I was born. My father was a candidate for public office the day I was born. All I have known all my life had something to do with government and politics. But I swear I never before heard that statement that in this business, perception is reality. It does not make too much sense to the Senator from Louisiana that Mr. Regan, a former stockbroker, would be thinking in those terms. One would gain the impression that that type of thing must have been something he heard in the Cabinet offices from someone else, that in this business, perception is reality.

I would suggest to the Senator how this thing is going to be perceived is more than this Senator can understand. My impression is that everybody who knows something about it, who had credentials to advise others, is advising all of them that we have a budget deficit that is going to be a disaster.

Mr. HOLLINGS. There is no question about it. Even JACK KEMP offloaded. He has jumped ship. I do not know where Senator ROTH is, but I know JACK KEMP off-loaded. He did not vote for this conference report. It did not make any sense whatsoever. Maybe he will row ashore with the Kemp-Roth gold standard.

They are going to have to go somewhere else to try to divert attention from their economic mess. I guess right now you can see Secretary Regan nibbling at the Federal Reserve. He nibbled on it on Saturday morning, but by Monday he got the message back from David Stockman, "Don't jump on him yet."

There has been no jump yet, and he pulled in. Saturday he said his principles were right but his practices were wrong. That is neat, is it not? And perception is reality. They have this country bamboozled. I do not know when they are going to wake up. Maybe we will have to all go broke.

What do you say when you slam that door? That last fellow to go bankrupt puts the sign on, "Going Out of Business," slams the door, and he is going to say, "Thank God for Ronald Reagan." He is still going to believe.

We are in one heck of a mess. I can tell you that.

SEVERAL SENATORS. Vote. Vote.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I yield myself 3 minutes.

Before I do that, I suggets the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BAKER. Mr. President, I understand that the distinguished managers of the conference report on both sides, the minority leader, and other Senators have been in conference on an arrangement that will provide equity for debate of the substitute, which is the only item in disagreement and which is the embodiment of the major elements of the compromise reached by the conferees, that I am about to state in the form of a unanimous-consent request. It is also my understanding that if this unanimous-consent request is granted, we will proceed promptly to vote on the conference report itself.

Have the yeas and nays been ordered on the conference report?

The PRESIDING OFFICER. The yeas and nays have not been ordered.

Mr. BAKER. I ask for the yeas and nays.

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

The yeas and nays were ordered.

Mr. BAKER. I will put the request and then I will put a parliamentary inquiry which will make sure that we have all of the matters clearly defined and understood.

UNANIMOUS-CONSENT AGREEMENT

Mr. President, I ask unanimous consent that 5 hours allocated to the conference report on Senate Concurrent Resolution 92 be transferred to the motion to concur in the amendment of the House to Senate Concurrent Resolution 92, to be equally divided between the chairman of the Budget Committee and the ranking minority member, or their designees.

Mr. President, that is the body of the request. Before the request is acted upon, I wish to propound a parliamentary inquiry on reservations.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. If this unanimous-consent agreement is entered into, it is my understanding that of the 10 hours provided for under the statute, 5 will be allocated to the debate on the motion to concur in the House amendment to the conference report.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. Do I further correctly understand that that is the sole effect of this request and none of the other provisions of the act in respect of the conference report or any amendments or items in disagreement thereto will be affected?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I put the request, Mr. President.

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

Mr. DOMENICI. Mr. President, I yield back my time on the conference report.

Mr. HOLLINGS. I yield back our time, Mr. President.

Mr. DOMENICI. I urge that the conferees adopt the report.

Mr. HOLLINGS. I urge that they do not Mr. President.

Mr. DOMENICI. Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the conference report, the yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. PACKWOOD) is necessarily absent.

I further announce that the Senator from New Jersey (Mr. BRADY) is absent to attend a funeral.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON) and the Senator from Missouri (Mr. EAGLETON) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON) would vote "nay."

The PRESIDING OFFICER (Mr. BOSCHWITZ). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 51, nays 45, as follows:

[Rollcall Vote No. 192 Leg.]

YEAS—51

Abdnor	Grassley	Percy
Andrews	Hatch	Pressler
Armstrong	Hatfield	Quayle
Baker	Hawkins	Roth
Boschwitz	Hayakawa	Rudman
Chafee	Heflin	Schmitt
Cochran	Heinz	Simpson
Cohen	Humphrey	Specter
D'Amato	Jepsen	Stafford
Danforth	Kassebaum	Stennis
Denton	Kasten	Stevens
Dole	Laxalt	Symms
Domenici	Lugar	Thurmond
Durenberger	Mattingly	Tower
East	McClure	Wallop
Garn	Murkowski	Warner
Gorton	Nickles	Zorinsky

NAYS—45

Baucus	Ford	Melcher
Bentsen	Glenn	Metzenbaum
Biden	Goldwater	Mitchell
Boren	Hart	Moynihan
Bradley	Helms	Nunn
Bumpers	Hollings	Pell
Burdick	Huddleston	Proxmire
Byrd, Harry F., Jr.	Inouye	Pryor
Byrd, Robert C.	Jackson	Randolph
Chiles	Johnston	Riegle
Cranston	Kennedy	Sarbanes
DeConcini	Leahy	Sasser
Dixon	Levin	Tsongas
Dodd	Long	Weicker
Exon	Mathias	
	Matsunaga	

NOT VOTING—4

Brady Eagleton Packwood
Cannon

So the conference report was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

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

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I have a summary with reference to the Hollings letter of June 18 to CBO, and I ask unanimous consent that the explanation contained therein be printed in the RECORD.

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

On June 18, Senator Hollings wrote CBO asking them to reprice the Conference Agreement on the First Budget Resolution using the post-policy consensus economic forecast and the CBO estimating techniques for both revenues and outlays (copy attached).

On June 22, Director Rivlin wrote Senator Hollings answering his request (copy attached). In short, CBO reestimates the Conference Agreement deficits higher by the following amounts:

[Dollars in billions]

	Fiscal year			
	1982	1983	1984	1985
Deficit agreed to by the Conferees	105.7	103.9	83.9	60.0
CBO reestimates (lower revenues, higher outlays)	+8.1	+12.5	+20.7	+32.7
CBO repricing of Conference Agreement deficit	113.8	116.4	104.6	92.7

The CBO re-estimates fall into four main categories: revenues, defense outlays, OCS receipts, and interest costs.

We have been over the revenue estimates before. This year CBO introduced a new, largely untested method of estimating revenues. It yields lower revenue estimates than the long-tested Treasury estimating method. The conferees (and the Senate) opted to use the Treasury figures based on their well established methodology.

Defense outlays have also been the subject of long standing argument going back to last year. We have assurances from OMB and the Department of Defense that DOD plans to live within the outlay levels for the defense function set by the conferees. If they do the management job they have promised, it is hoped that the outlay level set by the conferees will not be exceeded.

OCS receipts have also been a matter of great discussion. The conferees decided to go with the Administration's estimate which is higher than that of CBO. Again, this is largely a question of management on the part of the Department of the Interior in achieving the levels we have used. Senator Domenici has received a letter from Secretary Watt stating that the Department has reexamined all of the available information on OCS receipts, including the CBO methodology, and that they see no reason to depart from the numbers the conferees assumed.

The interest reestimates by CBO are largely the result of the higher deficits in their reestimate. If the other areas mentioned above turn out the way the conferees assumed, the higher CBO interest estimate will disappear.

Mr. BAKER. Mr. President, in accordance with the announcements that have been made previously by the leadership, I assume that there is no further business to be transacted this evening on the conference report. We will resume consideration of the conference report—more exactly, on the item in disagreement—tomorrow at 10 o'clock, when the Senate resumes consideration of this matter.

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, not to extend past 7:45 p.m., on the same terms and conditions as previously ordered.

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

TUITION TAX CREDITS

Mr. HOLLINGS. Mr. President, at meetings at the White House and the Department of Education today, the Reagan administration finalized its tuition tax credit bill and sent it to Congress for consideration. I am advised that the soon to be introduced bill is very similar in content to the one that President Reagan outlined in his Chicago speech on April 15 of this year.

My opposition to tuition tax credits for students attending private schools is well known. I will not go into great detail here today, Mr. President, in outlining my many reasons for this opposition. Besides, with this action by the administration we will apparently have ample opportunity to debate this issue in detail sometime later in this session.

Instead, Mr. President, let me first focus on the administration's incredibly poor sense of timing in bringing this issue before Congress now. This week, and the next few days before the Independence Day recess, the Senate will be called upon to act on the urgent supplemental appropriations bill, the budget resolution conference report, the debt limit bill, and perhaps, the balanced budget amendment. All of these items, Mr. President, go right to the heart of understanding the economic difficulties in which our country finds itself. The citizens of this Nation are paying close attention to congressional action on these measures because such action in large part will go a long way in answering the question of whether or not Congress has the discipline and will face up to the difficult economic choices we must make in order to get the economy moving again and bring this country out of the recession.

But, with the action today on the tuition tax credit bill, the Reagan administration is signaling a different message. They have lapsed into that old command, "Do as I say, not as I do."

Consider, if you will, that President Reagan has threatened to veto the urgent supplemental appropriations bill because it contains a housing subsidy provision—a provision which passed the Senate earlier by a vote of 73 to 19. Reportedly, President Reagan opposes the $3 billion housing subsidy because it would be a "bailout" for a specific industry and would be too expensive. But, when it comes to a multibillion dollar "bailout" for the private schools of this Nation, at the expense of public education, President Reagan has no qualms about sending up his tuition tax credit bill.

Refer to the budget resolution conference report. Congress is called upon to pass the largest deficit budget in the Nation's history. The one consolation is that while it does reach this historic level, it is still much less deficit ridden than the budget that President Reagan originally sent to Congress. From where I sit as a member of the Budget Committee that is no consolation. Now, the President sends legislation creating a multibillion dollar tuition tax credit program, that results in still larger deficits. Deficits apparently no longer matter to this administration. Remember, this is the administration of Ronald Reagan that repeatedly promised a balanced budget by 1983, then later by 1984, and that they would "Fight to the last blow to achieve it by 1984 . . . ," and now who calls for a constitutional amendment to require balanced Federal budgets.

Take the debt limit bill. We have already broken the trillion dollar barrier for national debt. It continues to grow. It will grow at the most rapid pace ever under the Reagan administration's proposed budgets. Still, mired in this spiraling accumulation of debt, President Reagan sees fit to initiate a vast new spending program that will benefit some of the wealthiest families in our Nation at the expense of some of our poorest.

Perhaps, before the Independence Day recess, Mr. President, the Senate will be called upon to consider a balanced budget amendment. The administration that has given us the largest single year budget deficit and still larger deficits in later years, skillfully tries to hide behind a constitutional amendment to balance the Federal budget. On the one hand, the Reagan administration calls for mandating congressional fiscal responsibility, while, on the other hand, it sends up a multibillion-dollar tuition tax credit program that will only add to the inability of Congress to balance the budget. Action like this reminds one of the old adage from the Nixon years, "Watch what we do not what we say."

The administration, Mr. President, came to office declaring the theme of reducing Government and cutting the budget. To the contrary as far as tax credits are concerned. The Reagan administration is not interested in reducing Government and is interested in cutting the budget for all except favored groups.

The Reagan administration has proposed huge cuts in funding for federally funded elementary and secondary programs. The funding, under President Reagan's proposals, for these programs is almost 50-percent below the 1981 funding level. We all know these programs: Title I, Handicapped Education, Vocational Education, et cetera. They are worthwhile and that is why, in large part, Congress rejected these deeper cuts. But the fact remains, the Reagan administration advocates vastly scaling back the expenditures for programs that benefit the disadvantaged and deficient and the creation of multibillion-dollar spending programs for students in private schools.

And, what is the Federal role relating to elementary and secondary schools? In the past it has been a limited one designed to supplement, not supplant, the State and local government effort. Federal programs are targeted, categorical programs designed to assist the needy and disadvantaged student in both public and private schools. The Reagan administration proposes to vastly increase the assistance to private school students while at the same time promoting huge cuts in the budget for present federally funded education programs.

The Government's duty to the public is to provide public schools. The duty of the Government toward private schools is to leave them alone. In light of the efforts to reduce Federal spending, reduce the role of the Federal Government in the affairs of the States, reduce Federal regulation and deal effectively with the pressing problems confronting our Nation, it is very difficult at best to understand why the administration presses its case for this uncontrollable entitlement program that will cost billions just to start and provide the overwhelming majority of its benefits to the wealthiest segment of our population.

Mr. President, I believe that the tuition tax credit proposal advanced by the Reagan administration reverses sound education policy, is a budget buster—particularly in these economic times, and is potentially unconstitutional. Earlier this year, the chairman of the Senate Finance Committee was reported in the press to comment that the tuition tax credit legislation will not reach the Senate floor before Congress adjourns. I, for one, because of the facts I have outlined today, think if wisdom prevails that this will be the case for not only this Congress but those in the future as well.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations and a withdrawal which were referred to the Committee on Armed Services.

(The nominations and withdrawal received today are printed at the end of the Senate proceedings.)

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that he had approved and signed the following bills and joint resolutions:

On June 15, 1982:

S.J. Res. 149. Joint resolution to designate the week of June 6, 1982, through June 12, 1982, as "National Child Abuse Prevention Week."

On June 16, 1982:

S.J. Res. 131. Joint resolution designating "National Theatre Week."

S. 1808. An act to authorize an Under Secretary of Commerce for Economic Affairs.

On June 18, 1982:

S.J. Res. 201. Joint resolution designating "Baltic Freedom Day."

On June 21, 1982:

S. 896. An act to designate the control tower at Memphis International Airport the "Omlie Tower."

S.J. Res. 140. Joint resolution designating February 11, 1983, "National Inventors' Day."

MESSAGES FROM THE HOUSE

At 3 p.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House recedes from its amendment to the concurrent resolution (S. Con. Res. 92) setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1983, 1984, and 1985, and revising the congressional budget for the U.S. Government for the fiscal year 1982; and agrees to the same with an amendment, in which it requests the concurrence of the Senate.

The message also announced that the House has passed the following bill, without amendment:

S. 1519. An act to designate certain national wildlife refuge lands.

The message further announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6094. An act to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1983, and for other purposes.

At 3:17 p.m., a message from the House of Representatives, delivered by Mr. Gregory, one of its reading clerks, announced that the House disagrees to the amendment of the Senate to the bill (H.R. 5890) 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; asks a conference with the Senate on the disagreeing votes of the two Houses thereon, and appoints Mr. Fuqua, Mr. Flippo, Mr. Glickman, Mr. Nelson, Mr. Brown of California, Mr. Winn, Mr. Goldwater, and Mr. Hollenbeck as managers of the conference on the part of the House, and as additional managers solely for the consideration of section 5 of the Senate amendment and modifications committed to conference: Mr. Stratton, Mr. Boland, Mr. Gore, Mr. Dickinson, and Mr. Robinson.

ENROLLED BILL SIGNED

At 7:28, a message from the House of Representatives, delivered by Mr. Gregory, announced that the Speaker had signed the bill (S. 1519) to designate certain national wildlife refuge lands.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 6094. An act to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1983, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3708. A communication from the Acting Director of the Defense Security Assistance Agency transmitting, pursuant to law, a confidential report on a proposed foreign military sale to the United Kingdom; to the Committee on Armed Services.

EC-3709. A communication from the Secretary of the Federal Communications Commission transmitting, pursuant to law, an order of the Commission relating to certain broadcasting applications pending before the Commission; to the Committee on Commerce, Science, and Transportation.

EC-3710. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation imposing eligibility and fiscal limitations to programs of aid to families with dependent children and supplemental security income; to the Committee on Finance.

EC-3711. A communication from the Assistant Secretary of Housing and Urban Development for Administration transmitting, pursuant to law, a report on a new Privacy Act system of records; to the Committee on Governmental Affairs.

EC-3712. A communication from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report of the Inspector General of EPA; to the Committee on Governmental Affairs.

EC-3713. A communication from the Acting Comptroller General of the United States transmitting, pursuant to law, a monthly listing of GAO reports for May 1982; to the Committee on Governmental Affairs.

EC-3714. A communication from the Executive Director of the Advisory Commission on Intergovernmental Relations transmitting, pursuant to law, two reports relative to State and local roles in the Federal system; to the Committee on Governmental Affairs.

EC-3715. A communication from the Chairman of the President's Commission for the Study of Ethical Problems in Medicine and Biomedical and Behavioral Research transmitting, pursuant to law, a report entitled Compensating for Research Injuries; to the Committee on Labor and Human Resources.

EC-3716. A communication from the Secretary of the Smithsonian Institution transmitting, pursuant to law, the 1981 annual report of the Smithsonian Institution; to the Committee on Rules and Administration.

EC-3717. A communication from the Acting Comptroller General of the United States transmitting, pursuant to law, a report on a revised rescission and three new deferrals of budget authority by the President; jointly, pursuant to the order of January 30, 1975, to the Committee on Agriculture, Nutrition, and forestry; the Committee on Appropriations; the Committee on Banking, Housing, and Urban Affairs; the Committee on the Budget; the Committee on Commerce, Science, and Transportation; and the Committee on Foreign Relations.

EC-3718. A communication from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, a final regulation relative to the Federal Insecticide, Fungicide, and Rodenticide Act; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3719. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller) transmitting, pursuant to law, certification that no payment was made from military construction appropriated funds during October 1, 1981-March 31, 1982 on contracts in a foreign country except after consultation with the Secretary of the Treasury; to the Committee on Appropriations.

EC-3720. A communication from the Assistant Secretary of the Navy transmitting, pursuant to law, a report on a decision made to convert the Servmart function at the Naval Supply Center, Charleston, S.C., to performance under contract; to the Committee on Armed Services.

EC-3721. A communication from the Assistant Secretary of the Navy for Shipbuilding and Logistics transmitting, pursuant to law, a report on a decision to convert the grounds maintenance and agricultural pest control function at the Naval Construction Battalion Center, Port Hueneme, Calif., to performance under contract; to the Committee on Armed Services.

EC-3722. A communication from the Assistant Secretary of Energy for Conservation and Renewable Energy transmitting, pursuant to law, the fifth annual report on Federal activities and programs in geothermal energy; to the Committee on Energy and Natural Resources.

EC-3723. A communication from the General Counsel of the Department of Energy transmitting a draft of proposed legislation to extend section 252 of the Energy Policy and Conservation Act; to the Committee on Energy and Natural Resources.

EC-3724. A communication from the Administrator of the Environmental Protection Agency transmitting, pursuant to law, a report on the effects of discharges from limestone quarries on water quality and aquatic biota; to the Committee on Environment and Public Works.

EC-3725. A communication from the Administrator of the General Services Administration transmitting, pursuant to law, a prospectus proposing a lease in Houston, Texas; to the Committee on Environment and Public Works.

EC-3726. A communication from the Secretary of Health and Human Services transmitting a draft of proposed legislation to revise coverage, benefits, and cost-sharing under medicare and medicaid; to the Committee on Finance.

EC-3727. A communication from the Deputy Secretary of the Treasury transmitting a draft of proposed legislation respecting the borrowing authority of the District of Columbia; to the Committee on Governmental Affairs.

EC-3728. A communication from the Deputy Assistant Secretary of Defense for Administration transmitting notice of a proposed computer match of certain Army allotment records with listings for recipients of food stamps and public assistance in the city of New York; to the Committee on Governmental Affairs.

EC-3729. A communication from the Director of Compensation and Benefits of the Farm Credit Banks of St. Louis, Mo., transmitting, pursuant to law, the pension plan report for the Sixth Farm Credit District Retirement Plan for the plan year ending December 31, 1981; to the Committee on Governmental Affairs.

EC-3730. A communication from the Deputy Assistant Secretary of Health and Human Services for Health Operations and Director, Office of Management transmitting, pursuant to law, the annual report on the financial condition of the Department's pension plan for the plan year ending September 30, 1980; to the Committee on Governmental Affairs.

EC-3731. A communication from the Environmental Protection Agency transmitting, pursuant to law, the semiannual report of the Agency's Inspector General for the period ending March 31, 1982; to the Committee on Governmental Affairs.

EC-3732. A communication from the Secretary of the United States Postal Rate Commission, transmitting, pursuant to law, the opinion and recommended decision rejecting OOC and DOD proposals for attached mail classifications and rates; to the Committee on Governmental Affairs.

EC-3733. A communication from the Chief Justice of the United States, transmitting, pursuant to law, the report of the proceedings of the Judicial Conference of the United States, held in Washington, D.C., on March 11 and 12, 1982; to the Committee on the Judiciary.

EC-3734. A communication from the Administrator of Veterans' Affairs, transmitting a draft or proposed legislation to amend section 1622 of title 38, United States Code, to permit the Administrator to utilize the Post-Vietnam Era Veterans Education Account for the administration of the education program authorized by section 2141 of title 10, United States Code; to the Committee on Veterans' Affairs.

EC-3735. A communication from the Acting Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of offer to the United Kingdom for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-3736. A communication from the Director of Facility Requirements and Resources, Office of the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, transmitting, pursuant to law, a report on 25 construction projects to be undertaken by the Army National Guard; to the Committee on Armed Services.

EC-3737. A communication from the Acting Director of Facility Requirements and Resources, Office of the Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, transmitting, pursuant to law, a report on two construction projects for the Army National Guard; to the Committee on Armed Services.

EC-3738. A communication from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting, pursuant to law, a report on the conversion of the keypunch function at the Strategic Weapons Facility, Pacific, Bangor, Wash., to contractor performance; to the Committee on Armed Services.

EC-3739. A communication from the Deputy Assistant Secretary of the Air Force (Logistics), transmitting, pursuant to law, a report on converting the transient aircraft maintenance function at K.I. Sawyer Air Force Base, Mich., to contractor performance; to the Committee on Armed Services.

EC-3740. A communication from the Deputy Assistant Secretary of the Navy for Logistics, transmitting, pursuant to law, a report on various studies on converting certain functions at certain facilities to contractor performance; to the Committee on Armed Services.

EC-3741. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Fresh Look Is Needed At Proposed South Florida Jetport;" to the Committee on Commerce, Science, and Transportation.

EC-3742. A communication from the Chairman of the Advisory Council on Historic Preservation, transmitting, pursuant to law, the comments of the Council on the proposal of the Office of Surface Mining to approve a permanent mining program for Pittsburg and Midway Coal Mining Co.'s operation of the McKinley Mine in New Mexico; to the Committee on Energy and Natural Resources.

EC-3743. A communication from the Under Secretary of Energy, transmitting, pursuant to law, a report on proceeding with remedial action at additional properties in Salt Lake City and with an additional group of properties at Canonsburg using interim cleanup standards; to the Committee on Environment and Public Works.

EC-3744. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, eleven lease prospectus amendments; to the Committee on Environment and Public Works.

EC-3745. A communication from the Chairman of the U.S. Nuclear Regulatory Commission transmitting, pursuant to law, the report on abnormal occurences at licensed nuclear facilities for the fourth calendar quarter of 1981; to the Committee on Environment and Public Works.

EC-3746. A communication from the Secretary of Health and human Services, transmitting, pursuant to law, the annual report on the social security program for fiscal year 1981; to the Committee on Finance.

EC-3747. A communication from the President of the United States, transmitting, pursuant to law, notification of his designation of a Chairman of the U.S. International Trade Commission; to the Committee on Finance.

EC-3748. A communication from the Acting Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on international agreements, other than treaties, entered into by the United States in the 60-day period prior to June 17, 1982; to the Committee on Foreign Relations.

EC-3749. A communication from the Acting Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to authorize the Secretary of State to reimburse State and local governments for providing extraordinary protection with respect to foreign consular posts located in the United States outside the metropolitan area of the District of Columbia; to the Committee on Foreign Relations.

EC-3750. A communication from the Assistant Secretary of the Smithsonian Institution (Administration), transmitting, pursuant to law, the annual report on the pension plans of the Smithsonian Institution and the Woodrow Wilson International Center for Scholars for calendar year 1981; to the Committee on Governmental Affairs.

EC-3751. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report summarizing and analyzing the reports submitted by executive agencies showing the amount of personal property furnished to non-Federal recipients; to the Committee on Governmental Affairs.

EC-3752. A communication from the Secretary of Health and Human Services, transmitting, pursuant to law, the annual report on actions taken to recruit and train Indians to qualify for positions which are subject to preference under Indian preference laws; to the Committee on Governmental Affairs.

EC-3753. A communication from the Secretary of Education, transmitting, pursuant to law, an evaluation study entitled "An Assessment of Vocational Education Programs for Indian Tribes and Organizations;" to the Select Committee on Indian Affairs.

EC-3754. A communication from the Acting Comptroller General of the United States, transmitting, pursuant to law, a report and recommendation on the claim of the Tehran American School; to the Committee on the Judiciary.

EC-3755. A communication from the Executive Secretary, Office of the Secretary of Defense, transmitting, pursuant to law, the report on Department of Defense procurement from small and other business firms for the first half of fiscal year 1982; to the Committee on Small Business.

EC-3756. A communication from the Administrator of Veterans' Affairs, transmitting, pursuant to law, a report on the Veterans' Administration health professional scholarship program; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. PACKWOOD, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 1500. A bill to provide for the transfer of the Alaska Railroad to the State of Alaska (Rept. No. 97-479).

By Mr. TOWER, from the Committee on Armed Services, with an amendment:

S. 2487. A bill to authorize appropriations for the fiscal year 1983 for intelligence activities of the U.S. Government, for the Intelligence community staff, and for the Central Intelligence Agency retirement and disability system, and for other purposes (Rept. No. 97-480).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. GARN, from the Committee on Banking, Housing, and Urban Affairs:

James Jay Jackson, of Texas, to be a Member of the Federal Home Loan Bank Board for the term of 4 years expiring June 30, 1986.

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. FORD:

S. 2655. A bill to provide increased maximum limitations for student loans under part B of title IV of the Higher Education Act of 1965 for certain students who lost benefits under the Social Security Act as a result of amendments made by the Omnibus Budget Reconciliation Act of 1981; to the Committee on Labor and Human Resources.

By Mr. ROBERT C. BYRD:

S. 2656. A bill to direct the President to provide for the award of the Purple Heart to prisoners of war held during World War I, World War II, and the Korean conflict under the same criteria applicable to prisoners of war held during the Vietnam era; to the Committee on Armed Services.

By Mr. EAST:

S. 2657. A bill to require that the candidates for President and Congress and those for State and local offices be listed separately on a ballot; to the Committee on Rules and Administration.

By Mr. SPECTER (for himself and Mr. RUDMAN).

S. 2658. A bill to amend title 18 to delimit the insanity defense, and for other purposes; to the Committee on the Judiciary.

By Mr. SASSER:

S. 2659. A bill to amend the Social Security Act to provide that disability benefits may not be terminated prior to completion of the reconsideration process including an evidentiary hearing, to provide that medicare entitlement shall continue through the administrative appeal process, and to require the Secretary of Health and Human Services to make quarterly reports with respect to the results to periodic reviews of disability determinations; to the Committee on Finance.

By Mr. PACKWOOD (for himself, Mr. STEVENS and Mr. GORTON):

S. 2660. A bill to consolidate and reenact certain of the marine safety and seaman's welfare laws of the United States; to the Committee on Commerce, Science, and Transportation.

By Mr. COCHRAN (for himself and Mr. HUDDLESTON):

S. 2661. A bill to improve farm commodity prices through expanded export development and the use of advance loans and payments under the price and income support programs to encourage participation in the acreage adjustment programs for wheat, cotton, rice, and feed grains; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. EXON (for himself and Mr. ZORINSKY):

S. 2662. A bill to authorize amendments to certain repayment and water service contracts for the Frenchman Unit of the Pick-Sloan Missouri River basin program; to the Committee on Energy and Natural Resources.

By Mr. COCHRAN (for himself, Mr. BAKER, Mr. STENNIS, Mr. THURMOND, Mr. JOHNSTON, Mr. HEFLIN, Mr. DENTON, Mr. EAST, Mrs. HAWKINS, Mr. NUNN, Mr. SASSER, Mr. MATTINGLY, Mr. CHILES and Mr. HOLLINGS):

S.J. Res. 204. Joint resolution to commemorate the travels of William Bartran; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FORD:

S. 2655. A bill to provide increased maximum limitations for student loans under part B of title IV of the Higher Education Act of 1965 for certain students who lost benefits under the Social Security Act as a result of amendments made by the Ominbus Budget Reconciliation Act of 1981; to the Committee on Labor and Human Resources.

(The remarks of Mr. FORD and the text of this legislation appear earlier in today's RECORD.)

By Mr. SPECTER (for himself and Mr. RUDMAN):

S. 2658. A bill to amend title 18 to delimit the insanity defense, and for other purposes; to the Committee on the Judiciary.

(The remarks of Mr. SPECTER on this legislation appear earlier in today's RECORD.)

By Mr. SASSER:

S. 2659. A bill to amend the Social Security Act to provide that disability benefits may not be terminated prior to completion of the reconsideration process, including an evidentiary hearing, to provide that medicare entitlement shall continue through the administrative process, and to require the Secretary of Health and Human Services to make quarterly reports with respect to the results of periodic reviews of disability determinations; to the Committee on Finance.

SOCIAL SECURITY DISABILITY BENEFITS

● Mr. SASSER. Mr. President, for several months, complaints of inequities and allegations of quota systems causing unjust terminations from the disability rolls have been widespread. Consequently, there is a great deal of anxiety and frustration among America's disabled population, which covers over 4.6 million workers and their dependents.

In fact, an allegation that I received from an anonymous social security worker in Memphis detailing the existence of a quota system led me to request an investigation in Memphis by the General Accounting Office. The report proved inconclusive as to the existence of a quota; however, it did reveal criticisms often paralleled in other States regarding the continuing disability review process. These included: critical comments directed at the quality of consultative examinations being performed at the request of the State disability determination system; complaints that the consultative examinations were too short, were not comprehensive, and did not adequately cover the claimants' impairments, and complaints that some consultative physicians are rude, prejudiced, and unprofessional. The employees also believed the Tennessee disability determination system (DDS) is experiencing organizational and workload problems because of the current continuing disability investigation (CDI) program. They also revealed there was a high case backlog and some pressure to reduce it.

It is little wonder that the social security disability program is currently experiencing such a deluge of complaints which has prompted the close scrutiny of several Members of Congress.

The disability program is ostensibly designed to compensate those individuals who, through no fault of their own, are unable "to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or be of long-continued and indefinite duration." It is an important part of the Federal Government's safety net to protect those persons who can no longer support themselves through work.

During the early and mid-1970's, the number of recipients in the disability program increased dramatically before leveling off in the late 1970's and then declining. Between 1970 and 1976, the number of disabled workers in the social security disability program almost doubled, from 1.5 to 2.7 million. From 1970 to 1980 benefit payments rose from $3.3 to $15.9 billion. This growth prompted Congress to consider disability reform legislation, which I supported, in the form of the 1980 disability amendments.

A major provision of these amendments required the Social Security Administration, beginning in January 1982, to review the cases of disabled workers on the disability rolls at least once every 3 years, except where the disability is considered permanent.

However, in March 1981, the Reagan administration, in an attempt to realize further savings, decided to accelerate these reviews some 9 months ahead of the January 1982 implementation date. This was done despite the lack of appropriate resources with which to handle the large increases in State agency caseloads. To a great extent this has contributed to the inequitable treatment and erroneous termination of a substantial percentage of the disabled population.

In Tennessee alone, the disability determination system in Nashville is scheduled to review approximately 11,179 cases. Next year this caseload will increase to 19,747, and in 1984 there are 30,896 cases scheduled for review.

Now, the original purpose of the 1980 disability amendments was to weed out those individuals who were no longer eligible for disability benefits. I strongly support any and all efforts to rid Government programs of waste, fraud, and abuse. In many cases there may be sufficient justification and cause for removing individuals from the disability rolls. If they do not belong on the rolls, then they should be removed.

However, it is apparent that the rights of disability beneficiaries are being callously disregarded and abused through the hasty and inefficient administration of unfair and unjust policies. In far too many cases, what we are seeing is that truly deserving beneficiaries are being systematically lopped off the rolls in an effort to reduce costs. Substantial evidence indicates that gross inequities are occurring not only in Tennessee, but across the Nation. Many beneficiaries are being indiscriminately terminated without the benefit of a medical examination.

At current investigation rates, 11,000 Tennesseans will have their social security disability cases reviewed this year, and perhaps more than 2,500 of these individuals will have their benefits erroneously terminated.

Horror stories abound of individuals who, suddently faced with the termination of benefits, resort to acts of utter desperation. The trauma and shock of disability termination has actually resulted in deaths and attempted suicides.

A recent article in the Memphis Commercial Appeal outlines several cases where individuals have been adversely affected by disability determinations. In one case, an east Tennessee lawyer told of one of his clients—a man who suffered from paranoid schizophrenia—who committed suicide because his benefits were terminated. The lawyer said the man left a note saying that was the reason he took his life.

Another woman, 51 years of age, suffers from multiple sclerosis, lupus, two ulcers, cystitis, a tumor, and a deteriorating spine, yet her benefits were terminated last October.

These are but two individual cases. The raw statistics that are available suggest a serious national disability termination problem. It is currently estimated that about 45 percent of the individuals examined under the continuing disability investigations are being terminated outright, yet almost 70 percent of these individuals who appeal their cases to the administrative appeal level have their benefits reinstated by the administrative law judge. Such a margin of error is clearly unacceptable and must not be tolerated.

I present this information as evidence for the need for corrective legislation. The legislation I am proposing, S. 2659, is intended to lessen the impact of these adverse reviews on eligible disability recipients while maintaining the necessity for ongoing reviews to eliminate fraud and abuse from the system.

The bill I am proposing contains four major provisions aimed at achieving this goal:

First, there is a provision for an adjustment period wherein benefits will continue to be paid for a period of 6 months from the initial notice of termination or until such time as a reconsideration hearing is held—if the reconsideration is not held within the 6-month period. Currently, there is only a 2-month grace period, and I do not believe that this is an adequate amount of time to prepare the individual for either appeal or adjustment to the loss of these benefits.

Second, there is a provision that an evidentiary hearing will be provided at the reconsideration hearing. This gives the individual an opportunity to meet face to face with the persons hearing the appeal. Currently, this face-to-face contact is not afforded the claimant until he or she reaches the administrative law judge.

Third, the bill allows for the extension of medicare eligibility until such time as a decision is reached by the administrative law judge. In many instances, medicare eligibility is absolutely essential as it is nearly impossible for disability recipients to receive adequate medical insurance either because of high premiums or outright refusal by the insurance carrier.

Fourth, the bill requires the Secretary of Health and Human Services to report to the Congress on a quarterly basis information which will better facilitate an accurate evaluation of the actual continuing disability investigations process. The bill details the specific data to be collected.

It is important to note that S. 2659 does not allow for the continuation of benefits to those individuals who have been terminated because they are participating in substantial gainful activity. These individuals clearly should not be eligible for an additional 6 months of benefits because they are no longer disabled.

It is my sincere hope that this legislation will be given expeditious consideration by my colleagues in the Senate. The gravity of the disability termination problem dictates that remedial action be taken now.

In the meantime, I will continue to work with several of my colleagues in an attempt to further develop other legislative proposals geared to alleviating inherent structural defects in the current disability system.

Mr. President, I ask unanimous consent that immediately following the conclusion of my remarks there be printed the following materials: a copy of the June 3, 1982, GAO report to me on an investigation of an alleged quota system to terminate social security disability benefits, editorials, and stores from the Memphis Commercial Appeal, the Washington Post, and the Washington Times on the current problems with disability termination procedures, and the full text of S. 2659.

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

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., June 3, 1982.

Subject: Results of Investigation Into Alleged Quotas Being Used by the Social Security Administration to Terminate Disability Insurance Benefits (GAO/HRD-82-88).

Hon. JIM SASSER,
U.S. Senate.

DEAR SENATOR SASSER: In accordance with your April 29, 1982, request, we visited the Social Security Administration (SSA) District Office in Memphis, Tennessee, to investigate an anonymous allegation that quotas were used to terminate the benefits of disability insurance recipients. The allegation, purportedly from a District Office employee, claimed that employees were being pressured to meet quotas in terminating disability benefits under SSA's continuing disability investigation (CDI) program.

We visited the main District Office in downtown Memphis and its three branch offices. We talked to the District Manager, his assistants, the three branch chiefs, nine claims representatives, three service representatives, and three data review technicians. Included in this group were the local employee union's president and two union stewards. We also met with Mr. Gay Moskowitz, a representative from your office in Memphis.

The primary purpose of our visit to Memphis was to locate the anonymous source of the allegation and determine its validity. We also wanted to obtain from the District Office employees their perspective on the CDI program, its impact on their workload, and the nature of any beneficiary complaints. In addition to using private rooms to interview the various employees, we had a telephone line available after normal working hours to encourage employees to contact us (see the enclosed letter we distributed to SSA employees in Memphis). The individual who made the allegation failed to identify himself or herself.

We concluded that the allegation regarding a specific quota for terminations was groundless at the Memphis District Office. We base this conclusion on the following.

1. The District Office employees are not directly involved in making CDI decisions. Their only involvement is to support the State Disability Determination Service (DDS) by helping locate beneficiaries, answering claimants' questions, helping set up consultative examinations, and performing other support functions.

2. For initial disability claims, the District Office accepts applications and makes earnings determinations, but does no medical development or evaluation.

3. Even though most employees we talked to had criticisms of the CDI program, they seemed to understand the philosophy behind CDIs, the constraints the State operates under, and the reasons why people were terminated. No one indicated to us that they knew of quotas imposed on anyone at either the District Office or the State.

4. As several employees were rather outspoken in their criticism of management, we believe it is unlikely that management could have prevented their telling us of situations involving quotas. The after-hours telephone number, known to all SSA employees in Memphis, also provided ample opportunity for SSA employees to contact us anonymously with information or opinions regarding quotas.

Employees voiced many criticisms regarding the recent CDI initiatives, the disability program in general, and other Social Security matters. These criticisms often paralleled those heard in other States we have visited regarding CDI issues, which leads us to believe that the program in Tennessee, and its problems, are not unlike those found in Ohio, New York, Pennsylvania, and California. As you may know, we submitted testimony on these problems on May 25, 1982, to the Subcommittee on Oversight of Government Management, Senate Committee on Governmental Affairs. A copy of our testimony is being provided to you.

Most of the critical comments from the employees were directed at the quality of consultative examinations being performed at the request of the State DDS. The District Office has historically received many complaints that consultative examinations were too short, were not comprehensive, and did not adequately cover the claimants' impairments. The District Office has also heard complaints that some consultative physicians are rude, prejudiced (racially and programmatically), and unprofessional. Opinions differed as to how well the DDS monitors the consultative physicians, but generally, the employees said that, because of a shortage of available physicians to do examinations, the DDS had to continue with the physicians used.

Most employees said there was a need for CDIs, but thought the program could be improved. Suggestions included:

More selective screening of those reviewed;

A need to show medical improvement as justification for termination;

Gradually declining benefits so terminated beneficiaries can be "eased off" their dependency on disability insurance income; and

"Grandfathering" all those currently on the rolls or, alternatively, only those of an advanced age or with certain impairments.

The employees also believed the Tennessee DDS is experiencing organizational and workload problems because of the current CDI program. Several said that there had been high turnover among examiners and some morale problems and that the State had not been able to hire enough new staff. They said there was a high case backlog and some pressure to reduce it.

On a more positive side, many employees said that, although some errors had been made, the State was doing a reasonably adequate job with the CDI program. The criticisms generally related to the procedures governing the CDI reviews, which were developed by SSA.

Many complaints have been received from beneficiaries about the CDI program, and filings for reconsiderations and appeals have increased. However, the types of complaints are apparently not much different from those received before the recent CDI initiatives began in March 1981. SSA employees have a great feeling of empathy for terminated beneficiaries, who are often confused about the circumstances and fearful for their economic future.

We did not visit the DDS in Nashville, Tennessee, to pursue the allegation further because we did not believe such a trip would have been any more productive than our visits to other States where we found no evidence of "quotas." The Administrator of the Tennessee DDS testified on May 25, 1982, before the previously named Subcommittee. In his testimony, he confirmed the workload and other staffing problems described by the District Office employees. He also addressed the issue of "quotas":

"* * * With all the emphasis we and SSA have and are now placing on processing time, there has never been so much as a hint to sacrifice quality.

"Neither in my 26 years in this program has there ever been a quota established or implied for allowances, denials, continuances, or cessations. Adjudicative climates may have changed, but never a hint of a quota."

We found no evidence of a quota system for CDIs (in Tennessee or anywhere else), and we were not contacted by the anonymous individual who made the allegation. It is possible that the individual misinterpreted SSA "goals," or projected savings, as quotas because a 20-percent termination rate, as referred to in the allegation, initially surfaced in an internal SSA study. This termination rate was later referred to in our March 1981 report [1] on CDIs and was also publicized by the media. It is possible that some employees had verying interpretations of this termination rate, but we found no evidence that it was intended to be used as, or was interpreted as being, a direct quota.

[1] "More Diligent Followup Needed to Weed Out Ineligible SSA Disability Beneficiaries" (HRD-81-48, Mar. 3, 1981).

We trust the above information is responsive to your request. As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report for 30 days. At that time, we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,

GREGORY J. AHART,
Director.

Enclosure.

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., May 7, 1982.

ALL SOCIAL SECURITY EMPLOYEES,
Memphis, Tenn. Area.

At the request of Senator Jim Sasser, the U.S. General Accounting Office (GAO) is reviewing various aspects of the Social Security Administration's disability investigations. These investigations are currently being conducted by the various State Disability Determination Services (DDSs) throughout the country. Senator Sasser and GAO are very concerned about the impact of these investigations on the disabled population, and specifically with the manner in which they are being conducted.

GAO representatives—Bruce Fairbairn and Russell Keeler—will be in Memphis, Tennessee on May 10-13, 1982, to discuss the issues with district office employees. While we have recently met with DDS examiners in several States, we have not visited district offices to obtain first-hand the views of SSA personnel who often meet face-to-face with the disabled population.

Recognizing that some employees may be reluctant to share their views in person for various reasons, GAO wants to assure every employee that his or her view will be kept confidential and their identity protected. To help in this regard, we have made arrangements to have a private meeting room available between the hours of 1:00 and 4:00 p.m. on May 12, 1982, to receive your views. The room is located at the North Branch Office (Interview Room) and we encourage every employee who has information they wish to share to talk with us.

If further anonymity is desired, GAO representatives can be reached by telephone on 332-1130 (X322) between the hours of 6:00-7:00 p.m. on May 10, 11, and 12.

We recognize that some employees may have specific allegations to report while others have more general views concerning these disability investigations. We welcome your views and appreciate your cooperation.

Sincerely,

PETER J. MCGOUGH,
Associate Director.

NOTE.—This letter was distributed at one of the branch offices. Similar letters were distributed at the other offices.

[Editorial from the Commercial Appeal, June 5, 1982]

SAFETY NET SHRINKS

Political conditions, which the administration and Congress have been unwilling or unable to buck, seem to have made inevitable the kind of personal hardships that have occurred in the crackdown on federal disability benefits.

Reporter Shirley Downing of The Commercial Appeal described some of those hardships in this newspaper's Monday editions. The cases included a man who has had open-heart surgery twice in recent months, another who has had two operations for ruptured spinal disks and a woman who said she has multiple sclerosis, lupus, two ulcers, cystitis, a tumor and a deteriorating spine. For each, benefits have been denied or cut off.

A recent government study showed that 27.8 percent of disability recipients were receiving improper benefits. The potential savings was estimated at $4 billion in 1980 alone. But is that sufficient justification for eligibility rules so tight they eliminate persons whose benefits were or would have been perfectly proper and legal?

In an almost feverish search for more ways to trim the federal deficit, the Reagan administration apparently has chosen to cut without evaluating what the effects on individuals might be—without carefully working out a distinction between abuse of the system and fair payments for reasonable standards of disability.

Ken Patton, director of the disability determination section for Arkansas, told Ms. Downing that a professional organization of which he's a member estimates that at least 20 percent of the recipients whose benefits are being cut in his state are unable to work.

It goes without saying that there's a lot of difference between denying payments to persons who can't work and denying them to persons who can.

But the true picture of the disability crackdown doesn't begin to come into focus until it's compared with what has happened to social programs in general—or benefits to individuals—which make up half of all federal spending.

From 1970 to 1981 spending rose from $2.8 billion to $16.9 billion, a sharp increase by any standard. At the same time, however, old-age retirement benefits went from $26.3 billion to $119.4 billion.

These programs, plus some miscellaneous ones, accounted for 36.2 per cent of the federal budget in 1981. None of them has eligibility based on income. None is strictly part of the administration's "safety net" for the "truly needy." And yet, apart from disability and Medicare, which have the least powerful political lobbies of the group, they have received the most protection from cuts.

Outside those programs, budget cuts have fallen heavily on another class of social spending in which financial need is the primary criterion for eligibility. This class, however, which includes college student aid, welfare, food stamps, Medicaid and housing subsidies, makes up only 8.5 per cent of the federal budget. Welfare, for instance, which takes so much of the public criticism about waste and abuse, increased from $4.1 billion to $7.7 billion during the 1970s. Eliminating welfare entirely wouldn't make a dent in the budget problem.

The real "safety net," it has been argued, with considerable basis in fact, has protected the middle-class and even the affluent through pensions and old-age retirement.

On one hand, millionaires draw down Social Security, federal retirees receive double-dip pensions and all Social Security beneficiaries see their checks increase substantially faster than the wages of workers who pay for the checks. On the other, elderly persons with meager resources are told they can no longer stay in a nursing home with federal help, men and women with serious diseases or injuries and families to support have disability benefits cut off and other families living in poverty lose food stamps.

The reforms that might make social spending more equitable, that might balance needs more fairly against resources are the subject of lengthy study and lengthier debates. But those interests with the strongest political influence win protection from politicans who also want a safety net—for their political futures.

[From the Commercial Appeal, May 31, 1982]

PURGING OF DISABILITY ROLLS MULTIPLIES FINANCIAL WORRIES

(By Shirley Downing)

Robert Wilson, a 54-year-old former truck driver, claims he hasn't got the heart to keep on working.

But the government disagrees. Twice in recent months Wilson has undergone open-heart surgery; twice he has been denied Social Security disability benefits, although his doctors say he cannot work. His case is under appeal.

"I think what they're doing in cases like mine, they're just hoping I will go ahead and die so they can say, 'This one has done knocked off on us.'

"It's rough. We've been waiting 16 months and I just don't understand it."

Wilson talks softly, sometimes in gentle spurts. His breathing is labored and each exhalation is like a sigh. It is the sound of too many cigarets, weak lungs and coronary disease, and it can be heard above the patter of rain striking the plastic roof over the patio of his Walls, Miss., home.

Peering through the sliding glass doors of his den, Wilson talks of having spent much of the past year hospitalized and worrying about how to pay the mounting bills.

"Sometimes I get pretty discouraged," he said. "Sometimes I get plumb down to the depths and I wonder if there is any way out.

"I've worked hard all my life and provided for my family. To have all the props knocked plumb out from under me is pretty hard."

"Last week the bank repossessed Wilson's truck and the power company shut off the gas used to heat the family's suburban brick home.

"We have borrowed from family, friends, anyone we could," said Helen Wilson. "Right now we owe about $15,000." She said the couple's charge cars are at their limit.

"The only thing we can hope to do is try to sell the house and pay back all the people what we owe," said Wilson, who drove 18-wheel trucks for 31 years.

But if the Wilsons have to sell the roof from over their heads, they will even have bigger problems. They have an 8-year-old son at home, as well as their 26-year-old daughter and her disabled 41-year-old husband and a 7-year-old grandson.

Pam and Jerry Weatherly moved in with the Wilsons two months ago; Weatherly's disability payments of $1,009 a month were cut off last October. His case, too, is under appeal in a Memphis court.

Weatherly, an electrician, said he injured his back while working in 1978. He now walks with a cane after surgery on two different occasions for ruptured spinal disks did little to alleviate the pain.

Mrs. Weatherly said her husband started suffering angina attacks after his disability check was stopped.

Already, the couple's van has been repossessed and they are trying to sell or rent their house trailer.

The Wilsons and the Weatherly's are among the thousands of Mid-South families being affected by a crackdown involving Social Security disability benefits.

There are roughly 181,000 disabled workers in Arkansas, Mississippi and Tennessee receiving disability payments of almost $63 million per month—or $756 million per year—according to Social Security Administration officials. Many of those recipients may lose their checks in the months ahead.

The government claims that some people receiving Social Security disability are not really eligible.

Recent random samplings of Social Security disability recipients, according to a government news release, found that 27.8 percent were receiving payments erroneously, a figure that would have amounted to $4 billion in bad payments nationally in 1980 alone.

A new federal law mandates that all Social Security disability cases be reviewed at least once every three years to see if the person's health has improved to where he can return to work. Previously, only certain claims were examined, according to Social Security officials.

In addition, cases are being scrutinized to see if claimants meet tougher eligibility standards. Many don't.

For example, 42.5 percent of the claims reviewed in Tennessee in the past six months have resulted in terminations. In Arkansas, 52 percent of the cases reviewed in the past six months were terminated in Mississippi, 44.9 percent of the cases reviewed in the past 14 months failed to qualify for continuation.

Although the actual numbers of people who have been dropped from Social Security's disability roles at this point are small—about 8,000 in the three state area—the figures are suggestive of the numbers and the types of recipients who could lose their monthly payments in the next year or two.

For example, only about 4,000 Tennessee recipients have been terminated since March 1981, but many had been receiving benefits for a decade or more, said Herbert Brown, director of the disability determination section in Nashville.

The criteria for receiving Social Security disability benefits has changed over the years," said Brown. "It has just become much, much more difficult to qualify.

"People who qualified 10 years ago might not even qualify now and they could be cut off."

Brown said this year his staff is scheduled to receive 11,179 cases for review. Next year his office is expected to review 19,747 cases and in 1984, there are 30,896 Tennessee cases scheduled for review.

"We're supposed to get 6,500 during the 1982 fiscal year, or this current year," said Ken Patton of Little Rock, director of the disability determination section for Arkansas' program.

"But in actuality, we will have received probably more than 12,000 cases to review this year. Yesterday we got 15 new boxes of claims that we have to review."

Patton said his office is scheduled to review about 9,000 claims next year and about 15,000 claims the year after.

Patton said the cessations, or terminations, are being made "because we're required to follow the guidelines and instructions given us by the Social Security Administration. If we do not, they will take our program away from the state government.

"In Arkansas that would be 161 people who would be out of work. You have to do what they tell you and the guidelines have changed in several ways.

"In 1979 they came out with a new listing of impairments that says if you have this, you're presumed disabled. They are much more stringent than the old ones, especially in one area: cardiovascular disease and that is our No. 1 disability impairment.

"Most people are being rejected for heart disease. They could have met the old criteria, but this new criteria, if they don't meet it they are out."

He said a professional organization of which he is a member has estimated that "at least 20 percent of the people we're ceasing (or terminating upon review of claims) could not work."

In many cases, administrative law judges hearing cases on appeal agree. There is a national reversal rate among administrative law judges of 67.2 percent.

But appeals take time—sometime months or even a couple of years—and some people don't have a lot of time.

And for other people, time is all they do have.

Gertrude is a diabetic and a mental patient whose words are not easily understood because of a speech defect.

In a recent interview in the offices of Memphis Area Legal Services, she said all she had eaten for three days was a hamburger, compliments of an Italian restaurant. She did not know where her next meal was coming from.

"I'm not able to work at all. I ain't got no income at all," said the former cook. "My lights have been cut off. I ain't got no food, my telephone was taken out and my rent is due."

Gertrude, her eyes red with fatigue and her head sprouting a dozen small pigtails—a style reminiscent of childhood rather than a woman of 55 years—claims her disability payments stopped coming without notice last month. She had been receiving benefits since April, 1980.

Mrs. Debra Brittenum, who is representing Gertrude, said Social Security officials have put a "tracer" on her clients case, but to date have been unable * * *.

Karen Dennis, an attorney with Legal Services, said since February her office has averaged about 60 new disability cases each month involving terminations or initial claims rejections.

Ms. Dennis said she suspects that the federal government is trying to go in the back door to make cuts in its Social Security budget, cuts which have not won Congressional approval.

"The administration has not been very successful in getting Social Security cuts enacted. A suspicion in my mind is what they are trying to do is administratively affect cuts by reducing the numbers of people on disability rolls."

Social Security officials disagree. Patton said the federal law mandating the review of disability claims dates back to the Carter administration, although the reviews began last year instead of this year as originally planned.

Philip Johnson, 27, was one of those Memphians who stopped getting a check last year.

Johnson has had to learn to live with sickle cell anemia, a blood condition which causes "excruciating pain" in the joints of the body "with every beat of the heart."

The disease affects blacks and because it is not a common affliction, he feels that some doctors have little knowledge of the disease and the extent to which it can disable.

Johnson first started receiving disability benefits in 1976 when his disease progressed to the point where he could no longer drive a soft drink truck. He was terminated from the program last October.

He now spends his days worrying about how he will support his wife—who is unemployed—and their small son without the $540 a month check.

One woman, 51, said she was terminated last fall and she doesn't understand why. She said she has multiple sclerosis, lupus, two ulcers, cystitis, a tumor and a deteriorating spine. "My doctor wants me to use a walker or a cane to get around with." she said. "My husband left me and I had a nervous breakdown." She said not to be identified.

And an East Tennessee lawyer, who asked that his name not be used, said one of his clients—a man who suffered from paranoid schizophrenia—committed suicide because his benefits were terminated. The lawyer said the man left a note saying that was the reason he took his life.

[From the Washington Times, May 28, 1982]

DOCTOR SAYS TERMINATION OF BENEFITS TRIGGERED PATIENT'S DEATH

(By George Clifford)

It was the kind of letter Hawkeye Pierce would write on "M*A*S*H," but real doctors usually hold back their outrage. But a real doctor did write it, and Sen. Carl Levin, D-Mich., read it at a Senate hearing on the Social Security Administration's sweeping removal of disability benefit recipients.

"This is probably the greatest example of a miscarriage . . . by a bureaucracy that can't possibly function in an honest and ethical fashion," Dr. Keith K. Vining Jr. of Grand Rapids, Mich., wrote.

He felt he had reason to be angry. One of his longtime patients, Richard Kage, had died of a massive heart attack. The doctor believed it was caused by "stress created by the termination of his disability benefits."

"I don't care who up there realizes that I feel this way," he wrote. "I will say it now and I will say it publicly that this service is a disastrous failure."

Kage's widow, Ethel, a plump, pleasant woman who tried to keep the family together by working as a secretary at the high school in Reed City, Mich., sat in the witness chair and told of her husband's ailments. He had been a diabetic since he was 12, had tunnel vision and gave up his job as a Michigan state highway surveyor after a stroke in 1974.

"If he was sitting here, he could not see this pitcher of water," Mr. Kage said, gesturing toward the jug by her right hand at the witness table.

Another physician, who examined Richard Kage for 15 minutes, ruled he was fit to work. In Baltimore, the computers buzzed and Kage was lopped from the rolls.

Ethel Kage gave the grim chronology. She said her husband received a notice from Social Security on April 21, 1981, that his status was being re-examined, and a notice of pending cessation on May 14. On July 30 a letter came saying his July check was the last.

Mrs. Kage said she called the local Social Security office a number of times, and was told on Oct. 30 that Kage's file had not yet been sent from Baltimore.

"All this time, we had been without any income," she said. By then, her husband had been hospitalized with gangrene in a toe. It was saved with antibiotics.

On Nov. 5, Mrs. Kage called Levin, and a notice arrived Nov. 25, telling Kage he had another appointment with the same doctor who had found him fit to work.

"Two days after that," Mrs. Kage said, "Dick died."

Kage was one of more than 400,000 disability recipients whose cases were reviewed from March 1981 to April of this year. He was one of more than 190,000 who were cut off the rolls. Social Security calls that a "cessation." More than 60 percent of these are reinstated after hearings, for which the disabled can wait up to a year. No payments are made while the appeal is pending.

"I can't understand the disregard of physicians who have treated someone for years," Mrs. Kage said, "Why are these completely ignored?"

Levin and Governmental Affairs oversight subcommittee Chairman William Cohen, R-Maine, agreed the problem is not a partisan one. And they agreed on the need for a prompt solution.

The Social Security Administration forces disability recipients to prove again that they qualify for benefits, although this is not spelled out for those whose qualifications are challenged.

Deputy Social Security Commissioner Paul Simmons said it was up to Congress to change the system. He called attacks on the disability reviews "demagoguery—good theatre—a bum rap."

Rhoda Greenberg, director of Social Security's disability programs, was asked if she thought the methods used are fair.

"It's not in my place," she said, "to talk about fairness."

[From the Washington Post, June 14, 1982]

SOCIAL SECURITY'S 'INJUSTICES'

Social Security Commissioner John A. Svahn's recent public explanation for the scandal involving termination of Social Security and SSI benefits to clearly disabled people who have already met the strictest tests for these benefits, fails to address the magnitude of the errors being made and never explains the causes for these arbitrary terminations.

Statistics illustrate that once terminated, beneficiaries obtain their first and only face-to-face and independent hearing in the system, currently 60 percent get their terminations reversed and over half of the others losing at the hearing stage succeed when they take their cases to federal court. Thus, one gets a better picture of how unfair and illegal the great majority of the over 175,000 terminations have been in the March 1981 to March 1982 period.

There are many reasons for these shocking terminations, some constituting longstanding inequities in the disability determinations process:

It is simply impossible for state disability determination review agencies to review fairly 540,000 cases this year, 860,000 next year, more thereafter, and our disabled clients are asking that the 1980 amendments calling for these mass reviews should be reexamined and rescinded;

State review agencies never see the beneficiaries face to face to evaluate the disability, especially subjective complaints;

Social Security, without public notice or changes by Congress in the Social Security Act, has improperly narrowed standards by which disabilities are evaluated, and is now seeking in the name of "uniformity," through H.R. 6181, to impose these secret, internally published standards upon their administrative law judges;

State review agencies ignore or fail to obtain medical evidence from treating physicians and fail to afford it proper weight, while relying solely on cursory, one-shot consultative examinations by doctors who don't know the beneficiaries and don't have any medical history;

Contrary to law, state agencies ignore vocational factors; they ignore non-exertional factors such as mental impairments and, most shocking of all, they ignore the reality of pain in evaluating disabilities;

Social Security no longer deems it necessary to show that there has been substantial medical improvement in the disabled beneficiary's condition since the person was previously found by them to be disabled, thus treating the beneficiary as if he or she was applying for the first time.

The inequities arising from the mass review of 30,000 cases a month currently being shipped out for state agency review are made that much more harsh for the tens of thousands cut off, only later to be reinstated on appeal, because current law does not permit disability insurance benefits to continue pending the administrative hearing decision when there is an appeal.

Thus, innocent, severely disabled people, who as past wage earners have been the backbone of our nation, must wait over a year or more for reinstatement while they suffer loss of medical care, their homes, necessities of life and even life itself, as the suicides of some beneficiaries have sadly demonstrated.

I hope the hearings recently held by the House Select Committee on Aging and the oversight subcommittee of the Senate Governmental Affairs Committee will lead to the most prompt remedial action to right these injustices.

JONATHAN M. STEIN,
Chief of Special Projects,
Community Legal Services, Philadelphia.

[From the Washington Post, May 27, 1982]

IN THE NEW RUSH FOR BUDGET SAVINGS, A LIFE IS TRAMPLED

(By Mary McGrory)

Richard Kage had to die to prove to the Social Security Administration that he was really sick.

Two doctors, who had treated him for years for a variety of ailments, had certified his disability, but Social Security cut off his benefits after a 15-minute examination by a staff ophthamologist, who said Kage was not "a total cripple."

Kage's widow, a round, mild, low-voiced woman named Ethel, came from Reed City, Mich., to tell her husband's story to a Senate subcommittee Tuesday. Kage was a casualty of a 1980 law that requires review of disability cases.

Congress recommended a two-year delay in starting the sweep, but budget director David A. Stockman counseled immediate action for quick savings. Fifty percent of those questioned appealed their cases, and 67 percent of them won. The benefits to the budget are not known. Ethel Kage recounted the human cost.

If the grisly weeding process continues, about 250,000 Americans will be put through the wringer that Richard Kage did not survive. While under review, their payments will be withheld. They are more or less assumed to be cheats until they can prove otherwise. It is part of the continuing assault on Social Security and one of the most anguishing, although not always fatal, ways of making Social Security recipients one of the most insecure elements in our society.

Said Sen. Carl Levin (D-Mich.): "None of us want folks on the rolls who do not belong there. But we want people on the rolls who do belong there with equal passion."

The panel of Social Security officials who testified ahead of Mrs. Kage exhibited no passion, except for saying nothing that was clear, humane or sensible. They never see the people who suffer their judgments. They are numbers. Only records are consulted.

The Kages never met anybody from Social Security face to face. They met brutal indifference. inefficiency and lies.

In April, 1981, Richard Kage, who had been receiving $459.80 in monthly disability payments since 1974, received a continuing disability investigation notice and, some weeks later, notice of an appointment with a Social Security staff doctor.

After a 15-minute examination, the doctor reported that while the patient was "blind for all practical purposes . . . the presence of central vision in his right eye gives him some reprieve from being a total cripple."

Kage had been a diabetic from the age of 12, his widow told the subcommittee. He suffered eye hemorrhages. A stroke had left him with tunnel vision. He wanted to work, Mrs. Kage said, but he couldn't even walk without someone supporting him on either side.

But on May 14 last year, Kage was informed of "pending cessation of benefits" and told the decision was based on reports from his own doctors.

Actually, both of his doctors had written letters to Social Security attesting that he was "in no condition for employment." On July 30, the Kages were notified that his benefits were terminated "effective that date."

In August, Ethel Kage wrote asking for reconsideration. In October, she called the regional office to find out the status of her appeal. The voice on the telephone said she would call back, but never did. Three weeks later, Ethel Kage called again, and the voice said her husband's records had not come from Baltimore where they were "tied up in the computer."

"All this time, we had been without any income," she said stoically.

She went to work as a secretary at the local high school. Her husband, having been officially notified that he was ablebodied, found a job of sorts as a caretaker in the cemetery. He developed gangrene in a toe and was hospitalized.

On Nov. 5, Ethel Kage sent an SOS to Levin.

Levin has in his files a copy of an internal Social Security memo dated Oct. 1, written by a disability examiner at Baltimore headquarters and saying of Kage, "Initial cessation appears shaky to me."

Levin's intervention resulted in another notice of "disability termination" and a new appointment with the doctor who had found Kage "not a total cripple."

On Nov. 27, Kage had a heart attack and died.

"I called the district office," Ethel Kage told the senators in a remarkably steady voice, "to say that Dick would not keep his appointment, that he had died. The woman didn't say anything."

Apparently, the death meant that another file could be closed.

Richard Kage's doctor of 18 years, Keats V. Vining of Grand Rapids, Mich., wrote a letter that should be framed and hung on the walls of the Disability Determination Section:

"This is probably the greatest example of a miscarriage of a disability determination by a bureaucracy that can't possibly function in an honest and ethical fashion. . . . This service is a disastrous failure."

S. 2659

Be is enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PAYMENT OF ADJUSTMENT DISABILITY BENEFITS DURING RECONSIDERATION

SECTION 1. (a) Section 223 of the Social Security Act is amended by adding at the end thereof the following new subsection:

PAYMENT OF ADJUSTMENT BENEFITS DURING RECONSIDERATION

"(g)(1) In any case where—

"(A) an individual is a recipient of disability insurance benefits, or of child's, widow's, or widower's insurance benefits based on disability,

"(B) the physical or mental impairment on the basis of which such benefits are payable is found to have ceased, not to have existed, or to be no longer disabling, and as a consequence such individual is determined not to be entitled to such benefits, and

"(C) a timely request for reconsideration of the determination that he is not so entitled is made under section 221(d)(1).

entitlement to and payment of such benefits and any other benefits based on such individual's wages and self-employment income shall not be terminated until such reconsideration under section 221(d) has been completed and the finding under subparagraph (B) of this paragraph has been upheld on such reconsideration, or, if earlier, until the end of the sixth month after the month in which such initial termination determination was made.".

"(2) Paragraph (1) shall not apply in the case of a termination of benefits which is based upon a finding made in accordance with subsection (d)(4) that services performed by the individual or earnings derived from services performed by the individual demonstrate such individual's ability to engage in substantial gainful activity.".

(b) The amendment made by subsection (a) shall apply to determinations (that individuals are not entitled to benefits) made after the date of the enactment of this Act.

RECONSIDERATION PROCEDURE FOR DISABILITY BENEFITS

SEC. 2. (a) Section 221 of the Social Security Act is amended by redesignating subsections (d) through (i) as subsections (e) through (j), respectively, and by inserting after subsection (c) the folllowing new subsection:

"(d)(1) Any initial decision the Secretary renders with respect to an individual's rights for a payment under this title (including a decision the Secretary renders by reason of a review under subsection (c)) in the course of which a determination relating to disability or to a period of disability is required for such payment and which is in whole or in part unfavorable to such individual shall contain a statement of the case, in understandable language, setting forth a discussion of the evidence, the Secretary's decision, and the reason or reasons upon which the decision is based. Upon request by any such individual, or by a wife, divorced wife, widow, surviving divorced wife, surviving divorced mother, husband, widower, child, or parent, who makes a showing in writing that his or her rights may be prejudiced by such a decision, he or she shall be entitled to reconsideration of such decision under this subsection. Any such request with respect to any such decision must be filed within 60 days after notice of the decision is received by the individual making such request, or within such longer time as the Secretary may provide in any case where good cause is shown as to why filing was delayed beyond such 60 days.

"(2)(A) If a reconsideration is requested by an individual under paragraph (1) and a showing is made by such individual that he or she may be prejudiced in such decision by a determination relating to disability or to a period of disability, such individual shall be entitled in the course of such reconsideration to a determination relating to such disability or period of disability.

"(B)(i) In the case of a reconsideration to be made by the Secretary of a decision to terminate benefits in which a determination relating to disability or to a period of disability was made by a State agency, any determination under subparagraph (A) relating to disability or to a period of disability shall be made by the State agency, notwithstanding any other provision of law, in any State that notifies the Secretary in writing that it wishes to make determinations under this subparagraph commencing with such month as the Secretary and the State agree upon, but only if (I) the Secretary has not found, under subsection (b)(1), that the State agency has substantially failed to make determinations under this subparagraph in accordance with the applicable provisions of this section or rules issued thereunder, and (II) the State has not notified the Secetary, under subsection (b)(2), that it does not wish to make determinations under this subparagraph. If the Secretary once makes the finding described in clause (I) of the preceding sentence, or the State gives the notice referred to in clause (II) of such sentence, the Secretary may thereafter determine whether (and, if so, beginning with which month and under what conditions) the State may again make determinations under this subparagraph.

"(ii) Any determination made by a State agency under clause (i) shall be made in the manner prescribed for determinations under subsection (a)(2) and regulations prescribed thereunder, except that it shall be made after opportunity for an evidentiary hearing at which the individual requesting the reconsideration and the individual (if different) whose disability or period of disability is in question shall have a right to appear.

"(3) A decision by the Secretary on reconsideration under this subsection in the course of which a determination relating to disability or to a period of disability is required and which is in whole or in part unfavorable to the individual requesting the reconsideration shall contain a statement of the case, in understandable language, setting forth a discussion of the evidence, the Secretary's decision, and the reason or reasons upon which the decision is based.

"(4) The Secretary shall prescribe by regulation procedures for the reconsideration under this subsection of issues other than issues relating to disability or a period of disability.".

(b) Section 221 of such Act is further amended—

(1) in subsection (b)(1), by inserting "under subsection (a)(1) or subsection (d)" after "disability determinations" the first place it appears, and by inserting before the period the following: "or the disability determinations referred to in subsection (d)(2) (as the case may be)";

(2) in subsection (b)(2), by inserting "or under subsection (d)(2) (as the case may be)" after "subsection (a)(1)" the first place it appears, and by inserting before the period in the last sentence the following: "or the disability redeterminations referred to in subsection (d)(2) (as the case may be)";

(3) in subsection (b)(3)(A), by inserting "under subsection (a) or subsection (d)" after "function", and by inserting "under subsection (a) or subsection (d) (as the case may be)" after "process";

(4) in subsection (b)(3)(B), by inserting "under subsection (a) or subsection (d)" after "function", and by inserting "under subsection (a) or subsection (d) (as the case may be)" after "process";

(5) in subsection (e) (as so redesignated by subsection (a) of this section), by striking out "(c), or (g)" and inserting in lieu thereof "(c), (d), or (h)";

(6) in subsection (f) (as redesignated by subsection (a)), by striking out "under this section" and inserting in lieu thereof "or subsection (d)(2)", by inserting "or under subsection (d)(2), as the case may be" after "under subsection (a)(1)" the second place it appears and by striking out "subsection (f)" and inserting in lieu thereof "subsection (g)";

(7) in subsection (h) (as redesignated by subsection (a)), by inserting "or subsection (d)(2)" after "subsection (a)(1), by inserting "under subsection (a)(1) or subsection (d)(2)" after "disability determinations" the second place it appears, by inserting after "guidelines," the following: " in the case of disability determinations under subsection (d)(2) to which subparagraph (B) thereof does not apply,", by inserting "under subsection (a) or subsection (d)" after "disability determinations" the third place it appears, by inserting "or the determinations referred to in subsection (d) (as the case may be)" after "in subsection (a)", and by adding at the end thereof the following new sentence: "In the case of a reconsideration by the Secretary of a decision to terminate benefits, any disability determination made by the Secretary under this subsection in the course of such reconsideration shall be made after opportunity for an evidentiary hearing at which the individual requesting the reconsideration and the individual (if different) whose disability or period of disability is in question shall have a right to appear."; and

(8) in subsection (i) (as redesignated by subsection (a)), by adding at the end thereof the following new sentence: "An individual who makes a showing in writing that his or her rights may be prejudiced by a determination under this subsection with respect to continuing eligibility shall be entitled to a reconsideration and a hearing to the same extent and in the same manner as provided under subsections (d) and (e).".

(C) The amendments made by this section shall apply with respect to requests for reconsideration of decisions by the Secretary of Health and Human Services filed after the date of the enactment of this Act.

CONTINUATION OF MEDICARE ENTITLEMENT DURING ADMINISTRATIVE APPEALS PROCESS

SEC. 3. (a) Section 226 (b) of the Social Security Act is amended by striking out "the month in which notice of termination of such entitlement to benefits or status as a qualified railroad retirement beneficiary described in paragraph (2) is mailed to him" and inserting in lieu thereof "the month in which such individual's entitlement to benefits or status as a qualified railroad retirement beneficiary described in paragraph (2) has been terminated and such individual has exhausted all possible administrative remedies (or such individual has failed to request such remedies within the time period provided for such requests) for challenging such termination; up to and including a decision rendered by the Secretary after a hearing as provided in section 221(e) or a final decision rendered by the Railroad Retirement Board".

REPORT ON PERIODIC REVIEW OF DISABILITY DETERMINATIONS

SEC. 4. Section 221(i) of the Social Security Act is amended by inserting "(1)" after "(i)" and by adding at the end thereof the following new paragraph:

"(2) The Secretary shall transmit to the Congress on a quarterly basis a report setting forth the number of continuing eligibility reviews carried out under paragraph (1), the number of initial benefit termination decisions resulting from such reviews, the number of such termination decisions with respect to which reconsideration is requested under subsection (d) or a hearing is requested under subsection (e), or both, and the number of such termination decisions which are overturned at the reconsideration or hearing level.".●

By Mr. PACKWOOD (for himself, Mr. STEVENS, and Mr. GORTON):

S. 2660. A bill to consolidate and reenact certain of the marine safety and seamen's welfare laws of the United States; to the Committee on Commerce, Science, and Transportation.

CONSOLIDATION AND REENACTMENT OF CERTAIN MARITIME LAWS

● Mr. PACKWOOD. Mr. President, today I am introducing legislation to accomplish a much-needed and difficult task attempted unsuccessfully four times since 1929. This is the reorganization, review, and enactment of laws concerning vessel standards, marine safety, and seamen's welfare now contained in title 46 of the United States Code. This legislation is a combination of many years of effort to organize these shipping laws, and the beginning of an ambitious new initiative to review and update the vast body of laws which Commerce began enacting in its very first meeting in New York City in 1790.

DESCRIPTION

The bill I am introducing today is a springboard for legislative action. As introduced, it reorganizes 12 chapters of title 46. Last fall a proposal in draft form was circulated among industry. The Coast Guard rejected all efforts to change various provisions of the existing law. It was their position that any substantive changes will have to be made by the legislative branch. At my urging, this proposal has been made available for congressional review. The Coast Guard deserves our appreciation for the excellent work it has done in this very difficult area.

Following is a list of chapters of title 46. Those chapters set out in italic are included in the bill being introduced today. Other chapters will be included in the upcoming staff draft upon completion of review by administering Federal agencies and public input. Certain chapters are not and will not be included in this initiative. They are chapters 23, Shipping Act; chapter 23A, Intercoastal Shipping; chapter 24, Merchant Marine, 1920; chapter 24A, Merchant Marine Act, 1928; and chapter 27, Merchant Marine Act, 1936.

THE CODE OF THE LAWS OF THE UNITED STATES OF AMERICA

TITLE 46—SHIPPING

Chap.	Sec.
1. *Administration of Shipping Laws*	1
2. *Registry and Recording*	11
2A. Load Lines for American Vessels	85
3. Clearance and Entry	91
4. Tonnage Duties	121
5. Discriminating Duties and Reciprocal Privileges	141
6. Regulation as to Vessels Carrying Steerage Passengers	151
7. *Carriage of Explosives or Dangerous Substances*	170
8. Limitation of Vessel Owner's Liability	181
9. *Log Books*	201
10. *Regulation of Pilots and Pilotage*	211
10A. *Regulation of Great Lakes Pilots and Pilotage*	216
11. *Officers and Crews of Vessels*	221
12. *Regulation of Vessels In Domestic Commerce*	251
13. Passports and Papers of Vessels Engaged in Foreign Commerce	351
14. *Inspection of Steam Vessels*	361
15. *Transportation of Passengers and Merchandise by Steam Vessels*	451
16. *Regulation of Motor Boats*	511
17. Regulation of Fishing Voyages	531
18. *Merchant Seamen*	541
19. *Wrecks and Salvage*	721
19A. Admiralty and Maritime Jurisdiction	740
20. Suits In Admiralty by or Against Vessels or Cargoes of United States	741
21. Death on the High Seas by Wrongful Act	761
22. Suits in Admiralty Against United States for Damages Caused by Public Vessels or for Towage Services	781
23. Shipping Act	801
23A. Intercoastal Shipping	843
24. Merchant Marine Act, 1920	861
24A. Merchant Marine Act, 1928	891
25. Ship Mortgages	911
26. Home Port of Vessels	1011
27. Merchant Marine Act, 1936	1101
28. Carriage of Goods by Sea	1300
29. Nautical Instruction	1331
30. Peonage and Slave Trade Punished by Seizures and Forfeitures	1351
31. Maritime Academy Program	1381
32. Construction Assistance for Fishing Vessels	1401
33. Coordinated National Boating Safety Program	1451
34. Safe Containers for International Cargo	1501

PURPOSE

Mr. PACKWOOD. Mr. President, the purpose of this initiative is fivefold: First, to organize these shipping laws to make them comprehensible to the affected public. On numerous occasions, the disorganization and internal inconsistency has rendered maritime activity unpredictable and has resulted in substantial litigation. The courts in turn have heaped criticism on Congress for the disorganized and outdated nature of title 46.

As long ago as 1937, the U.S. Supreme Court had occasion to refer to the marine safety laws of this country as "a maze of regulations." It has gotten worse since then. This year, the Second Circuit Court, sitting in New York, bemoaned the increasing inadequacy of the statutory language of chapter 28 "Carriage of Goods at Sea," when measured against the dramatic changes in shipping and transportation since the statute was enacted. The court went on to say that Congress has "refused to rewrite or modernize COGSA's language to take into account developments in shipping since 1934." Two decades earlier, the same court referred to this statute as a "troublesome conundrum." That characterization is applicable to the entire title 46.

Second, to make application of the laws to industry easier, quicker, and less expensive. This could thus be considered a component of administration and congressional initiatives toward regulatory reform. If only a handful of Coast Guard officers, through experience gained over years, combined with in-house interpretation and commonsense, really understand these laws, the result is uncertainty and delay for industry. It also stymies technological development. If the laws are organized so that they can be more easily found and understood, we may be able to further delegate responsibilities to the private sector, such as has been accomplished with private inspection and documentation societies. This in turn will result in further cost savings to the Federal Government and efficiencies for the industry.

Third, it is obvious to even the most casual reviewer that many of the laws are so outdated as to be simply taking up space in the United States Code. Two of the more obvious examples are chapter 6, "Regulation as to Vessels Carrying Steerage Passengers" and chapter 30, "Peonage and Slave Trade Punished by Seizures and Forfeitures." We will identify those chapters and sections of title 46 which no longer serve any purpose and repeal them.

Fourth, numerous other sections are outdated, but, because they continue to effect present-day commerce, require substantive change to make them applicable and useful today. The Carriage of Goods by Sea Act contained in chapter 28, and referred to by the second circuit above, is an example of a law which is not responsive to current commercial practices and maritime technology.

Fifth, I have no doubt that certain sections, though relevant and generally up to date, may deserve reconsideration based on industry and Government agency input. If we can improve existing law, we will.

PLAN

Today's "clean" recodification of portions of title 46 are available in bill form to industry, Government, and the public. Concurrently, I have written to Secretary Drew Lewis and Malcolm Baldrige requesting that the Maritime Administration, Coast Guard, and National Marine Fisheries Service, all chapters of title 46, which they administer—other than chapters 23-24A and 27—provide the Commerce Committee with suggested reorganization and revisions.

The resulting work product, together with that of other agencies and industry, will be considered and a committee staff draft made available this session. That draft will encompass the 12 chapters covered in this bill, plus others mentioned earlier in this statement and suggested by Government/industry comment.

BACKGROUND

At this point, it is useful to provide this background on precisely how today's legislative proposal was developed. For this purpose, I ask unanimous consent that the following portions of an article entitled "The Maze Revisited: An Update on the Revisions of the Shipping Laws," which appeared in the publication Proceedings, March 1982, be included in the RECORD.

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

Because of its complexity, Title 46 has proved to be among the most difficult for Congress to enact as "positive law" (in other words, Congress has had difficulty reenacting the previously enacted statutes into a consolidated, organized title of the United States Code). The first attempt to "codify" Federal shipping law came in 1929, shortly after the adoption of the United States Code. That effort failed for reasons which have now become obscure. A similar effort in the late 1940s also failed. In the early 1960s, the Commandant of the Coast Guard, partially in response to the urgings of the Senate Commerce Committee, assembled a special team of three attorneys to draft in positive law form, without making any "substantive change of a controversial nature," a restatement of Title 46. This group worked diligently for almost three years and, in 1967, presented to the Commerce Committee a draft of "A Bill to Consolidate and Reenact Certain of the Marine Safety and Seamen's Welfare Laws of the United States." The draft received widespread approval and would have placed all of the commercial vessel safety law in a single, easily usable format for the first time in almost one hundred years. However, in the administrative upheaval resulting from the creation of the new Department of Transportation, the bill was scrapped.

Things remained unchanged from 1967 until 1971, when yet another restatement was attempted and eventually shelved. The project was not resumed until the spring of 1980, when the present Commandant designated the redrafting and simplification of the shipping laws one of his "milestone projects." A draft proposal, based largely on the 1967 bill, has now been prepared and is under scrutiny throughout the maritime community.

Two elements in the intended format are worth noting. One is the reorganization of related material into units. An example is the treatment of the Federal Boat Safety Act, which cuts across the areas of safety equipment for recreational vessels, manning of certain commercial passenger-carrying vessels, identification of undocumented self-propelled vessels, and negligent operation of all vessels. The intent to reorganize these matters with others of related or supplementary application is reflected in the proposal.

The other element is the tailoring of language to facilitate both temporary inclusion in the U.S. Code and ultimate assimilation into a truly "codified" title. The substitutes made necessary by non-statutory reorganization plans and other transfers of authority, especially since 1946, have frequently caused confusion in the shipping industry. Terms used in this draft restatement, as well as the internal cross references, have been designed to present the Code editors with the least need for editing and to minimize potentially confusing terminology.

The purpose of the current legislative proposal is to make the law easier for the Coast Guard to administer, easier for the maritime community to apply, and easier for everyone to understand. The drafting of the legislative proposal began in earnest in May 1980 at the direction of the Commandant of the Coast Guard and under the guidance of the Chief Counsel and the Chief, Office of Merchant Marine Safety. Using as its foundation a 1967 Commerce Committee print of "A Bill to Consolidate and Reenact Certain of the Marine Safety and Seamen's Welfare Laws of the United States," the drafters proceeded with their task, again under the general guideline that they make no "substantive change of a controversial nature." After eighteen months, a draft proposal was complete. The product divided existing marine safety and seamen's welfare laws into ten clearly defined chapters. It filled three hundred pages of text.

At this point, those close to the project came to understand that they were faced with the awesome task of testing what they had produced against the actual text of the existing shipping laws, knowing that any attempt to bring 108 years of piecemeal Congressional activity into a single, succinct document would invariably result in inadvertent omissions, conflicts, and editorial inaccuracies. The Coast Guard sought the opinion, cooperation, and assistance of those who would be most affected by the legislative proposal.

First, the drafters of the legislation went to the Coast Guard itself. A special panel of three senior and highly qualified officers whose careers had been concentrated in fields related to the regulation of commercial shipping was appointed by Rear Admiral Clyde T. Lusk, Jr., Chief, Office of Merchant Marine Safety, to examine the draft proposal for consistency with longstanding Coast Guard practices and interpretations. For several weeks the panel went painstakingly through the 300-page document, line by line. Once their comments had been evaluated and incorporated into the proposal, a second edition of the draft was produced and distributed to Coast Guard Marine Safety and legal personnel in some of the nation's busiest port cities. Meetings were then held between these persons and the draftsmen to determine whether the proposal was in conformity with the manner in which the law is now being applied by Coast Guard field units. Once the views of Coast Guard field and operational personnel had been obtained, the draft was again updated. At this point the Chief Counsel of the Coast Guard was confident that he had produced a draft proposal which accurately reflected the manner in which the Coast Guard construed and applied the existing provisions of the several hundred sections in Title 46 which come under its administration. However, work was just beginning.

The next step was to obtain the views of those people whose commercial and recreational interests were regulated by the federal shipping code. A number of industrial groups, labor organizations, shipping companies, trade associations, and law firms were contacted and asked whether they would be interested in participating in the early stages of drafting a way out of the maze. The response was overwhelming. In the weeks that followed, copies of the legislative proposal and supporting documents were delivered to dozens of individuals and groups. As these organizations began their analyses of the proposal, the Coast Guard contacted the prestigious Maritime Law Association of the United States (MLA) and asked for its assistance. The MLA, an organization which has an acute interest in establishing uniform laws, expressed immediate support of the goals of the project through its President, John W. Sims, Esq., of New Orleans.

In November 1981 the Chief Maritime International Law Division at U.S. Coast Guard Headquarters was invited to address the MLA's Committee on Coast Guard and Navigation at its annual meeting in New York. As a result of that meeting and other discussions, dozens of members of the Maritime Law Association examined portions of the draft proposal and provided the Coast Guard with their critical comments. On January 20, 1982, a meeting was held at Coast Guard Headquarters in Washington at which interested representatives from all areas of the maritime community were invited to comment on the proposal. The substance of comments received up to that point was made known at the meeting. A general description of the intent and purpose of the legislative proposal was offered, and objections and other comments were heard. At the conclusion of the meeting, the Coast Guard began to move rapidly to finalize its legislative proposal.●

By Mr. COCHRAN (for himself and Mr. HUDDLESTON):

S. 2661. A bill to improve farm commodity prices through expanded export market development and the use of advance loans and payments under the price and income support programs to encourage participation in the acreage adjustment programs for wheat, cotton, rice, and feed grains; to the Committee on Agriculture, Nutrition, and Forestry.

FARM PROGRAM IMPROVEMENT ACT OF 1982

Mr. COCHRAN. Mr. President, today I am introducing for myself and Senator HUDDLESTON a bill which is directed at two of the most serious problems facing the American farmer—low prices and availability of credit.

Last year when I introduced legislation which became part of the Agriculture and Food Act of 1981, I stressed the need to assist farmers during periods of excess supply and depressed prices. In particular, I wanted to be sure that we put into place programs which assist farmers, adjust supply, and strengthen demand when market prices are low.

Unfortunately, we are in the midst of such a situation now. We have just come through a difficult spring where the combination of low-market prices and high-interest rates made it very difficult for many farmers to plant their crops.

Despite efforts to encourage a reduction in production, it appears that farmers could produce large crops again this year if good weather prevails. With continued weak demand, farm prices could remain dangerously low well into next year.

I am concerned that if this happens many of our farmers who are financially depressed could be placed in a near bankruptcy situation. In my opinion, we cannot afford to wait until this happens. Now is the time to make program changes to address this problem, not later when it is too late.

Mr. President, the bill I am introducing today will greatly improve the ability of the Secretary to effect changes to strengthen market prices and at the same time provide financial assistance to farmers during planting time. It contains three major provisions.

Two of them provide advance financial assistance to farmers as an incentive to participate in the acreage reduction program.

The third compliments the first two by strengthening our efforts to expand demand through increased exports. The following is a brief discussion of each provision.

ADVANCED CCC LOANS

Under current law, if a farmer participates in the program, he can put his crop under loan with the Government after harvest. The purpose of this loan is to provide interim financing while farmers market their crops. Over the years, this has been a very effective program allowing them to hold their crop during the harvest period when prices are typically low and selling them when prices strengthen later in the year.

The bill I am introducing today would provide that the Secretary make advance loans from the Commodity Credit Corporation to farmers that agree to participate in the acreage reduction program. Such loans would be made in the spring rather than after harvest as is the case under current law.

The amount of the loan would be limited to that portion of the farmers crop which is required to be reduced. In other words, if there is a 15-percent acreage reduction program in place, a farmer would receive an advanced CCC loan on 15 percent of his normal production. Further, to encourage participation, the interest on these loans would accrue from harvest time rather than when the advance is made in the spring.

There are a number of advantages to this change. First, farmers would have access to the benefits of the CCC loan at planting time rather than having to wait until harvest. Second, the Government's position would be secured through a loan contract for an equivalent amount of the product. Third, it will be easy to implement because farmers already understand the CCC loan program and the Government already has the delivery system in place. And, fourth, it will save the Government money because of increased participation in the acreage reduction program which will correspondingly reduce production, increase market prices, and lower Government deficiency payments.

ADVANCED DEFICIENCY PAYMENTS

The second provision is an alternative approach to resolving the same problem. In cases where market prices are low and the Government is projecting large deficiency payments, the bill provides the Secretary make a portion of the projected payment in advance to those who agree to participate. Specifically the bill would require the Secretary to make one-half of the projected deficiency payment in advance upon agreement by the farmer of intentions to participate in an acreage reduction program.

Since the payment is based on a projected rate, the bill provides for repayment if the actual deficiency payment is less than the amount advanced.

This alternative has similar advantages to the advance CCC loan provision. While it is directed at the same problem it is different in that if the actual deficiency payment is more than the amount advanced the farmer would retain the advance and additionally would receive the difference between the advance and the actual payment.

However, if the projection is wrong and the actual payment is less than the advance the farmer would be required to reimburse the difference to the Government.

Both of these provisions strengthen the acreage reduction program by encouraging participation. By doing so, the desired supply adjustment can be made with corresponding higher market prices and lower direct Government payments to support farm income.

A number of concerns have been expressed about using acreage reduction programs exclusively in an effort to strengthen market prices. The primary argument is the tendency of producers in other countries to expand their production and markets when the United States is trying to bring supply back in line with demand.

I share some of this concern and therefore believe it is necessary to strengthen our ability to meet this competition. The bill contains a provision which would expand our efforts to increase exports.

EXPORT MARKET DEVELOPMENT

Under current law up to 25 percent of the commodities shipped under title I of Public Law 480 provides food aid to middle and upper income developing countries on concessional terms. The other 75 percent goes to lower income developing countries.

This has been a very successful program with many countries going from participation under title I to major commercial customers. Japan and Korea are two examples.

The provision contained in this bill would give the Secretary authority to use up to 25 percent of the funds under title I to establish an intermediate credit guarantee program specifically tailored to the food needs of the middle and higher income developing countries. Specifically, the funds could be used to provide an interest concession similar to those under the existing title I program.

By using 25 percent of the funds to provide credit assistance on loan guarantees rather than making direct loans at low-interest rates, the effectiveness of the program will be enhanced. It has been estimated that the volume increase could be as high as six to seven times with the same direct Government outlays.

This provides a much-needed program between the commercial market and the traditional concessional sales. By doing so it will be easier to provide the transition needed to convert these countries to commercial customers.

Mr. President, let me repeat, now is the time for us to make changes to address the problems facing agriculture, not later when it is too late. I believe that by addressing both the supply and demand side this bill strengthens current law and will greatly increase the effectiveness of existing programs to get agriculture back into a sound financial condition.

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

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

S. 2661

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 "Farm Program Improvement Act of 1982".

ADVANCE LOANS AND PAYMENTS

SEC. 2. Effective only for the 1983 through 1985 crops of wheat, feed grains, upland cotton, and rice, title I of the Agricultural Act of 1949 is amended by inserting after section 107B a new section 107C as follows:

"ADVANCE LOANS AND PAYMENTS

"SEC. 107C. (a) Effective with respect to each of the annual programs established for the 1983 through 1985 crops of wheat, feed grains, upland cotton, and rice under sections 107B, 105B, 103(g), and 101(i) of this title, respectively, whenever the Secretary implements an acreage limitation or set-aside program for a crop of any of such commodities, the Secretary shall make available, to producers who agree to participate in the acreage limitation or set-aside program, advances on commodity loans under the terms and conditions provided in subsection (b) of this section or advance deficiency payments under the terms and conditions provided in subsection (c) of this section (if the Secretary determines it likely, based on available information, that deficiency payments will be made under the annual program involved); and may make available to such producers both such loan advances and advance deficiency payments.

"(b) Advances on commodity loans shall be made under the following terms and conditions—

"(1) an advance may be made to a producer only on an amount of the commodity involved that does not exceed that production that would have occurred on the acreage that the producer has devoted to conservation uses under the applicable acreage limitation or set-aside program, as determined by the Secretary;

"(2) advances shall be made available to producers under an annual commodity program as soon as practicable after the producer files a notice of intention to participate in the annual program involved;

"(3) security for the loan for which an advance is made shall be provided by the producer in the customary manner as soon as practicable after harvest, as determined by the Secretary: *Provided*, That a producer who complies with the requirements under the acreage limitation or set-aside program may repay the advance and cancel the producer's obligation under the loan at any time prior to the time at which the producer must provide security for the loan, as determined by the Secretary;

"(4) except as otherwise provided in clause (5) of this sentence, interest shall not be charged on a loan for which an advance is made, and the loan period shall not begin, until the time at which a producer must provide security for the loan; and

"(5) if a producer fails to comply with the requirements under the acreage limitation or set-aside program involved after obtaining an advance on a loan under this section, the producer shall repay the advance immediately and, in accordance with regulations issued by the Secretary, pay interest on the advance.

"(c) Advance deficiency payments shall be made under the following terms and conditions—

"(1) an advance may be made to a producer in such amount determined appropriate by the Secretary to ensure adequate participation in the acreage limitation or set-aside program involved, but may not exceed an amount determined by multiplying the producer's eligible acreage under the annual commodity program involved by the producer's farm program payment yield by 50 per centum of the projected payment rate, as determined by the Secretary;

"(2) advances shall be made available to producers under an annual commodity program as soon as practicable after the producer files a notice of intention to participate in the annual program involved;

"(3)(A) if the deficiency payment available to a producer for a crop, as finally determined by the Secretary under section 107B(b)(1), 105B(b)(1), 103(g)(3), or 101(i)(2) of this title, is less than the amount made available to the producer as an advance deficiency payment for the crop under this section, the producer shall be obligated to refund an amount equal to the difference between the amount advanced and the amount finally determined by the Secretary to be available to the producer as a deficiency payment for the crop involved;

"(B) if the Secretary determines, under section 107B(b)(1), 105B(b)(1), 103(g)(3), or 101(i)(2) of this title, that no deficiency payment shall be made available to producers on a crop with respect to which advance deficiency payments have been made under this section, the producers shall refund the advances;

"(C) any refund required under subclauses (A) or (B) of this clause shall be due at the end of the marketing year for the crop involved;

"(4) if a producer fails to comply with the requirements under the acreage limitation or set-aside program involved after obtaining an advance deficiency payment under this section, the producer shall repay the advance immediately and, in accordance with regulations issued by the Secretary, pay interest on the advance.

"(d) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this section.

"(e) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.".

EXPORT EXPANSION

SEC. 3. The Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end of title I a new section 116 as follows:

"SEC. 116. (a) In furtherance of the policies of this title, the Secretary of Agriculture may, in connection with export credit sales of United States agricultural commodities, enter into agreements with the private trade, friendly countries, and financial institutions to (1) make payments to reduce the effective rate of interest charged to not in excess of 4 per centum for credit extended for a term of ten years in connection with such sales, and (2) guarantee the repayment of credit with respect to which the effective rate of interest is reduced under clause (1) of this sentence. In carrying out such agreements, the Secretary may use the services and facilities of the Commodity Credit Corporation.

"(b) Commodity Credit Corporation funds may be used for the purpose of meeting the guarantee obligations undertaken under clause (2) of subsection (a) of this section. Funds available for carrying out activities under this title shall be used to make the payments provided for under clause (1) of subsection (a) of this section: *Provided*, That, in any fiscal year, the amount of funds so used shall not exceed 25 per centum of the program level for title I provided in the appropriation Act for that fiscal year plus any funds transferred under the authority of section 403(c) of this Act.

"(c) The food commodities acquired through export credit sales involving agreements under this section shall not be considered in determining compliance with section 111 of this title.

"(d) In carrying out the provisions of this section, the Secretary shall, to the maximum extent feasible, safeguard usual marketings of the United States.

"(e) The Secretary shall obtain commitments from purchasers that will prevent resale or transshipment to other countries, or use for other than domestic purposes, of agricultural commodities acquired through export credit sales involving agreements under this section.

"(f) The provisions of sections 103(a), 103(d), 103(e), 103(j), 103(o), 401, 402, 409, and 411 of this Act shall be applicable to export credit sales involving agreements under this section.

"(g) The authority under this section is in addition to, and not in place of, any authority granted to the Secretary of Agriculture or the Commodity Credit Corporation under any other provision of law.".

● Mr. HUDDLESTON. Mr. President, I am pleased to join Senator COCHRAN in introducing the Farm Program Improvement Act of 1982. This bill will aid our hard-pressed farmers who are facing low farm commodity prices and continued high interest rates.

The bill will provide incentives for wheat, feed grain, upland cotton, and rice farmers to participate in acreage-limitation or set-aside programs designed to strengthen commodity prices and will encourage the expansion of export markets for U.S. agricultural products. The bill is designed to more closely aline farm production with demand and stimulate foreign demand for U.S. agricultural commodities. The bill can reduce the cost of Federal farm programs by lowering the deficiency payment rate.

The bill requires the Secretary of Agriculture to make advances to wheat, feed grain, upland cotton, and rice farmers of commodity program loans and deficiency payments, when such payments are projected to occur, in years in which, because of oversupply of these commodities, the Secretary proclaims an acreage-limitation or set-aside program. Advances will be made available to farmers who participate in the applicable acreage-limitation or set-aside program. The advances will be made at the time a farmer declares his intention to participate in an acreage-reduction program.

The advances on commodity loans will be made on amounts of the commodity involved that would have been produced on the acreage devoted to conservation uses under the applicable acreage-limitation or set-aside program. Interest on the loans will not accrue until the crop is harvested.

Advance deficiency payments will be made only in years when such payments are projected to occur. Advance payments will be limited to 50 percent of the projected deficiency payment. The bill requires the farmer to refund the advance if the Secretary determines after harvest that the actual deficiency payment due farmers is less than the amount advanced, or that no deficiency payment for the crop is required.

Under the bill, the Secretary would be required to make advances on commodity loans or advance deficiency payments with discretionary authority to do both.

Advance loans and deficiency payments will provide an incentive for farmers to participate in acreage reduction programs and provide a modest amount of operating credit at planting time.

The bill does not increase the level of Federal outlays—only the timing of these outlays is affected. Moreover, the probability increases that many more farmers will remain enrolled in an acreage-reduction program if this incentive is available and, therefore, that the actual level of Federal outlays will be reduced.

The bill also includes an agricultural export expansion provision. Under this provision, the Secretary of Agriculture will share the interest costs on loans for agricultural exports to friendly foreign countries and guarantee the repayment of such loans, in order to encourage the export of U.S. agricultural products.

This bill is responsive to the critical needs of U.S. agriculture and will not increase the Federal budget. I will make every effort to secure its enactment.●

By Mr. EXON (for himself and Mr. ZORINSKY):

S. 2662. A bill to authorize amendments to certain repayment and water service contracts for the Frenchman Unit of the Pick-Sloan Missouri River Basin program; to the Committee on Energy and Natural Resources.

AMENDMENTS TO CERTAIN CONTRACTS FOR THE FRENCHMAN UNIT OF THE PICK-SLOAN MISSOURI RIVER BASIN PROGRAM

Mr. EXON. Mr. President, I am today introducing legislation to authorize amendments to certain repayment and water service contracts for the Frenchman Unit of the Pick-Sloan Missouri River Basin program.

The Bureau of Reclamation has indicated that, due to extensive ground water development upstream of the Enders Reservoir located on Frenchman Creek in southwestern Nebraska has depleted reservoir inflow by nearly 60 percent. Within 10 years, the Bureau expects inflows to be essentially nonexistent.

This irrevocable depletion of the water supply from Enders Reservoir has affected the irrigation district's ability to meet its repayment, water service, and operation, maintenance, and replacement obligations under its existing contract with the United States. The Bureau is now in the process of revising the existing contract with the district, known as the H. & R.W. Irrigation District, to permanently resolve this problem.

As a long-term solution, the Bureau has proposed to base future annual payments on the payment capacity associated with the actual water delivered. This provision would be in lieu of the fixed obligation required under the existing contract. This change requires the approval of the Congress.

I would urge the Senate's approval of this measure simply out of a need to provide a fair solution to the district's problem which has resulted from an unforeseen depletion of ground water above the irrigation district's research.

By Mr. COCHRAN (for himself, Mr. BAKER, Mr. STENNIS, Mr. THURMOND, Mr. JOHNSTON, Mr. HEFLIN, Mr. DENTON, Mr. EAST, Mrs. HAWKINS, Mr. NUNN, Mr. SASSER, Mr. MATTINGLY, Mr. CHILES, and Mr. HOLLINGS):

S.J. Res. 204. Joint resolution to commemorate the travels of William Bartram; to the Committee on Energy and Natural Resources.

COMMEMORATION OF THE TRAVELS OF WILLIAM BARTRAM

Mr. COCHRAN. Mr. President, I am pleased that a number of Senators are joining me today in introducing legislation to commemorate the travels of William Bartram, America's first native-born American artist-naturalist.

William, son of John Bartram and Ann Mendenhall, was born in Philadelphia, Pa., in 1793. The Bartram family created the Colonies' first botanic gardens on their 102-acre farm.

In 1773 William set out to research the Southeastern part of the United States, gathering and identifying specimens of native flora and fauna. These travels through eight States are documented in a book lavishly illustrated with William's own drawings of various animals and plants. The book was a best seller for more than 25 years, and at the time it was published no library was complete without it.

His 4 years of wilderness exploration and the physical, intellectual, and artistic trails that he blazed gave the world its first clear vision of the American South, a region little known to the then civilized world. In a land of poineers, William Bartram exemplifies the pioneering spirit.

Through the efforts of the members of the Bartram Trail Conference, and organizations such as the National Garden Clubs, the Audubon Societies, the Boy Scouts, and the Sierra Club, many segments of the trail William Bartram traveled have been opened to the public for its enjoyment.

An 18-mile segment through national forest lands in my State was completed and opened to the public last year. The William Bartram Trail in Mississippi will include a waterway route touching areas specifically mentioned in Bartram's book and an inland route for hikers, canoers, and horseback enthusiasts.

The joint resolution that we are introducing will authorize the Secretary of the Interior to accept donations of suitable markers for placement on the Bartram Trail segments which cross Federal lands.

Mr. President, these markers will serve to commemorate one of America's unsung heroes and afford the public the opportunity to share in William Bartram's contributions to our American heritage.

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

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

S.J. RES. 204

Whereas, William Bartram's travels contributed to natural history, literature, and exploration and are of national and regional significance;

Whereas, a wider segment of the public should be afforded the opportunity to share in Bartram's natural, cultural, and historic resource contributions to America's heritage; and

Whereas, a segmented William Bartram Heritage Trail would be a practical and appropriate commemoration to a great American naturalist worthy of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That in order that significant route segments and sites, recognized as identifiable with William Bartram by the Bartram Trail Conference, and Federal, State, and local governments, may be distinguished by suitable markers, the Secretary of the Interior is authorized to accept the donations of such suitable markers for placement at appropriate locations on lands administered by the Secretary of the Interior and, with the concurrence of the Secretary of Agriculture, on lands under his jurisdiction. Such markers shall be placed by the Secretary of the Interior pursuant to the authority granted by the Act entitled "An Act to provide for the preservation of historic American sites, buildings, objects, and antiquities of national significance, and for other purposes", approved August 21, 1935 (16 U.S.C. 461 et seq.) and the National Historic Preservation Act (16 U.S.C. 470 et seq.).

SEC. 2. The markers authorized by the first section of this Act shall be placed in association with the William Bartram trail segments identified in the study submitted to the Congress pursuant to the provisions of section 5 of the National Trails Systems Act (16 U.S.C. 1244).

ADDITIONAL COSPONSORS

S. 481

At the request of Mr. HELMS, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 481, a bill to restore the right of voluntary prayer in public schools and to promote the separation of powers.

S. 818

At the request of Mr. HATCH, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 818, a bill to amend title 18 to limit the insanity defense.

S. 1215

At the request of Mr. PROXMIRE, the Senator from Kansas (Mrs. KASSEBAUM) was added as a cosponsor of S. 1215, a bill to clarify the circumstances under which territorial provisions in licenses to distribute and sell trademarked malt beverage products are lawful under the antitrust laws.

S. 1558

At the request of Mr. HATCH, the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 1558, a bill to amend title 18 to limit the insanity defense and to establish a verdict of not quilty only by reason of insanity.

S. 1880

At the request of Mr. THURMOND, the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 1880, a bill to amend the manufacturing clause of the copyright law.

S. 1929

At the request of Mr. HATCH, the Senator from Illinois (Mr. PERCY), the Senator from Connecticut (Mr. DODD), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 1929, a bill to amend the Public Health Service Act and the Federal Cigarette Labeling and Advertising Act to increase the availability to the American public of information on the health consequences of smoking and thereby improve informed choice, and for other purposes.

S. 1931

At the request of Mr. SCHMITT, the Senator from Pennsylvania (Mr. HEINZ) was added as a cosponsor of S. 1931, a bill to amend title 5, United States Code, to entitle Civil Air Patrol cadets 18 years of age and older to compensation available to Civil Air Patrol senior members in event of disability or death, and to increase the level of compensation available to both.

S. 2123

At the request of Mr. SYMMS, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 2123, a bill to amend title 18, chapter 44, United States Code, to provide clarification of limitations on controls of the interstate movement of firearms, and to prohibit the use of Federal funds to political subdivisions which implement certain gun control ordinances.

S. 2225

At the request of Mr. BAUCUS, the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from New Jersey (Mr. BRADLEY) were added as cosponsors of S. 2225, a bill to amend the Internal Revenue Code of 1954 to remove certain limitations on charitable contributions of certain items.

S. 2425

At the request of Mr. ROTH, the Senator from Florida (Mr. CHILES), the Senator from Montana (Mr. BAUCUS), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 2425, a bill to amend the Internal Revenue Code of 1954 to clarify certain requirements which apply to mortgage subsidy bonds, to make tax-exempt bonds available for certain residential rental property, and for other purposes.

S. 2452

At the request of Mr. DURENBERGER, the Senator from Delaware (Mr. ROTH) was added as a cosponsor of S. 2452, a bill to provide for standards for the application of the Freedom of Information Act exemption for classified information.

S. 2572

At the request of Mr. PRESSLER, his name was added as a cosponsor of S. 2572, a bill to strengthen law enforcement in the areas of violent crime and drug trafficking, and for other purposes.

S. 2585

At the request of Mr. CRANSTON, the Senator from Delaware (Mr. BIDEN) was added as a cosponsor of S. 2585, a bill to provide that the Armed Forces shall pay benefits to surviving spouses and dependent children of certain members of the Armed Forces who die from service-connected disabilities in the amounts that would have been provided under the Social Security Act for amendments made by the Omnibus Budget Reconciliation Act of 1981.

SENATE JOINT RESOLUTION 168

At the request of Mr. BAUCUS, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of Senate Joint Resolution 168, a joint resolution to establish reciprocal entrance fees for Canadian citizens entering Glacier National Park in connection with the 50th anniversary of the Waterton-Glacier International Peace Park.

SENATE JOINT RESOLUTION 178

At the request of Mr. HATCH, the Senator from Alabama (Mr. HEFLIN), and the Senator form Nebraska (Mr. ZORINSKY) were added as cosponsors of Senate Joint Resolution 178, a joint resolution to authorize and request the President to proclaim the second week in April as "National Medical Laboratory Week".

SENATOR RESOLUTION 359

At the request of Mr. LEAHY, the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Rhode Island (Mr. PELL), the Senator from Michigan (Mr. LEVIN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Washington (Mr. JACKSON), the Senator from Maine (Mr. MITCHELL), the Senator from Pennsylvania (Mr. HEINZ), the Senator from Kentucky (Mr. FORD), the Senator from California (Mr. CRANSTON), the Senator from Arkansas (Mr. BUMPERS), the Senator from Nebraska (Mr. EXON), the Senator from Massachusetts (Mr. TSONGAS), the Senator from Colorado (Mr. HART), and the Senator from Michigan (Mr. RIEGLE) were added as cosponsors of Senate Resolution 359, a resolution relating to environmental law enforcement.

AMENDMENT NO. 1333

At the request of Mr. PRESSLER, his name was withdrawn as a cosponsor of amendment No. 1333 intended to be proposed to S. 1758, a bill to amend title 17 of the United States Code to exempt the private noncommercial recording of copyrighted works on video recorders from copyright infringement.

AMENDMENTS SUBMITTED FOR PRINTING

MORE EFFECTIVE REGULATION OF MOTOR CARRIERS OF PASSENGERS

AMENDMENT NO. 1901

(Ordered to be printed and to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to the bill (H.R. 3663) to amend subtitle IV of title 49, United States Code, to provide for more effective regulation of motor carriers of passengers.

NOTICES OF HEARINGS

SUBCOMMITTEE ON INTERNGOVERNMENTAL RELATIONS

Mr. DURENBERGER. Mr. President, I would like to announce that the Subcommittee on Intergovernmental Relations of the Governmental Affairs Committee has scheduled a legislative hearing on S. 2338, to expand the membership of the Advisory Commission on Intergovernmental Relations to include elected school board officials.

The hearing will be conducted at 2 p.m. on June 24 in room 3302, Dirksen Senate Office Building. Those wishing to submit written statements to be included in the printed record of the hearing should send five copies to Ruth M. Doerflein, clerk, Subcommittee on Intergovernmental Relations, Room 507, Carroll Arms Building, Washington, D.C. 20510.

For further information on the hearing, you may contact Jimmie Powell of the subcommittee staff at 224-4718.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON WATER AND POWER

Mr. STEVENS. Mr. President, I ask unanimous consent that the Subcommittee on Water and Power, of the Committee on Energy and Natural Resources, be authorized to meet during the session of the Senate on Tuesday, June 22, at 9 a.m., to hold a hearing on S. 2202, a bill to amend the Colorado River Basin Salinity Control Act to authorize certain additional measures to assure accomplishment of the objectives of title II of such act, and for other purposes.

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

ADDITIONAL STATEMENTS

PRESIDENTIAL REASSURANCES ON TAIWAN

● Mr. GOLDWATER. Mr. President, it was my great pleasure to meet last Friday afternoon with President Reagan at the Oval Office in order to report my concern about certain actions by the U.S. Government which indicate a possible shift in our China policy detrimental to Taiwan.

Before describing the points I raised with the President, I want to state my satisfaction with what he told me. He gave me strong reassurance that neither he, nor anyone in his administration, will go back on our Nation's commitments to Taiwan. The Vice President attended the meeting and gave me a similar reassurance.

Now, Mr. President, I will briefly outline the points which I discussed with President Reagan.

First, I reminded the President that the State Department had postponed approval of spare parts for Taiwan that he had promised in August 1981. Formal notice to Congress of the spare parts sale was held up until April 1982.

Second, with minor exceptions involving lower level officers, U.S. officials are under orders not to meet Taiwan officials in Government buildings on any business other than commercial trade, nor to allow American Institute in Taiwan personnel to meet with Taiwan officials at Republic of China offices. The State Department is completely off limits.

Third, in December 1981, the State Department made an agreement with Red China to freeze all U.S. decisions on arms sales to Taiwan "during the next few months" while we negotiate with Communist China.

Fourth, except for spare parts, no defensive weapons have been approved for sale to Taiwan since the Reagan administration took office. Some items previously in the pipeline were delivered, but no new items have been approved.

Fifth, the President himself rejected the sale of FX fighter aircraft in January 1982.

Sixth, there has been stalling for over 1 year at the State Department on approving the Garrett/Taiwan coproduction in Taiwan of a derivative of the 731 aircraft engine.

Seventh, the visit of Vice President BUSH to mainland China in May 1982 has not been accompanied by any official, publicized visit to Taiwan of any high-level adminstration official. There was a private visit by an Assistant Secretary at the invitation of a university and an unofficial visit by a trade representative.

Eighth, three letters were sent this year over the name of President Reagan to Chinese Communist officials and made public. These letters may give the wrong impression that we believe the Communist nine-point unification offer has merit, that some progress has been made, and that we have altered our policy "in the last 2 months" in response to the Communist initiative. Actually, the nine-point plan is a demand that Taiwan recognize Peking's sovereignty, something our Government has never endorsed. Each of our earlier joint communiques with the People's Republic of China merely "acknowledges the Chinese position," not the U.S. position, that Taiwan is "part" of China. "Acknowledge" does not mean "recognize." It means "take note of." Previous administrations were careful to use "part" instead of "province" so as not to concede PRC sovereignty over Taiwan.

Ninth, on May 3, Deputy Assistant Secretary of State Shoesmith insisted the PRC is a "friendly country." He refused to say the PRC is a dictatorship and denied that the PRC is aiding any other subversive movement anywhere in the world.

Tenth, on June 1, 1982, Deputy Secretary of State Stoessel reaffirmed that "we view China as a friendly country" and said "strategically, we have no fundamental conflicts of interest." This conflicts with the fact that the PRC disagrees with U.S. policies in the Carribean, Falkland Islands, South Korea, Middle East, South Africa, and Poland and is disputed by the PRC's failure to renounce the use of force to regain Taiwan.

Eleventh, the administration has delayed in submitting to Congress the sale of additional F-5E fighters so that the coproduction line in Taiwan can be extended without a break. Urgent that a letter of agreement be signed and notice given to Congress in the very near future.

Twelfth, there has been repeated media speculation of a draft joint communique between the United States and Red China that is supposed to exist somewhere in the State Department.

Mr. President, as I have reported earlier, President Reagan provided me with strong reassurances regarding these items and future developments. I am confident the President will faithfully implement the Taiwan Relations Act and support the security of Taiwan.●

ANNOUNCEMENT OF POSITION ON VOTING RIGHTS EXTENSION

● Mr. JOHNSTON. Mr. President, at the request of President Reagan I attended the memorial services held last week for King Khalid of Saudi Arabia. Unfortunately, this meant that I was forced to miss the sessions of the Senate on Tuesday and Wednesday. During that time a vote was held to invoke cloture on the motion to proceed to consideration of S. 1992, the measure to extend certain provisions of the Voting Rights Act of 1965.

While I was announced necessarily absent on that vote, I was inadvertently not announced as being in favor of invoking cloture. As an original cosponsor and supporter of S. 1992 I would have indeed voted to invoke cloture had I been present. The official record has been corrected in this regard and I would like to take this opportunity to announce to my colleagues and the public that I wish to be announced "yea" on the motion to invoke cloture.●

SUPPORT PRIVATE EXPRESS STATUTES

● Mr. RIEGLE. Mr. President, an issue is facing the Congress that may potentially touch each and every citizen; repeal of the private express statutes. Since 1792, when these statutes were enacted, our Nation has been striving to maintain a universal system of postal services. These statutes grant the U.S. Postal Service the exclusive right to carry letters.

The role of Government in the delivery of correspondence can be traced to our origins as a nation. This role has grown so that citizens throughout the United States are guaranteed equal access to the system. The efforts to repeal or modify the private express statutes will inevitably produce inequities in the system, and may damage the entire network of receipt, forwarding, and delivery of correspondence.

The most evident threat to the system will be the "cream skimming" that will occur upon repeal of the statutes. It is almost certain that once private companies have the right to deliver mail, the lucrative, high density, high volume areas will become the province of commercial entities, while the difficult, remote, and primarily rural areas will remain the responsibility of the Postal Service.

If this were to occur, our rural residents would suffer, since the per-unit cost of delivery will have to rise. Congress will be faced with the prospect of higher subsidies, simply to maintain rural services, and that is intolerable given our need to reduce Government expenditures in all parts of the budget. I question whether the Congress wants to take an action in the near future that will lead to deleterious consequences in a very short time.

The Postal Service touches everyone's life, more so than any other Federal agency. I urge my colleagues to consider carefully the effects that the repeal of the private express statutes would have upon our responsibility to provide safe, dependable, and universal mail service to all of our citizens.●

PATRIOTISM

● Mr. MITCHELL. Mr. President, I call the attention of my colleagues to a speech delivered by Ralph J. Brooks, State Commander of the Maine American Legion. Commander Brooks' remarks address the nature of patriotism and what it means to be an American.

As Independence Day approaches, I believe all Americans should take a moment from their busy schedules and ask themselves the important question: What does it mean to be an American?

I ask that Commander Brooks' speech be printed in the RECORD.

The speech follows:

As I was preparing my speech for today, I asked myself, "What brings us together? What common bond do we have? We come from all walks of life."

The one thing we all have in common is that we are patriots. The same patriots that were at Bunker Hill, Concord. The same patriots in France during World War I. The same patriots that were in Italy, Germany, Japan, and World War II. The same patriots that were in Korea and Vietnam. Sure the faces are different, but the patriot is the same.

As American citizens we truly are members of the greatest society on Earth, the society of free men, and while we sometimes think our freedoms are limited, we should remember that all things are relevant. All who hold citizenship in this land of the free can say without reservation, that we have greater freedom than any other citizens of any other nation in any period of history.

Patriotism and the willingness to sacrifice for those principles we hold dear have made us what we are—and adherence to those principles will insure that our children and their children will enjoy the blessings that are ours.

The Nation, conceived in liberty and dedicated to the proposition that all men are created equal, is a leader in the world, and has been for nearly a century. This Nation, that transformed the ideals of the Western World from colonialism to freedom for all, must be ever vigilant to guard and protect the freedom that we enjoy.

Perhaps we should review our own Americanism. Just what is Americanism? Reduced to its simplest terms it is simply an inspirational, sacrificial, and unselfish love of country. Americanism and patriotism are synonymous. Both stem from a belief in and love of God.

What can we say when someone asks us to define Americanism? If you would permit me, I would like to review some definitions I believe to be relevant and pertinent today.

Americanism is a vital, active, living force. Americanism means peace, strength, the will and the courage to live as free men in a free land. It means a friendly hand to people everywhere who respect our institutions and our thinking. It is not a word; it is a cause, a way of life, a challenge and a hope in the world of turmoil.

Americanism is complete and unqualified loyalty to the ideals of government set forth in the Bill of Rights, The Declaration of Independence, and the Constitution of the United States. It is respect for, and ready obedience to duly constituted authority and the laws of the land. It is freedom without license, religion without bigotry, charity without bias or race hatred, love of flag, and a readiness to defend that for which it stands.

To us today, this ideal of government seems natural. We ask, "What other basic idea of government can there be?" But we must realize that a large part of the world today subscribes to a form of government that is unalterably opposed to our own philosophy.

They say that the state, not God, is the author of our rights. This is totalitarianism, which appear under the guise of Communism, Nazism, Facism, and many other isms. Often it is presented under a patriotic guide that fools those who do not see its basic evils. When it is too late, men realize that they have been had.

If the state gives the individual his rights, the state may withdraw those rights for its own convenience. Thus, for propaganda purposes or for any other reason, the state may even take back from the citizen the right to live. In doing this, it assertedly does no injury to the individual since he essentially has no right to live except at the sufference of the state.

Whether we view democracy as a system of popular self-government, or as a way of life in which the equality of individuals is generally recognized, America approaches true democracy more closely than any other country in the world.

But these privileges will not be maintained unless we create for ourselves, and among the youth of this country, a renewed faith in our system of government.

We need a rededication of American faith, clearly defined and acted upon. Each one of us should say in his or her mind and heart, "This country belongs to me and I must cherish it. I believe in the right of human beings to life, liberty and the pursuit of happiness; in government by the consent of the governed; in freedom of the press, speech and assemby; and in the right to worship according to one's own conscience. I believe in the rights of all to justice and in the other rights declared in the Declaration of Independence and in the Constitution. I believe that these rights belong to others as well as to me, and that I have not only the privilege to enjoy them, but the obligation to cherish and maintain them."

To be a good American is the most important job that will ever confront us. But essentially, it is nothing more than being a good citizen, helping those who need help, trying to understand those who oppose us and doing each day's job a little better than the day before.

I am sure all of you will agree that America does have serious problems. I am sure you will all agree with me that we must do more to meet the needs of our people. We must commit ourselves to the fight against poverty, crime, pollution, and the other social and economic ills of this Nation.

Mr. Smith Hempstone writing in the Philadelphia Inquirer stated: "The most serious crisis we face, both as individuals and as a nation, is the one nobody talks or writes about: we are mired in an Age of Disbelief which is eroding our will not only to succeed but to survive.

"Sons do not believe fathers, blacks do not believe whites, stockholders do not believe corporate executives, the public does not believe the President. . . . If any one thing built this country it was sense of self confidence, a perhaps naive pride in the past, an almost certainly overly optimistic faith in the future.

". . . We owe it to ourselves and to our children to dream new dreams, to have pride in our past and faith in our future. For without such dreams, such pride, such faith, we will have no future."

We work constantly to bring about a renewal of faith in and love for the principles that founded our great nation. We believe that to "stand and wait" while others serve is not enough. We must take up the challenge before us—to recapture the values which made us a great people—and rise up to a new sense of love for our country.

So I say to you people out there, you great veterans, for who this day, November 11 was set aside. This is your day. You and your fallen comrades earned it. Let no one take it from you.●

ERA

● Mr. TSONGAS. Mr. President, the rejection of the equal rights amendment in the Florida Legislature signifies not an end but a beginning of the fight for ratification of the ERA in this country.

The ERA is a much misunderstood amendment. Its text is as follows:

Section 1. Equality of rights under the law shall not be denied or abridged by the United States or by any State on account of sex.

Section 2. The Congress shall have the power to enforce, by appropriate legislation, the provisions of this article.

Section 3. This amendment shall take effect two years after the date of ratification.

The American people feel more strongly than ever that the ERA should become our 27th amendment to the Constitution. An April Harris survey showed that ERA is supported by almost a 2-to-1 margin, 63 to 34 percent.

Many arguments have been made both for and against passage of the ERA. I plan to address these issues at a later date.

However, I would like to recognize the courage of the eight women in Illinois who have now fasted for 36 days. Their perseverance reflects the depth of their conviction and that of all Americans who support ERA. The ERA will not go away.

I am committed to the passage of the ERA. Only if this constitutional amendment becomes law can we guarantee equal rights for women and men in this country.●

THE VOTING RIGHTS ACT

● Mr. D'AMATO. Mr. President, the Voting Rights Act, originally passed by Congress in 1965, has proven to be one of the most successful pieces of civil rights legislation, insuring that all Americans have access to our most basic democratic right—the right to vote. While the gains achieved since enactment of the act have been impressive in most areas, we cannot and should not abandon the principles of equality contained in the Voting Rights Act; to appreciate the significant impact which this act has had, one need only examine the evolution of voting rights in this Nation. Prior to the Civil War, a variety of devices, including property requirements, literacy tests, taxpaying qualifications, as well at those concerning race, sex, and residence served to exclude a significant portion of the population from the ballot. During the Reconstruction period, a number of steps, including adoption of the 14th and 15th amendments were undertaken in an attempt to protect the rights of minorities to participate in the American political process. Despite these efforts, discriminatory practices continued to exclude minorities from voting. Unfortunately, many of these devices and tests remained in effect through the early 1960's. As a result, minority registration in many States was below 10 percent. In the 17 years since the act went into effect, registration levels have risen dramatically—in some instances by more than tenfold.

The Voting Rights Act of 1965 truly represented a radical and necessary departure from previous attempts by the Federal Government to protect black voting rights, authorizing the Justice Department to guarantee voting rights through administrative means. For example, the Attorney General was empowered to send Federal registers into areas suspected of past discrimination for the purpose of registering individuals to vote. In addition, Federal examiners could be employed to monitor election procedures in these areas. Clearly this represents an extraordinary departure from the past.

The act also suspended the use of literacy tests and other devices which had been utilized for the purpose of restructuring minority access to the ballot, subsequently establishing a permanent ban on their use. Certain provisions of the act require periodic extension by Congress. And, in fact, these provisions have been extended in 1970 and 1975. Today, we are once again called upon to extend these necessary provisions which would otherwise expire on August 6, 1982.

I am proud to be a cosponsor of S. 1992, the Voting Rights Extension Act, a balanced approach designed to continue our commitment to equality for all Americans. I appreciate the efforts of the sponsors of the bill, Senators MATHIAS, KENNEDY, and DOLE, and am pleased that it passed the Senate overwhelmingly.

JAPAN DEFENSE SPENDING FAILURES—SENATE CONCURRENT RESOLUTION 46 URGES JAPANESE INCREASES

● Mr. LEVIN. Mr. President, as Congress continues its deliberations on next fiscal year's budget, which includes the largest defense spending total in real terms since the height of the Korean conflict, I would like to call attention to the inadequate contributions to our mutual security being made by Japan.

I also want to suggest what I think the Congress should do to encourage the Japanese to increase their annual defense spending so as to be able to meet their basic self-defense responsibilities as well as their already agreed to commitments to our common defense.

The inadequacies of Japan's self-defense efforts are beyond question. Knowledgeable Japanese—military and civilian experts in and out of the Government—admit it. Our own Government has produced convincing documentation of these failures. These failures continue to threaten the national security of Japan and the United States.

Our executive branch has chosen to respond to these failures with quiet diplomacy. I do not believe that is sufficient. Congress must speak loudly, persistently and publicly to reinforce the feelings of the American people that the Japanese are shirking their responsibilities to the common defense.

Toward this end, I have introduced Senate Concurrent Resolution 46, which calls on the Japanese to increase their defense efforts by spending at least 1 percent of their huge gross national product annually to improve their military capabilities.

It gives me great pleasure to announce today that, so far, 52 of our colleagues have joined me in cosponsoring Senate Concurrent Resolution 46. The significance of the fact that at least 53 Members of the Senate share concerns about Japan's contributions as an ally should not be lost on the Japanese or on our executive branch.

Our executive branch should redouble its efforts to convince the Japanese that it is in their own best interests to increase their defense efforts. The Japanese Government should begin exercising more leadership in that nation to increase the understanding of its constituents that this is true.

We often hear that the Japanese Government cannot respond to American actions such as Senate Concurrent Resolution 46 by increasing its defense efforts because to do so would give its political opposition ammunition to charge that the Government there is "caving in" to U.S. pressure.

Mr. President, the evidence is clear that Japan's self-defense capabilities must be improved not because the United States urges it, but because an objective assessment of Japan's security needs requires it. The Japanese Government, if it had the political courage to do so, could justify increased defense spending to the Japanese people solely on the basis of Japan's self-interests.

The Japanese Government excuses its insufficient defense efforts by contending that the public consensus for increased actions in this area has yet to develop. Not only do recent polls of Japanese public opinion contradict this assertion, but the Government there is at fault because it has not devoted ample attention to nourishing this consensus.

The Japanese people are intelligent. Were the Japanese Government to objectively present the facts to its constituents—if these leaders said "Japan needs to improve its defense efforts because it is in our own selfish interests to do so, and because our own experts have so concluded—not because the United States urges us to do so," I am confident the Japanese people would respond with the consensus their leaders say is necessary.

Instead, these leaders play an "Alphonse and Gaston" game of waiting for the consensus to grow but doing little to encourage it. The alleged lack of public support becomes a convenient excuse for Government inaction.

Congressional approval of Senate Concurrent Resolution 46 as soon as possible at least will demonstrate to the American people that its elected representatives are willing to act.

Last Wednesday, I testified before the Foreign Relations Committee on the need for speedy passage of Senate Concurrent Resolution 46. There were 49 sponsors then. I ask to have printed in the RECORD at this point a complete list of cosponsors of this resolution, as well as my testimony and supporting materials. I am pleased to note that among the cosponsors are 16 of 18 members of the Armed Services Committee.

The material follows:

COSPONSORS OF SENATE CONCURRENT RESOLUTION 46 (AS OF JUNE 22, 1982)

Levin (D-Mich.), Abdnor (R-S. Dak.), Andrews (R-N. Dak.), Baucus (D-Mont.), Bentsen (D-Tex.), Boren (D-Okla.), Boschwitz (R-Minn.), Brady (R-N.J.), Bumpers (D-Ark.), Burdick (D-N. Dak.), H. Byrd (I-Va.), R. Byrd (D-W. Va.), Cannon (D-Nev.), Cohen (R-Maine), DeConcini (D-Ariz.), Denton (R-Ala.), Dixon (D-Ill.), Dodd (D-Conn.), Eagleton (D-Mo.), Exon (D-Nebr.), Ford (D-Ky.), Garn (R-Utah), Gorton (R-Wash.), Grassley (R-Iowa), Hart (D-Colo.), Heflin (D-Ala.), Hollings (D-S.C.), and Huddleston (D-Ky.).

Humphrey (R-N.H.), Jackson (D-Wash.), Jepsen (R-Iowa), Johnston (D-La.), Kasten (R-Wis.), Leahy (D-Vt.), Melcher (D-Mont.), Mitchell (D-Maine), Nunn (D-Ga.), Pressler (R-S. Dak.), Proxmire (D-Wis.), Pryor (D-Ark.), Quayle (R-Ind.), Randolph (D-W. Va.), Riegle (D-Mich.), Roth (R-Del.), Rudman (R-N.H.), Sarbanes (D-Md.), Sasser (D-Tenn.), Stennis (D-Miss.), Symms (R-Idaho), Thurmond (R-S.C.), Wallop (R-Wyo.), Warner (R-Va.), and Zorinsky (D-Nebr.).

TESTIMONY BY U.S. SENATOR CARL LEVIN ON UNITED STATES-JAPAN SECURITY AND SENATE CONCURRENT RESOLUTION 46 TO SENATE FOREIGN RELATIONS COMMITTEE, JUNE 16, 1982

Mr. Chairman, I would like to thank you for the opportunity to appear before the Foreign Relations Committee to testify about the growing concerns many Americans have about the current U.S.-Japan security relationship. These concerns have led 49 of us so far to sponsor my sense-of-the-Congress resolution urging the Japanese to significantly increase their contributions to our common defense.

This resolution—S. Con. Res. 46—also has been introduced in the House of Representatives by the chairman of that body's Foreign Affairs Committee, U.S. Rep. Clement J. Zablocki of Wisconsin as H. Con. Res. 213.

These resolutions are a clear indication of how strongly the American people feel that Japan is not meeting its commitments to our mutual security and is not bearing a fair share of the burden of our common defense.

Our resolution calls on Japan to spend annually at least one percent of its tremendous gross national product (GNP)—second largest in the world—on defense. This call comes at a time when our own citizens are making increasing sacrifices and spend almost six percent of our GNP for defense capabilities which benefit the Japanese as well as ourselves.

This committee should expeditiously and favorably report our S. Con. Res. 46 for passage by the full Senate, for at least 5 reasons.

First, Japan's defense effort is inadequate by almost every measure one can apply, not only in terms for providing for that nation's self-defense but in terms of enabling it to meet its already-agreed-to common defense commitments under the 1960 Treaty of Mutual Cooperation and Security.

The fact that Japan is doing far less than what is reasonably expected has been well documented. For the past two years, at my initiative, our Defense Department has issued a "Report on Allied Commitments to Defense Spending." Each year, DOD has concluded:

"Japan . . . ranks last or close to last on all of the ratio measures surveyed and, thus, quite clearly appears to be contributing far less than its share of what it is capable of contributing. This validates our major emphasis over the last several years on getting the Japanese to increase their defense spending."

I shall submit for the record at this point in my statement additional evidence from our own Government, leading Japanese military officials and Asia scholars demonstrating the inadequacies of Japan's present defense posture.

JAPAN'S DEFENSE INADEQUACIES

Evidence that Japan clearly has failed to meet its self-defense responsibilities—and its commitments to the common defense under its Mutual Security Treaty with the United States—includes statements from leading Japanese military officers, scholars and assessments by the U.S. Government. In addition to the conclusion cited above, these judgments include the following:

"U.S. encouragement for the Japanese to do significantly more in their own defense is neither unwarranted nor excessive. In fact, with almost total dependence on imported oil, Japan simply must do more to meet its defensive needs at home to help compensate for the intensive and extensive U.S. effort in Southwest Asia—in Japan's behalf as well as our own"—1981 Report on Allied Commitments to Defense Spending (March, 1981);

"Japan's top military leaders challenged the Government's defense posture . . . and said its five-year-old program is inadequate to meet needs. 'The present international situation is quite different from that in 1976, when the outline was adopted,' Adm. Isugio Yata, chairman of the Joint Chiefs of Staff, was reported to have told Prime Minister Zenko Suzuki."—United Press International, Tokyo, April 9, 1981.

"They are still fundamentally unable to provide effective, meaningful self-defense against the threat facing Japan in the 1980's. . . . By its own public analyses, (Japan's) Self-Defense Forces cannot sustain its army divisions, destroyers, and tactical aircraft in combat due to very limited supplies of ammunition, torpedoes, and missiles. The size and modernization of Japan's air and naval forces are not adequate to defend its air space and sea-lanes to 1,000 miles against Soviet force levels of the 1980's. . . . Substantially more significant efforts will be required in each of the next five years of the defense planning period."—Assistant Secretary of Defense (International Security Affairs) Francis J. West, Jr., March 1, 1982, testimony to House Foreign Affairs Subcommittee on Asian and Pacific Affairs.

"A Pentagon team headed by Assistant Secretary of Defense David MacGiffert asserted at a US-Japan security conference in July, 1980, that Japan did not possess even a minimum deterrent and could not defend against even a small-scale attack."—Washington Post, May 4, 1981; Washington Star, May 8, 1981.

"The (Japan) Prime Minister's study group on national security issues estimated in its report of July, 1980, that only half of the assets of the Self-Defense Forces could be counted as 'actual combat power' in an emergency."—Report on Comprehensive National Security, Tokyo, 1980.

Japanese observers, in and out of the government, have acknowledged that the Maritime Self-Defense Force is ill-equipped to deal with Soviet nuclear submarines and attacks from enemy aircraft and surface ships. Japanese naval vessels lack surface-to-air and surface-to-surface missile assets as well as modern electronic equipment. The MSDF air arm is an antisubmarine force with no interceptor or attack aircraft. The Air Self-Defense Force has not been integrated into an air defense scheme for Japanese surfaced ships, and there is little coordination between the two branches. The Japanese surface fleet thus is dependent on U.S. air superiority even in the seas nearest to Japan. As a result, Defense Agency officials acknowledged in 1980 that in wartime, the Maritime Self-Defense Force could protect at most only half of the 400 merchant ships per month required to supply Japan with minimum import needs. The minelaying and blockade assets of the Maritime Self-Defense Force are also limited. It has only one minelaying vessel. Most of the mines and torpedoes in Japan's arsenal are obsolete and not ready for immediate use in an emergency. Hara Toru, Director of the Defense Bureau of the Defense Agency, stated in parliament in 1980 that Japanese forces could take as long as six months to lay mines in the Tsushima, Tsugaru, and Soya straits. Hara and the Director of the Defense Agency acknowledged that Japanese naval and air forces could not prevent a hostile power from using the straits.

The Air Self-Defense Force has over 350 combat aircraft, including ten interceptor squadrons consisting of 150 F-104DJ fighters and 130 F-4EJ fighters. Both are dated, particularly the F-104s. The defense white paper for 1980 described the defense facilities for air bases as a "striking deficiency," citing in particular a lack of modern surface-to-air missile defenses and outdated radar sites. Japanese air bases would appear to have a minimum survivability in wartime. It is therefore unlikely that the Air Self-Defense Force could control the skies over Japan and adjacent waters in the face of attacks by modern Soviet MIG-27s, MIG-23s, and SU-19s, which have become the backbone of the Soviet attack fighter force in eastern Siberia. Moreover, the Air Self-Defense Force undoubtedly would have little effectiveness against the Backfire bomber.

It is generally recognized that all branches of the Self-Defense Forces suffer from shortages of ammunition, spare parts, and other logistics problems. The MSDF and ASDF have no reserves to speak of. The Self-Defense Forces have no system for integrated command and control of ground, air, and sea forces.—"Defense Burden-Sharing in the Pacific: U.S. Expectations and Japanese Responses," by Larry A. Niksch, Congressional Research Service Specialist on East Asia, in Asian Affairs, July-August, 1981.

Second, Japan has failed to honor its commitments to the common defense by refusing to devote sufficient resources to keep specific promises it made to our Government, or to back up public statements, about improving its military capabilities.

For example, in 1976, the Government of Japan said that one percent of GNP could be spent on defense under the nation's peace constitution and Government policy. Seven years later, Japan is expected to spend, at most, 0.933 percent of GNP on defense in 1982. Growth above 0.9 percent of GNP has been almost non-existent since 1976, and attainment of the one percent level seems many years away.

In 1977, the Japanese Defense Agency announced its self-defense forces would assume responsibility for the security of the sea transport routes 1,000 miles from the home is lands. In 1981, when Prime Minister Suzuki reiterated this policy after his May summit meeting with President Reagan, Japan's self-defense forces were only marginally more capable of accomplishing that mission than they were four years earlier.

In mid-1980, Japan led the U.S. Government to believe it would increase its defense spending for fiscal 1981 by 11.9 percent above fiscal 1980 levels. The final increase was only 7.6 percent (over ⅓ less).

In 1981, in addition to reaffirming the policy of defending Japan's sea lanes of communication out to 1,000 miles, Prime Minster Suzuki pledged his nation would make "even greater efforts" to improve its defense capabilities.

Yet the Japanese defense spending increase projected last December for fiscal 1982 falls far short of the amount needed to keep these promises of greater efforts and sea lane security out to 1,000 miles. So testified Deputy Defense Secretary Frank Carlucci to the Senate Armed Services Committee in February of this year.

Under the low level of Japanese defense spending projected for the next five years, Japan simply will not achieve the self-defense capabilities it has promised to meet its common defense commitments until the early 1990's.

Third, Japan's economic condition clearly enables it to increase its defense effort without overly straining its growing economy. The contention by some Japanese that economic and social welfare conditions prevent them from increasing defense contributions would only be valid if such proposed increases exceed militarily-needed and economically-supportable levels.

Such is not the present case with Japan. For instance, Japan has less than ½ our inflation rate and less than ¼ our unemployment rate. We spend over 8 times what the Japanese spend per capita on defense, although our per capita GNP is less than 1½ times theirs. At this point in the record, I would like to insert statistics comparing the strength of Japan's economy with that of our own. This information establishes that Japan's economy remains much stronger than our own.

UNITED STATES-JAPAN COMPARATIVE ECONOMIC SITUATIONS AND DEFENSE CONTRIBUTIONS

A simple comparison between U.S. and Japan economic indicators and measurements of defense contributions demonstrates convincingly that Japan has the fiscal capabilities to significantly increase its defense efforts without overburdening its economy. For example:

	1980		1981		1982	
	Japan	United States	Japan	United States	Japan	United States
Annual real growth in gross national product (percent)	5.0	−02	4.1	2	5.2	−0.9
Annual real growth in defense spending (percent)	−14.0	14.3	3.9	4.1	4.62	7.7
Percent of GNP spent on defense	0.9	5.2	0.906	5.5	0.933	5.9
Per capita GNP	$8,902	$11,786	$9,578	$13,060	$9,515	$13,986
Per capital defense spending	$84	$607	$98	$759	$93	$790
Annual inflation rate (GNP deflator) (percent)	3.1	9.0	3.6	9.2	3.0	7.4
Annual unemployment rate (percent)	2.1	7.15	2.2	7.59	2.1	8.95

The "bottom line" of these statistics is that, while the United States entered a period of economic stagnation, of little or no growth in its Gross National Product, Japan still was experiencing much larger economic growth rates. At the same time, the U.S. defense spending was proportionally much greater than Japan's.

The disparities in defense spending efforts were highlighted in a report by the Library of Congress Congressional Research Service entitled "Japan's Defense Expenditures and Policy: Recent Trends and Comparisons With the United States." The report stated:

"Considering that Japan's economy is the third largest in the world and still enjoying relatively high rates of growth. Japan appears to have the capacity to channel considerably more resources into defense."

Assistant Defense Secretary for International Security Affairs Francis J. West, Jr., summarized Japan's economic and defense potential in recent testimony to the House Foreign Affairs Subcommittee on Asian and Pacific Affairs by stating:

"If Japan should decide it is in its interest, it could with its economic vitality do significantly more for its own self-defense than any other U.S. ally in the world. Such actions would have meaningful results for Japan's own security and for the stability of the entire Free World.

There should be no question that Japan has the economic capabilities to increase its defense spending as a percentage of GNP at much greater rates than she now is doing.

Fourth, one does not have to overstate the military threat posed by the Soviet Union and its allies in the Pacific region—or understate the combined military capabilities of the United States and its allies—to reach the conclusion that the Soviet challenge is real, impressive and growing. There is a need for both our Nation and Japan to improve conventional military capabilities.

Lastly, S. Con. Res. 46 is completely consistent with the Mutual Security Treaty between our two nations, and with Japan's "peace constitution" and Government policies. It does not call for the "remilitarization" of Japan or for it to assume new defense responsibilities/capabilities which would violate its constitution or policies. There are many defense improvements Japan can make and should make without doing that and without threatening its Asian neighbors, and I shall insert them into the record at this point.

"DEFENSIVE-ORIENTED" IMPROVEMENTS TO JAPAN'S ARMED FORCES

Chief among these would be for Japan to achieve a real capability to undertake her own self-defense, as articulated by the policy statements of its own Government, during the period of the mid-1980's. This would represent an acceleration of Japan's present plans, which only envision attainment of those capabilities by the end of the decade, if then.

Such self-defense improvements include:

(1) greatly increase the logistics capabilities of the air, land and maritime self-defense forces to enable them to support and sustain themselves in combat for a period of at least several months. Specifically, missiles of all types (surface-to-air, surface-to-surface and air-to-surface, anti-submarine warfare (ASW) torpedoes, underwater mines and other conventional ammunition (artillery and small arms) need to be procured and stockpiled in much greater quantities than at present for Japan to accomplish this.

(2) procure the delivery vehicles—submarines, minelayers and C-130 aircraft—to be able to mine the three "choke points" which form the exits from the Sea of Japan to the Soviet Pacific Fleet: the Tsushima, Soya and Tsugaru Straits.

(3) develop the capability, through procurement of fleet oilers and tanker aircraft, to refuel ships and aircraft underway, and thus support sustained combat operations.

(4) develop modern, tactical command, control and communications capabilities in all the self-defense forces.

(5) expand the size of the air and maritime self-defense forces to enable them to patrol and monitor the ocean areas of Northeast Asia within 1,000 miles of the home islands. To accomplish this, Japan would need to significantly increase the size of her maritime and air self defense forces through increased procurement of escort vessels, destroyer-type ships and submarines, and maritime patrol aircraft, air force interceptors and early warning aircraft. These increases would be necessary above the programmed increases in such capabilities already contained in the 1979 Mid-Term Service Estimate for 1980-84 and in the Standard Defense Force Concept (Boei Taiko) of 1976.

(6) continue to expand its contributions annually to the operations and maintenance, and military construction, required to adequately support the U.S. armed forces stationed in and near Japan.

Japan Prime Minister Suzuki's established goals for improving the self-defense forces should be accomplished by no later than fiscal 1986, instead of by the end of the delivery period for defense purchases made in fiscal 1987, as is presently contemplated. Also, Japan should program additional improvements beyond these goals, since the international challenges to our common security have become greater since they were adopted.

Improved surface-to-air missile batteries and radars on the home islands of Japan pose no threat to other nations in the Pacific region. Nor does a Japanese capability to successfully close the Straits of the Sea of Japan with modern, effective mines threaten Japan's neighbors. Providing Japan's air, sea and ground forces with enough bullets, missiles, and fuel to fight an invading force for longer than a few days also cannot be construed as an offensive military capability.

However, all of these improvements would significantly increase Japanese and American capabilities to defend the Asian region from Soviet aggression aimed at severing the oil and trade lifelines of Japan and other Western nations or attacking Japan itself.

WHY SHOULDN'T SENATE CONCURRENT RESOLUTION 46 BE CONSIDERED UNDUE AMERICAN INTERFERENCE IN JAPANESE INTERNAL AFFAIRS?

Senate Concurrent Resolution 46 does not impose new defense responsibilities on Japan. It simply calls on the Japanese to reach a level of annual defense spending which its own Government has declared is permissible within its constitutional and policy constraints.

In May, 1981, Prime Minister Suzuki pledged in his summit meeting communique with President Reagan that Japan would make even greater efforts on behalf of the common defense than it had in the past.

At a national press club appearance after the summit, the Prime Minister stated it was his Government's policy that Japan achieve the capabilities to defend its air and sea lines of communication out to 1,000 miles from the home islands. This, too, is constitutionally permissible, he said.

Japanese experts have calculated that achieving these latter self-defense capabilities could require between 1 and 2 percent of GNP being spent on defense.

Senate Concurrent Resolution 46 only urges the Japanese to begin devoting the minimum level of resources their own experts have calculated are needed to begin developing adequate self-defense capabilities. It is not a figure imposed by American experts.

A special commission established by Japan's Prime Minister in 1980 recommended an annual level of defense spending increases—20 percent each year for 5 years—which would have resulted in at least 1 percent of GNP being spent on defense. Senate Concurrent Resolution 46 only echoes this recommendation.

Senate Concurrent Resolution 46 is much more moderate in its approach—in that it urges the Japanese to do something they already have said they can do—than other U.S. Government initiatives which have not been criticized by our State Department as interference in Japan's internal affairs.

For example, late last year, the U.S. Government presented the Government of Japan with an extremely detailed list of specific changes we sought the Japanese to make in its trade barriers—in its tariff and nontariff regulations.

WHY WON'T PASSAGE OF SENATE CONCURRENT RESOLUTION 46 UPSET JAPANESE PUBLIC OPINION AND MAKE IT MORE DIFFICULT FOR THE GOVERNMENT TO WIN SUPPORT FOR PROPOSALS TO INCREASE DEFENSE SPENDING?

Japanese public opinion is more aware of the need for increased defense spending than the Government there has appeared to be recently.

For example, the most recent issue of the ruling political party's monthly newsletter, the Liberal Star of May 10, 1982, reported that a major public opinion poll late last year showed that almost half of the Japanese people believed Japan was making insufficient defense efforts.

Those answering "No" to the question "Is Japan carrying out sufficient defense efforts?" now comprise about 49.1 percent of the population, and their numbers have grown markedly since 1978, when only 27.8 percent answered "No" to this question.

Late last year, the Japanese Foreign Ministry also reported that another major public opinion poll showed that "The Japanese continue to be wary of the Soviet Union." "A high 84 percent, unchanged from last year, did not express friendship toward the Russians," the Foreign Ministry reported.

Former American Ambassador to Japan U. Alexis Johnson recently testified to a House Foreign Affairs Subcommittee that the influence of the traditionally antidefense opposition political parties in Japan is on the wane.

From this evidence, one could suggest that public attitudes toward increased Japanese defense spending are changing in a positive direction in Japan, and that more support for actions such as that urged in Senate Concurrent Resolution 46 actually exists than some Government spokesmen contend.

The consensus for increased defense spending already has grown substantially, and the leaders ought to pay more attention to those they are leading in this regard, since the latter seem to be more, not less, supportive.

WHY SHOULD CONGRESS PASS SENATE CONCURRENT RESOLUTION 46 AS OPPOSED TO THE OTHER LEGISLATIVE PROPOSALS DEALING WITH JAPANESE DEFENSE EFFORTS?

Senate Concurrent Resolution 46 avoids many of the complications which might interfere with passage of the other proposals or which might make them more vulnerable to Japanese criticism and rejection, especially by the Japanese public.

Passage of Senate Concurrent Resolution 46 would represent a steady and consistent Japanese contribution to the common defense. However, since it calls on the Japanese to do what they say they can do, as opposed to suggesting to them military missions which might be construed as violating Government policy or the peace constitution, Senate Concurrent Resolution 46 is a relatively moderate formulation.

Passage of Senate Concurrent Resolution 46 would represent a significant step without "going too far" at the present time.

Senate Concurrent Resolution 46 avoids the complexities and potential "double-edged" risks which could accompany any effort to renegotiate the United States-Japan security treaty, as suggested by Senator Helms. For example, such a renegotiation would give the Japanese the opportunity to seek concessions from the United States, as well as affording the United States the chance to obtain larger defense contributions from Japan.

Larger defense contributions from Japan can be accommodated within the existing treaty framework. We do not need to run those risks.

Senate Concurrent Resolution 46 is completely consistent with the existing treaty.

Senate Concurrent Resolution 46 does not urge the Japanese to undertake expanded military missions far from the home island which could be construed by the Japanese public as well as other Asian nations as assumption of a more offensive orientation for Japan's forces. This could pose constitutional, political, and diplomatic problems for Japan and create and antidefense backlash in that country.

House Concurrent Resolution 172, which urges Japan to expand its maritime patrol activities toward the Persian Gulf poses these problems. Senate Concurrent Resolution 46 is consistent with Japan's constitution and "self-defense" policies.

Senate Concurrent Resolution 46 avoids causing Japanese domestic political problems, and an antidefense backlash, which could result from attempts by the United States to negotiate a "security tax" of 2 percent of GNP from Japan, as called for in House Concurrent Resolution 210. Japanese resentment of any American attempt to levy a security tax on their own, independent nation, could be significant.

FINAL WORDS FROM THE ADMINISTRATION OF JAPANESE DEFENSE SPENDING

"The rationale for Japanese defense increases contained in Senate Concurrent Resolution 46 is completely reasonable. . . ."—Deputy Secretary of Defense Frank Carlucci to Senator Levin in response for record at full Senate Armed Services Committee hearing on fiscal year 1983 defense budget, February 8, 1982.

"We fully understand the concerns reflected in Senator Levin's Senate Concurrent Resolution 46. There can be no doubt that Japan is capable of an expanded defense effort. We agree that neither has its performance measured up to its economic and industrial capabilities nor matched the requirements of the current international situation.

"In our discussions we stress that, within recognized constitutional and policy constraints, we want Japan to strengthen substantially its capabilities (especially air defense and protection of its northwest Pacific sealanes) and to increase its financial support of U.S. Forces in Japan. Other than the specific mention of a 1-percent-of-GNP figure, the draft resolution language is consistent with this approach." State Department letter on Senate Concurrent Resolution 46 to Foreign Relations Committee Chairman, Senator Charles H. Percy, February 10, 1982.

"We hope the Congress and this committee will participate and play a significant role in convincing Japanese leaders of the wisdom of substantive United States-Japan defense cooperation."—Assistant Secretary of Defense (Int. Sec. Affairs) Francis J. West, Jr. to House Foreign Affairs Asia Subcommittee, March 1, 1982.

"Support of the Congress for increased allied defense efforts to promote more effective defense capability would be welcome."—Deputy Secretary of Defense Carlucci (same as above).

"Given the increasing Soviet threat to our common interests, it is essential that we, our allies, and our friends transmit an unremitting signal of resolve to protect these interests for so long as they continue to be threatened."—Undersecretary of State Walter J. Stoessel, Jr., at Foreign Relations Committee at hearing last week on East-West strategic competition in Asia, February 10, 1982.

Senate Concurrent Resolution 46 simply calls on the Japanese to keep their defense commitments. As such, it does not represent interference in Japan's internal affairs, since it echoes the statements and commitments made by Japan's own Government.

The administration testified before our Armed Services Committee that "The rationale for Japanese defense increases contained in Senate Concurrent Resolution 46 is completely reasonable," and that congressional support for its efforts to secure such increases "would be welcome." Passage of Senate Concurrent Resolution 46 would provide such support and send a clear message to the Japanese that the American people are fed up with their feeble, less than 1 percent GNP defense effort, and that the American people are determined to do what they can to see to it that Japan fulfills its responsibilities to our mutual security.●

PRIME MINISTER SUZUKI'S PACIFIC BASIN SPEECH

● Mr. GLENN. Mr. President, I wish to call the attention of the Senate to a recent speech by Japanese Prime Minister Zenko Suzuki presented at the East-West Center in Hawaii entitled "The Coming of the Pacific Age." In this speech Prime Minister Suzuki calls for close cooperation among Pacific Basin nations and predicts the beginning of a "Pacific Age" of progress. I commend his thoughtful analysis and urge each of my colleagues to read the speech in its entirety.

Prime Minister Suzuki joins his predecessor, the late Prime Minister Masayoshi Ohira, and others in advocating greater Pacific Basin cooperation. He also endorses the work of the Pacific Basin Economic Council, an organization comprised mainly of business leaders who have been actively working for the past few years to consolidate Pacific solidarity. The United States should join hands with Japan, ASEAN, Australia, New Zealand, and others to see that we make use of every opportunity to promote this worthy objective.

I have long argued that bilateral relations alone are an insufficient means of dealing with certain Asian problems. And in this regard, Prime Minister Suzuki's public support for the concept of a Pacific community is a welcome development. His endorsement moves us closer to achieving the many potential benefits that can be realized from an association of Pacific community nations.

One of the most formidable problems confronting those who advocate the Pacific community concept is that they tend to focus exclusively on economic issues. These remain vitally important, particularly for the United States, which has seen its trade with East Asia exceed its European trade in all but one of the last 5 years. If the Pacific community idea is to become a reality, however, it must go beyond economics. Therefore, I was pleased to find that the Prime Minister shares this view by indicating that, "* * * cooperation should not be limited to the economic sphere, but should also include cultural, academic, and other areas."

In my view the "other areas" pose the greatest challenge. The Pacific nations, acting as a community need to address a broad range of politico-military issues that confront us today and will continue to do so in the decade ahead. Annual or even semiannual conferences could be convened to discuss these topics. Academics and representatives from the business sector could be encouraged to participate, but government sponsorship would be necessary to produce results.

Mr. President, let me close by quoting Prime Minister Suzuki, who lays out masterfully the challenge for all us in the Pacific community as we embark on our journey to the year 2000:

> Now is the time for us to embark into the Pacific Age on a course set for the 21st century. Our sails billow in the wind: a full tide is running. Steering toward a grand future, and riding the same ship, we are full of the courageous spirit.
>
> Shall we not join in this great endeavor of the century? Let us build a record of accomplishments for our nations and the Pacific region that will live in the annals of world history.

This is an important speech, Mr. President. I recommend it highly to my colleagues, and request that it be printed in the RECORD.

The speech follows:

THE COMING OF THE PACIFIC AGE, ZENKO SUZUKI, THE PRIME MINISTER OF JAPAN

INTRODUCTION

I am greatly honored to have been given this opportunity to address such distinguished leaders from various sectors, here at the East-West Center, an institution known for its unique research accomplishments.

Hawaii is my last stop in what has been a rather long journey that began with my departure from Tokyo on June 3rd. On this trip I participated in the Versailles Summit and the Second United Nations Special Session on Disarmament in New York. Following these events I traveled to Latin America, where I visited Peru and Brazil.

At Versailles, I had frank and friendly discussions with the leaders of the industrial democracies on how best to reconstruct the greatly troubled world economy. I called on all the countries to work hard in cooperation to revitalize the world economy and to preserve and strengthen the free trade system.

In New York, I stressed the urgency of promoting effective disarmament, beginning with nuclear disarmament, and I called on the world to divert the resources gained as a result of disarmament to the development of the world economy in the spirit of mutual assistance. I also stressed the urgent need to strengthen and reinforce the United Nations' peace-keeping functions.

In Latin America, I witnessed first hand the strenuous efforts to build their economies at a time of world economic difficulty. My visit to Latin America brought home to me the importance of deepening the relations of mutually beneficial cooperation between the advanced industrial nations and the developing nations.

Through my journey, I have gained a renewed awareness that the nations of the world are making devoted efforts to battle adversity and danger in pursuit of a peace and prosperity that can last long into the future. I arrived here today with my mind full of the harsh realities that confront us, the human race.

Here in Hawaii, the whitecapped waves of the Pacific I have known since childhood charge against the sand! The sea breezes bear the tang of the ocean. These brilliant sunlit scenes leave my heart cleansed whenever I encounter them. Yet especially today, they strike me as a glittering symbol of a great future we must reach for by cutting through these troubled times.

It is with this feeling that I should like to turn to the heart of my speech today, "the Coming of the Pacific Age."

THE COMING OF THE PACIFIC AGE

Looking back on the history of the Pacific region, we find various traces of the great migrations of our ancestors in the distant past, as they entrusted themselves to the winds and the ocean currents to cross the rough waters. In regions widely separated by the reaches of the ocean, there are not a few languages, dwelling, tools, folklore and legends that share a common origin. In that sense, we might say that the peoples of this region already have a basis for sharing a sense of affinity—a sense that can be called a "heart-to-heart communication."

Yet, at the same time, it is true that in ages past this vast Pacific also hindered free exchange among us. In every corner of the Pacific we find that peoples differing completely in language, religion and ways of life have independently created the distinct cultures in keeping with their own environment. Even after humankind began to cross the ocean on the transportation systems created by modern civilization, the countries of this region remained "distant lands" to each other.

However, with the recent remarkable progress in transport and communications, made possible by modern advances in science and technology, people now cross the Pacific by jet in about ten hours. Communications satellites allow people to converse instantaneously over great distances, while larger container ships transport huge cargoes across the ocean in a few weeks. Isolation by distance has indeed become a thing of the past, and as a result, the peoples of the Pacific, always rich in enterprise, have unleashed a flood of exchanges. Despite their political, economic and cultural diversity, the pacific nations are deepening their mutual interdependence and understanding at an ever-acceleration rate.

We are today standing at a historic crossroad, a moment in history when the many civilizations encounter each other and come together in this Pacific region. We are witnessing the birth of a civilization fertile with the vitality that nurtures ideas and creativity, precisely because it is so rich in diverstity. This is the beginning of the Pacific Age, an age that will open the doors of the 21st century.

In this vast region, joined by an ocean that covers some 50 percent of the ocean surface of the planet, there are bountiful human resources. The gross national product of the Pacific region now constitutes a considerable share of global GNP, and the region is blessed with abundant food and natural resources. Today, even the Pacific Ocean itself has come to be seen as an inexhaustible treasure trove of resources. The Pacific region, among all, is displaying the most dynamic growth on earth.

These facts suggest the great future potential of the Pacific region. It is no exaggeration to say that our success or failure in making these possibilities real will shape the future of development, not only in this region, but also throughout the entire world.

THE PRINCIPLES PROMOTING PACIFIC SOLIDARITY

If the tremendous potential of the Pacific is to be given full rein and the region's accomplishments are to be made even more solid, nothing can be more important than that the countries of the region join together in cooperation.

The nations of the Pacific need to make efforts, based on an awareness of the coming of the Pacific Age, to raise today's incipient cooperation into regional solidarity.

I believe that the principles to bring about this solidarity are the following five:

First, the Pacific must be, as its name implies, an "Ocean of Peace." Peace is the foundation of the continuing existence and prosperity of every people. We must cooperate and redouble our efforts to maintain peace.

Second, the Pacific must be an "Ocean of Freedom." It is the free exchange of people and goods that will accomplish the development of this region. We must be vigilant against any developments that would hamper this free exchange.

Third, the Pacific is an "Ocean of diversity." It is essential for us to cultivate a spirit that respects and accepts the originality and independent initiative of every Pacific nation.

Fourth, the Pacific must be an "Ocean of Mutual Benefits." We must actively use every means at our disposal, be they political, economic or cultural, to increase our mutual interdependence and understanding, and thereby work for the development of all Pacific nations.

And fifth and last, the Pacific should be an "Open Ocean." Just as the waters of the Pacific connect with the waters of every other ocean, so must our circle of solidarity be linked with every other region of the globe.

These five principles express the character of the vast blue ocean which extends before us. It is my firm belief that the peoples of this region, considering their long familiarity with the ocean and the natural affinities born of common origins, can cooperate on the basis of these principles for the advance of the great Pacific Age.

AN OCEAN OF PEACE

Let me speak first of the Pacific as an Ocean of Peace.

It is said that he who loves the ocean loves peace. There can be no doubt that the peoples of the Pacific all desire to create a region free from war and conflict. This region has gone through trials in the past, yet today peace and stability are maintained in the Pacific through the efforts of all the people of the Pacific.

When we speak of maintaining peace and stability in the region, we cannot forget the important role the United States has played as a Pacific nation in the political, economic and security spheres. I should also mention that Japan has come to be an important stabilizing power in the region, growing as an advanced democracy and building an unshakable relationship with the United States. The cooperation of the advanced democracies of the region—Canada, Australia and New Zealand as well as Japan and the United States—the strengthened solidarity of the ASEAN nations, the steady growth of the Republic of Korea, and China's pursuance of a moderate foreign policy path, these have been, among others, major contributory factors to the peace and prosperity of this region.

Yet regrettably there are factors that bring tensions to this region.

It is a matter of especially serious concern to us that the Soviet Union has continued to build up its military forces in Asia and the Far East in recent years. In Japan, the Soviet military build-up on the Northern Territories, the inherent sovereign territory of our nation, and the increased activities of Soviet forces in the waters around Japan, have heightened the apprehensions of our people. If the Soviet Union similarly desires to contribute to the peace and stability of the region, I would call upon the Soviet Union to demonstrate it by concrete actions.

Meanwhile, the conflicts on the Indochinese Peninsula and the continuing confrontation between North and South on the Korean Peninsula remain as causes of tension. I hope for the early and peaceful resolution of the conflicts and for the easing of the confrontation. We Japanese are ready to contribute to these ends, in any way we can, in cooperation with the countries concerned.

AN OCEAN OF FREEDOM

The second principle I cited was that the Pacific be an Ocean of freedom. Here I would particularly like to stress that free exchange among nations should be assured if the vitality and dynamism of the Pacific Basin economy are to be strengthened further in the future. Protectionist tendencies have begun to emerge in various parts of the world that are suffering domestic economic slump in the aftermath of the oil crisis. We cannot overlook the fact that similar protectionist tendencies are beginning to be felt also in this region.

I believe, first, that it is necessary to encourage the exchange of people and goods in the Pacific region, seeking to promote technology transfers and investment, to upgrade industry, and to strengthen the economic foundations. If by these means we can achieve energetic development in all our countries, we will be contributing not only to the prosperity of the region, but also to the revitalization of the world economy as a whole.

We in Japan have already introduced a series of measures to open our market wider as a contribution to revitalizing the world economy. Japan intends to continue to make contributions, commensurate with its ability, toward this end.

AN OCEAN OF DIVERSITY

Third is the principle of diversity.

There are all manner of races, languages and religions in the Pacific basin: there are peoples gathered in this region who possess distinct lifestyles and customs. Truly, the interplay of this rich diversity is the wellspring of the region's vitality and fertile creativity. Continuity of the dynamic life of the region requires that we guarantee the flourishing of this diversity.

There are times when diverse values invite misconceptions and hamper mutual understanding. Yet we should work to bridge these pitfalls, seeking instead to deepen our mutual understanding, and striving to lay secure foundations for our regional solidarity.

I also believe it desirable that the existing intra-regional organizations in the Pacific, formed through their own initiatives, be further developed.

By strengthening their interdependence and mutual trust, the ASEAN nations have taken on the challenge of achieving independent political stability and self-reliance, and have successfully created a resilient framework for cooperation among themselves. I have the highest praise for their success. Last year I visited the ASEAN countries, and was impressed by the nation-building enthusiasm of the leaders and peoples of these countries. They are rich in the spirit of self-help. It is of the greatest significance to the development of the entire Pacific region that the ASEAN nations further strengthen their solidarity, walking the road of independent development as an important nucleus of this region.

The island nations in the Pacific have already achieved or are now in the process of achieving their independence. Despite their tiny populations, their limited land mass and their distance from foreign markets, these countries have chosen the democratic form of government, and are strengthening dialogue and cooperation through such organizations as the South Pacific Forum. I find their wholehearted devotion to nation-building of great interest.

Various movements toward regional integration in Latin America, bordering the Eastern Pacific, are their response to the new era and are also worthy of our attention.

AN OCEAN OF MUTUAL BENEFITS

The fourth principle is that of mutual benefits.

Cooperation in the Pacific region must, under any condition, not be for the benefit of only one party, but for the mutual good of all concerned. Moreover, such cooperation should not be limited to the economic sphere, but should also include cultural, academic and other areas.

There is probably no need here to point again to the development of mutually beneficial economic interdependence in the region. The fact that many Pacific nations conduct more than half their trade within the region speaks clearly of this progress. We in Japan also intend to continue our vigorous efforts to expand our economic relations with Pacific countries.

Moreover, the Japanese government is directing approximately half its Official Development Assistance to nations of the Pacific in order to assist their economic and social development, and to help bring greater stability to the lives of their peoples. In the years ahead we will continue to emphasize economic aid to the Pacific region. In particular, we plan to extend our aid in the fields of technology transfers and human-resource development to meet the needs and special conditions of the developing nations while respecting their diversity.

Japan also hopes, as an advanced technological nation, that science and technology—the common heritage of all humankind—will be utilized to further the economic development and welfare of the region. To this end, we will work to promote scientific and technological cooperation at every level with other Pacific nations.

At the same time, broader cultural exchanges among the nations of the Pacific are vital to deepen our mutual understanding, and to enrich our respective cultures. In this connection, I believe it especially important to promote the exchange of youth, since the future of the Pacific Age will fall on their shoulders. One good example of this type of project is the "Working Holiday" system established between Japan and Australia. Under this arrangement young people from each country are issued tourist visas with labor permit, so they may travel around the other countries as they work. Japan wishes to further encourage the exchange of people at all levels.

AN OPEN OCEAN

Finally, I should like to comment on the fifth principle, that the solidarity of the Pacific be an open relationship.

The failures of the concept of closed blocs of nations in the past are still fresh in our memories: these blocs have led to economic decline on the one hand, and have opened the path to war on the other. Pacific solidarity must lead to world peace and prosperity through achieving regional development. Metaphorically speaking, it is like the ocean currents that surge around the Pacific Ocean, pulling together the nations of the region by centripetal force, while at the same time transmitting this energy outward into connecting oceans through centrifugal force.

Today, when all nations on this planet are bound together in close, mutually interdependent relationships, there is no other way to bring about global peace and prosperity except through promoting cooperative relationships predicated on the diversity of nations. In this sense, I believe the concept of Pacific solidarity can serve as a model for global cooperation.

PROSPECTS FOR THE 21ST CENTURY

I am well aware that many leading thinkers from the Pacific region are searching for the forms Pacific solidarity should take in a long-term perspective, looking toward the 21st century.

The late Prime Minister Masayoshi Ohira, my predecessor and my colleague through many long years in politics, was a firm advocate of Pacific Basin Cooperation. His advocacy was one of the major factors stimulating the interest and activities of this region.

The Pacific Basin Economic Council, an organization comprised mainly of business leaders, has been actively working on this issue, and I am much impressed by the steady progress they are making. A number of research studies have been carried out, and a series of international seminars have been held in recent years by those in the private sector interested in this problem. These are signs of steadily growing interest in the issue of Pacific Cooperation.

Early this month, a seminar on Pacific cooperation was held in Bangkok. This was the second, following the seminar held in Canberra in 1980. I understand that, at the seminar, the need for Pacific cooperation was stressed and an agreement was reached on matters relating to future acitivities for promoting Pacific cooperation. I find the achievements of the seminar to be significant as they constitute a constructive step toward our common goal of consolidating Pacific Solidarity.

I am confident that if this kind of initiative and vitality on the part of the private sector results in the creation of greater widsom, and if the nations of the region use this new wisdom as the basis for continued assiduous efforts, then we will definitely see the way open to Pacific Solidarity.

In 1961, the year after the founding of the East-West Center, then U.S. Vice President Lyndon Johnson had this to say about the Center:

"The East-West Center is here to serve the world. To this Center we shall bring the wise men of the west and we shall invite the wise men of the east. From them we shall hope that many generations of young scholars will learn the wisdom of the two worlds, united here, and to use that wisdom for the purposes and the ends of mankind's highest aspirations for peace and justice and freedom."

These words do not differ from the spirit of Pacific Solidarity that I have been advocating here today. The East-West Center has been established in Hawaii, a place well suited to that mission. These islands are not merely in the center of the Pacific Ocean, at mid-point among the American and Asian continents and the nations of Oceania. Here also, people who came from the lands clustering around the Pacific have built hand in hand a vibrant community with a dynamism born of ethnic diversity. It is no exaggeration to say that Hawaiian society is itself symbolic of the future of Pacific solidarity.

Now is the time for us to embark into the Pacific Age on a course set for the 21st century. Our sails billow in the wind: a full tide is running. Steering toward a grand future, and riding the same ship, we are full of the courageous spirit.

Shall we not join in this great endeavor of the century? Let us build a record of accomplishments for our nations and the Pacific region that will live in the annals of world history.

Thank you.●

PRESIDENT REAGAN'S CARIBBEAN BASIN INITIATIVE: THE JAMAICAN EXAMPLE

● Mr. DOLE. Mr. President, a week ago I enjoyed once again the honor of meeting with Prime Minister Edward P. G. Seaga of Jamaica. Senators DURENBERGER, WALLOP, BYRD, and MATSUNAGA joined us in discussing a number of issues concerning Jamaica, the Caribbean Basin generally, and U.S. relations with our southern neighbors. As always, Prime Minister Seaga evinced the unusual breadth of knowledge and vision that establish him as one of the developing countries'—and entire free world's—most respected leaders.

Since Mr. Seaga assumed office in October 1980, the Jamaican economy has staged a remarkable turnaround. For 7 years years under his predecessor, Jamaica suffered total negative real economic growth of 19.8 percent; it had been a positive 18.7 percent for 1970-73. In Mr. Seaga's first year, real economic growth returned to the positive side of the ledger, posting a 1.8-percent growth rate. This rate is expected to grow to 4 percent this year.

Other indicators reflect Jamaica's revitalized economy. The inflation rate was 4.6 percent in 1981, after a yearly average of 22.9 percent from 1973 through 1980. Construction grew 4.1 percent in 1981, after diminishing an average 9.6 percent in each year of the administration preceding Mr. Seaga's. Tourism is up; unemployment and crime are down. The rate of capital formation quadrupled in 1981 over the 1973-80 average, and approximately 500 new private investment proposals—potentially worth about $1.5 billion—are in the works.

The success of Mr. Seaga's economic recovery program enabled Jamaica in March to prepay fully all arrearages in debt payment on current account transactons. Under an accord reached in March 1981 with the International Monetary Fund, Jamaica had until December 1982 to satisfy these arrearages. The 9 months early prepayment dramatically demonstrates the Prime Minister's leadership and the soundness of his program.

THE ESSENTIAL ROLE OF THE FREE MARKET IN DEVELOPMENT

Mr. President, I offer these data to the Members in order first to illustrate the essential role of the private sector in Third World development, and second, to show the fundamental soundness of President Reagan's Caribbean Basin Initiative (CBI). That program integrates trade, aid, and investment incentives specifically to provide the economic milieu in which the private sector will thrive. The indigenous skills, industry, and entrepreneurial talent of the Caribbean peoples—as evidenced by the Jamaican example—will fuel the development sparked by the CBI. Like the President, I firmly believe that only free market policies will lead to sustained growth in this region, and indeed, throughout the developing world.

From the perspectives of both donor and beneficiary nations, development aid policy embodies multidimensional aspects. Particularly in developing nations, economic growth and political stability are closely linked; democratic traditions and institutions in turn will not easily flourish absent either one. Altruism may serve in part as a basis for U.S. commitments to multilateral or bilateral aid programs, but it is the fostering of stability and democracy throughout the world that provide our most tangible return. In the Caribbean Basin, enhanced security of vital sealanes, reduction of illegal immigration flows, and development of export markets would be additional direct benefits of the CBI. Thus, both the United States and the CBI's potential beneficiaries have essential interests in the program's success. Private sector development is the key to that success.

THE CBI—AN ESSENTIAL PROGRAM TO MEET A HISTORIC OPPORTUNITY

In a recent Washington Post column, international economist Gustav Ramis of Yale University stated well the need for a "credible, nonpaternalistic framework" for facilitating economic reform and development in developing countries. He said in part:

> Receipt of an annual aid allocation is clearly not a country's birthright to be extended automatically, just because it is poor and we are rich; at times the effective use of aid, in fact, means the courage to be passive and bankerlike vis-a-vis some developing countries for some years on end. But it also means that we must be able to respond when and if such countries do come forward with a package of policy changes that make sense and ask our help in cushioning the inevitable pain of getting from here to there.

By offering market incentives in the form of trade, tax, and other measures, and by extending aid to ease the transition to stable, competitive economies, the CBI demonstrates that this administration is able to respond positively to vital needs—and opportunities.

Prime Minister Seaga echoed this theme in our discussion. He pointed out that 20 of the Caribbean Basin countries could fit within the boundaries of the King Ranch in Texas—the CBI, even if successful beyond all expectations, simply cannot engender economic machines that will threaten any domestic economic interest. But by adopting appropriate free-market programs, and with the CBI's aid and market incentives, these small beneficiary nations are capable of significant self-improvement. Neither Jamaica nor any of the other beneficiaries claim the benefits of the CBI as a matter of right; the success of Jamaica shows that it is a program of great mutual interest.

I cannot articulate better than Prime Minister Seaga the singular opportunity afforded by the CBI to advance our own high aspirations and those of our neighbors in need. He recently wrote me that—

It is to be hoped, therefore, that the present difficulties will not colour the deliberations on the most far-reaching proposals yet conceived to breathe economic life into the stagnancy of the Caribbean. I commend the President and the Congress for taking such bold steps at this time in particular and I am certain that the American people, once past their temporary difficulties, will hail these proposals as far-reaching in impact in the stabilization and prosperity of neighbouring economies.

It may be said with justification that if such small economies in the shadow of the world's greatest economic power cannot prosper despite compatible systems where else may hope exist for the economic model so magnificently developed and portrayed by the United States to be advanced with success?

Mr. President, for these reasons I intend to take up S. 2237, the implementing legislation for the CBI, as soon as Finance Committee business permits. I invite my colleagues to join me in support of this essential, constructive program for peace and economic growth.●

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, I have a few items that I am prepared to submit for the consideration of the minority, which I believe have been cleared by the distinguished minority leader, and I will state them for his consideration and that of other Senators.

ORDER FOR H.R. 6198 TO BE HELD AT THE DESK

Mr. BAKER. Mr. President, I ask unanimous consent that H.R. 6198, an act to amend the manufacturing clause of the copyright law, be held at the desk until the close of business on Wednesday next.

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

EXTENSION OF AVIATION INSURANCE PROGRAM

Mr. BAKER. Mr. President, I ask unanimous consent that in the engrossment of Senate unprinted amendment 1038 to H.R. 5930, the following amendment be substituted, and I send the amendment to the desk.

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

The amendment will be stated.

The legislative clerk read as follows:

The Senator from Tennessee (Mr. BAKER) proposes an unprinted amendment numbered 1038.

The amendment is as follows:

Strike all after the enacting clause and substitute the following:

That the last sentence of section 303(b)(1) of the Independent Safety Board Act of 1974 (49 U.S.C. 1902(b)(1)) is amended to read as follows: "The President shall appoint individuals to be members of the Board upon the basis of technical qualification, professional standing, and demonstrated knowledge in the fields of accident reconstruction, safety engineering, human factors, transportation safety, or transportation regulation."

SEC. 2. Section 306 of the Independent Safety Board Act of 1974 (48 U.S.C. 1905) is amended in subsection (a) by striking "pursuant to subsection (b)" and substituting "pursuant to subsection (b) or (c)" and by adding at the end thereof the following new subsection:

"(c) COCKPIT VOICE RECORDER.—Notwithstanding any other provision of law, the Board shall withhold from public disclosure cockpit voice recorder recordings and transcriptions, in whole or in part, of oral communications by and between flight crew members and ground stations, that are associated with accidents or incidents investigated by the Board: *Provided*, That portions of a transcription of such oral communications which the Board deems relevant and pertinent to the accident or incident shall be made available to the public by the Board at the time of the Board's public hearing, and in no event later than 60 days following the accident or incidents: *And provided further*, That nothing in this section shall restrict the Board at any time from referring to cockpit voice recorder information in making safety recommendations.

SEC. 3. Section 1312 of the Federal Aviation Act of 1958, as amended (49 U.S.C. 1542), is amended by striking "1982" and inserting in lieu thereof "1987".

SEC. 4. (a) Section 1601(a) of the Federal Aviation Act of 1958 (49 U.S.C. 1551(a)) is amended by striking paragraph (3) and redesignating paragraph (4), and all cross references thereto, as paragraph (3).

(b) Section 1601(b)(1)(C) of such Act (49 U.S.C. 1551(b)(1)(C)) is amended by striking "(relating to foreign air transportation)".

Mr. ROBERT C. BYRD. Mr. President, may we have order in the Senate? Business is being transacted. The majority leader is speaking.

MODIFICATION OF EXISTING BUFFALO BILL DAM AND RESERVOIR

Mr. BAKER. Mr. President, there is one other item of business that I believe is cleared for action on both sides. I invite the attention of the minority leader to the calendar for today—specifically, Calendar No. 602, S. 1409, a bill to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir.

Mr. ROBERT C. BYRD. Mr. President, that bill has been cleared on this side.

Mr. BAKER. I thank the minority leader.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 602, S. 1409.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 1409) to authorize the Secretary of the Interior to construct, operate, and maintain modifications of the existing Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, 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 Energy and Natural Resources with amendments, as follows:

On page 2, line 5, strike "River";

On page 2, line 20, strike "River";

On page 3, line 15, strike "River";

On page 3, line 17, strike "irrigation supplies", and insert the following: "and irrigation water supplies exclusive of State participation pursuant to section 7";

On page 4, line 11, strike "River";

On page 4, line 23, beginning with "(a)", strike through and including "area." on page 5, line 4, and insert the following: "(a) There is hereby authorized to be appropriated beginning October 1, 1982, for construction of the Buffalo Bill Dam and Reservior modifications the sum of $106,700,000 (October 1982 price levels) plus or minus such amounts, if any, as may be required by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein and, in addition thereto, such sums as may be required for operation, maintenance, and replacement of the works of said modifications: *Provided*, That, such sums authorized to be appropriated for construction, operation, maintenance, and replacement shall be reduced by the amounts contributed to the project under the provisions of section 7 of this Act."

On page 5, line 18, after "appropriated", insert "beginning October 1, 1982"; and

On page 5, strike line 24, through the end of the bill, and insert the following:

"SEC. 7. The Secretary of the Interior is authorized to enter into contracts with the State of Wyoming, upon such terms and conditions as he deems necessary, for the division of additional water impounded by the modifications, the sharing of revenues from the modifications, and the sharing of the costs of construction, operation, maintenance, and replacement of the Buffalo Bill Dam and Resevoir modifications."

So as to make the bill read:

S. 1409

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, acting pursuant to the Federal reclamation laws (Acts of June 17, 1902, 32 Stat. 388 and Acts amendatory thereof and supplemental thereto), is hereby authorized to construct, operate, and maintain modifications to the Buffalo Bill Dam and Reservoir, Shoshone project, Pick-Sloan Missouri Basin program, Wyoming, for the purposes of providing approximately seventy-four thousand acre-feet of additional water annually for irrigation, municipal and industrial use, increased hydroelectric power generation, outdoor recreation, fish and wildlife conservation and development, environmental quality, and other purposes. The principal modifications to the Buffalo Bill Dam and Reservoir shall include raising the height of the existing Buffalo Bill Dam by twenty-five feet, enlarging the capacity of the existing Buffalo Bill Reservoir by approximately two hundred and seventy-one thousand acre-feet, replacing the existing Shoshone Powerplant, enlarging a spillway, construction of a visitor's center, dikes and impoundments, and necessary facilities to effect the aforesaid purposes of the modifications. These modifications are hereby authorized as part of the Pick-Sloan Missouri Basin program: *Provided*, That the powerplant authorized by this section shall be designed, constructed, and operated in such a manner as to not limit, restrict, or alter the release of water from any existing reservoir, impoundment, or canal adverse to the satisfaction of valid existing water rights or water delivery to the holder of any valid water service contract.

SEC. 2. The conservation and development of the fish and wildlife resources and the enhancement of recreation opportunities in connection with the modification of Buffalo Bill Dam and Reservoir shall be in accordance with the Federal Water Project Recreation Act (79 Stat. 213), as amended.

SEC. 3. The modifications of the Buffalo Bill Dam and Reservoir shall be integrated physically and financially with the other Federal works constructed under the comprehensive plan approved by section 9 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 891), as amended and supplemented. Revenues for the return of costs allocated to power shall be determined by power rate and repayment analysis of the Pick-Sloan Missouri Basin program. Repayment contracts for the return of costs allocated to municipal and industrial water and irrigation water supplies exclusive of State participation pursuant to section 7 shall be negotiated under provisions of the Reclamation Project Act of 1939 (53 Stat. 1198) or the Water Supply Act of 1958 (72 Stat. 320), as amended, and shall be prerequisite to the initiation of construction of facilities for this purpose. Costs allocated to environmental quality shall be nonreimbursable and nonreturnable under Federal reclamation law.

SEC. 4. (a) The Secretary of Energy is authorized to construct, operate, and maintain transmission interconnections as required physically to interconnect the hydroelectric powerplant authorized by this Act to existing power systems as he determines necessary to accomplish distribution and marketing of the power generated.

(b) Hydroelectric power generated by the facility constructed pursuant to this Act shall be delivered to the Secretary of Energy for distribution and marketing. Such facility shall be financially integrated with the Western Division, Pick-Sloan Missouri Basin program power system and the power marketed under rate schedules in effect for such system.

SEC. 5. The interest rate used for computing interest during construction and interest on the unpaid balance of the reimbursable costs of the Buffalo Bill Dam and Reservoir modifications shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction of the unit is commenced, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations which are neither due nor callable for fifteen years from date of issue.

SEC. 6. (a) There is hereby authorized to be appropriated beginning October 1, 1982, for construction of the Buffalo Bill Dam and Reservior modifications the sum of $106,700,000 (October 1982 price levels) plus or minus such amounts, if any, as may be required by reason of ordinary fluctuations in construction costs as indicated by engineering cost indexes applicable to the types of construction involved herein and, in addition thereto, such sums as may be required for operation, maintenance, and replacement of the works of said modifications: *Provided*, That, such sums authorized to be appropriated for construction, operation, maintenance, and replacement shall be reduced by the amounts contributed to the project under the provisions of section 7 of this Act.

(b) There is also authorized to be appropriated beginning October 1, 1982, such sums as may be required by the Secretary of Energy to accomplish interconnection of the powerplant authorized by this Act, together with such sums as may be required for operation and maintenance of the works authorized by section 4(a).

SEC. 7. The Secretary of the Interior is authorized to enter into contracts with the State of Wyoming, upon such terms and conditions as he deems necessary, for the division of additional water impounded by the modifications, the sharing of revenues from the modifications, and the sharing of the costs of construction, operation, maintenance, and replacement of the Buffalo Bill Dam and Reservoir modifications.

Mr. WALLOP. Mr. President, I am pleased that today the Senate is considering S. 1409, so that it can proceed to the House for its consideration and concurrence.

This bill is a first in that it calls for cooperative funding between the State of Wyoming and the Bureau of Reclamation. As you know, this proposal has been on the drawing board for several years, but it was ignored by the previous administration. It has been through the dedicated efforts of many people that this bill is ready to pass. It is my hope that the House will move it rapidly so this precedent-setting project can begin.

I especially would like to thank the officials of the Department of the Interior and the State of Wyoming, whose committed efforts have resulted in this bill. It represents the beginning of a new stage of water development in the West and in the United States, and it has been my pleasure to have worked with these people.

Mr. SIMPSON. Mr. President, I rise in strong support of S. 1409. I am very proud to be a cosponsor—along with my good friend and colleague from Wyoming, Senator MALCOM WALLOP—of this legislation which I believe will mark a "watershed" in this Nation's reclamation policy.

I am, of course, pleased to have the Senate move to the consideration of this bill, which will authorize an increase in the capacity—and thus the many and varied uses—of this important reclamation facility which is located near my own hometown of Cody, Wyo. Buffalo Bill Dam and Reservoir is one of the earliest reclamation projects. For over half a century it has stood as a monument to the commitment of this Nation of assisting the water-scarce regions of this country to achieve a more efficient and more productive use of their limited water resources. With the passage of this legislation, Buffalo Bill Dam could become an even greater symbol of a renewed spirit of Federal-State cooperation in this vital endeavor.

Mr. President, this bill—as it is now presented to the Senate, is the product of a remarkable process in which the citizens of Wyoming have fully recognized the national implications of reclamation policy. It is clear to all that our Nation is going through a severe economic distress—an extraordinary situation requiring extraordinary responses. It is also clear to those of us in the West that one of those responses will—in all probability—likely include a significant reduction in the historical Federal role in financing reclamation projects.

It is to the credit of the people of Wyoming that their response was not to just lobby for more and more reclamation dollars—not to simply say, "cut that fellow's program but leave mine alone." Instead, the response was to make a strong commitment to a joint Federal and State effort to continue to harness Wyoming's limited water resources. This cooperative venture was based on the entirely accurate realization that any State participation will assist in stretching the limited Federal dollars that are going to be available. Wyoming's Governor has proposed—and the State legislature has approved—a massive State program directed toward the development of Wyoming's water resources.

Included in this program is a directive to seek out an agreement with the Federal Government that would allow the State of Wyoming to share in the costs—and benefits—of projects such as the enlargement of the Buffalo Bill Dam. This same new legislation sets aside $47 million for the Buffalo Bill project alone. That is the breakthrough in State/Federal cooperative efforts that is so historic and so important.

Mr. President, I firmly believe that this legislative pledge by the State of Wyoming is just the sort of positive action that should be encouraged. The bill currently before the Senate would authorize the Secretary of the Interior to negotiate a Federal/State cooperative agreement for the modifications to Buffalo Bill Dam and Reservoir. Such an agreement will certainly serve as a model for many more such efforts. It is the way to do it.

I commend the Committee on Energy and Natural Resources for its prompt—and unanimous—approval of S. 1409, and I strongly urge the favorable consideration of this measure by the entire Senate.

The amendments were agreed to.

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

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

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

The motion to lay on the table was agreed to.

CONCLUSION OF MORNING BUSINESS

Mr. BAKER. Mr. President, I know of no other matter to be dealt with this evening. If no other Senator seeks recognition, will the Chair inquire whether there is further morning business?

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

ORDERS FOR WEDNESDAY

ORDER FOR RECESS UNTIL 9:30 A.M.

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate completes its business tonight, it stands in recess until the hour of 9:30 a.m. tomorrow.

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

ORDER FOR THE RECOGNITION OF SENATOR CHILES

Mr. BAKER. Mr. President, I ask unanimous consent that, after the recognition of the two leaders under the standing order, the Senator from Florida (Mr. CHILES) be recognized on a special order of not to exceed 15 minutes.

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

ORDER DESIGNATING A PERIOD FOR THE TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent that the time, if any, remaining after the execution of the special order and the hour of 10 a.m. be dedicated to the transaction of routine morning business, during which Senators may speak for not more than 2 minutes each.

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

ORDER TO RESUME CONSIDERATION OF BUDGET RESOLUTION CONFERENCE REPORT

Mr. BAKER. Mr. President, I ask unanimous consent that at the hour of 10 a.m., the Senate resume consideration of the conference report, or any business in relation thereto.

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

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I move, in accordance with the other previously entered, that the Senate stand in recess until 9:30 a.m. tomorrow.

The motion was agreed to, and at 7:28 p.m., the Senate recessed until tomorrow, Wednesday, June 23, 1982, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate June 22, 1982:

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States to the grade indicated under the provisions of Title 10, United States Code, Sections 611(a) and 624:

To be brigadier general

Col. Lewis A. Mologne, [redacted], Medical Corps, U.S. Army.

Col. Thomas F. Cole, [redacted], U.S. Army.

Col. John T. Quinn, [redacted], U.S. Army.

Col. J. Hollis V. McCrea, Jr., [redacted], U.S. Army.

Col. Charles E. Edgar, III, [redacted], U.S. Army.

Col. Gerald R. Jennings, [redacted], U.S. Army.

Col. James D. Smith, [redacted], U.S. Army.

Col. Walter J. Bickston, [redacted], U.S. Army.

Col. Charles D. Bussey, [redacted], U.S. Army.

Col. William H. Harrison, [redacted], U.S. Army.

Col. Robert M. Bunker, [redacted], U.S. Army.

Col. Robert L. Drudik, [redacted], U.S. Army.

Col. Charles C. Adsit, [redacted], U.S. Army.

Col. John E. Long, [redacted], U.S. Army.

Col. Richard E. Stephenson, [redacted], U.S. Army.

Col. James W. Hunt, [redacted], U.S. Army.

Col. James W. Shufelt, [redacted], U.S. Army.

Col. James B. Allen, Jr., [redacted], U.S. Army.

Col. Eugene R. Lanzillo, [redacted], U.S. Army.

Col. Donald J. Palladino, [redacted], U.S. Army.

Col. Thomas J. P. Jones, [redacted], U.S. Army.

Col. Caleb J. Archer, [redacted], U.S. Army.

Col. Dudley J. Gordon, [redacted], U.S. Army.

Col. Thomas N. Griffin, Jr., [redacted], U.S. Army.

Col. Joseph L. Ecoppi, [redacted], U.S. Army.

Col. Charles J. Buel, [redacted], U.S. Army.

Col. Bobby C. Robinson, [redacted], U.S. Army.

Col. Robert J. Dacey, [redacted], U.S. Army.

Col. Edwin H. Burba, Jr., [redacted], U.S. Army.

Col. Donald R. Infante, [redacted], U.S. Army.

Col. Richard H. Sharp, [redacted], U.S. Army.

Col. George M. Krausz, [redacted], U.S. Army.

Col. Charles M. Murray, [redacted], U.S. Army.

Col. Charles E. Honore, [redacted], U.S. Army.

Col. Joseph L. Nagel, [redacted], U.S. Army.

Col. Harry D. Walker, [redacted], U.S. Army.

Col. Robert L. Gordon, [redacted], U.S. Army.

Col. William T. McLean, [redacted], U.S. Army.

Col. John S. Crow, [redacted], U.S. Army.

Col. Alan B. Salisbury, [redacted], U.S. Army.

Col. John M. Shalikashvili, [redacted], U.S. Army.

Col. Leo M. Childs, [redacted], U.S. Army.

Col. Gary E. Luck, [redacted], U.S. Army.

Col. Michael L. Ferguson, [redacted], U.S. Army.

Col. George A. Joulwan, [redacted], U.S. Army.

Col. Uri S. French, III, [redacted], U.S. Army.

Col. Gerald B. McConnell, [redacted], U.S. Army.

Col. Thomas H. Tait, [redacted], U.S. Army.

Col. Thomas D. Reese, [redacted], U.S. Army.

Col. Charles P. Otstott, [redacted], U.S. Army.

Col. Edwin S. Leland, Jr., [redacted], U.S. Army.

Col. Randall A. Greenwalt, [redacted], U.S. Army.

Col. Clarke M. Brintnall, [redacted], U.S. Army.

Col. John S. Peppers, [redacted], U.S. Army.

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 U. Cattelle, [redacted]
Maj. Dallas D. Church, [redacted]
Maj. Albert Conca, Jr., [redacted]
Maj. Thomas J. Deere, [redacted]
Maj. Robert W. Donley, [redacted]
Maj. Joseph A. Feather, [redacted]
Maj. Guy M. Gillespie, [redacted]
Maj. Paul A. Lukaszewicz, [redacted]
Maj. Jerry W. Nelson, [redacted]
Maj. John C. Ogden, [redacted]
Maj. Douglas O. Olsen, [redacted]
Maj. Stanley L. Pruett, [redacted]
Maj. Robert P. Rauscher, [redacted]
Maj. Richard J. Seidt, [redacted]
Maj. William J. Snuffer, [redacted]
Maj. Robert S. Thompson, [redacted]
Maj. William H. Turner, [redacted]
Maj. John H. Wayert, Jr., [redacted]
Maj. John D. Winton, [redacted]
Maj. Neil R. Woodcock, [redacted]

LEGAL

Maj. John W. Dunsmore, Jr., [redacted]

CHAPLAIN

Maj. James C. Scherf, [redacted]

MEDICAL CORPS

Maj. Richard R. Pacheco, [redacted]

NURSE CORPS

Maj. Gloria J. Winans, [redacted]

IN THE AIR FORCE

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated:

MEDICAL CORPS

To be lieutenant colonel

Aisner, Joseph, [redacted]
Barrs, David M., [redacted]
Blew, Richard M., [redacted]
Brown, Lansing E., [redacted]
Chiu, Chi-Chao, [redacted]
Christopher, Philip E., [redacted]
Cotlar, Alvin M., [redacted]
Cox, Rex A., [redacted]
Dapremont, Edgar M., Jr., [redacted]
Dillaplain, Robert P., [redacted]
Humpert, Edward L., [redacted]
Isaak, Harvard E., [redacted]
Jahsman, David P., [redacted]
Justis, Elvis J., Jr. [redacted]
Kronberg, Gregory M., [redacted]
Lenihan, John P., Jr. [redacted]
Lobritz, Richard W., [redacted]
Long-Kee, Su, [redacted]
Mehl, Roger L., [redacted]
Moysaenko, Valeriy, [redacted]
Nash, Peter R., [redacted]
Nelson, Maynard, [redacted]
Sabir, Mohammed, [redacted]
Stanton, Robert E., [redacted]
Tipmongkol, Prinya, [redacted]

DENTAL CORPS

To be lieutenant colonel

Frostad, Kenneth B., [redacted]
Stein, Lester D., [redacted]

The following officers for promotion in the Air Force Reserve, under the provision of section 8376, title 10, United States Code. (Non-EAD):

MEDICAL CORPS

To be lieutenant colonel

Arnold, Barbara J., [redacted]
Rubiano, Remigio C., [redacted]

The following named officers for permanent promotion in the U.S. Air Force, in accordance with section 601, title VI, transition provisions, Defense Officer Personnel Management Act of 1980, with dates of rank to be determined by the Secretary of the Air Force.

LINE OF THE AIR FORCE

To be lieutenant colonel

Nicks, Willie E., [redacted]
Osgood, Eric M., [redacted]
Padden, David T., [redacted]
Toumbacaris, G. B., Jr., [redacted]

JUDGE ADVOCATE CORPS

To be lieutenant colonel

Shaughnessy, John R., Jr. [redacted]

WITHDRAWAL

Executive nomination withdrawn from the Senate June 22, 1982:

Lawrence Y. Goldberg, of Rhode Island, to be General Counsel of the Federal Labor Relations Authority for a term of 5 years, vice H. Stephan Gordon, resigned, which was sent to the Senate on March 25, 1982.