SENATE—*Thursday, June 7, 1984*

(Legislative day of Wednesday, June 6, 1984)

The Senate met at 10 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, D.D., offered the following prayer:

Let us pray.

God of order, truth, and justice, despite my political naivete, I sense that the leadership of the Senate identifies with the feelings of Cicero, the great Roman statesman of the first century B.C., when he said, "The first of June and nothing done by the Senate."

Thou knowest all things, omniscient God. The future is as plain to Thee as the past. No detail escapes Thy notice. Days pass swiftly and they are few before recess. Give to the leadership Thy wisdom in scheduling priorities involving many agendas, all of which are important to those whose they are.

Lord of life, Thy word declares, "A man's mind plans his way, but the Lord directs his steps." (Prov. 16: 9 RSV). Guide the Senate in its business so that in these next 3 weeks everything that ought to be done will be. To the glory of Thy name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

THE CHAPLAIN'S PRAYER

Mr. BAKER. Mr. President, I sometimes make facetious and flip remarks about our good Chaplain's prayers. I cannot help this morning succumbing to that temptation again. I suppose this is a good time for confession, so to speak. I confess I have never before thought of any similarity between me and Cicero. But if Cicero indeed said that, Cicero was plenty right and knew what he was talking about.

I am sure that we have our Members on board and available here to do important business. Perhaps I ought to review the bidding, so to speak.

SENATE SCHEDULE

Mr. BAKER. Mr. President, when we finish the morning formalities, including the special orders and the time for the transaction of routine morning business, the Senate will have before it a unanimous-consent agreement in respect to proceeding to the consideration of the Department of Defense authorization bill, which was put by the leadership on this side on last evening but not yet acted upon by the Senate. It is my hope that we can do that as soon as possible. That means as soon as I can confer with my colleagues on the other side of the aisle and see what we can clear. Then we will, assuming that agreement is reached, or some variation thereof, go to the Department of Defense bill after morning business is closed.

I expect, Mr. President, that we will be in late today. The distinguished chairman of the Armed Services Committee has indicated he wishes to spend as much time as possible today getting into the Department of Defense authorization bill. I had indicated to him previously that I am willing to stay as long as it appears the Senate can do useful work. Today is Thursday and it is the day when we most often have late sessions. So I urge Senators to consider that we may be in late today and that there may be several votes today.

We will be in tomorrow, Mr. President. I fully expect that there will be votes tomorrow and I urge Senators as well to consider that in making their plans.

Mr. President, on tomorrow it is the hope of the leadership on this side that we cannot only do something on the DOD bill, but perhaps that we can get to the Wilkinson nomination, as well. I would like very much to see if we can now get an agreement on a time certain to vote on the Wilkinson nomination on Friday. I am willing to negotiate with any Members who wish to establish a time for that. I am also willing to say that after we do the Wilkinson nomination there will be no more votes on Friday. That is as much of a carrot I can dangle at this moment, but I hope it produces a rabbit.

ORDER FOR RECESS UNTIL TOMORROW AT 9:30 A.M.

Mr. BAKER. Mr. President, I now ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 9:30 a.m. on tomorrow.

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

Mr. BAKER. Mr. President, with those remarks, I am prepared to yield the floor. The distinguished acting minority leader is here.

Mr. President, I would like to reserve the remainder of my time under the standing order for use at any time during this day.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER. The Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the time for the minority leader be reserved for his use later in the day at his discretion.

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

RECOGNITION OF SENATOR PROXMIRE

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

SHOULD PUBLIC SERVICE ANNOUNCEMENT AGAINST NUCLEAR WAR AIR FOR FREE ON COMMERCIAL TV?

Mr. PROXMIRE. Mr. President, would nuclear war be a public health catastrophe? If so, should the prevention of nuclear war be regarded not only as a responsibility of the President of the United States and those of us who serve in the Congress, but also a responsibility of public health officials? Sounds far out, does it not? After all what can a public health doctor do to prevent nuclear war?

Well, the New York Times reported on April 29 that up in Boston, public health officials are trying to do exactly this. How? Here is how: They are calling on commercial television stations to carry public service announcements that are designed to drive home the appalling destructiveness of nuclear war. One such television spot, as described, goes like this:

> Children are playing doctor, building with blocks and telling what they want to do in the future. "When I grow up, I want to paint pretty pictures," a girl says as she paints a rainbow. To the sound of explosion in the background, the red paint and the rainbow begin to run. The blocks tumble. The doctor's kit is strewn. "Our world as we know it would be destroyed by a nuclear war," says an announcer, who says nuclear war is "our last epidemic." A girl aspiring to be a mother and writer concludes, "When I grow up I want to be alive."

That announcement was prepared by the Massachusetts State Depart-

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

ment of Public Health. It has been run by some stations, turned down by others. Now how about this? The people of Massachusetts find their taxpayer money used to prepare spots to be run on commercial television stations as a public service announcement. Is this right? Well, why not? Can anyone think of a more catastrophic threat to public health than a nuclear war? This Senator cannot.

The New York Times article points out that both the American Medical Association and the American College of Physicians have recognized nuclear war as a public health catastrophe that must be prevented. Both Massachusetts and Rhode Island health departments have printed and distributed brochures spelling out the consequences of nuclear war. The first and most obvious consequence that occurs to doctors and other health professionals is that hospitals, doctors, and nurses could not possibly cope with a small fraction of the millions of dying and injured persons in the aftermath of a nuclear war, even if all the doctors, nurses, and hospitals should somehow survive. Of course, they would not survive. Hospitals are located primarily in urban areas. And most doctors live in or near urban areas. So they would be among the first to perish.

Healing and pain killing medicines and drugs would also vanish. The overwhelming injury to those who did survive would be burns—severe burns. And there is almost no pain human beings can endure more agonizing than a deep burn. If you or I or our children or grandchildren somehow made it through a nuclear war, they would very likely suffer terribly painful burns with no healing and no easing of their agony.

Now some may say this all may be true but what has the Public Health Service got to do with preventing nuclear war? Sure, they will have a terrible problem once it occurs—God forbid it ever does. But should we not rely on military and political and diplomatic policies of deterrence and arms control to prevent nuclear war? And are not those problems wholly outside the competence of public health officials?

The answer, Mr. President, is that this is a democracy. Sure, policy with respect to preventing nuclear war may be the responsibility of the President and other Federal officials. But let us face it. We as public officials, especially elected officials, do not always act in concert with the public interest or with public concern.

In virtually every professional poll and statewide referendum, the people of this country have said that they want our Federal Government to stop the arms race—not unilaterally, but by negotiating a comprehensive, mutual verifiable freeze or end to the testing, manufacture, or deployment of any further nuclear arms.

Obviously, that demonstration of public will has not won translation into action. Since this is unquestionably the most important issue of our time by far, the failure of our Federal Government to strive to stop the arms race represents a serious breakdown in the democratic process.

What do we do about it? What should a frustrated public do about it? And what should those public officials whose life is dedicated to public health do about this worst of all conceivable epidemics?

Public officials in Massachusetts and Rhode Island and elsewhere are exactly right. They refuse simply to bow their heads and let the nuclear arms race continue down the road to an inevitable end in what they understand so well would be a human catastrophe beyond our imagination. They act. They reinforce the public determination to end this policy of continuing on the road to a nuclear collision by telling the public what this most terrible of all menaces to the public health really means.

God Bless them. And I hope in the future all commercial TV stations, and radio stations too, will carry these public service announcements. This Senator cannot think of a public service our television and radio stations could provide that could be nearly as important.

Mr. President, I ask unanimous consent that the article to which I have referred from the Sunday, April 29, 1984, New York Times be printed at this point in the RECORD.

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

PUBLIC SERVICE AD ON ATOM WARS STIRS CONFLICT

(Special to the New York Times)

BOSTON, April 28—The 30-second television spot shows children playing doctor, building with blocks and telling what they want to do in the future. "When I grow up, I want to paint pretty pictures," a girl says as she paints a rainbow.

To the sound of an explosion in the background, the red paint and the rainbow begin to run. The blocks tumble. The doctor's kit is strewn.

"Our world as we know it would be destroyed by a nuclear war," says an announcer, who says nuclear war is "our last epidemic." A girl aspiring to be a mother and writer concludes, "When I grow up, I want to be alive."

The message is a public service announcement issued by the State Department of Public Health for use on local television stations. Three stations have declined to run it.

"A LITTLE TOO STRONG FOR US"

"We felt that it was a little too strong for us to air," said Nancy Sullivan, a spokesman for WXNE-TV. "We decided not to cover the issue of nuclear war at all." She said the announcement "strongly implied the idea of a nuclear freeze."

But Dr. Stephen Havas, Deputy Commissioner of Public Health, said the message was medical, not political. He said such organizations as the American Medical Association and the American College of Physicians had recognized nuclear war as a public health catastrophe that must be prevented.

A brochure the Health Department sends anyone who asks describes the medical consequences of nuclear bombs dropped on Boston, Worcester and Springfield, on Hanscom Air Force Base in Bedford, northwest of Boston. Most hospitals would be destroyed and most doctors and nurses killed, according to the pamphlet. People who survive, it says, will suffer severe thermal injuries and infections.

"The medical community cannot respond to a nuclear war," Dr. Havas said. He said it was important for people to talk about the issue and take steps to prevent nuclear war, "whether it's build-up or build-down, stay at the same level, whatever."

RHODE ISLAND HAS A BROCHURE

Dr. Havas said the Massachusetts Department of Public Health was the leader in television advertisements, although the Rhode Island Health Department has issued brochures. "Most public health departments tend to be fairly cautious about new areas," Dr. Havas said.

Donna Latson Gittins, vice president of community services for WCVB-TV, which has run the Health Department announcement daily for three weeks, said the station had received virtually no reaction from viewers.

Two stations, WBZ-TV and WNEV-TV, will produce their own spots to advertise the Department of Public Health brochure. "We would like to produce a spot that gives a little more information as to how a viewer can take some action," said Amy McGregor-Radin, public affairs director for WBZ-TV. She added that the spot could be frightening to children, a view shared by WNEV-TV.

Peggy Charren, president of Action for Children's Television of Newton, a child advocacy group, said she was "amazed" broadcasters would take into account children's fears. She added, "While I think that's a worthy worry, they certainly don't have it with programs with no social significance."

Mrs. Charren said she would not want children to see such an announcement without adults present, but added that broadcasters should find sensitive ways of teaching children about nuclear war.

PERSECUTIONS THROUGHOUT HISTORY AND THE NEED FOR THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the June 1984 issue of Commentary magazine contains an article by Bernard Lewis, a professor of Near Eastern studies, which details the persecution of Jews in the Islamic world during the 18th and 19th centuries.

During this so-called enlightenment period, Jews in Western Europe were beginning to enjoy more rights than ever before. But Jews in the Middle East and northern Africa were still viewed as second-class citizens, undeserving of respect or humane treatment. For example, they were subject to street beatings and public humiliations. In his article, Lewis quotes the account of a traveler who observed the situation in 1836:

> I never saw the curse denounced against the children of Israel more fully brought to bear than in the East, where it may truly be said that "Their hand is against every man, and every man's hand against them."

Eastern Jews were subjected to centuries of miserable inequality. In Iran, Jews were isolated in a hostile and fanatical community, and denied their most basic rights in commerce, courts of law, and city life. Iranian Government officials of that period rarely intervened in incidents of mob violence against Jews.

Throughout the Middle East, the defenseless Jewish community suffered torture and murders. In 1839, Jews were massacred in Meshed, Iran. Jews were massacred in Tetuán, Morocco in 1790 and in Baghdad in 1828. In 1840, Jews in Damascus were the victims of a series of attacks. Algeria, Tunisia, and Libya were other countries where Jews suffered during the 18th and 19th centuries.

Mr. President, the suffering of minority races and religions is not restricted to centuries past or fallen empires.

It persists to this day, and enough of it persists that it should outrage all modern nations. As a country concerned with human rights violations all over the world, the United States must take action against unwarranted brutal attacks against ethnic and religious groups. That is why the United States should ratify the Genocide Convention, making genocide a crime punishable under international law. This would go a long way toward demonstrating U.S. opposition to the inhumane treatment of minority people.

Mr. President, I yield the remainder of my time to the distinguished majority leader, and I yield the floor.

Mr. BAKER. I thank the Senator.

Mr. President, I shall take but just a moment.

ORDER OF BUSINESS

Mr. BAKER. Mr. President, last evening, we were going through the process of providing for the defense authorization bill to become the pending business today. I have consulted with Senator BYRD's office and they have authorized me to say that there is no objection to providing for the consideration of that measure. We will, I think, make other arrangements about the math-science bill when Senator BYRD arrives. I am sure we can do so without any difficulty. There was no difficulty last evening except technical reasons that were very good and valid that we had not yet had time to reconcile.

ORDER FOR CONSIDERATION OF S. 2723 AT CLOSE OF MORNING BUSINESS TODAY

Mr. BAKER. Mr. President, I ask unanimous consent that at the close of morning business today, the Senate proceed to the consideration of Calendar Order No. 944, S. 2723, the Department of Defense authorization bill.

The PRESIDING OFFICER. Is there objection?

Mr. PROXMIRE. Mr. President, I have been informed by staff that the minority leader has no objection and has agreed to proceed at the end of the morning hour as the majority leader has requested.

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

RECOGNITION OF SENATOR HEINZ

The PRESIDING OFFICER. The Senator from Pennsylvania (Mr. HEINZ) is recognized under a special order.

Mr. HEINZ. Mr. President, I ask unanimous consent, with the authorization of Senator BAKER, that the time allotted to him for his special order be transferred to the special order previously agreed to by the Senate on my behalf.

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

THE AMERICAN STEEL INDUSTRY

Mr. HEINZ. Mr. President, the purpose of today's colloquy involving many of my colleagues from the Steel Caucus is to lay out the problems facing the American steel industry and to express support for a number of actions, including the import relief proposed in the Fair Trade in Steel Act, S. 2380, and the section 201 petition filed by Bethlehem Steel Corp. and the United Steelworkers of America which is currently pending before the U.S. International Trade Commission which will be ruled upon next Tuesday.

From my point of view, Mr. President, there should not be much question at all in the minds of the Members of the U.S. Senate that the American steel industry is currently in critical condition despite some progress that has been made since the low point in 1982.

When I say there was a low point in 1982, I mean that capacity utilization was at 30 percent and that 170,000 people were unemployed. That was the greatest number of unemployed and the lowest capacity utilization since the Great Depression. In many communities in my home State, specifically in and around Pittsburgh and western Pennsylvania, the situation was and still is today as bad or worse than the Depression.

As one measure, the industry in 1982 and in 1983, those 2 years combined, lost $6 billion. About half of that they lost in 1983 when we had a very substantial period of economic recovery, such that an industry we had nearly given up for dead 3 years ago, the auto industry, had the most profitable year in its history. The steel industry, in contrast, had one of its two most unprofitable years in its history. So by any standard the steel industry has been through the worst 2-year period since the Depression. But those of us who represent steel producing areas do not need to cite numbers because we only have to go back to our States, our hometowns, to see the faces of our unemployed and understand what that unemployment means.

We see the padlocked factories. We see the empty business districts of steel towns. We see how, one by one, steel communities that made this country great, that produced the steel to win two world wars and to create the world's strongest economy at the same time, are dying; and with them goes a part of our soul, a part of our spirit of hard work, pride, initiative—all the things that have made this country great.

The debate on the steel industry is going to emphasize facts, because I believe that is the best way to convince the Senate to act and because I believe our case is a strong one. But if any Senator needs to be convinced, I would be happy to take him to Midland, Pa., or McKeesport, or any one of a dozen or so other communities, such as Youngstown—and to countless other communites, I am sorry to say—to see the real impact of this crisis on real people and real towns that all the studies and statistics we cite today cannot properly reflect.

I suggest that what we are witnessing is an American tragedy in every sense of that term, and our failure to act can only compound that tragedy and increase an already enormous amount of pain. We are going through a period of economic recovery, of economic expansion. Since 1980, I think we have probably created 5 million or so additional jobs, but you would find little evidence of that if you looked at the steel industry. Unemployment remains over 20 percent. While capacity utilization is up somewhere between 75 and 80 percent, that is an artificial figure because of the permanent capacity reductions that have occurred, the factories that have been padlocked, the mills shut down over the past year.

Some will say: "Senator, that is just a cycle. The steel industry goes through cycles. Don't worry. Things are going to get better."

Mr. President, we were told that last year. We were told that the year before. We were told that the year before that. In all candor, I must say that after 3 years of waiting for the light at the end of the tunnel, one begins to wonder if there is any end to the tunnel at all.

Why would there be no end to this tunnel? Why would this industry be making more steel but losing more money? Why would so many people still be left unemployed as compared with 2 or 3 years ago?

I suggest that the answer is that free trade no longer exists any place in the world, except maybe here, and subsidizing, dumping, and other actions by foreign governments to protect their home markets from competition have dramatically distorted all those nice free-market principles we learned about in school.

Steel is the necessary material for any industrial economy. Its manufacture is a major source of employment. Every country that desires an industrial base has sought to develop steel production capacity, whether or not they can use it, whether or not it is profitable, whether or not there is a market for it any place close by. What that has led to, exacerbated by a lot of subsidized financing from developed countries, is significant foreign government involvement in the steel industry and incredible overcapacity worldwide. As a result, there is a chronic unfair trade problem in steel.

It is not just the less-developed countries where this is a problem. In Europe, the Government controls 100 percent of the steel production in such countries as France, Italy, the United Kingdom, Austria, and Sweden. Latin American governments—specifically Mexico, Venezuela, and Argentina—completely control their integrated steel production, while the huge Brazilian steel industry is 77 percent government controlled. That is just the tip of the iceberg. South Africa is 89 percent government controlled, South Korea and Taiwan are 100 percent government controlled, and so it goes. Foreign government control of the free world's steel production is an established fact which we can neither ignore nor wish away.

The consequence is that these government-owned and heavily subsidized industries, particularly in the Third World, simply have abandoned any pretense of fair pricing. Why? They are desperate to generate foreign exchange to pay their debts. They are over their heads in debt, as is the United States, but we have not started subsidizing our exports yet, thank heaven. They have resorted to dumping and subsidizing in this market, which is the only open market in the world left for them to sell their steel.

As a result, by the first quarter of this year, steel imports into the United States accounted for over 25 percent of the U.S. market. That is why our domestic steel industry is being systematically destroyed, and a return to market prices with normal free market forces is urgently needed.

Of course, what is happening now is that with imports increasing—and they have been increasing—steel prices are falling, and that insures those big losses I mentioned a moment ago, even when our industry is able to make a sale.

The average industry price level has fallen $199 a ton from the fourth quarter of 1981 to January 1984. That aggregate figure covers declines ranging from almost $400 in the case of some tubular products to $50 in the case of galvanized sheet. The most recent data suggest some areas of stabilization—although at intolerably low levels—while in other areas, such as strip and wire rods, prices have continued to go down. This is the core of the industry's problem. If they continue not to make any money, not only will we continue to have high unemployment, not only will we continue to turn community after community into permanent ghost towns, but also, the industry will never be able to generate the cash flow to invest in modernization that is necessary to restore its competitiveness.

We will undoubtedly spend a lot of time this year, on this floor, debating the theory of free trade. But I hope that while we are debating the theory, everybody remembers the fact as well that, at least in the steel industry—and I can think of some others as well—world practice is that there is no free trade and that dumped and subsidized production is destroying the steel market and the price structure and, along with it, the American steel industry.

So, Mr. President, there can be no reasonable doubt that imports are anything but a major part of our steel industry's problem, and, therefore, that import relief must be a part of the solution.

Now, the industry has filed many unfair trade cases—antidumping, countervailing duty cases. But I have to tell my colleagues that the trade laws are simply not designed to deal with a problem involving so many cases and so many countries and so many products in such a short period of time as really is necessary to get things turned around.

As Don Trautlein, the chairman and chief executive of Bethlehem Steel, recently suggested, making use of our dumping and antisubsidy laws is like "shooting at a flock of birds up in the air, and you get one at a time, but while you shoot them with that rifle one at a time, the rest of the flock is still up there dumping on you," and that is exactly what has happened.

The only realistic, practical, and rapidly achievable solution is a global import restraint that will prevent product and market shifting and will enable the industry to adjust and restore itself to competitiveness.

At the same time, however, it is clear that the problems of the American steel industry cannot be solved through import relief alone.

Import relief is not the only solution. The steel industry must modernize, reinvest, install new technology, and improve its productivity. But, only solving the import problem will produce the climate necessary for the industry to take the internal measures it has to take to survive.

Internal changes are necessary to complement reduced pressure from abroad. For example, U.S. labor costs are high relative to other countries—partly due to the strength of the dollar in the last few years and partly due to the industry's history of collective bargaining. Even so, labor costs alone cannot explain the industry's problem U.S. productivity at real operating rates matches Japan's and exceeds the rates of many European nations.

The old and outmoded facilities for steel manufacturing which predominate throughout the industry are increasingly becoming targets for modernization. Continuous casting capacity will double in the next 5 years. Average blast furnace output has increased by over 50 percent since 1971 while overhead costs have been reduced by about 25 percent. Research and development has concentrated on new technology designed to "leapfrog" existing production techniques.

For example, the Federal Government's recent grant of $30 million from the Department of Energy to Bethlehem Steel and U.S. Steel for strip casting research and production illustrates its interest in helping companies develop energy-saving methods of manufacturing. The capital costs of sheet production could be slashed by $500 million giving U.S. producers renewed vigor with which to challenge foreign competitors.

Investment in modernizing the industry has also lagged, in part because steel has not presented a very attractive opportunity. However, the basic cause is that no one in the industry is making any money. The $3 billion losses of each of the past 2 years have curtailed industry's ability to finance capital expenditures and carry out plans for modernization.

Finally, the decline in demand for steel due to a desire for lighter, cheaper, and more durable products such as plastics, ceramics, and specialty steel alloys has been especially threatening to the industry. However, according to a study by David J. Cantor, a specialist in industry economics at the Congressional Research Service, while steel use is generally at a lower level than previous years further declines in its use will probably be small and steel intensity, the ratio of steel consumption to real gross national product, will remain level throughout most of the 1980's. Even so, as the U.S. economy matures and shifts away from manufacturing and toward services, demand for steel is unlikely to return to the level of its 1973 peak.

In the face of these developments, the industry is aggressively pursuing self-help measures through reductions in work force levels, dividend reductions, wage concessions, and permanent closure of facilities as well as the modernization of existing facilities. In the end we will see the emergence of a smaller, more compact industry, technologically advanced and capable of producing sophisticated products, tooled to meet individual buyers' needs. To this end, it is essential that there be a temporary shelter from the crippling impact of unfairly traded imports; an umbrella that will provide protection while the industry takes the steps necessary to help itself.

Those steps, in addition to what I have just mentioned, include attacking the price problem, the cause of which is unfairly traded imports—dumped and subsidized production sent here to avoid the consequences of adjustment and overcapacity elsewhere in the world. Dumping, subsidies, and all other unfair trade practices that distort comparative advantage must be blocked in order to defend the market system. Major progress was made in providing the tools to do that in the multilateral trade negotiations in 1979 and the U.S. implementing legislation, the Trade Agreements Act, which I was deeply involved in. Unfortunately, the experience of the past 5 years has demonstrated a number of loopholes which remain to be closed.

I have proposed numerous trade law reforms to address these problems, but the Finance Committee has not expressed much interest in acting on them. The result is the direct approach exemplified by S. 2380 and the Bethlehem 201 petition. If the system does not work and Congress will not fix it, what choice does an industry have but to withdraw from it and seek its own direct solution? Special sectoral legislation is not my favorite option, but the steel industry is being given very few other alternatives either by Congress or the administration, and those of us who represent steel-producing areas are not going to allow our industry to be destroyed by the unfair and illegal practices of others.

To that end, Mr. President, I with a number of other Senators have introduced the Fair Trade in Steel Act, S. 2380, which establishes import quotas by product resulting in a global limit on steel imports of approximately 15 percent of apparent domestic supply for a period of 5 years. The goal of that legislation is to provide a temporary pause from the crippling impact of unfairly traded imports in order to stimulate employment, but equally, if not more important, to facilitate the necessary modernization of our domestic industry. Linking such relief to a reinvestment requirement for steel cash flow helps to insure that adequate funds for modernization will be available.

The petition by Bethlehem Steel and the United Steelworkers filed under section 201 of the 1974 Trade Act seeks an almost identical result. We call a section 201 petition an escape clause action. It is a provision of our trade laws which is a legal vehicle provided by Congress and consistent with the GATT, the General Agreement on Tariffs and Trade, which gives seriously injured domestic industries a chance to regroup, reform, and regain their competitive strength. The petition does seek the same level of relief proposed in my quota bill. And should the President agree with a positive recommendation by the International Trade Commission, the quotas would be implemented consistent with article 19 of the GATT, which recognizes that import relief indeed can be a legitimate and legal element of an adjustment program.

To maximize its effectiveness, an industry's adjustment program in the face of import competition should link the granting of import relief by the Government with domestic adjustment commitments by the industry. One way to insure such a result is through a proposal I have made, the Industrial Revitalization Act, S. 849. The bill is an amendment to the current escape clause statute that is the object of the Bethlehem petition. Instead of focusing on import relief as a sole remedy without analyzing what other solutions are appropriate to the industry's problems—as under current law—an industry would be required to commit itself to a self-help plan in return for import restraints. Such a plan would address the industry's current and anticipated problems.

These plans might commit an industry to increased investment and modernization, as the steel quota bill also requires, additional research and product development, wage and benefit concessions by labor, management improvements, and additional capitalization. The Government, in addition to granting import protection, could approve appropriate antitrust and/or regulatory relief.

The Government would keep its part of the bargain so long as self-help commitments were being adhered to. Its assistance would be channeled into restoring an industry's competitiveness pursuant to conditions similar to those imposed on the Chrysler Corp. in 1979—today a successful and prospering firm. Although I voted against that legislation because I do not believe in Government bailouts of big businesses, I think we can all draw valuable lessons from the experience.

Adjustment plans should rely on industry, not the Government, to take the initiative based on the reality of what survival in the marketplace demands. The petition filed by Bethlehem Steel Corp. and the United Steelworkers is just that—an industry's request for assistance in the face of market realities. My proposal would take the process one step further by providing needed discipline among those who seek protection. Short-term sacrifices must take place for the long-term benefit of an industry so that it can once again be competitive and fully able to stand, fight, and win the battle for economic survival.

The best solution for the steel industry's problems would really have been achieved through a comprehensive steel policy developed by the President in consultation with Congress, and with the industry, both labor and management. I had been proposing such a policy now to two administrations without much success. Instead of exercising leadership in this matter, the administration has chosen simply to oppose the initiatives of others. I am still hopeful that that attitude will change.

I suppose some would prefer to ignore the situation or to pretend that the hundreds of thousands of unemployed in the steel-producing communities and in steel-related industries do not exist. I can promise my colleagues this much: this problem is not going to disappear. It will not change, except maybe to get worse, the unemployed will not vanish, but they will become more visible. The issue is not going to go away. The problem has to be solved, and as far as this Senator is concerned it is going to be solved. The steel industry is not going to remain the dumping ground for other nation's problems.

We in the Steel Caucus are not about to accept the glib analyses that some propose that the wealth of our communities and the quality of life of our constituents need to be drained away by predatory pricing practices of foreign governments.

We will use every means at our disposal to get action in this session, and if it takes legislation to accomplish that, then I can guarantee we will have that legislation.

THE U.S. STEEL INDUSTRY

Mr. RANDOLPH. Mr. President, I commend the able Senator from Pennsylvania and other colleagues in this body for the attention being given especially today in the Senate to the sad recital of many of the problems that are affecting the steel industry in this country, due primarily to the unfair imports of steel from other countries into this Nation. I am joining the chairman of our Steel Caucus, Senator HEINZ and hopefully other Senators, in addressing this problem.

As we discuss the steel industry in the United States, we do recognize that there are many Members of this body who are committed to the preservation and strengthening of our domestic steel industry. We must bring our concerns to the attention once again of our colleagues. Today, we are doing that as we have in the past because of the crucial problems of this vitally important and basic industry.

The U.S. International Trade Commission is considering at this time a petition which has been filed under section 201 of the Trade Act of 1974. The petitioners, Bethlehem Steel Corp. and the United Steelworkers of America, are necessarily seeking import relief on behalf of the steel industry across America—no matter where the steel plants are operative, or at least partially operative, and in some cases not operative at all. The petition provides evidence that this industry has suffered serious injury as a result of the continuing imports.

Mr. President, on May 9, a public hearing on the petition was held before the Commission. On June 12, the members of the Commission are scheduled to vote on the inquiry determination. If the Commission members determine that injury has occurred, they must recommend a remedy to the President, and our Chief Executive must decide what relief, if any, will be granted. The President must make his decision by September 24, 1984. The relief needs to be provided.

Mr. President, it is my strong belief that the domestic steel industry and our American steelworkers have suffered too much. I repeat, import relief is overdue. This essential industry and the effective workers in it have dedicated their skills to production which has been basic to this Nation.

We continue, I emphasize, to be deeply injured by the flood of illegally imported steel. Unquestionably, the domestic steel industry is essential to the domestic health of the Republic as well as of strategic importance. This industry must be modernized. Reasonable efforts are being made and future efforts have been pledged by individual companies to effect that goal. However, Mr. President, imports have prohibited in some cases, and severely retarded in other cases, the progress that we know must be made. Shutdowns continue and devastating unemployment results in Pennsylvania, in West Virginia, in Ohio, in Indiana, and many other States. The human impact of unfair trade cannot be overstated in this Chamber. Unemployed workers and their families in the steel communities across the country are angry, and understandably so, because of the evidence which is very clear of the injury that has been created by illegal imports. These workers, I stress, are among the most skilled in America. Their hands are idle today because of this unfair trade. This is true in other industries which are dependent on steel—the coal industry being one of them. This is an unconscionable situation and relief must be provided.

In West Virginia, I am joined by the minority leader, Senator BYRD, in a knowledge of this subject as it affects our workers. We know of the unemployment that continues month after month. We continue to suffer in West Virginia the highest jobless rate in this Nation at 16 percent. The steel industry in West Virginia is necessary. The coal industry of the State is dependent on its viability. Approximately 25 percent of coal miners are unemployed. The impact of unfairly traded steel imports on these families, as well as on the economy of the State, is tremendous. Much of the hardship suffered by unemployed workers must be attributed, to unfair trade practices and illegal imports. The more subtle hardship of uncertainty on the future of steel jobs is insidious. It affects workers and their families. I am hopeful, as are others, that careful weighing of the evidence submitted to the U.S. International Trade Commission will persuade the Commissioner to see the problem that steel producing States already know—that is that illegal imports are destroying day by day American jobs and creating devastating impacts on workers and companies.

Mr. President, again, I stress the importance of the subject matter being discussed. I thank my colleagues and especially the chairman of our Steel Caucus for allowing me to proceed out of order. I would have followed my colleague, Senator HEINZ, but because of a situation which he and the majority leader understand, I have been given this privilege of addressing my remarks at this time. I thank again the Senator from Pennsylvania.

Mr. HEINZ. Mr. President, before the Senator from West Virginia attends to his responsibilities—and as I understand it he has an unhappy duty this morning—let me simply compliment him on an excellent statement and, if I may, correct only one of the many things he has said, which is that I chair the Steel Caucus. In fact, the Senator from West Virginia and I cochair it. While it really has two people who lead it, my friend from West Virginia has ably led the Steel Caucus over the years. I am honored to share that responsibility with him. But there would not be a Steel Caucus had it not been for his initiative many, many years ago. We are very proud that we number some 47 Members of the Senate, and it is in large part due to the industry, initiative, and articulateness of my good friend, the senior Senator from West Virginia. I commend him for all he has done not just to form the Steel Caucus but for everything he is doing for our steel industry.

Mr. RANDOLPH. I am very appreciative and I pledge my continued assistance to my colleague, working as he has indicated, with some 47 Members of this body in at long last bringing to the attention of those that can make the difference in the administration, this imperative need. I am very grateful that I can join with him again today.

Mr. HEINZ. I thank my friend from West Virginia.

Mr. SPECTER. Mr. President, I am pleased to join my distinguished colleagues in sharing with this body the problems plaguing our Nation's steel industry. It is of paramount importance that this industry obtain prompt and effective relief from the continued deluge of unfair foreign imports.

Recently, Bethlehem Steel Corp., and the United Steelworkers of America filed an import relief petition under section 201 of the Trade Act of 1974. It calls for a 5-year temporary restriction of carbon and alloy steel products imported into the United States, so that the imports comprise no more than 15 percent of the apparent domestic market consumption. On May 9, 1984, I testified before the International Trade Commission in support of this petition, and I feel that the steel industry is exactly the type of beleagured manufacturer that section 201 was designed to assist. I can personally attest to the plight of the steel industry and the steelworkers from having visited every steel-producing region in the Commonwealth of Pennsylvania.

Mr. President, I have observed on numerous occasions that steelworkers in my State are being taxed to provide foreign aid to nations that turn around and use this aid to subsidize their steel industries which export to the United States. Coupled with the growth of massive, ultra modern mills overseas that are the recipients of this funding by their governments, there is little chance for our domestic industry to fairly compete. Given this bleak scenario, there is little we can do but to provide a brief respite from foreign imports to allow U.S. steel producers to modernize and revamp their present plants and equipment.

I believe that the approval of this section 201 petition is a vital first step in the struggle to combat unfair imports and revitalize our steel industry.

However, it is only when the victimized steel firms can get immediate relief and payment for damages caused by dumping that the industry can continue to fend for itself and experience unimpeded growth. That is why it is essential, in my view, that S. 418, which would permit parties to go directly to Federal district court to enforce the antidumping statutes, be passed by the Senate. The courts have shown that they can handle complex social and economic issues in an expeditious manner. We cannot continue to sacrifice a vital industry such as steel on the altar of foreign policy. The inadequate enforcement of our international trade laws results in domestic unemployment. We need to take whatever action is necessary to insure a free and competitive atmosphere for our basic manufacturing industries.

Mr. HEFLIN. Mr. President, I am pleased to join the conversation today to recognize one of America's most important industries—our domestic steel industry. I wish I could stand here and discuss profits, modernization, and expansion. Unfortunately, that picture does not describe today's industry. Instead, the more accurate picture is typified by lost wages, long-term unemployment, job relocation, and emotional stress. You ask, "What went wrong?" "How can an industry, as vital as the steel industry is to our economy and national security, decline at such a rapid rate?" I believe this decline can be attributed to one major cause: The flagrant abuse of our trade laws.

If you know the simplest facts of supply and demand, you can understand how imports have devastated our domestic steel market. I ask you to join me in a brief economics 101 lesson.

In order to gain market share, foreign steel producers unfairly suppress prices. They can get by with price suppression because the industry is either Government owned, or Government subsidized, and unfortunately, these foreign producers have been successful in penetrating the domestic market. For the first 11 months of 1983, imports increased their market penetration to 21 percent. We all know that if an industry cannot compete, its profits are going to decline. Expressed as a ratio of net profits after tax to sales revenue, profits in the domestic market dropped from 4.8 percent in 1973-76, to 0.9 percent in 1977-82, including the serious loss of 6.8 percent in 1982 which has persisted at the grave loss ratio of 5.2 percent in the first 9 months of 1983. The depressing cycle continues as profits decline, jobs are lost.

During 1982 and 1983, 148,422 jobs were lost, which is equal to 38 percent of 1981 employment. When unemployment reaches this magnitude, there is not a State in the Union that can escape the injury and not forget this all started from unfair trade practices.

Unfortunately, my economics lesson continues to grow dimmer and dimmer. Unemployment is coupled with steel mills bankrupt and closing, or the idling of facilities. I am not going to name all of the companies; however, all across the Nation, from my State, to Ohio and Kentucky, West Virginia, Pennsylvania, New York, Minnesota, Illinois, and others, our domestic steel industry is crippled from steel imports.

Our domestic steel industry simply cannot compete with government-owned and government-subsidized producers, let alone continue to accept the unrelenting pricing and volume dumping that is occurring in the market. Mr. President, the domestic steel industry needs relief from unfair trade practices. We are on a deadly cycle—imports dumping increases, domestic sales decline, profits slide, wages fall, and unemployment deepens—what a depressing scenario. I urge my colleagues to help the domestic steel industry get out of this rut. Support the 201 petition filed by the United Steelworkers of America and Bethlehem Steel. We cannot wait for other nations to stop their unfair trade practices. We need to take action. We need section 201 relief now.

Mr. DURENBERGER. Mr. President, I take this opportunity to join my colleagues in expressing support for the petition filed by the Bethlehem Steel Corp., and the United Steelworkers of America under section 201 of the Trade Act of 1974.

Our economy is not a homogeneous unit, Mr. President. While there is no denying that our economy is rapidly recovering, that recovery is not as broad based as many have been led to believe.

For instance, the State unemployment rate in Minnesota hovers around 7 percent. However, in Minnesota's northern counties, counties where generation after generation of workers derived their livelihood from the mining of iron ore, thousands of Minnesotans remain unemployed. In fact, the unemployment rate in at least five Minnesota counties remains in double digits. In two Minnesota counties, more than one of every five employable residents is without a job—one of every five. Try to imagine, Mr. President, how much pain and suffering those Minnesotans have endured during the past several years. The economic recovery has certainly done them little good.

Clearly, the American steel industry faces enormous economic hurdles which this recovery will not eliminate. Few domestic industries face capital investment needs of the scale required by steel. Without such investment, they cannot even compete in our domestic market, much less the international market. Toward that end, Congress must implement some commonsense fiscal policies, lowering capital costs to help these industries generate some investment resources. However, their investment need is so great that Congress may have to provide additional tools for these industries to facilitate capital generation and its proper investment.

In addition, American labor has and must continue demonstrating a commitment toward industry revitalization. Already, the steelworkers have agreed to significant wage and benefit concessions and have worked hard to improve worker productivity.

But, Mr. President, the road back to prosperity for American steel requires action in yet another regard, import relief. This administration and the International Trade Commission have made some progress. However, for every positive step they have taken toward offsetting unfair trade practices by our international competitors, there is always another country and another steel producer willing to go to any length, legal or illegal, to gain a share of the U.S. market, taking advantage of our piecemeal efforts to provide temporary breathing room for U.S. producers.

No matter how low interest rates drop or how many labor concessions are granted, the steel industry will be unable to adequately invest in modernization if they continue to bear the ever growing impact of steel imports, facilitated in many cases by pernicious unfair trade advantages enjoyed by our foreign competitors.

The section 210 petition asks the International Trade Commission to assess the impact of all steel imports on U.S. producers, a comprehensive approach which will allow graphic documentation of import-related industry decline. Once the ITC determines the extent of injury, the "201" approach will let the administration initiate remedies on a broader scale while allowing country-by-country and product-by-product flexibility.

Granted, import relief by itself will not make our domestic industry competitive. It is but one portion of what must be a multifaceted approach.

U.S. industry has a right to expect Congress to make decisions in tax, spending, and regulatory policy which will reduce the uncertainty plaguing the cost of investment capital. A large part of our contribution must, of course, be deficit reduction.

U.S. industry has a right to expect decisions from the U.S. capital markets about a more sensible approach to foreign investments and a more affordable price tag on capital for U.S. investment.

In return, we expect from our steel industry technological advances resulting in competitive products at competitive prices. We should also expect returns from reasonable labor and management productivity, compensation, and fringe benefits, and from my parochial perspective, that American steelmakers make a vital long-term commitment to using American raw materials.

In that light, I will continue supporting aggressive use of legislative and administrative remedies to unfair competition from foreign steel suppliers.

Mr. SARBANES. Mr. President, I would like to add my comments to this discussion of the steel industry. I am deeply concerned about the problems facing the steel industry and steelworkers, both across the country and in my own State. In Maryland, Bethlehem Steel Corp.'s plant at Sparrows Point has lost over 50 percent of its business and has been forced to lay off more than 3,000 employees in the past several years. Although the plant has been able to rehire some of its work force, there are more than 2,300 steelworkers and their families still unemployed.

The situation at Sparrows Point is symptomatic of what is happening throughout the country. Major domestic steel producers are losing money on their steel operations. Import penetration this year is about 26 percent of the domestic steel market. Many of the imports are coming from countries where steel production is subsidized directly or indirectly by the host government.

In spite of operating losses, Bethlehem Steel is investing heavily in modern plant and equipment to make Sparrows Point a world class competitive facility in terms of both quality and price. Similar investments are being made elsewhere. In addition, there is an unprecedented spirit of cooperation and teamwork between management and labor. But these positive steps of capital investment and worker participation will not have time to take hold and produce results if the industry continues to lose business and money to imports.

It seems clear to me that the domestic steel industry is too important to national defense and to industrial strength to be allowed to be driven out of business without a careful assessment of the probable causes of its competitive problems and the consequences of its loss. In my view there is strong evidence that the industry is suffering from unfair competition that goes well beyond the effects of comparative advantage.

Our trade laws include mechanisms for dealing with unfair trade on both a case-by-case and industry-wide level. Unfortunately, the case-by-case mechanisms have not worked. Countervailing duty charges and antidumping complaints have proven easier to evade than to successfully prosecute. And relief under these measures is prospective only, leaving uncorrected the damage already done.

It seems to me that, because of these conditions, a strong case can be made for industrywide relief as provided under section 201 of the Trade Act. For this reason, I have supported the petition filed jointly by Bethlehem Steel and the United Steelworkers of America before the International Trade Commission. The Trade Act's general provision should be invoked to provide relief from unfair trade that has not been available through other mechanisms. The industry and its workers need and deserve the breathing space to make themselves fully competitive. They have shown signs that they know what it takes to achieve that goal, and they should be given a chance to follow through.

Mr. LEVIN. Mr. President, some people argue that our domestic steelworkers, through wage demands, brought about the decline of their own industry. They are wrong.

The hourly compensation paid to U.S. steelworkers has increased in line with or less than real hourly compensation paid to steelworkers in other major foreign steel producing countries between 1975 and 1983. Moreover, labor costs, as a percentage of domestic selling price, have remained stable at approximately 35 percent since 1977.

As a matter of fact, as a result of a 41-month labor contract, effective in March 1983, compensation levels were reduced 10.9 percent.

It is also important to note that a true measure of labor costs effect on the market needs to include not only compensation levels, but labor productivity. In the first 6 months of 1984, U.S. man-hours per net ton shipped were 5.80 while Japan's were 7.26. This indicator means that the labor productivity of the U.S. industry exceeded Japan by 25 percent during that period. Yet as U.S. steelworkers continue to improve their productivity, imports continue to penetrate the market.

So it's not labor costs that have injured our domestic steel market, but imports. That is why I support the section 201 petition filed by the United Steelworkers of America and Bethlehem Steel. Employees are taking reduced compensation, the industry itself is working hard at modernization and restructuring. It is time that we grant the industry the relief necessary in order to compete with imports, particularly since foreign governments so often subsidize those imports.

Mr. President, I ask unanimous consent that a table depicting U.S. labor productivity be printed in the RECORD.

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

LABOR PRODUCTIVITY OF STEELWORKERS IN UNITED STATES EXCEEDS THAT OF OTHER MAJOR STEEL PRODUCING NATIONS

	United States	Japan	West Germany	France	United Kingdom
1976	8.79	10.11	11.12	14.89	19.17
1977	8.95	9.98	12.57	14.26	21.26
1978	8.12	9.55	11.67	12.62	21.56
1979	8.29	8.55	9.85	11.35	18.58
1980	8.31	8.30	9.98	10.14	37.35
1981	8.07	8.49	9.95	10.24	13.50
1982	7.84	8.07	11.08	10.83	13.35
1983	6.59	7.72	10.76	10.92	10.75
January–June 1984 (projection)	5.80	7.26	9.34	10.12	11.16

Note.—Comparative labor productivity rates (man-hours per net ton shipped at actual operating rates).

Source: World Steel Dynamics.

Mr. HUDDLESTON. Mr. President, I join my colleagues in their support for import relief for the domestic steel industry.

In January, the United Steelworkers of America and Bethlehem Steel Corp. jointly filed a petition with the U.S. International Trade Commission [USITC] under section 201 of the Trade Act of 1974. The petition seeks:

A comprehensive solution to the crisis caused by the continued high levels of imports of foreign steel products in the United States, contrary to our laws, which have seriously injured American steelworkers, the domestic steel industry and the American economy.

I stress the importance of this section 201 petition. The dumping of subsidized and/or government-owned steel is severely harming our domestic steel industry. This industry is vital to our national security, our infrastructure, and our economy. It needs a minimum of 5 years of import relief in order to stabilize its operations and insure a healthy, productive, and cost-effective future. This relief would enable our domestic steel companies to generate the cash flow needed to modernize its steel facilities and repair existing properties. The increased investment would allow the domestic industry to compete against all of its foreign competitors.

The specific relief requested is a 15-percent quota on all steel products, with the overall quota divided among different product lines based upon their historic import penetration rates. The 15-percent figure is equivalent to the import penetration rate prior to the surge of imports over the past few years.

A full 5 years of quota relief is essential in order to insure that the necessary capital is generated by the domestic industry. It will also send a message to our foreign competitors that they should cease their uneconomic expansions of capacity. Anything short of these remedies could result in a haphazard, band-aid approach which may not resolve anything in the long run.

Mr. President, we cannot continue to permit the flow of price suppressed imports. We need section 201 relief. As the petition stated, import relief is vital to steelworkers, the domestic steel industry, but above all, it is vital to our American economy.

Mr. BOSCHWITZ. Mr. President, I join my colleagues in the Senate today in support of the 201 case filed for import relief by Bethlehem Steel Corp. and the United Steelworkers of America. This relief is clearly essential to the stabilization and rehabilitation of our domestic steel industry.

In recent years, steel imports have risen to over 20 percent of apparent consumption. While other steel producing countries have adopted effective means of controlling steel trade in their domestic markets, the United States has suffered from consistently increasing percentages of imports. In fact, this country is the only major industrial nation where foreign producers can unload their excess steel at distress prices.

The diminished profitability and losses suffered by our domestic steel industry over the past several years are directly attributable to price depression and suppression brought on by the low-priced imports of carbon and alloy steel products. Foreign producers have consistently shown their willingness to lower prices, without any regard to costs, to whatever level is necessary to sell their products in the U.S. markets.

These unfair practices have placed a disproportionate burden on this country. For example, Minnesota is the largest supplier of raw iron for the domestic steel industry. But, with decreased U.S. production and increased steel imports into this country, the production of taconite pellets has declined by over 50 percent—from 50 million tons in 1981 to only 25 million tons in 1982.

Because 55 percent of the gross regional product of northeastern Minnesota is directly related to the taconite industry, these losses take a heavy toll. During the 1982 recession, many industries that relied on the taconite industry for their employment were faced with unemployment rates as high as 90 to 95 percent. This is an obvious case of substantial injury due to increased imports of steel.

Section 201 of the Trade Act of 1974 was clearly intended for cases just like the steel industry faces today. Import relief over a sufficient period of time will enable the steel industry to utilize gainfully resources that might otherwise atrophy.

Mr. President, I have addressed the problem of unfair trade practices on more than one occasion. I have cosponsored the Fair Trade in Steel Act, S. 2380, which will impose statutory limits on the amount of foreign steel and foreign iron ore that can be imported into the United States. The 201 case seeks to accomplish the same goal. I strongly supported the 201 case in a letter to the Chairman of the International Trade Commission, and I submit a copy of that letter for the RECORD.

Mr. President, I urge my colleagues to pay close attention to the need to curb illegal steel imports and urge their consideration of an effective remedy to the unfair trade practices.

The letter follows:

U.S. SENATE,
COMMITTEE ON THE BUDGET,
Washington, D.C., May 7, 1984.

Hon. ALFRED E. ECKES, Jr.,
Chairman, U.S. International Trade Commission, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing in support of the Section 201 petition, filed by the United Steelworkers of America and Bethlehem Steel Corporation, seeking import relief on behalf of the entire domestic steel industry.

The domestic steel industry is vital to our national security and the economic well-being of our nation. Illegal imports undermine our domestic steel industry by putting domestically produced steel at an unfair disadvantage. Steel imports have had a detrimental effect on taconite production in Minnesota's Iron Range. Since 1981, production of taconite pellets has decreased by nearly one-half—from 49 million long tons to only 25 million long tons. Not surprisingly, the decrease in employment corresponds to the decreased production. Given the direct impact that imports have on employment, illegal imports should not be condoned.

The Section 201 petition is an appropriate means of addressing the problem. The volume of illegal imports has become so great that piecemeal approaches such as antidumping and countervailing duty suits are, as a practical matter, inefficient and ineffective. The problem is global in nature and deserves a comprehensive solution. The relief requested by the petition—global quotas—recognizes the realities of unfair competition from around the world. It also recognizes the realities of the future by tying the relief to modernization and increased productivity in the industry. In light of the recent sacrifices by both labor and management in pay and benefits, this represents a strong commitment to meet world-wide competition.

The petition seeks legal relief through procedures established under U.S. and international law. I believe this is an appropriate approach to the problem and support the petition. I urge the International Trade Commission to carefully examine the evidence submitted in support of the petition.

Sincerely,

RUDY BOSCHWITZ.

THE STATE OF THE AMERICAN STEEL INDUSTRY

Mr. MOYNIHAN. Mr. President, I join today with my distinguished colleagues to discuss my concerns over the health of the domestic steel industry and my views on the pending petition before the International Trade Commission for import relief.

Members of this body are all too aware of the monumental problems facing the American steel industry. Hardly a State in the Nation has not been affected, either directly or indirectly, by the downturn of this industry.

In recent years, imports of foreign steel have increased dramatically. Twenty years ago, foreign producers shipped a mere 6.4 million tons of steel into the United States. In 1983, foreign suppliers exported to America almost three times that amount, 17 million tons.

While foreign suppliers have been increasing their steel shipments to the United States, American producers have been selling less here. Since 1974, the percentage of the American market accounted for by foreign suppliers has steadily increased from 13.4 to over 25 percent.

I ask my colleagues to consider the human costs of the decline in American steel industry and increasing steel imports. In the first quarter of 1984, unemployment among American steelworkers hovered near 16 percent; more than 70,000 American steelworkers are still without work today. Just 4 years ago, the American steel industry employed more than 400,000 men and women. Today, only about 250,000 American steelworkers have jobs.

In my home State of New York, these human costs have been especially severe. Two major New York steel plants have closed down since 1982—the Republic Steel plant in Buffalo and the Bethlehem Steel plant in Lackawanna—eliminating approximately 10,000 jobs. Today, the number of New Yorkers employed in the steel industry, 11,600, is less than half the number of only 4 years ago. This trend is both alarming and tragic, worthy of our utmost attention.

The steel industry clearly is facing the most critical period of transition and readjustment in its history.

Mr. President, I must stress that American workers have sacrificed much to meet this challenge, by agreeing to lower wages and benefits in their labor contracts. In March 1983, the United Steelworkers of America and the major domestic steel companies agreed to a new labor contract of historic proportions. That contract lowered wages and benefits by a very substantial margin, nearly 11 percent, helping to increase the domestic industry's competitiveness.

I also would like to note that American steelworkers are some of the most productive workers in the world. American steelworkers can make a ton of steel in less than 6 hours, on average—the same steel Japanese steelworkers need more than 7 hours to produce and German steelworkers need more than 9 hours to produce.

Mr. President, recognizing that imports of foreign steel are increasing and are a substantial cause of serious injury to the domestic steel industry, the United Steelworkers of America and the Bethlehem Steel Corp. filed a petition with the International Trade Commission for import relief under section 201 of the Trade Act of 1974. That petition seeks a period of import relief for the domestic industry to modernize and regain its competitiveness.

Mr. President, we simply cannot permit the domestic industry—so important to the Nation's industrial base and defense interests—to continue to decline.

The Government can, and indeed must, do all it can to stem the ever increasing flood of foreign imported steel. If we do not act, we will commit an error of historic proportions, as our industrial base continues to be shipped overseas, funding employment and production in other nations.

I thank my colleagues for this opportunity to speak on this most important problem, one facing not only our steelworkers and management but, indeed, every American.

Mr. HELMS. Mr. President, I support import relief for our domestic steel industry. Market penetration by subsidized or government-owned foreign steel is crippling the U.S. industry. These devastating injuries are evident as one travels across our Nation—injuries suffered from plant closings and job losses. They not only affect a family's economic and social stability, but also a community's stability. We need to put an end to this human suffering. We need import relief, and that is why I support the section 201 petition filed by the United Steelworkers of America and Bethlehem Steel.

In 1973, while Congress was creating the administrative remedy in section 201 of the Trade Act of 1974, the House Ways and Means Committee report described the intent of section 201 import relief as:

> To give additional time to permit a seriously injured domestic industry to adjust and to become competitive again. 37R Rep. No. 571, 93rd Cong., 1st Sess. 44(1973).

From the injuries I have described above, I believe the time is now to heal the industry from the injuries inflicted from subsidized imports.

Since early 1982, Bethlehem Steel and other domestic steel companies have filed numerous antidumping and countervailing duty cases against foreign steel-producing nations. Yet the market penetration and price suppression of foreign imports continue to injure the domestic steel industry. Because antidumping and countervailing duty cases are filed product-specific and country-specific, these cases are cumbersome, lengthy, and cannot possibly cover the scope of a section 201 case. On the other hand, a section 201 case provides a comprehensive solution to a global problem and it covers all of the foreign product lines.

A recent decision by the International Trade Commission illustrates the need for section 201 relief. The Commission unanimously ruled that Bethlehem Steel had suffered injury from the dumping of Brazilian plates. At the same time, however, other countries began to consume the market with suppressed prices. To add insult to injury, the United States is now receiving 2 tons of imports from Brazil for every ton it received before. Thus, even though Bethlehem Steel won its antidumping case, imports continue to dominate the market.

Mr. President, it is obvious that antidumping and countervailing duty cases are not combating import penetration. We need section 201 relief. Congress created the procedure for administrative remedy, and now the time is here to insure the remedy is utilized in an industry that is vital to our Nation's future.

Mr. GLENN. Mr. President, the very serious trade problems confronting our Nation today are among the most sensitive and critical that we face. Of special concern to me are the trade problems of an industry that is vital both to the economy of the State of Ohio and to the security of the United States. I am speaking of the American steel industry.

On January 24, 1984, the United Steelworkers of America and the Bethlehem Steel Corp. filed a petition with the International Trade Commission seeking relief from injuries suffered as a result of steel imports. The trade problem their petition addresses was serious then and it is even more threatening today. Imports captured 21 percent of the market in 1983, but have surged in recent months to seize 26 percent of the market. This dramatic penetration of one of our most important industries has taken a frightful toll on American workers and threatens the survival of many domestic steel producing plants.

One-third of the Nation's steelworkers are currently unemployed and the Nation's steelmakers lost $6 billion in 1982 and 1983. These job losses have hit our industrial cities the hardest and these financial losses are especially devastating in light of the modernization efforts our companies have been making.

The American steel industry and its workers have already taken a number of steps to cut costs and modernize production. They have reduced the number and cut the salaries and benefits for salaried employees. They have negotiated concessionary labor contracts and adjustments of work rules to enhance productivity. They have closed inefficient production processes. These self-help programs have been undertaken by American companies and their workers to become more competitive. But there is a limit to what they can do on their own so long as imports continue to rise.

The trade problems confronting our steel industry demand prompt and effective Government action. The import relief petition before the International Trade Commission provides an opportunity to restore order to the steel market and to do so in a comprehensive manner. It is a fully acceptable solution to the steel import problem under United States and international trade law and permits a global solution to a problem that has grown in the wake of piecemeal approaches to unfair trade practices. Moreover, it embodies a commitment by labor and management to use the period of import relief to carry through on modernization and productivity improvement programs.

The steel industry must have relief from imports. A positive injury determination by the International Trade Commission will serve as the crucial step toward reviving the steel industry of the United States.

Mr. RIEGLE. Mr. President, last month I wrote the Chairman of the International Trade Commission, expressing my support for the petition for import relief for the steel industry filed by Bethlehem Steel Corp., and the United Steelworkers. Today—less then a week before the ITC will make their initial finding on injury due to imports—I join many of my colleagues in once again urging the ITC to respond positively and effectively to what is clearly a trade crisis in the steel industry.

The steel industry has suffered from an unprecedented flood of imports. Foreign steel shipments have increased from an average of 11 million tons per year in the late sixties; to 15 million tons in the early seventies; to an average of over 17 million tons for each of the last 5 years. Imports now comprise over 20 percent of the domestic steel market. Without the restraint agreements currently in place, the share would go even higher. Even with these limits, shipments of imported steel for the first quarter of this year were a record high 6.5 million tons, accounting for over 25 percent of market. At this rate, foreign steel shipments for this year will be 26 million tons—30 percent over the previous record high.

In the last few years employment in the steel industry has dropped almost 50 percent. And in the last 2 years the industry has lost a total of almost $6 billion, making it even harder to finance the modernization necessary to improve competitiveness.

The steel industry is a key part of our industrial base. It is essential to both our economic and military security, and we cannot afford to permit to decline further in the face of increased imports.

Both management and labor are working together to improve competitiveness of the steel industry. Both have made great sacrifices in pay and benefits. And in the last 5 years over $15 billion has been invested in modernizing the industry—or more than twice the investment of the previous 5 years.

But the industry cannot do it alone. The amount of imported steel is now so great—and the instances of unfair foreign trade practices so frequent—that the industry cannot be expected to continue this improvement plan without some form of import restraint.

While our industry is going through the burdensome and lengthy process of petitioning for import relief under the escape clause sanctioned by GATT, their foreign competitors are benefiting not only from Government subsidies and trade restrictions but from outright Government ownership. France, Italy, the United Kingdom, South Korea, and Argentina are just some of the countries where the steel industry is entirely Government controlled. During the ITC hearing on steel imports a chart showing the widespread nature of Government control in foreign steel production was presented to the commissioners. I ask unanimous consent that this chart be inserted at this point in the RECORD.

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

FOREIGN GOVERNMENT STEEL CONTROL—FOREIGN GOVERNMENTS CONTROL THE STEEL PRODUCTION IN MUCH OF THE FREE WORLD

Country	Estimated 1982 raw steel production by integrated producers (Mil. N.T.)	Percent of foreign government control
EEC:		
France	15.1	100
Italy	14.6	100
United Kingdom	12.5	100
Belgium	10.1	78
Other Western Europe:		
Spain	6.5	77
Austria	4.4	100
Finland	2.5	74
Sweden	2.4	100
Latin America:		
Brazil	10.0	77
Mexico	4.3	100
Venezuela	2.2	100
Argentina	1.6	100
Other countries:		
South Korea	9.7	100
South Africa	7.9	89
Taiwan	2.7	100

Note: The listing above is representative of certain major steel exporting countries to America at the present time. It is not all inclusive and does not set forth other foreign countries who have or may have the ability to ship foreign steel into this country.

Source: Various public surveys.

The steel industry could have pursued unfair trade practices on a nation-by-nation basis. In fact, many such suits are pending and the ITC recently found that Brazil is guilty of dumping. But the problem is now too large to be addressed by anything less than a comprehensive worldwide solution.

The comprehensive relief being requested is closely tied to modernization and increased productivity. Management and labor are prepared to make continued sacrifices if import relief is granted so that sufficient capital can be generated to complete the industry's modernization program.

I hope that this effort to use the administrative and legal procedures established under United States and international law for needed relief from imports is successful. But I cannot help but think back to a similar case filed on behalf of the auto industry in 1980. The need for import relief was overwhelming and the effects of increased imports were painfully clear. But while the Commission found increased imports and serious injury in the auto industry, the Commission was one vote short of a finding that imports were the substantial cause of that injury.

The inadequate, ineffective nature of many of our trade laws has undoubtedly played a part in the ongoing erosion of some of our key basic industries. While I am heartened by the many congressional proposals to reform our trade laws, I am concerned that with a trade deficit that is projected to go over $120 billion in this year alone, we must also look to unilateral legislative action.

To that end, I am a cosponsor of S. 2380, the Fair Trade in Steel Act. This bill would put into law an import relief plan similar to the one requested under the petition before the ITC.

We must act now to address the import invasion and unfair trade practices threatening the American steel industry. The steel industry must be allowed the time to complete its modernization. The first step toward such action will be a finding by the ITC next week that trade relief for the steel industry is necessary. I urge the Commission to take that first step and move expeditiously to recommend an appropriate remedy to the President.

Until action is taken I will continue to pursue all possible avenues to work for needed import relief for the steel industry.

THE STATE OF THE AMERICAN STEEL INDUSTRY

Mr. PERCY. Mr. President, this country has made a terrific comeback; 4 years ago we had double digit inflation and interest rates, a social security system threatened with bankruptcy, and Government spending as if there was no tomorrow. We had a Federal tax structure that allowed inflationary bracket creep to pick the pockets of taxpayers. We had inheritance taxes that were virtually destroying the family farm. We had an unfair marriage penalty. We had unbelievable waste and mismanagement in virtually every agency of the Federal Government. We had a foreign policy that balanced our goals on the backs of our farmers through an embargo on grain exports. Those were not good times.

But the United States is back on top. We are experiencing the strongest economic recovery in 20 years. Inflation is no longer an issue. The cycle of spending growth has been reversed. Bracket creep, inheritance tax, and the marriage penalty are all virtually eliminated. We have cracked down, tightened up, cut the fat, and brought Government spending down to $200 billion less than was projected in 1980.

But our work is far from over. Despite the tremendous economic success we have been experiencing, some industries have been left behind by the recovery. As good as the economic news has been, the steel industry, the subject of our discussion today, continues to lag behind both in Illinois and across the Nation. This has clearly been demonstrated in testimony before the International Trade Commission on the United Steelworkers of America and Bethlehem Steel Corp., 201 petition on carbon and certain alloy steel products. I might add that before the ITC began hearing testimony on this petition, I wrote a letter to Chairman Eckes outlining briefly the state of the steel industry in Illinois and urging him to give the subsequent testimony his careful consideration.

But I want to state clearly for the record that, despite the skeptics' warnings of the inevitable demise of the steel industry, I believe the American steel industry does have a future. But it is a future predicated on change. The industry must modernize and become more productive. It must improve its efficiency to the point at which it can afford to manufacture steel competitively. This could mean a loss of capacity, but I reject the argument that the steel industry is a lost cause.

The problems facing the steel industry are of a global nature. They stem primarily from worldwide overcapacity in steel production. The deep recession we have just come out of moreover, resulted in a sharp reduction in the demand for steel products in Europe and the Third World. Unfortunately, much of the excess supply in steel has been diverted to the American market—the most open market in the world—at unfair price levels. Indeed, steelmakers have been hampered in their efforts to modernize production facilities by a severely depressed price level for steel products.

To the extent that these problems stem from worldwide conditions, we must seek multilateral solutions to them. Unilateral protectionist measures invite retaliation and damage the international trading system. By resorting to protectionist measures, we are only shooting ourselves in the foot. I strongly believe that the problems outlined above must be addressed in a manner consistent with international trade agreements.

Even before we can enter into multilateral negotiations, the United States must develop a policy which promotes efficiency and productivity in the steel industry. You do not have to be an advocate of central planning to realize that the Government has a role to play in helping to improve efficiency and productivity in the steel industry. Of course, sometimes the best policy the Government can pursue to help the steel industry is to back off and let economic forces take their course.

For example, when the Justice Department initially denied LTV Corp. and Republic Steel the right to merge, I strongly opposed that decision. After all, for years the industry has been urged to consolidate their operations in order to better challenge their overseas competition without resorting to quotas and other protectionist tools. So why would the Government encourage free enterprise and then kill attempts to excercise it? The fact that after the Justice Department initially announced that it would block the LTV-Republic merger, the President and many members in the administration opposed the decision and underscored the need to develop a coherent domestic steel policy.

Fortunately, Justice reversed its decision and LTV and Republic did merge. The result is a much leaner, more efficient, and competitive company with better prospects for modernization. This kind of result should be promoted by a steel policy—not discouraged.

The steel industry is too important to the industrial base and national security of this country to be neglected or to be put at a disadvantage by inconsistent policy decisions. The Government has a role in insuring that the industry remains viable. This role includes international efforts to defend the market system by fighting dumping, subsidies, and other unfair trade practices that distort competition. It also includes domestic efforts to foster modernization, increased efficiency, and productivity.

In addition to new antitrust guidelines to avoid a repeat of the LTV-Republic debacle, domestic efforts should be focused on increasing the accessibility of various tax credits which have been granted to steel, but cannot be taken advantage of unless producers make a profit. Unfortunately, one such scheme which did just this, the safe harbor leasing provisions of the Economic Recovery Tax Act, has been repealed due primarily to a lack of understanding of its true purpose. I remain a strong advocate of such tax provisions which provide manufacturing industries with badly needed capital to reinvest and modernize.

I also support efforts which would facilitate joint ventures by industry members in manufacturing and research and development. In my view, R&D ventures are particularly critical to the future competitiveness and viability of our domestic steel industry. In addition to the prospect of leapfroging existing technologies in steel production, the development of new lighter and higher strength steel products may help the industry win back some of the business which has recently been taken over by high quality and heavy plastics.

Such developments would bring welcome progress to an industry which is presently facing problems which some consider to be intractable. We must not be daunted by the degree of difficulty associated with these problems. The importance of the industry demands that our response be both rational and farsighted.

Mr. BYRD. Mr. President, I share the commitment expressed by my colleague from West Virginia (Mr. RANDOLPH), and by the distinguished Senator from Pennsylvania (Mr. HEINZ) in support of the Fair Trade in Steel Act. I commend them, as fellow members of the Steel Caucus, for their leadership on the issue of long-term relief for the American steel industry.

The steel industry is vital to the maintenance of our defense industrial base. Steel is a fundamental economic good—its use pervades our national economy—and it is largely irreplaceable.

It is evident that the other major steel-producing nations in the world are bent on dumping as much steel into the American market as we will allow. It also seems likely that foreign governments will not cease massive subsidization of their steel producers. In short, this country should take the steps necessary to preserve its own industrial base, and not wait for foreign nations to change their policies.

That is why the section 201 petition filed jointly by the United Steelworkers of America and Bethlehem Steel Corp., is an appropriate and responsible endeavor. The trade petition seeks long-term relief for the steel industry through the use of quotas. That is also the method used in the Fair Trade in Steel Act, of which I am an original cosponsor.

On April 30, 1984, I wrote to Hon. Alfred Eckes, the Chairman of the International Trade Commission, in support of the Steelworkers/Bethlehem Steel Corp., petition for relief from unfair steel imports. I ask unanimous consent that a copy of my letter to Chairman Eckes be printed in the RECORD at this point.

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

U.S. SENATE,
OFFICE OF THE DEMOCRATIC LEADER,
Washington, D.C., April 30, 1984.

Hon. ALFRED ECKES,
Chairman, U.S. International Trade Commission, Washington, D.C.

DEAR MR. CHAIRMAN: I am writing in support of the petition for relief filed jointly by the United Steelworkers of America and Bethlehem Steel Corporation under Section 201 of the Trade Act of 1974. The Section 201 filing seeks quantitative restrictions on imports of foreign steel products on a comprehensive basis for up to five years. That relief is being sought, according to the petition, on the grounds that escalating levels of steel imports have caused substantial economic injury to American steelworkers, the domestic steel industry, and the American economy.

Steel imports have generally increased their penetration of the American market since 1979. In 1983, imports had captured about 20 percent of the total market for steel in the United States. For the first two months of 1984, import penetration has averaged a staggering 26 percent. That level of penetration has occurred during a period in which domestic employment in the steel industry has fallen by 46 percent over the last five years. In West Virginia, employment in metals industries dropped roughly 20 percent in 1982, and there has been little recovery from that level.

Over the past two years, the International Trade Commission and the Department of Commerce have determined that a large number of countries are violating American trade laws by subsidizing and dumping steel imports in the United States. Countries found to be in violation include European Community members as well as Asian and South American nations. In light of the substantial number of individual Trade Act violations that have been found, the Section 201 petition filed by the United Steelworkers of America and Bethlehem Steel Corporation is justified to counter a long-term threat to the existence of a viable domestic steel industry.

It is essential to our national interest that a strong and healthy steel industry be maintained in the United States. Our national security is founded on a highly-developed industrial base. Steel is the bedrock on which key economic sectors are built, including manufacturing, construction, energy, and transportation activities.

Munitions production is impossible without steel. Tanks, guns, and ships are made of large quantities of irreplaceable steel. In wartime, a large domestic steel production capacity is a strategic necessity. The involuntary liquidation of the steel industry, accelerated by increased penetration of imports, would drastically reduce the ability of the United States to maintain an adequate defense.

In light of those factors, I hope that the commission will consider adopting a finding with respect to the Section 201 petition that the domestic steel industry has been injured by increasing levels of steel imports.

Thank you for your consideration.

With best regards, I am

Sincerely,

ROBERT C. BYRD.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond 11:30 a.m. with statements therein limited to 5 minutes each.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

SPIRIT OF AMERICA AWARD

Mr. BOREN. Mr. President, on June 5, a very special event took place in Nashville, Tenn. The U.S. Olympic Committee presented its highest award, the Spirit of America Award, to Edward L. Gaylord of Oklahoma City. It was the first time that this award has been presented to an individual person during this Olympic season.

The States of Oklahoma and Tennessee shared a sense of pride in this special presentation. Edward L. Gaylord, and his wife, Thelma, have both played an important role in the life of the State of Oklahoma. They have generously supported the enrichment of the cultural life of our State, improvements in medical services, and worthwhile projects at several of our State's educational institutions. They have transmitted to their children this desire to give back to the community. I am especially glad that this public ceremony of appreciation was held because Ed and Thelma Gaylord have never called attention to their many worthwhile civic endeavors. Instead, they have given of themselves and their resources in a quiet and often private manner. Many Oklahomans were pleased to have the chance to participate in this event as a way of demonstrating our appreciation and affection for Ed and Thelma Gaylord.

As Gov. Lamar Alexander of Tennessee pointed out at the ceremonies, the citizens of Tennessee are especially grateful to Edward L. Gaylord for making possible the survival of a great American institution, the "Grand Ole Opry" and "Opryland U.S.A." The Opry, Opryland, the Nashville Network, WSM radio, the Opryland Hotel, and other parts of the Opryland operation had been put up for sale. It was possible that the entire operation could have been sold piecemeal and fragmented. Edward L. Gaylord recognized the unique role that this organization has played in the cultural and music life of the entire country. His purchase of the total operation and his pledge to keep it intact, assures that a great American tradition will be continued.

The U.S. Olympic Committee recognized the very generous contributions which Mr. Gaylord has made to the financing of the American Olympic effort. It recognized his commitment to the values of the American Olympic effort, volunteerism, individual initiative, and excellence.

Mr. President, I ask unanimous consent that the biography of Mr. Gaylord, which appeared in the Olympic appreciation dinner program and the citation, appear in the RECORD at this point.

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

THE AWARD RECIPIENT—EDWARD L. GAYLORD

As one of American's most successful businessmen, Edward L. Gaylord stands for all that can be achieved within the free enterprise system. By his contributions of time, leadership and resources, he has shown himself to be imbued with that spirit of volunteerism which has fueled the Olympic movement in this country.

Born May 28, 1919, in Denver, Colo., Mr. Gaylord says that his lifetime work and most important business activity is editing and publishing his Oklahoma City hometown newspaper. But newspaper publishing is only one of many industries in which he has earned overwhelming success.

Mr. Gaylord is president of the Oklahoma Publishing Company (OPUBCO) which, in addition to publishing newspapers in Oklahoma City and Colorado Springs, operates an oil and gas division, Publishers Petroleum, Oklahoma Graphics, OPUBCO Resources Inc., OPUBCO Development Company, OPUBCO Properties Inc., Sun Resources Inc., OPUBCO International Ltd., Greenland Ranch in Colorado and Westwind Ranch in Texas.

Mr. Gaylord is also chairman and president of Gaylord Broadcasting Company, a wholly owned subsidiary of OPUBCO that is the largest privately owned broadcasting company in the United States, with TV stations in Dallas/Ft. Worth, Houston, Tampa/St. Petersburg, Cleveland, New Orleans, Milwaukee and Seattle. It is this arm of his business which produces "Hee Haw" and operates Opryland U.S.A. Inc.

While his business achievement have earned him prestige and respect, Mr. Gaylord's civic contributions have won him honor and affection. The list of civic organizations with whch he is affiliated—including the State Fair of Oklahoma, Oklahoma Christian College, Oklahoma Medical Research Foundation, National Cowboy Hall of Fame and Western Heritage Center, the American Citizenship Center and Enterprise Square, U.S.A.—is as noteworthy as the list of companies he directs.

A recipient of the Brotherhood Award from the National Conference of Christians and Jews, and a member of Oklahoma's Hall of Fame, Mr. Gaylord is also a lifetime director and former president of the Oklahoma City Chamber of Commerce and past president of the Southern Newspaper Publishers Association.

The Oklahoma Industries Authority (OIA) is, according to Mr. Gaylord himself, one of his most important civic activities. By helping businesses either expand or relocate, OIA has created more than 100,000 jobs in Central Oklahoma, and Mr. Gaylord has been its chairman since 1966, the year OIA was founded.

If the arena in which Mr. Gaylord moves is very different from that for which our Olympic athletes train, the two have any of the same requirements for success—including self-sacrifice, courage, ambition and commitment. And in the same way that our Olympians who place first in the Los Angeles arena must be recognized with nothing less than gold medals, tonight we must recognize Edward L. Gaylord with an award equal to the success that is the sum of his personal accomplishments and civic contributions. This award has most appropriately been named The Spirit of America.

OLYMPIC COMMITTEE CITATION

America's athletes are the only Olympic competitors in the world not directly subsidized by their government. America will win gold medals in Los Angeles this summer because of the dedication of her young people and because of the commitment of her citizens and private industry. This is the spirit of America.

Edward L. Gaylord is the embodiment of ths spirit. His dedication and commitment have resulted in a list of personal achievements surpassed only by his civic contributions.

In recognition of these achievements and contributions, the United States Olympic Committee will honor Mr. Gaylord with an award symbolizing the practices of volunteerism and free enterprise, without which, America's Olympic endeavors would not be possible. This award has most appropriately been named The Spirit of America.

WASHINGTON TIMES TREATMENT OF SENATOR METZENBAUM REGRETTABLE

Mr. GLENN. Mr. President, I am today sending a letter to the editor and publisher of the Washington Times involving some of the remarks made in the Washington Times about my colleague from Ohio, Senator METZENBAUM. I want to read this letter. It will just take a couple of minutes. I think it brings up a matter of great importance to the Senate.

The letter reads as follows:

Mr. JAMES R. WHELAN,
Editor and Publisher, the Washington Times, New York Avenue NE., Washington, D.C.

DEAR MR. WHELAN: When the Washington Times began publishing its paper, its editors declared that they would provide a responsible, alternative voice in the Washington community. That the Washington Times provides an alternative voice cannot be denied. The newspaper's recent attacks on the character of my colleague, Senator Metzenbaum, however, are dangerously irresponsible.

It has been a blessedly long time since Washington has witnessed character assassination by innuendo. Unfortunately, that destructive tradition has now been revived on the pages of the Washington Times. And how else can one characterize the implication that Senator Metzenbaum is an "unrepentant Stalinist." Such journalism is tawdry, offensive and a slander on the reputation of a United States Senator who has served the people of this nation with courage and distinction.

I have known Senator Metzenbaum for nearly twenty years and have served with him in the United States Senate since 1976. And though we have had our differences over the years, we have always shared a common commitment t^ the American values of freedom, opportunity and social justice. Howard Metzenbaum is a patriotic American who time and again has been willing to fight for those values regardless of the odds or the opposition. The people of Ohio recognize that—and that is why they re-elected him to the Senate by an overwhelming margin in 1982.

The treatment of Senator Metzenbaum by the Washington Times is regrettable and not worthy of a great newspaper. Both Senator Metzenbaum and your readers deserve better.

Sincerely,

JOHN GLENN,
U.S. Senator.

Mr. President, I think the letter speaks for itself. I do not like to see this creeping into journalism in Washington, D.C., when a particular editorial viewpoint of a paper is different from that of a Senator and they choose that as an opportunity not only to rebut the area in which they disagree with the Senator but also take off on things such as calling him an "unrepentant Stalinist," and so forth. I think this is not worthy of a great newspaper, and I think the Washington Times certainly owes Senator METZENBAUM an apology.

JERRY L. LITTON VISITOR CENTER TO BE DEDICATED

Mr. EAGLETON. Mr. President, Congressman Jerry L. Litton died in a tragic plane crash on August 3, 1976. He and his family were en route to a victory celebration of his capturing the Democratic nomination for U.S. Senator that year. Their deaths were staggering losses for the State of Missouri, and for the Nation.

Jerry Litton was a great and good man and an excellent Congressman. He made a commitment to bring government to the people, and he did just that. He believed that the running of this country was a hands-on process, not something to be studied from afar.

Jerry Litton was also a businessman and a farmer. He believed in the strength of the American farmer, and he was very much aware of the extent to which farmers contribute to a strong and healthy America.

Jerry Litton's beliefs and principles continue to impact on the lives of the people he influenced during his too-brief life.

It is fitting, therefore, that there should be a physical monument to Jerry Litton as well. On Sunday, June 10, 1984, the Jerry L. Litton Visitor Center in Smithville, Mo., will be dedicated. There people can come to learn of this remarkably talented young many from Chillicothe, and in so doing, learn something of history and of our country.

I invite and encourage my colleagues to visit the Smithville center, and to join with me in paying tribute to the memory of Jerry Litton and the causes which he so eloquently expoused.

WAREHOUSE BANKRUPTCY: FARMERS ARE NOT YET ADEQUATELY PROTECTED

Mr. EAGLETON. Mr. President, within the next few weeks we will take final action on legislation to reform the bankruptcy laws as they impact on grain warehouse bankruptcies. I have supported this bankruptcy law reform since it was first proposed. I have said all along, however, that the changes being made will provide only a modicum of protection for farmers affected by a warehouse bankruptcy.

One good way to protect farmers is to do everything possible to prevent bankruptcies from occurring in the first place. There have been numerous reviews and reports which have recommended strengthening USDA's warehouse inspection program as one way to help prevent bankruptcies. The General Accounting Office and the Illinois Legislative Council, both of whom have done considerable work in this area, have recommended the development and use of early warning computer models to detect warehouses that may go bankrupt. They have recommended that the frequency of inspections not be diminished and that increased attention be paid to the speculative activities of warehouses.

The Secretary of Agriculture recently announced a reorganization of the Department's warehouse inspection program. The Department has indicated that the reorganization should improve efficiency and result in cost savings to USDA's Commodity Credit Corporation and the warehousing industry. The Secretary also announced that he would appoint a task force on a temporary basis, comprised of representatives of the warehouse industry and USDA, to review the present inspection program.

Unfortunately, Mr. President, those who have the biggest stake in a strong and effective inspection program, the producers, did not get representation on the task force. The producers have the most to lose when a warehouse goes bankrupt, and they are the least able to afford any loss. It is most unfortunate that they are not being given a voice in the inspection program review.

In May I sent the Secretary a letter requesting that the inspection task force be expanded to include producer representatives. That recommendation was ignored. Recent press accounts have indicated that the Department is now considering making the task force a more permanent advisory group. If that is to be done, it is my hope that the Secretary reconsiders his decision to exclude producer representatives.

Mr. President, I ask, unanimous consent that my letter to the Secretary and a recent editorial from the Farm Journal dealing with this issue be printed in the RECORD at this point.

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

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
Washington, D.C., May 8, 1984.

Hon. JOHN R. BLOCK,
Secretary of Agriculture,
Washington, D.C.

DEAR MR. SECRETARY: I appreciate your bringing to my attention the reorganization of the warehouse inspection functions of the Department of Agriculture.

Out of our concern for the need to prevent warehouse bankruptcies, this Committee has consistently supported proposals to improve the warehouse inspection program. We have directed that a predictive formula for warehouse bankruptcies be developed and implemented, and we have insisted that the level of inspections not be reduced.

I noted in the Department's press release that you intend to establish a task force to study how USDA can further strengthen and improve its warehouse inspection program. The task force is to be made up of representatives of the warehouse industry, state warehouse regulatory officials and USDA. Conspicuous by their absence from the list of task force members are representatives of those who entrust their livelihood to the warehouseman, the producers.

Farmers have more to lose than anyone from a warehouse that goes bankrupt. The long-awaited changes in the bankruptcy laws, which should soon be enacted, will provide farmers some additional protection in bankruptcy situations. However, these changes will do nothing to prevent bankruptcies from occurring—an improved inspection program might.

Producers deserve to have a voice on the warehouse task force. They need to be assured that a strong inspection program is maintained. I urge you to expand the task force to include producer representatives.

Yours very truly,

THOMAS F. EAGLETON,
Ranking Minority Member, Subcommittee on Agriculture, Rural Development, and Related Agencies.

WE STILL NEED INSURANCE FOR ELEVATOR FAILURES

Farmers have won a battle in the long campaign to reform elevator bankruptcy laws. But the omnibus bankruptcy package now facing a House-Senate conference committee is more of a symbol than a solution. Apparently, it will be left to state legislatures to accomplish meaningful remedies.

Grain farmers are second-class citizens next to livestock producers. To protect the innocent seller of livestock, Congress created the "Packer Trust" in 1976. Packers with annual purchases of $500,000 or more are required to hold all livestock meats and meat proceeds in a trust until sellers receive full payment. In cases of bankruptcy, the law provides a statutory trust, which is not an asset of the bankrupt's estate. Thus livestock producers are paid before secured creditors. Grain producers aren't as lucky.

After stonewalling any kind of elevator bankruptcy reform for three years, the House finally adopted a version similar to a bill authorized by Sen. Robert Dole (R., Kan.). (See "Outlook/Washington.")

Now victims of elevator failures will receive their grain or grain proceeds faster. The bill sets a 120-day timetable for settling grain accounts instead of the two years it took to unravel the James Bros. bankruptcy that made Missouri farmer Wayne Cryts famous. State warehouse regulators also are pleased that they will have input into bankruptcy court decisions. "Regulators and judges will join in a cooperative effort instead of the battle royal" that occurred with James Bros., says Tom Hopkins, who oversees grain warehousing for the Missouri Department of Agriculture.

Fans say the bill also reconfirms that warehouse receipts are valid and outlines farmers' rights in bankruptcy proceedings. Unfortunately, those provisions are cosmetic. Take the new priority class especially for grain producers that ranks them ahead of other unsecured creditors. It applies to just $2,000 in claims. Then you head back to unsecured status with other creditors. Such a low limit hardly dents the $50,000 and $100,000 losses farmers frequently encounter when their grain dealer fails.

"People with warehouse receipts didn't gain anything in this bill," worries J. W. Looney, dean of the University of Arkansas Law School and a scholar of elevator bankruptcy law. "The ultimate resolution will be the same. The real problem is that there's often not enough money to go around, even to farmers and other creditors with secured claims."

In one Illinois study of 110 bankruptcies from 1974 to 1979, the 3,000 farmer victims recovered an average of 28 percent of their claims. While total dollar losses are small compared to the billion-dollar grain business, the effect on individual farmers can be catastrophic.

Insurance can't erase all risk but would improve protection for innocent victims. Both private insurance, such as the coverage offered by Employers Mutual in Iowa, and state-sponsored indemnity programs have merit.

We've outlined the advantages of these insurance programs in depth (FJ Sept. 1983, June/July 1983, and Nov. 1982). Both methods address the issue of compensation when an elevator's assets are depleted.

We applaud the efforts of states like Oklahoma, Illinois, Ohio and Kentucky that have taken matters into their own hands. They are establishing indemnity programs to compensate farmers in elevator losses in spite of objections from the grain industry, co-ops, private insurers and some farm groups.

We don't relish the fact that some farmers—not the grain industry—fund these programs through grain prices, check-offs or insurance premiums. To us, it's a little like asking a patient to pay for his doctor's malpractice insurance. But that method is far superior to no insurance at all.

Farmers in other states are still at risk. All of agriculture's support industries have been weakened by the farm recession. Many elevators are groaning under low volumes and huge accounts receivable. Some are waiting on farmers to pay for last year's fertilizer and feed. Only eight out of 392 of Missouri's elevators failed last year. But, points out Missouri's warehouse regulator, "It's a lot worse than people think."

"We're on the horns of a dilemma," says Terry Kubicek, executive secretary of Nebraska's Public Service Commission. Nine Nebraska grain dealers failed in 1983, and two within one week this spring.

"We want to encourage legitimate operators but prevent predator operations by others," Kubicek adds. So, legislators in his state have chosen not to pass laws that protect farmers when grain buyers run into a financial quagmire.

In fact, only $32,000 in bonds were required from each of the Nebraska grain dealers who most recently have had their licenses suspended. But farmers stand to lose several millions of dollars once authorities finally untangle the finances of Kroger Grain Co., Rosalie, Neb., and EDCA Grain and Trucking Co., of Kearney, Neb.

So while it is tempting to bask in the victory of the Dole bill, there are more battles ahead. You may not raid an elevator to recover soybeans, like Wayne Cryts did. But without insurance to compensate victims of an elevator insolvency, the fiascos will continue. Just hope you collect more than 28¢ on the dollar.

CAMP ARROWHEAD TO CELEBRATE 60TH ANNIVERSARY

Mr. EAGLETON. Mr. President, how well we educate the youth of today and guide them to be the leaders of tomorrow will determine just how good a tomorrow America will have. Today, it is with great pleasure that I pay tribute to an organization that for nearly six decades, has prepared young men for leadership and service. Camp Arrowhead, located near Marshfield, Mo., will celebrate its 60th anniversary during the weekend of August 3, 4, and 5. Camp Arrowhead has the distinction of being the oldest Boy Scout Council camp in existence west of the Mississippi.

We should all be well-acquainted with the good work done by Boy Scout camps such as Camp Arrowhead. These camps, for example, teach youngsters the skills that they would not be able to acquire anywhere else. But the benefits of Camp Arrowhead and others like it go far beyond instructing boys how to pitch a tent or start a campfire. The camping experience also helps young men develop character, self-reliance. and leadership. As our Nation moves forward into the future, institutions such as the Boy Scouts and Camp Arrowhead will insure that tomorrow's leaders have the tools that are needed to take America in the right direction.

It is for that reason that I am proud of Camp Arrowhead's 60-year record of service and achievement. As Camp Arrowhead celebrates this important anniversary, I urge my colleagues to join me in extending to the camp and its leaders our best wishes for another 60 years of success.

U.S. FARM ECONOMY

Mr. EXON. Mr. President, I rise again to call attention to the tremendously serious, really devastating, situation that has struck the farm economy of our great country. Our food producers are clearly under more strain and stress today than at any time since the Great Depression of the 1930's. Indeed, not only are the farmers and ranchers in serious difficulty today, but so are many of their financial backers—bankers and other financial institutions.

The most serious problem we have confronting us, of course, is that we have very low farm prices considering the cost of production. This couples with the fact that essentially because of the high deficit and continued skyrocketing national debt, we have high interest rates which contribute to the cost of production to the family sized farmer. It also drives up the already inflated value of the dollar in the international marketplace.

On March 21 of this year, in order to call this matter to the attention of the Federal Reserve Board, I along with two prominent farmer-rancher-bankers met with the Chairman of the Federal Reserve Board.

Mr. President, in that regard, I ask unanimous consent to have printed in the RECORD immediately following my remarks the testimony presented to Mr. Volcker by banker Vince Rossiter of Hartington, Nebr., and also several newspaper stories highlighting the financial stress of agriculture today.

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

TESTIMONY OF VINCE E. ROSSITER, SR.

Mr. Chairman, I want to thank you for making some of your time available to us today.

I fully appreciate that your position makes you especially well informed. I probably won't tell you anything that you aren't already familiar with. I hope, however, to offer a little different perception that I, and a large number of other midwesterners hold to be a fundamental truth, though we recognize that it is not widely accepted in academe or in the business world.

I am sure that you realize that I wouldn't be here today, if I didn't have the self-assurance that I know the things that I know, as well as I suspect you believe you know the things that you know. I hope that there is some common ground where our respective perceptions of this matter will meet.

As I sat down to prepare this presentation I remembered what I had seen on the back of the back page of the latest issue of "First Monday". It said,

1983 was a very good year.

Inflation fell 3.8 percent, the lowest since 1972.

GNP grew 6.2 percent.

Productivity grew by 3.1 percent, best since 1976.

Unemployment fell 8.2 percent in December.

This year (1984) looks even better.

All of these things are true and the nation should be grateful and applaud the administration for these positive accomplishments.

What the ad didn't say, however, is something that we read almost every day in other newspapers and magazines. For example,

Huge economic sectors are not participating in the economic upsurge of the past year, and are still seriously depressed.

Unemployment is still historically high, and unemployment compensation funds are depleted.

There is little likelihood of a balanced Federal Budget by either increased tax revenues, or budget reductions.

Foreign creditors are threatening the solvency of U.S. banks.

And, until the Federal deficit is eliminated nothing is going to work satisfactorily, for very long.

This is the economic reality that most of us are living with out there. The contrast between these two observations are apparent, as are the motivations, but quite aside from that is the fact that what our economy really needs is something more than the 1983 increase of $200 billion in national income. Nor is a drastic $200 billion cut in Federal expenditures the answer. The former isn't enough to do any good, and the latter would only exacerbate the problems just enumerated.

What the U.S. economy really needs is a very substantial surge in national income which will provide a new tax base of at least $1 trillion. It would require new gross sales approximating $5 trillion at retail to accomplish this, and all sectors would have to participate "equitably" to have it work best. And it should happen very soon, if possible, within the next 12 months time.

If we could achieve a new tax base of $1 trillion within a year, the economic effects would be startling and very positive.

For example, the 23 percent share which would accrue to the Federal Government would yield $230 billion of new tax revenue.

The Federal budget could be balanced, and further cuts in entitlements and other critical budget items could be avoided.

Solvency would be substantially restored to the social security system, by increased taxes paid by re-employed workers.

Unemployment would decline substantially, perhaps 30% or more.

With higher earnings the private sector would require less credit, the Federal Government credit requirements would cease, and interest rates would decline dramatically.

The related benefits would be countless—until Congress recovered from the shock and returned to a policy of lend and spend.

You are laughing at this suggestion, because I should know that if this were possible, existing economic policies would have already brought it about—long ago.

That is exactly the point. Existing economic policy has not accomplished this upsurge, and it cannot ever do it, until it first restores economic equilibrium in the total economy which approximates 1910-14, or the most recent example of equilibrium, 1943-52.

To understand the reality of what I suggest here one only has to review what happened to National Income of the U.S. Economy from 1940 to and including 1943. Here you will re-discover a very remarkable period of economic growth, which both of us witnessed in our life time.

If you would have your staff review this period with open-mindedness and complete impartiality I am sure that they will recognize that the economy was in relative balance (equilibrium) at that time as a result of the leveling effect of the depression of the 1930s.

They will realize that total national income increased more than 110 percent during the period, and that all sectors participated fully and "equitably".

They will begin to understand that it was this kind of an economic base that permitted the United States to earn enough money, had the taxes been levied to do it, to pay cash for the entire cost of World War II and the cost of reconversion to a peacetime economy following the war. Plus, it was possible to contribute billions of dollars to our allies and former enemies to help them restore their economies in foreign countries.

Why?

We were able to do all of that because we had wisely provided laws, regulations and economic restraints that assured economic equilibrium for 10 solid years from 1942 to the close of 1952. It was a managed system which successfully avoided inflation and depression until it was abandoned, in 1952.

During this period we preserved the benefits of the United States economy for the primary enjoyment of our own citizens, our own labor force, our own financial system, and our own business and agricultural entities. We were so prosperous and solvent in 1945 that the commerical banks of the nation couldn't find borrowers among all of the individuals, partnerships, and corporations in the nation, for more than 17.6 cents out of every dollar of deposits. The Federal Reserve discount rate was 1 percent per annum, and short term U.S. Treasury bills were yielding less than 1 percent per annum interest to the investor.

Can we restore the economy in 1984, through 1987, like we did from 1940 to 1943? Perhaps not, but it is a fascinating and very refreshing exercise to achieve this insight to "what might be" once again.

For example, if you don't mind, let us assume for the moment that 1983 was the year from which the new resurgence of the economy began. By 1986 the National Income would have increased by $2,648.4 billion, on an annual basis. This would be a mighty upsurge which would provide a market for twice the goods and services sold in 1983. If we would limit imports from foreign countries to the 1983 level, it would substantially eliminate unemployment in the United States and correct most every other major economic problem. And, if it worked as well as it did from 1940 to 1943, there would be less inflation than the reduced level actually experienced in 1983.

The point is that if we are afraid to manage our economy to the degree that is necessary to exercise moderate economic controls and production guidelines which are necessary to legally mandate economic equilibrium and to restrain economic abuses, then we are most certainly destined to repeat the cyclical effects of "boom and bust" economic disequilibrium forever.

The constraints on your time, Mr. Chairman, prompt me to close my presentation with the following observations.

We have created a national public and private debt of something in excess of $6 trillion dollars since our Nation began.

Approximately $5.5 trillion of this has been created since 1952.

During this most recent 32 year period, primarily because of poor public and private policy decisions (based on hindsight) we have dislocated an estimated $3.9 trillion of cumulative profits earned by the private enterprise sectors, as measured in national income.

This amount is the difference between what the national income actually was, and what it might have been had we maintained the standard of "national income share" that was established from 1943-52.

I realize, of course, that there is no way to restructure the disposition of 32 years of profits, or to miraculously restore it to the sector that lost it, because it has been lost and it is gone forever.

But I also know that we substituted debt to offset these "dislocated" profits, in order to provide some kind of an ongoing market, distorted as it has been by an arbitrary distribution of credit/debt, to provide a market for the annual production of goods and services produced during this period. A substitution that would not have been necessary if the 1943-52 economic equilibrium been consistently maintained for these past 32 years.

In addition, we have forced the economy, the government and all business and industry, to pay $1.6 trillion of excessive interest, which would not have existed because the debt would have never been incurred, had we maintained a par economy following 1952, based on the 1943-52 standard of economic equilibrium.

The dislocation of $3.9 trillion of earned income and the unjustifiable cost of $1.6 trillion of excessive interest total $5.5 trillion—within a few billion, one way or the other, of the total increase in the public and private debt in the exact same interim.

My critics say that this is "irrelevant", "meaningless coincidence".

I really don't care what my critics say about this conclusion. It is self-evident to anyone with a knowledge of 8th grade arithmetic, that this wouldn't have happened, because "it couldn't have happened", had we maintained the standard of equilibrium and income share that we established from 1943-52.

Not only that, but it is common knowledge that we had the capability of "managing" our economy then, and we used it well, in achieving economic equilibrium consistently for 10 years. And we still have this capability today. It is already law and can be implemented by the Secretary of Agriculture with the stroke of a pen, with the consent of the President. It can be re-instated almost immediately.

However, if we would decide that we want to do this again, and that we can do it, we have two new problems that we didn't have in 1940. The first and most formidable is the unprecedented $6 trillion dollar public and private debt, which is a claim on future income. In addition to the debt we will have the added cost of carrying this debt until it is paid, which will increase the total cost of liquidation to more than $30 trillion in the next 50 years at 10% interest per annum.

The second problem stems from the fact that the 1940-43 initial upsurge took place when the economy was in approximate equilibrium, and it would readily tolerate regulations which were largely unneeded because the economy was already functioning in an almost ideal manner, whereas at the end of 1983, and currently, the economy of the United States is so seriously distorted and out of balance so far, that similar programs today would only compound already serious problems. Nothing is likely to work now until some prior standard of equilibrium is again achieved. It is our conviction that equilibrium will restore rather quickly with the re-establishment of the economic policies that prevailed in the 1943-52 period.

My personal perception of this debt problem is not unique, I'm sure.

For whatever it is worth, I believe that the ultimate consequences of what I term the "insane" creation of $5.5 trillion of public and private debt since 1952 is so diabolical that it couldn't possibly have been conceived by even the most depraved human mind. But it has happened, in just one generation, and if it is repaid it will obligate a significant portion of the earned income of at least two succeeding generations—our children, and our childrens' children.

I realize full well that I am a banker, and that I have participated in the fabrication of this impending disaster, as a banker, all of my adult life and that I am part and parcel of it, just as you are Mr. Chairman.

What can we do about it?

I would like to submit three questions to you.

(1) Are we capable, at this point, of recognizing the "missing link" that could have prevented excessive debt creation at the outset, which might lead us to economic order?

(2) If it is true as recounted in history that it was possible to buy the same basket of food in 1913, for approximately the same dollar outlay that it cost in 1814, would a comparison with the economic operation of that period in contrast to the period since 1913, provide us with the knowledge to re-order our economy today?

(3) Would you agree with me that if it becomes necessary (or unavoidable) to collapse the economy to restore equilibrium and economic order, that we must still find the answer to the causal factor of existing economic disorder—in order to move the economy forward again to renewed economic opportunities inherent in a balanced economy similar to 1940-43 following another depression?

I would offer one suggestion in closing. The solution to the domestic economic problems of the United States, may very well be the solution that will solve the economic problems of the third world as well.

"Every man is worthy of his hire."

Farm Financial Stress Reported Rising

(By James Allen Flanery)

The financial stress that worsened for many Midlands farmers and ranchers last year has become even more intense this year, according to figures obtained from farm credit institutions.

Foreclosures and delinquent loans increased in number through April of this year compared with the first four months a year ago, the figures indicate.

AG CREDIT MEETING

Agencies compiling the information are the Federal Land Bank in Omaha that serves Nebraska, Iowa, Wyoming and South Dakota, 40 Production Credit Associations serving the same four states and the Farmers Home Administration in Nebraska.

Comparable statistics were not available for commercial banks in Nebraska and Iowa. But banking officials in both states said they felt the number of agriculture-related loans with problems had increased so far this year.

The figures were obtained on the eve of an agricultural credit summit meeting Gov. Kerrey has called in Denver. Four other governors and representatives of seven other states are expected to join Kerrey today at the meeting.

Each state is expected to provide a picture of the degree to which its farmers are financially stressed. Recommendations are expected for easing the stress.

Officials of bankers' associations and federal regulatory agencies, including the Federal Deposit Insurance Corp., also are scheduled to participate.

There also were indications that commercial banks in Iowa are continuing to reflect the problems of farmers in that state.

47-PERCENT TROUBLED LOANS

State reports on 108 Iowa banks examined between Jan. 1, 1984, and April 26, 1984, show that problem or "classified" loans represented an average of 47.6 percent of the capital and reserves of these banks.

Problem loans for all 427 state-chartered banks in Iowa averaged 39.4 percent of capital and reserves at the end of 1983.

The preponderance of the loans at Iowa banks are agriculture-related, said State Banking Superintendent Thomas H. Huston.

"I have no question that the 47.6 percent (of classified loans) is higher now," Huston said Thursday. "I think it will be 55 percent by the end of the year.

"In the nine years I've been superintendent, the classified loan figure has come nowhere near this."

FIGURES ON FARM PROBLEMS

The latest information on financial problems facing Midlands' farmers shows:

Federal Land Bank foreclosures increased from 108 during the first four months of 1983 to 362 during the first four months of this year.

Foreclosures among customers of 40 Production Credit Associations increased during the same periods of comparison from 103 to 131.

Foreclosures among Nebraska's Farmers Home Administration customers rose from 84, as of May 26, 1983, to 121, as of May 3, 1984.

The number of past-due Federal Land Bank loans increased from 3.08 percent of loans outstanding April 30, 1983, to 3.98 percent of loans outstanding April 30, 1984. Delinquent loans rose in dollar volume from $56.5 million to $69.5 million.

The number of past-due Production Credit Association loans increased from 8.7 percent of loans outstanding April 30, 1983, to 10.5 percent of loans outstanding April 30, 1984. "High-risk" accounts grew in dollar volume from $102.5 million to $149.1 million.

The number of past-due Farmers Home Administration loans in Nebraska grew from 30 percent of 14,967 borrowers, as of April 1, 1983, to 37.5 percent of all borrowers, as of April 1, 1984. The Farmers Home Administration is the lender of last resort for farmers and ranchers.

Farm Officials Seeking Help of Many Others To Fight Ag-Loan Crisis

(By James Allen Flanery)

DENVER.—It was a breakthrough, some participants said, when bankers were invited to a 13-state agricultural summit meeting here last week.

Now, some say, implement dealers, meatpackers, supermarket officials, consumers and others need to parley with farm policymakers.

The woes that face American agriculture are not solely the doing of farmers and ranchers, many of those attending Friday's meeting said. Nor does a solution to these woes rest exclusively with agricultural producers, they said.

"Agriculture is not (just) farmers," Keith Kelly, director of the Montana Department of Agriculture, said Saturday. "It is bankers and a whole bunch of people who are drawing paychecks directly tied to agriculture.

"Somehow, we've got to broaden that coalition."

Judging by the barrage of gloomy statistics emerging from the summit conference, organized by Gov. Kerrey of Nebraska, the coalition must be formed soon, Kelly and others said.

"It looks to me like we've got an emergency and not a program we can spend two or three years working on," Wyoming Agriculture Commissioner John Orton told Kerrey and other state officials who gathered at the governor's mansion here.

Reports delivered at the meeting indicated that as many as 10 percent to 15 percent of the farmers in the 13 states are on the verge of going out of business. Some fear the failure rate could be twice that—or more—over the next few years.

"There are 100,000 farmers in Minnesota," Jim Nichols, the state's agriculture commissioner, told the conferees. "And 25,000 to 40,000 of them are in serious financial trouble.

"We've been selling out farmers in Minnesota at the rate of 600 a month since last fall," Nichols said.

Kerrey, Iowa Gov. Branstad and officials of other states recounted major difficulties in their states as well. "I came away convinced that things are bad all over," said Harland Priddle, secretary of agriculture in Kansas

But he, Kelly and others said they also came away convinced that they must look beyond agriculture for causes and cures.

And, they said, the impression was reinforced that farmers—standing alone—cannot save themselves or the nation's food production system.

"Agriculture now is a minority voice," Priddle said. "At the turn of the century, farmers were 25 percent of the population. Now they are 2.7 percent."

When governors gather for National Governors' Association meetings, Kerrey said, they talk about urban problems like acid rain, transportation and energy.

"They . . . tend to take agriculture for granted," he said.

23 MILLION JOBS

They would not, Priddle said, if they understood that 23 million jobs—in meatpacking, shipping, hauling, farm implements and other areas—are dependent on the nation's farmers.

Bank officials understand their dependence, according to reports from several states represented here. For as farmers have foundered, so have banks.

Kerrey said some banks are experiencing difficulty in Nebraska, and Texas expects 41 bank failures this year alone, an official in that state said.

Nichols said a federal bank regulator who met behind closed doors here with state officials said a national survey of more than 6,000 banks showed rising loan repayment problems and diminished earnings.

Small towns also reflect the hurt of farmers around them. By the year 2000, Kerrey said, a University of Nebraska-Lincoln researcher has predicted that Nebraska will be losing many of its towns of 900 or fewer people.

"We're not only liquidating producers," Kerrey said. "We're liquidating towns as well."

CONSUMERS' STAKE

Consumers in general obviously have a stake in agriculture. But unlike their understanding of houses, cars and other key things in their lives, "they don't have a good understanding of agriculture and its impact on them," Kelly said.

For years, Kerrey and others pointed out here, American consumers have received cheaper food than the people of any other country.

"In the United States," Kerrey said, "we spend 16 percent of our disposable income on food. The question is whether or not, based on policy, we ought to do something about that."

Craig Bryant, a farm credit specialist for the Texas Agriculture Department, said "the true subsidizer" of Americans' food is the farmer.

"In his failure to earn the income he needs," Bryan said, "he's gone out and borrowed what he should have earned."

SIMPLE PROBLEM

The problem of farmers is relatively simple, Priddle said. It costs them more to produce a commodity than they can sell it for.

Figures generated in Kansas from 1970 through 1982 tell the story, he said.

During that time, the average price of wheat was "pretty flat," he said, varying from a high of $3.86 a bushel to $2.24 a bushel.

But total production costs "were up more than 300 percent," Priddle said. And interest payments on farm mortgage debt increased 700 percent.

For a long time, the farmer could borrow against the rising value of his land to survive. But land values now are plummeting.

To a large extent, participants at the meeting agreed, the farmer is the captive of monetary policies.

The federal deficit—a projected $192 billion in fiscal 1985—has driven up the cost of borrowing for farmers as well as everyone else.

"A 4 percent or 5 percent interest rate would make most farmers healthy again," North Dakota Gov. Allen Olson said.

STRONG DOLLAR

Also, the U.S. dollar is so strong in relation to foreign currencies that other nations are unable to buy as much from American farmers. "In 1980, we sold $44 billion in crops overseas," Nichols said. "In 1983, we sold $35 billion.

Farmers can't control their destiny as well as other industries, Kelly said.

"When General Motors Corp. got into trouble in the 1980s and couldn't sell cars, they shut down their assembly lines and put on tax rebates and low-interest financing to work off the surplus cars.

"But in agriculture, when we draw back in production as we did last year with the payment-in-kind program, Mother Nature can cause us to really shrink back (through drought and other calamities).

"So a lot of farmers now have a good price for their products, but they have produced nothing to sell," Kelly said.

In other instances, when the weather is in their favor, farmers will confound the acreage-reduction planners by producing abundant crops on fewer acres.

"Last year in Kansas, we had 18 percent fewer acres of wheat," Priddle said. "But we were only down 1-2 percent in production."

There are no simple answers to farm problems, officials here agreed.

"We're not so naive that we'll come out of here with a piece of paper that is a solution," Montana Gov. Ted Schwinden said.

But what did emerge was an awareness of the importance of reaching out to other constituencies, those attending the meeting said.

"The problem is not just with farmers," Priddle said, "but with all related activities he's associated with.

"The problem is a steady erosion, like soil erosion. You don't notice it, but it is happening."

FARM WOES BLAMED FOR RISE: BANKRUPTCY COURTS SEE INCREASES

(By David Thompson)

While the nation's economy appears to be improving, bankruptcies in Nebraska and surrounding states are increasing, including a rise of nearly 25 percent in Iowa so far this year.

The trend is due largely to filings by farmers and farm-related businesses, according to economists, attorneys and bankruptcy court officials interviewed.

Although slightly fewer Nebraskans filed for bankruptcy in April this year than in April 1983, said U.S. Bankruptcy Court Clerk Judith Napier, 9 percent more filed during the first four months of this year than for the same period in 1983.

She said the court received 824 petitions through April 30 this year. At that rate, 2,472 would file during 1984, 12 percent more than the 2,205 petitions filed during 1983.

Iowa had 1,781 bankruptcy filings through April 30 this year. If that pace continues Iowa would have 7,815 bankruptcies this year, nearly 25 percent more than in 1983.

Residents of the two states combined have filed 2,605 petitions so far this year, a pace that could mean 20 percent more filings in 1984 than in 1983.

The outlook is not good, especially for "highly leveraged farmers," those with high debt who bought land with little equity, said Mark Drabenstott, a senior economist with the Federal Reserve Bank in Kansas City, Mo.

Some bankers have tightened credit, refusing to make loans to farmers who must borrow money to put 1984 crops in the ground, said attorneys involved in some of the bankruptcy proceedings.

"The Nebraska economy bottomed out sometime during the first quarter of 1983," said Jerry Deichert, a staff member of the Bureau of Business Research at the University of Nebraska-Lincoln.

"What we are seeing now (in bankruptcy increases) probably is a response to what happened some time ago."

Bankruptcies also are exceeding last year's pace in Colorado, South Dakota and western Missouri, clerks of those bankruptcy courts said.

A survey of bankers by the Kansas City Federal Reserve Bank showed that bankruptcies this year are about double the normal number, and partial liquidations because of financial problems are running about four times as high as normal.

INCREASE "PUZZLING"

The bank serves Nebraska, Kansas, Colorado, Wyoming, Oklahoma, western Missouri and northern New Mexico.

U.S. Bankruptcy Judge Frank Barker Jr. of Kansas City said he found at a judges' seminar last week that other bankruptcy courts also were experiencing an increase in cases.

"It's puzzling," Barker said. "The employment situation in Missouri and Kansas has improved. General Motors and Ford are putting lots of people back to work. We are getting more farmers in court."

At Cedar Rapids, Iowa, Bankruptcy Court Clerk Barbara Everly said April's bankruptcies set a record, and 40 of the 336 cases filed in northern Iowa were farmers. "There are very substantial cases that involve millions of dollars," she said.

The bankruptcy court in Des Moines, which handles southern Iowa, had 203 filings, also the most since mid-1981.

Bankers have tightened credit, forcing some farmers to reorganize and others off the farm, according to some attorneys specializing in bankruptcy work.

BANKS SORT LOANS

"The farmers I've seen have one problem: Their normal lending sources have decided not to furnish them money," said Leroy Anderson, a North Platte, Neb., attorney, who serves as court-appointed trustee in a number of west-central Nebraska bankruptcies.

"Bankers are sorting out their loans and eliminating customers who are not good risks for repayment."

"Clifton Jessup Jr., an attorney with Dixon, Dixon & Minahan, an Omaha law firm specializing in reorganization bankruptcy cases, said: "It's a situation worse than the 1930s.

"During the '30s, a farmer could stay on the land and raise food for his family, even if he couldn't raise crops for sale." Jessup said: "Now the land is so heavily mortgaged that lenders are forcing farmers off the land."

David Nuttleman, a Gering, Neb., attorney who also serves as a trustee in bankruptcy cases, said the agricultural economy in western Nebraska "is in terrible condition. . . . It is lousy, to say the least, out here."

Land values have stagnated, and even when there is a foreclosure sale, the lender may not recover all of his debt, Nuttleman said.

SEEDS SOWN IN 1970'S

The problem goes back to the 1970s, when land prices were escalating, and farmers bought more with the expectation that values would continue rising, he said.

"It is not inflated now," Nuttleman said. "When the land values drop, so do the farmer's assets."

Now the bank looks to see whether it should extend more credit, because the farmer's balance sheet worth is not as great as it was when land values were high, Nuttleman said.

Economist Drabenstott agreed with Nuttleman about the time and origin of the problem.

"The seeds of the problem were sown in the late 1970s," he said. Land prices were escalating, and some farmers borrowed heavily to buy more land because they expected land prices to continue upward.

"Agriculture in the 1980s is not what it during the 1970s," he said. "In the 1970s, we had a strong export market, escalating farm values and low interest rates.

DEALERS FACE PROBLEMS

"In the 1980s, there is a weak export market, surpluses in production, stable, and even declining land values and comparatively high interest rates."

FILINGS IN NEBRASKA, IOWA

Last year's government-financed payment-in-kind program may have postponed the day of reckoning for some farmers by one year, he said.

Said Ms. Napier: "A farmer can weather one bad year, and he may be able to weather another, but he may be too far gone in the third year if the wolf is still at the door."

There is a ripple effect with farm related businesses, too, Drabenstott said, and some farm suppliers and farm equipment dealers are facing problems.

Foreclosures sales of farm equipment have depressed the market for tractors, combines and other machinery, said Nuttleman. Looking back, the farmer who was forced to sell out two or three years ago may have received a better break, because neither the equipment nor the land market was as depressed, he said.

The problems extend beyond those directly involved in farm business, Nuttleman said. In Chappell, Neb., several small businesses have declared bankruptcy, reflecting the farm economy, he said.

LITTLE ATTENTION SHOWN

Elsewhere in Nebraska there have been recent business bankruptcies at Ainsworth, Alliance, Blue Springs, Fremont, Kearney, Kimball, Norfolk, Sterling, Valentine and Wayne, as well as Omaha and Lincoln, according to court records.

"The tragedy is that there doesn't seem to be much national attention focused on the (farm) problem," Jessup said. "If it were the auto workers or aircraft workers, there would be more attention and something might be done.

"Unless something changes legislatively, the situation will continue," Jessup said. "Interest rates are high, foreign markets are depressed, costs and expenses are going higher for the farmer while his income is not."

FMHA'S LIST OF FORECLOSED FARMS MULTIPLIES ACROSS MIDLANDS, U.S.

(By Kent Warneke)

DENTON, NEB.—Kent Kraus said he once loved farming his land southwest of Lincoln. When he owned the farm, he would often get up from the table after the evening meal and just walk through the fields of corn and wheat.

Now he just lives in the farmhouse and drives past those fields to a manufacturing job in Lincoln.

The 343-acre farm belongs to the Farmers Home Administration, which acquired the property through foreclosure proceedings.

The FmHA has leased the land to another farmer, and Kraus and his family remain in their old house by paying that farmer rent.

The FmHA's ownership of the farm represents a growing trend.

The Kraus farm is one of 20 in Nebraska and 34 in Iowa that the federal agency now owns and operates. Across the nation, the FmHA is now landlord of more than 2,200 farms valued at more than $400 million.

Before 1981, the FmHA never held more than 260 farms in its nationwide inventory, Sen. Edward Zorinsky, D-Neb., said recently.

In Nebraska, 20 farms totaling 6,542 acres were owned by the FmHA as of May 1, said Frank Marsh, state director. All but three were acquired in 1983 or the first four months of this year, he said.

As of Jan. 1, the Iowa FmHA in Des Moines owned 34 farms totaling 8,366 acres, said Robert Pim, state director. The agency acquired 26 of the farms in 1983, he said.

Zorinsky has called for an investigation of the agency's management of the farms, saying, "Congress never intended the Farmers Home Administration to be one of our nation's biggest farm landlords."

Marsh and other FmHA officials dispute Zorinsky's contention. They say the only reason the agency acquires farms is that it is the best method, in some cases, to protect the interests of the federal government and the taxpayers.

"We don't like the situation as it is today. We're a lending agency, not a landowner," Marsh said. "But we make loans to farmers and we have a responsibility to taxpayers not to lose that money."

HALL DAMAGE

Kraus said his financial difficulties began in 1981 when a July 4 hailstorm left his crops a total loss. That fall, some of his hogs were diagnosed as having pseudorables, a disease that affects an animal's nervous system.

Kraus and his wife, Pam, who works as a legal secretary in Lincoln, sold all their quarantined hogs to slaughterhouses and began restocking their operation in January 1982.

Financial records indicated that if Kraus could buy more than 100 animals, he could operate profitably enough to pay off loans to the farm's previous owner and the FmHA.

An agreement was worked out with a Crete, Neb., bank, and the restocking of hogs was to be completed over nine months. "Within six months, the bank wouldn't loan us any more money," Kraus said.

Kraus said his financial status went downhill after that. They didn't have enough animals to operate profitably, and interest rates on previous loans were rising, he said.

Finally, he said, they couldn't make their farm payment, and a foreclosure sale was initiated by the farm's previous owner.

THREE BIDDERS

There were only three bidders for the Kraus farm, two private individuals and the FmHA, he said. The land and buildings sold for about $477 an acre—less than Kraus paid for it in 1976.

"That was the worst part," Pan Kraus said. "We loved being here. We wanted desperately to stay here, but we couldn't.

"But at the sale, the low bids and the small number of bidders made it seem that nobody appreciated our work, that nobody really even wanted our farm."

The fact that the government bought the farm also didn't sit well with Mrs. Kraus. "It just seems like a farmer should own the land," she said.

Marsh said he appreciates that sentiment, and the FmHA makes every effort to sell the land back to farmers as soon as possible, without letting it go for such a low price that it could adversely affect local land values.

Marsh and Pam said the majority of Nebraska and Iowa farms the FmHA holds—40 of the 54—were acquired after foreclosure proceedings were initiated by other lenders, such as private banks.

The other 14 were acquired either by foreclosure procedures initiated by FmHA or by voluntary conveyance, in which a farmer gives his farm to the agency to clear up a debt.

APPRAISAL DECISION

Gene Cook, an FmHA farmer program specialist in Lincoln, said that when a foreclosure action prompts a farm sale on which the agency has a lien, FmHA officials appraise the land. If it is thought that the property will go for less than its possible future resale value, the FmHA will make a bid, he said.

The agency is in an enviable position, farmers say, because it has the money to take advantage of depressed land values at current farm sales. The agency also can afford to hold on to the property until values rise again.

When land is acquired, the agency has several options. Some of the farms are made available only to eligible FmHA borrowers, those who can't qualify for credit at commerical lending institutions. Others are opened to public bidding, Cook said.

If the price isn't right when sale attempts are made twice a year, or applicants can't meet all the government requirements, the farmland will be leased on a cash basis, Cook said.

That's what happened to the Kraus farm, said Bruce Damrow, a Lincoln area farmer who leased the land until Dec. 31 in a bidding ceremony. Because he didn't need the house, Damrow worked out an arrangement to allow the Kraus family to rent the home they previously owned.

"It was the most uncomfortable thing I ever had to do," Damrow said. "Here was a man who had worked the place, invested his life in it and now he's paying me to stay in his own house."

JOB IN INDUSTRY

With Kraus now working at a Lincoln manufacturing firm, the couple is looking for a house to buy in Lincoln. They have a 3-year-old son, Travis, and another child due in October.

"We still all feel for him, what he has gone through," Damrow said. "It's a tragic situation."

Damrow said he believes every problem has a solution, including the task of solving the financial woes facing agriculture. There's a wide difference of opinion as to the right answer.

Claude Wright, FmHA district director in Omaha, and John Modrell, Lancaster County FmHA supervisor, are two officials with the responsibility of deciding whether to foreclose on a farmer.

Wright said the answer to the financial problem is better management by farmers.

"Forty percent of our farmers still don't require any outside financing. That's good management," he said. "The people who are in trouble tend to blame everybody and everything but themselves. How come you don't hear those things from people who aren't in financial trouble?"

Modrell said farmers have gotten into the most trouble because bad weather in the last two years has hurt crop production and because livestock prices have been low. "Those are hard things for a farmer to improve on when the're out of his control," he said.

Although bad weather has hurt, Damrow and Kraus say, the worst problem is high interest rates.

Kraus said he likes to dwell on the future, not the past.

"My dream is that the FmHA won't be able to sell my place for a while and that after I save some money, I'll be able to buy it back," he said. "That would be nice."

IN TRIBUTE TO SID V. LAMBOURNE

Mr. GARN. Mr. President, it is with a sincere sense of loss that I rise in tribute to a great American and distinguished Utahan, Sid V. Lambourne who passed away June 5, 1984.

Sid had an elective political career touching four decades in Salt Lake County and Utah State offices including State auditor, State treasurer and county treasurer. This Republican officeholder was active in political campaigns dating to the mid-1930's with his first election in 1946. He repeated reelection until 1974 when at age 76 he suffered his last defeat and retired.

While in office Sid was one of the principals in seeking creation of a public employees retirement program, which the Utah Legislature established on a statewide basis in 1961.

Mr. Lambourne's career outside of politics was varied. He worked as a pullman conductor, owned a string of service stations in Idaho, was an accountant for Utah-Idaho Sugar Co., sales manager for Utah Sulphur Products, an inspector for the Utah Tax Commission, and tax research consultant for Kennecott Copper Corp.

Sid's home in Salt Lake County was a curiosity, a showplace to many Salt Lake County residents with more than an acre of ponds and aquariums where he raised tropical fish and water lilies. At the completion of his political life, Mr. Lambourne found great satisfaction in the cultivation of more than 20 varieties of his favorite water lilies and numerous rose cultures. His contribution to public life in Utah is immeasurable and his tireless activity in community service is an example for all those who would wish to serve.

SECOND LIEUTENANT JERRETTE LEE, OUTSTANDING RESERVE OFFICER TRAINING CORPS GRADUATE IN 1983

Mr. THURMOND. Mr. President, it was a distinct privilege and pleasure recently to attend an Army ceremony at the Pentagon in honor of a young man from South Carolina who was designated the outstanding Reserve Officer Training Corps (ROTC) graduate of 1983.

A graduate of South Carolina State College in Orangeburg, S.C., 2d Lt. Jerrette Lee, was selected from more than 8,100 Army ROTC graduates representing more than 300 colleges and universities for his academic, athletic and leadership accomplishments. He is the first graduate of a historically black college to be selected for this honor, for which he was presented the Hughes Trophy.

Mr. President, Lieutenant Lee is currently assigned to the 1st Cavalry Division at Fort Hood, Tex. His mother, Mrs. Gibert Lee; his sister, Miss Jacquline Lee; and the president of South Carolina State College, Dr. Maceo Nance, Jr.; were among the many admirers present at the ceremony, hosted by Secretary of the Army, John O. Marsh, Jr. Secretary Marsh presented the award to Lieutenant Lee and highly commended him for his achievements. I was pleased to also express my commendations to Lieutenant Lee for his noteworthy accomplishments and to Dr. Nance for the outstanding ROTC program at South Carolina State College.

Lieutenant Lee has received numerous awards, including the 1983 George C. Marshall ROTC Award, First ROTC Region Commander's Leadership Award, and the South Carolina State Rudolph Jones Award for his fine performance during ROTC summer camp. He is the recipient of the Gen. Roscoe C. Cartwright Award as the outstanding senior Army ROTC cadet from the Nation's 17 predominately black colleges. Lieutenant Lee was a distinguished military graduate and a member of Alpha Kappa Mu national honor Society. He won the lightweight wrestling championships at his college and placed 2d in the State competition.

The outstanding accomplishments of Lieutenant Lee serve as an inspiration to the youth of South Carolina and the Nation to be all they can be. Our best wishes go with him as he embarks on a career as an officer in the U.S. Army.

Mr. President, I ask unanimous consent that the biographical data of 2d Lt. Jerrette Lee be printed in the CONGRESSIONAL RECORD at the conclusion of my remarks.

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

BIOGRAPHICAL DATA—2D LT. JERRETTE LEE

Second Lieutenant Jerrette Lee is the Hughes Trophy winner as the outstanding Senior Army ROTC graduate of 1983.

Date of Birth: 18 April 1961.

University: South Carolina State College.

Marital Status: Single.

Parents: Mr. & Mrs. Gilbert Lee, P.O. Box 89, Murrells Inlet, South Carolina 29576.

Current Assignment: 1st Cavalry Division, Fort Hood, TX.

Activities: Honors and Awards at South Carolina State College:

ACADEMIC HONORS

a. Graduated with a 3.6 grade point average and a 4.0 average during his last 3 semesters.

b. Awarded a two-year Army ROTC scholarship and a second scholarship from the South Carolina State Band.

c. Recipient of Presidential Scholarship Award.

d. Selected to Alpha Kappa Mu, National Honor Society in Business Administration.

e. Selected for Who's Who Among Students in American Colleges and Universities.

ROTC PERFORMANCE

a. Selected as the Cadet Brigade Commander, South Carolina State College Corps of Cadets, SY 82-83.

b. Designated as a Distinguished Military Student, 1982, and Distinguished Military Graduate, 1983.

c. Designated as one of the top 5% of all ROTC cadets attending Advanced Camp.

d. Recipient of the Randolph Jones Award from South Carolina State for outstanding overall performance at Advanced Camp.

e. Recipient of the First ROTC Region Commander's Leadership Award as the number one cadet of the 3,441 cadets who attend Advanced Camp 1982.

f. Recipient of the General Roscoe C. Cartwright Award as the most outstanding senior Army ROTC cadet from a black college.

g. Received the 1983 George C. Marshall ROTC Award for excellence in leadership and scholarship.

COMMUNITY ACTIVITIES

a. Member of NAACP.

b. Academic tutor for South Carolina State students.

c. Participated in the annual Heart and Lung Walkathon to raise funds for medical research.

d. Directed one of the largest and most active ROTC AUSA Chapters. He served in many community projects to include local visits to nursing and boys homes, Thanksgiving and Christmas food drives for needy families, annual blood drives and the Special Olympics.

SENATOR PROXMIRE ON UNITED STATES-PEOPLE'S REPUBLIC OF CHINA NUCLEAR COOPERATION

Mr. CRANSTON. Mr. President, our colleague, Senator PROXMIRE, has raised important questions about the pending United States-People's Republic of China agreement for nuclear cooperation. These questions are detailed in a recent opinion piece published in the Wall Street Journal. I share a number of the concerns expressed by Senator PROXMIRE and commend his recent article to my colleagues attention.

The text of this article is as follows:

THE RISKS IN SELLING CHINA A STRONGER NUCLEAR GENIE

(By William Proxmire)

Improving relations with the People's Republic of China should be a foreign-policy priority for the U.S. It's clearly in our economic interest to have the world's most populous nation as a trading partner and in our national-security interest to have close ties with a nation that keeps 52 Soviet divisions occupied along its border.

But there's another foreign-policy priority—preventing the spread of nuclear weapons. Too often, however, the goal of nonproliferation becomes subordinated to short-term U.S. interests overseas.

As President Reagan is about to make public the U.S.-China nuclear cooperation agreement initiated during his visit to China earlier this month, questions are being raised about whether nonproliferation again is taking a back seat to other interests.

But in the rush to improve relations with China, let's not forget that the Chinese nuclear cooperation agreement could open the door for the transfer of sophisticated U.S. nuclear technology and equipment to the world's second leading communist power for the next three decades.

Remember that China has a number of proliferation skeletons in its closet. For example, it has refused to sign the Treaty on the Nonproliferation of Nuclear Weapons and only last year belatedly agreed to join the International Atomic Energy Agency (IAEA), which inspects civilian nuclear programs world-wide to ensure that nuclear material isn't diverted to nuclear weapons.

And let's not forget that a nation can be our ally one day and our enemy the next. Before the overthrow of the shah, for example, Iran wanted to build more than 16 large nuclear-power plants. Take a guess at what the Ayatollah Khomeini would do with those plants.

These concerns must weighed as we evaluate the U.S.-China nuclear cooperation agreement the administration has negotiated. Very little information has been released about the agreement's text. Whatever the final text looks like, here are four things that should happen before an agreement is entered into and any nuclear material or equipment is shipped to China:

1. The U.S. should have a clear and firm written commitment from China on how trustworthy it will be as a nuclear trading partner.

The American people have a right to know whether press reports that China has supplied Pakistan with help in developing nuclear weapons are true. There have been other reports that China has supplied South Africa with enriched uranium and Argentina with heavy water, but the Pakistan allegations are the most serious and, if they are true, represent one of the most blatant acts by a nuclear-weapons state to promote the spread of nuclear weapons.

So far, the only formal pledge China has made to the U.S. that it will not aid proliferation consists of a Jan 10 White House dinner toast by Premier Zhao Ziyang, who said, "we do not engage in nuclear proliferation, nor do we help other countries develop nuclear weapons." That's too flimsy a commitment on which to base a 30-year nuclear agreement.

Administration officials have been quick to note that they have subsequent private assurances and public speeches from Chinese officials that clarify the toast and make it clear that China will not engage in proliferation.

That's not good enough. If the Chinese later go back on their promises, there would be no public commitment the U.S. could produce to hold the Chinese accountable. One dinner toast, backroom handshakes, and speeches would get you laughed out of most courtrooms. No, the commitment has to be in writing, especially since China has refused to sign the nonproliferation treaty.

2. There should be strict controls over what can and can't be done with the nuclear material and equipment we export to China. In particular, a number of questions have been raised about whether the U.S. has veto rights over the reprocessing of U.S. origin spent nuclear fuel to extract its plutonium—a provision China reportedly resisted up to the last minute. State Department officials insist that the U.S. has clear prior consent rights in this agreement, but reports that the language is "unusual" are not reassuring.

It had better not be too unusual. The U.S. and India, for example, are still haggling over the interpretation of vague language in their 1963 cooperation agreement that deals with the critical question of India's right to reprocess U.S. origin spent fuel.

3. Along with concrete nonproliferation assurances and controls, the agreement should be verifiable. But the State Department has already let it be known that this agreement contains no provision for IAEA inspections, which is disturbing. For an administration properly concerned about verifying arms-control treaties with the Soviet Union, it appears cavalier about verifying that China does not use our nuclear material to build nuclear weapons or help other nations build them.

Presumably, the agreement will contain provisions for U.S. personnel to visit U.S. supplied facilities. But it is likely that the U.S. inspections won't be as thorough as those of the IAEA.

4. Finally, the U.S.-China nuclear cooperation agreement should not go into effect unless it is approved by Congress, which in many instances has been more nonproliferation-conscious than the White House. The 1978 U.S. Nuclear Nonproliferation Act had allowed Congress to block any cooperation agreement the president signed, simply by both Houses passing within 60 days concurrent resolutions of disapproval.

Last year, however, the Supreme Court ruled that such a legislative veto was unconstitutional, thus invalidating the approval mechanism Congress had established for these agreements. As it now stands, the U.S.-China agreement will sit in Congress for 60 days and then automatically go into effect.

China is a nuclear-weapons state, which can build or spread nuclear bombs with or without our help. Even so, the U.S. should not build up any country's nuclear-power program if that country is likely to undercut our efforts to ensure that nuclear power world-wide remains peaceful.

In demanding controls and assurances, we must respect the historical sensitivity China has to intrusions on its sovereignty. How China produces energy is China's business.

It's our business to keep a lid on proliferation.

GUARANTEED STUDENT LOAN AGENCIES

Mr. PRESSLER. Mr. President, today I would like to call attention to a serious problem faced by the guaranteed student loan agencies across our Nation. These agencies are being forced, by proposed U.S. Department of Education regulation changes, to do business with the Student Loan Marketing Association, more commonly known as Sallie Mae. For some agencies, this conversion might be possible, but not for agencies in South Dakota.

I have attempted to find some solutions to this situation by offering a successful amendment to the Boat Safety Act. My amendment would establish a procedure which would allow student loan corporations a chance to appeal decisions made by the Department of Education.

We cannot continue to jeopardize the guaranteed student loan program with stricter regulations. Already some of the smaller banks in South Dakota are becoming nervous about handling guaranteed student loans. This is one program which cannot become tied up in bureaucratic redtape.

Several of our distinguished colleagues joined me recently in a letter to Senator DOLE. The letter addresses issues which hopefully can be worked out during conference on the Boat Safety Act. I also have received a letter from the South Dakota college and university presidents endorsing the guaranteed student loan program in South Dakota. I hope that all our distinguished colleagues will take a few minutes to read the following letters and ask unanimous consent that they appear at this point in the RECORD.

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

MARCH 15, 1984.

Senator LARRY PRESSLER,
Russell Senate Building,
Washington, D.C.

DEAR SENATOR PRESSLER: This letter is prompted by the proposed changes, submitted by the U.S. Senate Finance Committee, for the non-profit student loan agencies. The Administration has requested that the committee remove the tax-exempt status of the loan agencies. We are opposed to this proposal.

Many South Dakota students could not attend a post-secondary institution without the benefit of a Guaranteed Student Loan. The South Dakota Student Loan and Assistance Corporation has more than doubled the volume of student loans in our state since the Corporation's inception in December of 1978.

We believe that SDSLAC reduces the administrative costs which banks incur when handling student loans. SDSLAC efficiently services existing loans. Financial institutions now are willing to make educational loans more than ever before because of the existence of these nonprofit student loan agencies.

Knowing of your strong interest in and support for education and student financial aid, we hope that you will fight to keep the agencies' tax-exempt status. Non-profit student loan agencies are providing a valuable service to smaller states like South Dakota.

Thank you for your continuing contributions to South Dakota's institutions of higher education.

SHERWOOD O. BERG,
President, South Dakota State University.
TERENCE BROWN,
President, Northern State College.
J. GILBERT HAUSE,
President, Black Hills State College.
CHARLES LUKE,
President, Dakota State College.
JOSEPH M. MCFADDEN,
President, The University of South Dakota.
RICHARD SCHLEUSENER,
President, South Dakota School of Mines and Technology.

COMMITTEE ON COMMERCE,
SCIENCE, AND TRANSPORTATION,
Washington, D.C., April 25, 1984.

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

DEAR SENATOR DOLE: Thank you for accepting Amendment No. 2999 to the Boat Safety Act of 1984 and for indicating on the record that you intend to ask the Assistant Secretary for Tax Policy to comment on the proposed regulations published by the Education Department under Section 7 of the Student Loan Consolidation and Technical Amendments Act of 1983 (Public Law No. 98-79). We share the concern that the Education Department's proposals are over-burdensome and unwarranted, exceed the intent of Congress and, if implemented in their current form, may prevent student loan agencies from issuing tax-exempt bonds to finance critically needed student loans. Other Members of Congress, notably the Chairman of the Senate Committee on Labor and Human Resources, the Chairman of the Senate Subcommittee on Education, Arts and Humanities, the Chairman of the House Committee on Education and Labor, the Chairman of the House Subcommittee on Postsecondary Education and the Congressman who sponsored Section 7, in statements printed in the Congressional Record and in letters to Secretary Bell, have expressed similar negative views of these proposed regulations.

Congress' objective in enacting Section 7 was to avoid excessive issuance of tax-exempt obligations for student loan purposes not to prevent the issuance of student loan bonds where there is reasonable need or to require issuers to finance their student loan program through the issuance of taxable obligations. The Education Department's proposed regulations go far beyond this objective and, in the process, attempt to deal with matters that are already the subject of extensive Arbitrage Regulations promulgated by the Treasury Department.

The purpose of Amendment No. 2999 is to make sure that the matters which are already covered by the Arbitrage Regulations are not administered by the Education Department. Amendment No. 2999 will serve no purpose if the Education Department's proposed regulations are finalized with provisions which duplicate or are more restrictive than the Treasury Department's Arbitrage Regulations. We expect that the Treasury Department's comments will identify each of the limitations on the issuance of tax-exempt student loan bonds contained in the proposed regulations which are already addressed by the Arbitrage Regulations. Specific examples would include the restrictions on the amount of bond proceeds which may be used for reserves, the use of income from student loans and investments, the period during which bond proceeds must be spent and limitations on refundings, maturity, time of issuance and the other terms of the bonds. Most of these provisions appear in §§ 682.811, 682.813(b), 682.820 and 682.821 of the proposed regulations. The comments should propose that these conflicting provisions be deleted from the proposed regulations altogether.

Additionally, we wish to note that the Deficit Reduction Act provides for the continued issuance of qualified student loan bonds on a tax-exempt basis, authorizes the issuance of taxable student loan bonds without adverse consequences to the issuers thereof, and contemplates further Congressional study of both methods of financing student loans. Because of the complex issues involved in financing student loan capital and the existing disagreements on whether the cost to the federal government is greater by using tax-exempt financing at one-half the special allowance rate or by using taxable financing at full special allowance rates, we fully support the Senate Finance Committee's proposal for further Congressional consideration of these issues after a thorough analysis and study is completed.

We understand, moreover, that Section 719(b) is not intended to mandate the use of taxable financing but clarifies that an issuer's election to issue such obligations will not adversely affect the issuer. To the extent the Education Department's proposed regulations effectively mandate an issuer's use of taxable sources of credit, we believe such regulations are inconsistent with the intent of the aforementioned provisions of the Senate's tax bill. The complicated legal and financial determinations inherent in prudently choosing between the issuance of taxable or tax-exempt student loan bonds should be left to issuers and not to arbitrary decisions by the Education Department. We particularly object to the provisions of the proposed regulations (e.g. Section 682.813(d)) which provide that taxable financing shall be deemed to be available if Sallie Mae is willing to provide such credit on terms satisfactory to Sallie Mae (but not necessarily satisfactory to the issuer).

We feel it is important that these comments be submitted to the Education Department as soon as possible. The actions taken by the Education Department in reliance on Section 7 have severely restricted the ability of student loan agencies to issue student loan bonds and we would like to see these restrictions eliminated so that these agencies will be able to obtain the necessary financing in time for their fall lending programs.

Sincerely,

Senator Larry Pressler, Senator Walter Huddleston, Senator Edward Zorinsky, Senator Thad Cochran, Senator Mark Andrews, Senator John W. Warner, Senator John Stennis, Senator James Exon, Senator Dave Durenberger, Senator Rudy Boschwitz.

ASBESTOS COMPENSATION

Mr. PERCY. Mr. President, last Saturday, the Washington Post published an editorial on the subject of asbestos-related diseases, and legislative proposals that would provide benefits for workers who have been injured as a result of occupational exposure to asbestos. I believe the Post correctly identifies one of the most important and troublesome aspects of the current "system" for compensating such workers—the enormous bills paid to both plaintiffs' lawyers and defendant companies' lawyers.

I am firmly convinced that an effective program can be constructed that will shrink these costs greatly, and thus free up funds that can more productively be directed to compensating the victims of asbestos-related disease. I have proposed such a program in S. 2708, the Asbestos Workers' Recovery Act.

As I have said before, my proposal is not the only solution to this national problem. But it does have features that merit special attention. Among these are establishment of a special fund for compensation of injured workers, with levies assessed against both the asbestos industry and the Federal Government. As the Post correctly notes, this is a much better way to meet the claims of people—usually elderly and incapacitated—than the present tort litigation system.

I ask unanimous consent that the full text of the editorial be printed in the RECORD.

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

[From the Washington Post, June 2, 1984]

MONDALE, HART, AND ASBESTOS

Because they worked with asbestos years ago, tens of thousands of Americans will die earlier than they should have. How to compensate them—to the extent to which compensation is possible—will be an important question of social policy over the next four years. But it doesn't lend itself to the kind of primary election campaigning now going on in New Jersey.

Because Gary Hart has sponsored compensation legislation, Walter Mondale organized a meeting of asbestos victims to give emotional force to his differing view. The testimony of the former asbestos workers was moving and troubling. Mr. Mondale used the occasion to attack the Hart bill vehemently as an erosion of victims' rights and an invasion of the protection that they now enjoy. But Mr. Mondale is wrong.

Under present law, asbestos victims can sue—not their former employers, because of the workmen's compensation rules, but the suppliers and manufacturers of the asbestos products with which they worked. It is a slow and intricate kind of litigation—and, for the lawyers, well paid. Last year the Rand Corporation published a study of the settlements of some 3,800 asbestos liability cases. It found that the average settlement cost the defendants about $95,000. The victim got, on the average, slightly over one-third of the money. The rest? It went to lawyers—the victims' lawyers, the defendants' lawyers, and the costs of further suits among the defendants and their insurance companies.

Mr. Mondale says that he is defending the victim's right to sue. But these suits are proving to be a poor way—not only expensive but inordinately protracted and uncertain—to meet the claims of people who are usually elderly and often incapacitated. Is there a better way? There certainly is—a compensation fund, with adjudication taken out of the courts and put in the hands of specialized referees. That's the Hart proposal. The fund would be fed by levies on the asbestos industry and by the federal government. There is a large federal responsibility here. Many of the victims now suing are people who worked in the shipyards during World War II, when federal specifications required asbestos insulation.

Mr. Mondale was trying to respond to a kind of distress for which the blame is shared by many industrial companies and government agencies. But in the asbestos cases, protecting the victims' right to sue means very little more than protecting the lawyers' fees.

A DISTINGUISHED STATE LEGISLATOR STEPS DOWN

Mr. PELL. Mr. President, high among the unsung heroes of our democratic system are those elected representatives at the State and local level who labor long and hard—often with scant recognition or reward—to make the legislative process serve local needs.

Such a man is my good friend George T. Panichas of Pawtucket, R.I., who announced recently that he is retiring from the Rhode Island State Legislature after 14 years of service.

Representative Panichas' retirement is noteworthy because he is turning away from a highly successful political and public service career that presumably could have continued for some time to come. He has been unopposed in six of his seven elections to the general assembly.

He is, as he describes himself, a low-keyed but effective legislator who has never lost a bill. His special interests have been in the areas of veterans' affairs and vocational education, and he is especially proud of his role in establishing a State veterans' cemetery in the town of Exeter.

Representative Panichas will be missed at the Rhode Island Statehouse because he has been a good and dutiful legislator. His departure is symptomatic of a dilemma felt at all levels of our democratic system: Public service often demands unacceptable sacrifices.

George Panichas, because of the kind of man he is, I know will continue to contribute to the well-being of his community and to the State of Rhode Island long after he has ended his service in the general assembly.

George has a strong pride in his Greek heritage and is an active leader in local and national Hellenic-American organizations. In fact, we once traveled together to Greece and Cyprus, and I much benefited from his knowledge.

He is a resourceful and respected businessman, and he is, in addition, deeply devoted to his wonderful family. Finally, he had a distinguished record in World War II as a tail gunner in a bomber.

As he concludes his excellent service as a legislator, I congratulate him and wish him well.

I ask unanimous consent that an article from the Pawtucket Times noting the retirement of Representative Panichas be printed at this point in the RECORD.

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

PANICHAS RETIRING AFTER 14 YEARS SERVICE AT STATEHOUSE

"PART-TIME" ASSEMBLY BECAME TOO "FULL-TIME"

(By Kevin P. O'Connor)

PAWTUCKET.—Three hundred dollars a year isn't enough pay for a full-time job, Rep. George T. Panichas says.

So, Panichas is walking away from the seat in the state House of Representatives that he has held for the past 14 years. He has represented the Pleasant View section and a portion of Central Falls.

"Recently it's been taking up too much of my time," the Democrat said Wednesday. "It's no longer a part-time legislature. It's a full time legislature.

"I do a lot of traveling with my business. I put business packages together. I can't do that while I'm sitting in the Statehouse for $5 a day."

But leaving isn't easy, he said.

"I know this sounds corny, but it really was an honor serving the city of Pawtucket," he stated. "Plus, the legislature was like earning a masters degree in college every session. You got to find out how smart you are. Plus you got to find out how dumb you are.

"The contacts you make and the people you meet, that would never happen in private life. What the hell, I've been to meetings in the White House."

In the legislature, Panichas said, he liked to think of himself as low-keyed but effective.

"In my time there, I never lost a bill. I wasn't one to introduce many pieces of legislation. But those I did, I never lost."

Panichas was best known for his work in veterans' affairs. His crowning achievement in that field, he said, was getting the state to build the veterans' cemetery in Exeter.

"If you went to that cemetery on Memorial Day, without any exaggeration, there will be 3,000 people there visiting," Panichas said. "They're burying four or five people a week down there now. It was really needed."

Panichas also sponsored and fought for the $200 bonus given to Vietnam veterans and pushed the bond issue that financed the expansion of the veterans' home in Bristol.

"I was a combat veteran myself," Panichas said. "I was a tailgunner in a B-17 and I flew 50 missions over Germany. So I know what veterans need."

Vocational education was another of Panichas' interests. He sponsored the bill that increased the state's aid to vocational high schools—in the first year the state aid to Davies Vocational-Technical in Lincoln went from $5,000 to $100,000, Panichas said.

And Panichas was involved in economic development, both in the House, where he headed a sub-committee looking into the problems of the jewelry industry, and in his private business, where he arranged the sale and construction of the Star Market on Barton Street, the sale of the grandstand at Narragansett Park and was instrumental in keeping the Ocean State Theater in downtown Providence from becoming a parking lot.

"I was representing B. A. Dario and I handled the sale of the theater from the Loews Corporation to B. A Dario," Panichas said. "He was going to rip it down, make a parking lot. I convinced him to hold on until the people who preserved it could put a package together."

His retirement from the House comes at a good time, Panichas said. Besides needing more time for his business, Panichas said he and his wife, Angela, are building a home in Fair Oaks Estates in Lincoln and hope to move there in September.

"But who knows," he adds. "Maybe I'll sell it by then."

His checkbook will also welcome the break from politics, Panichas said.

"I've never had a fund raiser, I've never accepted campaign contributions," he said. "I had seven elections, six of them unopposed, and I always paid for them out of my own pocket."

"I never wanted people to say I owed them."

NAMIBIA AFTER LUSAKA: NEW DIRECTIONS

Mr. DENTON. Mr. President, the "Namibia Independence Talks" in Lusaka from May 10 through 13, 1984, under the cochairmanship of President Kenneth D. Kaunda of Zambia and the Administrator-General of Namibia, Dr. Willem A. van Niekerk, were of historical significance for a number of reasons:

President Kaunda, the leader, many would say, of the front line states, and the head of state of the country in which SWAPO maintains its political headquarters, sat as cochairman of a meeting between the political parties of Namibia with the South African appointed Administrator-General of that territory.

SWAPO, deprived of its freedom to prosecute a terrorist campaign from bases in Angola, by an agreement negotiated in Lusaka on February 16-17, 1984 between South Africa and the MPLA, was forced to abandon its spurious claim, conferred by the General Assembly of the United Nations, to being the "* * * sole and authentic representatives of the people of Namibia."

Six other Namibian political groupings—the Democratic Turnhalle Alliance (consisting of 11 ethnically based parties), the National Party of South West Africa, the Labor Party of Namibia, the Rehoboth Liberation Front, the South West African National Union, and the SWAPO-Democrats—having come together in a Multi-Party Conference in November 1983, negotiated with SWAPO for the first time regarding Namibia's independence.

It is clear that the struggle for Namibia's independence and, more importantly, for control of political power after independence, has entered a new phase. Although SWAPO managed to infiltrate some 800 terrorists into Namibia in February 1984, before the Lusaka Agreement took effect on March 1, these men were poorly prepared for their missions. Approximately 200 have already been killed, according to Namibian and South African security forces, and even SWAPO spokesmen admit the inevitable, that with logistic lines to SWAPO bases in Angola cut off by the Lusaka Agreement, these terrorists now within the territory will have to abandon the "armed struggle" or be hunted down by the security forces. One small bomb did explode in Windhoek just hours after SWAPO's Secretary of Foreign Affairs, Mr. Nico Bessinger, had said at a public meeting in the capital that the war would be brought to the doorsteps of those in Windhoek if SWAPO's lines of supply from Angola were to be severed. Dennis Keogh and Lt. Col. Ken Crabtree (two U.S. officials) were killed in a bomb explosion at a service station near Oshakati only days after the Lusaka Agreement took effect. Individual members of the tribes of Owambo and Kavango who did not support SWAPO continue to be brutally murdered. But, if the Lusaka Agreement holds, such incidents will decrease in frequency and taper off relatively soon. SWAPO does not have at its disposal large numbers of cadres trained in urban terrorism. The indications are, clearly, that the struggle will shift to the political arena.

SWAPO'S POLITICAL PROGRAM: SUBSTANCE OR CHIMERA

Comrade Nujoma's opening remarks in Lusaka make it clear that he understands this. Both the content and the tone of the public rhetoric changed significantly, taking on the form which some SWAPO dignitaries have reserved in the past for Western diplomats and white Namibians whom they are seeking to woo. Two paragraphs of Comrade Nujoma's speech seem certain to set the tone for SWAPO's new diplomatic offensive:

In spite of these bitter memories and a sense of national loss suffered by our people, SWAPO, cognizant of its national leadership and for the sake of unity and conciliation, is prepared to close the old chapter and open a new one. The new chapter will be characterized by democratization of the society based on the principles of racial equality and tolerance. In this society, human rights, property rights and civil liberties of all Namibians will be protected and guaranteed under the law. It is in recognition of these ideas that SWAPO has accepted the Principles Concerning the Constituent Assembly and the Constitution for an Independent Namibia, submitted by the Five Western Powers to the Security Council on 12 July, 1982.

There are those who, mindful of SWAPO's rhetoric in the past and its 18-year-old terrorist campaign, would argue that SWAPO's enthusiasm for human rights and civil liberties, hardly apparent in its recent behavior, had more to do with the positive African and Western response to the Multi-Party Conference's "Windhoek Declaration of Basic Principles" and its "Bill of Fundamental Rights and Objectives," than with a new-found belief in the virtues of democracy.

Comrade Nujoma continued:

Internationally, in SWAPO's view, an independent Namibia will pursue a policy of non-alignment and will endeavour to maintain and promote relationships with other states based on mutual benefits and respect.

In Southern Africa, Namibia will become a member of the community of independent African states in the region, including joining SADCC (South African Development Coordination Conference) and, in pursuit of its policy of non-alignment, maintain friendly relations with its neighbors that respect its national independence, sovereignty and territorial integrity.

As I noted in 1982, after 5 days of hearings into Soviet, East German, and Cuban involvement in fomenting terrorism in Southern Africa, the Soviets and their Communist allies have succeeded, in the words of my distinguished colleague, Senator MOYNIHAN of New York, in appropriating the language of liberty and in cloaking totalitarianism in the rhetoric of democracy. It behooves us, therefore, to examine these words and phrases closely, to weigh them against the declarations in SWAPO's formal documents and to call Comrade Nujoma and his colleagues to account for the discrepancies.

SWAPO's program of political action is embodied in a document entitled "Political Program of the South West Africa People's Organization (SWAPO) of Namibia" which was adopted by the meeting of the SWAPO Central Committee held in Lusaka, Zambia, from July 22 to August 1, 1976. The sections on "Present and Future Tasks," foreign policy, internal political guidelines, and economic reconstruction are of particular importance in this analysis.

NONALINEMENT

Comrade Nujoma's reference to Namibia's pursuit of a policy of nonalinement, if SWAPO came to power, stands in sharp contrast to the section of SWAPO's political program entitled "SWAPO Foreign Policy." I quote:

(1) SWAPO holds high the banner of international anti-imperialist solidarity. In pursuance of anti-imperialist solidarity, the movement has resolved:

(a) To work in solidarity with other national liberation movements and other anti-imperialist, progressive and peace-loving forces throughout the world with a view to ridding Namibia, the African continent and mankind of colonialist and imperialist domination.

* * * * *

(e) To foster and strengthen the anti-imperialist unit among the national liberation, world socialist, progressive and peace-loving forces in order to eliminate all forms of imperialism, colonialism and neo-colonialism.

The Marxist-Leninist jargon in SWAPO's political program is supplemented by the Political Manual, "Namibia, The Struggle for Final Liberation," issued by the Office of the SWAPO Organizing Secretary in 1977, on behalf of the Namibian Institute of Revolutionary Studies, which operates under the direction of the SWAPO Central Committee.

This document suggests that Comrade Nujoma's Namibian "people's democracy" would be distressingly similar to the "people's democracies" in East Germany, Vietnam, Ethiopia, Cambodia, or Angola.

The ideas of socialist orientation, as stated in the revised Political Programme (sic) of SWAPO, have become our way of life, and we have now to grasp this great truth, that the first step in the revolution currently waged by the Namibia proletariat and the working peasants is to raise the two friendly classes in our society to the position of the ruling class which, at the same time, is the first step to winning the battle of a people's democracy.

Only in this way shall we Namibian participants in the current liberation struggle (which we are waging on behalf of the general masses of all our people) be able to use the political supremacy of people's power to wrest state power from the colonial bourgeoisie, for the purpose of centralizing all the means of production and distribution in the hands of the new state, a state which will be constituted by the alliance of the workers and peasant masses.

How, in these circumstances, can Comrade Nujoma hope to speak, with any degreee of credibility, about a policy of nonalinement? The answer is given by Soviet historian, Dr. Yakov Etinger, writing in New Times, (No. 39, 1981, "Weighty Role"):

Since non-alinement is an expression of the independent foreign policy source favoring profound internal social and economic changes, there can evidently be no contradiction between socialist orientation and non-alinement.

Dr. Etinger, discussing the advantages accruing to the Soviet Union as a result of the acquisition of power by "national liberation movements" like SWAPO supported by the Soviets, notes:

An important feature of the foreign policy of these countries is their strategic alliance with the Soviet Union and other socialist states on an anti-imperialist and anti-capitalist basis. . . .

The foreign policy of the socialist-oriented countries is characterized also by militant anti-imperialism and anti-racism in the world arena, in the United Nations in particular, and by support of the initiatives of the Soviet Union and other socialist countries for peace and international security.

HUMAN RIGHTS, PROPERTY RIGHTS, AND CIVIL LIBERTIES

Those in Namibia, or the West, who are tempted to rely on Comrade Nujoma's promise to protect human rights, property rights, and civil liberties in a "democratic" Namibia, if SWAPO comes to power, would be well advised to study other sections of SWAPO's political program. Under the heading "Present and Future Tasks" it is recorded that:

* * * SWAPO has resolved:

* * * * *

(d) To unite all Namibian people, particularly the working class, the peasantly and progressive intellectuals, into a vanguard party capable of safe-guarding national independence and of building a classless nonexploitative society based on the ideals and principles of scientific socialism.

In the section on "Internal Political Guidelines" one reads:

All sections and organs of SWAPO are called upon to make supreme efforts towards the building up of a reliable core of leading cadres who are capable of being in close and constant touch with the people at all levels. This task is to be accomplished in the following ways:

Strive to heighten the political consciousness of the cadres through regular discussion groups in the local community; the discussions must aim at imparting a fundamental knowledge of the concrete political reality in Namibia and the world revolutionary process.

In the section of SWAPO's political program dealing with "Economic Reconstruction" we read:

Thus the economic reconstruction of a free democratic and united Namibia will have, as its motive force, the establishment of a classless society. The social justice and progress for all is the governing idea behind every SWAPO policy decision. The government of a truly liberated Namibia will, therefore, be called upon to take the following measures:

(1) Wage the struggle towards the abolition of all forms of exploitation of man by man and the destructive spirit of individualism and aggrandizement of wealth and power by individuals, groups or classes.

(2) Ensure that all the major means of production and exchange of the country are in the ownership of the people.

THE CHALLENGE TO SWAPO

These policy programs are not reconcilable with Western notions of liberty, human rights or property rights, nor with our concept of nonalinement. They are, of course, compatible with the rights ostensibly guaranteed to the people by the Constitution of the U.S.S.R., and with the Soviet view of nonalinement. The composition of SWAPO would seem to place it squarely in the Soviet orbit, for as our Ambassador to the United Nations, Jeane Kirkpatrick, remarked several years ago:

(SWAPO is) . . . one of those coalitions, of which we have seen a good many in our times, which include some rather heterogeneous elements: Some purely nationalist elements and some not very well-defined elements and some communist elements and some Marxist-Leninist elements that are explicitly oriented toward the Soviet Union and were trained there. (SWAPO) does include in its leadership some significant portion of persons tied to the Soviets by training and predilection. And its principal source of arms is of course the Soviet Union or surrogates thereof; and we have seen in our times a good many such coalitions come to power only to have the most well-organized unit, which usually turns out to be the Soviet-oriented, Marxist-Leninist (one), seize control of the coalition.

If SWAPO has, on the other hand, as Comrade Nujoma claims, "open(ed) a new chapter," then the onus is on it to prove such a claim. An excellent start could be made by Mr. Nujoma announcing an end to SWAPO's terrorist campaign against non-SWAPO supporters and a statement by him endorsing the Bill of Fundamental Rights and Objectives adopted on April 18, 1984, by the other Namibian political parties belonging to the Multi-Party Conference. If SWAPO is truly no longer a participant in the Soviet sponsored and financed "world revolutionary process," as designed by Lenin and all subsequent Soviet ideologs, then the onus is on it to declare that it has abandoned this movement. Until Namibians have heard such declarations, they are unlikely to be convinced by Comrade Nujoma's high-sounding rhetoric.

THE MULTIPARTY CONFERENCE: A STUDY IN AFRICAN DEMOCRACY

As further amplification, I attach "The Windhoek Declaration of Basic Principles" of February 24, 1984, and the "Bill of Fundamental Rights and Objectives" adopted by the Multi-Party Conference on April 18, 1984. These are exemplary documents, the latter in particular being representative of the spirit of our own democracy, and will serve, in my opinion, as a substantial basis for the preservation of human rights, property rights, and civil liberties in an independent Namibia. I commend them both to the attention of my colleagues and to that of the executive branch. I am pleased to note that Secretary of State Shultz and other officials of the Department of State met with a delegation from the Namibian Multi-Party Conference on May 22, 1983, and that Ambassador Keyes of the U.S. Mission to the United Nations in New York arranged for the delegation's reception by U.N. Secretary-General Javier Perez de Cuellar.

This delegation of the Multi-Party Conference was, I understand, received on its recent brief visit to Africa and the United States, by the Presidents of Zambia, the Ivory Coast, and Togo and by the Foreign Ministers of Gabon and Senegal, in addition to Secretary Shultz. This development and the sensible and enlightened approach which the Multi-Party Conference is adopting in its approach to reconciliation, portends well for an early and successful resolution of these long-standing problems.

I will also attach the statement of the Multi-Party Conference delegation on the eve of its departure for Lusaka on May 9, 1984. It sets the standard against which other efforts to resolve this dispute will be measured in the future.

Mr. President, I ask unanimous consent that the documents that I mentioned be included in the RECORD immediately following my remarks.

Thank you, Mr. President.

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

NAMIBIA MULTI-PARTY CONFERENCE DECLARATION OF BASIC PRINCIPLES—FEBRUARY 24, 1984

We, the political leaders of the people of South West Africa/Namibia, meeting in the Third Plenary Session of the historic Multi-Party Conference hereby:

Reaffirm the right of our people to national self-determination and independence and our determination to strive for a free, democratic, peaceful, stable and prosperous South West Africa/Namibia. It is only this goal—the national interest—and this goal alone, which will henceforth guide our actions.

Also reaffirm that Security Council Resolution 435 is at present the only concrete plan on independence which is being accepted by South Africa, the Security Council and the members of the Western Contact Group.

Having discussed the many problems confronting our country, in a constructive spirit of frankness, national reconciliation and unity, mutual respect and accommodation, we hereby declare to our people and the world at large that the Multi-Party Conference;

Maintains that South West Africa/Namibia is one and indivisible. South West Africa/Namibia belongs to all its people who are willing to stay here, build and defend it.

Believes in the concept that "All men are created equal" and shall have equal rights and responsibilities, irrespective of their national origin, race, religion or political views. The people of South West Africa/Namibia must work together for the common cause of nation-building, common allegiance, friendship and co-operation, political stability and economic progress.

Take cognizance of the fact that it may take an indefinitive period of time before Resolution 435 can be implemented, because its implementation is linked to the demand for the withdrawal of Cuban forces from Angola by both South Africa and the United States.

Hopes that the Lusaka Agreement between Angola and South Africa will endure to enable a discussion of the wider issues of a Namibian/South West African settlement and peaceful co-existence among the states within the region as a basis for resolving local and inter-state problems as well as a return to normal and peaceful life for the inhabitants of the war-ridden territories.

Our contribution to the resolution of the problems which have given rise to instability and security concerns would be to use the cease-fire agreement in a responsible and constructive manner in order finally to eliminate the causes of social and political conflict and confrontation.

An extensive dialogue among the relevant political parties of this country, in a spirit of national reconciliation and the need for a speedy resolution of the independence dispute, and meaningful negotiations with the Government of South Africa and the international community should be considered the primary concern and objective of all the patriotic and concerned leaders and citizens of our country.

Therefore the Multi-Party Conference accept the challenge:

To lead our country to a nationally acceptable and internationally recognized independence.

To conduct talks and/or negotiations with interested bodies in preparation and implementation of the aforesaid aims, as and when demanded by circumstances. Such talks and/or negotiations will include appeals for the immediate release of Mr. Toivo ja Toivo and Mr. Eliazer Tuhadeleni and all other political prisioners and detainees wherever they may be located.

To conduct investigations regarding the possibility of entering into relations with neighboring and other states in view of our own security and other strategic matters such as co-operation in the areas of health, finance, agriculture, veterinary services, water and energy, physical development, transportation, etc. In this regard the issue of Walvis Bay and the borders of South West Africa/Namibia will be the subject of discussion between the future government of South West Africa/Namibia and the Republic of South Africa.

To draft a permanent constitution: Within the framework of Phase I of the Western Settlement Plan, consistent with the Universal Declaration of Human Rights, in accordance with the International Covenant of Civil and Political Rights, which will allay the fears and respect the aspirations, ambitions and desires of the different groups mentioned in the Covenant above.

To create an economic order which aims at decreasing our dependence on foreign countries by developing and diversifying our economy mainly through our own efforts and by improving the quality of life of our people in all fields—from employment opportunities, health, education, and housing to the rural economy. Both the public and private sector as well as foreign investment must serve this purpose. A sound, healthy and strong economy must be the basis of our economic thinking.

To pursue a foreign policy based on dignity, independence, peace and friendship and peaceful co-existence with our neighbors and the rest of the world, to reserve our right to act as we see best at any particular time and on any particular issue. Our own national interest and the behavior of others towards our country will form the basis of our foreign policy.

NAMIBIA MULTI-PARTY CONFERENCE BILL OF FUNDAMENTAL RIGHTS AND OBJECTIVES—APRIL 1984

PREAMBLE

Independence: Whereas we the people of South West Africa/Namibia desire independence free from outside domination and direction and wish to constitute our own government;

Peace Reconciliation: Whereas we likewise urgently desire national reconciliation and lasting peace;

Individual Rights: Whereas we are united in the belief that all men are born free and equal and endowed by their Creator with human dignity and inalienable rights;

Diversity: Whereas lasting peace, stability and progress depends on the recognition of and respect for the rights of all in the prevailing cultural, linguistic and religious diversity of our society;

Unity: Whereas it is the desire of the people to achieve unity in that diversity with common loyalties to a single state;

Purpose and Powers of Government: Whereas governments are instituted among men for the purpose of promoting the safety and welfare of the people, from whose consent those governments derive their powers and capacities;

Now therefore, we, the people of South West Africa/Namibia, claim and reserve for ourselves and guarantee to our descendants the following Fundamental Rights which shall be respected and upheld by our successive governments and protected by entrenchment in the Constitution:

FUNDAMENTAL RIGHTS

Article 1. The Right to Life.

Everyone has the right to life. No one shall be arbitrarily deprived of his life. The sentence of death may only be executed pursuant to a final judgment by a competent court in respect of the most serious crimes in accordance with the law. Nothing in this article shall be invoked to prevent the abolishing of capital punishment by any future Government should they decide to do so.

Article 2. The Right to Liberty, Security of Person and Privacy.

No one shall be subject to arbitrary arrest or detention.

No one shall be deprived of his liberty except on such grounds and in accordance with such procedures as are established by law.

No one shall be detained for an indefinite period of time without a fair and proper trial by a Court. No one shall be subjected to torture or to cruel, inhuman or degrading treatment or punishment.

No one shall be subjected to arbitrary interference with his privacy, the privacy of his home, correspondence or communications. Everyone has the right to the protection of the law against such interference.

Article 3. The Right to Equality Before the Law.

Everyone shall be equal before the law and no branch or organ of government nor any public institution may prejudice nor afford any advantage to any person on the grounds of his ethnic or social origin, sex, race, language, color, religion, or political conviction.

Article 4. The Right to a Fair Trial.

In the determination of his rights and obligations in a civil action and of any criminal charge against him, everyone is entitled to a fair and public hearing by an independent, impartial and competent court established by law; provided that such a court may exclude the press and the public for all or any part of the trial, for reasons of morals, the public order or national security. Any judgment rendered in a criminal or civil action shall be made public, except where the interest of juvenile persons otherwise requires. Everyone charged with an offense has the right to be presumed innocent until proven guilty according to law, after having had the opportunity of presenting witnesses in his favor and cross-examining those testifying against him. Everyone shall be afforded adequate time and facilities for the preparation and presentation of his defense, before the commencement of and during his trial. Everyone shall have the right of access to legal counsel in the event of charges being preferred against him.

No one shall be tried, convicted or punished again for an offense for which he has already been tried and convicted or acquitted in accordance with the law.

No one shall be tried or convicted for an offense on account of an act or omission which did not constitute an offense at the time at which it was committed, nor shall a penalty be imposed exceeding that which was applicable at the time when the offense was committed.

Article 5. The Right to Freedom of Expression.

Everyone has the right to freedom of expression of opinion, conscience and religious belief, including freedom to seek, receive and impart information and ideas through the press and other media. This right shall be limited only by the obligation to ensure that such expression does not infringe upon the right of others, impair the public order or morals, or constitute a threat to national security.

Article 6. The Right to Peaceful Assembly.

Everyone has the right to freedom of assembly for peaceful purposes. No restrictions shall be placed on this right except those which, being necessary for the protection of public order, health or morals or the rights of others, are properly prescribed by law.

Article 7. The Right to Freedom of Association.

Everyone has the right to associate with any other person or group. No one may be compelled to or prevented from associating with others. Everyone has the right to form and to join trade unions for the protection of the interests of employees. No restrictions shall be placed on this right, except those which, being necessary in the interests of national security, public order, public health or morals, and the protection of rights of others, are properly prescribed by law.

Article 8. The Right to Participate in Political Activity and Government.

Every citizen shall have the right to participate in peaceful political activity intended to influence the composition and policies of the government. Every citizen shall have the right to form and join political parties and, subject to proper qualifications prescribed by law, to participate in the conduct of public affairs, whether directly or through freely chosen representatives. The exercise of the right to participate in political activity shall be limited by the obligation to refrain from any advocacy of ethnic, racial or religious hatred and incitement to discrimination, hostility and violence.

Article 9. The Right to Enjoy, Practice, Profess, Maintain and Promote Culture, Language, Tradition and Religion.

All ethnic, linguistic and religious groups and all persons belonging to such groups, shall have the right to enjoy, practice, profess, maintain and promote their cultures, languages, traditions and religions, insofar as these do not infringe upon the rights of others or the national interest.

Article 10. The Right to Freedom of Movement and Residence.

Everyone lawfully present within the borders of the country shall have the right to freedom of movement and choice of residence subject to the obligation not to infringe upon the rights of others and to such provisions as are properly prescribed by law in the interests of public health and public order. No citizen shall be arbitrarily deprived of the right to enter the country. Everyone shall have the right to leave the country in accordance with the procedures properly prescribed by law.

Article 11. The Right to Own Property.

Everyone has the right to acquire, own and dispose of movable, immovable and immaterial property, alone or in association with others. Everyone shall have the right to leave his property to his heirs or legatees. No one shall be arbitrarily deprived of his property. Expropriation shall only be permitted in the public interest and if properly authorized by law. Fair compensation shall be payable in all cases of expropriation.

Article 12. Enforcement of Fundamental Rights.

The enumeration, in this Bill, of certain specific rights, shall not be construed as denying, limiting or disparaging other rights retained by the people.

Any legislative, executive or judicial act at variance with the provisions of the Bill, may be declared null, void and of no effect by order of the Supreme Court and any person who may suffer any disadvantage as a consequence of such an act, shall be entitled to legal redress.

No fundamental right listed herein, may be repealed, excluded or modified in any way so as to affect its substance or intent.

Where any fundamental right is properly limited by legislation, such legislation must have a general character and not be limited to a single case.

All branches and organs of government shall conduct themselves in all their legislative, executive and judicial acts in accordance with the principles enshrined in this Bill.

All persons are entitled to the rights enumerated in this Bill, without distinction on the grounds of race, color, sex, language, political or other opinion, religion, ethnic or social origin, birth or other status.

Any person may apply to the Supreme Court by appropriate proceedings to enforce the rights conferred under the provisions of this Bill.

The Supreme Court shall have the power to make all such orders as may be necessary and appropriate to secure to the applicant the enjoyment of any rights conferred under the provisions of this Bill.

Any law in force on and continuing in force after the date on which the provisions of this Bill come into operation may be submitted by any governmental authority to the Supreme Court for a ruling on the compatibility of such law with the fundamental rights enumerated in this Bill, and if such a law has been so submitted for a ruling, no proceeding based on any provision of such law may be instituted under paragraph 7 of this article until the Supreme Court has given its ruling and a period of six months has elapsed after the date of the ruling.

For the purpose of the hearing and adjudication of any proceedings contemplated in this article, or otherwise based upon the provisions of this Bill, the Supreme Court shall be constituted and sit as a Constitutional Court in accordance with the provisions of the laws governing the Supreme Court.

An independent Parliamentary Commissioner (Ombudsman) shall be appointed by the Parliament for the investigation and settlement through negotiation and mediation of complaints by individuals of infringements of their fundamental rights, arising from administrative practices or actions, provided the infringement in question is not the subject of proceedings instituted in the Supreme Court as contemplated in this article. The Parliamentary Commissioner shall report annually in writing to Parliament and to such organs of government as are affected by his activities, and shall include in such reports those recommendations he may consider necessary.

FUNDAMENTAL OBJECTIVES

We, the people of South West Africa/Namibia, further wish to record our determination, and to commit our Government to ensure:

(a) That every person within our country shall enjoy the opportunity to free and full development of his personality in the exercise of those duties and responsibilities which he owes to the community;

(b) That the family, as the natural and fundamental group unit of society, is afforded protection by society and the state;

(c) That in the exercise of his rights and freedoms, everyone shall be subject only to such limitations as are determined by law solely for the purpose of securing due recognition and respect for the rights and freedoms of others and of meeting the just requirements of morality, public order, health and the general welfare and national security of a democratic society.

And, mindful of the existence of certain other social goals whose achievement is essential if we are to create the type of national and democratic society to which we aspire, we hereby require our Government to do all in its power to achieve:

1. The establishment and maintenance of a sound and dynamic economic system capable of providing for the needs of all in our society;

2. The opportunity to work, to exercise free choice of employment and to enjoy just and favorable conditions of work and employment; protection against unemployment; and equal pay for equal work;

3. A standard of living adequate for the health and well-being of each person and family unit, including food, housing, medical care and essential social services, and a measure of protection against the consequences of sickness, disability, widowhood and old age;

4. Access to education for all and the opportunity to attain the highest possible standard of education directed at the full development of the human personality and preparation for gainful employment; that higher education shall be equally accessible to all on the basis of merit; that elementary education shall be free and compulsory, the liberty of parents, and when applicable legal guardians, to choose for their children the type of schools and the direction of education will be protected.

5. The opportunity for all to participate fully in cultural activities, to enjoy the arts, and to share in scientific advancement and its benefits; and protection of the moral and material interests of authors in their scientific, literary and artistic productions.

STATEMENT BY THE MULTI-PARTY CONFERENCE—WEDNESDAY, MAY 9, 1984

It is now almost six months since the historic day in November 1983 on which delegates from six South West Africa/Namibia parties, with one other having observer status, came together in the Heynes Matthews hall in Windhoek to assert the right of the people of this country to determine their own future on the basis of justice, freedom and human dignity. We made it clear then that we resented the fact that others, many of them with no vital interest in the outcome, were arguing about, interfering with, and seeking to determine, what should and should not happen to us. The spectacle of one group of foreigners raising objections, based on their interest, to plans for our independence devised by another group, without either side having consulted adequately with us, had become intolerable. It had made a mockery of the principle of self-determination and had placed the people of this country in the position of being no more than the playthings of outside interests.

The Multi-Party Conference was born out of the frustration of the people. It came about because we realized that unless we took matters into our own hands we would remain powerless; unless we asserted our right to speak for ourselves, others would continue to make decisions about us. We made the decision to be beholden to no one and elected to accept financial stringency in preference to assistance with strings attached. We decided to have no foreign advisers but, rather, recognizing that it is we who must live together in this land and achieve our common destiny, to debate and reach consensus among ourselves on the path to be followed.

It has not been an easy road. We have disagreed, often forcefully and sometimes bitterly, about matters of principle and practice. Some parties have left the Conference we hope only temporarily while others have joined us. We have been accused of different things by different people, all of which accusations fail to grasp our purpose and our goals. Let us restate them now.

We seek to ensure that the people of this country shall, in pursuance of their right to freedom, national self-determination and independence, determine how that right shall be exercised. We rejected the claims of South Africa, the United Nations, the Soviet bloc and the Western Five, indeed of all persons and groups not of this country, to speak or make such fundamental decisions for us.

We recognize the diversity of ideology, of culture, of language and of religion which characterizes our society and we understand the difficulty of moulding one nation out of these many strands. But we are determined, understanding that we must share this land, and that we are united in our love for it, to create unity in that diversity while respecting the rights of all.

We understand that, to achieve this, all citizens must participate, through their representatives, in the process of deliberation about the present and the future. We have often invited, and do so again today, all those parties with manifest support among people of our country, to join with us in that process. We reject categorically the notion that we are an anti-SWAPO front, or indeed a front in opposition to any party. We define ourselves in terms of our goals, in terms of the values to which we subscribe, in terms of our vision of the future. We have defined these in our public documents and invite all those who share these goals and values, to join with us in strongly asserting our right to achieve them.

We are opposed to further violence and bloodshed, believing that the people of this country and indeed the region have already suffered far too much from this internecine struggle which has drawn in foreign powers whose interests are divergent from our own. We believe that peace and national reconciliation are vital now and that the task of reconstruction must begin immediately. Regional circumstances are now, at last, conductive to this and the opportunity for reconciliation must be seized urgently.

Since the opening session of the Conference we have made satisfactory, indeed even remarkable, progress in achieving these goals.

We have reached agreement on two important documents: The Windhoek Declaration of Basic Principles, issued on 24 February and the Bill of Fundamental Rights and Objectives, made public on 19 April. The latter document, in particular, is a serious effort to express and encompass in a paper of eventual constitutional significance, the basic value of our whole society. The Rights enshrined in that document, if embodied in a future constitution, will protect our civil liberties against improper encroachment by any government, and a commitment to the pursuit of the Objectives will bind our future governments to policies which will be of the greatest benefit to all the people of our country.

We have held discussions with the South African government in the person of the Prime Minister and other Ministers of his Cabinet, and with a delegation of the United States of America under the leadership of Dr. Chester A. Crocker, Assistant Secretary of State for African Affairs. Through these discussions we have made a modest contribution to the search for peace in Southern Africa. We have also communicated with other African and Western governments and look forward to expanding these communications in the future.

We have taken a public position and held talks with South African government representatives in support of the release of persons imprisoned or detained for offenses related to their political convictions. We have not done this lightly, but in the belief that such a process will contribute meaningfully to the creation of a climate conductive to national reconciliation. Mr. Andimba Toiva ja Toiva and Mr. Willibald Sagaria were released from prison on March 1, 1984, and the decision to release 54 detainees from

Mariental was made known by the Administrator-General on May 3. We shall continue to work for such further releases as will advance the cause of peace.

We have completed arrangements for visits to a number of African states, both within our region and elsewhere on the continent. African Heads of State interested in promoting a resolution of Southern African conflicts have recognized the importance of hearing the perspective of the people of this country and have promised assistance in furthering the cause of national reconciliation. A delegation from the Multi-Party Conference will leave Windhoek for Lusaka on Thursday, May 10 at the invitation of President Kenneth Kaunda and will hold discussions with the President of Zambia and his ministers and SWAPO. The Administrator-General of South West Africa/Namibia and President Kaunda will act as Chairman and Co-chairman respectively in our discussions with SWAPO. We believe that these discussions have the potential to make a major contribution to peace, self-determination and independence and deeply appreciate President Kaunda's initiative in proposing that they take place.

We stand today at the decisive crossroads of our nation's future. If we succeed in our present endeavor to bring about peace and reconciliation, we shall be able to achieve a free, democratic, stable and prosperous country. If we fail, we shall face yet more suffering and strife, economic decline and bloodshed. We dare not fail, and to succeed, we have the prayers and assistance of all of our people.

PRIVILEGE OF THE FLOOR

Mr. TOWER. Mr. President, I ask unanimous consent that the following listed staff members be permitted access to the floor during consideration of S. 2723, the omnibus defense authorization bill for fiscal year 1985.

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

The list follows:

James F. McGovern, Arnold L. Punaro, L. Wayne Arny III, Robert E. Bayer, Kathryn E. Bognovitz, Robert F. Bott, Barbara B. Brown, John G. Campbell, Marie Chaillet, Christine C. Dauth, Marie F. Dickinson, Michael B. Donley, Richard D. Finn, Jr., Judith A. Freedman, Douglas R. Graham, John J. Hamre, Drew A. Harker, William E. Hoehn, Jr., George K. Johnson, Jr., James R. Locher III, Karen A. Love, David S. Lyles, Jose E. Martinez, Gordon G. Riggle, Mark B. Robinson, Ann E. Sauer, Carl M. Smith, James C. Smith III, Jeffrey H. Smith, Patrick A. Tucker, Patricia L. Watson, Toni D. White, Alan R. Yuspeh.

ORDER OF BUSINESS

Mr. BAKER. As I understand it, under the order previously entered, the Senate will turn to consideration of the DOD authorization bill. Is that correct?

The PRESIDING OFFICER. That is correct.

CONCLUSION OF MORNING BUSINESS

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

OMNIBUS DEFENSE AUTHORIZATION, 1985

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

The legislative clerk read as follows:

A bill (S. 2723) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1985, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes.

The Senate proceeded to consider the bill.

Mr. TOWER. Mr. President, I report to the Senate the action taken by the Committee on Armed Services on S. 2723, the Omnibus Defense Authorization Act for fiscal year 1985.

For the second year, the committee has reported a bill that incorporates all the major components of the national defense budget that require annual authorization. The pending bill thus includes the regular authorizations for procurement, research and development, operation and maintenance, personnel end-strengths, and civil defense, as well as authorizations for military construction, and the military programs of the Department of Energy.

The President's February request for national defense totaled $313.4 billion in budget authority for fiscal year 1985. In marking up the bill, the committee elected to follow the guidelines contained in the Senate passed first concurrent resolution on the budget, which provides for defense budget authority of $299 billion in fiscal year 1985. The committee's objective, therefore, was to reduce the President's February request by $14.4 billion.

The committee achieved this large reduction by making reductions of $6.9 billion in procurement, $1.4 billion in R&D, $2.5 billion in O&M, $1.2 billion in military construction, and approximately $650 million in other programs. When combined with the funding impact of the committee's manpower recommendations and other legislative restrictions valued at approximately $1.8 billion, the overall reduction from the request totals approximately $14.4 billion.

During the committee's deliberations on the February request, the Department of Defense provided the committee a list of proposed revisions to the request, based upon the President's commitment to help develop a comprehensive and responsible fiscal plan for deficit reductions. These proposed revisions also totaled $14.4 billion. The committee found this list to be helpful in identifying potential reductions to the February request, but by no means did we rubberstamp these Defense Department proposals.

I should emphasize at this point that it has long been the committee's view that in a budget of this size, there is always room for greater economy and efficiency. But it is not always true that effective management improvements can be legislated by the Congress. We certainly cannot claim to be making reductions of $14.4 billion in defense reductions related to so-called waste, fraud, and abuse.

I want to make it abundantly clear to my colleagues that, while the effect of reductions totaling $14.4 billion can be minimized, they cannot be made without a negative effect on the effectiveness and efficiency defense program. The overall effect of the committee bill is to further slow the much needed improvements in our defense capability that were mandated by the American people in 1980. While we will continue to make progress in this bill, we are now at least 1 year behind the financial program set by this administration in 1981, and we are much closer to the program left behind by the previous administration—a program which had been perceived as insufficient during the 96th Congress.

Having reviewed the committee recommendations by major appropriations, I should also summarize committee action in the major mission areas.

The Senate Armed Services Committee has consistently placed high priority on achieving efficient production rates for our tactical systems. This year, despite the significant reduction in the overall spending level, we have recommended production levels for most of the major tactical systems which protect that management objective. In many cases the committee elected not to accept reductions proposed by the administration that would have followed the business as usual approach of stretching out production rates and increasing unit costs.

For example, the administration's revised budget included just 600 M-1 tanks, but the committee has recommended procurement of 720. Similarly, the committee recommends procuring 144 Apache helicopters—as originally requested—rather than 112 as proposed in the budget amendment. In the case of the Apache helicopters rejecting the administration's proposal will avoid a $1.2 million increase in the unit cost of the helicopter.

However, the committee did recommend some reductions in major programs on purely budgetary grounds. Changes in the Patriot, Bradley, and Divad programs will increase unit costs and total program costs. Knowing that changes of this kind represent false economies, the committee nevertheless accepted these costs increases in order to insure that the Army's overdue modernization program stays on track.

In the tactical accounts, savings were achieved by reducing advance procurement funding and by slowing the rate of growth in the spares, modifications to existing aircraft and other procurement accounts. Additionally, over $340 million was saved as a result of the favorable outcome of the Air Force alternate fighter engine competition.

In the area of sea power and force projection, the committee recommends authorization of 26 ships, of which 21 are new construction and the balance are conversions, reactivating, or part of the life extension program. The committee disagreed slightly with the Department and approved four SSN-688 *Los Angeles* class nuclear-powered attack submarines, instead of the three requested in the administration's May budget revision. The committee also approved three CG-47 *Aegis* class guided missile destroyers. Mr. President, these ships are both capable and extremely cost effective and will help provide the added firepower to the fleet that is needed to face a growing and more technically competent adversary at sea.

Over the past several years, the committee has placed high priority on force projection programs in light of the imbalance between our combat forces and their capability to deploy in a timely manner during times of crisis. This bill contains $5.77 billion for force projection programs, primarily airlift, sealift, and amphibious shipping. There are three key airlift programs: procurement of eight C-5B's and eight KC-10A's and expanded research and development of a new airlift aircraft, the C-17. Efforts to augment strategic sealift are continued through the acquisition of militarily useful commercial ships for the Ready Reserve Force. Force projection funding continues to emphasize the need to expand amphibious shipping capabilities. Two LSD-41 class landing ship docks are recommended for procurement as well as advance procurement for the second LHD-1 assault ship.

With respect to strategic programs, the committee continued to support the modernization program and the recommendation of the Scowcroft Commission regarding the important linkage between modernization and arms control as well as the long overdue requirements to upgrade our strategic command control and communications. The fiscal year 1985 request represented the peak funding year for strategic programs as a percent of the DOD total, and yet this percentage represents only about 14 percent of the Department of Defense total.

The committee recommended an authorization for procurement of 21 Peacekeeper (MX) missiles, a reduction of 19 missiles and $555 million from the original request. This action was taken in view of budgetary constraints, and the need to maintain strong bipartisan support for this important program. Procurement of Peacekeeper missiles, without the restrictions that have been the focus of House debate, is viewed by the committee as essential to our strategic arms negotiating efforts. We must not reward the Soviets for their unwillingness to negotiate by unilateral reductions and restraints on U.S. strategic programs, particularly the MX. The committee also endorsed most of the Air Force's plans for the small ICBM programs and for related survivable basing efforts.

The two-bomber approach to the modernization of our strategic bomber force continued to have the strong support of the committee. All funds for B-1B research and development, procurement of 34 B-1B bombers, and B-1B advance procurement was recommended for authorization, as was the full amount requested for the advanced technology bomber. Included in the bill is language that restricts the use of fiscal year 1985 funds for research and other activities associated with more than 100 B-1B bombers, or their derivatives.

The committee strongly supported the thrust of the President's strategic defense initiative, with its goal of moving away from our current sole reliance on offensive retaliation for deterrance. especially in view of the Soviet efforts to expand their antiballistic missiles capabilities. The committee believes that further reductions in this program, beyond the $150 million already recommended by the committee because of budgetary considerations, would have the effect of curtailing programs that have enjoyed the bipartisan support of Congress in past years, and are essential on their own merits, quite aside from their application to the President's strategic defense initiative.

The committee recommended authorization of the full amount requested for the U.S. antisatellite system. In addition, the committee endorsed language that modified the Tsongas amendment passed last year while retaining the important linkage between arms control and the continued testing and development of the U.S. Asat miniature homing vehicles. The committee received much testimony this year regarding Asat verification and Asat definition issues that changed considerably the basis on which the Tsongas amendment had enjoyed widespread support.

The committee reluctantly deleted all production funds requested for chemical weapon components and related production facilities in recognition of the political reality that in an election year, it is unlikely that the Congress would be willing to take a favorable position on this critically important issue.

In the areas of preparedness, the committee is recommending real growth of approximately 6.5 percent in operation and maintenance over the fiscal year 1984 program. The committee approved the expanded flying-hour and training programs contained in the February request, and rejected proposed reductions in the Army's ammunition program. Of the $2.5 billion recommended for reduction in O&M, approximately 35 percent is related to pricing changes in foreign currency and fuel which will have little if any impact on preparedness programs.

In manpower and personnel, the committee approved a military pay raise of 4 percent except for E-1's with less than 4 months of active duty whose pay would not be increased. The committee recommended a reduction of just over 10,000 active duty personnel from the February request of about 2.2 million, but authorized an increase of more than 44,000 in the Selected Reserves. The committee also recommends the extension of enlistment and reenlistment bonuses through fiscal year 1986.

With regard to military construction, which is found in title II of the bill, the committee has recommended a reduction of $1.2 billion from a request of $10.5 billion. In so doing, many justified construction projects have been deferred but this is inevitable when reductions of this magnitude are necessary.

Title III contains the authorization for those defense programs conducted by the Department of Energy. These programs, for the most part, deal with R&D and production of nuclear weapons. Reductions of $461 million are recommended from a budget request of $7.8 billion. In a significant provision the bill will require the Department of Defense to budget for these programs and to reimburse the Department of Energy which will continue to execute the programs just as they do now. The purpose of this provision is to build increased cost discipline into the warhead programing process.

Finally, Mr. President, the committee has also incorporated a number of provisions relating to defense procurement. These provisons are intended to improve the acquisition process of the Department. The committee has recommended changes to the present warranties law, has proposed a number of actions intended to address the spare parts problem and has required that program managers serve for at least 4 years. The Congress has been quite active in this area over the past 2 years and I would urge my colleagues to review the committee report to familiarize themselves with these recommendations.

I believe I speak for those members of the committee on both sides of the aisle in urging restraint against further amendments in this area. We do not need more legislation. Indeed, Congress itself is the cause of much of the bureaucratic inefficiencies about which we so often complain.

Mr. President, the consideration of this and other authorization bills has once again been delayed while the Senate wrestled with overall budget packages. There are not many legislative days remaining in this session. We must now act on this bill in order to allow the appropriation bills to proceed.

I hope we can complete this bill by Thursday night of next week, and I intend to do everything I can to expedite matters on the floor, to try to complete action by that time, so that we have enough time remaining to go to conference with the House and get a bill to the President by the Fourth of July recess.

It has been outrageous, unexplainable, and an all too common happening that Congress has been unable to complete its work in a timely fashion, and I fear that we are destined for yet another continuing resolution with all of its inefficiencies. This simply validates the need for substantial congressional reform which I have suggested on other occasions, and which I believe my distinguished colleague, the ranking minority member, also has suggested rather strongly. I think he and I are tuned to the same frequency on many of these suggestions.

Given the House bill that passed just last week, I can already anticipate that a difficult conference lies ahead. Chairman PRICE and I are determined to make every effort to complete conference on the defense authorization bills before the Fourth of July recess. So I reemphasize, Mr. President, that this means that the Senate must move quickly in its consideration of the bill.

This is an election year, and we can expect many amendments; but I urge my colleagues who may wish to offer amendments to consider them very carefully. If they must offer amendments, they should offer them as soon as possible so that we may proceed in an orderly fashion with this bill and with other vital Senate business that awaits the disposition of this bill.

Mr. President, at this time, I yield the floor, and I suggest that the Chair recognize the distinguished ranking minority member, Senator NUNN, who, together with his staff and very capable minority staff director, Arnold Punaro, has been a pleasure to work with. Senator NUNN is thoughtful, knowledgeable, asks all the right questions, and, most important, tends to avoid the natural tendency toward partisanship, which he and I agree should have no place in important matters of national security and foreign policy.

Mr. NUNN. Mr. President, first, I congratulate the chairman of the committee on doing a very thorough job in presenting this bill to the Senate, including not only the presentation of the bill but also the hearings which have been conducted at the subcommittee level and the full committee level, with full cooperation flowing from the majority to the minority. We are grateful for that cooperation, and we hope we have reciprocated. We intend to reciprocate.

I certainly endorse the view of the Senator from Texas that we need to make every effort to eliminate partisanship in the defense arena so far as humanly possible. We have tried to do that on the minority side, and we will continue to do that.

I note that this is Chairman TOWER's final authorization bill that he will be presenting to the Senate, at least on this side of the river. What the future may hold for him, I do not know, but I submit that he has the background and knowledge that are indispensable in the defense arena. I hope that, whatever the future holds when he retires, at the end of this session, he will continue to involve himself in the defense arena and our foreign policy arena as well as in the overall involvement of every aspect of government, because his talent, wisdom, and experience are indeed national assets. I will have more to say about Chairman TOWER as the bill continues.

We will certainly find ourselves in agreement on a number of issues, and I am sure we will inevitably find ourselves in disagreement on some. But I am proud to have served as the ranking minority member, and I thank Senator TOWER for his courtesies and his consideration. I also thank Jim McGovern and all the capable staff on the majority side for their splendid cooperation. I might note at the outset that the majority and minority staffs, primarily the majority staff, have done an extraordinary job in the whole area of defense reorganization. I am sure we will have a debate on that matter this week or next week. I understand that Senator EAGLETON has an amendment on that. It is an enormously complex but very important problem.

Senator TOWER and I have tried to work together in this area. We have succeeded so far. I hope we will be able, during this year, to conclude and present to our colleagues, a joint bill for their consideration.

We may get to some of these issues during this bill, but again, I wish to congratulate the majority staff for a splendid job of pointing out the various options in this area, not only in the area of the Joint Chiefs, but also in the whole area of defense, Defense Department itself, the organization the chain of command, the procurement area, the budgeting area, the very important link between the Joint Chiefs and the Department of Defense, and our commanders and chiefs out in the field who basically run our military forces on a joint basis.

All of these have been addressed and I think that product will serve us well while we are deliberating both on this bill and in conference as well as hopefully later this year on a bill that would address just this subject.

Mr. President, I am pleased to join my colleague, the distinguished chairman of the Senate Armed Services Committee, Senator TOWER, in bringing the Omnibus Defense Authorization Act for fiscal year 1985 to the floor.

This bill provides authorization for most all of the major functions under the jurisdiction of our committee, to include the Department of Defense, the Department of Energy nuclear weapons programs, and the annual military construction budget.

The committee has followed the practice of previous years in presenting this bill and has marked the authorization for budget function 050 to that level approved by the Senate at the time of our markup. At this point, the Senate has approved a budget resolution number of approximately $299 billion. The Congressional Budget Office has indicated that the bill we will be debating on the floor comes very close to meeting this target when all the various elements are considered. From the outset this year, the committee had a goal of providing a bill that came as close to the budget resolution number as possible. I recognize that the budget conference is just getting underway and that there may be a different first resolution budget number available within the next several weeks. However, there are considerable uncertainties associated with this prospect. Should a final number become available, I believe there are a number of ways that the defense bill being debated at this time can be adjusted, from a committee amendment to adjusting to the House version in conference which is at this time over $5 billion lower than the authorization bill we are presenting to the Senate for deliberation.

I personally believe that it is important that the authorization bills, although technically perhaps not bound by the budget authority targets in the budget resolution, depending upon the interpretation, nevertheless, that they should conform as closely as possible to that number.

As the major policy bill relating to our national security, it is also important that this bill be passed and enacted in law as soon as possible, as Chairman TOWER has already pointed out. It is because of the compressed nature of the remaining weeks in the legislative schedule during this election year and convention year and the fact that we must go to conference with the House of Representatives which has just passed a bill with significant differences. It is for those reasons that we need to move this bill through the Senate as soon as we can, given the complexity of the bill. I know it is going to take several days of debate. I do not think we should shortcut that debate.

But I do join the chairman in his hope that we will be able to conclude the bill certainly by the end of next week.

The chairman has provided a significant amount of detail on the contents of the bill, and I will not attempt to duplicate what he has already covered. I would, however, like to provide my views on some of the highlights and some of the trends in the defense area.

In the bill we are reporting today, the overall reduction in operation and maintenance recommended by the committee is less than the O&M reduction included in the President's Rose Garden compromise list of budget reductions, and I find that a positive contribution by the committee. The President's budget reductions included cuts in some very important conventional munitions programs, army training ammunition, the Air Force's combined effects munition, the TOW 2 missile, and the Hellfire missile, which the committee did not accept.

The committee was also able to avoid making some of the O&M reductions recommended in the President's Rose Garden compromise that would have had the most direct impact on readiness. For example, the committee did not adopt the reductions proposed by the President for the Air Force and Navy flying-hour programs, for the deferral of an overhaul on a strategic nuclear submarine, for certain Army logistics programs, or for deactivation of the Army National Guard Roland air defense unit.

If the ultimate level of defense spending for fiscal year 1985 is lower than the level contained in this bill—as it almost certainly will be—I hope Congress will continue to make an effort to balance any further reductions so that readiness and sustainability do not take a disproportionate share of the cuts.

In the nuclear area, I continue to believe that the defense budgets of the last several years have a heavy overemphasis on nuclear programs. This must be an increasing concern as the budget levels are now being reduced and the strategic programs are being fenced more than any other part of the defense bill.

I wish to highlight one action in this area taken by the committee, and that is the full support of the needed funding to keep the advanced technology bomber and the advanced cruise missile on track and on schedule. These very important high-leveraged military programs are under increasing pressure because they are a part of an overall strategic package that is obviously larger than this size defense budget can sustain and maintain a balanced program.

These are the programs that are under pressure. The House of Representatives has made certain cuts in this arena, and I am delighted that the committee rejected those cuts. I hope we will continue that position in conference.

This bill does make it clear that the committee intends that these programs go forward on the planned schedule and that they enjoy and receive a very high priority in the overall strategic modernization program.

I know that Senator ROBERT BYRD from West Virginia, our minority leader, is very interested in these programs and I am certain that he and I and Chairman TOWER will have a dialog before this bill is concluded pointing out what has been done in this arena as well as what the House of Representatives has done.

In the conventional area there are several actions of note. In terms of the key joint programs needed to improve conventional capability in NATO, I know the committee was concerned about the slow pace of the efforts on the joint tactical missile program, the joint target and attack radar system, and the joint tactical fusion program. These programs are needed to support the key goal of detecting, delaying, and, if necessary, destroying Soviet follow-on forces in the event of a Warsaw Pact attack on NATO. Only the joint tactical fusion program appears to be moving forward with any sense of purpose and dedication.

The JSTARS programs have been beset by problems, not with the radar itself, but rather with the selection of the aircraft to carry it aloft. The Army and the Air Force, however, have recently come to a decision to merge their requirements and to use the same platform. The committee now hopes and expects that they will now move out smartly on this program.

No such agreement has been forthcoming on the joint tactical missile. Nearly 2 years has elapsed since the assault breaker technology demonstration program showed the potential of ballistic missiles with smart submunitions to attack vehicles at a distance. Despite overwhelming congressional support, despite DOD prodding, despite authorization and appropriation of substantial sums, the Army and the Air Force have been dragging their feet. In this bill, we have attempted to resolve problem areas and provided for a trial separation for the Army and Air Force rather than requiring that all elements be completely joint and identical.

I believe the committee has given both the Army and the Air Force the latitude they need to pursue their own unique requirements. However, this bill serves notice to both services the committee feels there has been too much footdragging on improved conventional capabilities.

I believe the committee has dealt with the joint programs fairly and realistically; we have given the services latitude to proceed down the paths they want to follow, and we will now closely monitor how vigorously they will travel down these paths.

I also note one action taken by the committee in the manpower area. The fiscal year 1984 Defense Authorization Act mandated a 5-percent reduction in the level of management headquarters staffing in the Department. The committee's review found that the implementation of this reduction by the Defense Department was somewhat uneven and using my own words halfhearted.

In order to keep the pressure on the Defense Department to reduce unnecessary overhead functions and to increase the number of personnel in actual operating activities at the expense of administrative activities, the committee bill recommended another 5-percent reduction in management headquarter staffing from the level contained in the President's fiscal year 1985 budget request.

We should also note the major effort and initiatives by the committee in the defense procurement area. I commend Chairman TOWER for organizing an ad hoc task force on procurement which was headed up by Senators DAN QUAYLE, on the Republican side, and CARL LEVIN, on the Democratic side. This task force spent untold hours in any number of hearings looking at some of the key procurement issues before Congress to include warranties, small business involvement in procurement, spare parts, and how DOD reports to Congress on procurement matters. The committee has acted in many of these areas and has incorporated a number of key changes in this bill which are highlighted in our report.

I also point out a provision in the bill that requires a mandatory tour length for defense program managers of major weapons systems.

This is a provision I sponsored, together with my colleague from Virginia, who is here in the Chamber, and we take note of his successful landing in Normandy and his successful return to

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the States with great pleasure. Senator WARNER and myself think this is a very important provision. We have found a number of problems in the very short tour and very rapid turnover for those military officers who are in charge of procuring major defense systems such as our ships, planes, tanks, and missiles. It would also require that the senior military officers heading up the major procurement commands such as the Air Force Systems Command and the Navy Material and Readiness Command would also have 4-year tours. One of the key problems we have noted over the years is the turbulence in the procurement business caused by the rapid turnover of personnel.

The committee received testimony this year that the average tenure of program managers for the Army's current selected acquisition report (SAR) systems is 2.2 years; for the Air Force's current SAR systems, 2.3 years; and for the Navy's current SAR systems, 3 years. I believe the minimum tour lengths mandated by the committee will help bring stability and accountability to the defense acquisition process.

I continue to have concerns about the overall trends in the defense budget.

When the committee began its hearing cycle back in February, I raised several questions that I felt the committee should pose prior to reaching any final decisions on this year's defense budget.

I raised the question of what the Defense Department has done with the large increases in funding it has received since fiscal year 1980. From fiscal year 1980 through fiscal year 1984, DOD's budget authority has increased by about $116 billion, for a real growth in budget authority of approximately 40 percent.

There is no doubt that, as General Vessey has stated—"We have a more capable and more ready force than we did 3 years ago." The real question in my mind is whether the overall improvements in capability and readiness have been commensurate with the significant increases in funding. For example:

There has been little significant change in the size of our force structure over the last 3 years.

Increased funding for munitions and spare parts has improved the sustainability of our forces in the last 3 years, but in many areas we are still less than half way toward achieving our near-term sustainability objective. Dr. Larry Korb, the Assistant Secretary of Manpower, Installations and Logistics, said earlier this year that "the forces assigned to our unified commanders are not as sustainable as they should be and will not be for the foreseeable future." Dr. Korb went on to say that he was "not satisfied that an ideal balance has been reached" between weapons production on the one hand and the ammunition and secondary item war reserves essential to sustainability on the other hand. I agree with Dr. Korb's assessment. The committee in this bill has attempted not to exacerbate this problem.

The question of whether our forces are more ready than they were in 1980 has gotten a lot of attention. Let me say that there is no doubt in my mind that our forces today have fewer deficiencies in readiness than they did 3 years ago. The Department of Defense has recently completed a major study for our committee in this area, and it points out the many areas of substantial improvement. However, even with this, the readiness picture across all of the military services today is a mixed bag. Some readiness measures and indicators show steady improvement over the last 3 years, others show little or no improvement, and some indicators have actually declined.

In summary, I believe the jury is still out on the question of whether the overall improvement in our military capability has been commensurate with the increases in funding, and whether that funding has been applied in a balanced way.

Another question which continues to concern me, is the question of relative priorities within the defense budget. If present trends continue, we are going to continue procurement of strategic nuclear systems at the expense of our convention capability, and we will not strike the right balance between procurement of new weapons systems and funding for the readiness and sustainability of our forces today. Let me just cite a few trends based on our hearings and on DOD figures which lead me to this conclusion.

The area of largest growth in the defense budget has been strategic forces. From fiscal years 1981-84, the portion of the defense budget allocated to strategic forces has experienced average annual real growth of 27 percent, compared to 8.5 percent for general purpose forces, and 9 percent for the defense budget as a whole. This is a cumulative real growth of 81 percent.

I should point out that this 27 percent figure does not take into account the 15.5 percent average annual real growth in the Department of Energy nuclear weapons budget, or the substantial amounts of money in R&D for weapons life the B-1, MX and the strategic defense initiatives, nor does it include theater nuclear forces.

In fiscal year 1981, procurement for strategic forces accounted for 10 percent of the procurement budget. By fiscal year 1984, strategic forces accounted for almost 19 percent of the procurement budget, a 90 percent increase.

Many of us are concerned that spending for some of the current strategic programs, especially as the budget is reduced, is crowding out spending for conventional improvements, readiness, sustainability and the highly classified advanced technology programs, particularly some that are highly classified. I remain concerned about recent efforts by the Air Force to cancel or cut back some of these promising advanced technology programs. This action has been turned around by Secretary Weinberger and this committee, but it does signal the problems in this area. And we will have some very hard, tough problems in conference in this area with the House.

Finally, regarding the relative allocation between procurement and operating costs, the average annual real growth in procurement as a whole between fiscal years 1981-84 has been 17 percent, compared to only 6 percent for operations and maintenance.

I also posed the question in February about whether any meaningful improvements in defense capability, strategy formulation, and prioritization of resources were possible without some reorganization of the Department of Defense, and I should add the congressional procedures as well. I have already complimented Chairman TOWER and the staff of the Armed Services Committee for completing a major study on the current organization of the Defense Department. The staff worked extremely hard on this project while keeping up with the committee's large workload. Again, I pledge my continued support and cooperation to the chairman in pursuing the issue of DOD reorganization which he very appropriately got underway. I know that the House has added some reform provisions to their bill, and I expect that Senators will want to discuss this issue with us while our bill is on the floor.

In conclusion, Mr. President, I would be remiss if I did not note that this will be Chairman TOWER's final defense authorization bill presented to the Senate. I have served on the committee for only about one-half of his 24 years of dedicated service. In my view, this body owes him an unpayable debt of gratitude for his years of leadership and efforts to insure this country had the national security it needs to deter aggression and to protect our vital interests.

He is truly deserving of all the accolades coming his way, and more, as he closes out his Senate career. I am hopeful and confident that this expertise and leadership will not be lost.

Mr. TOWER. Mr. President, I wish to thank my distinguished friend and colleague, Senator NUNN, for his very generous remarks about me. I hope that all of my colleagues will have the same sense of approbation once we have completed action on this bill and on the appropriations measure.

But I would like to say that it is sort of nice to be able to hear these nice things about one's self in the Senate. It is almost like having the privilege of reading your own obituary, but I hope that that final note will not be written for some years yet, even though I am leaving the Senate.

Mr. GOLDWATER. Mr. President, I would first like to commend my colleagues on the Committee on Armed Services for their thorough and expeditious consideration of the bill. I wish to give special recognition to the very important contributions made by the staff, both the majority staff and the minority staff, and also especially to the ranking member of the Tactical Warfare Subcommittee, Senator TED KENNEDY. Since joining the committee, Senator KENNEDY has become one of our most effective advocates for the modernization of our conventional forces. I sincerely appreciate Senator KENNEDY's support in these efforts—it has been a genuine pleasure working with him on the subcommittee.

Mr. President, I direct my next remarks to the distinguished chairman of the Senate Armed Services Committee, Senator JOHN TOWER. This is, of course, the last defense authorization bill that will benefit from his extraordinary leadership as the committee chairman. This is not the time for a lengthy eulogy praising his contributions to the work of the Senate, or his untiring efforts on behalf of our national defense for the past 24 years—there will be other opportunities for that. Today I will simply say that during the past 31 years that I have been in the Senate I have seen a great many very capable chairmen, but none more able or effective than the distinguished Senator from Texas. I think, without question, he is the very best. I might add, Mr. President, although there is a lot of question of what I might have contributed to this group during my stay, I personally would choose as the shining example the small amount of help I was able to contribute to the election of JOHN TOWER of Texas.

Mr. President, our deliberations over the defense authorization bill have been careful and thorough. I believe this bill represents a proper balance of our defense expenditures among the requirements for tactical and strategic modernization, readiness and sustainability, research and development, and manpower initiatives. This bill does not, however, accomplish everything that needs to be done—but, in the face of current budgetary constraints, it does represent a proper balance.

Wherever practical, we have maintained the production rates for tactical systems at levels equal to or greater than those achieved last year. In many cases, we rejected the administration's recommendations to reduce production rates—as proposed in the budget revision, in order to avoid the inefficiencies and cost penalties associated with program stretchouts. For example, as the chairman has already noted in the case of the Army, we have recommended a procurement rate of 144 AH-64 Apache helicopters—as originally requested—rather than the revised proposal of 112. In the case of the M-1 tank, the revised budget proposed to procure 600 tanks, we have recommended a level of 720. For the Navy, we have recommended approval of the administration's request to procure 84 F/A-18's and a total of 203 other Navy aircraft.

For the Air Force, we have recommended the procurement of 150 F-16's and 42 F-15's, six fewer than requested by the administration.

Mr. President, this bill represents a significant contribution to our efforts to rebuild America's defenses but, Mr. President, we still have a long way to go. But we are making good progress. Today's military services are better manned, better equipped, better trained, and better led than they have ever been.

Mr. President, I want to emphasize that. I have spent almost my entire life exposed to the military. I can say without any question in my mind that I have never seen this country better prepared for the eventuality of war, or a more universal feeling amongst the military that there are better answers to our problems than war. But to assure the American people contrary to some of the distortions practiced by our media, both printed and TV and radio, I make the flat statement that this country has never been as well prepared as it is today, even though in many categories by potential enemies we are outnumbered in tactical equipment, strategic equipment, and particularly in naval equipment.

But, Mr. President, what very few people realize, which was brought home to us in the last week by the 40th observance of the landing at Normandy, is the fact that one American military man in my opinion is equal to 10 of any other nation. American men do not have to be led. They are guided by purpose. They are guided by their patriotism and their loyalty to their country.

In that connection, Mr. President, in closing I have just read a very interesting article in the Military Review, which is the professional journal of the U.S. Army, paying recognition to the fact that in essence war has changed. We have not changed the basic concepts, though, of Clausewizt, nor Wellington, nor Napoleon, nor the developments of some of our great generals, but we have recognized that any future war is going to require decisions made even down to the level of the lowest noncommissioned officers. We are going to have to increase and place more emphasis upon our military academies, upon our schools where our noncommissioned officers are trained, because we will see decisions being made, if we ever have to go to war, by men who have never before been expected to be in that position.

I am particularly concerned about this because we still have a tendency in our country—somewhat in our military—to cling to the concept that we are going to fight a future war, if we are going to fight a future war—if we have to—pretty much on the same bases as our last wars or wars in the history have been concerned. This article is the result of a comment on the New Army Field Manual, (FM) 100-5 any anybody who has ever served in the infantry can remember (FM) 100-5. It is probably the most confusing bit of writing ever done. But this has been completely rewritten. I ask unanimous consent that the article as I have marked appear in the RECORD at this point in my remarks.

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

PRESENT WARTIME TRAINING AND EDUCATION REQUIREMENTS

One by-product of the recent revision of Field Manual (FM) 100-5, Operations, was a better appreciation of what the combat competency of battle leaders must be. It is clear that Airland Battle doctrine cannot be executed by Army leaders who do not understand the human dimension of combat, are not trained in the proper employment of modern hardware and systems, and are not educated to employ them with sound judgment.

ROLE OF LEADERSHIP IN BATTLE

Studies associated with the development of the new FM 100-5 show that the outcome of battle is as often determined by differences in intangible factors—such as leadership, courage, skill and unit cohesion—as by numbers and mechanical factors. In the FM, it states:

The appropriate combination of maneuver, firepower and protection by a skillful leader within a sound operational plan will turn combat potential into actual combat power.

Leadership provides purpose, direction, and motivation in combat. . . . While leadership requirements differ from squad to echelons above corps, leaders must be men of character; they must know and understand soldiers and the physical tools of battle; and they must act with courage and conviction. The primary function of leadership is to inspire and to motivate soldiers to do difficult things in trying circumstances.

Leaders must set the preconditions for winning.

As battle becomes more complex and unpredictable, decisionmaking must become more decentralized. Thus, all echelons of command will have to issue mission orders. Doing so will require leaders to exercise initiative, resourcefulness, and imagination—and to take risks.

FM 100-5 appropriately recognizes the crucial role of all leaders on the modern battlefield. Leadership has always been crucial. But there was a time in the history of war when a few outstanding leaders could single-handedly affect the behavior of many. Picture the 1st Duke of Wellington at the Battle of Waterloo personally encouraging his troops, and remember the difference Napoleon Bonaparte's presence made in the performance of his soldiers. Soldiers still need that kind of leadership except that the compartmented nature of modern war demands many and much more junior Wellingtons and Napoleons.

The requirements for dispersal and rapid concentrations, for high-speed attacks and for resolute defenses by scattered smaller units place much more emphasis on lower level leadership. We should recall that General S. L. A. Marshall's studies of the US Army in World war II and Korea revealed that a large number of soldiers became passive and ceased to fight when leaders could not or would not lead in person. The degrees of dispersion required today compared to then will increase this leadership challenge. Also, as units become more capital intensive—more heavy weapons per soldier—we must rely more heavily on the individual battlefield contribution of each fighting man. For these reasons, the quality of leadership at all levels may be the *sine qua non* on the next battlefield.

NEW AND UNIQUE BATTLEFIELD CONDITIONS

The conditions of modern battle differ vastly from those of earlier wars. These new conditions are described succinctly in the new FM 100-5. We must be prepared to fight campaigns of considerable movement, complemented by intense volumes of fire and complicated by increasingly sophisticated and lethal weapons used over large areas. Air and ground maneuver forces; conventional, nuclear and chemical fires; unconventional warfare; active reconnaissance, surveillance and target acquisition efforts; and electronic warfare will be directed against the forward and rear areas of both combatants.

Such conditions are difficult to replicate short of actual combat against a major power. Neither field training exercises nor simulation-based command post exercises can acquaint us with all dimensions of modern battle. The full impact of these conditions, taken together, are difficult to imagine, much less to understand. But their study is imperative. In the next war, the advantage will go to the side which has best thought through the implications of such battlefield conditions and best prepared its force to deal with them. It is difficult to say which of the following characteristics of modern battle will prove to be the greatest challenge:

Opposing forces will rarely fight along orderly, distinct lines. Massive troop concentrations or immensely destructive fires will make some penetrations by both combatants nearly inevitable. This means that linear warfare will most often be a temporary condition, at best, and that distinctions between forward and rear areas will be blurred.

To fight and win under modern conditions, commanders and staffs must rapidly concentrate potent modern ground and air units at the decisive point from dispersed locations and disperse them again to avoid lethal counterstrikes.

They must understand the capabilities and employment of complex surveillance, target acquisition and communications systems and their implications for both combatants.

Nuclear weapons are proliferating to more and more potential adversaries. Our principal adversary, the Soviet Union, is likely to use such weapons in any major confrontation with the Western powers. This likelihood alone means that operations which ignore the effects of these weapons on battlefield schemes can no longer be conducted.

The growing number of nations which can employ and are apparently willing to use chemical weapons forces us to face the stark realities of combat on a battlefield where chemical weapons have been used or are likely to be deployed. Commanders and staffs must understand chemical protective measures and countermeasures and the impact chemical weapons will have on military operations.

Electronic warfare, the vulnerability of command and control facilities and mobile combat will demand resiliency and flexibility of command and control means and methods and extreme resourcefulness of commanders and staffs at all levels.

As combat in builtup areas becomes more unavoidable in Europe and combat in vast arid regions over extended frontages becomes more probable, new and different demands are placed on the skill, training and education of officers to deal with these environments.

Mr. GOLDWATER. Mr. President, I close by urging my colleagues to put aside partisan interests, and make sure that this country continues to make the progress it has to make in order that we may keep peace in this world by providing the strength by which peace is kept.

I yield the floor and thank the chairman.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I wish to join my distinguished colleagues today in extending a most appropriate commendation to our chairman, Senator TOWER, and the ranking member, Mr. NUNN; and, also observe the absence on the floor of the late Senator Jackson who played throughout my brief tenure in the Senate a critical role in all of these debates.

In the forthcoming debate on this bill, Mr. President, I perceive the battleground being in the strategic area as raised by the chairman and the ranking member.

I should at this time like to express my appreciation to the ranking minority Member, Mr. EXON, for his work through many, many long hours of hearings on the strategic section of this authorization bill.

Mr. President, I will enter into colloquy with the ranking member of the committee shortly.

The question that I want to raise with Mr. NUNN relates to the statements on his opening remarks contained on page 11 in which he cites the historic growth of the strategic budget. I will accord him the courtesy, Mr. Chairman, of returning to the floor before I continue.

I yield to the distinguished Senator from Texas.

Mr. TOWER. Mr. President, it is my understanding that probably the first amendment to be considered will be one offered by Senator HOLLINGS to express the sense of the Senate that the present requirement for fiscal year 1983, 1984, and 1985, Federal retirees, including military retirees, who are under age 62, is that they shall receive only one-half of the cost of living adjustment as do those of retirees 62 or older.

It is my understanding he is prepared to offer that amendment in a few minutes. I expect there will be a record vote on that amendment. I think within the next hour or so we can expect a record vote.

I will serve notice on my colleagues that that is likely to occur.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WARNER. 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. WARNER. Mr. President, the distinguished ranking member of the committee, Mr. NUNN, has returned to the floor. I would like to engage with him in a brief colloquy with respect to his observations on page 11 of his statement just provided to the Senate.

This historical review of the growth in the strategic portion of this budget I believe to be accurate. But I do believe that we have an obligation to point out to our colleagues that the peaking of the request for strategic funds in fiscal year 1985 comes about as a result of many program initiated, under previous administrations. For example, for the MX program, while we have had changing views with respect to the basing mode, nevertheless the missile and the larger parts of that budget for the MX were initiated under a previous administration.

Also the Trident submarine, another substantial part of the strategic, long-range program, has been carried through by several administrations. I am referring to the justification for the modernization of the sea leg.

On the B-1 program, I believe the B-1 was entirely the initiative of President Reagan.

In the strategic defense initiative program, as referred to by President Reagan, if you trace back many of those programs, they likewise were initiated under previous administrations. While the figures are classified and we are not at liberty to discuss them here today, I think once debate is engaged on that subject, we can show that parts of that budget item were initiated under the previous administration.

Then we proceed to the ATB. Senator NUNN pointed out that he and I joined together to restore cuts proposed by the House in their bill, but, again, that program originated in the previous administration.

For fear that there might be a misunderstanding—and I do not suggest that the ranking member in any way suggests that in his statement—this is not a political or a Reagan problem; this is a problem that has been generating for a long time. This Nation determined during the 1970's that our overall strategic posture was adequate and we did not need to proceed with modernization programs of any great consequence.

In sharp contrast, the Soviet union initiated an enormous modernization program. It is that Soviet program that we are now endeavoring, as a nation, to regain some parity with as we enter the next century.

It is my view that the battleground, as I said, with respect to this bill will be fought in the strategic area.

I have the tentative list of amendments before me and there are a number of amendments relating to the strategic program.

Therefore, I ask my distinguished colleague from Georgia whether or not he concurs with my observation, that the purpose of his important historical recitation on pages 11 and 12 was not for the purpose of just informing the Senate or indicating that he has any desire to cut substantial dollars from the fiscal year 1985 program. Senator NUNN and I, together with Senator EXON, recommended to our colleagues a reduction in the program for the MX missile from the administration request of 40 down to 21, the concept being that we would provide the President with essentially the same package on the MX that the President received from the Congress last year, enabling the President, hopefully, to return to the negotiating table with the Soviets, assuming his reelection, or, indeed, another President, and that that would give them a stronger posture at that negotiating table.

I yield to my colleague, Mr. President.

(Mr. KASTEN assumed the chair.)

Mr. NUNN. My colleague, the Senator from Virginia, is correct, I believe, in his analysis. I do not disagree with anything he has said.

I might note that I believe the Senator from Virginia was in the meeting on May 3 when Secretary Weinberger spoke contrary to the very accurate description of the Senator from Virginia as to what was going on before this administration took over in the areas of strategic programs, including the MX, which started previous to this administration, the Trident, the cruise missile, many elements of the strategic defense initiative, and the advance technical bomber, all of those starting earlier.

It was interesting when Secretary Weinberger said that nothing was happening in this strategic area until this administration came in in 1981. I gasped when I heard that.

The Senator is correct and the Secretary of Defense was wrong. He unfortunately did not correct his statement of that day. It still stays on the record. I would hope at some later date he would correct it because it is so obviously inaccurate.

Mr. WARNER. If the Senator will yield, the Senator from Georgia is quite correct. He picked up on Secretary Weinberger's statements, laying the blame entirely or almost entirely on the previous administration. The Senator is correct in that, and I support the Senator in his views.

Mr. NUNN. The important thing here is it is not a question of which program is a Carter program or a Reagan program or a Nixon program or a Ford program. They are all U.S. programs and we have to decide how to balance them and what to do with them. In fact, a number of these programs the Senator has listed in fact did not start under the Carter administration but under previous Republican administrations. We have to look at defense over a long period of time. The increasing effort to isolate it over 2 or 3 years and compare a 4-year program to another 4-year program is very dangerous territory and has the danger of being misleading.

I would add two things to the Senator's remarks. There are a couple of areas here. For instance, the B-1 program has been inserted in this administration, as the Senator pointed out. That is not an insignificant amount of money. That is about a $20 billion program. I am not here to argue the merits one way or another of the B-1 at this point in the debate. I do believe, though, when the administration came into office and they put that new program in, in addition to all of the other ongoing initiatives which we have talked about in the strategic arena, they should have taken a look at what had to come out in order to accommodate that.

I also would say the administration has projected the strategic program as a percent of the overall defense budget based on a very robust growth in the defense budget that was their wish but is not going to be reality. I think the Senator from Virginia will agree that we are going to be fortunate over the next 3 or 4 years to have a real growth in the neighborhood of 4 or 5 percent, somewhere in that range. I think we have to take a fresh look at this because with a 10- or 12-percent growth, the percentage that these programs will consume of the defense budget may be acceptable, maybe, but with a 4- or 5-percent growth it may be too much of an impact on readiness of conventional forces and sustainability.

One other area we have to take a close look at is in the strategic defense initiative, even though most of this initiative had started before the President's speech. I may be wrong on this figure, but it is my recollection that the President's budget submission this year called for a very, very large increase. I do not know whether it was 70 percent, but it was a very large increase in the so-called SDI area. I think while we support that—the committee supported it—the committee did cut, I believe, $150 million out of that, and I think the House has cut $400 million out.

Mr. WARNER. The Senator is correct.

Mr. NUNN. I imagine we will have amendments on the floor so these issues will be joined.

In short answer to the Senator's recitation, I agree with his historical recitation. I believe these figures have to be looked at over a long period of time. Most of them had started in earlier administrations.

Mr. WARNER. Also, Mr. President, I bring to the attention of the distinguished Senator the fact that I had the privilege of attending the services in Normandy with the President and others, an occasion that I will long remember. But in a concentrated study that I performed of that historic moment, D-day, and watching a drop of the paratroopers, I was reminded that the United States, together with its allies, flew thousands upon thousands of bomber missions in preparation for that assault.

We pray to the good Lord that we will never as a nation or as a world be involved in a conflagration of that magnitude again. But those who continue to look at the B-1 program are building 100 aircraft and the B-1 has a role, which the Senator from Georgia knows only too well, in conventional preparedness of this Nation.

We are going to have 100 airplanes as opposed to—I shall get the actual number. I know at one time we had, I believe, 8,000 B-17's and a comparable number of B-24's and B-25's. We were dealing in the multiples of thousands of airplanes.

Mr. NUNN. The problem, I might add, Mr. President, is that the 100 aircraft we are building with the B-1 program cost the same as those thousands cost in the old days. That is an area the Senator from Arizona (Mr. GOLDWATER) has spoken to very often. It is a challenge to all of us to know how we are going to compete, both in the quality game and the numbers game. That is becoming increasingly difficult.

Mr. WARNER. Americans should understand that our bombers in the multiples of thousand were necessary to prepare for that engagement. In addition, we have a B-52 force of about 260 planes that are a quarter of a century old. While they can still perform some missions in the case of a conventional deterrent, which we may be called upon to perform, the overall bomber force is composed of aged B-52's.

So our defense rests on the B-1, the MX, Trident, and the advanced technology bomber. I note the distinguished minority leader (Mr. BYRD) is apparently going to offer an amendment, I presume, to corroborate what the Senator from Georgia and I did in the various markup sessions.

Mr. NUNN. That is correct. I think the Senator wants to strengthen the position so we will go in very tough in the conference on the ATB and I look forward to it.

Mr. WARNER. I agree with the minority leader on that subject. I just do not want to leave the impression with our colleagues that there is a surplus of funds in the strategic account that the Senator from Georgia and I and others have not looked at very carefully to try to remove any surplus, to the best of our collective judgments.

While we must address the balance between the strategic defense expenditures versus the conventional expenditures, these are the programs that have been in existence for a substantial amount of time. A great deal of thought has gone into it, and I do not think it is a fertile time for substantial cuts.

Again, I note the presence on the floor of the distinguished ranking member of the Subcommittee on Strategic Forces (Mr. EXON). I wish again to express my appreciation to the Senator for his long and hard work in this area and I look forward during the course of debate on this bill to joining him in assisting our colleagues to reach the proper judgments.

Mr. NUNN. I thank my colleague from Virginia. I think this dialog will have a helpful effect in terms of the overall debate. I think he has framed it very well.

I join the Senator from Virginia in commending the Senator from Nebraska (Mr. EXON) for his exemplary services as ranking minority member of the Strategic Subcommittee. He has worked many, many hours very effectively, very strenuously. I think there has been splendid cooperation between the Senator from Nebraska and the Senator from Virginia.

As a member of the Armed Services Committee, I am very proud of the splendid work done by the Senator from Nebraska and I am also very proud of the hard work and the fine cooperation of the Senator from Virginia.

Mr. WARNER. I thank the Senator from Georgia.

I yield to the Senator from Texas.

Mr. TOWER. Mr. President, I have listened with interest to this discussion between the distinguished chairman of the Strategic Systems Subcommittee and the distinguished ranking member of the Committee on Armed Services. The thought keeps recurring to me that it is unfortunate that we even have to have a debate over the allocation of resources between strategic and conventional systems. We should fund our defense requirements to the extent that we do not have such debates. But this dialog illuminates the fact that we are having to pick and choose between and among validated military requirements to stay under certain budget ceilings that have been imposed on defense, ceilings that are based largely on perceptions of short-term affordability and our political comfort at the moment or perceptions of popular opinion, rather than on the basis of requirements which are driven by a rather formidable threat posed to the United States of America and by the growing military power of the Soviet Union and its surrogates and satellites.

Mr. President, I think it is not just the function of Members of Congress to respond to what they consider to be popular at the moment. I have heard some people say the American people will only support a certain level of defense spending or the American people will only support a certain percentage increase in the defense budget. I think in a representative democracy, those of us who are elected are expected to formulate judgments and act on those judgments even if, sometimes, they may be contrary to the popular opinion of the moment or the majority opinion of the moment. After all, we are supposed to be better informed on such complicated matters as the correct mix of defense weaponry than the average citizen. If we are not better informed, we are not doing our job, we are not availing ourselves of information that is readily attainable. I hope that we will in the future formulate defense budgets on the basis of what the requirement is.

I wish the requirement were less. I wish we could effect some reductions in real terms in defense spending and perhaps someday, we can, if we maintain sufficient strength to put ourselves in a favorable negotiating posture with the Soviet Union because, at such time as we arrive at some genuine arms reductions, then and only then can we afford to make serious and significant reductions in the resources that we allocate to defense.

I say one more time, the defense of the United States is the first priority of National Government. There is no higher priority. And it is a function of National Government that is recognized in the Constitution. As a matter of fact, we could, I think, say that the Constitution virtually insists that Congress maintain the Armed Forces. Most of the other things that we spend money on are not mentioned specifically in the Constitution or mandated by the Constitution, as worthy and worthwhile as they may be. Let us all remember that it is only the National Government that provides for the common defense. State and local governments provide many other services in larger measure than does the Federal Government.

I think it is some of those areas that we might look to to achieve economics to try to reduce the deficit, which we all agree and recognize is threatening to the economic health of the United States and must be dealt with in a positive and decisive way, in a way that is free of politics. It may be sometimes, we shall have to ignore the pleas of special constituencies that may be numerous and politically powerful in ordering the proper priorities for national expenditure.

I submit that probably defense is the only public expenditure that benefits every American equally. I guess a case could be made that those who work in defense industries get a little additional economic benefit but from the standpoint of a service provided to the general citizenry, it is defense spending that is perhaps the most democratic in the sense that it affords equal protection to all Americans.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I was in my office and heard the most kind remarks by my friend and colleague, the senior Senator from Virginia, the chairman of the Strategic and Theater Nuclear Forces Subcommittee (Mr. WARNER).

I appreciated very much his most kind remarks. Of all of my assignments in the U.S. Senate, none has been more rewarding, none has been more challenging certainly, and none has received a greater measure of total cooperation and a total bipartisan spirit than that of my friend from Virginia (Mr. WARNER), who chairs that very important subcommittee of Armed Services. I thank very much the chairman of the Armed Services Committee (Mr. TOWER), who by his own choice will not be back with us next year. He has been an outstanding chairman of the Armed Services Committee and we are all going to miss him very much. The tremendous responsibility that rests primarily with the Armed Services Committee is going to be more difficult to carry out without the strong leadership and sound head of a man of action, the distinguished Senator from Texas, who I am going to miss. I wish to take this opportunity on behalf of this member of the committee and this Member of the U.S. Senate to salute him once again for the tremendous job he has done in committee.

We do not always agree in that committee, Mr. President, but my experience thus far in the U.S. Senate indicates that there is less partisan bickering, there is more total dedication to the matters that confront us, much of which has just been alluded to very well by the Senator from Texas. We take our jobs very seriously. It has been a rewarding experience to work very hard with my colleague presently on the floor, the Senator from Virginia, and the Senator from Texas.

I also thank the ranking minority member on the Armed Services Committee (Mr. NUNN) for all of the kind attention and consideration he has given me while I have had this opportunity for 5 years plus now to serve on the Armed Services Committee under first the truly distinguished and outstanding Senator from Mississippi as the chairman and ranking Democrat on that committee and now during the last few years under the Senator from Georgia, who is truly an expert on all matters of defense and security of the United States of America and the free world.

That leads me into a few remarks that I should like to make on the bill before us.

Like every other bill which comes out of committee, this is not a perfect bill and this Senator does not agree with all of the recommendations that have been made. Undoubtedly, there will be several amendments offered, voted up or down, and I think the Senate should be allowed to work its will. I do think that this bill is well recommended by the committee, and in most instances I hope our colleagues on both sides of the aisle will recognize that with a lot of diligent effort and work and study and hearings hours upon hours, day after day, month after month, we have come out with a product which represents at least a substantial majority opinion of the Armed Services Committee.

While I suspect that some changes might be made, and I would hope some changes will be made, by and large I stand in support of the bill that came out of the Armed Services Committee even if no changes are made.

There is one thing on which I would like to comment briefly at this time, and that is I suspect something which will cause a great deal of debate, sharp debate indeed, before we have disposed of this defense authorization bill is the antisatellite systems. That may require a closed, secured meeting of the U.S. Senate so that the chairman of the committee, the chairman of the Strategic and Theater Nuclear Forces Subcommittee, and this Senator would be able to talk in a strictly closed session to our colleagues about some vitally needed changes in the ASAT defense systems of the United States of America.

I do not think this is a subject that has been given a great deal of thought and consideration in the past few years. In fact, some of the information that has come to the attention of the Strategic and Theater Nuclear Forces Subcommittee particularly and to other members of the committee is somewhat of an alarming nature. This morning several Senators were invited to have breakfast with the Vice President, and the subject of discussion was the MX missile.

Now, there are a lot of good people who can differ pro or con on the role of the MX missile and how important that is to our defense, how important it is to deterrence. I have picked up at least the hint from the chairman of the committee (Mr. TOWER) and the chairman of the Strategic and Theater Nuclear Forces Subcommittee (Mr. WARNER) that they do not view the MX with the suspicion of the Senator from Nebraska. But I think when people disagree from time to time, that at least indicates we are thinking. The three of us might not agree completely on MX, but the three of us do agree I think wholeheartedly on the need for continued testing of the ASAT system.

I happen to think the ASAT system is so much more important to the national defense of this country and the free world than even the MX missile that if I had a choice between the two, I would say we can get by without the MX missile and go with ASAT. My colleagues on the other side of the aisle will not endorse that wholeheartedly.

I am simply trying to emphasize to the Members of the Senate the rather critical decisions that we are going to have to make on antisatellite systems, and during debate we can certainly talk in open session about the recently released information by the White House that for over 10 years, Mr. President, the Soviet Union has had an antisatellite weapons system in place. They are far ahead of us in this area.

We certainly do not wish to do anything to elevate the already screeching and escalating arms race into space, but antisatellite systems are vitally important and we must catch up as quickly as we can, because, Mr. President, if there should be a threat of an attack from the Soviet Union, the logical first thing they would do would be to put out our eyes in space. Our total command and control would be the thing they would first wipe out.

While they do not have the facility as far as we know now to attack our highflying satellites, they do have facilities now that would put much of our command and control at jeopardy with so-called lowflying satellites that are also an important part of our command and control. So we will be discussing this at some length. We had a rather close vote on this matter in the committee, which indicates a rather close vote on the Senate floor. But I think it is the intention of the Senator from Texas, the Senator from Virginia, and myself to at least make certain that our colleagues have all of the latest information available to them before we address and vote on this critically important matter.

Mr. President, there are a few other things on which we do not agree. This Senator, for one, keeps plugging away on the fact that it is absolutely ludicrous for us to continue to take out the Titan weapon system debate when we are supposedly concerned about the overall strength of our land-based ICBM part of our triad. We once had 54 Titans. We now have 32. They are being taken out at the rate of one a month. It is tantamount to unilateral disarmament at a time when we are getting nothing with respect to ICBM's of the Soviet Union being taken out.

The Titan system is our largest system—9 megatons in each of the 32 remaining Titans. Sure, they are old, but they are not obsolete. Certainly, it costs money to keep them operational. Certainly, it is not the type of command and assignment that most of the members of the Air Force seek.

It seems to me, however, that after we have been through the last Presidential election, when the window of vulnerability was a keen part of the discussion, and when we look at the fact that we have less launchers today for ICBM's than we had in 1980, it still makes no sense at all to this Senator for us to continue to pull out Titan missiles unless and until we have something to take their place.

All kinds of good arguments can be offered: that they are expensive to maintain, that they are not nearly as accurate as our Minuteman II and Minuteman III. They probably are not as accurate as many of our submarine-launched facilities today. But they are the largest weapon we have.

It seems to me that from the standpoint of a Soviet planner, if I had to worry about a 9-megaton weapons system sitting there, if I were planning an attack on the United States in the near future, that would confound me.

It is true that, in a large measure, the Titan goes back to the so-called MAD theory of destroying cities. That is now outmoded, also. The fact remains that the Titan should be targeted at port facilities, large military facilities, if an attack were launched on the United States of America.

While I buy most of the criticism of the Titan and while I recognize that it is going to cost some money to keep them operational, it seems to me that it is the most ludicrous thing we are doing today to take out the Titan without any compensating consideration from the Soviet Union, and when we have been advised by those in charge of our arms negotiations in Geneva that at least it would be some benefit to use them as a bargaining chip, for want of a better word, in our dealings with the Soviet Union.

My central point is that I think it is not wise for us to have the continued accelerated deterioration of that force at a time when we are led to believe that we have a weakness in that land-based ICBM leg of our triad. I would think we would keep those in place until we have an MX or whatever we are eventually going to come with and put in place. At least, that is the opinion of this Senator.

The bill before us received a great deal of detailed attention by the Armed Services Committee and each of its subcommittees. While I emphasize once again that I do not agree in toto with everything that is in this bill as presented to the Senate, I can assure the Members of this body that, by and large, careful consideration was given to everything. We do not claim to have a perfect document, and there will be some who will vote for amendments in certain areas. By and large, however, I think it is a very well done piece of work by the Armed Services Committee. Given the restraints that were referred to by the chairman of the committee with respect to the budget, we had a lot of very tough decisions to make. One of the toughest decisions we have is that everyone seems to want to cut down the amount of increase in our national defense posture.

Last year and this year, I have been against the tremendously large increase recommended by the President, and I have spoken out about it. As the Senator from Texas has said, the prime responsibility of the Senate and of Congress is the national defense of the United States of America. There is nothing more important. But that does not necessarily mean, as I am sure the Senator from Texas and others will agree, that throwing money at a problem insures that that problem will be solved. Therefore, with the budget restraints that have come on us, we have made the choices we have to make.

There is an underlying concern here that I think should be enunciated once again, and that is the fact that as we continue to build most of the new weapons systems that come from the Pentagon, we have a tendency to take money out of readiness. I firmly believe that we are much more likely to be tested by the Soviet Union, in the months and years ahead, in a conventional warfare area than we are with any one of the other three legs of our triad.

The problem that faces the committee is the problem that will face the Members of the Senate when they vote on the amendments and eventually cast their vote on the measure before us, and that is that everybody wants more and more and more. But it is very difficult to stop a weapons system once the first dollar has been voted to support it. I happen to feel that, in order to make sure that the readiness of our conventional forces is intact, we have to cut back on, maybe even eliminate, some of the major weapons systems before us, because we simply do not have enough money to do justice to everything that has been recommended to us by the Pentagon and by the administration.

Mr. President, I emphasize again that the document before us is not perfect, but it accurately reflects the majority of the Armed Services Committee. By and large, I give the committee and its subcommittee an "A" for excellent effort in trying to fit in some kind of workable defense policy and defense establishment with the funds available to us.

Mr. President, I yield the floor.

Mr. WARNER. Mr. President, I thank my distinguished colleague from Nebraska for his thoughtful remarks with respect to the working partnership we have had as the chairman and the ranking minority member, respectively, of the Strategic Subcommittee. Indeed, this partnership has been fostered through 5 years in the Senate, serving side by side on this committee and its predecessor subcommittee. The growth of the knowledge of the distinguished Senator from Nebraska on this subject is really without parallel in the years he has served.

Mr. President, for the record, I bring to the attention of the distinguished Senator from Nebraska that he referred to the ASAT system in the context of his view that the Senate should go into closed session. I share that view; and the Senator and I, at an appropriate time, will advise the leadership of the Senate of our judgment that it is essential that we go into closed session, assuming that the ASAT amendments as forecast will be brought up shortly.

However, the Senator referred to the ASAT as a system. I am sure he recognizes that we are in the early flight test stages, and that the United States does not have a system in the sense of a perfected, deployed system to engage Soviet satellites at what we call lower orbits.

These satellites are the ones that principally threaten the U.S. naval units in the sense that they can provide the Soviet military leadership with the knowledge of the positioning of our fleet and that indeed is a very dangerous and threatening situation considering the United States is an island nation and it is heavily dependent upon the sealanes of the world in terms of our national defense and indeed our overall economy.

Mr. President, if the United States spends what is necessary now in the fiscal years 1984, 1985, and 1986, in terms of our strategic programs and allocates the resources that we believe are essential to modernize our strategic force, that, in my judgment, will give us somewhat more leverage in trying to negotiate strategic arms reduction agreements with the Soviets—verifiable, fair, and equitable agreements—in the coming years.

I have here a table showing the strategic forces as a percent of the total DOD funding and indeed, as Senator NUNN and others pointed out, in fiscal years 1983, 1984, and 1985, there is significant growth, but there is also slowing of that strategic share of funding beginning in the fiscal year 1986 to a rather flat level of funding as a percentage of the DOD budget.

Indeed, the procurement tracks in a comparable manner beginning in the last fiscal year, and will drop substantially and level off.

I also bring to the attention of my colleagues the representations of the Chairman of the Joint Chiefs of Staff on May 3, 1984, during the course of testimony before the Armed Services Committee as a whole. He is quoted as saying;

> At the same time, it is fair to say that as we have discussed this matter (of fencing strategic nuclear programs and taking defense cuts out of conventional defense programs) with every one of our CINCs.

That is, the commanders in chief of our forces throughout the world.

Continuing the quote:

> Each CINC has told us that the number one priority is to go ahead with the strategic nuclear modernization but there comes a point when you may have to slow all of it in order to keep a reasonably balanced program . . . We are not at that point with this program.

Further quoting from General Vessey:

> So, we are at a key point in this whole nuclear security issues. By advocating cuts in the strategic nuclear programs at the key time in the negotiations with the Soviets, in the whole relationship with the Soviets, it seems to me we are in danger of rewarding the Soviets for their obstinate behavior and I don't like to see us do that.

Further quoting from the Chairman:

> It is the view of the Chiefs and the CINCs that without a strategic nuclear force that deters war effectively, which makes it very clear to the Soviets that they can't threaten war or try blackmail with strategic nuclear superiority, that the rest of our defense programs probably are not going to be nearly as effective as they ought to be.

Mr. President, again I thank my distinguished ranking minority member of the subcommittee for his effective work and I think that we, as partners, will be able to assist our colleagues in the Senate as we approach the judgments necessary in connection with the adoption of this present authorization bill.

Mr. President, I yield to the Senator from Texas.

Mr. TOWER. I yield.

Mr. COHEN. Mr. President, I rise in support of the fiscal year 1985 omnibus defense authorization bill. As chairman of the Seapower and Force Projection Subcommittee, I shall take a few moments to discuss some of the issues that we have dealt with on the subcommittee and why I believe this bill deserves the support of my colleagues.

First, I should point out that seapower and force projection encompass two basic missions: To see to it that we are able to gain and maintain maritime superiority, the ability to control vital ocean areas of the world when and where necessary, and projecting U.S. military power ashore, the ability to deploy fighting forces to distant world areas in defense of this country's interests.

It is clear the United States is primarily a maritime power. We are, like it or not, essentially an island nation. We are dependent on the oceans for the safe passage of raw materials, energy supplies, and commerce which are necessary to our economy. Consequently, it is necessary that we have the ability to insure the safe passage of ships, both military and civilian, on the oceans of the world. This mandates that we be able to provide local naval superiority—I know there is some hesitation on the part of some to use that word, but I emphasize it again, "naval superiority"—at any time and place that we require.

Maritime superiority is a firm military requirement for our country. It is the key to our ability to deter in peacetime and to prevail in wartime.

We are tied by a network of treaties to allies overseas. Our world today is full of vivid reminders of the importance of naval power. Look at any of the major military conflicts this Nation has been involved in, and the military importance of seapower is evident.

In the Revolutionary War, Gen. George Washington was aided in his victory over the British General Cornwallis in Yorktown, when the French fleet blocked the Chesapeake Bay, preventing the British forces from retreating or from being resupplied.

Prior to World War II, the United States enjoyed two strategic luxuries:

Wide oceans, which insulated us from many military conflicts in the Old World; and

Friendly foreign navies, which sometimes protected us and sometimes provided a force for peace in the world.

Consequently, during both World Wars, our land was largely unscathed. The actual fighting in those wars occurred mostly at sea or overseas, with the singular exception of the attack on Pearl Harbor.

In both instances, however, the sealanes were vital. We used the sealanes to transport amphibious assault forces, used so successfully and I might add at such great cost in the D-day invasion which occurred exactly 40 years ago yesterday.

We also relied on amphibious assault forces in the great island hopping campaign in the Western Pacific, and in other places.

We also used the sealanes to transport the equipment, material, supplies, fuel, and food without which those overseas forces would not have been able to fight.

And what was the situation now after World War II? The United States was thrust into the leadership of the Western democracies, which was a new role for us. Our currency and our economic aid played a key role in rebuilding international trade, which has surpassed all expectations and brought tremendous improvements in standards of living. There is a risk inherent in this, I must take this opportunity to observe—if that trade is disrupted, then we risk great losses for ourselves, for our economy is now intertwined with everyone else's.

Also after World War II, this country adopted, as a basic tenet of national defense planning, the notion of a "forward defense." We built up a network of military alliances which supported our national defense requirements, our economic interests, and our national cultural and ideological dreams. We also recognized the reality that the other strongest military power in the world was the Soviet Union, which had and continues to have expansionist goals which we find very threatening.

The Soviet Union's actions around the world indicate that we must not become complacent. Always there are reminders. Most recently, these include the unconscionable invasion and continuing destruction of Afghanistan; their undisguised use of SS-20 nuclear missiles as instruments of intimidation; the inhumane destruction of Korean Air Lines flight 007; and now their treatment of the great scientist and human rights advocate Andrei Sakharov, who wanted permission for his wife to seek medical treatment and who may now be dead from a hunger strike.

In other parts of the world, we can also learn lessons about the continuing importance of sea power. Look at what happened between Argentina and Great Britain in that conflict over the Falkland Islands. It is not unreasonable to speculate that the former Argentine military government decided to attack British forces because they thought the British were too weak or too far away. One of the fears expressed in this country at that time was whether British failure to respond and to win would encourage other acts of aggression in other parts of the world.

Turn to the Persian Gulf of today. The war between Iran and Iraq is expanding. And when diplomacy and other peaceful defenses disintegrate, all sides look to military power to restrain the conflict and prevent the expansion of the war. Naval forces are among the first to be called in.

We must be very careful not to let our longer term interests be too compromised by the press of immediate concerns. Our futures and our children's futures are closely related to the budget decisions we will make on this bill.

In another era, world naval supremacy belonged to Great Britain. For the time being, it remains ours. I like to recall Winston Churchill's famous remark, in which he said:

> Nothing in the world, nothing that you may think of, or anyone may tell you; no arguments, however specious; no appeals, however seductive, must lead you to abandon that naval supremacy on which the life of our country depends.

British naval supremacy passed on to us, and the world has not changed radically. If we abandon it, it will pass to the Soviet Union and we should not look forward to such a world as we know it today.

SUBCOMMITTEE ACTION

We began our hearings this year with an examination of naval strategy.

I found myself in broad agreement with the Navy's assertion that sea power requires a balanced force structure, adequately supported. The Marine Corps' amphibious landing capability is also a vital part of sea power, because it provides a means for forceful entry from the sea to the shore.

At the same time, there was the need to reduce the budget to comply with overall funding goals, and there was complete agreement we should not pay more for anything than is necessary.

Certain areas of discussion within our subcommittee are recurring:

Should we support or change a service initiative, which may involve a new ship, radar, or weapon?

Should we prompt the service to place additional emphasis on something? Action here can consist of a request for more information, or recommendation for funding to develop a capability. A new idea is often embraced by the service or dropped. The discussion may occur over some period of time.

Can we reduce the cost of something without procuring a lesser quantity?

What are the lowest priority items which should be deferred if insufficient funds are available?

Should anything else be changed or examined more closely?

ACTIONS TAKEN

All our recommendations are of course in the committee report, but I would like to discuss some of them specifically.

First, in shipbuilding.

We strongly supported the administration's shipbuilding program. Our Navy does not have enough ships and the solution lies in long-term support for a stable shipbuilding program. The committee recommendation, after you include the Trident submarine which is in the jurisdiction of another subcommittee, calls for authorization of 22 new construction ships, one reactivation, three conversions of existing ships, and one service life extension, for a total of 27 ships.

We thoroughly reviewed the performance of the AEGIS combat system, which is on the CG-47 class guided-missile cruisers and will be on the DDG-51 guided-missile destroyers. I can assure you that this is the best shipboard air defense missile system in the world, and that it provides a tremendous and much needed increase in our Navy's ability to defend against massed, antiship missile attacks.

We recommended funding for three cruisers, as requested, and also strongly endorsed building the lead ship of the DDG-51 class of guided-missile destroyers. Follow-on ship production costs will average about $700 million in constant dollars, compared to $1.1 billion for the cruisers. The destroyer costs less, provides a similar AEGIS air defense capability, and incorporates advanced survivability features.

We recommended funding for four SSN-688 *Los Angeles* class nuclear-powered submarines. There were four in the original request, and three in the revised request. We need all four of these ships, because Soviet submarine construction rates are high, Soviet submarine quality is improving rapidly, and in the late 1970's our submarine procurement rate dropped to one per year: A deficit for which we must compensate. We should not sacrifice our submarine force level objectives.

The bill includes funds for reactivation of a third battleship, the U.S.S. *Missouri*. Long lead funds were approved by the Congress last year, and the ship is currently in the Long Beach Naval Shipyard. As a point of information, long lead funds for the fourth battleship are not in this bill, but are expected in the following year's budget request, fiscal year 1986.

In addition, the bill provides funds for one aircraft carrier SLEP, all four MCM mine countermeasures ships, all three TAO-187 class fleet oilers, and two tags surveying ships. The number of TAGOS/SURTASS ships was reduced from three to two based on an Intelligence Committee recommendation.

The committee fully supported the three modest sealift programs requested by the administration. The committee has recommended a total of $117.8 million for the strategic sealift ready reserve force, auxiliary crane ship, and aviation support ship programs. All three of these programs involve the acquisition or conversion of existing U.S.-flag commercial ships. We continue to assign high priority to programs to enhance strategic sealift capabilities.

There are three important amphibious programs included in the committee's recommendations. Key among these is the procurement of two LSD-41 class amphibious dock landing ships at a cost of $406 million. The committee has also recommended $83.5 million in advance procurement for two additional LSD-41's in fiscal year 1986.

LSD-41's are being procured to replace eight LSD-28 class ships that are reaching the end of their service lives and to augment inadequate amphibious lift capabilities.

A second major amphibious ship program is the LHD-1 class amphibious assault ship. The lead ship of this class was procured in fiscal year 1984. The follow-on ship is funded in fiscal year 1986. For fiscal year 1985, the committee recommends $39.2 million in advance procurement for the follow-on LHD-1.

The LHD-1 is an air-capable, amphibious assault ship based on the LHA-1 class ship design. In the amphibious role, the LHD-1 will be able to land marine assault forces by helicopters, landing craft, and assault vehicles. In addition to its amphibious lift capabilities, the LHD-1 will have the capability to support vertical/short takeoff and landing aircraft which will provide the fleet with additional offensive aviation forces afloat.

In fiscal year 1985, the administration requested $198.8 million for procurement of nine air cushion landing craft, known as LCAC's. The committee views this program as key to efforts to revitalize U.S. amphibious warfare capabilities. LCAC's will permit high-speed assaults from extended standoff distances and will greatly increase, due to their air cushion operation, worldwide beach areas over which assaults may be conducted.

In Marine Corps procurement, the fiscal year 1985 funding bill provides for procurement of 292 light armored vehicles, which will complete acquisition of this vehicle. When these LAV's are delivered, the Marine Corps will have a total of 758 vehicles in six mission role variants. Light armored vehicles are one of the major initiatives to improve the combat capabilities of rapidly deployable forces.

In the Navy weapons procurement account, we examined closely the Mark 48 torpedo procurement program. The original budget provided for 144 torpedoes, while the revised budget had only 51. We recommended 108 torpedoes. I should add that the House of Representatives provided no funds for Mark 48 torpedoes, but their action helped spur the prime contractor to reduce the cost for building torpedoes at a number less than 144.

We preserved funding for the procurement of the Navy's Captor mines.

In the Navy's other procurement account, we allocated most of our reductions by broad categories, rather than by specific line item. Together with procurement procedure reforms the committee recommended, these broad reductions will provide incentives for the Navy to minimize costs while still allowing the service the necessary flexibility to manage the acquisition of many individual items.

In the RDT&E account, we recommended a variety of reductions. These are listed in the committee report. Only a few programs require mention here.

First, we strongly endorsed the Navy's plans for designing a new submarine to succeed the *Los Angeles* class. The first new sub would be funded in fiscal year 1989 and would not be commissioned until 1995. The basic *Los Angeles* class submarine design will be 19 years old at that time.

Second, we grouped several aviation-related antisubmarine warfare programs together and reduced funding for them. We were not satisfied with the rate of modernization of our air ASW forces relative to the modernization of the Soviet submarine fleet, and we had concerns about the longer term costs of the plans the Navy did have. The House of Representatives has not reduced these programs, and we anticipate action by the Navy before conference on the authorization bill.

AIRLIFT

The major force projection programs in fiscal year 1985 are in the airlift account. The committee's recommendation continues acquisition of KC-10A advanced tanker/cargo aircraft under the multiyear procurement arrangement initiated in fiscal year 1983; 44 KC-10A's will be procured under this 5-year contract. When procurement is complete in fiscal year 1987, the Air Force will have a force of 60 KC-10A aircraft.

The KC-10A adds substantial flexibility to our force projection capability since it can carry cargo, refuel other strategic airlifters, and deploy tactical fighter squadrons by carrying personnel and equipment while simultaneously refueling the deploying aircraft. The committee has recommended $190.7 million for the procurement of eight KC-10A's, $375.3 million for advanced procurement, and $56 million for initial spares.

The second major airlift program is the C-5B strategic airlift aircraft. The administration initially requested authorization for procurement of 10 C-5B's. In the amended request, the number of aircraft to be procured was reduced to eight. This revised number resulted from slipping the procurement of two C-5B's from fiscal year 1985 to fiscal year 1987. While the committee accepted this procurement profile change, it remains fully committed to the planned procurement of a total of 50 C-5B's.

Fifty C-5B's will add 7.5 million ton-miles per day of strategic airlift capability which will provide a near-term reduction in the substantial intertheater airlift shortfall identified in the congressional mandated mobility study. Moreover, the C-5B is the only currently available aircraft that can augment capabilities to carry outsize military weapons and equipment. The committee has recommended authorization of $1,477.6 million for procurement of eight C-5B's, $304.1 million for advance procurement, and $72.3 million for initial spares.

A third major airlift program is a committee tactical airlift initiative. The committee has added $186.3 million for the procurement of 10 C-130H tactical airlift aircraft. Eight of these C-130H's would be assigned to the Air National Guard; the other 2 aircraft would be assigned to the Active Force. The committee has added this procurement in recognition of the need to modernize aging and structurally unsound C-130's in the Air National Guard and to provide replacement aircraft for attrition losses in the Active Force.

To provide for future modernization and augmentation of airlift capabilities, the committee has recommended authorization of $129.3 million for research and development of a new airlift aircraft, the C-17. Two documents submitted by the Department of Defense during the past year have further convinced the committee of the cost-effectiveness of the C-17 airlift aircraft. The C-17 validation report has validated the requirements, concepts and design of the C-17. The airlift master plan recommends acquisition of 180 primary mission C-17's, within a total of 210, to meet the minimum strategic airlift requirement, increase tactical airlift capability, and modernize both the Active and Reserve Airlift Force structure.

While the committee has recommended substantial amounts for procurement of new airlift aircraft, it has also fully funded the administration's amended request for airlift replenishment spares which directly relate to the readiness and sustainability of the current airlift force.

CONCLUSION

More details on all these programs are in the report. I recommend this bill to my colleagues and seek their support for it.

Mr. KENNEDY. Mr. President, before I discuss the substantive provisions of this bill, I want to pay tribute to the efforts of my colleagues on the Armed Services Committee. As we all know, this will be Senator TOWER's last Defense authorization bill, and though we may frequently disagree on issues that come before the committee, I know of no one more tireless and dedicated in his commitment to the national security.

Senator NUNN, our ranking minority member, has faced the unenviable challenge of taking the reins from our late and deeply respected colleague, Senator Jackson. Senator NUNN has ably fulfilled this important role, presenting not only his own views with skill and expertise, but also zealously representing the concerns of his Democratic colleagues on the committee.

I want to pay special tribute to the chairman of our Tactical Warfare Subcommittee, Senator GOLDWATER, with whom I serve as ranking minority member. There is no greater advocate for the essential programs of tactical warfare and serving with him has proved a valuable education experience and a great personal privilege.

Today we begin a historic debate on the Defense authorization bill. The issues presented by this legislation raise fundamental questions concerning the very survival of the human race. Over the next few days the Senate will have a chance to consider crucial amendments on antisatellite weapons, the costly and unneeded MX missile, the Star Wars missile defense scheme, and important arms control measures to limit nuclear testing. What we do on this bill will shape the future of our children and generations to come.

While I supported reporting the bill to the Senate, I have several serious reservations concerning this legislation, and intend to offer amendments with several of my colleagues to remedy these fundamental problems.

I believe that the authorization level of $299 billion for the national defense function is neither justified militarily nor appropriate in view of looming $200 billion a year deficits that face our Nation far into the indefinite future and threaten our economic well-being. Moderate but steady increases will both assure the readiness of our forces and maintain a national concensus for a strong, supportable military posture.

I continue to oppose any funding for the MX program. Although the committee did reduce the number of MX missiles to 21, it rejected efforts to cancel the program. The MX missile is a gold-plated weapon without a purpose. It cannot be protected. It is a destablizing force in an already precarious situation and the massive expenditure comes at the expense of readiness and capability of our conventional forces. I believe in maintaining a triad of strategic nuclear forces that includes a survivable air-based leg—not one that is crippled before it is built.

Paradoxically, the deployment of MX will make us weaker, not stronger. Whereas the Soviets have little or no incentive to attack our Minuteman missiles in their silos, the MX, by posing a first-strike threat to their land-based systems, will increase the incentive for the Soviets to attack us in a crisis. Recent data from the Air Force reveal that just as we begin to deploy the MX in the late 1980's Soviet improvements in missile accuracy may destroy all but 1 percent of our fixed-silo land-based missile force; 1 percent of 100 is one surviving MX missile.

I also regret that the committee has chosen once again to forge ahead with the production of B-1 bombers which, given the current need for an effective penetrating bomber, is a wasteful use of the Defense dollar. The committee did act favorably upon an amendment that I introduced prohibiting any funds from being used to build more than 100 B-1 bombers. I believe that it is essential for the Air Force to turn its attention to development of the ATB rather than entertain notions of building additional B-1 bombers.

I am deeply disturbed by the committee's apparent willingness to accept the dangerous premise behind the President's so-called strategic defense initiative, a program that will not only consume billions of dollars but will also jeoparidze our efforts to obtain meaningful arms control and threaten to disrupt our NATO alliance.

In March of last year, President Reagan called his proposal for a space-based weapon system "a vision of the future which offers hope." This is not a vision; it is a mirage. And far from offering hope, the President's proposal is a certain prescription for an arms race in outer space.

A decade ago we abandoned the fruitless pursuit of security through ballistic missile defense and ratified the ABM treaty. None of the technologies now under discussion or even imaginable can overcome the insurmountable obstacles to an effective ballistic missile defense, as the recent report of the Office of Technology Assessment demonstrates. According to the report, an effective ballistic missile defense is "so remote that is should not serve as the basis of public expectation or national policy."

Even if a near perfect defense against ballistic missiles could be deployed, how would the United States defend against strategic bombers, cruise missiles, and other delivery systems in a nuclear war? The President's Star Wars strategy is also irresponsible because it undermines the basic principle of nuclear deterrence upon which the nuclear balance has rested for over 30 years. By creating the illusion that one nation might be invulnerable to attack it might give that nation the false confidence that it could launch a first-strike without fear of retaliation.

Furthermore, the layered defense against ballistic missiles envisioned by President Reagan in his strategic defense initiative is plainly inconsistent with the ABM Treaty. In article V of the treaty each nation undertakes not to develop, test, or deploy ABM systems or components which are sea-based, air-based, space-based or mobile land-based. If we pursue the administration's plans to develop, test and deploy space-based defenses and their components we will soon be required either to withdraw from the treaty or to violate it. I am gratified, however, that the committee has at least postponed the day of reckoning by accepting report language stressing our intention to observe the continued obligations assumed by the United States and the Soviet Union under the ABM Treaty.

The bill as reported effectively guts the Tsongas amendment which prohibits testing of antisatellite weapons against targets in space unless the President certifies that the United States is endeavoring to negotiate an ASAT Treaty.

Pursuit of an antisatellite treaty is one of the highest priorities for the United States, in view of the importance of satellite survival to our intelligence and command and control systems. Although a complete, verifiable ban on antisatellite weapons may not be achievable, it is important that the United States attempt to negotiate as comprehensive a ban as is possible. Rather than undertaking negotiations, the administration offers little more than excuses. For this reason, the Senate should reaffirm its unanimous decision not to permit testing of the antisatellite devices until the administration takes concrete steps to achieve arms control in this area.

While the bill commits the United States to billions of dollars in wasteful and unneeded strategic systems, it makes an unwarranted cut in the most critical of all programs—compensation for members of the uniformed services. Each of us will remember the dangerous situation that prevailed when pay for the military lagged behind the civilian sector; recruitment fell, morale was undermined, and retention dropped dramatically.

Significant pay increases in the early 1980's, coupled with high civilian unemployment, helped restore our recruitment and retention. But these gains will be quickly lost if we fail to provide adequate compensation in the years ahead. It is imperative that the Senate provide the military with a pay raise that allows the services to continue to attract and retain the bright and enthusiastic men and women who form the very heart of our national security.

If we are to avoid the ultimate catastrophe of nuclear destruction followed by nuclear winter, the answer lies not in proliferation of strategic system after new and ineffective system. Rather, our hope for enduring peace lies in a strong conventional defense that raises the nuclear threshold, and a stable arms control regime that assures that neither side will have anything to gain from the use of nuclear weapons. I hope that when the Senate completes consideration of this measure, we will make the needed changes to assure that this legislation achieves that goal.

MANPOWER PORTION OF THE FY 1985 OMNIBUS DEFENSE AUTHORIZATION ACT

Mr. DIXON. Mr. President, as the newest Democratic member of the Committee on Armed Services, I have served for the past 5 months as the ranking minority member of the Subcommittee on Manpower and Personnel. This subcommittee established the overall manpower levels for all categories of defense manpower, and is responsible for overseeing all areas of military compensation and personnel management within the Department of Defense.

This is an extremely important subcommittee, because the issues that we consider can affect the well-being of every Active and Reserve soldier, sailor, airman, or marine serving in uniform today. I want to take this opportunity to commend and thank the distinguished chairman of the Manpower and Personnel Subcommittee, Senator JEPSEN, for his strong support and commitment to the issues affecting defense manpower, as well as for his cooperation throughout the Armed Services Committee's consideration of the fiscal year 1985 defense authorization bill.

I would like to take a few moments to highlight for my colleagues the most important manpower-related provisions in the defense authorization bill currently before the Senate.

ACTIVE FORCES

In the area of Active Forces, the Defense Department initially requested an active duty end strength of 2,165,500 military personnel for fiscal year 1985, an increase of 29,900 personnel over the fiscal year 1984 level. In the list of reductions submitted to the Congress as part of the Rose Garden Compromise, the administration reduced that request by 7,000 personnel. The committee made further reductions of 3,260 active duty personnel.

As a result of the reductions, the active duty end strength for fiscal year 1985 recommended by the committee is 2,155,540. This is an increase of 19,600 personnel over the fiscal year 1984 level, which is approximately two-thirds of the Defense Department's original request.

The committee extended for 1 year the current quality requirement in law that 65 percent of Army male recruits must be high school graduates. The committee also directed the Secretary of Defense to submit a comprehensive report to the Congress next year on the projected quality of recruits needed in the future to man the Armed Forces.

RESERVE FORCES

For the Reserve components, the administration requested a Selected Reserve average strength of 1,088,600 in fiscal year 1985, a growth of 52,000 personnel over the fiscal year 1984 level. The request also included 66,000 military personnel to be on full-time active duty in support of the Reserve components, an increase of 19,300 over the fiscal year 1984 level.

In its budget reduction package, the administration reduced the original request by 7,500 Selected Reservists and 8,100 full-time personnel.

The committee bill includes a Selected Reserve average strength of 1,080,088 for fiscal year 1985, 8,500 below the original request but still 40,700 over the fiscal year 1984 level. The committee recommends a full-time Guard and Reserve end strength of 56,000, 10,000 below the original request.

CIVILIAN PERSONNEL

The committee recommends a civilian end strength of 1,078,223 for the Defense Department in fiscal year 1985. This is the currently projected end strength for fiscal year 1984, and represents a reduction of 6,613 from the original request.

Within this end strength, the committee directed the Secretary of Defense to fill certain priority civilian spaces that were requested in the area of spare parts procurement.

The committee also recommends continuation for another year of the test program permitting industrially funded activities within the Department of Defense to hire additional civilian personnel without regard to end-strength ceilings.

Finally, the committee recommends a provision requiring a 5-percent reduction in the number of personnel assigned to management headquarters functions in the Defense Department. This provision is similar to the reduction in management headquarters mandated by the fiscal year 1984 Defense Authorization Act. The committee continues to believe that there are too many personnel assigned to management headquarters functions, and that some of them could be better utilized in actual operating activities.

COMPENSATION MATTERS

After considering several alternatives, the committee recommends a 4-percent cost-of-living increase effective

January 1, 1985, for all military personnel except E-1's with less than 4 months active duty, who would receive no increase in pay. The committee believes that this raise will be sufficient to maintain the current momentum in recruiting and retention in the military services.

The committee also restructured the basic allowance for quarters and the variable housing allowance along the lines suggested by the Department of Defense. The committee's recommendations saves approximately $200 million from the fiscal year 1985 request and insures that future increases in military housing allowances will be directly linked to nationwide housing costs.

The committee made a number of other recommendations in the area of pay and allowances. These include tightening up the current authority for the Navy to pay the aviation officer continuation bonus; equalization of enlisted and officer rates of hazardous duty pay; and repeal of the 1989 termination date of Vietnam-era GI bill benefits, among others.

HEALTH CARE

The committee also made several recommendations in the area of military health care. One provision of the committee bill authorizes the military services to provide dental care to military dependents throughout the United States on a space-available basis. The committee also authorized CHAMPUS reimbursement for chiropractic care, and for up to one eye examination per year.

CONCLUSION

Mr. President, I have outlined the highlights of the Armed Service Committee's recommendations in the area of manpower in this bill. In addition to setting the defense manpower levels for fiscal year 1985, this bill contains a number of provisions which will improve manpower management in the Department of Defense.

I urge my colleagues to join me in supporting these provisions.

Thank you Mr. President.

Mr. QUAYLE. Mr. President, the fiscal year 1985 defense authorization bill we take up today represents, I believe, a balanced approach to allocating resources for U.S. national security programs. Those of us on the Senate Armed Services Committee have participated in a most unusual and productive exercise over the past 5 months. For the first time in history, a Secretary of Defense appeared before our committee to propose significant reductions in his department's budget. This is the kind of guidance that we as Senators, charged with making the most sensitive decisions on our Nation's defense needs, need so desperately in reviewing this budget. Indeed, we as individual Senators do not have the full range of resources to make the types of decisions needed to strike a balance between defense needs and budget realities. For this reason, it is essential to have a full and open discussion between the administration and the Congress to decide the important programmatic and budgetary issues confronting us. I commend President Reagan, Secretary Weinberger, our distinguished chairman (Mr. TOWER), and the ranking member for their hard work and spirit of compromise in preparing this bill.

Chairman TOWER deserves special recognition, Mr. President, as he steps to the bill manager's podium for the last time on a DOD authorization bill. Long before my brief tenure on the Armed Services Committee began, Chairman TOWER had become one of our Nation's most respected leaders on national defense policy. The chairman has always stood for well-equipped and ready Armed Forces, and has tried to communicate to the American people a greater appreciation for America's role in the world and the broad requirements of our defense policy. I salute the chairman for his leadership on the committee and in this body in the name of a strong America.

Mr. President, the bill before us provides a balanced allocation of resources and steady real growth in our national defense budget. It represents a comprehensive effort to balance national needs and the threats of a dangerous world. It provides, I believe, increased readiness for our forces while maintaining the so vitally important modernization effort begun by Congress 4 years ago.

As to those who say we have compromised readiness and conventional capabilities at the expense of strategic programs, and that we have allocated too large a share of our Nation's resources to defending America, I make the following observations:

Our strategic forces, which are undergoing their first complete modernization since the 1960's, comprise 13 percent of the fiscal year 1985 budget—the peak year for this effort. Not only is this a modest portion of the budget compared to our strategic modernization of the 1960's, but it will continue to decline after this fiscal year.

For fiscal year 1985, we will see a 34-percent decrease in our depot maintenance backlog from fiscal year 1984. Since fiscal year 1981, our pilot flying hours have increased by 600 hours, and ship steaming hours have increased over 100 hours.

Eighty-eight percent of Army recruits are now high school grads, compared with 54 percent in fiscal year 1980.

Defense outlays as a share of U.S. GNP are now less than they were in 1960, or even in 1955.

DOD's share of Federal outlays has decreased from more than 50 percent in 1955 to 34 percent today, while entitlement spending has risen from 20 percent of outlays in 1955 to 45 percent today.

In short, Mr. President, our forces are more ready, of a higher quality, and better equipped than ever before.

The Armed Services Committee has also in this bill addressed for the first time in a systematic way many procurement provisions and reforms which were long overdue. As chairman of the committee's ad hoc task force on defense procurement matters, I believe the new defense procurement improvements section of the bill provides workable weapons warranties language and sensible provisions on spare parts and technical data management. Our warranties provision could not have been accomplished without the close cooperation of my colleague from North Dakota, Senator MARK ANDREWS. I believe that because of the close cooperation, we were able to forge among all concerned parties, industry and DOD included, we now have a workable and solid warranty provision to cover defense weapons systems. The new section of the bill also breaks new ground in defense procurement technical assistance and makes some fundamental reforms in the areas of encouraging enhanced computer capabilities and better personnel policies for program management.

The task force operated in an exemplary bipartisan manner, and I thank my distinguished colleague, Senator LEVIN of Michigan, for his cooperation and input on the many issues we dealt with under a compressed time schedule. I also thank Chairman TOWER for creating this special task force in order to deal with a very important issue. I believe we were able to address serious defense procurement issues of critical interest to the Senate, and we hope to continue this work through the year.

In summary, Mr. President, the bill we take up today is realistic in terms of budgetary requirements, and is also the continuation of an unprecedented qualitative effort to improve our military forces. We were not able to do all we wanted in this bill. The pay increase for our soldiers is not as great as we would like, we have not bought as many spares as we would prefer, and the pace of our modernization program has been slowed in many areas. We have, however, taken a realistic approach that is in keeping with the policy of the President to address our Nation's deficit problem while keeping America strong. I compliment my colleagues on the committee for a job well done, and look forward to the prompt consideration of the bill by this body in the days ahead.

MILITARY CONSTRUCTION ASPECTS OF S. 2723

Mr. THURMOND. Mr. President, as chairman of the Military Construction

Subcommittee of the Senate Armed Services Committee, I want to discuss briefly the committee's recommendations on title II of S. 2723, which pertains to military construction.

Again this year the military construction budget has been forced to take a sizable reduction. The request was for $10.5 billion in new authority and reductions of $1.2 billion—about 12 percent—are recommended by the committee. These reductions are not easy to make; many valid military requirements have been deferred to accommodate the reductions mandated by the Senate in the first concurrent resolution on the budget.

The request to the Congress contained nearly 1,500 different projects at military installations around the world. Approximately one-fourth of the request was for operation and maintenance of the inventory of nearly 400,000 units of military family housing. Construction in the United States accounted for 73 percent of the request, with 18 percent for bases in Europe, and the remaining 9 percent for other overseas bases. The committee carefully assessed each project to insure that the project was justified and conformed to current defense construction criteria.

Details of the committee's action are in the committee's report and I do not intend to discuss the committee's actions in any detail. I would invite my colleagues attention to the report and would be pleased to respond to any questions that members may have.

I also want to compliment the committee chairman who is managing the final defense bill of his distinguished career. In my years in the Senate, I have never seen a committee chairman more dedicated to his task. Senator TOWER is a respected authority on all defense matters; he works extremely hard to stay current on defense issues and to expand his background knowledge in areas related to defense. Above all, he is eminently fair in his handling of the Armed Services Committee; he guarantees that every member has an opportunity to be heard and his proposals carefully considered on any defense issue. The Senate will miss JOHN TOWER and his leadership on defense issues; I am confident that after he leaves the Senate he will continue to serve this Nation in some capacity as a respected authority in defense matters.

I want to take this opportunity to acknowledge the efforts of Senator BINGAMAN, the junior Senator from New Mexico, who served with me as the ranking Democrat on the Military Construction Subcommittee. It has been a real pleasure to work on this bill with Senator BINGAMAN. He has worked hard to find reductions that could be made with minimum impact on the overall defense program and to insure that the taxpayer gets the most for his dollar in the military construction program.

Let me also acknowlege the efforts of staff members Ken Johnson, Jeff Smith, and Ed McGaffigan who handled the staff work on this bill.

I also want to give special recognition to Marie Dickinson, a most able staff assistant, who really should receive much of the credit for the fine committee work on the military construction program. Marie, who has been on the staff of the Armed Services Committee for 14 years, is one of the most competent members of this staff. She brings a pleasant manner and an attractive disposition to the hard work of handling a bill like this and I want her to know that we sincerely appreciate her loyalty and her dedication to the Senate.

Last, and most important I want to pay tribute to one of the most competent and dedicated staff members I have known since becoming a Member of the U.S. Senate—Jim Smith. His military expertise and vast knowledge in this field have been of inestimable benefit to our Nation. His outstanding work on this bill has been extremely valuable and I commend him in the highest terms.

AMENDMENT NO. 3165

Mr. McCLURE. Mr. President, on behalf of myself and Mr. MATTINGLY, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho (Mr. MCCLURE), for himself and Mr. MATTINGLY, proposes an amendment numbered 3165.

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

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

The amendment reads as follows:

At the end of the bill add the following new section:

TRANSMITTAL TO CONGRESS OF REPORT ON SOVIET COMPLIANCE WITH ARMS CONTROL AGREEMENTS

SEC. . (a) Not later than 30 days after the date of the enactment of this Act, the President shall transmit to Congress the text of the report by the General Advisory Committee on Arms Control of the Arms Control and Disarmament Agency entitled "A Quarter Century of Soviet Compliance Practices Under Arms Control Commitments: 1958-1983 (U)", dated November 1983. If the President determines that that report contains material the release of which to Congress would compromise United States intelligence sources, methods of intelligence gathering, or the national security of the United States, the President may furnish the text of such report after deleting or modifying such compromising material.

(b) Not later than 60 days after the date of the enactment of this Act, the President shall transmit to Congress an unclassified version of the report described in subsection (a).

Mr. McCLURE. Mr. President, the amendment would simply require that the General Advisory Committee on Arms Control of the Arms Control and Disarmament Agency report entitled "A Quarter-Century of Soviet Compliance Practices Under Arms Control Commitments: 1958 to 1983," be furnished to the Congress of the United States. This report covers that 25-year period since 1958. While various Members may have seen a press report or two about it or perhaps some have received briefings with respect to the report itself, I think it is important that the entire Congress be informed as to what that report is and have available to them the information that is contained within the report.

The administration is also preparing a phase 2 of the compliance report mandated by Congress last September, which I am sure Members will remember passed unanimously by a rollcall vote of 93 to nothing. I am advised that the phase 2 compliance report is almost completed. I hope it will be delivered soon. The question of Soviet arms control compliance is a very important and fundamental question, and I think this Senate and all Americans need as much information as we can get so that we can make very good and valid decisions based upon good information.

This amendment has been carefully drafted to make certain that we do not in any way compromise U.S. intelligence sources, methods of intelligence gathering, or in any way harm the security of the United States. So there is a provision in the amendment that says that the President may furnish the text of the report after deleting or modifying any such compromising material.

The amendment further states that "Not later than 60 days after the date of the enactment of this act, the President shall transmit to Congress an unclassified version of the report described in subsection (a)." That is designed to give Members of Congress as much information as is possible and at the same time make available to all other citizens of the United States that which can be provided in an unclassified form so that all Americans would have access to an equal amount of information so far as it is possible to do so.

On the floor of the Senate in the past, I have referred several times to statements made by Sir Winston Churchill in that period prior to World War II and in particular in 1935 when he challenged the British Government to determine whether or not the Germans were complying with the arms control provisions of the Versailles Treaty. Among other things, Sir Winston Churchill stated in the House of Commons at that time that: "The worst crime is not to tell the truth to the public." And I think in a free society such as ours we should remind ourselves of the truth of that statement. World War II might have been prevented if the allied democracies had been able to enforce Nazi German compliance with the Versailles disarmament provisions.

Mr. President, I would be pleased to respond to any questions if indeed Members have questions with respect to this amendment. I hope it could be adopted and we could move onto the next subject.

Mr. TOWER. Mr. President, I am prepared to accept the amendment of the Senator from Idaho. I think it is essential that Congress be adequately and properly informed on these matters. Therefore, I am prepared to accept the amendment. But I would defer to the acting minority manager as to what his views are.

Mr. EXON. Mr. President, we have not had a chance to look at the information that is being offered in the amendment by the Senator from Idaho. I would like to, if I might, ask him, was this prepared by how many members of the organization? Is this 1 member or 10 or 2 or 3? What is the date of this report.

Mr. McCLURE. The report was prepared by the General Advisory Committee. I do not think there is any question that it is a document that is of general circulation and approval within that Advisory Committee. It is not a minority report or a minority view. It was unanimously approved by all 12 members of the General Advisory Committee on Arms Control.

Mr. EXON. Was this a unanimous conclusion of the committee?

Mr. McCLURE. I am informed it was unanimous. I might also mention that similar action has been taken by the other body in the markup of the bill, and an amendment identical to this was offered on the floor of the House and was adopted.

Mr. EXON. Could the Senator from Idaho further advise this Senator as to whether or not this matter was reviewed by either the Foreign Relations Committee or the Armed Services Committee?

Mr. McCLURE. I think the Armed Services Committee has had a hearing with respect to this. I do not believe the Foreign Relations Committee has.

Mr. WARNER. Will the Senator yield?

Mr. EXON. I am glad to yield.

Mr. WARNER. The Armed Services Committee has had no hearings on this subject.

Mr. McCLURE. A briefing but not a hearing.

Mr. EXON. I do not believe we have any particular objection, especially if it has been introduced on the other side.

I would just like to say that since I have not had a chance to review this, I do not know whether it is a balanced report. I heard my friend from Idaho indicate that we should have all the information at hand when we look at these kinds of things. Sometimes I feel that maybe we do not get a balanced approach, not enough of a broad-based approach. But if it is an official report of the committee, then I have no objection to accepting it as a part of the bill with the understanding that hearings were not held on this nor was it reviewed, as far as a part of the measure before us, by either the Armed Services Committee or the Foreign Relations Committee or any other committee of jurisdiction.

Mr. McCLURE. Mr. President, might I say to the distinguished Senator from Nebraska, there are 12 members on the General Advisory Committee, and it is my information that this report was approved unanimously by all 12 members of that committee.

Mr. EXON. Have we previously, to the knowledge of the Senator from Idaho, included recommendations of this committee on previous defense authorization bills, or is this the first time we have taken this action?

Mr. McCLURE. This Senator has been active for a year in trying to get information to the American public, and to the Senate as well, with respect to what we know about Soviet treaty compliance. The amendment that I referred to earlier was adopted last September, an amendment which I offered to the State Department authorization bill. But the Disarmament Agency, it seems to me, is more appropriately related to the activities of this committee. That is why the committee had a briefing with respect to it, at the invitation I believe of the chairman of the full committee.

Mr. TOWER. If the Senator would yield, Richard Perle briefed the committee on this issue. All the amendment proposes—if the Senator from Nebraska would agree—is to require the administration to submit information to us. I do not see how we can object to that very strongly; information that is already in hand.

Mr. EXON. There is no objection on this side to the acceptance of the amendment as part of the bill.

Mr. McCLURE. I thank the Senator.

The PRESIDING OFFICER. The Senator from Idaho.

The Senator from Virginia.

Mr. WARNER. Mr. President, I have talked to the Senator from Idaho about this. I want to make it eminently clear that this amendment in no way reflects any lack of support for the arms control process by the Senator. As a matter of fact, we have talked many times and I share the view that we have hopes in the future of reaching a verifiable and balanced arms control agreement. This is in no way to undermine that process.

Mr. McCLURE. Mr. President, would the Senator yield?

Mr. WARNER. Yes.

Mr. McCLURE. Mr. President, I thank the Senator for making that comment.

I have tried to make my own position clear in statements made within this body, and other public places on the record, as well as in private conversations, that in no way do I wish to indicate that the United States ought not to be involved in negotiations. I fully support what the President has attempted to do to get the Soviet Union back to the negotiating table from which they have walked, and go forward with the process of trying to make this a safer world in which to live by means of arms control agreements. I think if that process is to be fruitful, we need to be informed. That is part of what I am trying to do here; make sure that all of us have that information so that the decisions we make will be based upon good, sound information. I am also trying to preserve the integrity of the arms control negotiating process and to preserve the peace.

Mr. WARNER. Mr. President, if I may point out further to my distinguished colleague from Idaho, who has drafted the amendment—and incidentally the amendment parallels the one that has been adopted by the one by the House.

Mr. McCLURE. The Senator is correct.

Mr. WARNER. The amendment states:

If the President determines that that report contains material the release of which to Congress would compromise United States intelligence sources, methods of intelligence gathering, or the national security of the United States, the President may furnish the text of such report after deleting or modifying such compromising material.

That clearly indicates that there be a measure of Executive privilege exerted in this matter, in fairness to my colleague.

Mr. McCLURE. Yes. I pointed that out earlier. Indeed, there may be material that needs to be handled in the usual careful manner that we handle matters of sensitive intelligence; and, therefore, it is carefully handled by the text of the amendment.

Mr. WARNER. I thank the Senator.

Mr. McCLURE. I thank the Senator from Virginia.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Idaho (Mr. McClure).

The amendment (No. 3165) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Texas.

Mr. TOWER. The Senator from Idaho has one more amendment that he would like to offer which I understand will not take much time at all. The Senator from South Carolina has just come to the floor to offer his amendment on which there will be a record vote. I think probably the orderly way to proceed would be to let the Senator from Idaho dispose of his amendment, which can be disposed of by voice vote, and then hopefully the Senate can return to consideration of the amendment to be offered by the Senator from South Carolina.

Mr. President, I understand that the Senator from Idaho is not prepared to offer his amendment at the moment, but the Senator from South Carolina is.

Mr. HOLLINGS. I thank the distinguished manager of the bill, the Senator from Texas.

AMENDMENT NO. 3166

(Purpose: To express the sense of the Congress regarding any extension of the current restriction on the annual cost-of-living adjustments for retired Federal civilian employees and retired members and former members of the uniformed services who are under 62 years of age)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS), for himself, Senators RANDOLPH, JEPSEN, PRESSLER, BINGAMAN, WARNER, MITCHELL, BYRD, and THURMOND proposes an amendment numbered 3166.

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

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

The amendment is as follows:

On page 128, between lines 12 and 13, insert the following new section:

SENSE OF CONGRESS REGARDING RESTRICTIONS ON COST-OF-LIVING ADJUSTMENTS FOR CERTAIN RETIRED PERSONS UNDER 62 YEARS OF AGE

SEC. . It is the sense of the Congress that the provision contained in section 301 of the Omnibus Budget Reconciliation Act of 1982 (Public Law 97-253; 5 U.S.C. 8340 note), or any other provision of law, which restricts cost-of-living adjustments for certain retired Federal civilian employees and certain retired members and former members of the uniformed services who are under 62 years of age to one-half the cost-of-living adjustment provided such employees and members who are 62 years of age or older should not be extended beyond fiscal year 1985.

Mr. HOLLINGS. I present this amendment, Mr. President, on behalf of Senators RANDOLPH, JEPSEN, PRESSLER, BINGAMAN, WARNER, BYRD, THURMOND, MITCHELL, and myself. Two years ago we made a bad mistake. We limited the COLA, cost-of-living adjustment, for the military and civilian retirees 62 years of age and under. On the House side, they want to extend that particular bad decision beyond the present 1985 expiration date.

This COLA limitation was intended to try to balance the budget as we have all tried to do. Of course, this particular Senator has been willing to freeze all COLA's. We have had a record vote on it. I would do the same thing. My plea now to my colleagues is one of fairness. The thrust of the COLA limitation was to blame this one group of retirees for the economic fallacy of Reaganomics. The Congress was looking at deficits of over $200 billion, and we failed to come to grips with it. I think that we ought to have the courage to reduce all areas of spending to stop the revenue hemorrhage thereby bringing order out of economic chaos. Would we do that? No. Was there a sacrifice asked of all? No. The Congress on the contrary chose to pick and choose who would play the small part in the perceived attempt at the so-called budget cutting.

Now we have the conference with respect to the reconciliation bill. That is why I ask for a record vote on this particular amendment because I feel very strongly that in the Senate we would be in total opposition to the House proposed extension of the half COLA for retirees under 62 years of age. Do you realize that is 64 percent, two-thirds of the enlisted military retirees. Roughly 500,000 of them, receive an average retirement pay right now of $9,400, which is $500 below the poverty level. Why are we cutting the retired pay of those who obviously do not receive much? These are the military retirees, but not just the military retirees suffer however. It also affects several civilian employee groups unfairly; Secret Service and air traffic controllers to name just two groups. They are required by law to retire much earlier than 62. So they are also singled out in an unfair way. I could elaborate more. But I think the distinguished chairman of our Armed Services Committee has looked at this. Hopefully we can get his approval and support.

Mr. President, I am introducing a sense of the Congress resolution that puts the Congress on record as firmly opposed to an extension of the one-half COLA for military and civilian retirees under 62 years of age beyond the present 1985 expiration date for the COLA limitation.

Two years ago, a serious mistake was made by the Congress in unfairly singling out military and Federal civilian retirees under 62 to reduce their anticipated COLA. No other group was treated in such a way. It was arbitrary, and it was wrong.

The thrust of the COLA limitation was to blame this one group of retirees for the economic fallacy of Reaganomics. The Congress was looking at deficits of over $200 billion and failed to come to grips with the issue. Would it have the courage to reduce all areas of spending and stop the Reagan revenue hemorrhage thereby bringing order out of economic chaos? No. Was a sacrifice asked of all? No. The Congress chose to pick and choose who would play their small part in the perceived attempt at so-called budget cutting.

So the Congress picked on a select group of retirees—about 1.2 million in number—of whom 1 million were military retirees. This half COLA was yet another in a long line of changes in retirement benefits for those in the military. I think it is time we stop these shenanigans and face up to the truth.

Cutting the deficit is a responsibility that should be shared by all and not a few. Small-change revisions in retired pay will not get us there. We need a fundamental shift in the thinking of the Congress and the President—working in a bipartisan manner. Cut and freeze spending and raise revenues. That is the answer.

My amendment would put the Senate on record in opposition to House-proposed extensions of the half-COLA for retirees under 62.

There are numerous reasons why the half-COLA limitation should be abolished after its present 1985 legislative expiration date:

First, changes to the military and Federal civilian retirement systems should be enacted based upon thorough evaluations of the systems by the Congress—not by piecemeal legislation requiring sacrifice by some and not others.

Second, the half-COLA limitation, along with other recent retirement revisions such as elimination of the 1-percent kicker, twice a year to once a year COLA, retirement based on high 3-year average salary and not termination base salary, and elimination of the look-back provision, have reduced the value of lifetime military retired pay by over 30 percent.

Third, 64 percent of enlisted military retirees—roughly 500,000 retirees—now receive an average retired pay of $9,400 or nearly $500 below the poverty level.

Fourth, 1 million of the 1.2 million Federal retirees under 62 are military members. Our retired service personnel have honorably fulfilled their commitments, but the constant sniping at retired pay means the Government is reneging on its responsibilities.

Fifth, Congress recently delayed the retired pay COLA until December

1984 for the military, until January 1985 for civilians, meaning there will be a 19-month delay since the last COLA adjustment.

Sixth, the erosion of retirement benefits has a serious detrimental effect on enlisted and junior officer retention levels.

Seventh, several groups of civilian employees such as Secret Service employees and air traffic controllers are forced by law to retire much earlier than 62 and then have been denied their full retirement.

Defense Secretary Weinberger also opposes the proposed extension and has written to House Members his major objections. I ask unanimous consent that a copy of Secretary Weinberger's opposition to the extension of the half-COLA be printed in the RECORD. This is one time that the Secretary and I agree on an issue and that fact should be recorded.

The Senate Armed Services Committee also has opposed the half-COLA concept in the past—mostly for the same reasons that I have cited. The Armed Services Committee's views are best represented in the following quotes from Senate Report 98-174, pages 220-221, accompanying the fiscal year 1984 Omnibus Defense Authorization Act:

The Committee is concerned that the near-term savings in military retired pay that would come from the permanent half-COLA would be more than offset by the loss of skilled career personnel over the longer term. In fact, lower retention rates and higher personnel turnover caused by this proposal could actually increase defense manpower costs. The Committee is also concerned that this proposal unfairly penalizes the large number of military retirees under age 62 simply because of their service in the military. The arbitrary use of age 62 shelters the retired pay of civil service retirees at the expense of those who endured the unique hardships and career patterns of military service. Individual military retirees, and those military members nearing retirement, should not be penalized for manpower management policies over which they had no control.

Significant changes to the military retirement system, like the permanent half-COLA proposal, that do not begin with a review of underlying military manpower management principles, could result in unintended and unforeseen changes to these principles. The Committee believes that any such changes should only come after a thorough examination and understanding of their possible impact on meeting the manpower needs of the military services. The Committee also understands that changes to the military retirement system are some of the major issues before the current Fifth Quadrennial Review of Military Compensation which will be completed this fall. Accordingly, the Committee recommends that the Administration's proposal to make permanent the current three-year limitation on half-COLA increases for military retirees not be accepted at this time.

Mr. President, I have several additional tables that discuss the merits of my proposal. I ask unanimous consent that they be included in the RECORD.

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

WASHINGTON,
THE DISTRICT OF COLUMBIA,
April 12, 1984.

Hon. JAMES R. JONES,
Chairman, Committee on the Budget, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: I understand that H.R. 5394 contains a two-year extension feature of the one-half cost-of-living annuity adjustment mechanism for retired civilian employees under age 62. Such a feature will also apply to members of the uniformed services entitled to retired or retainer pay through linkage in preexisting law. We strongly object to this feature and request that the Committee remove this limitation for uniformed service members.

The President's budget indicated certain proposed revisions to the cost-of-living adjustment mechanism. Other than a delay in the effective date of these adjustments, it specifically stated that military members were not included due to the ongoing Fifth Quadrennial Review of Military Compensation. The action by the Committee is not in accord with the Administration's program. Further, such an extension has a disproportionate impact on the military community. About 72 percent of our retired members are under age 62. Normally, we retire individuals at a much earlier age than the civilian community and we must do so to maintain the required age/skill/experience mix of the force. Consequently, such a feature has significant consequences upon military personnel management and our ability to meet defense requirements.

The military retirement system is a major management tool for the Department. Changes in that system unrelated to our requirements have serious long-term force impacts. Extending the half cost-of-living feature for two years, to a total of five, will be perceived as a step toward making this permanent. We know that making this permanent would reduce the lifetime value of retired pay by 33 to 36 percent for most retirees. Correspondingly, we would lose about 20,000 career enlisted members by the end of fiscal year 1988. This, in turn, increases the number of new accessions we must attract in a declining youth market. As a result, recruiting and training costs would increase, while overall readiness of the armed forces would decline.

I urge you to reconsider this feature in light of its impact on the military forces and remove it from the bill.

Sincerely,

CAP.

PERMANENT 50 PERCENT CPI COLA CAP

SYNOPSIS

Congress is contemplating a permanent 50% CPI COLA cap on military non disability retirees under age 62.

COLA cap constitutes reversal of long-standing Congressional intent to preserve purchasing power of military retired pay.

Cuts value of lifetime retired pay by 25-33%; enlisted retirees hit hardest—64% now have retired pay below poverty level.

Would affect nearly 1 million military non-disability retirees under age 62.

50% CPI cap is poor policy; makes future retired pay subject to a volatile inflation rate; discriminates against military retirees who are generally younger due to force management requirements for a youthful force.

Retirees have honorably fulfilled their commitments to nation; cap abdicates government's reciprocal responsibility to preserve the entitlements under which these members were recruited and served.

BACKGROUND

FY83 Omnibus Budget Reconciliation Act (OBRA): Temporary (FY83-FY85) 50% CPI COLA cap.

COLA for retirees under age 62 limited to 50% of projected CPI.

[In percent]

	Apr. 1, 1983	May 1, 1984	June 1, 1985
Under 62:			
Projected	3.3	3.6	3.3
Actual	3.3	[1] 3.6	
62 plus:			
Projected	6.6	7.2	6.6
Actual	3.9	[1] 3.5	

[1] Would become effective May 1, 1984, unless overriding legislation is enacted.

Fiscal year 1985 Actions: House Budget Committee has recommended (1) making 50 percent CPI COLA cap permanent and (2) delaying the 1 May 84 COLA (payable 31 May 84) until 1 Dec 84 (payable the first working day in January 1985).

DISCUSSION

In 1963 Congress passed legislation automatically linking military retired pay to changes in the CPI; Congress' intent was to preserve the purchasing power of retired pay and help soften the impacts of the 1958 decision to end retired pay recomputation (under this practice, retired pay was adjusted by the same increase applied to active duty basic pay).

Although the retired pay COLA mechanism was modified four times between 1963 and enactment of fiscal year 1983 OBRA (Oct. 82), full adjustment for CPI growth was preserved.

Over 1 million members are now retired (state distribution at Attachment 1).

Over 95 percent of the active military force came on active duty during the 19 years since full inflation protection was first enacted; these members, as well as current retirees, have come to view inflation protection as an integral feature of the retirement system.

Since 1963, the number of nondisability retirees under age 62 who rely on 100 percent CPI adjustments has risen from approximately 300 thousand to nearly one million as the military retirement system has matured.

A permanent 50 percent cap would be a sharp departure from a long history of Congressional preservation of the value of military retired pay.

A permanent 50 percent cap would produce a deep erosion in enlisted and officer retired pay purchasing power (Attachments 2 and 3).

By the time the typical retiree reached age 62, their monthly retired pay will have diminished to just over half of its original value; the actual reduction is dependent on future inflation rates.

Over the years of retirement, these monthly losses would accumulate to substantial sums; for example, a typical enlisted retiree will have a loss in purchasing power of between one-fourth and one-third of total lifetime retired pay (other examples at Attachment 4).

These losses in purchasing power will have their most acute impact on those who can afford it least—enlisted retirees.

64% of nondisability enlisted retirees (nearly one-half million) earn retired pay that is less than the poverty level of $9,860

The annual retired pay for the typical enlisted retiree is approximately $9,400.

Those supplementing their military retired pay through civilian second careers experience substantial and persistent second career earnings losses; starting second career pay for enlisted retirees is approximately $9,000 below that of equivalent high school graduate civilian employees.

Imposition of a permanent COLA cap reneges on a commitment to retirees.

For the 32 thousand who retired prior to 1958 and are still on the rolls, it would be the second abridgment of a commitment to sustain the purchasing power of retired pay; in 1958 recomputation of retired pay was terminated.

After recomputation was abandoned, the Congress pledged (1963) the purchasing power of retired pay would be preserved by full CPI indexing.

Retirees have kept their end of the bargain through at least 20 years of honorable and often dangerous service; over 70% of a sample of recent retirees drew hostile fire pay at some point during their careers.

Many retirees and active duty members have lost faith in the permanence of the entitlement programs they were recruited and served under; the government's credibility as patron of the serviceman has already been seriously diminished.

A permanent COLA cap could be the last straw for many young members who are contemplating a military career but are becoming wary of whether retirement entitlements will endure.

But more unfortunate, it would be an insensitive disregard for the welfare of thousands of retirees who count heavily on their retired pay for sustenance in old age.

Besides imposing a severe financial burden, a 50% CPI cap is poor policy; it abdicates control over future retired pay to a random process—the CPI.

The unpredictability of future inflation would make it impossible for:

Members to accurately project the future value of their retired pay.

And the government to accurately project savings from a cap.

This kind of cap would have uneven impacts on lifetime retired pay for otherwise equivalent retirees who are retired during periods of relative price stability compared to those who are retired during periods of high inflation.

Attachment 3 illustrates the volatility of lifestream impacts; for example, a TSgt would lost 29% in lifetime retired purchasing power if inflation is 5%, but would lose 41% if inflation is 8%.

Furthermore, the age 62 threshold discriminates against military retirees because they are generally younger than federal civilian retirees; law and force management practices designed to preserve a youthful force prevent members serving to age 62; nearly 80% of military retirees but ony 20% of civil service retirees would be affected if a permanent cap were implemented.

[In percent]

Retirees' age	Military	Civil service
Under age 62	79	20
Age 62 plus	21	80

SUMMARY

Fifty percent CPI COLA cap is an immediate money saver; but, for the long term, it is an unstable and unacceptable solution:

Would reduce the purchasing power of military compensation by a significant, yet unpredictable amount.

Would discriminate against military retirees as a group on the basis of their age.

Would have a growing corrosive effect on the attractiveness of the retirement system as a career incentive as the cumulative impacts on purchasing power became apparent.

Would have eventual damaging consequences on retention and experience and readiness levels.

Finally, would represent a further "selling out" of retirees in the name of economy.

SELECTED EXAMPLES: ADVERSE IMPACT OF PERMANENT ONE-HALF COLA CAP ON MILITARY RETIREMENT PAY REDUCTION IN LIFETIME RETIREMENT PAY

[1984 Dollars/percent reduction]

Grade	Years of service	5 percent CPI		8 percent CPI	
		Amount	Percent	Amount	Percent
Technical sergeant	20	$77,800	29	108,900	41
Do	[1] 23	75,000	26	106,100	37
Master sergeant	[1] 26	83,500	23	119,700	34
Chief master sergeant	30	95,100	19	139,000	28
Lieutenant colonel	20	140,000	25	199,200	36
Do	[1] 28	105,500	17	155,700	25
Colonel	30	106,900	14	159,500	21

[1] High year of tenure point.

Mr. WARNER. Mr. President, I rise today in support of this initiative to assure that military and Federal retirees under the age of 62 may continue to look forward to receiving full cost-of-living adjustments (COLA's) in fiscal years 1986 and 1987.

As I am sure my colleagues are aware, the reduced COLA proposal is now in conference as a part of the House-passed version of H.R. 4170, the proposed Omnibus Deficit Reduction Act of 1984.

In the Senate-passed version of H.R. 4170, approved by this body by a vote of 74 to 23 on May 17, we make no recommendation to penalize under 62 retirees in 1986 and 1987, and I believe that a strong affirmative vote on behalf of these retirees will act to substantiate our actions on H.R. 4170.

Federal and military retirees have borne the brunt of numerous budget savings measures in recent years, and I believe the time has come to indicate our support and appreciation for the valuable services provided to this Nation by both the civilian and military sectors of the U.S. Government.

Federal employees and military personnel begin their service to their country believing that their respective retirement programs are a part of their total compensation.

There is no question that, in many cases, private sector compensation for comparable Government work is much higher, but the retirement security provided by the Federal and military retirement programs has acted to make the long years of Government service worthwhile.

I believe that we must draw the line on continued encroachments on the hard-earned annuities of Federal and military retirees, no matter what their ages may be.

These fine Americans, who have contributed their services through their Federal and military careers, signed up for Government service with every expectation that they could count on full retirement benefits.

They have made their contributions to the retirement programs and fulfilled the required years of service.

Mr. President, I ask you, is it fair to keep changing the rules and laws they have depended on by a continuing series of deferrals and reduced COLA increases?

The actions we have already taken in this area involve a substantial sacrifice in retirement security for Federal and civilian service.

I believe that we have asked enough of those in military and civilian service.

By the very nature of their jobs, Federal workers and military personnel understand the requirements of Government service, and certainly by now are aware of their proximity to the Nation's purse strings.

All American citizens have come to realize the need for fiscal responsibility and budgetary restraint, and I think that both Federal and military retirees have been proud to do their part in accepting budgetary curtailments.

There must, however, be a limit on these actions.

Federal and military retirees under the age of 62 have performed their services for the Government in good faith, and should not be further penalized.

I urge my colleagues to join me now in keeping the faith with these retirees by awarding them a full measure of retirement security for 1986 and 1987.

Mr. BINGAMAN. Mr. President, I support the amendment by my distinguished colleague, the Senator from South Carolina. This amendment puts the Senate on record on the extension of the half cost-of-living adjustment (COLA) for retired military and civilian employees under age 62, which has been proposed in the House-passed reconciliation bill, H.R. 5394. This provision is now under consideration by a joint House-Senate conference.

I strongly oppose the extension of the half-COLA provision. It is both bad policy and it is unfair to millions of military and civilian retirees. The Omnibus Budget Reconciliation Act of 1982 required that those retirees under age 62 get only one-half of the COLA adjustment (projected by the Congressional Budget Office) for the 3-year fiscal year 1983-85 period. We now have a House-passed proposal to extend this provision for two more years.

The extension of the half-COLA penalty will have a number of serious consequences for military and civilian retirees. It would be perceived as a move toward a permanent change. The effect of the permanent half-COLA would fall disproportionately on military retirees. Approximately 1 million of the 1.2 million Federal retirees under age 62 are military retirees.

This change would also significantly erode the purchasing power of retirees' pay. Along with other recent retirement changes such as the elimination of the 1 percent add-on provision, the change from twice-a-year to once-a-year COLA, and the delay in the May 1984 adjustment until January 1985, the value of lifetime military retired pay would be reduced by over 30 percent. Approximately 64 percent of enlisted military retirees—roughly 500,000 retirees now receive an average retired pay of $9,400—nearly $500 below the poverty level for an urban family of four.

The half-COLA change would also have an adverse impact on recruitment, retention and readiness of our military troops. According to the Department of Defense, about 20,000 career enlisted members would be lost by 1988 as a result of this change. This would have a direct impact on recruitment and training costs as well as a cause of a decline in readiness. As a result, the short-term savings this provision would achieve would more than be offset by the long-term cost. In fact, lower retention rates and higher personnel turnover caused by enactment of this proposal could actually increase defense manpower costs.

Many civilian retirees are also unfairly treated by this provision, particularly those Federal retirees who are forced by law to retire before age 62. These employees, which include secret service personnel, law enforcement and firefighter personnel, air traffic controllers, and others, would be discriminated against by the half-COLA penalty.

For these reasons I oppose the extension of the half-COLA provision and I encourage my colleagues to support the Hollings amendment.

Mr. TOWER. Mr. President, I think the committee should participate in the amendment offered by the Senator from South Carolina. I believe the whole issue of cost-of-living adjustments for retirees has to be dealt with. We need a comprehensive approach to deal with it. This piecemeal approach is not the proper way. As the Senator points out, the burden does fall somewhat unfairly on military retirees because most of them are forced to retire before they are 62. I believe the Senator from South Carolina added a couple of other categories, air traffic controllers, Secret Service, and so on.

It seems to me, in fairness, that the amendment of the Senator from South Carolina should be adopted. I might note that our committee specifically opposed this one-half COLA provision last year in our report. I would join with the Senator from South Carolina in urging the Senate to vote favorably.

I understand that the amendment has also been discussed with the distinguished Senator from Georgia (Mr. NUNN) and that he has no objection to its adoption.

Mr. HOLLINGS. That is correct.

Mr. President, I ask for the yeas and nays, if it is appropriate.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate? If not, the question is on agreeing to the amendment of the Senator from South Carolina. The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), and the Senator from Wyoming (Mr. SIMPSON), are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD), would vote "yea."

Mr. CRANSTON. I announce that the Senator from Connecticut (Mr. DODD), is necessarily absent.

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

The result was announced—yeas 95, nays 1, as follows:

[Rollcall Vote No. 113 Leg.]

YEAS—95

Abdnor	Domenici	Kasten
Andrews	Durenberger	Kennedy
Armstrong	Eagleton	Lautenberg
Baker	East	Laxalt
Baucus	Evans	Leahy
Bentsen	Exon	Levin
Biden	Ford	Long
Bingaman	Garn	Lugar
Boren	Glenn	Mathias
Boschwitz	Goldwater	Matsunaga
Bradley	Gorton	Mattingly
Bumpers	Grassley	McClure
Burdick	Hart	Melcher
Byrd	Hatch	Metzenbaum
Chafee	Hawkins	Mitchell
Chiles	Hecht	Moynihan
Cochran	Heflin	Murkowski
Cohen	Heinz	Nickles
Cranston	Helms	Nunn
D'Amato	Hollings	Packwood
Danforth	Huddleston	Pell
DeConcini	Humphrey	Percy
Denton	Inouye	Pressler
Dixon	Johnston	Proxmire
Dole	Kassebaum	Pryor
Quayle	Specter	Tsongas
Randolph	Stafford	Wallop
Riegle	Stennis	Warner
Roth	Stevens	Weicker
Rudman	Thurmond	Wilson
Sarbanes	Tower	Zorinsky
Sasser	Trible	

NAYS—1

Symms

NOT VOTING—4

Dodd	Jepsen
Hatfield	Simpson

So the amendment (No. 3166) was agreed to.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senate will come to order.

Mr. TOWER. Mr. President, while Senators are in the Chamber, I have had a number of inquiries made of me by a number of my colleagues. Let me say that it is my desire, if the majority leader is agreeable, to stay in fairly late this evening and dispose of amendments. I would not want to specify a time, but some Senators have asked me if they can leave at 4 o'clock or 5, and I would hope they would not because this is Thursday and our regular late night day. I hope we will regard it as such and continue to dispose of amendments. We have gotten off to a pretty good start. I would like to continue this momentum.

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

Mr. TOWER. I yield to the majority leader.

Mr. BAKER. Mr. President, I congratulate the Senator for his remarks. At the opening of the session today, I said as much. I do fully expect that if the Senate can do useful work today and the managers wish to do so, we will be asked to stay late. I do not know now how late, but I will leave that largely up to the two managers at this time. I do urge Senators to consider that it is most certain we will be here beyond the dinner hour.

Mr. TOWER. Mr. President, in that respect, I might note that we expect further votes during the afternoon and Senators should be on notice.

Mr. DIXON addressed the Chair.

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

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIXON. Mr. President, may I say that I have conferred with the majority leader and the manager of the bill, the chairman of the Armed Services Committee, and our ranking member (Mr. NUNN). I put the Senate on notice that early next week—and it has been requested that I put it off until next week by the manager of the bill (Mr. TOWER)—I intend to offer a motion to re-refer this bill to the Armed Services Committee in a matter of 5 days to limit the increase in the appropriation under the DOD authorization to 5 percent, which would be $293.7 billion instead of $299 billion contemplated by the bill. I have the motion at my desk. I have notified the leadership on both sides and the managers of the bill, and that motion will be offered early next week.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, I believe the Senator from Idaho is prepared to offer his second amendment.

AMENDMENT NO. 3169

(Purpose: To authorize the disposal of 10,000,000 troy ounces of stockpiled silver through the issuance of silver coins)

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

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from Idaho (Mr. McClure), for himself, Mr. Symms, and Mr. Humphrey, proposes an amendment numbered 3169.

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

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

The amendment is as follows.

At the appropriate place add the following:

STOCKPILE PROVISIONS

1. (a) Notwithstanding any other provision of law, the Administrator of General Services is authorized to utilize 10,000,000 troy ounces of silver from the National Defense Stockpile to mint coins pursuant to this section. Disposals of silver from the National Defense Stockpile shall be conducted in accordance with the provisions of this section during fiscal years 1985 and 1986.

(b) The Secretary of the Treasury (hereinafter referred to as the "Secretary") shall mint and issue coins of the United States under this section in such quantities as are necessary to meet public demand.

(c)(1) The coins minted pursuant to this section shall be either sold or furnished on consignment in bulk on a negotiated basis by the Secretary to primary dealers in bullion coins, banks and other financial institutions in accordance with such procedures as the Secretary may prescribe, at prices to the general public determined by the Secretary, which shall not be less than the fair market value of the silver content of the coins on the day of the sale, as determined by the Secretary, plus costs of minting, distributing, promoting, and marketing the coins. The Secretary shall seek to keep costs of minting, distributing, promoting, and marketing of the coins as low as possible, consistent with the objectives of this section. In no event shall the portion of the price attributable to the costs of minting, distributing, promoting and marketing the coins exceed 10 per centum of the fair market value of the coin's silver content or $.75 per coin, whichever is lower. Such sales and consignment shall begin not later than January 1, 1985.

(2) Coins minted under this section shall be legal tender and bear the same design as that of the 1908 "St. Gaudens" twenty dollar coin; be inscribed with the year of minting; have reeded edges; contain one troy ounce of 0.999 fine silver; weigh 31.1035 grams; and have a diameter of 38.1 millimeters (1.5 inches). Such coins shall not contain the inscription of the words "Twenty Dollars" but shall have the inscriptions of the words "Liberty", "In God We Trust", "United States of America", "E Pluribus Unum", "One Troy Ounce" and "One Dollar".

(3) The Secretary shall define the term "primary dealer in bullion coins" in a manner consistent with the ordinary practices of the precious metals trade.

(4) The Secretary shall sell the coins in bulk quantities or on consignment, in accordance with such procedures as the Secretary prescribes. In addition, the coins minted pursuant to this section should be packaged for bulk sales in tubes containing not less than 25, but no more than 1,000 coins. The Secretary shall utilize the United States Mint's mailing list and make other reasonable and appropriate efforts to promote the retail sale of the coins. Coins made available to the mailing list of the United States Mint may, at the Secretary's discretion, be produced as a proof coin and sold at a price sufficient to cover the face value, the precious metal content, plus the additional expenses of their manufacture and sale, or as special uncirculated coins, packaged distinctively by the United States Mint.

(c) The net proceeds of the sales of coins minted pursuant to this section shall be received by the General Services Administration, after deducting the costs incurred by the Secretary in minting, distributing, promoting and marketing the coins, the book value of the silver, and the face value of the coin. That portion of the proceeds representing the costs incurred of minting, distributing, promoting, and marketing the coins and the book value of the silver shall be credited to the mint appropriation. The net proceeds, including the aggregate face value of the coins received by the General Services Administration shall be deposited in the National Defense Transaction Fund.

Mr. McCLURE. Mr. President, I will not take long at this time to explain the purpose of the amendment.

We have been involved at various times in trying to determine the best way for this Nation to meet its critical stockpile needs of critical material, and that requires purchasing certain material from time to time to go into that stockpile, and that means that we have to generate some money to fund those purchases. So, from time to time the Government has looked at materials it felt were in excess of its needs and authorized the sale, and Congress itself authorized that sale.

Some years ago, we adopted a stockpile transaction fund in which whatever was sold, the net proceeds went into that fund to provide the funds to purchase material so the money could not be siphoned away for reasons unrelated to the stockpile.

One of those questions in recent years has involved the sale of silver that is found to be excess to the Nation's needs. Our experience with the attempts at selling bullion, however, have been disastrous, not only to the hopes of the Treasury to generate money to finance purchases, but also to the bullion market itself. It has been my belief that we should try an alternative method of disposal of those amounts that are found to be excess.

Mr. President, I do not want to get into the argument today about hard money or the desirability of coining for monetary reasons. I wish to confine my remarks solely to the desirability of disposing of the stockpile in a way which will generate money for the Treasury without destroying the market, and I believe that the way to do it is through a limited coinage program as defined in the bill.

Since the House put a provision in this bill authorizing bullion sales, it would be my hope that the Senate would authorize a better way. A way that is guaranteed to generate more money for the stockpile transaction fund, with less disruption of the silver markets and with less damaging and destructive effects on the mining activities and the livelihood of tens of thousands of working men and women in my State, and elsewhere, who depend upon that production as a basis of their livelihood.

Mr. President, this amendment is cosponsored by my distinguished colleague from the State of Idaho, Senator Symms, and Senator Humphrey.

The amendment I am offering, which the distinguished floor manager of the bill has agreed to accept, is necessary to prevent a critical and unfortunate situation.

The Omnibus Reconciliation Act of 1981 contained authority to sell materials from the national defense strategic stockpile. Included in the list of materials to be sold was the strategic stockpile of silver. Shortly after the passage of this act, the General Services Administration attempted to auction off the silver. Unfortunately, instead of selling silver, the auction method of disposal only forced the price of silver downward.

At the time of the auctions, the metals market was already in a state of depression. GSA's misguided action forced the price of silver well below the break-even point for most mines. In the State of Idaho, the Nation's largest silver producing State, several mines were closed and thousands of workers were forced out of work. Some of these mines have yet to reopen.

Mining specialists have estimated that over 50,000 workers in the mining industry were indefinitely idled. Some estimate that up to 100,000 employees in related or supporting trades in the West were either laid off or otherwise adversely affected.

Furthermore, the Governments of Canada, Mexico, and Peru filed protests with the State Department because the auction of stockpile silver caused their silver producers significant hardship.

I believe it is clear, Mr. President, that adequate consideration of the impact of the sale was not made—neither at the time it was proposed, nor at the time it was authorized.

Not only were we unsure about the untested notion and subsequent decision that the silver is excess to our strategic stockpile need. I believe little—if any—thought was given to the effect of dumping 105 million ounces of silver on the domestic silver market.

From the time the sale of the silver was announced in March 1981 until the time the sales were halted, the price fell drastically from $12.13 per ounce to $8 per ounce, all in a period of continuing inflation. The funny thing was that while the administration said its stated purpose for the disposal was to raise revenue, they actually were depressing the price and losing necessary revenue right before our eyes.

Apparently, we do not remember any lessons we may have learned in 1981. As many of my colleagues know, the House version of the DOD authorization includes authorization to dispose of 19 excess stockpile materials. One of these materials is 10 million troy ounces of silver. Unfortunately, Mr. President, the House language does not provide for a disposal method.

The report language does specify that:

To the maximum extent practicable, stockpiled silver be disposed of in a form and quantity that is readily available to, and can be afforded by, a large number of U.S. citizens, further, the committee intends that methods of disposing of silver, other than through General Services Administration auctions, be explored to provide maximum revenues for the National Defense Stockpile Transaction Fund with minimum impact on the commercial and industrial markets.

I certainly have learned a lesson from the botched job in 1981 and I intend to do everything I can to see that, if silver is disposed of, it is done in a manner that will not have the same effect on the market as the auction method of 1981 and that it conform with the standards set in the House report.

Since the disastrous 1981 auctions, I have been searching for a better method of disposal. The best method I have found in the 2½ years of research, is a coinage method. Certainly, Mr. President, I am not proposing that the Government mint millions of coins that nobody will buy. Instead, my coinage proposal, as it was introduced in S. 269, uses two coins for the disposal process.

The primary coin is a legal tender, 1-ounce silver bullion coin. It is clear to me that this coin, modeled as closely as possible after the popular 1-ounce Krugerrand gold coin, will be sucessful. A survey conducted for the Silver Institute and the Ad Hoc Committee for American Silver clearly states that a substantial market exists for these coins. If sales reach only one-tenth of the potential that the survey indicates, it is possible that 35 million of these coins could be sold during the first year on the market.

The purpose of my amendment is twofold. First, it conforms the Senate bill with the House bill by authorizing 10 million troy ounces of silver to be disposed. It also authorizes that this silver be disposed of by using a legal tender, 1-ounce bullion coin as I have proposed in S. 269.

The 10,000,000 troy ounces that have been proposed in the House bill will provide a good test market for the proposal made in S. 269, and will pave the way for its passage at a later date. By minting silver bullion coins, the Government will be providing an excellent investment for the small investor who is looking for a hedge against inflation.

Mr. President, the goal of minting coins from the strategic stockpile are numerous. First, coins will maximize the return for the silver to the Government. This increased return will provide additional revenue for the stockpile transaction fund to purchase other necessary strategic materials.

Second, it will minimize the effects this disposal will have on the silver market. We know exactly what effects the auction method had on the market. It depressed the price, closed mines, and reduced the return of the silver to the Government. Simply put, Mr. President, it is time to try another disposal method.

Last, a coinage method will maintain as many benefits of the stockpile as possible. The coins will most likely be purchased by Americans and held by Americans. If there is ever a strategic need for the silver, the Government can ask Americans to return the silver. The survey I referred to earlier indicates that 60 percent of the respondents would be very likely to resell the silver to the Government. In other words, Mr. President, we would create a walking stockpile of silver.

My idea is not an isolated idea. S. 269 has broad-based support, and is cosposored by Senators SYMMS, STEVENS, MURKOWSKI, LAXALT, HECHT, HATCH, MELCHER, BAUCUS, GOLDWATER, HELMS, GORTON, and DOMENICI.

Mr. President, I have discussed this amendment with the manager of the bill, I understand there is no objection to the amendment from his standpoint. We have submitted copies of the amendment to the minority, and I will be pleased to answer any questions.

Mr. TOWER. Mr. President, it is my understanding that this amendment has been cleared by the chairman of the appropriate subcommittee of the Armed Services Committee, Senator HUMPHREY, and he is a cosponsor of the amendment.

I see that the ranking minority member of that subcommittee is here, and I yield at this point to Senator NUNN.

Mr. NUNN. I thank the chairman.

Mr. President, I have no personal objection to the amendment. I have not studied the subject thoroughly, but I defer to Senator LEVIN, the ranking minority member of the subcommittee that has jurisdiction.

It is my understanding that this subcommittee, for some time, has been pressing the Office of Management and Budget and the administration to make some decisions in this area. The stockpile cannot be replenished in the area of more critical materials unless some of the silver is disposed of first.

I have here a letter that Senator LEVIN will address in more detail, signed by Chairman HUMPHREY of the Subcommittee on Preparedness, of which Senator LEVIN is the ranking minority member. I ask unanimous consent that this letter be printed in the RECORD, as an explanation of the background in which this amendment is being approached.

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

U.S. SENATE,
COMMITTEE ON ARMED SERVICES,
Washington, D.C., May 24, 1984.

Hon. DAVID A. STOCKMAN,
Director, Office of Management and Budget, Washington, D.C.

DEAR MR. STOCKMAN: The Committee on Armed Services has a continuing interest in building up the supplies of critical strategic materials in the National Defense stockpile. One of the major issues in rebuilding the National Defense Stockpile in recent years has been the question of selling off the current holdings of silver in the stockpile.

As you recall, the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35) authorized the sale of 105.1 troy ounces of silver from the National Defense Stockpile from FY 1982-FY 1984. This Act also stipulated that the FY 1983 and FY 1984 disposal authority for silver could not be exercised "unless the President, not later than September 1, 1982, determines that the silver authorized for disposal by such subsections is excess to the requirements of the stockpile as of that date." The Annual Materials Plans for the National Defense Stockpile submitted to the Congress by the Federal Emergency Management Agency for FY 1983 and FY 1984 anticipated revenues from the sale of silver in FY 1983 and FY 1984. However, the determination by the President that the silver in the Stockpile is excess to the Stockpile requirements required by P.L. 97-35 has never been received by the Senate Committee on Armed Services.

FEMA officials have testified this year that the FY 1985 appropriation request of $120 million from the Stockpile Transaction Fund is predicated upon receiving legislative authority to dispose of silver. According to FEMA officials, if the sale of silver does not materialize in FY 1985, there will be insufficient resources in the Stockpile Transaction Fund to purchase materials at the $120 million level requested for FY 1985. To date, however, this Committee has not received a formal legislative proposal from the Administration requesting authority to dispose of silver in the Stockpile during FY 1985.

In reporting out the 1985 Department of Defense Authorization Act (H.R. 5167), the Committee on Armed Services of the House of Representatives authorized the disposal of 10,000,000 troy ounces of silver from the National Defense Stockpile. We would like to know the Administration's position on the provision to dispose of silver in the Stockpile contained in the House bill. Since the House and Senate Committees on Armed Services will probably be meeting in conference on this bill in late June, we would like to have the Administration's position on this issue by June 15, 1984.

Thank you for your attention to this matter.

Sincerely,

GORDON J. HUMPHREY,
Chairman, Subcommittee on Preparedness,

CARL LEVIN,
Ranking Minority Member, Subcommittee on Preparedness.

Mr. NUNN. Mr. President, I defer to Senator LEVIN, who has done an outstanding job on the issue of material stockpile, for the comments he has. I will withhold my judgment until I hear his views on the matter.

Mr. LEVIN. Mr. President, I am not really sure how to react to the amendment. It may be a terrific amendment, and I probably will support it, as a matter of fact, because we have to do something about the silver we have in the stockpile.

I am troubled by the failure of the administration, for years, to give us a position on this matter. Everybody agrees that we have to do something about the silver that is there. I do not think that anyone wants to disrupt the silver market in the process, but we want to raise needed funds with which to buy the material that is needed.

Silver is surplus. We have a shortage in a lot of other critical materials. So we have to find an effective way and a nondisruptive way to dispose of the surplus, and at the same time, find some money to buy the critical materials which I think most of us agree we need for the stockpile.

I just have a few questions of Senator MCCLURE, if I could. I have not had a long opportunity to study this amendment. Perhaps the amendment itself answers these questions.

Mr. McCLURE. I would be very pleased to respond.

Mr. LEVIN. Will these coins be allowed to find their own market value, and if the fixed price set for them is not achieved, will they be auctioned?

Mr. McCLURE. They are intended to have a market value, to find their own market value, which would be the silver bullion value plus the cost of producing and distributing the coins.

Mr. LEVIN. If that value as set is not achieved, will the price then be lowered so they can be sold?

Mr. McCLURE. I would assume that if as a matter of fact they could not be sold at that value we would have to take another look at how they would be disposed of.

Let me say to the Senator from Michigan that, while it is not completely parallel because there is a national purpose in the sale of Olympic coins, they are selling for above bullion value and they are selling in order to support our activities in the Olympics of this summer. They are selling well, and they will meet their financial targets before the Olympics open this summer, I believe.

I might add at this point, that it is not the intent of the Senator from Idaho to have this coin compete with the Olympic coin program. Rather, the amendment states that the coins will not be sold until after January 1, 1985. This is after the Olympics and will give the mint an opportunity to get ready and commence selling at the first of the year.

There is another parallel, and that is that other nations are selling weight denominated coins, not just in gold, but in silver, and they are penetrating our markets in this country by selling foreign silver in our markets as 1-ounce denominated coins.

It seems to me foolish for us to allow them to have the monopoly of that market by our failure to move into this ourselves.

So it is my expectation that these coins will have a ready sale and that we will not have to face the question of whether or not they do not sell. I think they will. As a matter of fact, Sunshine Mine, the Nation's largest silver mine, which is located in northern Idaho, is selling bullion out the back door, in effect, just a drop-in trade, that is of about 50 to 100 thousand coins a month, and it seems to me that if these are an official coinage of the U.S. Government to have the guarantee and the certification of the Government with respect to the quality of the silver that is in them, the degree of fineness and purity of that silver, and are also a collectors' item for those who are coincollectors as well as those who want to own bullion, there will be a very ready sale for at least the amount that is authorized to be disposed of in either the House bill or the Senate bill.

Mr. LEVIN. Will these coins be legal tender?

Mr. McCLURE. Yes.

Mr. LEVIN. And does the administration take a position on this amendment?

Mr. McCLURE. I have the same puzzlement that the Senator from Michigan has with respect to the administration's position. They have not taken a position either for or against this bill, and they have had a proposal similar to this which has been before them for some time. I introduced legislation earlier which was referred to the Banking, Housing, and Urban Affairs Committee with respect to this general subject, and while the Treasury Department filed the letter with the Banking Committee to raise certain questions, those questions are pretty largely resolved by the changes that have been made here, and they have taken no official position either for or against this amendment.

Mr. LEVIN. In other words, the Banking Committee has not taken a position on it.

Mr. McCLURE. I spoke to Senator GARN, the chairman of the committee, to see whether or not he would have any objection to my offering this amendment, and he does not have an objection to my offering this amendment.

Mr. LEVIN. Can the Senator from Idaho estimate about what would be produced by the sale of these coins?

Mr. McCLURE. That depends upon the bullion value at the time the coins are sold.

Mr. LEVIN. Approximately.

Mr. McCLURE. If the Senator would take the rough ballpark figure, in the rough approximation of $100 million.

Mr. LEVIN. That is over a 2-year period.

Mr. McCLURE. Yes.

Mr. LEVIN. So is it fair to say this is intended to provide the authorization which is assumed in this budget and function 050 of $46 million a year?

Mr. McCLURE. Yes.

Mr. LEVIN. Is that the intention of the Senator?

Mr. McCLURE. Yes.

Mr. LEVIN. My only other comment, I guess, is this: I also think we have to find creative ways of disposing of the silver. This may very well be one. I am a little uneasy that I have been unable to obtain a position from the administration on this issue. By the way, I may or may not agree with that position. We have been trying for years to get a position. I do not want to prejudge it. It may be a wonderful way to dispose of it. This may be the right amount to dispose of so we do not disrupt the market unduly, and I do try to be sensitive to that side of the issue as well as what we have to produce for the strategic stockpile.

All I can say is I do not have any objection, but prior to conference on this bill, I hope that both the chairman and the ranking minority member of the Armed Services Committee would join in the request that Senator HUMPHREY and I have made of Mr. Stockman for a position in this matter so that we can at least have the administration position prior to conference on this. The House of Representatives has a very different position, and I would like to know exactly what their views are.

Mr. McCLURE. I understand what the Senator from Michigan is saying. As a matter of fact, I have not seen a copy of his letter to Mr. Stockman, but the Senator from Michigan may recall that the last time we tried bullion sales I was successful in getting an amendment adopted here in the Senate in an appropriations measure that survived in conference in a modified form that required that the bullion sales be suspended if it disrupted the market and they could not resume the sales until they had filed a report that said they would not disrupt the market. They have never filed such a report.

That is one of the pieces of background, and one of the reasons they have not filed the report is they simply are not able to certify they can have bullion sales without disrupting the market. That is one of the reasons I came forward at the same time since the other body said, "Let us resume bullion sales." Let us not go through that exercise in futility again, starting something that is going to disrupt the market and cause reactions that cause the sales to be stopped.

GSA simply had to abandon the sales before because of its effect on the market and the result was the transaction fund got no money, and there was virtually none of the stockpile disposed of.

Mr. LEVIN. Let me say to my friend from Idaho, as the ranking minority member of that subcommittee, we have been frustrated in getting testimony from the GSA and the administration on this issue. I do not think I would even be in the Chamber except for that frustration. I mean, time and time again, literally, we have invited the administration to come to that committee and tell us what their position is so we could have the benefit of it. They have not. They have canceled appearances. And there is a very deep frustration, I believe, on the part of Senator HUMPHREY as well as myself, and I cannot speak for him. I just believe that that frustration is there, and it is reflected in our letter to Mr. Stockman.

I am just wondering if we could do this: Could we ask the chairman of the Armed Services Committee and the ranking minority member whether or not they would join in a request or make a request to the administration for a position on this amendment so we could know before conference what that position is, and could they ask Mr. Stockman, to use the Senator's good offices, to get him to answer the letter of the chairman of the committee and my letter to Mr. Stockman?

Mr. TOWER. Mr. President, if I may respond to the distinguished Senator from Michigan, I would have no objection in drawing up such a request. I yield to my colleague.

Mr. NUNN. Mr. President, I would be delighted to join in such a request.

I have some of the same apprehensions that the Senator from Michigan has outlined, because I do not know enough about the market to make a judgment. We certainly need to be very careful in this area and need to have the best thought we can from the administration before deciding the issue in conference.

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

Mr. LEVIN. Mr. President, I wish to say one last comment: Am I correct in believing that it is the intention of the maker of this amendment that this silver be sold and if it is not sold at the price originally set for the coins that price would then be reset at a value that they would be sold? Is that his intention?

Mr. McCLURE. First of all, if it is floating value, it is going to be at the bullion market price.

Mr. LEVIN. I understand. It is inconceivable that the coinage would sell for less than bullion price. The only addition above bullion price is the cost of production and distribution. So it would be a fluctuating price. If the bullion price declined, the price of the coin would decline.

Mr. McCLURE. There is that small increment. I think it is just inconceivable that bullion in the form of a coin is going to sell for less than bullion not in the form of a coin.

Mr. LEVIN. So I gather it is his intention that it be set at a price at which it would sell.

Mr. McCLURE. I believe it will sell. There is no provision that allows it to be reduced in price below bullion current market, whatever the market is at the time.

Mr. LEVIN. Is it his intention it would be reduced to the market for bullion even though that is less than the current market for bullion and the cost of coinage?

Mr. McCLURE. There is no provision in the amendment that would permit that. I really think that is hypothetical.

One of the things I think we will find out in this is that, first of all, we have been talking about this for a long time. Will it work? No one really knows. I believe it will.

So I have received a lot of advice from people who are in numismatics as well as in the bullion market, that tell me that it will work.

We have tried the other method of bullion sales and it does not work. We know that. So let us at least try something that has some promise of working rather than fly back into the face of one we know does not work.

Mr. LEVIN. Does the Senator have any idea as to what that increment is above the bullion price? Is it a 10-percent increment, 30-percent increment, 50-percent increment? Just roughly.

Mr. McCLURE. It is less than 10 percent.

Mr. LEVIN. I thank my friend and I thank the chairman and ranking Member.

Mr. McCLURE. I thank the Senator from Michigan. I do hope the Senate not only will adopt this, but I hope we will be successful in keeping the amendment in the conference because, as I said a moment ago, we have tried the bullion sales and it has been a failure from the standpoint of generating funds for the stockpile fund itself. And it has been a failure in the impact that it has had on the bullion markets and on the lives of people involved in the productive sector of this economy. I detailed that impact with a great deal of attention and care in my prepared remarks. I did not take the time of the Senate and I do not intend to take the time of the Senate to do that now verbally. But I do invite the attention of any Member who is interested to the prepared remarks which I have inserted in the RECORD to document what has happened in the bullion markets when we tried the sales and we can document what happened with respect to the GSA's sales program and its failure to achieve its objectives of disposing of the bullion or generating revenues that can be used in the stockpile transaction fund.

I thank the Senator for his questions. I look forward to his support in the conference for this amendment.

The PRESIDING OFFICER. Is there further debate on the amendment?

Mr. SYMMS addressed the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. SYMMS. Mr. President, I will be very brief. I wish to compliment my distinguished senior colleague for offering this amendment. I am a cosponsor of this amendment. My colleague is quite correct in the analysis that he makes of the failure in past efforts to do anything about making adjustments in the national strategic stockpiles with respect to the disposal of silver. There are many, many reasons. I will not go into some of the criticisms that I could give to my colleagues on how the GSA in the past has made attempts to dispose of the silver and how there seems to be a lack of understanding of how the market system actually works when the Government has interfered and tried to dispose of that same silver.

But I would say to my colleagues from Idaho and Michigan that one of the fringe benefits of this procedure as outlined in the amendment is that the American people, on an individual basis, will now have the opportunity to monetize a small amount of silver themselves personally if they so wish to do so. I think in the way this is being set up and started out that there is no doubt in my mind that will be a way that the silver may be disposed of. It will be a way that individual Americans will be able to buy a small amount of silver and have those coins for whatever reason they choose. It will be a very nice opportunity for them to do so.

I think it is much better than it was tried in the past in the unfortunate handling of the sales in the past where they have offered silver and not sold it because the bids were too small. And it was very, very detrimental to our State which produces half of the domestically supplied silver in the United States. Some 20-plus million ounces of silver is produced in Idaho. It is a very significant employment factor in our State. I think this is a way that this could be done that will help what the Defense Department is trying to do, to be able to purchase some other strategic minerals that they believe they need, and it will also be a way to dispose of the surplus. Third, it will give the American people the opportunity to monetize some of their paper money into real hard money and monetize that silver.

I certainly endorse the amendment. I am happy to be a cosponsor of it. I urge its immediate adoption.

The PRESIDING OFFICER. Is there further debate on the amendment? If not, the question is on agreeing to the amendment of the Senator from Idaho (Mr. McClure).

The amendment (No. 3169) was agreed to.

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

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

The motion to lay on the table was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

AMENDMENT NO. 3170

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

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Wisconsin (Mr. Proxmire) proposes an amendment numbered 3170.

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

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

The amendment is as follows:

At the appropriate place in the bill insert a new section as follows:

Sec. . It is the sense of Congress that the President should insist that the pertinent member nations of the North Atlantic Treaty Organization meet or exceed their pledges for an annual increase in defense spending during fiscal year 1984 and 1985 of at least three percent real growth and should insist that Japan further increase its defense spending during fiscal years 1984 and 1985 in furtherance of increased unity, equitable sharing of our common defense burden, and international stability.

Mr. PROXMIRE. Mr. President, this amendment has been worked out with the staffs of the majority and the minority, and I think they are familiar with it. So far as I know, there is no objection to it. I should like to explain it, because I think it is a significant amendment.

Mr. President, this amendment calls on the President to insist that all NATO members meet their pledge to make at least 3-percent real increases annually in their defense budgets. In addition, it asks the President to encourage Japan to substantially increase its burden sharing in the defense field.

This amendment embodies administration policy. The President urged our allies to fulfill their pledges to NATO force goals during the NATO summit in Bonn last year. In response, the NATO governments agreed to strengthen defense capabilities both through fulfillment of NATO force goals to the greatest extent possible as well as through more effective application of existing resources. According to the State Department, this language, to the greatest extent possible, actually requires that the NATO governments exceed the 3-percent goal.

These are fine words and fine goals. I doubt that any official of the administration or Member of Congress opposes an equitable or fair burden sharing arrangement among the NATO allies. But these statements do not measure up to the facts. The facts are that our NATO allies, for the most part, have substantially underfunded their defense contributions, have virtually ignored the 3-percent real increase goal, and at this point make no pretext about meeting this goal for the foreseeable future.

What, then, are the facts? In 1978, all NATO countries agreed publicly and with great fanfare to the 3-percent real growth goal. Since that time, only two of the NATO countries, the United States and tiny Luxembourg, have kept that promise. I hope no one will take offense if I say that Luxembourg is not the most substantial contributor in manpower, equipment, or financial resources to the NATO effort. We should applaud their effort. They have outperformed all other NATO countries. But they are not the heart of NATO defenses.

All the other NATO allies, according to the Pentagon's own in-depth study of this issue in 1983, have failed to achieve the 3-percent goal. Every other country has fallen short—Belgium, Denmark, Germany, Greece, Italy, the Netherlands, Norway, Portugal, and Turkey. Should that 3-percent goal have been met by every NATO partner in 1982, the increase in defense spending in NATO would have totaled $1.6 billion.

Most recently we have seen that Great Britain has stated publicly that it will no longer back the 3-percent pledge after March 1986. With the British breaking with the agreement, the other NATO partners will have little incentive to respond with increases of their own.

Frankly, the picture looks bleak, and future prospects are not any more promising.

Gen. Bernard W. Rogers, the Supreme Allied Commander in Europe, called on the NATO allies in February 1982 to increase real growth by 4 percent. That call to increased spending fell on deaf ears. There has been no positive response in the past 2 years.

Not only do the Europeans ignore the 3-percent goal and the 4-percent challenge, but also, their defense expenditures are lower than those of the United States on a percentage of gross domestic product basis. Looking at 1983, only Greece with 7.1 percent is higher than the U.S. figure of 6.9 percent. Britain is 5.6 percent; France 4.2 percent; Norway 3.1 percent; and Canada 2.1 percent.

Mr. President, I ask unanimous consent that a table showing defense costs by percent of gross domestic product be printed in the Record at this point.

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

COSTS BY PERCENT OF GROSS DOMESTIC PRODUCT

	1981	1982	1983
Country:			
Belgium	3.5	3.4	3.4
Britain	4.9	5.1	5.6
Canada	1.8	2.1	2.1
Denmark	2.5	2.5	([1])
France	4.2	4.2	4.2
Germany	3.4	3.4	3.4
Greece	7.0	7.0	7.1
Italy	2.5	2.6	2.8
Luxembourg	1.2	1.3	1.3
Netherlands	3.2	3.2	3.3
Norway	2.9	3.0	3.1
Portugal	3.5	3.4	3.4
Turkey	4.9	5.2	4.9
United States	5.8	6.5	6.9

[1] Figure not available.

Mr. PROXMIRE. Mr. President, what conclusions can we draw from these facts? Let me cite the conclusions of the Pentagon's report on allied contributions to the common defense of March 1983. That report states:

These trends, if they continue, threaten to undermine the progress achieved in prior years toward a more equitable distribution of the allied defense burden.

Now, Mr. President, let us back up a little and give the Europeans their due. They have responded to U.S. criticisms with a variety of arguments and some of their points have merit, so let us be fair to them and acknowledge their position. We can do so because it in no way changes the fundamental thrust of this amendment or the overall evaluation of relative burden sharing.

How do we measure burden sharing equitably? What definition do we use. Well, there is an agreed upon NATO definition and that answers the question but does not resolve the problem. The NATO allies makes contributions outside of the NATO definition that are of significant benefit to the NATO effort. For example, West Germany provides substantial support to the Berlin garrisons which is not considered a defense expenditure by NATO. Real estate costs for U.S. forces are not considered. Germany and others incur costs from hardening civil projects such as roads and pipelines and civilian communications systems that are not counted. Civilian assets that would be used in wartime are overlooked, such as trucks.

On the other hand, many of these same items could be counted in the U.S. context as well. So a true comparison citing all direct and indirect costs would not change the picture in any meaningful way—except perhaps to skew it more in favor of the United States.

Now, what about Japan? Japan is an interesting case because the same measuring rod—the 3-percent real increase goal—does not apply. Furthermore, the Japanese have been responding to U.S. requests for greater defense efforts.

This changes the picture slightly. I say "slightly" because Japan is starting from such a low base that even numerically large increases in real defense spending do not contribute substantially to the defense responsibilities that Japan faces.

In 1984, Japan projects a real increase growth level for defense of 4.8 percent over 1983. This assumes a 1.7-percent inflation rate. In addition, the Japanese budget includes an increase of 25 percent to about $1 billion annually for support of U.S. forces in Japan. The Japanese real growth rate for 1981 was 3.9 percent; for 1982 it was 4.6 percent; and for 1983 it was 4.3 percent.

So Japan has been making an effort and that should be recognized. Why, then, ask for more? For two sound reasons. First, the defense base is small, as I just pointed out. Second, Japan's defense responsibilities are large. Former Prime Minister Suzuki, in May 1981, outlined certain goals for protecting Japan's territory, sea and airspace, and sealanes out to 1,000 nautical miles. According to the State Department, "These goals * * * envision military capability substantially beyond that embodied in the 1983-87 midterm defense plan."

So, while we must be fair to the Japanese in recognizing their increased effort, we must also point out that much more must be done to carry out our common defense responsibilities in the Pacific.

In closing, Mr. President, let me mention the all important economic factor. Japan is cutting back on its domestic programs or holding them to no real growth due to domestic economic problems. The European NATO countries are lagging behind the United States in terms of annual industrial production growth, in terms of GNP growth rates; and in Belgium, Canada, France, West Germany, Holland, Italy, and Great Britain, their unemployment rate is higher than that of the United States.

Our Consumer Price Index is lower in the United States at present than most of our NATO partners, while our wage growth rate generally has been held down lower. Mr. President, I ask unanimous consent that tables representing these economic indexes be printed in the RECORD at this point.

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

PERCENT CHANGE AT ANNUAL RATE

	Industrial production		GNP		Retail sales		Unemployment percent rate	
	3 months	1 year	3 months	1 year	3 months	1 year	Latest	Year ago
Australia	+12.5	+6.3 (2)	+7.9	+6.1 (12)	+2.7	−0.6 (3)	9.5 (4)	10.2
Belgium	+4.4	+3.0 (1)	na	na	[1] −14.2	−14.6 (12)	13.7 (4)	13.6
Canada	+3.6	+10.3 (3)	+3.6	+3.2 (12)	+7.8	+6.0 (2)	11.4 (4)	12.4
France	+6.3	+4.7 (3)	+1.6	+1.2 (3)	+13.8	−8.3 (3)	9.8 (4)	8.5
W. Germany	+4.3	+3.1 (3)	+5.4	+2.9 (12)	nil	+2.1 (2)	9.1 (4)	9.3
Holland	+20.7	+6.3 (3)	na	na	[1] −3.0	−1.6 (1)	17.4 (4)	16.2
Italy	+19.1	+4.2 (1)	+4.1	+1.2 (12)	[1] +10.5	+2.3 (12)	13.3 (4)	11.5
Japan	+13.9	+11.8 (4)	+3.1	+3.6 (12)	+13.5	+6.2 (2)	2.7 (3)	2.6
Sweden	+7.8	+9.0 (3)	+9.2	+3.7 (12)	[1] −7.5	+1.1 (12)	3.2 (4)	2.8
Switzerland	−4.1	nil (9)	[1] +1.4	+1.4 (12)	[1] −1.4	−2.3 (3)	1.2 (3)	0.8
UK	−0.4	+2.3 (3)	+0.8	+2.8 (3)	+0.5	+4.8 (4)	12.6 (4)	12.7
USA	+11.8	+14.4 (4)	+8.8	+7.8 (3)	+5.8	+3.9 (3)	7.8 (4)	10.2

[1] Value index deflated by CPI.

PERCENT CHANGE AT ANNUAL RATE

	Consumer prices		Wholesale prices		Wages/earnings [1]	
	3 months	1 year	3 months	1 year	3 months	1 year
Australia	−1.6	+5.9 (2)	+5.2	+6.9 (1)	+15.7	+7.2 (12)
Belgium	+7.9	+7.5 (4)	+7.7	+10.9 (3)	+13.8	+3.8 (12)
Canada	+5.2	+4.9 (4)	+6.2	+4.4 (3)	+10.9	+7.3 (2)
France	+7.7	+7.9 (4)	+14.0	+14.5 (3)	+7.9	+9.9 (1)
W. Germany	+3.6	+3.2 (4)	+2.8	+3.1 (3)	+0.6	+3.1 (1)
Holland	+4.6	+3.9 (4)	+7.9	+2.7 (12)	nil	nil (3)
Italy	+11.5	+11.9 (3)	+13.5	+11.4 (3)	+10.1	+13.0 (2)
Japan	+3.9	+2.6 (3)	−0.3	−0.7 (4)	+8.7	+5.5 (3)
Sweden	+7.4	+8.8 (4)	+10.7	+9.3 (2)	+5.8	+2.8 (2)
Switzerland	+4.2	+3.3 (3)	+5.3	+4.0 (3)	−1.3	+6.1 (12)
UK	+4.6	+5.2 (4)	+9.2	+6.5 (4)	+2.5	+7.8 (3)
USA	+4.9	+4.5 (4)	+3.7	+3.2 (5)	+3.3	+3.6 (4)

[1] Hourly wage rates in manufacturing except Australia, weekly earnings; Japan and Switzerland, monthly earnings; Belgium, Canada, Sweden and USA, hourly earnings; UK, monthly earnings for all employees.

Mr. PROXMIRE. Yes, Mr. President, the European nations have yet to come out of their economic recessions. The United States, by comparison, is looking better. But we all know that statistics change over time. Next year the situation could well be reversed or worse across the board.

The point is we cannot allow our defense commitment to NATO to be arbitrarily shifted with every economic breeze. That is no way to plan long term military policy—with an uncertain and rapidly changing resource base.

The most prudent way to handle this problem is for all the NATO countries to abide by the 3-percent real growth goal. The United States is doing that and more—every year. This year we may end up with 4 percent or 5 percent or 6 percent real growth. But certainly we will be above 3 percent. And so should the Europeans.

That is what this amendment says. That is what it calls on the President to insist on. That is what would be best for the NATO alliance.

Mr. President, I support the language in the bill requiring a report on allied contributions to the common defense. And I think it is worthwhile that the bill points out how inequitable the burden sharing arrangement has become. The Senator from Michigan (Mr. LEVIN) has taken the lead on this issue in the Armed Services Committee and is to be commended for his inclusion of this language in the bill.

My amendment goes one step further by asking the President to insist that our allies abide by their 3 percent goal. May I also recognize the leadership of Representative DON PEASE of Ohio, who for years has effectively championed this cause in the House. His amendment to the House bill is substantially the same as the one I have offered here today, and I thank him for his leadership in this cause.

Mr. President, I yield the floor.

Mr. WARNER. Mr. President, I wish to commend our distinguished colleague from Wisconsin. This is a subject that must constantly be addressed.

I would, however, invite the Senator from Wisconsin to revise his statement with respect to the United Kingdom. Our figures indicate that the United Kingdom did in 1983 have a 3-percent figure. We would be happy to provide the details to the Senator.

Mr. PROXMIRE. As I understand it, the Senator is correct. In my remarks I intended to say, and I thought I had said this, that over the last 3 years this has not been the case, although they did in 1983, as the Senator from Virginia properly states, increase their spending by 3 percent.

Mr. WARNER. The records that we have here indicate, and let us start back historically; the United Kingdom in 1980, 2.8; in 1981, 1.4; then a substantial up in 1982, 6.4; and in 1983, 3.

If the Senator will accept those figures, I think the United Kingdom is certainly trying to achieve the goals as set forth by the distinguished Senator from Wisconsin.

I wish to join the Senator as a cosponsor of this amendment. I feel as strongly as he on this subject.

Mr. PROXMIRE. Mr. President, I appreciate that.

Will the Senator yield to permit me to ask unanimous consent that the names of Senators LEVIN, WARNER, NUNN, SASSER, PRESSLER, RANDOLPH, KASTEN, and NICKLES be added as cosponsors of the amendment?

Mr. WARNER. I yield.

Mr. PROXMIRE. I so ask unanimous consent.

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

Mr. WARNER. With reference to Japan, the Energy Committee has been doing some independent study on this issue. I have been involved in those studies and it is interesting Japan is the principal beneficiary of oil from the Middle East; yet, it is the United States which at the present time is in the best position to provide assistance should those nations in the gulf come with a request for help, along with other NATO nations, I would hope, before our Nation would commit any forces, but in any event they are the principal beneficiaries to show one area in the world in which their sources of energy are jeopardized.

Second, in terms of coal, Japan has substantially reduced their purchases of coal from the United States and has purchased coal from the Soviet Union in the past fiscal year.

So I hope that this message goes forth and is heeded by Japan and the allies.

I commend the Senator, and we are prepared to accept the amendment on this side.

Mr. NUNN. Mr. President, I also congratulate the Senator from Wisconsin for proposing this amendment. It has not received nearly as much attention as it deserves.

Interestingly enough, while we have been increasing our defense budget very substantially in the last 3 or 4 years, the allies have not been increasing theirs at the same pace that they were increasing it during the late 1970's and very early 1980's. I would not set forth the proposition that there is an inverse relationship, but the figures suggest a trend in that direction.

One of the first things I suggested to this administration when its officers came in office, as they sought my view on certain defense issues, was that we should put together a list of things that we would do in NATO as part of our defense budget, but do them only on a contingent basis. That is, contingent on what our allies had accomplished in terms of their own goals, as set forth in the NATO planning documents.

That advice was ignored. Certainly in the last 2 or 3 years we have proceeded unilaterally. We have made substantial improvements. However, we continue to measure America's fighting forces in NATO as though America was going to fight the Soviets and Warsaw Pact by ourselves and in a lot of analyses you see, there is a measurement of American sustainability in NATO, American fighting capability in NATO, American ability to fulfill its goals.

We do not see nearly as much analyses as we should about the overall alliance and how the NATO alliance stacks up against the Warsaw Pact. That is the critical dimension. Even if we have ammunition stocks that would last 30 days, 45 days, or 60 days, our combat capabilities are jeopardized if our allies on our flanks run out of ammunition before that. We cannot hold forth in NATO with a conventional defense unless we are prepared to fight as an alliance.

So the Senator has, I think, made a real contribution here. I join him as a cosponsor and I am proud to support the amendment.

I might add that although I have not refined the amendment yet I am working diligently on an amendment along this line that I hope to present to the Senate next week. It in no way conflicts with the Senator's amendment but hopefully would supplement and strenghten it.

I will be discussing this subject again next week. Now is the time for us to insist absolutely that our allies do their part. If they do not begin to do their part, then we need to undertake another soul-searching review of our own defense budget and determine which areas should be given priority commensurate with what our allies are in fact doing.

So I hope that we accept the amendment. From this Senator's point of view we certainly should accept it and if the Senator desires a rollcall vote, then he could so indicate.

Mr. PROXMIRE. Mr. President, if the Senator will yield on this point, I think in view of the effect of a very strong vote, and I think we will get a strong vote on this, would have on our allies, I think it is desirable to get a rollcall vote.

So, Mr. President, I ask for the yeas and nays on my amendment.

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

The yeas and nays were ordered.

Mr. LEVIN. Mr. President, I am pleased to cosponsor this amendment. Every year, the Defense Department issues a report mandated by the language which I offered annually in the last four Defense Authorization Acts. Known as the "Burden Sharing" report, this report on "Allied Contributions to the Common Defense," is a defense spending report card for ourselves, the rest of NATO, and Japan.

Each year, this report shows that several of our allies continue to shirk their common defense responsibilities. The latest edition of this report, which just came out in March, 1984, shows that the average annual real growth in defense spending by our NATO allies again is projected to decline.

In 1978, all NATO nations agreed at the highest level to increase their defense budgets by 3 percent each year after excluding the effects of inflation. Since 1981, the average annual real growth of our European allies has declined each year, so that the tentative projection for 1984 is the lowest since that date. It is a depressing record.

I wish to have printed in the RECORD a table from the Defense Department which shows the annual real growth of the United States and its allies between 1979 and 1983, along with the average growth rates. The tentative projections for each NATO nation in 1984 are classified, but the overall average is not. It is a paltry 1.2 percent to 1.7 percent average real growth rate for our European allies.

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

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

NATO COUNTRY DEFENSE SPENDING[1] [2]

[Percent change from previous year in constant prices—excluding inflation]

	1979	1980	1981	1982	1983
Belgium	2.2	2.0	0.9	−3.3	−3.0
Canada	−.9	5.1	3.1	4.9	5.0
Denmark	.2	.7	.4	−.3	−.2
France	[3] 2.5	[3] 3.7	[3] 3.6	[3] .9	.9/1.5
Germany	1.8	2.3	3.2	−.8	1.9
Greece	−2.9	−8.4	22.9	.1	1.3
Italy	2.6	4.9	−.5	3.2	1.1
Luxembourg	3.5	16.3	4.8	3.9	3.5
Netherlands	4.2	−1.7	3.3	2.1	2.7
Norway	1.9	1.8	2.7	4.1	2.8
Portugal	2.9	10.1	1.5	.5	.4
Turkey	2.6	2.0	1.8	4.6	1.9
United Kingdom	3.0	2.8	1.3	6.4	3.0
United States	3.4	4.9	4.1	7.6	7.6
Non-U.S. NATO [4]	2.2	2.6	2.8	2.3	1.9/2.1
NATO total [4]	3.1	4.0	3.6	5.7	5.6/5.7

[1] All of the figures depicted in this table are based on the NATO definition of defense spending and are the best estimates that can be made on the basis of information now available.

[2] National fiscal years agree to calendar years except as follows: Canada and United Kingdom (April–March), United States (October–September). Turkish data through 1981 are based on a March–February fiscal year. In 1983, Turkey will convert to a January–December fiscal year. The Turkish figure for 1982 covers a 10 month (March–December) transition year.

[3] DoD estimate.

[4] Non-U.S. NATO and NATO totals reflect weighted average growth rates developed using 1981 constant prices and exchange rates.

Mr. LEVIN. Mr. President, this report also reserves some of its strongest criticism for our Pacific ally Japan. Japan again "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 fair share," the report says.

Mr. President, I also ask unanimous consent to have printed in the RECORD other unclassified statements from that report about Japan's poor burden-sharing performance.

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

(1) "But there is no doubt that the Japanese remain content to limit their investment in defense to a level so low as to cause a disproportionate share of defense commitments to be borne by the rest of the free world. Specifically, Japan's failure to provide adequately for its own defense requires the U.S. to attempt to cover Japanese defensive requirements in addition to other Asian commitments. To attempt to perform all of these roles simultaneously stretches U.S. resources beyond reasonable limits."

(2) "The problems in both equipment and sustainability which prevent Japan from effectively providing for its self-defense, which were pointed out in this report last year, have not been significantly dealt with in 1983, nor will the budget planned for 1984 adequately assist in what needs to be accomplished."

(3) "Evaluation of Japanese performance toward achieving self-defense has been based on measuring the gap between targets given in official defense planning statements—particularly the Defense Agency's Mid-Term Defense Plan (MTDP)—and the funding of that plan provided in the annual defense budget. The MTDP is a five-year plan for equipment procurement and force augmentation, revised annually and completely rewritten every three years, and is the yardstick against which progress represented by annual budgets can be measured. The current MTDP was established in 1981 to cover the period 1983-87.

"Japanese progress toward completion of the 1983-87 MTDP is now at least a year behind schedule unless significant increases in the defense budget can be made in the remaining two years of the program. Major equipment purchases have fallen short of annual goals, and Japanese defense procurement plans have seriously neglected the stockpiling of ammunition for training and war reserve and the acquisition of spare parts. It is now highly unlikely that the JSDF will achieve its stated goal of having at least a 30-day supply of war reserve material by the end of the current MTDP. Shortfalls notwithstanding, various U.S. experts have questioned the adequacy of the current MTDP itself to provide Japan with the capability to accomplish the roles and missions required of a credible defense."

Mr. LEVIN. Mr. President, there have been other negative burden-sharing developments in the past year which merit the passage of this amendment and support the committee's emphasis in this area.

They include further stonewalling by the West Germans in negotiations on sharing the costs for the Master Restationing Plan to reposition U.S. troops closer to any attack by the Warsaw Pact, and Japan's just recently announced decision to again delay completion of its 1976 military improvement plan.

The amendment of my friend from Wisconsin is a very useful addition to our committee's action to encourage our allies to keep their commitments. It is that simple. We are talking about keeping commitments which were made at the highest level of our respective governments.

We and our allies can afford a mutual defense. As a matter of fact, we cannot afford not to defend ourselves. But what the United States cannot afford is to be unilaterally defending our allies and subsidizing the defense for our allies.

That NATO 3-percent commitment in 1978 was intended to give us all a benchmark as to what "mutuality" means, and we should insist that our President in turn insist that our NATO allies meet or exceed their pledges for annual increases in defense spending. Japan's declared policy is to defend its sealanes of communication out to 1,000 miles from the home islands. The President should insist Japan increase its annual defense spending substantially more to achieve, before the end of this decade, the military capabilities to carry out this policy.

Again, I commend my friend from Wisconsin for this highly useful addition to what the committee has done.

Mr. WARNER. Mr. President, in discussing this matter with the Senator from Wisconsin a few moments ago, we also, I think, are of a joint view that the figures with relation to Canada show a participation which meets the Senator's goals.

Some of these figures could be in the area of classified material and, therefore, I would just as soon not recite them at this time. But there is evidence to the effect that Canada has been providing those increases which would comport with the goals sought by the Senator from Wisconsin in this resolution.

Mr. PROXMIRE. If the Senator would yield on that point, the Senator is correct. The chart that I received is, I believe, a year older than the chart the Senator has, which I believe was just put out. I think that is the reason the figures were classified differently.

But our chart shows that they were far below in 1979 but they were above the 3-percent level in 1980. I understand the Senator from Virginia's figures show that in 1982 they were also well above 3 percent. I am delighted the Senator has corrected that record because it is very important in these matters that we be fair to our allies, especially our closest neighbor and friend, Canada.

Mr. WARNER. I thank the Senator because Canada indeed is one of our strongest allies and, of course, in this hemisphere, is perhaps our strongest ally in that context. Therefore, we want to have the record reflected accurately.

I just generalized, and I think the Senator is willing to accept the generalization, that the trendline of these figures indicate that the Canadian Government has indeed had the annual increases which meet the goals established in the resolution. On this side, I am prepared to accept the amendment.

The PRESIDING OFFICER. Is there further debate? Hearing none, the question is on agreeing to the amendment of the Senator from Wisconsin (Mr. PROXMIRE). The yeas and nays have been ordered and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), and the Senator from Wyoming (Mr. SIMPSON), are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD), would vote "yea."

Mr. CRANSTON. I announce that the Senator from Connecticut (Mr. DODD), the Senator from Missouri (Mr. EAGLETON), and the Senator from Colorado (Mr. HART), are necessarily absent.

The result was announced—yeas 91, nays 3, as follows:

[Rollcall Vote No. 114 Leg.]

YEAS—91

Abdnor	Glenn	Nickles
Andrews	Gorton	Nunn
Armstrong	Grassley	Packwood
Baker	Hatch	Pell
Baucus	Hawkins	Percy
Bentsen	Hecht	Pressler
Biden	Heflin	Proxmire
Bingaman	Heinz	Pryor
Boren	Helms	Quayle
Boschwitz	Hollings	Randolph
Bradley	Huddleston	Riegle
Bumpers	Humphrey	Roth
Burdick	Inouye	Rudman
Byrd	Johnston	Sarbanes
Chafee	Kassebaum	Sasser
Chiles	Kasten	Specter
Cochran	Kennedy	Stafford
Cohen	Lautenberg	Stennis
Cranston	Laxalt	Stevens
D'Amato	Leahy	Symms
Danforth	Levin	Thurmond
DeConcini	Long	Tower
Denton	Lugar	Trible
Dixon	Matsunaga	Tsongas
Dole	Mattingly	Wallop
Domenici	McClure	Warner
East	Melcher	Weicker
Evans	Metzenbaum	Wilson
Exon	Mitchell	Zorinsky
Ford	Moynihan	
Garn	Murkowski	

NAYS—3

Durenberger	Goldwater	Mathias

NOT VOTING—6

Dodd	Hart	Jepsen
Eagleton	Hatfield	Simpson

So Mr. PROXMIRE's amendment (No. 3170) was agreed to.

Mr. TOWER addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

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

Mr. McCLURE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, could we have order in the Chamber?

The PRESIDING OFFICER. The Senate will be in order.

Mr. TOWER. Mr. President, it is my understanding that the distinguished minority leader had an amendment he wanted to offer at this time. I do not see him on the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

Mr. TOWER. I object.

The PRESIDING OFFICER. Objection is heard.

The bill clerk resumed the call of the roll.

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

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

Mr. TOWER. Mr. President, we have been delaying for a few minutes to accommodate the distinguished minority leader. I understand he has been detained. I understand the Senator from South Dakota (Mr. PRESSLER) is prepared to offer an amendment.

Mr. PRESSLER. That is correct, Mr. President.

Mr. TOWER. I yield the floor so he may be recognized.

The PRESIDING OFFICER. The Senator from South Dakota.

AMENDMENT NO. 3160

(Purpose: To restrict the percentage increase in United States expenditures for NATO)

Mr. PRESSLER. Mr. President, I call up my amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The bill clerk read as follows:

The Senator from South Dakota (Mr. PRESSLER) proposes an amendment numbered 3160.

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

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

The amendment is as follows:

On page 128, between lines 12 and 13, insert the following new section:

EQUITABLE SHARING OF NATO EXPENSES

SEC. . (a)(1) None of the funds appropriated pursuant to an authorization contained in this or any other Act may be obligated or expended to increase in any fiscal year the aggregate amount of expenditures to support or maintain members of the Armed Forces of the United States in European member countries of the North Atlantic Treaty Organization (NATO) (including the contiguous waters of such countries) by a percentage in excess of a percentage which represents the percentage increase (if any) in the aggregate amount of expenditures in the preceding fiscal year to support or maintain members of such forces in the European member countries of NATO (including the contiguous waters of such countries) by each of the member countries of NATO, other than the United States, divided by the number of such other member countries of NATO.

(2) If in any fiscal year there has been a percentage decrease in the aggregate amount of expenditures made by NATO countries, other than the United States, in the preceding fiscal year for such purpose, the total amount that may be obligated or expended for such purpose by the United States in the next fiscal year shall be an amount equal to the amount expended by the United States in the preceding fiscal year reduced by a percentage which represents the percentage decrease in the aggregate amount of expenditures made in the preceding fiscal year by each of the members of NATO (other than the United States) divided by the number of such other countries.

(b) For purposes of subsection (a), data on expenditures by member countries of NATO shall be based on data contained in the annual report of the Secretary of Defense on allied contributions to the common defense.

Mr. PRESSLER. Mr. President, before discussing the practical reasons for supporting this amendment, I would like to stress that this is not an anti-European measure, nor is it designed in any way, shape, or form to weaken America's commitment to the NATO alliance or to the free world. In fact, it is my belief that such action is necessary to allow the alliance to accurately reflect the changes that have occurred in the world since 1948, and adjust to such changes in such a way as to allow the alliance to continue to reflect shared interests and mutual effort in the defense of liberty.

The NATO alliance has provided peace and stability for the last 35 years, a remarkable feat for any international system. The average lifespan of most alliance structures or cooperation efforts has been about 30 years, after which the systems began to deteriorate as they failed to adapt to the changes occurring in the environment around them. Often the demise of one peacekeeping system leads to a war, and then the birth of another system to keep peace.

Given that historical perspective, and given the total unacceptability of war as an instrument of social change, we must examine the NATO alliance closely, looking at how the world has changed since 1948, and how the structure of the alliance had adjusted to those changes.

NATO was designed back in 1948 to provide the countries of Western Europe a blanket of protection while they rebuilt their economies, an action necessary to prevent Soviet-backed Communist Parties from gaining influence in the governments of war-shattered Western Europe. Our role then was that of the only power able to maintain peace in Western Europe, protecting countries no longer able to defend themselves against aggression.

Since 1948, Western Europe has undergone an unprecedented period of economic growth, with growth rates for most countries averaging above 5 percent in the period from 1948-70, before slowing somewhat during the oil crisis. Western Europe in 1984 is industrially advanced, has an aggregate population of around 230 million, and has the most advanced and sophisticated social welfare system in the world. In fact, the United States has a lower per capita GNP than many of our allies. It is clear that the Europeans are in a good position to make significant contributions to Atlantic defense. Unlike 1948, today Western Europe is not in economic rags, relying solely on U.S. forces for protection against the Soviet Union.

Unfortunately, the alliance has not completely adjusted to these changes. Recognizing the need to increase Western Europe's share in the defense of Europe, the 3-percent solution was reached in 1977, wherein each NATO country pledged to increase defense spending by 3 percent per year. Since then, non-United States contributions have increased at an average of about 2 percent, while the U.S. contribution has gone up at a yearly rate of 3 to 5 percent. Estimates for 1983 show even lower increases than previously, with 8 of the 14 NATO countries showing increases of less than 2 percent. Only three, Canada, Luxembourg, and Great Britain, achieved the 3-percent level of growth. The U.S. increase was 7.6 percent. I believe that it is time to do more than just pay lipservice to burden sharing.

It must be remembered that the most immediate challenge of the Soviet Union is not against our land but against the Europeans. We have, in the name of liberty, extended our nuclear protection to Europe, risking the possible destruction of our country to protect their freedoms. I do not believe that decision was wrong; indeed, the belief in liberty transcends national boundaries, but I do believe that the Europeans should not have a free ride in their defense. They should not build up huge welfare systems while forcing us to be the dominant contributor to the Atlantic defense.

Furthermore, it is also clear that many of the disagreements that threaten Atlantic unity come directly from this unequal level of burden sharing. The Europeans complain about our high interest rates, and indeed high interest rates do lead to an overvaluation of the dollar and recessionary effects in Europe. The budget deficit is recognized as a prime factor in driving up interest rates, and one reason for the deficit is our huge defense budget, a major proportion of it going to defend Europe. A more equitable sharing of the burden could allow us to decrease our deficit and thereby decrease some of the economic strain which has taken place recently within the alliance. Also, the peace movements in Europe are often provoked and given impetus by the very visible presence of American troops all over Europe. Many Europeans resent this apparent foreign control of their destiny, though they do not wish to be defenseless against the Soviets. A more equitable level of burden sharing would weaken the argument of these groups that the Europeans are just a pawn of U.S. policy, and perhaps inspire some thoughtful reflection on just what their interests are, as Europeans near the Soviet bloc.

There are also reasons for such a change which are purely national on our part. Despite the great price we are paying to help provide their defense, we are often forced to pay for roads that are cracked or damaged by our military equipment, and our presence is resented by many Europeans. If we redeployed our troops in the United States, that would provide an impetus to our own economy, as the paychecks would be spent in America, not Europe. That is plain economic commonsense. We also limit ourselves strategically by placing troop levels of 330,000 men in Western Europe and spending a large share of our defense budget on that area. The United States has worldwide responsibilities, and by having so much of our military strength tied up in that one area, we limit our strategic options elsewhere. This is plain commonsense from a strategic point of view.

The Europeans are indeed capable of providing a greater share in the defense of Western Europe, both economically and in terms of their population. The United States has committed itself to defending Western Europe, and our nuclear forces there assure that the Soviets would be risking total annihilation if they choose to attack. The Western Europeans should play the major role in the conventional defense of their countries. Unfortunately, the political status quo in Western Europe has been too easy to maintain. As long as they gave only lipservice to burden sharing, they have been able to increase social welfare spending, thus meeting the needs of certain constituency groups, knowing that the major cost of European defense would be paid for by the United States. I believe that the European statesmen know what their interests are, and, if necessary, they have the political will to do what is needed to assure their own security. It has been too easy for them to ignore those needs as long as the United States has been unwilling to force the issue. The relatively modest and gradual approach proposed in this amendment is a good first step in restructuring the alliance to provide for a partnership rather than current paternalistic arrangement.

Many will say that the points stated here are valid, but that now is not the time for such action. It was argued that last year was not the time because of the missile deployments, and that this year is not the time due to the Iran-Iraq war. In this complex world there will always be crises which can cause one to rationalize that "now is not the time," but in actuality now is the time. It is all too easy to ignore problems while they are small, and deal with them only when they reach crisis proportions. Concerning the security of the free world, however, we do not have the luxury of being able to do this. We must have vision to see that the present structure of the Atlantic alliance has been outdated due to the changes in the world since 1948, and that gradual efforts must be begun now in order to assure that the NATO alliance can adapt to changes in the world, thereby preserving and enhancing its role as the guardian of freedom for both the United States and Western Europe. The only way to do that is to stop merely talking about the problem and complaining about inequalities. We must take concrete actions to begin this restructuring. I therefore urge the adoption of this amendment.

Let me explain the purpose of this amendment briefly. The purpose of the amendment is to assure that NATO's burden is shared equitably across the alliance. It ties U.S.-related increases in NATO to the level of increase or decrease achieved by other allies. This amendment seeks to motivate the allies to spend more and to fully shape in the defense burden in NATO. After all, we are spending of Europe's defense. The allies need to do more for themselves.

The amendment states that:

None of the funds appropriated pursuant to an authorization contained in this or any other Act may be obligated or expended to increase in any fiscal year the aggregate amount of expenditures to support or maintain members of the Armed Forces of the United States in European member countries of the North Atlantic Treaty Organization (NATO) (including the contiguous waters of such countries) by a percentage in excess of a percentage which represents the percentage increase (if any) in the aggregate amount of expenditures in the preceding fiscal year to support or maintain members of such forces in the European member countries of NATO (including the contiguous waters of such countries) by each of the member countries of NATO, other than the United States, divided by the number of such other member countries of NATO.

(2) If in any fiscal year there has been a percentage decrease in the aggregate amount of expenditures made by NATO countries, other than the United States, in the preceding fiscal year for such purpose, the total amount that may be obligated or expended for such purpose by the United States in the next fiscal year shall be an amount equal to the amount expended by the United States in the preceding fiscal

year reduced by a percentage which represents the percentage decrease in the aggregate amount of expenditures made in the preceding fiscal year by each of the members of NATO (other than the United States) divided by the number of such other countries.

In other words, this amendment would tie our increases in defense expenditures in Europe to the increases of our NATO allies. It assures that there would be true burden sharing. If they did not increase, we would not increase. I think there is a widespread feeling that the time has come for real burden sharing in that area of the world, not just promises.

Mr. President, I urge the adoption of this amendment, and 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. TOWER. Mr. President, I have some questions about the amendment offered by the Senator from South Dakota. I wish the Senator will forbear and try to respond to my questions, which may sound like simple questions.

Is my understanding correct that the Senator's amendment would prohibit any increase in the funding necessary to maintain either ground, air, or naval forces in NATO; that it would prohibit our increasing that if there were not a comparable increase in total support for such forces by the NATO countries involved? All NATO countries or specific NATO countries? What NATO countries? All? In other words, if only one NATO country brought down the total amount expended by all the others, we would punish the rest of them for the failure of one or two countries to meet a certain increase. Is that correct?

Mr. PRESSLER. It ties U.S. NATO spending to shifts in the level of spending by all our allies. I think this would put the pressure on our European allies to work together.

Mr. TOWER. My point is that if we were to increase—that is tied to a comparable real increase in the European commitment of resources—the money. Is that right?

Mr. PRESSLER. The hope would be that if we increased, our increases would be tied to increases by our allies. This goes back to the 1977 NATO commitment our allies made for a 3-percent annual increase in defense spending. They have not done that on the average.

Mr. TOWER. Is the Senator talking about the total defense budget, not necessarily what is committed to the forces that are committed to NATO?

Mr. PRESSLER. That is right—the total defense budget.

Mr. TOWER. So if the British, for example, decrease their total defense budget but made increases in the British Army of the Rhine, that would still be regarded as a decrease, even though they had decreased their commitment to the ground forces in NATO?

Mr. PRESSLER. We are using the figures in DOD's burden-sharing report, however they are calculated. We are using the current method used by DOD in calculating allied spending on defense.

Mr. TOWER. Can the Senator respond to my question?

If, for example, the British reduced their overall defense spending but increased the spending for the maintenance of the British Army of the Rhine, increased the manpower, increased the track vehicles, increased the air commitment, would we still regard it that Britain had decreased and therefore we would think in terms of a comparable increase in our support?

Mr. PRESSLER. That is an ingenious question. They are not doing that, and apparently they will not do it.

Mr. TOWER. No; they are not doing it. As a matter of fact, they have a real increase of probably 4 percent. But if the British, let us say, decreased their support to the British Army of the Rhine but increased their military spending and put more into the force as projected, what would be the situation?

Mr. PRESSLER. We based our amendment on the current method of calculation which DOD uses for analyzing burden-sharing.

Mr. TOWER. Can the Senator explain that current method? What in dollar amounts are we contributing now to the support of our NATO forces, and what comparable dollar amounts are our allies submitting to that support?

Mr. PRESSLER. I will get those figures. These figures can be found in DOD's burden-sharing report.

Mr. TOWER. I do not have that in front of me.

Mr. PRESSLER. We can have a quorum call, and I can produce it. It contains a table produced by DOD breaking down contributions to defense by country, which I think the chairman has.

Mr. TOWER. Does that table break out the precise amount which the United States spends for the support of its forces in NATO—land and navy?

Mr. PRESSLER. That table provides an overall figure. I think the chairman has an ingenious line of questioning, but I am talking about the overall burden-sharing of the NATO allies, including the United States.

Mr. TOWER. I know. But in that the Senator's amendment ties our funding of our troops committed to NATO to what the Europeans do, we have to have somewhat more precision.

What if a naval unit departs the United States, goes into the NATO theater, and there is an increase, without a comparable ship coming out?

Say, for example, that a frigate goes from Norfolk to the Sixth Fleet in the Mediterranean, and that increases our commitment, but a comparable frigate does not come out of the Mediterranean. How would the Senator work on that kind of situation?

Mr. PRESSLER. This amendment does not seek to guage tactical force levels. It seeks to measure comparable dollar amounts.

Mr. TOWER. The Senator is talking about comparable amounts that go into supporting these forces, is he not?

Mr. PRESSLER. Yes—overall. Based on the 1977 agreement to share the burden equitably.

Mr. TOWER. The point I am making is that these numbers may fluctuate. We may send some over there to establish a GLCM or Pershing base, and once that base is established pull some of them out; or they may indeed actually have to increase the commitment that is more likely to install the GLCM and the Pershings. Does that mean we cannot do that unless there is a comparable increase in spending on the part of the NATO countries?

Mr. PRESSLER. It depends on our tactical decisions. It would mean that our total expenditures would have to be lowered if our allies decreased their spending. It would put them on an incentive program to do more.

Presently, we are sharing most of the burden. They agreed in 1977 to do more for themselves. But they have failed to do this. In making this judgment I refer to figures on NATO spending from 1977 to the present.

What I am talking about is the total dollar amounts spent on defense. Even after enactment of this amendment, the United States would still continue to spend a great deal on NATO defense.

When I first came to the Senate, I remember hearing Senator Javits talking about what a great advance the 1977 agreement represented. The NATO allies had agreed to a 3-percent-a-year increase in defense spending above inflation. Our NATO allies are not doing that even today, 7 years after reaching this agreement.

Does the chairman approve of the performance of our NATO allies?

Mr. TOWER. I am not satisfied with the performance of our NATO allies. The question is whether or not the amendment of the Senator from South Dakota is going to go very far toward improving that situation.

I remind the Senator from South Dakota the defense spending in the NATO countries did increase in real terms in the 1970's while ours was decreasing in real terms in the 1970's.

Mr. PRESSLER. Until when?

Mr. TOWER. Another thing that should be observed is that the NATO countries all, with the exception of the United Kingdom, have a draft, have a conscription program.

Does he consider the fact that they maintain a strong reserve force—and they can augment their regulars—offsets perhaps the fact that they might not spend quite so much proportionately on their regulars?

Mr. PRESSLER. Mr. President, it is true that different countries have certain different reserve levels and different weapons systems, but in 1977 a commonly agreed upon formula was reached, but the allies have not been meeting their requirement.

Does the chairman not agree with that? Is the chairman satisfied with Europe's performance?

Mr. TOWER. I already answered that question. I said I am not satisfied.

The question is whether or not the amendment of the Senator from South Dakota is going to improve the situation. I happen to believe that we are in Western Europe not just to defend the Europeans but because we regard it in our own interest to be there, because it is incumbent upon a country when it is confronted by a powerful adversary to maintain its defense perimeters as far from its own shores and as close to that adversary's shores as possible. That is why we are there. We are not there just to defend them. That is a secondary reason. We are there to defend our own interests.

What the Senator is suggesting to me is if they do not increase their dedicated expenditure for their forces there, we cannot increase ours or if they decrease we must decrease ours.

Would the Senator still want us to decrease that funding even if it made our troops less sustainable there, less capable of fighting?

Mr. PRESSLER. Let me answer that by saying that I made a tour of our bases in Germany a couple of years ago, and I came back convinced that we were not only bearing a great military burden but a large economic burden as well.

As the Senator from Alaska has pointed out, we are the largest civilian employer in Western Germany. Under West German law we are required to employ a large number of German nationals on our bases. We are also the largest bridge repairer in West Germany because every time there is a convoy or troops moving, we end up paying for bridge or road repairs. We are also one of the largest road repairers in West Germany. These are some of our expenses which have very little to do with real security costs. We are being taken advantage of.

If we wish to enhance the military value of these American forces, we could redeploy those troops, and relocate them in our own country. I very much favor a strong national defense—with an effective mobile capability. We should structure our forces to move them very quickly to where they are needed.

If the defense of Europe is important, it certainly must be important to Europeans. Yet, many Europeans that I have talked to take a very dim view of what we are doing for them.

Maybe I have spent too much time with some European academics who are always criticizing the United States. Europeans must start doing more for their own defense. I get particularly upset at the attitudes of some Europeans, particularly those in the best tax brackets. They take U.S. help for granted.

I think that if this amendment is adopted, the European nations would do more. The Senator's question is what if they did not. Then I do not think we should continue to do more. I think we should start a redeployment of U.S. troops to bases in the United States.

Mr. TOWER. In other words, we should reduce the spending on our own troops, maybe give them less comfortable——

Mr. PRESSLER. I did not say that.

Mr. TOWER. Less clean quarters.

Mr. PRESSLER. I did not say that.

Mr. TOWER. Less sustainable.

Mr. PRESSLER. No.

Mr. TOWER. If the Europeans reduce their defense spending we are going to reduce the support for our own troops there. Is that what the Senator is saying?

Mr. PRESSLER. No, it is not what this Senator is saying. I commend the chairman for his ingenuity in stating the question. We are seeking a level of dollar commitment proportional to the level of commitment by our allies. We may well find that if the European countries do not take on more of the burden then we might wish to redeploy some of our troops to our own soil. But I do not think that would happen. If it did happen, that would not hurt our national defense, in my view. I will do anything to defend the United States of America. But we have a great deficit, and dollars spent on U.S. bases could stimulate our own economy. If our European allies are not willing to help out, we will have a very difficult time keeping our own troops in Europe at current levels.

Mr. TOWER. Does the Senator have cost figures on how much it would cost to relocate, say, a division of troops that are now in Germany to the United States? Would it be cheaper for us to relocate them in the United States than to maintain them in Western Germany? Does the Senator have cost figures on that?

Mr. PRESSLER. I believe that it would be expensive in the short run but cheaper in the long run, and it would also stimulate our economy. It is cheaper to maintain a division in the United States than in Germany.

Mr. TOWER. What if we had to maintain additional airlift, sealift, additional pre-positioning of equipment, all that sort of thing, because I assume if we relocate we will still be dedicated to NATO; is that correct?

Mr. PRESSLER. They would be dedicated to the defense of the United States. This could require sending them to Europe or elsewhere overseas.

Mr. TOWER. Can the Senator assure me in making the reductions in the support of our troops——

Mr. PRESSLER. There may be no reductions.

Mr. TOWER [continuing]. That would not make them less combat effective and put them in greater jeopardy in the event we got into a war? Can the Senator give me that assurance? If he can, how can we do it? By decreasing support for our troops, we do not decrease their combat effectiveness or survivability?

Mr. PRESSLER. I would argue that it would increase their survivability because I believe the European nations would do more, would cooperate more, and provide more support.

Mr. TOWER. Is the Senator certain of that? What if the European nations are in a recession and we are not? Does he have an assurance they would or could do more?

Mr. PRESSLER. From the looks of their income and prosperity, they could do much more, indeed. The allies are capable of doing much more.

Mr. TOWER. I agree they could do more, but that is not the point. The point is whether or not they will.

Mr. PRESSLER. If we continue on the present road——

Mr. TOWER. I suggest to the Senator I do not see how he can maintain that decreasing the support for our troops in Western Europe is going to make them more combat effective or more survivable. He cannot assure me that that is going to stimulate the Europeans to do more. It might be counterproductive. It might be viewed internally politically in those countries as an inordinate American pressure.

The Senator talks about the academic community in Europe. I know it pretty well. I also know the academic community in this country and sometimes I think some members of that community are not terribly friendly toward the United States, or maybe I should state it another way, not friendly toward the policies of the United States.

But let me remind the Senator we are there at our own interest, and it is incumbent on us to maintain those troops in as combat effective and sustainable posture as possible.

Mr. PRESSLER. May I say in response, and I have great respect for the chairman of the committee, it would make our troops safer to require our allies to do more. If the present trend continues, our troops will be the only ones in Europe that are combat ready. Our troops would be the only ones capable of bearing the brunt of an attack on Europe.

I regret that we are getting into this situation. I received the impression when I was over there, that the Europeans say, "The United States is going to do this. The United States is rich enough. We do not vote with you in the U.N. or any other place, but you guys stay out there and defend us."

And I think that this amendment and amendments like it will bring a realization to Europe there is a strong U.S. reaction. My constituents who served in the Army in Germany come back and say, "What on Earth are we doing? They do not want us over there. They treat us badly."

Their own spending on military defense throughout Europe is declining based on the 1977 formula. It is a situation that is very grave, and my constituents want to see a change. This amendment would not reduce our troop strength there, but it would say it will not be increased unless our allies are willing to undertake similar increases in spending.

Mr. NUNN. Mr. President, will the Senator yield for a couple questions on this?

Mr. TOWER. I yield.

Mr. NUNN. Mr. President, I find myself in somewhat of a dilemma. The point the Senator is trying to make about the European share of defense, I think, is a valid point, and it is a legitimate point. I think it is one that should be made.

The problem I have is not with the point the Senator is trying to make, but rather how he is going about it. I am afraid this amendment as written fails to take into account some of the complexities of NATO.

Let me give the Senator one example and perhaps the Senator from South Dakota can answer this question for me.

The Senator makes reference to the comparison between the support and maintenance of our forces and the support and maintenance of European forces in those countries. Those are the two criteria of measurement, is that right? The Senator is comparing what we spend on our forces in Europe with what they spend on their forces in Europe?

Mr. PRESSLER. We are using the 1977 formula that has been used by DOD since then.

Mr. NUNN. There is no reference to that in the amendment. That is the problem I have. You see, you do not incorporate these qualifying references. The only thing we have to go by is the wording of the amendment. The British, for instance, have substantial forces that are not committed to NATO. The French have forces that are not committed to NATO in the military sense. The NATO contribution is formally measured by what each country submits each year as forces committed to NATO.

This amendment, as drafted, would cover, for instance, French forces when they are not committed to NATO. It would even cover Iceland, and they have no military budget at all.

Mr. PRESSLER. If my friend would yield, the last part of my amendment states:

For purposes of subsection (a), data on expenditures by member countries of NATO shall be based on data contained in the annual report of the Secretary of Defense on allied contributions to the common defense.

A report has been done since 1977 based on the 3-percent increase.

Mr. NUNN. That does not measure the NATO portion of defense expenditure. That is total expenditure.

Mr. PRESSLER. That is correct.

Mr. NUNN. Do we count, for instance, the French presence in the Persian Gulf?

Mr. PRESSLER. We do not count the French in this because they are not a member of the NATO structure.

Mr. NUNN. Where does it say that? The French are part of NATO; they are not part of the military command.

Mr. PRESSLER. Yes; they are not part of the military command.

Mr. NUNN. The amendment does not say that

Mr. PRESSLER. It does not say otherwise.

Mr. NUNN. Let me ask the question again. Does the amendment include the French or does it exclude the French?

Mr. PRESSLER. Would it make it acceptable if it were amended?

Mr. TOWER. It is a European member "including the contiguous waters of such countries."

Mr. NUNN. My question is whether the French forces are included or not included. I do not know whether I want to amend it or not until I know whether they are included or not included. I would ask the same question about Iceland.

Mr. PRESSLER. To clarify, we are clearly talking about those in the military structure of NATO.

Mr. NUNN. I would say that probably ought to be clarified.

Mr. PRESSLER. For the legislative history, I will clarify it to include those in the military structure of NATO.

Mr. NUNN. The other question I have is what is the accounting system you are using to measure European forces' contribution?

Mr. PRESSLER. We are using the same accounting system as the Secretary of Defense uses on allied contributions to the common defense.

Mr. NUNN. That report measures total expenditures of defense of the countries in Europe, not just NATO-designated expenditures.

Mr. PRESSLER. That is correct.

Mr. NUNN. We have gotten away from the 3-percent pledge, then, because the 3-percent pledge was not based on total defense expenditures, but rather on NATO-designated expenditures, as I understand it. But you are talking about the total expenditures. So if the French commit forces in Chad, would that count toward the French contribution?

Mr. PRESSLER. The French are not part of NATO's military command.

Mr. NUNN. So you are excluding the French here?

Mr. PRESSLER. That is correct.

Mr. NUNN. What about the British if they go to the Falkland Islands?

Mr. PRESSLER. We will have to check to see what the DOD did in that particular instance.

Mr. NUNN. How about British forces in the Persian Gulf?

Mr. PRESSLER. I do not know if the Secretary of Defense would use that, but I presume he would.

This amendment would use data from the Secretary of Defense's annual report on allied contributions to the common defense. It is based on data contained therein. Maybe that formula should be changed slightly—maybe it should not—but this document illustrates the fact that the European allies are not increasing defense spending as much as the United States. This situation must be corrected.

Mr. NUNN. I do not want to be picky on this amendment. I think I understand what the Senator is trying to get at. But let me just ask one other question on it.

Section (a) says:

None of the funds appropriated pursuant to an authorization contained in this or any other act may be obligated or expended to increase in any fiscal year the aggregate amount of expenditures to support or maintain members of the Armed Forces of the United States

Let me reemphasize those words:

To support or maintain members of the Armed Forces of the United States in European member countries of the North Atlantic Treaty Organization (NATO) (including the contiguous waters of such countries) by a percentage in excess of a percentage which represents the percentage increase (if any) in the aggregate amount of expenditures in the preceding fiscal year to support or maintain members of such forces.

Now, the reference to "such forces" is unclear. The only forces mentioned thus far are the members of the U.S. Armed Forces. Yet here in this section you are talking about, I think, the members in the European armed forces. But the way the amendment is worded, we would be measuring U.S. expenditures to maintain our forces versus what the Europeans spend to maintain U.S. forces. And the only European country that spends money to maintain U.S. forces is Germany. So I believe that the amendment really needs redrafting. I know this wording is not what the Senator intends.

Mr. PRESSLER. We do not agree with that interpretation.

Mr. NUNN. What forces have you mentioned preceding the modifying term "such forces"? What has been mentioned there above those words? The only forces mentioned at that point are the U.S. Armed Forces. So you really are measuring what we spend to maintain and support our forces versus what the European countries spend to maintain and support U.S. forces, as I read the amendment.

Mr. PRESSLER. We are talking about all the military expenditures, as I said earlier. I think it is very clear. I do not understand the question. Is there a way that it could be changed that would make it acceptable? I think it is very clear what we are saying. I cannot understand the Senator's question.

Mr. NUNN. I will not support the amendment unless it were made clear. I think from the Senator's point of view, he ought to make it clear that the "such forces" he is talking about are European forces and not U.S. forces.

Mr. PRESSLER. We say that "such forces in the European member countries."

Mr. NUNN. U.S. forces are in the European member countries. The "such forces" has to modify what has preceded it, and the only thing preceding in identifying forces is U.S. forces.

Mr. PRESSLER. No. The sentence goes on to say "members of such forces in the European member countries of NATO" and so forth. So I think it is clear.

Mr. NUNN. What the Senator means by the words "such forces" is maintain support in European forces; is that correct?

Mr. PRESSLER. The intent is to measure the total contribution to defense by our allies.

Mr. GOLDWATER. Will the Senator yield? Not for a question, but I wish to make a statement.

Mr. PRESSLER. Yes.

Mr. GOLDWATER. Mr. President, I do not think this is a wise amendment. In fact, I voted against the Proxmire amendment for the same reason I would resist this one and for the precise reason that the chairman brought up. NATO is not just for the protection of Europe. It is probably the strongest deterrence that we have in the field that might be used by our potential enemy, the Soviets. We knew when we went into NATO many years ago that many of their countries would not be able to match us dollar for dollar, man for man.

For example, I will give you a good example that has not been brought up. The strongest force in NATO is Turkey, and probably the weakest economic system in all of Europe is Turkey. Turkey outmans the rest of us. They cannot affort it. So if the amendment of the Senator is passed and becomes part of this bill, we are, in effect, demanding something from Turkey that Turkey will have to resist to the point of pulling her troops out.

Turkey is a very effective fighting force. She is probably the best-armed, best-equipped army in the whole strength of NATO. The thing that bothers me, if we are trying to tell the NATO countries to match us——

Mr. TOWER. Will the Senator yield for a clarification? I believe what the Senator means is one of the best trained and best manned, but actually one of the most poorly equipped because of their old equipment. We have not been able to replace it.

Mr. GOLDWATER. Mr. President, if I mentioned equipment, it was in error. I know their equipment. I have ridden in their jeeps all over the mountains, and they are ancient. But the thing that bothers me most about this type of amendment is that we are trying to tell the NATO countries what we want them to do. I will not argue with the premise that we should expect our allies to do as much as we do in a monetary sense, but we have to realize something that I do not think we are realizing; that is, that the governments we are talking about are changing. There are younger people stepping into these governments. There are younger people taking their places in these governments that do not agree with America even being there.

Look at the antinuclear weapon forces that have been assembled in Germany, and practically every other NATO country.

It will not take a lot with this growing political power, anti-American, anti-NATO—I will not say they are pro-Soviet, but they are leaning that way I must say very heavily. They have the idea—if we cannot show any more ability on our part to defend the parts of the world that are next door to us, how can they depend on us when we have to go thousands of miles to perform the same function for the world, for us, and for them?

I will resist this amendment. I think it is ill advised. I can understand the reason for it. I just cannot see us taking a gamble in this body of reducing the effectiveness of NATO anymore when it is already being reduced almost daily by political forces over which we have absolutely no control, and absolutely no influence.

These new forces are younger people that have never been through war. I think that is wonderful. I hope they never go through war. But I do not like governments making decisions on indecision.

I am going to resist this amendment. I urge my colleagues to do the same thing. It is well intentioned. It has its good points as far as the feeling of what we should do. But I think it is going to provide just the opposite. I hope this will be the last of what I call the anti-NATO amendments.

The PRESIDING OFFICER. The Senator from Texas is recognized.

Mr. TOWER. Mr. President, if there is no further debate, I move to table the amendment of the Senator from South Dakota.

Mr. PRESSLER. Mr. President, I ask for the yeas and nays.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Texas (Mr. TOWER) to lay on the table the amendment of the Senator from South Dakota (Mr. PRESSLER). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. STEVENS. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Illinois (Mr. PERCY), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Virginia (Mr. TRIBLE), are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD) would vote "yea."

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. BRADLEY) and the Senator from Missouri (Mr. EAGLETON) are necessarily absent.

I also announce that the Senator from Maine (Mr. MITCHELL) is absent because of death in the family.

The PRESIDING OFFICER (Mr. DANFORTH). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 76, nays 16, as follows:

[Rollcall Vote No. 115 Leg.]

YEAS—76

Andrews	Durenberger	Kennedy
Armstrong	East	Lautenberg
Baker	Evans	Laxalt
Bentsen	Exon	Leahy
Biden	Ford	Levin
Bingaman	Garn	Lugar
Boren	Glenn	Mathias
Bumpers	Goldwater	Matsunaga
Burdick	Gorton	Mattingly
Byrd	Grassley	McClure
Chafee	Hart	Moynihan
Chiles	Hatch	Murkowski
Cochran	Hawkins	Nunn
Cohen	Hecht	Packwood
Cranston	Heflin	Proxmire
Danforth	Heinz	Pryor
DeConcini	Helms	Quayle
Denton	Hollings	Randolph
Dixon	Inouye	Roth
Dodd	Johnston	Rudman
Dole	Kassebaum	Sarbanes
Domenici	Kasten	Sasser

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Specter	Thurmond	Weicker
Stafford	Tower	Wilson
Stennis	Wallop	
Symms	Warner	

NAYS—16

Abdnor	Long	Riegle
Baucus	Melcher	Stevens
Boschwitz	Metzenbaum	Tsongas
D'Amato	Nickles	Zorinsky
Huddleston	Pell	
Humphrey	Pressler	

NOT VOTING—8

Bradley	Jepsen	Simpson
Eagleton	Mitchell	Trible
Hatfield	Percy	

So the motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was laid on the table.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 3171

(Purpose: To prohibit funds for the Advanced Technology Bomber and the Advanced Cruise Missile programs from being used for any other purpose)

Mr. BYRD addressed the Chair.

The PRESIDING OFFICER. The minority leader.

Mr. BYRD. Mr. President, I send to the desk an amendment for myself, Mr. HOLLINGS, Mr. JOHNSTON, and Mr. NUNN. I ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The legislative clerk read as follows:

The Senator from West Virginia (Mr. BYRD), for himself, Mr. HOLLINGS, Mr. JOHNSTON, and Mr. NUNN, proposes an amendment numbered 3171.

Mr. BYRD. I ask unanimous consent that further reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 128, between lines 12 and 13, insert the following new section:

PROHIBITION AGAINST USING FUNDS APPROPRIATED FOR THE ADVANCED TECHNOLOGY BOMBER AND THE ADVANCED CRUISE MISSILE PROGRAMS FOR ANY OTHER PURPOSE

SEC. . (a) It is the sense of the Congress (1) that the capabilities inherent in the technologies associated with the Advanced Technology Bomber program and the Advanced Cruise Missile program are a critical national security asset for maintaining an adequate and credible deterrent posture, (2) that such technologies and programs should be developed as rapidly as feasible in order to produce and deploy advanced systems which will complicate the military planning of the Soviet Union and as a consequence enhance the deterrent posture of the United States, (3) that such technologies and programs should be funded at the levels authorized in this Act, and (4) that all the funds appropriated for such programs should be fully utilized for such programs.

(b) None of the funds appropriated pursuant to an authorization of appropriations in this Act to carry out the Advanced Technology Bomber program and the Advanced Cruise Missile program may be used for any other purpose.

Mr. BYRD. Mr. President, this amendment is designed to protect the advanced technology or Stealth bomber and advanced or Stealth cruise missile program. The first part of the amendment, I would say, if adopted, indicates that the Senate strongly supports these highly sophisticated technology programs. The intent is to preserve full funding in order to move the technologies into the production and deployment stages at the earliest feasible date. The second part of the amendment is designed to protect the money which is appropriated, pursuant to this authorization bill, from being reprogramed by the Department of Defense or the Air Force into any other program or for any other purpose.

I understand the Stealth program is progressing satisfactorily and represents what should be an important addition to the American military arsenal. The capabilities of the mix of technologies which constitute Stealth, packaged into very advanced weapons systems, will present important complicating factors for Soviet military planning. As such, it will enhance and deepen America's long-term ability to maintain an adequate and credible deterrence against Soviet adventurism.

I believe it is critical for America to maintain its lead in technological prowess.

The qualitative lead must be aggressively funded—and therefore I congratulate the committee on maintaining the full funding level which these programs deserve.

I am very concerned, however, that now there are challenges to these programs and to these funding levels. There have been, for example, disturbing reports appearing in responsible publications, such as Aviation Week, that some elements in the Air Force would like to procure additional numbers of B-1 bombers beyond the 100 planes currently projected. This would entail stretching out or even scuttling the Stealth bomber program.

Mr. President, it is my understanding that the B-1 bomber, even modified with some portion of Stealth technologies, would never be able to match the capabilities of the Stealth bomber. This is the official Air Force position, as I understand it. On the record, I would like to ask the committee several questions to clarify the situation—and I will take into consideration the highly classified nature of these programs.

The first question I ask is: Is it not true that the long-term capabilities of the Stealth will provide a very significant improvement over those of the B-1B, even if modified?

Mr. WARNER. Mr. President, first I congratulate the distinguished minority leader on bringing forth this amendment. It is my intention to urge my colleagues on this side of the aisle to support it, indeed accept it.

In response to the Senator's question, the answer is in the affirmative.

Mr. BYRD. I thank the Senator.

Mr. WARNER. If I might mention one other fact, during the course of the committee markup I joined with the distinguished Senator from Massachusetts (Mr. KENNEDY) in a brief amendment which in a sense keeps the Congress on notice with respect to any intention within the Department of Defense to shift moneys that might be toward the goal to which the Senator from West Virginia alluded, namely, an increased B-1 program at the expense of the ATB.

Mr. BYRD. I thank the Senator.

Mr. President, I ask unanimous consent that I may continue for a brief time to ask questions of other Senators and that I may yield the floor for that purpose.

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

Mr. BYRD. Second, Mr. President, I should like to ask Mr. NUNN this question: Am I correct in stating that the committee has fully funded the advanced technology bomber and the advanced cruise missile in the bill?

Mr. NUNN. The Senator from West Virginia is correct. I might add that there was strong bipartisan support across the committee for that action. As the Senator from Virginia has indicated, we worked together on it. We did not have opposition in committee. We will have a problem in conference, as the Senator knows, and I think the amendment of the Senator is a very valuable contribution.

I would like to add to the answer of the Senator from Virginia on the question the Senator from West Virginia posed.

To answer that question precisely, I want to quote from Gen. Larry Skantze, the Vice Chief of Staff of the U.S. Air Force.

In his February 23, 1984, press conference, General Skantze said:

I think what you have to appreciate is that if you want to maximize the advantage of Stealth technology, you have to begin with a clean sheet, with a new design. If you take an existing airplane—I don't care whether it is a B-1 or an F-15 or an F-111—and you want to reduce the radar cross-section, you have fundamental limitations on how much you can reduce it because the geometry is just not as optimum as you can make it. So if you were to take the B-1B and maximize its Stealth characteristics, it still in my judgment would not come near to what you can do with an ATB.

I do not want to go further than that, and I will be precise in my answers, because there is a classification problem in this area. We have checked this dialog and the questions very closely.

Mr. BYRD. Mr. President, I thank the distinguished Senator from Georgia (Mr. NUNN). What he is saying, as I understand, is that the long-term capabilities of the Stealth would provide very significant capabilities over those of the B-1B even if the B-1B were modified.

Mr. TOWER. Will the Senator yield?

Mr. BYRD. Yes.

Mr. TOWER. In fact, there is some Stealth technology that you could incorporate into existing aircraft to enhance the penetration capability, but I want to endorse what Senator NUNN has said in quoting General Skantze that for what our objective is you do have to go to a new airplane. It is unfortunate we cannot say more than that.

Mr. BYRD. I thank the distinguished chairman.

Mr. President, may I ask Mr. NUNN specifically, does the committee understand that a challenge to the Stealth program, in order to divert the money to other ongoing programs is a current danger? I certainly have reached that conclusion as I have read newspaper stories.

I have read reports in Aviation Weekly, and so on. I have that impression. Is that a proper one? Would the Senator say there is a current danger?

Mr. NUNN. Mr. President, I think the perception of the Senator from West Virginia is correct. I think the threat is real. I think what the Senator is doing today, indicating strong support in this body for this program, could be very important. In the other body, our House colleagues have already significantly reduced the authorization for both the advanced technology bomber and the advanced cruise missile, and I think inevitably as defense budgets continue to come down there are always those who will favor holding on to what they have now in production even if that means something potentially much better that could make quantum improvements may get cut or dropped or delayed very substantially.

Mr. BYRD. Mr. President, the distinguished Senator from Georgia——

Mr. GOLDWATER. Will the Senator yield so I might help answer that question?

Mr. BYRD. Yes.

Mr. GOLDWATER. I may say, Mr. President, in answer to the question that Senator NUNN has answered it very, very succinctly. There is no one in the Air Force that I know of who wants to do anything to the Stealth program. It is a very ongoing program.

I am sorry, along with my other friends, that we cannot discuss it because it is very, very high classified. The program is coming along well. The only thing I would like to reiterate is what the chairman of the committee said; that some of the concepts of Stealth can be applied not only to other aircraft but to other weapons systems.

I can assure my friend from West Virginia I have never in my close association with the Air Force heard anybody say anything that they were not happy.

Mr. BYRD. I am encouraged by the statement that has been made by Mr. GOLDWATER. I had a distinct impression—and if I am wrong, I will correct it in the RECORD—from some of the reports that came out in the press with respect to information that was presented by the Aviation Weekly at least a couple or 3 years ago, which was somewhat disconcerting on that point. It appeared that there were some in the Air Force who were seeking to enhance the B-1 program at the expense of the Stealth program. I may be wrong about that. I hope I am. But in any event, I am glad to hear what Mr. GOLDWATER SAYS.

Mr. GOLDWATER. If the Senator will yield just a moment longer——

Mr. BYRD. Yes.

Mr. GOLDWATER. You cannot accept as the Biblical truth everything you read in every technical magazine.

As the chairman mentioned and as I reiterated, there is other uses for the Stealth concept, even applied to other aircraft. But what they are working on is the advanced technical bomber including the Stealth concept.

Mr. GLENN. Will the Senator yield?

Mr. BYRD. Yes; I yield.

Mr. GLENN. I want to add one thing. I agree with the Senator from Arizona completely on that, and I have always supported the research and technology of the Stealth. Unfortunately, as the Senator from Georgia has very correctly stated, we cannot discuss it in open session in detail. But I think we can say that there have been sufficient problems. Many of us who have followed this thing very closely were not willing to just see all our eggs put in the Stealth basket. While we fully supported research, there were enough problems and enough ways of getting around some of this technology that we still supported the B-1 program.

I would never support raiding of funds back and forth. We want to make certain this does not happen. But I would not want anyone to think that the Stealth technology is at a point yet where we can shoot down the B-1 program or any other program or go fully with the Stealth program right now today as a means of conducting conventional warfare, if this country ever gets into conducting conventional warfare. That is where we still need the B-1 program and need it very badly. But I also want the Stealth technology to go ahead because, as the Senator from Arizona has correctly stated, it has many other applications to other equipment. However it is not perfectly developed, and I am not going to see the security of my country go solely on the Stealth technology.

Mr. BYRD. Mr. President, my amendment, which was offered on behalf of Mr. HOLLINGS, Mr. JOHNSTON, Mr. NUNN, and myself, recognizes that this technology can be used in connection with other weapons and specifically with respect to the cruise missile programs. At least, there is the possibility. But my concern grew out of information which I and others felt at the time indicated that there was Pentagon leakage of highly classified information appearing in Aviation Week a couple of years ago which had to do with this subject. On that occasion, I wrote to the President and/or the Secretary of Defense, asking that they get to the bottom of this leakage of classified information with respect to Stealth.

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

Mr. BYRD. I yield to the distinguished Senator from South Carolina.

Mr. HOLLINGS. I thank the distinguished Senator from West Virginia. He is performing a very important service on this particular defense issue.

Maybe my question should go to the distinguished Senator from Arizona. The Senator from Ohio really put his finger on the concern I have.

If you are talking about going full speed ahead, we all know that Stealth is to maintain the third leg of the triad bomber force. The distinguished Senator from Ohio knows about conventional preparedness. That is one thing. But the Stealth and the B-1 replace the B-52 and are to penetrate Soviet defenses.

Some of us have the memory of the statement made by the Secretary of Defense with respect to the B-1 bomber, that we would be sending the crew of American airmen on—and he used the phrase "suicide mission." That is what bothered many of us, and we do not want to get into the debate now about the B-1. But it touches on the very question the distinguished Senator from West Virginia talks about and the concern that the Senator from Ohio has with regard to conventional usage of the B-1 bomber. It is this Senator's concern, in replacing that leg, that we do go full speed ahead.

When the Senator from Arizona says, "getting pretty well along," he and I know the Pentagon. They can allocate and say, "We will wait until next year. We are not really ready." But if we really put on the full pressure, as we have done often in the history of this country, we can develop magnificent technology over a short period of time.

I think that is my concern and that of the Senator from West Virginia, the

Senator from Louisiana, and other Senators, that we do not start fudging and reallocating, not that we want the Stealth over the B-1, but that we want a secure third leg of the triad. Two years is a tremendous difference.

Some might talk, as the distinguished Senator from Ohio did, about eggs in one basket. I do not consider it eggs in one basket. I think it is a replacement for the B-52. If we had one this minute, I would want it, but I would want one that lasts beyond 1990. That is why we have gone with the Stealth, and that is why we are so concerned about going along with the B-1, that will be outdated and cause—what is the phrase—"an open window?"

Mr. BYRD. Window of vulnerability.

Mr. HOLLINGS. I want to go ahead full speed.

These are the kinds of reports we read. We know about the Pentagon in administering programs and dragging feet when they want to and saying they cannot go along that fast. I do not want that.

Mr. NUNN. Mr. President, I almost always agree with the Senator from Arizona on these questions, but on this one I would have to dissent slightly.

I think there are those in the Pentagon who, if they had their way, would slow down the ATB so that the B-1 could continue after the first 100.

The profile on the B-1 funding is such that in the last year of the B-1, we are going to be building 48 of them. What that means in political terms is that instead of phasing-out the production after the first 100, if they were going to stop production, as they say they will, they have to lay off about 50,000 to 60,000 people. The political groundwork has been laid to keep the B-1 production line open beyond the first 100, whatever the problems or the opportunities for Stealth.

I hate to become cynical, but I have been here long enough to put various facts together. Combine that with a mysterious list that came out of the Pentagon this year when the budget cutting was going on, which went to the House Armed Services Committee. That list had substantial cuts in the advanced cruise missile and ATB.

The Senator from West Virginia said he had some skepticism about it, and I also have. That list got over to the House. I do not know where the list came from, and now everybody denies it was their list. To Secretary Weinberger's credit, he did not agree. I am sure he did not agree to that. It came from the bowels of the Pentagon, but it was deemed credible by the House Armed Services Committee. What the list said is in their bill, and that means they cut these two programs substantially.

So, in my view, the suspicions of the Senator from West Virginia and the suspicions of the Senator from South Carolina are extremely well founded, particularly when you combine what is happening on the B-1 program with what is happening on the ATB.

I ask every Member of this body a question: What are we going to do when we get to 1987 and the ATB, say, is ready to go? Let us say, whatever the year is, that the ATB has solved whatever problems concern the Senator from Ohio, and the people say, "You can't close the production line on the B-1 because you will lose 50,000 to 60,000 jobs." That is the way the B-1 production line is set up.

I have to put those two facts together, and I have to conclude that there are some people at very high levels, maybe in uniform and maybe not—I do not include the Secretary of Defense, because he has made it clear that he is for this program—but there are some people who would like to keep the production line open on the B-1, regardless of the status of the ATB.

I am afraid that what we are doing is building such a political roadblock that the ATB will not be judged on its merits and whether it can make a quantum leap in technology, as the Senator from West Virginia said is possible and which I think is possible, or whether the Soviets could establish defenses, which would divert huge Soviet resources from other defense efforts.

The ATB has an enormous potential, and I am afraid we are laying the groundwork politically whereby there will be tremendous reluctance by Congress and by any administration, Republican or Democrat, to shut down the B-1 production line after the 100 are built and to go into a higher leveraged program. That is a legitimate fear based on the facts as they exist and as I see them.

Mr. GOLDWATER. Mr. President, will the Senator yield so that I may respond?

Mr. BYRD. I yield for that purpose.

Mr. GOLDWATER. I want to answer the question that the Senator from South Carolina raised.

There are other things to the ATB than one technology. There is the technology involving aerodynamics, for example.

I remind my friend that way back in the beginning of World War II there was a concept of a technological breakthrough that we now call radar, and we found a great division in England at that time, a real division. Some said it will not work; some said it will.

I remember when they developed the jet engine in England. Some said it would work; some said it would not.

To answer the suggestion made by my friend from Georgia, there are people, there are technicians in our academic field, there are technicians in the Pentagon, who have doubts not about the concept of the basic technology involved in ATB, but over things that we cannot talk about here but I would be very happy to visit with my friend and tell him exactly what those things are.

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

Mr. BYRD. I yield to the Senator from Louisiana.

Mr. JOHNSTON. I thank the distinguished Senator from West Virginia.

Mr. President, I wish also to commend him. I am happy to be a coauthor of this amendment.

Mr. President, I was one of those Senators in the last two Congresses, along with Senator NUNN and others, who opposed the multiyear contracting for the B-1, for I feared the kind of scenario of which the House action is step No. 1, and that is that we would see the best sacrificed for something that was pretty good. I think that is all we can say for the B-1, that it is pretty good, and as the years go by, it soon will be only good and then fair and not even pretty good.

The fact of the matter is B-1 is two decades old technology. B-1 cannot be adapted in any real terms for Stealth technology. It can be improved slightly, but it cannot be totally adapted to Stealth technology. It just cannot be done, as the statement by Senator NUNN quoted there would indicate.

B-1, as far as the first 100 is concerned, is a past issue. While we need to get the defense budget down, while the conference on the budget will probably come up with something like 5 percent on defense, it is very doubtful whether defense spending can be held to 5 percent because in order to do that we need to deal with some major weapons systems like B-1 or MX or another big system.

I do not think when it comes right down to Congress, it can or will deal with those big systems.

Specifically on B-1, we are too far along now to go back and either cut back on quantities or undo the multiyear contracting, or to cut back on the 100. They have gone in, as they said, with the multiyear purchases and with the other methods by which multiyear contracting would save money, and you just cannot do it. So the 100 is pretty well frozen in. Even those of us who think it is two-decades-old technology recognize now that we cannot cut back on B-1 on the first 100.

What we are sincerely concerned about is the scenario under which this is step No. 1; that is, that we first begin to say we need to cut back on the budget, and then there are all these statements of doubt about how far along Stealth is.

They have some problems they have not solved. Let us do not go too fast. We cannot talk about it here. But let me say at the time I saw what there is to see on Stealth, I was amazed at how far along they were. I was surprised at how far along they were, and I am confident for whatever that means, and I think I was the only one who had seen as much as I had seen, or maybe there might be one or two at the time I saw it, but I am not telling what I saw, but I am surprised at how far along they were and I am confident they will not have any insoluble problems, and I think those who are on the project are as well.

We can always cloak ourselves in secrecy and say we want to talk about it and should, but we will not.

But to say there are problems that cannot be solved, and no one has said it like that, I think is the wrong approach on the Stealth.

The second real concern is not that there may be some mole over there in the Pentagon who says we should increase B-1 and cut back on Stealth. But there are a lot of people in this Congress who up front say, "I have jobs at home."

There are 60,000 jobs that are going to be at stake in 1987, as they complete 45 planes simultaneously, 60,000 jobs in 40 States of these United States.

There are not many of us who can rise above politics and make our decisions solely on principle.

Mr. NUNN. Would the Senator name them?

Mr. JOHNSTON. If I had to name them, unfortunately I may not be among that number.

I mean it is very difficult to do so. It is very easy to look through those defense job-colored glasses that see the merit in the program if jobs happen to be connected with it.

All of us have done that. All of us do it all the time because we are, first of all, elected from our States and also elected by the United States, and we try to see the best face of whatever the question is.

The best face of this question is not to sacrifice ATB because to sacrifice ATB is to sacrifice that program which is two decades ahead of B-1, two full decades ahead, and it poses problems to Soviet defense people, which B-1 does not, and it would be a very sad mistake, particularly at this time, to cut back the program, and then that tells the Soviets they do not have to divert those resources to build the interlocking radar that it would take to possibly defend against ATB.

Instead they can do it basically with what they have.

I hope as we begin to approach 1987 we do not get swept into that old, what Eisenhower worried about: the military-industrial complex. Really what we should talk about is the Pentagon-congressional complex, the jobs-congressional complex, that says jobs back home are so important. Let us keep this line open. Can you not hear them right now? I mean I can read their statements. They are going to tell us that the B-1 is exceeding all the flights tests, that it flies wonderfully, that its systems are all go, and they will come up with all the technological gobbledygook and make it sound great. They will tell you they have quantity cost down below anything ever dreamed, and the way they do it, that is by shuffling numbers aside—I mean taking numbers out of B-1 and putting it over in R. & D. and some other program. Indeed, that is what they have already done. That is when they tell that they can build 100 B-1's for $20 billion in 1981 dollars. They have done that by shuffling money from B-1 over into other programs.

That is No. 1, and No. 2 they are not going to be able to do it anyway, and my source for that is the Pentagon itself, which has come up with its own estimates.

What is the name of that cost-cutting, cost analysis group in the Pentagon?

Mr. NUNN. CAIG.

Mr. JOHNSTON. Yes; the cost analysis group in the Pentagon. They have already come up and said these estimates are way off. If I recall correctly, they said it is $29 billion. It depends on how many of the things you have taken out of the B-1 account you return back to the B-1 account.

So let us beware, as the distinguished Senator from West Virginia is being aware on this. Watch for every attempt to cannibalize the ATB, the best and most advanced technology, in order to keep jobs afloat in the B-1 program.

We have been extraordinarily generous to those 40 States and those 60,000 employees by letting them build a system which, in my judgment, is not the best and maybe it is defensible but it is barely defensible. A second hundred or a second fifty or any additional B-1's with or without being at the expense of the ATB would be totally indefensible.

I congratulate the Senator from West Virginia for being alert on this issue.

Mr. STENNIS. Mr. President, will the Senator yield briefly to me?

Mr. BYRD. I had promised to yield first to Mr. GLENN.

Could I yield first to him?

Mr. STENNIS. Sure.

Mr. GLENN. Yield to Senator STENNIS first.

Mr. BYRD. I yield to Mr. STENNIS.

Mr. STENNIS. Mr. President, I did not mean to try to cut off the Senator from Ohio, but I wish to commend these Senators for engaging in such a splendid debate that needed to be said, and it has been accumulating.

This is going to be helpful to every man here who has to vote on it, to the press, and to the public, and I do not jump up and say that every time, every day; but this matter has given a lot of trouble. I am not blaming anyone now of wrongdoing. I do not know of any wrongdoing. But it has dragged along and dragged along, and I remember how relieved I was when we got the first proof about the success of the Stealth. It was really going to be a reality. We could look forward to that. It was going to take a lot of money. But certainly it came in at the right time, and this is what the Senator from Louisiana said in his fine summary.

It is always difficult in a way to come in here and tell the Members not on the committee just what the real situation is and say it out in public with safety to the welfare of these instruments.

But this has been splendid. I think it is a fine analysis of it. I am glad you are going to guard that money. These jobs that you are talking about, there are not any of them in my State in this case, but I think you gave a pretty full analysis of that. I have some experience in that.

I am highly pleased here and I think the membership received a good analysis.

Mr. BYRD. I thank the Senator.

Mr. GLENN. Will the Senator yield?

Mr. BYRD. I yield to the Senator from Ohio.

Mr. GLENN. I was not aware, Mr. President, of some of the things the Senator from Georgia indicated about the potential for a stretchout on this. I think that would be a gross error on the part of the Pentagon if they started going in that direction. I think they should be warned by what the Senator from Georgia has pointed out here today, if they are playing little games around these programs and not concerned as much about national defense and the security of the Nation as they are about some parochial issues. And I agree with the Senator from Louisiana that we are losing our way around here sometimes.

But I have a couple of other comments. I support fully the keeping of funds for research on the advanced technology bomber, the Stealth program. But I have never supported the B-1 program just on the basis of its being a nuclear penetrator. I think that we need a conventional warfare capability that only the B-1 gives us in this particular time period.

If we were making just an airplane to go to Moscow, I guess I would question whether we need any airplane, because I think if all we are trying to do is drop one more aircraft delivered nuclear weapon on Moscow, we will have already been firing things back and forth at that point enough that it is not going to make a whole lot of difference.

But I support the B-1 because it will carry twice the bomb load of the B-52. It is reliable. It can use some of the Stealth technology, but no one can say to go the Stealth program just to enhance the B-1. That would be ridiculous. But if you look at conventional warfare, there is very, very serious doubt about the Stealth technology being able to perform in the same way the B-1 will do it.

So in the timeframe we are talking about, I think it makes sense to go ahead and support the B-1. I am all for keeping Stealth research funding in. And if efforts are made to scavenge that program and put money over into the B-1, I think we ought to be aware of that and put the Pentagon on notice today that we will not stand for it. We will cut the funds off before we see that happen and protect the Stealth program so it is developed as far as it can be.

But, on the other hand, to say today we would shoot down the conventional capability we will have with the B-1, which I feel we need, and just go full bore and say we will develop Stealth technology, and it will be made to work somehow and to put the security of our Nation on that basis, when I have serious reservations about some of the difficulties with the ATB—we cannot discuss this in open session. I know there is criticism every time we note this and we say, "Well, we can't talk about it on the floor." But we cannot.

Stealth is not that ready right now that I would want to risk the security of this Nation on it, particularly if what we are talking about is a conventional warfare capability, which I feel we truly need. The B-1 can carry twice the bomb load of the B-52, and can fly from the eastern United States to Europe and back without a refueling. There is nothing that is going to be able to do anything better than that in the near future with a conventional warfare capability.

So that is the reason I support B-1. Yet I still support research on the ATB and will continue to do so. And I think we need to protect against what the Senator from Georgia is talking about in the Pentagon.

I do not want to see the B-1 program stretched out and the per unit cost run up on a program that has already been so expensive that it is almost unbelievable. The one thing we told them when we approved that program was that if it went a nickel over budget or it got stretched out, or under performance was a factor, we were probably going to see the whole program cut. So far, they tell me they are ahead of schedule and under budget. I have checked with them. We have a standard request that they report to me once every month just so I keep up with it. So far, they swear that they are ahead of schedule and under budget. And that is the way we want to keep it.

But to say the program is expensive, that we shoot it down when we need that conventional warfare capability and there is nothing else that will provide that right now, I think would be the wrong way to go.

Mr. BYRD. Mr. President, I thank all Senators who are participating in this discussion. I have only a couple of remaining questions I would ask of the ranking manager or other members of the committee.

Does the committee regard the funding levels, which are contained in the bill passed by the other body, appropriate to the capability and scheduled development of the ATB and the ACM?

Mr. NUNN. I would answer the Senator from West Virginia that for my part I think what the House has done in this area does not really make any sense to me. I look forward to a conference explanation, and there may be one. So far, though, I have not ascertained the logic behind what they have done.

First, in the cruise missile area, I think we would all agree we need the full air-launched cruise missile buy, whatever any of us might think the mix ought to be between what we call the ALCM-B and the advanced cruise missile.

If we are going to switch to the advanced cruise missile, then we should stop making ALCM-B's; if we are not going to switch to the ACM, then we should stop funding the ACM and continue funding the ALCM-B. This is just plain commonsense. But the House has not done that. It cut the ACM funding significantly but, nonetheless, terminated the ALCM-B funding, so they are really hitting both programs. In effect, they killed one program, on which we agreed with them, the ALCM-B, but rather than fully supporting the other, the House action wounded the other program also.

Given that both Houses have now terminated funding for the ALCM-B, and that is also the administration's position, I believe we need to go full speed ahead with what we call the advanced cruise missile. That means we must restore the funding cut made by the House; otherwise, we would have a significant slip in that program, with the likelihood that many of the smaller subcontractors who would be involved on both ALCM-B and ACM would have a very lean year in between. And it may be much harder to have that shift made later on.

With regard to the advanced technology bomber we have been talking about, the magnitude of the reductions in this area have been quite substantial. As many Members are aware, this program was structured initially to solve several major technical challenges first, in order to reduce the risk of proceeding into quite novel technological areas. I believe this has been accomplished with a significant degree of success, and we are now at a point where the major design effort is proceeding with considerable confidence of success. However, the drastic House cuts are likely to significantly delay the IOC, the initial operating capability. Given the compressed B-1 production schedule which we have already talked about, this would open a similar gap of a year or more for important lower tier producers of hardware and components.

The administration and the Congress have been in agreement for some time on a two-bomber time-phased program; in my view there is no reason to depart from that approach. Therefore, it is urgent that we seek full restoration of funds for the advanced technology bomber.

Mr. WARNER. Mr. President, I concur in the observations of Mr. NUNN and assure the Senator from West Virginia that if the Senate accepts the recommendation of the Senate Armed Services Committee and restores the funding that is in the bill we have now, you will have adequate funding.

Mr. BYRD. I thank the Senator.

Mr. President, I have just one final question for the record. Is the Senator from Georgia or any other Senator on the committee aware of any technical problems in the development systems of these weapons that would justify the cuts that have been made by the House?

Mr. NUNN. I can only speak for myself. Other Senators may have different views on this. My answer to that, though, is, no, I do not know of problems that would justify the kind of cuts that have been made. The program manager and his staff have briefed our people at great length. I have been in on the briefings, the Senator from Virginia has, and I know other Senators have.

And as the program manager views the program, the program is basically on track. It is on schedule. It is on budget. He does not see anything resembling a major unresolved technical problem. This is not to say there are not any problems. There are some problems. There always will be problems on a program of this nature. Every research and development program has those. But I repeat that I have been assured that there are no major problems in view, and no technical risk which would justify at this stage the cuts that have been made on the House side.

Mr. BYRD. Mr. President, I wish to express my thanks to the managers of the bill for the observations that they have given, for the support that they have expressed, and to Mr. HOLLINGS, Mr. JOHNSTON, Mr. STENNIS, Mr. WARNER, and others who have commented on this important matter.

One of the key advantages this Nation possesses over the Soviet Union is in the area of our high technology. We dare not permit the advantage to dissipate. My purpose in having a record vote on this matter is that I hope the Senate will overwhelmingly endorse the amendment. I want the Senate conferees on the measure to carry the clearest of all possible messages to Members of the other body when they meet in conference. We do not regard the deep cuts made by the House to be appropriate. We want the programs to go forward aggressively, and to mature on schedule

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. WARNER. Mr. President, I wish to again compliment the distinguished minority leader for raising this amendment. In my judgment, it reinforces the strength of the Senate when we come to the conference, and in the need to restore these funds.

I should also like to refer to section 1011 of the bill pending before the Senate. It is an amendment sponsored by Senator KENNEDY and myself which addresses in some areas the issue raised by the distinguished minority leader.

Mr. BYRD. I thank the distinguished Senator from Virginia.

Mr. President, I ask unanimous consent that Mr. NUNN be added as a cosponsor.

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

The question is on agreeing to the amendment of the Senator from West Virginia (Mr. BYRD). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from North Dakota (Mr. ANDREWS), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), the Senator from Illinois (Mr. PERCY), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Virginia (Mr. TRIBLE) are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon (Mr. HATFIELD), would vote "yea."

Mr. CRANSTON. I announce that the Senator from New Jersey (Mr. BRADLEY), the Senator from Missouri (Mr. EAGLETON) and the Senator from Colorado (Mr. HART) are necessarily absent.

I also announce that the Senator from Maine (Mr. MITCHELL) is absent because of death in the family.

The PRESIDING OFFICER (Mr. ABDNOR). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 90, nays 0, as follows:

[Rollcall Vote No. 116 Leg.]

YEAS—90

Abdnor	Garn	Metzenbaum
Armstrong	Glenn	Moynihan
Baker	Goldwater	Murkowski
Baucus	Gorton	Nickles
Bentsen	Grassley	Nunn
Biden	Hatch	Packwood
Bingaman	Hawkins	Pell
Boren	Hecht	Pressler
Boschwitz	Heflin	Proxmire
Bumpers	Heinz	Pryor
Burdick	Helms	Quayle
Byrd	Hollings	Randolph
Chafee	Huddleston	Riegle
Chiles	Humphrey	Roth
Cochran	Inouye	Rudman
Cohen	Johnston	Sarbanes
Cranston	Kassebaum	Sasser
D'Amato	Kasten	Specter
Danforth	Kennedy	Stafford
DeConcini	Lautenberg	Stennis
Denton	Laxalt	Stevens
Dixon	Leahy	Symms
Dodd	Levin	Thurmond
Dole	Long	Tower
Domenici	Lugar	Tsongas
Durenberger	Mathias	Wallop
East	Matsunaga	Warner
Evans	Mattingly	Weicker
Exon	McClure	Wilson
Ford	Melcher	Zorinsky

NOT VOTING—10

Andrews	Hatfield	Simpson
Bradley	Jepsen	Trible
Eagleton	Mitchell	
Hart	Percy	

So the amendment (No. 3171) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. TOWER. Mr. President, I have talked to other Senators who have amendments. Few seem to be prepared to offer them this evening. Let me ask: I know that the distinguished minority leader is about to offer one. I wonder if there are any other Members who have amendments who will be prepared to offer them this evening? We would be delighted to entertain any Senator who wants to offer an amendment.

I do not see any takers.

Mr. MATHIAS. If I offer it, Mr. President, will it be accepted?

Mr. TOWER. It depends on what it is. If it is an endorsement of motherhood and Sunday school, I will take it.

Mr. MATHIAS. That is what I thought, Mr. President.

Mr. TOWER. Mr. President, is the Senator from Maryland interested in offering an amendment tonight?

Mr. MATHIAS. Not on those terms, Mr. President.

Mr. TOWER. Mr. President, it appears that we are not able to get another amendment up to vote on tonight. I think that as it has developed, Members should be on notice that there will be votes tomorrow. At this point, I yield the floor.

AMENDMENT NO. 3164

(Purpose: To establish an Office of the Competition Advocate General)

Mr. BYRD. Mr. President, I have an amendment which I offer on behalf of myself, Mr. LEVIN, and Mr. NICKLES. I have discussed this amendment with the distinguished majority leader and Mr. TOWER. It is my suggestion that we lay the amendment down, get the yeas and nays ordered on it, and have an understanding or consent, if the majority leader would like to consent to the request, that we vote on this amendment at 10:45 tomorrow morning.

Mr. BAKER. Will the Senator yield to me, Mr. President?

Mr. BYRD. I yield the floor, Mr. President.

Mr. BAKER. Mr. President, I thank the minority leader for that suggestion. Indeed we did discuss this matter. I expressed to him my thanks for the proposal at that time.

I would like to suggest, Mr. President, since we are coming in at 9:30 tomorrow morning, that we be back on the Hill at about 10:15 or thereabouts. That would give us 30 minutes of debate, approximately, if we set 10:45 as a time certain.

If the minority leader is prepared for me to do so at this time, I shall make such a unanimous-consent request.

Mr. BYRD. Yes, Mr. President.

Mr. GOLDWATER. Before answering that, Mr. President, would the minority leader tell me, what is the nature of the amendment?

Mr. BYRD. This amendment strengthens the provision in the bill establishing new "competition advocates generals" in the military services and DOD. The purpose is to promote more competition in DOD procurement and attack the problems of overpricing and waste which have plagued the Defense Department.

The PRESIDING OFFICER. Will the Senator allow the clerk to report the amendment?

Mr. BYRD. I have not offered it yet, Mr. President, but I shall be glad to offer it in a moment.

Mr. BAKER. I yield the floor, Mr. President.

Mr. BYRD. Mr. President, if the majority leader will allow me, I urge him to put the request, then I shall offer the amendment.

UNANIMOUS-CONSENT AGREEMENT

Mr. BAKER. Mr. President, I ask unanimous consent that on the amendment to be offered by the distinguished Senator from West Virginia, the minority leader (Mr. BYRD), the amendment be temporarily laid aside after it is reported and that it recur as the pending question tomorrow when the Senate resumes consideration of this bill; and that the Senate proceed to vote on the amendment to be offered by the Senator from West Virginia at the hour of 10:45 a.m. tomorrow.

I further ask unanimous consent that on tomorrow, the Senate resume consideration of this bill at no later than the hour of 10:15 a.m.

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

Mr. BAKER. Mr. President, I ask unanimous consent that the time be equally divided and the control of the time be in the usual form.

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

Mr. BAKER. I yield the floor, Mr. President.

Mr. BYRD. Mr. President, I send to the desk the amendment and ask unanimous consent that it be printed in the RECORD. I also ask unanimous consent that the reading of the amendment be dispensed with.

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

The amendment is as follows:

On page 77, beginning with line 5, strike out all through page 78, line 17 and the matter set out between lines 17 and 18, and insert in lieu thereof the following:

"§ 2306a. Office of the Competition Advocate General

"(a)(1) There is in the executive part of each agency referred to in section 2303(a) of this title an Office of the Competition Advocate General (hereinafter in this section referred to as the "Office"). The head of the Office is the Competition Advocate General.

"(2) The head of an agency shall designate a commissioned officer of the Armed Forces on the active list serving in a grade not below colonel or, in the case an officer in the Navy or the Coast Guard, captain, to be the Competition Advocate General of the agency. The designation shall be for a term of four years. The designated officer, while serving as the Competition Advocate General, shall have the rank and grade of Major General or Rear Admiral, as the case may be, unless entitled to a higher rank and grade under another provision of law.

"(3) The head of an agency shall provide the Competition Advocate General of the agency such staff or assistance as may be necessary to carry out the duties and responsibilities of the advocate for competition.

"(b)(1) The Office of the Competition Advocate General of an agency shall, under the direction of the head of the agency, promote competition in the procurement of property and services by the agency.

"(2) The Office of the Competition Advocate General of an agency shall, under the direction of the head of the agency—

"(A) review the purchasing and contracting activities of the agency;

"(B) identify and report to the head of the agency—

"(i) opportunities to achieve competition on the basis of price and other significant factors in the purchases and contracts of the executive agency;

"(ii) solicitations and proposed solicitations which include unnecessarily detailed specifications or unnecessarily restrictive statements of need which may reduce competition in the procurement activities of the executive agency; and

"(iii) any other condition or action which has the effect of unnecessarily restricting competition in the procurement actions of the agency.

"(c)(1) The Competition Advocate General of an agency shall review each proposed noncompetitive procurement in the agency involving more than $100,000 before a solicitation for the procurement is issued and shall recommend to the procurement or program officer involved specific acquisition actions as appropriate.

"(2) At least 15 days before a procurement or program officer takes or directs an action inconsistent with a recommendation made by a Competition Advocate General under paragraph (1), the officer shall submit a written justification for such action to the head of the procuring activity, and shall transmit a copy of the justification to the Competition Advocate General of the agency.

"(d)(1) Each head of an agency shall transmit annually to the Senate and the House of Representatives a report detailing any procurements made by the agency which were inconsistent with any recommendation made under paragraph (1). Such annual report shall include the annual report required by paragraph (2) to be made by the Competition Advocate General of the agency.

"(2) Each Competition Avocate General of an agency shall prepare and transmit to the head of the agency an annual report describing the activities of the Office under this section during the preceding year.".

(b) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 2306 the following new item:

"2306a. Office of the Competition Advocate General.".

Mr. BYRD. Now, Mr. President, if I may, I ask unanimous consent that it be in order to order the yeas and nays on the amendment. It is pending.

Mr. BAKER. It is pending.

Mr. BYRD. I ask for the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BAKER. Mr. President, the order entered provided that as soon as the amendment was reported, it would be temporarily laid aside. That is unnecessary because at this time, unless the managers think otherwise, I am prepared to take us off this bill and put us in a period for the transaction of routine morning business.

Mr. NUNN. Mr. President, I would like to proceed for 1 minute.

Mr. BAKER. Yes. Mr. President, I yield the floor.

Mr. NUNN. Mr. President, when the Armed Services Committee began its work on the fiscal year 1985 defense authorization bill, I asked a great number of questions to the Department of Defense about the large increases of funding and whether we had received commensurate increased military capability that would be proportional to the increase in funding.

That started a great series of questions. We had several front-page stories about readiness, about what it increased in readiness, what it did not increase that came after from Department of Defense information. Senator TOWER asked for a detailed report from the Department of Defense with a number of questions. I supplemented that question sheet. The Department of Defense had a release on that about 2 weeks ago.

Back several months ago, I asked the General Accounting Office to take a look at the Department of Defense analysis to give us their opinion in this whole area. This report from the General Accounting Office is now ready. I will be inserting it in the RECORD tomorrow morning. It will be available in the RECORD tomorrow. I will not put it in today. But I do want to serve notice because I think it makes a real contribution; it is an objective analysis of where we really stand in the overall readiness area.

I might say that one of the bottom line conclusions of all this is that we do not have a good way of measuring readiness. We have not had a good way of measuring it for some time. We need to make some improvements in that respect. This lack of a measurement of readiness has been through several administrations. It has nothing to do with the administration in authority now but is, rather, a problem that is endemic to the services.

Mr. BAKER. Mr. President, I now wish to announce that there will be no more record votes today.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I ask unanimous consent there now be a period for the transaction of routine morning business until no later than 6:45 p.m. in which Senators may speak for not more than 3 minutes each.

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

THE INTER-AMERICAN DIALOGUE

Mr. MATHIAS. Mr. President, in this age of overstocked arsenals, there is a tendency to sell diplomacy short and to pursue military solutions to what are essentially political problems. Nowhere is this more evident than in Central America, where the real enemy of poverty and political injustice has been overshadowed by the armed conflict in the region.

This is all the more reason why the outstanding work of the Inter-American Dialogue deserves recognition and support. Founded in 1982, the Dialogue is a unique organization, under the cochairmanship of former U.S. Ambassador to the OAS, Sol Linowitz and former OAS Secretary General, Galo Plaza, which brings together leading citizens from the United States, Canada, Latin America, and the Caribbean to discuss issues affecting the Western Hemisphere.

A few weeks ago the Inter-American Dialogue issued a second report entitled, "The Americas in 1984: A Year for Decisions." Like the first report, "Americas at a Crossroads," it addresses a wide range of critical and contemporary issues from a distinctly inter-American perspective. Too often such reports revert to an old style: Monolog rather than dialog, teaching rather than learning. The Dialogue has avoided these pitfalls and approached the problems of United States-Latin American relations with hemispheric vision.

In preparing "The Americas in 1984" the group met with representatives of business, government, and academia throughout the region. They focused on such urgent questions as how to promote equitable growth, how to strengthen democracy and respect for fundamental human rights, and how to rebuild hemispheric institutions. The fact that they reached a broad consensus on these difficult issues in inter-American relations gives special value to their report.

I commend the Dialogue's report to Senators and to all citizens who are looking for constructive answers to the problems of the Hemisphere—the crisis in debt and trade throughout Latin America, the bitter conflicts in Cental America, and the lassitude of the Organization of American States. The Inter-American Dialogue renews my confidence that with our Latin American neighbors we can find ways to solve our common problems peacefully.

ORDER FOR STAR PRINT OF SENATE RESOLUTION 127

Mr. BAKER. Mr. President, I have one request in the nature of a technical correction that has been cleared on both sides.

I ask unanimous consent that Senate Resolution 127, relating to the Committee on Indian Affairs as agreed to on yesterday be star printed to reflect technical changes that were inadvertently omitted.

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

MESSAGES FROM THE HOUSE

At 2:21 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following joint resolutions, without amendment:

S.J. Res. 261. Joint resolution to provide for the designation of the last week in June 1984 as "Helen Keller Deaf-Blind Awareness Week"; and

S.J. Res. 289. Joint resolution to designate June 18, 1984, as "National Child Passenger Safety Awareness Day".

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 1149) to designate certain national forest system and other lands in the State of Oregon for inclusion in the National Wilderness Preservation System, and for other purposes.

The message further announced that the House agrees to the amendments of the Senate to the bill (H.R. 3921) to establish wilderness areas in New Hampshire.

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

H.R. 3942. An act to facilitate commercial space launches, and for other purposes;

H.R. 4997. An act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972, for fiscal years 1985 through 1988, and for other purposes; and

H.R. 5297. An act to amend the Federal Aviation Act of 1958 to terminate certain functions of the Civil Aeronautics Board, to transfer certain functions of the Board to the Secretary of Transportation, and for other purposes.

ENROLLED BILLS SIGNED

The message also announced that the Speaker has signed the following enrolled bills:

H.R. 3578. A bill to establish wilderness areas in Wisconsin;

H.R. 3960. An act to designate certain public lands in North Carolina as additions to the National Wilderness Preservation System; and

H.R. 4198. An act to designate certain National Forest System lands in the State of Vermont for inclusion in the National Wilderness Preservation System and to designate a national recreation area.

The enrolled bills were subsequently signed by the President pro tempore (Mr. THURMOND).

MEASURES REFERRED

The following bills were read the first and second times by unanimous consent, and referred as indicated:

H.R. 3942. An act to facilitate commercial space launches, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 4997. An act to authorize appropriations to carry out the Marine Mammal Protection Act of 1972, for fiscal years 1985 through 1988, and for other purposes; to the Committee on Commerce, Science, and Transportation.

H.R. 5297. An act to amend the Federal Aviation Act of 1958 to terminate certain functions of the Civil Aeronautics Board, to transfer certain functions of the Board to the Secretary of Transportation, and for other purposes; to the Committee on Commerce, Science, and Transportation.

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-3293. A communication from the Acting General Counsel of the General Accounting Office, transmitting, pursuant to law, a report on the status of budget authority proposed for rescission for which Congress failed to pass a rescission bill; to the Committee on Appropriations.

EC-3294. A communication from the Director of the Selective Service System, transmitting, pursuant to law, the semiannual report of the Selective Service System for the period October 1, 1983 to March 31, 1984; to the Committee on Armed Service.

EC-3295. A communication from the Secretary of Transportation, transmitting, pursuant to law, the "National Airway System Annual Report" for fiscal year 1983; to the Committee on Commerce, Science, and Transportation.

EC-3296. A communication from the Secretary of the Interior, transmitting, pursuant to law, the fifth annual public lands program report entitled "Managing the Nation's Public Lands," covering fiscal year 1983; to the Committee on Energy and Natural Resources.

EC-3297. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the report entitled "Annual Energy Outlook 1983"; to the Committee on Energy and Natural Resource.

EC-3298. A communication from the Chairman of the Board of the U.S. Synthetic Fuels Corporation, transmitting, pursuant to law, the unaudited quarterly report for the quarter ended March 31, 1984; to the Committee on Energy and Natural Resources.

EC-3299. A communication from the Secretary of Energy, transmitting, pursuant to law, the quarterly report on the strategic petroleum reserve dated May 15, 1984; to the Committee on Energy and Natural Resources.

EC-3300. A communication from the Deputy Associate Director for Royalty Management Operations, Minerals Management Service, Department of the Interior, transmitting, pursuant to law, a report on the intention of the Service to make refunds of certain excess royalty payments; to the Committee on Energy and Natural Resources.

EC-3301. A communication from the Deputy Associate Director for Royalty Management Operations, Minerals Management Service, Department of Interior, transmitting, pursuant to law, a report on the intention of the Service to make refunds of certain excess royalty payments; to the Committee on Energy and Natural Resources.

EC-3302. A communication from the Secretary of the Interior, transmitting, pursuant to law, the annual report on matters contained in the Helium Act for fiscal year 1983; to the Committee on Energy and Natural Resources.

EC-3303. A communication from the Secretary of the Treasury, transmitting, pursuant to law, a report on net receipts from the windfall profit tax and their disposition for fiscal year 1983; to the Committee on Finance.

EC-3304. A communication from the Assistant Legal Adviser 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 May 23, 1984; to the Committee on Foreign Relations.

EC-3305. A communication from the Chairman of the Office of Environmental Quality, Executive Office of the President, transmitting, pursuant to law, the annual report of the Council on Environmental Quality under the Government in the Sunshine Act for calendar year 1983; to the Committee on Governmental Affairs.

EC-3306. A communication from the District of Columbia Auditor, transmitting, pursuant to law, a report entitled "Annual Audit of the Washington Convention Center for Fiscal Year 1983"; to the Committee on Governmental Affairs.

EC-3307. A communication from the Manager of the Congressional Liason Staff, Federal Energy Regulatory Commission, transmitting, pursuant to law, the annual report of the Commission under the Government in the Sunshine Act for calendar year 1983; to the Committee on Governmental Affairs.

EC-3308. A communication from the Inspector General, Department of Health and Human Services, transmitting, pursuant to law, the semiannual report of the Inspector General, Department of Health and Human Services for the period October 1, 1983, through March 31, 1984; to the Committee on Governmental Affairs.

EC-3309. A communication from the Secretary of Education, transmitting, pursuant to law, the semiannual report of the Inspector General, Department of Education, for the period October 1, 1983, through March 31, 1984; to the Committee on Governmental Affairs.

EC-3310. A communication from the Acting Administrator of the General Services Administration transmitting, pursuant to law, GSA's Inspector General report for the 6-month period ending March 31, 1984; to the Committee on Governmental Affairs.

EC-3311. A communication from the Administrator of NASA transmitting, pursuant to law, NASA's Inspector General report for the period ending March 31, 1984; to the Committee on Governmental Affairs.

EC-3312. A communication from the Inspector General of the Department of Energy transmitting, pursuant to law, the Department's Inspector General report for the period ending March 31, 1984; to the Committee on Governmental Affairs.

EC-3313. A communication from the Secretary of Transportation transmitting, pursuant to law, the Department's Inspector General report for the period ending March 31, 1984; to the Committee on Governmental Affairs.

EC-3314. A communication from the Chairperson of the D.C. Commission on Judicial Disabilities and Tenure transmitting, pursuant to law, the eighth annual report of the Commission; to the Committee on Governmental Affairs.

EC-3315. A communication from the Secretary of Agriculture transmitting, pursuant to law, the Department's Inspector General report for the period ending March 31, 1984; to the Committee on Governmental Affairs.

EC-3316. A communication from the Executive Director of the Pension Benefit Guaranty Corporation transmitting, pursuant to law, the Freedom of Information Act Report for calendar 1983; to the Committee on the Judiciary.

EC-3317. A communication from the Acting Secretary of the Interior transmitting, pursuant to law, the 1983 Freedom of Information Act report; to the Committee on the Judiciary.

EC-3318. A communication from the Acting Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements, other than treaties, entered into by the United States within the 60 days previous to May 30, 1984; to the Committee on Foreign Relations.

EC-3319. A communication from the D.C. Auditor transmitting, pursuant to law, the 1983 annual report on the Lottery and the Charitable Games Board; to the Committee on Governmental Affairs.

EC-3320. A communication from the Secretary of Labor transmitting, pursuant to law, the Department's Inspector General report for the period ending March 31, 1984; to the Committee on Governmental Affairs.

EC-3321. A communication from the Director of the D.C. Law Revision Commission transmitting, pursuant to law, the ninth annual report of the Commission; to the Committee on Governmental Affairs.

EC-3322. A communication from the Secretary of the U.S. Postal Rate Commission transmitting, pursuant to law, notice of filing of a request for recommended decisions on special fourth-class mail; to the Committee on Governmental Affairs.

EC-3323. A communication from the Secretary of Defense transmitting, pursuant to law, the Department's Inspector General report for the period ending March 31, 1984; to the Committee on Governmental Affairs.

EC-3324. A communication from the Chief Immigration Judge, Department of Justice, transmitting, pursuant to law, reports on grants of suspension of deportation under section 244(a) (1) and (2) of the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-3325. A communication from the chief judge of the U.S. Claims Court transmitting, pursuant to law, a report on the matter of *Lance Industries, Inc.* v. *the United States;* to the Committee on the Judiciary.

EC-3326. A communication from the Secretary of Education transmitting, pursuant to law, a copy of a report entitled "The Nation Responds"; to the Committee on Labor and Human Resources.

EC-3327. A communication from the Assistant Secretary of Education for Research and Improvement transmitting, pursuant to law, the ninth annual report of the Advisory Council on Education Statistics; to the Committee on Labor and Human Resources.

EC-3328. A communication from the Executive Director of the Intergovernmental Advisory Council on Education transmitting, pursuant to law, the Council's 1983 annual report; to the Committee on Labor and Human Resources.

EC-3329. A communication from the Assistant Secretary of Education for Vocational and Adult Education transmitting, pursuant to law, the 1983 annual report of the National Center for Research in Vocational Education's Advisory Council; to the Committee on Labor and Human Resources.

EC-3330. A communication from the Chairman of the National Advisory Council on Bilingual Education transmitting, pursuant to law, the eighth annual report of the Council; to the Committee on Labor and Human Resources.

EC-3331. A communication from the Chairman of the Federal Election Commission transmitting, pursuant to law, the 1983 annual report of the Commission; to the Committee on Rules and Administration.

EC-3332. A communication from the Executive Director of the National Advisory Council on Vocational Education transmitting, pursuant to law, the Council's 1983 annual report; to the Committee on Labor and Human Resources.

EC-3333. A communication from the Administrator of the Veterans Administration transmitting, pursuant to law, a report entitled "The Year in Brief: The VA in 1983"; to the Committee on Veterans' Affairs.

EC-3334. A communication from the Architect of the Capitol transmitting, pursuant to law, his semiannual report for the period ending March 31, 1984, on expenditures from moneys appropriated to the Architect of the Capitol; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GARN, from the Committee on Appropriations, with amendments:

H.R. 5713. A bill making appropriations for the Department of Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1985 and for other purposes (Rept. No. 98-506).

By Mr. PERCY, from the Committee on Foreign Relations, without amendment and with a preamble:

H. Con. Res. 261. A concurrent resolution expressing support for the initiatives of the Contadora Group.

By Mr. DOMENICI, from the Committee on the Budget, without amendment:

S. Res. 390. An original resolution waiving section 402(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 2537.

By Mr. ANDREWS, from the Select Committee on Indian Affairs, without amendment:

S. Res. 399. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1967.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 230. Joint resolution to designate the week of October 7, 1984 through October 13, 1984, as "National Birds of Prey Conservation Week."

S.J. Res. 240. Joint resolution relating to the 40th anniversary of the liberation of Rome.

S.J. Res. 257. Joint resolution to designate the period July 1, 1984, through July 1, 1985, as the "Year of the Ocean."

By Mr. HATCH, from the Committee on Labor and Human Resources, without amendment and with preamble:

S.J. Res. 278. Joint resolution to commerate the 100th anniversary of the Bureau of Labor Statistics.

By Mr. THURMOND, from the Committee on the Judiciary, without amendment and with a preamble:

S.J. Res. 296. Joint resolution to designate June 14, 1984, as "Baltic Freedom Day."

S.J. Res. 298. Joint resolution to proclaim the month of July 1984 as "National Ice Cream Month" and July 15, 1984, as "National Ice Cream Day."

S.J. Res. 302. Joint resolution to designate September 1984 as "National Sewing Month."

S.J. Res. 303. Joint resolution to designate the week of December 9, 1984, through December 15, 1984, as "National Drunk and Drugged Driving Awareness Week."

By Mr. HATCH, from the Committee on Labor and Human Resources:

Report to accompany the bill (S. 2341) to authorize a program to enhance the access to and the quality of vocational education, and for other purposes (Rept. No. 98-507).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. THURMOND, from the Committee on the Judiciary:

Jean Galloway Bissell, of South Carolina, to be U.S. circuit judge for the Federal circuit;

Dominick L. DiCarlo, of New York, to be a judge of the U.S. Court of International Trade;

John M. Duhe, Jr., of Louisiana, to be U.S. district judge for the western district of Louisiana;

Tom S. Lee, of Mississippi, to be U.S. district judge for the Southern district of Mississippi; and

Paul G. Rosenblatt, of Arizona, to be U.S. district judge for the district of Arizona.

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. NICKLES (for himself, Mr. BRADLEY, Mrs. KASSEBAUM, MR. GORTON, MR. GRASSLEY, Mr. PROXMIRE, Mr. TSONGAS and Mr. ABDNOR):

S. 2735. A bill to rescind funds appropriated to the Energy Security Reserve by the 1980 Department of the Interior and Related Agencies Appropriations Act, and for other purposes; to the Committee on Appropriations.

By Mr. BAKER (for Mr. SIMPSON (for himself and Mr. CRANSTON)):

S. 2736. A bill to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans and to increase the rates of dependency and indemnity compensation for surviving spouses and children of veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BAKER (for Mr. SIMPSON (for himself and Mr. CRANSTON)):

S. 2737. A bill to amend title 38, United States Code, to increase the rates of subsistence and educational assistance allowance for veterans pursuing vocational rehabilitation programs under chapter 31 and for veterans and eligible persons pursuing programs of education or training under chapters 34, 35, or 36, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2738. A bill to provide State and local governments greater flexibility and self-determination in addressing how specific highway needs can best be met; to the Committee on Environment and Public Works.

By Mr. DODD:

S. 2739. A bill to extend for 2 additional years the suspension of duty on uncompounded allyl resins; to the Committee on Finance.

By Mr. THURMOND:

S. 2740. A bill to amend title 5, United States Code, to prohibit employment in civil service positions in the executive branch of any individual required to register under the Military Selective Service Act who has not so registered; to the Committee on Governmental Affairs.

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 2741. A bill to amend the Solid Waste Disposal Act to clarify liability for criminal acts with respect to hazardous waste; to the Committee on Environment and Public Works.

By Mr. GARN:

S.J. Res. 307. Joint resolution to designate July 20, 1984, as "Space Exploration Day"; to the Committee on the Judiciary.

By Mr. NUNN (for himself and Mr. TOWER):

S.J. Res. 308. Joint resolution to designate the week beginning on September 9, 1984, as "National Community Leadership Week"; to the Committee on the Judiciary.

By Mr. BENTSEN (for himself, Mr. EAST, Mr. CHILES, Mr. GOLDWATER, Mr. PRYOR, Mr. D'AMATO, Mr. BOREN, Mr. SYMMS, Mr. MCCLURE, Mr. CHAFEE, Mr. HUMPHREY, and Mr. QUAYLE):

S.J. Res. 309. Joint resolution authorizing and requesting the President to designate January 1985 as "National Cerebral Palsy Month"; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. ANDREWS (from the Select Committee on Indian Affairs):

S. Res. 399. An original resolution waiving section 303(a) of the Congressional Budget Act of 1974 with respect to the consideration of S. 1967; to the Committee on the Budget.

By Mr. LAUTENBERG (for himself, Mr. DANFORTH, Mr. MATHIAS, Mr. TSONGAS, Mr. RIEGLE, Mr. WILSON, Mr. LEAHY, Mr. GORTON, Mr. FORD, Mr. CRANSTON, Mr. MOYNIHAN, Mr. ROTH, and Mr. D'AMATO):

S. Con. Res. 117. Concurrent resolution relating to the promotion of technological innovation in computer software and the protection of computer software; to the Committee on Finance.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NICKLES (for himself, Mr. BRADLEY, Mrs. KASSEBAUM, Mr. GORTON, Mr. GRASSLEY, Mr. PROXMIRE, Mr. TSONGAS, and Mr. ABDNOR):

S. 2735. A bill to rescind funds appropriated to the Energy Security Reserve by the 1980 Department of the Interior and Related Agencies Appropriations Act, and for other purposes; to the Committee on Appropriations.

ENERGY SECURITY RESERVE AMENDMENTS OF 1984

Mr. NICKLES. Mr. President, the time has come for the Congress to make a decision in regards to the future of the U.S. Synthetic Fuels Corporation. We have had an opportunity these past 4 years to see the types and sizes of projects which have sought financial awards from the Corporation. These awards involve potential future expenditures of taxpayer dollars numbering in the billions.

While the current Board of Directors is now in limbo due to the lack of a legal quorum, this is an ideal time for Congress to step back and consider the amount of funds a reconstituted Board should be able to obligate. We must reexamine the factors and assumptions which guided the Congress in the initial decision to create and fund the SFC so as to test their validity and relevancy today.

On May 14, 1984, the President proposed to the Congress that $9 billion of the SFC's appropriated funds be rescinded and that future projects be limited to those that produce fuels priced not significantly above projected market prices of competing fuels. Although I have never supported the purpose of SFC, I feel the administration's proposal is a good-faith compromise between SFC proponents and those of my persuasion. Therefore, I am glad to introduce with my colleague, Senator BRADLEY the administration's proposed legislation.

I want to make perfectly clear that my support of this legislation is not a reflection on the Board of Directors or the officers of the Corporation. They have been tough negotiators with the sponsors of the various projects and have attempted to make sure that the people's purse receives a good return on its investments. I commend them, and I particularly commend Ed Noble, who has served with dedication as Chairman of the Board.

My long-held belief, the promotion of future synfuel projects does not merit the use of taxpayers' dollars, remains unchanged. Price guarantees needed for most of these projects are in the neighborhood of $10 to $13 per million Btu and $60 or more for a barrel of oil. When there is a market for these projects, the private sector will respond and do so in a timely manner.

The SFC is one more example of the Government performing a function that does not belong to the Government. As we have seen in the past, this Government intrusion results in the wrong signals being sent to the marketplace.

Even with these convictions, I am introducing with Senator BRADLEY the administration's proposal, because I feel it is a fair compromise. I commend the administration for their initiative.

All of us in Congress are concerned with the possibility of future shortages and supply interruptions of oil and gas. Some of my colleagues feel that the SFC program is a vital safeguard against such disruptions.

To those colleagues, I say we must focus our attention on encouraging domestic production of oil and gas by repealing the windfall profit tax and the Fuel Use Act and by decontrolling the natural gas market. Rather than pouring billions into subsidized synfuel projects, these steps would do considerably more to promote America's national security and energy independence.

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. 2735

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 "Energy Security Reserve Amendments of 1984".

SEC. 2. Of the funds appropriated to the Energy Security Reserve by the Department of the Interior and Related Agencies Appropriations Act, 1980 (Public Law 96-126), $9,000,000,000 are rescinded.

SEC. 3. None of the funds made available to carry out title I of the Energy Security Act (Public Law 96-294) shall be obligated to projects whose products will cost significantly more than projected market prices of competing fuels over the life of the project.

Mr. BRADLEY. Mr. President, today I am introducing along with Senator NICKLES the Energy Security Reserve Amendments of 1984. The bill would rescind $9 billion of previously appropriated funds available to the Synthetic Fuels Corporation. It would also require that SFC-supported projects meet a market test.

Mr. President, the Synthetic Fuels Corporation is effectively dead. It cannot now operate, it cannot now obligate funds, it cannot now perform any useful function. Only if the Congress reevaluates the SFC and sets it back in motion, will it ever again be able to serve the needs of this Nation. The bill we introduce today is the vehicle by which Congress may express its decision on the future of the SFC.

Some want to kill the SFC outright, some want to allow it to proceed full speed. The Congress can and should decide. This bill represents a reasonable position from which to start those deliberations, leaving the SFC about $3 billion with which to continue to support research into cost-effective synthetic fuels projects. Of the $20 billion initially appropriated, approximately $14 billion remain after studies, rescissions, and the obligations to Union, Tosco, Great Plains, DOW, and Cool Water. Last month's budget package took another $2 billion from the SFC to fund environmental, health, and education programs. With the rescission of $9 billion, we propose today, the SFC would have a little over $3 billion remaining.

The market test I referred to earlier, like the size of the rescission, is of course subject to improvement. I look forward to the constructive suggestions of my colleagues.

Mr. President, the threat to U.S. security posed by turmoil in the Middle East is not met by the Synfuels Corporation. The SFC will produce virtually nothing for years. The way to prepare for an oil supply disruption is to fill the Strategic Petroleum Reserve as rapidly as possible, prepare to use it as early as possible in a disruption and prepare to assist low-income Americans and State governments as they attempt to cope with the energy emergency. These domestic steps, in addition, a coordinated international stockpile drawdown policy and a plan to help world financial institutions withstand oil shocks, are the steps that must be taken, and taken soon, to deal with the threats to world oil supplies in the Middle East.

By Mr. THURMOND (for himself and Mr. HOLLINGS):

S. 2738. A bill to provide State and local governments greater flexibility and self-determination in addressing how specific highway needs can best be met; to the Committee on Environment and Public Works.

STATE HIGHWAY NEEDS

Mr. THURMOND. Mr. President, I am today introducing legislation to provide State and local governments greater flexibility and self-determination in addressing their specific highway needs.

Mr. President, I recently chaired a meeting involving the South Carolina congressional delegation, members of the South Carolina State Legislature, and officials of the South Carolina Department of Highways and Public Transportation. Among the concerns voiced at this meeting was that States do not have sufficient flexibility to obligate their respective apportionments of Federal-aid highway funds in a manner that adequately addresses their most pressing needs.

Under current law, Mr. President, funds authorized to be expended on the Federal-aid primary, secondary and urban highway systems, and the so-called interstate 4R work—interstate resurfacing, restoration, rehabilitation, and reconstruction—are apportioned among the States according to statutory formulas contained in 23 U.S.C. 104. While this same section does allow for some flexibility in transferring funds from one system or category to another, such transfers are very limited.

Presently, funds apportioned to the Federal-aid primary system may be transferred for use on the Federal-aid secondary system. Likewise, funds apportioned to the Federal-aid secondary system may be transferred for use on the Federal-aid primary system. However, Mr. President, the amount transferred may not increase the original apportionment of the system receiving transferred funds by more than 50 percent; nor may the amount transferred decrease the original apportionment of the system the funds are being transferred from by more than 50 percent. In effect, this limits the amounts that may be transferred between the Federal-aid primary system and the Federal-aid secondary system to 50 percent of the smaller of the two apportionments. The same restrictions apply with regard to transferring apportioned funds between the Federal-aid primary and urban systems.

Mr. President, no provision allows for transfer of apportioned funds between the Federal-aid urban and secondary systems. In addition, with the exception of the limited flexibility allowed under section 8 of Public Law 98-229, regarding the use of 4R funds for work on highways designated as part of the Interstate System under 23 U.S.C. 139, no provision allows for transfers between funds apportioned for 4R work and the other categories.

Mr. President, the legislation I am introducing would provide all States greater flexibility and self-determination regarding obligation and Federal-aid highway funds. The current situation in my home State of South Carolina clearly demonstrates the need for the changes I have proposed. In South Carolina, well over half of the estimated Federal-aid apportionments through fiscal year 1986 will be earmarked for interstate construction and 4R work. Funding expected for just the 4R work on South Carolina's 772 miles of interstate highways is more than the combined total expected for both construction and 4R work on the 6,737 miles of Federal-aid primary and urban systems. On a per-mile basis, the expected interstate 4R funding is about nine times the expected total for both construction and 4R work on the primary urban systems.

The limited flexibility allowed under current law, Mr. President, does not recognize nor address the fact that a substantial portion of the most pressing highway needs of South Carolina and other States are on the Federal-aid primary and urban systems. In many instances, the upgrading of Federal-aid primary and urban highways is more urgently needed than some 4R work on the Interstate System.

The legislation I am introducing today recognizes the reality that the Federal-aid highway apportionments for primary, secondary, and urban systems, and 4R work do not always address the specific highway needs of each individual State. Under this bill, each State's apportionment for the Federal-aid primary, secondary, and urban systems, as well as for 4R work, would continue to be calculated according to the statutory formulas of 23 U.S.C. 104. The requirement of section 105(d) of the Surface Transportation Assistance Act of 1982 (Public Law 97-424), that at least 40 percent of a State's apportionment for Federal-aid primary, secondary, and urban systems be used for 4R work on these systems would be preserved by this legislation, as would the requirement of 23 U.S.C. 150 relating to urban system funds attributable to urbanized areas of 200,000 or more in population. Other than these two restrictions, States would be able to freely transfer funds apportioned for Federal-aid primary, secondary, and urban systems, and for interstate 4R work, among these four categories. In other words, Mr. President, States would be able to use the total of their apportionment for Federal-aid primary, secondary, and urban systems, and for 4R work among any one or all of these four categories as their individual needs require.

Mr. President, it has long been my belief that State and local officials are in a better position to know the needs of their citizens on matters of this nature than either the Congress or Federal bureaucrats in Washington. Whenever practicable, I believe it is best that the Federal Government defer to the judgment and decisions of State and local officials in allocating scarce financial resources among competing program needs within their jurisdiction.

Enactment of this legislation would be a step in that direction. It would give States and local governments greater flexibility and self-determination in addressing how their specific highway needs can best be met.

Mr. President, I hope the Senate will act promptly to approve this legislation.

Mr. HOLLINGS. Mr. President, today I am pleased to join my colleague from South Carolina, Senator THURMOND, in introducing legislation to increase the flexibility of the States in spending Federal highway construction moneys. The goals of this modest bill are not new, as it would allow a State to move funds from one highway system into another where there may be particular problems. There would be no reduction in the total amount of highway dollars available to the State. Rather, this legislation would enhance the ability of our scarce Federal dollars to be directed where they are most needed.

I would like to congratulate my friends from the South Carolina General Assembly and Highway Commission who came to Washington in March seeking our support for this measure. I am pleased to assist them in introducing this legislation and urge its acceptance by my colleagues in the Senate.

By Mr. THURMOND:

S. 2740. A bill to amend title 5, United States Code, to prohibit employment in civil service positions in the executive branch of any individual required to register under the Military Selective Service Act who has not so registered; to the Committee on Governmental Affairs.

PROHIBITING CIVIL SERVICE POSITIONS TO PERSONS NOT REGISTERED UNDER THE MILITARY SELECTIVE SERVICE ACT

Mr. THURMOND. Mr. President, I am today introducing legislation to prohibit employment in executive agencies of the U.S. Government of any individual who is required to register under section 3 of the Military Selective Service Act (50 U.S.C. App. 453) and who has not so registered.

Mr. President, under current law, every male citizen and resident alien between the ages of 18 and 26 are required to register for the draft. Registration requires less than 5 minutes of an individual's time, and forms are readily available at any of the more than 34,000 post offices across the country.

By registering, individuals not only comply with the law, but also acknowledge that they accept the basic responsibilities of our society and aid in the furtherance of an important part of our defense preparedness. Approximately 99 percent of the individuals required to register by the Military Selective Service Act have registered in compliance with the act. I am very proud that so many individuals have chosen to obey the law, thereby signifying a recognition that the freedoms we enjoy carry with them certain obligations.

However, Mr. President, I am deeply disturbed that certain individuals have chosen to violate our selective service laws, and have thereby refused to acknowledge that they have any responsibilities to serve the country in a time of need. Such individuals are guilty of a criminal violation of law. In addition, they are currently ineligible for any form of assistance or benefit provided through title IV of the Higher Education Act.

Although these individuals are guilty of a crime and also ineligible for Federal financial aid, such as educational grants, loans, or work assistance, surprisingly there are no statutory provisions making them ineligible for employment in the executive agencies.

I simply do not believe that these lawbreakers should be eligible for civil service jobs. Federal employees are paid by the taxpayers, and it is only fair that anyone desiring to obtain employment in a Government agency comply with our selective service laws.

The current stituation is particularly appalling when one considers that the possibility exists that a nonregistrant may obtain employment ahead of a veteran. This should not be the case, and would not be the case if there were a statute on the books making nonregistrants ineligible for employment in executive agencies.

Enactment of the legislation I introduce today would put such a law on the books. My bill is very similar to a House bill (H.R. 3984) introduced by Congressman MONTGOMERY of Mississippi, and enjoys the support of the Veterans of Foreign Wars of the United States. I commend this bill to my colleagues in the Senate and urge that they join me in working toward its early enactment.

By Mr. LAUTENBERG (for himself and Mr. BRADLEY):

S. 2741. A bill to amend the Solid Waste Disposal Act to clarify liability for criminal acts with respect to hazardous waste; to the Committee on Environment and Public Works.

CRIMINAL LIABILITY CLARIFICATION ACT

• Mr. LAUTENBERG. Mr. President, I am offering the Criminal Liability Clarification Act today to strengthen the criminal enforcement provisions of the Resource Conservation and Recovery Act. The purpose of the act is to clarify that the criminal provisions in RCRA extend to any individual who knowingly and illegally disposes of hazardous waste. The bill will close a dangerous loophole that may let midnight dumpers of hazardous waste off the hook.

In the face of continuing threats posed by illegal dumping of hazardous wastes, the Justice Department has recently moved to grant police powers, including the right to bear firearms, to Environmental Protection Agency criminal investigators. An astounding one-half of all criminal investigations currently carried out by EPA involve violations of toxic waste transportation and disposal regulations. Granting EPA the right to conduct searches and make arrests should result in more effective enforcement efforts and provide an additional deterrent to those who would engage in these unpardonable acts.

I am concerned, Mr. President, that this new effort may be seriously compromised by a recent decision, in the Federal District Court of New Jersey, that could let a substantial percentage of those apprehended for illegal dumping free. In United States against Johnson and Towers, the district court dismissed from criminal liability two plant supervisors who were routinely ordering the dumping of thousands of gallons of hazardous wastes into a trench behind their factory and a nearby stream. The dismissal in the case stemmed from an interpretation of a provision in RCRA construed by the court in a way that could undermine the effectiveness of our Federal programs for regulating hazardous waste disposal.

Under RCRA, an owner or operator of a facility producing hazardous wastes must apply for a disposal permit. Because the illegal disposal in this case was ordered by the plant supervisors, and not the owners or operators of the corporation in question, the court ruled that the supervisors could not be held liable under RCRA for knowingly disposing of hazardous waste without having obtained a permit. If left unclarified, the misreading of the law in this case could increase the illegal disposal of toxic wastes by undermining EPA and Justice Department enforcement programs and providing a loophole through which midnight dumpers can skirt the law and profit at the public's expense without fear of prosecution.

Mr. President, the interpretation of RCRA in United States against Johnson and Towers is not a fair reading of congressional intent. The practice of midnight dumping was of deep concern in 1980 when Congress amended RCRA. In 1980, RCRA enforcement procedures were improved and penalties toughened in order to put a stop to midnight dumping. The language in the law is clear and unambiguous. It imposes a criminal penalty on any person who, lacking a permit, knowingly and illegally treats, stores, or disposes of any hazardous material. It was not the intent of Congress that criminal liability extend only to the owners and operators of facilities, who are responsible for obtaining an RCRA permit. This however, is the way the district court interpreted RCRA.

I commend my colleague, Congressman FLORIO, who introduced H.R. 5002, a measure similar to the bill I am offering today, in the House of Representatives. I join with my colleagues on the committee in calling for an end to midnight dumping.

Mr. President, the Justice Department has appealed the decision in United States against Johnson and Towers to the Third Circuit Court of Appeals. While I am hopeful that this appeal will be successful, the impact of the decision is now being felt from New Jersey to California. I hope the Senate will find an early opportunity to clarify this mistaken reading and make clear its intention to extend the criminal penalty provisions in RCRA to any person who knowingly engages in illegal dumping practices. The Criminal Liability Clarification Act would accomplish this end. I hope it will also send a clear signal to midnight dumpers that they cannot continue to dispose of toxic wastes in our backyards, sewer systems, rivers, and streams with impunity.

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. 2741

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3008(d)(2)(A) of the Solid Waste Disposal Act is amended by striking out "having obtained".●

By Mr. GARN:

S.J. Res. 307. Joint resolution to designate July 20, 1984 as "Space Exploration Day"; to the Committee on the Judiciary.

SPACE EXPLORATION DAY

● Mr. GARN. Mr. President, 1984 is the 15th anniversary of the first landing on the Moon by the men of Apollo 11. It is fitting that this year, the Congress act on the joint resolution I am introducing today which would designate July 20 of this year as "Space Exploration Day."

The Apollo astronauts changed forever, for all humanity, our concept of the universe and our relation to it. The concerted Government efforts led by the National Air and Space Administration (NASA) supported by industry and science epitomizes the strengths and the potential of the American people. The exploration and use of space hold even greater promise in the future for the expansion of knowledge. Apollo 11 was an unparalleled triumph of determination and technological genius.

This joint resolution, however, also reminds us that it is the American spirit of exploration, of desiring to cross new horizons and to learn more about ourselves and the world and universe around us, that made the space program successful. In the 26 years since the beginning of the space program, more information has been gathered about the cosmos than had been gleaned in all the centuries before: Remotely controlled spacecraft have been sent on missions extending from near-Earth orbit to far reaches of the solar system; 15 years ago, humans set foot for the first time on truly foreign soil; in the last decade, the winds of Mars have been measured, the rings of Saturn counted, volcanos on a Moon of Jupiter observed; recently, a sophisticated new order of space research potential has been demonstrated by America's space shuttle—a machine which allows humans to walk in space, permits spacecraft to be launched, retrieved, or serviced in space, and returns crews, experiments, and unrepairable spacecraft to Earth.

The joint resolution I introduce today commemorates the achievements of the past and offers hope for the future. The adventure and the challenge are not yet over. They are just beginning. So much still needs to be done; and so many questions still left to answer. We are just beginning to explore the feasibility of manufacturing in space, to examine the ecological impacts of natural and man-made events on Earth, and to investigate how events in the universe around us influence the world we live in. These explorations in space offer hope for a better and more peaceful world.

Mr. President, in the American spirit of exploration of new frontiers, it is fitting that we honor the accomplishments of the past and the commitment to the future by declaring July 20 of this year as Space Exploration Day.●

By Mr. NUNN (for himself and Mr. TOWER):

S.J. Res. 308. Joint resolution to designate the week beginning on September 9, 1984, as "National Community Leadership Week"; to the Committee on the Judiciary.

NATIONAL COMMUNITY LEADERSHIP WEEK

● Mr. NUNN. Mr. President, I am happy to have the opportunity today to introduce a Senate joint resolution designating the week beginning September 9, 1984 as "National Community Leadership Week." Community leadership plays a vital role in the grassroots development of young men and women who are assuming and will assume the positions of leadership in our country. It is, therefore, my pleasure to join with the National Association of Community Leadership Organizations to promote a special week to recognize the millions of community leaders across the Nation.

Community leadership organizations are presently being formed throughout the country at an astounding rate with the purpose to enhance and provide growth and educational experiences to emerging leaders. These leadership development organizations assist in meeting the many and varied needs of a community. Community leadership programs encourage the expansion and extended utilization of a community's human resources, assist in community development programs, and initiate interaction between the public and private sectors in order to most effectively benefit the community.

The history of leadership development programs goes back to 1958 in Philadelphia where the Federal Reserve founded the first program. Three years later the second program was founded in Savannah, Ga., and a few years later Leadership Georgia was formed in 1972. I am happy to say, Mr. President, that I was one of the original members of the committee which organized Leadership Georgia and I was in the first class of participants.

The National Association of Community Leadership Organizations was formed in 1979. Presently there are 200 leadership programs including four State programs, two State associations, one national program sponsored by the Kellogg Foundation and numerous individuals and centers in the country that teach and enhance leadership skills. Through these hundreds of programs and thousands of program participants our community, State, and Nation benefit from improved leadership.

The purpose of the individual leadership programs are first, to identify emerging leadership in the community, second, to bring these leaders together and to provide a forum for the exchange of ideas, and third, to teach the participants about the issues, people, places, and institutions in their community. None of the groups attempt to take on any cause or present one specific side over another in the discussions. Rather, all sides of an issue are explored so that the participants have the greatest possible information available. At the conclusion of the participants' year they are strongly challenged to go into their community and into their areas of influence and exercise the skills and knowledge they have learned through their year in the leadership program.

The instigation of community development programs requires the effective use of leadership and citizenship skills in order to accomplish the collective goals of a community. Men and women today are taking it upon themselves more and more to accept this responsibility and to successfully meet the challenges of our dynamic, fast moving society.

Mr. President, I am, therefore, pleased to acknowledge and commend the work being done by the National Association of Community Leadership Organizations and the various leadership programs. These efforts are to be commended and encouraged, and I am pleased to introduce this joint resolution designating September 9 to 15, 1984, as "National Community Leadership Week." I am hopeful that the Senate will act expeditiously on this joint resolution.●

By Mr. BENTSEN (for himself, Mr. EAST, Mr. CHILES, Mr. GOLDWATER, Mr. PRYOR, Mr. D'AMATO, Mr. BOREN, Mr. SYMMS, Mr. MCCLURE, Mr. CHAFEE, Mr. HUMPHREY, and Mr. QUAYLE)

S.J. Res. 309. Joint resolution authorizing and requesting the President to designate the month of January 1985 as "National Cerebral Palsy Month"; to the Committee on the Judiciary.

NATIONAL CEREBRAL PALSY MONTH

● Mr. BENTSEN. Mr. President, today, with 11 of my Senate colleagues, I am introducing a joint resolution to proclaim the month of January 1985 as "National Cerebral Palsy Month."

Cerebral palsy, a group of disabling conditions that stem from damage to the central nervous system, has no cure. Each year it strikes 5,000 to 7,000 babies in the United States, and currently more than 700,000 Americans are affected by this condition. The resulting health care costs total nearly $4 billion a year.

However, many cases of cerebral palsy can be prevented because of the dedicated work of hundreds of outstanding doctors and scientists. Through their efforts, increased emphasis has been placed on adequate prenatal and neonatal care which significantly affects the incidence of this disabling condition.

These doctors and scientists have also helped those who are affected by cerebral palsy to become more self-reliant and fulfilled. They have developed effective medication, helpful surgery, and beneficial therapy.

Despite these advances, the victims and potential victims of this condition need our help as well. Adoption of this joint resolution will increase the public awareness of cerebral palsy, and will add our support to the continuing efforts of those who are striving to prevent or alleviate this disabling condition.

I urge my colleagues to support swift passage of this measure.●

ADDITIONAL COSPONSORS

S. 1578

At the request of Mr. THURMOND, the name of the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of S. 1578, a bill to clarify the application of the Federal antitrust laws to local governments.

S. 1816

At the request of Mr. THURMOND, the names of the Senator from New York (Mr. MOYNIHAN), the Senator from Alabama (Mr. DENTON), and the Senator from Maine (Mr. COHEN) were added as cosponsors of S. 1816, a bill to amend the Textile Fiber Products Identification Act, the Tariff Act of 1930, and the Wool Products Labeling Act of 1939 to improve the labeling of textile fiber and wool products.

S. 1841

At the request of Mr. THURMOND, the name of the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of S. 1841, a bill to promote research and development, encourage innovation, stimulate trade, and make necessary and appropriate amendments to the antitrust, patent, and copyright laws.

S. 2423

At the request of Mr. THURMOND, the name of the Senator from Iowa (Mr. JEPSEN) was added as a cosponsor of S. 2423, a bill to provide financial assistance to the States for the purpose of compensating and otherwise assisting victims of crime, and to provide funds to the Department of Justice for the purpose of assisting victims of Federal crime.

S. 2436

At the request of Mr. GOLDWATER, the name of the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of S. 2436, a bill to authorize appropriations of funds for activities of the Corporation for Public Broadcasting, and for other purposes.

S. 2636

At the request of Mr. SASSER, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 2636, a bill to require the Administrator of General Services to notify State and local governments and agencies thereof prior to the disposal of surplus real property.

S. 2679

At the request of Mr. D'AMATO, the names of the Senator from New Hampshire (Mr. HUMPHREY), and the Senator from Texas (Mr. TOWER) were added as cosponsors of S. 2679, a bill to amend title IV of the National Housing Act and the Federal Deposit Insurance Act with respect to brokered deposits.

S. 2715

At the request of Mr. BOSCHWITZ, the name of the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of S. 2715, a bill to amend title 38, United States Code, to authorize contributions made by the Veterans' Administration to States for the construction of State home facilities for veterans to be used for acquisition of facilities for such purpose.

S. 2731

At the request of Mr. COHEN, the names of the Senator from North Carolina (Mr. HELMS), and the Senator from Wisconsin, (Mr. KASTEN) were added as cosponsors of S. 2731, a bill to provide for orderly trade in nonrubber footwear, to reduce unemployment and for other purposes.

SENATE JOINT RESOLUTION 5

At the request of Mr. THURMOND, the name of the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of Senate Joint Resolution 5, a joint resolution proposing an amendment to the Constitution relating to Federal budget procedures.

SENATE JOINT RESOLUTION 97

At the request of Mr. BOSCHWITZ, the name of the Senator from Maryland (Mr. SARBANES) was added as a cosponsor of Senate Joint Resolution 97, a joint resolution to authorize the erection of a memorial on public grounds in the District of Columbia, or its environs, in honor and commemoration of members of the Armed Forces of the United States and the Allied forces who served in the Korean war.

SENATE JOINT RESOLUTION 246

At the request of Mr. EXON, the names of the Senator from Delaware (Mr. ROTH), the Senator from Rhode Island (Mr. PELL), the Senator from

Texas (Mr. BENTSEN), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of Senate Joint Resolution 246, a joint resolution strongly urging the President to secure a full accounting of Americans captured or missing in action in Southeast Asia, and for other purposes.

SENATE JOINT RESOLUTION 253

At the request of Mr. PRESSLER, the names of the Senator from Ohio (Mr. METZENBAUM), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of Senate Joint Resolution 253, a joint resolution to authorize and request the President to designate September 16, 1984 as "Ethnic American Day."

SENATE JOINT RESOLUTION 254

At the request of Mr. LUGAR, the name of the Senator from South Dakota (Mr. PRESSLER) was added as a cosponsor of Senate Joint Resolution 254, a joint resolution to designate the month of October, 1984 as "National Down's Syndrome Month."

SENATE JOINT RESOLUTION 270

At the request of Mr. COCHRAN, the names of the Senator from Missouri (Mr. EAGLETON), the Senator from Maryland (Mr. SARBANES), the Senator from Connecticut (Mr. WEICKER), and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of Senate Joint Resolution 270, a joint resolution designating the week of July 1 through July 8, 1984, as "National Duck Stamp Week" and 1984 as the "Golden Anniversary Year of the Duck Stamp."

SENATE JOINT RESOLUTION 272

At the request of Mr. MURKOWSKI, the names of the Senator from Ohio (Mr. GLENN) was added as a cosponsor of Senate Joint Resolution 272, a joint resolution recognizing the anniversaries of the Warsaw uprising and the Polish resistance to the invasion of Poland during World War II.

SENATE JOINT RESOLUTION 297

At the request of Mr. THURMOND, the names of the Senator from South Carolina (Mr. HOLLINGS), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Maine (Mr. MITCHELL), the Senator from North Dakota (Mr. ANDREWS), and the Senator from Florida (Mrs. HAWKINS) were added as cosponsors of Senate Joint Resolution 297, a joint resolution to designate the month of June 1984 as "Veterans' Preference Month."

SENATE JOINT RESOLUTION 298

At the request of Mr. HUDDLESTON, the name of the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of Senate Joint Resolution 298, a joint resolution to proclaim the month of July 1984 as "National Ice Cream Month" and July 15, 1984, as "National Ice Cream Day."

SENATE JOINT RESOLUTION 306

At the request of Mr. DOLE, the names of the Senator from Alaska (Mr. STEVENS), and the Senator from Colorado (Mr. ARMSTRONG) were added as cosponsors of Senate Joint Resolution 306, a joint resolution to proclaim July 10, 1984, as "Food for Peace Day."

SENATE CONCURRENT RESOLUTION 117—RELATING TO PROMOTION OF TECHNOLOGICAL INNOVATION IN COMPUTER SOFTWARE AND ITS PROTECTION

Mr. LAUTENBERG (for himself, Mr. DANFORTH, Mr. MATHIAS, Mr. TSONGAS, Mr. RIEGLE, Mr. WILSON, Mr. LEAHY, Mr. GORTON, Mr. FORD, Mr. CRANSTON, Mr. MOYNIHAN, Mr. ROTH, and Mr. D'AMATO) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 117

Whereas the development of computer software and other information technologies is increasingly important to economic growth and productivity in the United States and other nations;

Whereas the United States is the world leader in the technological development of computer software and in the production and sale of computer software;

Whereas the United States has since 1964 considered computer software a work of authorship protected by copyright and this form of intellectual property right protection has served to encourage continuing research, development and innovation of computer software;

Whereas copyright protection is afforded computer software by most industrialized nations including Japan, the Netherlands, France, the Federal Republic of Germany, the United Kingdom, South Africa, Hungary, Taiwan and Australia;

Whereas Japan is reviewing a proposal to abandon copyright protection of software and to adopt a system that rejects the principle that software is a work of authorship;

Whereas Japan is reviewing a proposal that also provides broadly for the compulsory licensing of software;

Whereas the enactment by Japan of such a proposal could prompt the adoption of similar proposals by other nations currently considering this question, with serious adverse effects on the existing international order for the protection of intellectual property rights; now, therefore, be it

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

(1) Copyright protection is an essential form of intellectual property right protection for computer software;

(2) Any proposal to abandon copyright protection of software or to provide a new system of legal protection that incorporates compulsory licensing of software would (a) disserve the goal of promoting continuing development and innovation in computer software: (b) undermine the international consensus that computer software is a work of authorship protected by copyright; (c) result in economic harm to the computer software industry of the United States, and also of Japan and of other nations; (d) contribute to increasing trade tensions among the nations of the world;

(3) If a nation withdraws copyright protection of software or provides for broad compulsory licensing of software, it would be in the interests of the United States and other nations to seek appropriate relief, including that provided under the Universal Copyright Convention, to ensure the just protection of intellectual propery rights and the promotion of free and fair trade.

● Mr. LAUTENBERG. Mr. President, we live in an information age in which information-based industries will be a driving force in our economic growth. The success of these industries, in computers, computing services, software, and telecommunications depends upon promoting continuing technological innovation. That has been the key to America's preeminence. Essential to this effort is maintaining a fair and adequate system of intellectual property rights protection. Unfortunately, there are disturbing developments, in Japan and in other nations, that threaten to upset the international order for intellectual property protection for a critical information-based industry, computer software.

For that reason, Mr. President, today I submit a concurrent resolution, to express congressional support for the notion, long recognized in the United States and in most industrialized nations, that software is a work of authorship to be protected by copyright. I am joined in this effort by Senators DANFORTH, MATHIAS, TSONGAS, RIEGLE, WILSON, LEAHY, GORTON, FORD, CRANSTON, MOYNIHAN, ROTH, and D'AMATO.

The resolution specifically addresses a proposal by Japan's Ministry of International Trade and Industry (MITI) to strip software of copyright protection. The proposal would provide a sui generis form of protection for software. The term of protection would be substantially shortened, from the life of an author plus 25 to 50 years, to 15 years. The proposal also calls for the compulsory licensing of software. The proposal was unveiled last year, and was met with the opposition of American industry, the Department of Commerce and the U.S. Trade Representative.

It was the intent of MITI to introduce the proposal to the Japanese Diet this spring. However, the decision was postponed, partly because of internal disagreement within the Japanese Government. The Ministry of Education, which has jurisdiction over copyright in Japan, has opposed the MITI proposal. The delay can also be attributed in part to America's strong oppposition.

However, the proposal is now very much alive, and poses a serious threat to the international order, and to the growth of information-based industry.

There is abundant evidence that our recognition that software is protected by copyright has fostered the development of software in our Nation. Copyright provides a recognized, familiar and expeditious means of protection. It provides protection for a term of years that is most suitable, given the long commercial life of software products. Those who invest time and money developing software should enjoy the fruits of their work. If they cannot, they will be discouraged from future innovation.

The United States has welcomed the gradual building of international consensus on this issue. Many other nations of the world have deemed software a work of authorship when they have confronted the issue. Among these nations are France, the Netherlands, the Federal Republic of Germany, the United Kingdom, South Africa, and Australia. Indeed, Japan's own courts have also afforded software the protection of copyright. This is in keeping with the general precepts of international copyright law.

The MITI proposal would undermine the international consensus on copyright of software.

It would also encourage similar measures by other nations given Japan's significant prestige. Brazil and and Singapore are already considering such steps.

Adoption of the MITI proposal would also surely increase trade tensions. And, it would justify retaliation by the United States including, but not limited to, the steps authorized under the Universal Copyright Convention.

Mr. President, I appreciate the desire of governments to speed their industry's acquisition of software technology and their development of industrial capacity. Indeed, the MITI proposal and similar proposals under consideration may well provide the means to acquire technology, in the short term. In the long term, however, they will hinder acquisition and enjoyment of new technologies. The United States and other nations harmed by such proposals would likely take reciprocal steps to reduce intellectual property rights protection. A nation like Japan, which exports an increasing volume of software, should be wary of such a development. For the markets that it plans to enter would be less than hospitable. Certainly, we would be justified to make the U.S. market less hospitable.

Such a development would be regrettable. But, I think inevitable.

Mr. President, innovation is key to the growth of the software industry and other technology-based industries. And protection of innovation is key to free and fair trade. There are few issues of more immediate concern to the information-based industries than the issue of protection of intellectual property rights. It is an issue high on the agenda of U.S. industry, high on the agenda for our trade negotiators. And, by this resolution, we state clearly that it is also an issue high on the agenda of the Senate and the Congress.

I ask unanimous consent that some relevant materials on this subject be printed in the RECORD.

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

U.S. GOVERNMENT POSITION ON MITI PROPOSAL

The USG is deeply concerned about the proposal to withdraw computer software from protection under the copyright law in Japan for a number of reasons. First, the withdrawal of a work of authorship from the protection of copyright would violate the spirit and the letter of international copyright law embodied in the Universal Copyright and Berne Conventions. Second, the specific provisions of this proposal would in practice substantially disadvantage both Japanese and the United States software authors and consequently hinder rather than promote the continued development of the Japanese software industry. Third, the establishment of a new sui generis structure for the protection of computer software is contrary to the long term interests of the industralized countries, including both our nations, and our trading partners around the world.

Both Japan and the United States are bound to observe the international legal norms established under the Universal Copyright Convention. The UCC requires that member countries afford "adequate and effective protection of the rights of authors and other copyright proprietors in literary, scientific and artistic works . . ." and the practical standard for determining what constitutes the required level of protection is the general practice of states having copyright systems based on respect for authors' rights. There can be no doubt in view of court decisions in several countries, including Japan, and discussions in international fora that there is a consensus among concerned countries that computer software is either a literary or a scientific work of authorship as those terms are used in copyright. In the words of the Wipo glossary of terms of the law of copyright and neighboring rights, "original programs are more and more frequently understood as works protectable under copyright." Further, in defining works and writings the glossary makes special mention of computer programs as protected works. In view of this consensus it appears clear that computer software is the subject matter of protection under the UCC, and the withdrawal of copyright protection in Japan therefore would be a violation of the obligations of countries bound by the Universal Copyright Convention. If copyright protection is denied software in Japan, the United States would have to consider seriously the implementation of the limited reciprocity permitted under the UCC, with the result that Japanese software would be denied copyright in the United States.

Under the UCC and Berne Conventions many contracting states have rapidly absorbed this new medium of authorship into the existing fabric of their copyright laws. The number of states which have declared that "software" is a species of literary work, or "writing" exceeds those who have specifically legislated the same result. The broad recognition that legal protection of software as property should center around authorship and copyright has been confirmed at numerous international meetings. Many countries, including the United States, have acknowledged that copyright protection for software is not only an appropriate national framework but is internationally desirable, so as to take advantage of the existing structure of the Berne and Universal Copyright Conventions. These treaties, based on national treatment and non-discrimination against foreign authors are the most effective and fair means to set international norms in the software area, just as they have done for videogames, cable television, data bases and other technologies. The proposal therefore not only strikes at important U.S. authors and industries, but would remove Japan and its creative communities from an international consensus which is now beginning to examine, in detail, the kinds of copyright regimes appropriate for software. Perhaps; inadvertently, this proposal could call into question the effectiveness of international copyright treaty norms as applied to new technologies. To justify the removal of software from its present status as the creation of an author, risks tearing the Universal Copyright and Berne Conventions apart precisely at the time when close international cooperation and planning, under those conventions, is demanded.

Once works are accepted as the subject matter of copyright, it is necessary to accord them at least the minimum level of protection required by the international conventions. In the case of Japan, both the UCC and the Berne Convention obligations must be considered. Both conventions require minimum terms of protection in excess of that in this proposal, generally the life of the author plus 25 years in the UCC and the life of the author plus 50 years in Berne. The Berne Convention prohibits conditioning either the existence or the enjoyment of right upon any system of formalities such as registration or deposit. The UCC provide a simple means by which these formalities may be met by foreign authors. Computer software is an essential element of a successful computer industry, just as programming and production are essential components of a healthy broadcasting and motion picture industry. The inherent flexibility and adaptability of the copyright system have made it the preeminent form of legal protection for the information products of modern society. In both our countries, under legal systems placing heavy reliance on copyright, we have flourishing computer software industries in which works of both domestic and foreign origin compete vigorously. This example should be a paradigm for others who wish to encourage the growth and development of such an industry.

While the coverage of software by copyright principles and international agreements is settled, considerable work remains to be done in elaborating acceptable and desirable legislation in states party to Berne and the UCC. In this important work, Japan and the United States must stand together, with other industrialized states. The essential element of our consensus must be the appropriateness and necessity of copyright protection. Once that is accepted, a constructive dialogue on the kinds of copyright regimes possible can take place. Japan and the United States must be united because they must lead this dialogue together.

Proposals to establish a system of legal protection grounded on industrial property theories are unacceptable because they would not require the observance of copyright norms. It could be possible to craft special legislation to protect software but such legislation would have to acknowledge that programs are works of authorship. Once that acknowledgement is made the legislation would have to comply with all the minima of the UCC and Berne Conventions. This would include, for Japan (because of its obligations under article 6 B is of the Berne Convention), the moral rights of the author (the right to be named as the author, the right of publication, etc.).

THE VICE PRESIDENT,
Washington, February 24, 1984.

Mr. HERBERT F. HAYDE,
Board of Governors, Burroughs Co. Ltd., 13-1, Shimomiyabi-cho, Shinjuku-ku, Tokyo 162, Japan

DEAR MR. HAYDE: Thank you for your letter concerning legislation being prepared in Japan which could adversely impact on American interests in computer software and Value Added Networks. I appreciate your view, and I assure you that I am aware of the potential problems in the U.S.-Japan relationship which these two issues pose.

In my discussions last month in Washington with both Japanese Foreign Minister Abe and Minister of International Trade and Industry Okonogi, our concerns over these two issues were strongly emphasized. I believe the Japanese are now aware of the seriousness with which we view these points of contention, and I am hopeful we will be able to arrive at an agreement.

In future discussions with the Japanese concerning the many difficult problems in our economic relationship, the computer software and Value Added Networks will continue to receive prominent attention. I remain opposed to new protectionist legislation being developed in Japan and will work hard to reverse these trends.

Thanks again for your helpful letter.

With best wishes,

Sincerely,

GEORGE BUSH.

MAY 7, 1984.

Mr. KAZURO FUJIMOTO,
President, Japan Software Industry Association, Kitai Shinko Kaikan Building, 3-5-8 Shibakoen, Minato-ku, Tokyo 105.

DEAR MR. FUJIMOTO: The Computers and Telecommunications Sub-Committee of the High Technology Committee of the American Chamber of Commerce in Japan (ACCJ) have a strong interest in the protection of computer software in Japan. We have had extensive discussions with the Ministry of International Trade and Industry, the Cultural Affairs Agency, the Ministry of Posts and Telecommunications and the Ministry of Foreign Affairs to name a few. As a result of these meetings the ACCJ has adopted a resolution regarding the legal protection of software in Japan. This resolution was supported by all 57 U.S. companies in the information industry that were present. The position statement of the ACCJ is as follows:

"The ACCJ welcomes and supports efforts by the Government of Japan to clarify and improve the protections afforded by copyright law as it applies to the field of software. The ACCJ does not view as appropriate or necessary legislative proposals that would have the effect of removing software from the protections afforded by copyright law."

I understand from Mr. May at the U.S. Embassy in Tokyo that there is a plan to discuss this software protection situation at the upcoming June 11-13, 1984 World Computing Services Congress.

I would like to invite you to address a meeting of the ACCJ Sub-Committee during May. At this meeting we would be very interested in hearing the views of your organization on this very important issue.

If you could find the time in your busy schedule we would very much appreciate the opportunity for the meeting.

Very truly yours,

TIMOTHY J. DWYER,
Chairman, Subcommittee on Computers and Telecommunications, American Chamber of Commerce in Japan.

U.S. OFFICIALS DECRY JAPANESE COPYRIGHT PLAN

(By Robert Batt)

TOKYO.—Top U.S. government officials are currently locked in urgent negotiations with Japanese authorities here in an attempt to forestall a crisis over software copyright protection.

The U.S. team arrived here recently as the deadline over a controversial proposal from Japan's Ministry of Trade and Industry (Miti) drew near. The Miti plan calls for replacing current Japanese copyright laws with a 15-year protection. It would require U.S. software houses to license and disclose their program code before a software product could be sold in Japan when the ministry deems such software to be "important to public welfare."

The proposal has led to an outcry from American electronic and computer trade associations, with U.S. officials threatening to retaliate by removing copyright protection from Japanese software sales in the U.S. Currently such software is protected for 75 years.

Top U.S. trade negotiator Clyde Prestowitz, assistant to Commerce Secretary Malcolm Baldrige, has also warned that action might be taken against sellers of Japanese software in the U.S., under domestic trade laws, if the Miti proposal is implemented.

Industry and government officials had hoped the controversy would be resolved at a recent meeting of the U.S.-Japan Work Group on High Technology Issues here, but instead Japanese officials imposed a March 27 deadline for submission of a draft proposal to the Japanese legislature.

"While we had been optimistic that the proposal from Miti would sink quietly beneath the waves, it appears the issue is still unresolved, and we are continuing to push for U.S. software interests," commmented Charlotte LeGates, information officer for the Computer and Business Equipment Manufacturers Association, which has been lobbying the Reagan administration to fight the proposal.

The March 27 deadline sent U.S. officials, headed by Prestowitz, scurrying back to the Japanese capital for a new round of negotiations.

"We have continually expressed our opposition to the Miti proposal. The essential issue here is one of international law," commented Maureen Smith, director of the Office of Japan at the Commerce Department in Washington, D.C.

Smith said Miti is attempting to gain jurisdiction over the software industry in Japan with a law that would place software products outside conventional copyright protection.

"The law they are proposing is not a copyright law. Once software is covered by some other law, the Japanese will no longer be subject to international copyright agreements, and there is nothing to stop them [from] amending the arrangements to suit their needs," she contended.

The Miti proposal has also reportedly sparked a fierce fight for political power inside Japanese government circles. Currently, software copyright is administered by the Ministry of Education, which has issued a counterproposal to the Miti plan via its Copyright Council.

The Ministry of Education plan, which would offer copyright protection for software for a period of 50 years, is being backed heavily by U.S. trade associations and the Commerce Department.

JAPAN BURIES COPYRIGHT BILL; UNITED STATES FEARS IT MAY RESURFACE

(By Jake Kirchner)

WASHINGTON, D.C.—The Japanese government has failed to propose legislative recommendations on a controversial new form of software protection in that country, but U.S. government and business officials who have opposed the plan fear it may resurface at a future date.

The issue concerns a plan by the Japanese Ministry of Trade and Industry (Miti) to replace software copyright with a new, patent-like protection, reducing coverage to only 15 years and allowing for mandatory licensing in certain instances.

The plan, along with a proposal to limit foreign ownership in Japanese value-added networks, has been strongly opposed by U.S. industry with the support of U.S. trade officials. The two groups have begun deliberations on possible forms of retaliation against the proposals [CW, March 26].

In addition, the Japanese education ministry, which has jurisdiction over copyright in that country, also opposed the Miti software plan. Faced with U.S. opposition and the lack of a unified Japanese government position, Miti missed a March 27 deadline to present to the Diet, the Japanese parliament, legislation to restructure the software protection law.

ELIMINATES OWNERSHIP PROVISION

The value-added network proposal was modified to eliminate the ownership provision and endorsed by the Japanese cabinet April 6. That plan still would allow Miti to refuse foreign network applicants on certain technical and financial grounds and is still opposed here.

Industry and government officials here expressed relief that the software proposal, did not go forward, and some suggested Miti may let plans for the new law die quietly as a face-saving measure. However, one high-ranking American trade official, who like others involved in this sensitive issue asked to remain anonymous, said, "I do not believe the measure is dead.

"We will continue to be alert to the issue. . . . We have no intention to put it aside," he said, adding: "The fact that a bill has not gone forward to the Diet . . . at this point is no guarantee that a bill will not go forward in the future."

The U.S. will be looking for hard evidence that "the inadequacies and wrongheadedness of the proposal have been recognized and abandoned," he said.

A U.S. electronics industry executive who has been following the controversy closely commented that this is a reprieve, not a permanent victory, although he termed the failure of Miti to propose legislation "very significant" and "at least a temporary victory."

Similarly, Oliver Smoot, executive vice-president of the Computer and Business Equipment Manufacturers Association, which has insisted the Miti proposal violates international copyright treaties that Japan has signed, said the association does not feel confident the issue is resolved. He suggested Miti may be trying to reach a consensus position with the education ministry before submitting a modified software proposal.

Ralph Thomson, American Electronics Association senior vice-president, said, "I am only cautiously optimistic" and predicted continued negotiations on the subject between the two governments.

But noting the vigor of the U.S. opposition to the Miti proposal and the possibility of strong American retaliation if it goes forward, he added, "I am pleased that there has been a standing back from the precipice [to allow] rational discussion to continue."●

SENATE RESOLUTION 399—ORIGINAL RESOLUTION REPORTED WAIVING CONGRESSIONAL BUDGET ACT

Mr. ANDREWS, from the Select Committee on Indian Affairs, reported the following original resolution; which was referred to the Commitee on the Budget:

S. RES. 399

Resolved, That pursuant to section 303(c) of the Congressional Budget Act of 1974, the provisions of section 303(a) of such Act are waived with respect to the consideration of S. 1967, a bill to compensate the Gros Ventre and Assiniboine Tribes of the Fort Belknap Indian Community for irrigation construction expenditures. S. 1967 violates section 303 of the Congressional Budget Act because, after the adoption of a proposed floor amendment sponsored by the Committee, it will provide new budget authority for fiscal year 1985 prior to the adoption of the first concurrent resolution on the budget for that fiscal year. The waiver of section 303 is necessary to allow the Senate to consider S. 1967 in a timely manner.

AMENDMENTS SUBMITTED

OMNIBUS DEFENSE AUTHORIZATION ACT, 1985

McCLURE AND MATTINGLY AMENDMENT NO. 3165

Mr. McCLURE (for himself and Mr. MATTINGLY) proposed an amendment to the bill (S. 2723) to authorize appropriations for the military functions of the Department of Defense and to prescribe personnel levels for the Department of Defense for fiscal year 1985, to authorize certain construction at military installations for such fiscal year, to authorize appropriations for the Department of Energy for national security programs for such fiscal year, and for other purposes, as follows:

At the end of the bill add the following new section:

TRANSMITTAL TO CONGRESS OF REPORT ON SOVIET COMPLIANCE WITH ARMS CONTROL AGREEMENTS

SEC. . (a) Not later than 30 days after the date of the enactment of this Act, the President shall transmit to Congress the text of the report by the General Advisory Committee on Arms Control of the Arms Control and Disarmament Agency entitled "A Quarter Century of Soviet Compliance Practices Under Arms Control Commitments: 1958-1983 (U)", dated November 1983. If the President determines that that report contains material the release of which to Congress would compromise United States intelligence sources, methods of intelligence gathering, or the national security of the United States, the President may furnish the text of such report after deleting or modifying such compromising material.

(b) Not later than 60 days after the date of the enactment of this Act, the President shall transmit to Congress an unclassified version of the report described in subsection (a).

HOLLINGS (AND OTHERS) AMENDMENT NO. 3166

Mr. HOLLINGS (for himself, Mr. BINGAMAN, Mr. WARNER, Mr. MITCHELL, Mr. BYRD, Mr. THURMOND, Mr. RANDOLPH, Mr. JEPSEN, and Mr. PRESSLER) proposed an amendment to the bill S. 2723, supra, as follows:

On page 128, between lines 12 and 13, insert the following new section:

SENSE OF CONGRESS REGARDING RESTRICTIONS ON COST-OF-LIVING ADJUSTMENTS FOR CERTAIN RETIRED PERSONS UNDER 62 YEARS OF AGE

SEC. . It is the sense of the Congress that the provision contained in section 301 of the Omnibus Budget Reconciliation Act of 1982 (Public Law 97-253; 5 U.S.C. 8340 note), or any other provision of law, which restricts cost-of-living adjustments for certain retired Federal civilian employees and certain retired members and former members of the uniformed services who are under 62 years of age to one-half the cost-of-living adjustment provided such employees and members who are 62 years of age or older should not be extended beyond fiscal year 1985.

EAGLETON AMENDMENT NO. 3167

Mr. EAGLETON submitted an amendment intended to be proposed by him to the bill S. 2723, supra; as follows:

On page 128, between lines 12 and 13, insert the following new section:

IMPROVEMENT IN SYSTEM FOR PROVIDING MILITARY ADVICE TO THE PRESIDENT, THE NATIONAL SECURITY COUNCIL, AND THE SECRETARY OF DEFENSE

SEC. . (a) The Congress finds that—

(1) under current law, the Joint Chiefs of Staff are the principal military advisers to the President, the National Security Council, and the Secretary of Defense;

(2) since the creation of the Joint Chiefs of Staff a number of studies by so-called blue-ribbon commissions have found serious defects in the organizational structure of the Joint Chiefs of Staff; and

(3) in order to ensure that the President, the National Security Council, and the Secretary of Defense receive the best possible military advice, it is imperative that major organizational changes be made in the present system of providing such advice.

(b)(1) Chapter 5 of title 10, United States Code, is amended to read as follows:

"Chapter 5—Chief of Military Staff

"Sec.

"141. Chief of Military Staff.

"142. Deputy Chief of Military Staff.

"143. Joint Military Staff.

"§ 141. Chief of Military Staff

"(a) There is a Chief of Military Staff who shall be appointed by the President, by and with the advice and consent of the Senate, from the officers of the regular components of the armed forces. The Chief of Military Staff serves at the pleasure of the President for a term of two years and may be reappointed in the same manner as originally appointed for not more than three additional terms, except that in time of war declared by the Congress there is no limit on the number of reappointments.

"(b)(1) The Chief of Military Staff is the principal uniformed military advisor to the President, the National Security Council, and the Secretary of Defense. While holding office, the Chief of Military Staff outranks all other officers in the armed forces. However, he may not exercise command over any of the armed forces or any component thereof.

"(2) Subject to the authority and direction of the President and the Secretary of Defense, the Chief of Military Staff shall—

"(A) prepare strategic plans and provide for the strategic direction of the armed forces;

"(B) prepare joint logistic plans and assign logistic responsibilities to the armed forces in accordance with those plans;

"(C) establish unified commands in strategic areas;

"(D) review the major material and personnel requirements of the armed forces in accordance with strategic and logistic plans;

"(E) formulate policies for the joint training of the armed forces;

"(F) formulate policies for coordinating the military education of members of the armed forces;

"(G) provide for representation of the United States on the Military Staff Committee of the United Nations in accordance with the Charter of the United Nations; and

"(H) perform such other duties as the President or the Secretary of Defense may prescribe.

"(3) The Chief of Military Staff shall also direct the operations of the Joint Military Staff.

"§ 142. Deputy Chief of Military Staff

"(a)(1) There is a Deputy Chief of Military Staff. The Deputy Chief shall be appointed by the President, by and with the advice and consent of the Senate, from the officers of the regular components of the armed forces. The Deputy Chief serves at the pleasure of the President for a term of two years and may be reappointed in the same manner as originally appointed for not more than three additional terms, except that in time of war declared by the Congress there is no limit on the number of reappointments.

"(2) If the Chief of Military Staff is a member of the Army or Air Force, the Deputy Chief shall be a member of the Navy or Marine Corps. If the Chief of Military Staff is a member of the Navy or

Marine Corps, the Deputy Chief shall be a member of the Army or Air Force.

"(b) The Deputy Chief acts as Chief of Military Staff in the absence or disability of the Chief of Military Staff and exercise such duties as may be delegated by the Chief of Military Staff with the approval of the Secretary of Defense. When there is a vacancy in the office of Chief of Military Staff, the Deputy Chief, unless otherwise directed by the President or the Secretary of Defense, shall perform the duties of the Chief of Military Staff until a successor is appointed.

"§ 143. Joint Military Staff

"(a)(1) There is under the Chief of Military Staff a Joint Military Staff consisting of not more than 400 officers.

"(2) Members of the Joint Military Staff shall be selected by the Chief of Military Staff from among officers recommended by the Secretaries of the military departments. The Chief of Military Staff shall select officers for service on the Joint Military Staff in approximately equal numbers from (A) the Army (B) the Navy and Marine Corps, and (C) the Air Force. The Secretary of a military department shall recommend for selection for service on the Joint Military Staff only those officers under his jurisdiction who are most qualified by training, experience, and knowledge to serve on such staff.

"(3) The Chief of Military Staff may specify the number of names on any list of officers recommended by the Secretaries of the military departments for selection to serve on the Joint Military Staff, but may select for service on the Joint Military Staff not more than one hundred officers who are not recommended for selection by the Secretaries of the military departments

"(4) Members of the Joint Military Staff serve at the pleasure of the Chief of Military Staff for a period of three years. The Chief of Military Staff may select an officer for service on the Joint Military Staff for a second consecutive three-year period after consultation with the Secretary of the military department of which such officer is a member.

"(b)(1) The Chief of Military Staff in consultation with the Secretary of Defense shall select the Director of the Joint Military Staff. Except in time of war, the tour of duty of the Director may not exceed three years. Upon the completion of a tour of duty as Director of the Joint Military Staff, the Director, except in time of war, may not be reassigned to the Joint Military Staff. The Director must be an officer junior in grade to each member of the National Military Advisory Council established under section 178 of this title.

"(2) The Joint Military Staff shall perform such duties as the Chief of Military Staff prescribes. The Chief of Military Staff manages the Joint Military Staff and its Director.

"(c)(1) Under regulations approved by the Secretary of Defense, the Secretaries of the military departments shall take such actions as may be necessary to ensure that the service of officers on the Joint Military Staff is accorded substantial weight in determining the qualifications of officers for recommendation for promotion to grades specified by such Secretaries.

"(2)(A) At the same time that selection boards are convened by the Secretary of the military department concerned under chapter 36 of this title to consider officers in a particular competitive category for promotion to the grade of lieutenant colonel, colonel, brigadier general, or major general in the Army, Air Force, or Marine Corps or to commander, captain, commodore admiral, or rear admiral in the Navy, the Secretary of such military department shall also convene a special selection board under this paragraph if the Chief of Military Staff so requests.

"(B) When a special selection board is convened under this paragraph, the board shall consider for promotion to the next higher grade only officers serving on the Joint Military Staff in the same grade and in the same competitive catgegory as officers being considered for promotion to such grade and in such competitive category by a board convened under chapter 36 of this title and who are otherwise eligible for consideration for promotion to the next higher grade.

"(C)(i) Of the total number of officers in each particular competitive category in the grade of lieutenant colonel and colonel in the Army, Air Force, and Marine Corps and in the grade of commander and captain in the Navy to be promoted to the next higher grade, as determined by the Secretary of the military department convened under section 615 of this title, a number of officers considered for promotion to such grade in such competitive category equal to 3 percent shall be promoted to such next higher grade from among officers in such competitive category recommended for promotion to such grade by a special board convened under this paragraph.

"(ii) Of the total number of officers in each particular competitive category in the grade of brigadier general in the Army, Air Force, or Marine Corps and commodore admiral in the Navy to be promoted to the next higher grade, as determined by the Secretary of the military department concerned under section 615 of this title, a number of officers considered for promotion to such grade in such competitive category equal to 10 percent shall be promoted to such next higher grade from among officers in such competitive category recommended for promotion to such grade by a special selection board convened under this paragraph.

"(iii) The number of officers that may be selected for promotion to any grade in any competitive category by a selection board convened under chapter 36 shall be reduced by a number of officers equal to the number that is to be selected for promotion to such grade in such competitive category by a special selection board convened under this paragraph.

"(D) Special selection boards convened under this section shall be subject to the provisions of chapter 36 of this title to the extent practicable, as determined by the Secretary of Defense. The provisons of this paragraph shall be carried out in accordance with regulations prescribed by the Secretary of Defense.".

(2) The table of chapters at the beginning of such title and at the beginning of subtitle A of such title are each amended by striking out the item relating to chapter 5 and inserting in lieu thereof the following:

"5. Chief of Military Staff .... 141".

(c) Chapter 7 of such title is amended by adding at the end thereof the following new section:

"§ 178. National Military Advisory Council

"(a) There is established in the Department of Defense a National Military Advisory Council. The Council shall consult with and advise the Chief of Military Staff on all matters with respect to which the Chief of Military Staff is responsible.

"(b)(1) The Council shall consist of four senior military officers, one each from the Army, Navy, Marine Corps, and Air Force, to be appointed by the President, by and with the advice and consent of the Senate. Before making an appointment under this subsection, the President shall consult with the Secretary of Defense and the Chief of Military Staff regarding the appointment. Only officers having outstanding qualifications, including substantial joint or unified command experience, shall be eligible for appointment to the Council.

"(2) Officers shall be appointed to the Council for a term of two years and may be reappointed in the same manner as originally appointed for not more than three additional terms, except that in time of war declared by the Congress there is no limit on the number of reappointments.

"(3) Officers appointed to the Council may not be assigned any duties other than those referred to in subsection (a) and may not exercise any command authority in any armed force.

"(c) Only the most experienced and outstanding members of the armed forces may be appointed to the National Military Advisory Council. Notwithstanding any other provision of law, a member of the armed forces may not serve on active duty after completion of his term or terms on the council, except that such restriction may be waived by the Secretary of Defense in the case of any member in time of war declared by the Congress.".

(d)(1) Section 171(a) of title 10, United States Code, is amended by striking out clause (7) and inserting in lieu thereof the following:

"(7) the Chief of Military Staff;".

(2) Section 264(b) of such title is amended by striking out "Joint Chiefs of Staff" and inserting in lieu thereof "National Advisory Council".

(3) Section 268(c)(2) of such title is amended by striking out "Joint Chiefs of Staff" and inserting in lieu thereof "National Advisory Council".

(4) Section 525(b)(3) of such title is amended by striking out "Chairman of the Joint Chiefs of Staff" and inserting in lieu thereof "Chief of Military Staff".

(5) Section 743 of such title is amended by striking out "Chairman of the Joint Chiefs of Staff" and inserting in lieu thereof "Chief of Military Staff".

(6) Section 5081(b) of such title is amended by striking out "Chairman of the Joint Chiefs of Staff" and inserting in lieu thereof "Chief of Military Staff".

(7)(A) Section 413 of title 37, United States Code, is amended by striking out "Chairman of the Joint Chiefs of Staff" and inserting in lieu thereof "Chief of Military Staff".

(B) The heading for section 413 of such title is amended to read as follows:

"§ 413. Chief of Military Staff".

(C) The table of sections at the beginning of chapter 7 of such title is amended by striking out the item relating to section 413 and inserting in lieu thereof the following: "413. Chief of Military Staff.".

(8) Section 411(a) of title 38, United States Code, is amended by inserting "or Chief of Military Staff" after "Chairman of the Joint Chiefs of Staff" in footnote 2 of the table contained in such section.

COHEN AMENDMENT NO. 3168

Mr. COHEN submitted an amendment intended to be proposed by him to the bill S. 2723, supra; as follows:

On page 25, line 8, strike out "4 percent" and insert in lieu thereof "5.5 percent".

On page 25, strike out lines 14 through 21 and insert in lieu thereof the following:

(b) The rates of basic pay and the basic allowance for subsistence for members of the uniformed services are increased by 5.5 percent effective January 1, 1985.

McCLURE (AND OTHERS) AMENDMENT NO. 3169

Mr. McCLURE (for himself, Mr. SYMMS, and Mr. HUMPHREY) proposed an amendment to the bill S. 2723, supra; as follows:

At the appropriate place add the following:

STOCKPILE PROVISIONS

1. (a) Notwithstanding any other provision of law, the Administrator of General Services is authorized to utilize 10,000,000 troy ounces of silver from the National Defense Stockpile to mint coins pursuant to this section. Disposals of silver from the National Defense Stockpile shall be conducted in accordance with the provisions of this section during fiscal years 1985 and 1986.

(b) The Secretary of the Treasury (hereinafter referred to as the "Secretary") shall mint and issue coins of the United States under this section in such quantities as are necessary to meet public demand.

(c)(1) The coins minted pursuant to this section shall be either sold or furnished on consignment in bulk on a negotiated basis by the Secretary to primary dealers in bullion, coins, banks, and other financial institutions in accordance with such procedures the Secretary may prescribe, at prices to the general public determined by the Secretary, which shall not be less than the fair market value of the silver content of the coins on the day of the sale, as determined by the Secretary, plus costs of minting, distributing, promoting, and marketing the coins. The Secretary shall seek to keep costs of minting, distributing, promoting, and marketing of the coins as low as possible, consistent with the objectives of this section. In no event shall the portion of the price attributable to the costs of minting, distributing, promoting, and marketing the coins exceed 10 per centum of the fair market value of the coin's silver content or $.75 per coin, whichever is lower. Such sales and consignment shall begin not later than January 1, 1985.

(2) Coins minted under this section shall be legal tender and bear the same design as that of the 1908 "St. Gaudens" twenty dollar coin; be inscribed with the year of minting; have reeded edges; contain one troy ounce of 0.999 fine silver; weigh 31.1035 grams; and have a diameter of 38.1 millimeters (1.5 inches). Such coins shall not contain the inscription of the words "Twenty Dollars" but shall have the inscriptions of the words "Liberty", "In God We Trust", "United States of America", "E Pluribus Unum", "One Troy Ounce" and "One Dollar".

(3) Secretary shall define the term "primary dealer in bullion coins" in a manner consistent with the ordinary practices of the precious metals trade.

(4) The Secretary shall sell the coins in bulk quantities or on consignment, in accordance with such procedures as the Secretary prescribes. In addition, the coins minted pursuant to this section should be packaged for bulk sales in tubes containing not less than 25, but no more than 1000 coins. The Secretary shall utilize the United States Mint's mailing list and make other reasonable and appropriate efforts to promote the retail sale of the coins. Coins made available to the mailing list of the United States Mint may, at the Secretary's discretion, be produced as a proof coin and sold at a price sufficient to cover the face value, the precious metal content, plus the additional expenses of their manufacture and sale, or as special uncirculated coins, packaged distinctively by the United States Mint.

(c) The net proceeds of the sales of coins minted pursuant to this section shall be received by the General Services Administration, after deducting the costs incurred by the Secretary in minting, distributing, promoting and marketing the coins, the book value of the silver, and the face value of the coins. That portion of the proceeds representing the costs incurred of minting, distributing, promoting, and marketing the coins and the book value of the silver shall be credited to the mint appropriation. The net proceeds, including the aggregate face value of the coins received by the General Services Administration shall be deposited in the National Defense Transaction Fund.

PROXMIRE (AND OTHERS) AMENDMENT NO. 3170

Mr. PROXMIRE (for himself, Mr. LEVIN, Mr. NUNN, Mr. SASSER, Mr. PRESSLER, Mr. RANDOLPH, Mr. KASTEN, and Mr. NICKLES) proposed an amendment to the bill S. 2723, supra; as follows:

At the appropriate place in the bill insert a new section as follows:

SEC. . It is the sense of Congress that the President should insist that the pertinent member nations of the North Atlantic Treaty Organization meet or exceed their pledges for an annual increase in defense spending during fiscal years 1984 and 1985 of at least three percent real growth and should insist that Japan further increase its defense spending during fiscal years 1984 and 1985 in furtherance of increased unity, equitable sharing of our common defense burden, and international stability.

BYRD (AND OTHERS) AMENDMENT NO. 3171

Mr. BYRD (for himself, Mr. HOLLINGS, Mr. JOHNSTON, and Mr. NUNN) proposed an amendment to the bill S. 2732, supra, as follows:

On page 128, between lines 12 and 13, insert the following new section:

PROHIBITION AGAINST USING FUNDS APPROPRIATED FOR THE ADVANCED TECHNOLOGY BOMBER AND THE ADVANCED CRUISE MISSILE PROGRAMS FOR ANY OTHER PURPOSE

SEC. . (a) It is the sense of the Congress (1) that the capabilities inherent in the technologies associated with the Advanced Technology Bomber program and the Advanced Cruise Missile program are a critical national security asset for maintaining an adequate and credible deterrent posture, (2) that such technologies and programs should be developed as rapidly as feasible in order to produce and deploy advanced systems which will complicate the military planning of the Soviet Union and as a consequence enhance the deterrent posture of the United States, (3) that such technologies and programs should be funded at the levels authorized in this Act, and (4) that all the funds appropriated for such programs should be fully utilized for such programs.

(b) None of the funds appropriated pursuant to an authorization of appropriations in this Act to carry out the Advanced Technology Bomber program and the Advanced Cruise Missile program may be used for any other purpose.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. TOWER. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, June 7, at 10 a.m., to hold a hearing entitled "Women in Development: Looking to the Future."

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

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. TOWER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, June 7, at 10 a.m., to hold a markup on S. 1300, S. 2646, and H.R. 3050, legislation to amend the Rural Electrification Act of 1936, and other pending calendar business.

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

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. TOWER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on Thursday, June 7, at 10 a.m., to hold a hearing to consider the nomination of Charles G. Stalon, of Illinois, to be a Member of the Federal Energy Regulatory Commission; and Robert N. Broadbent, of Nevada, to be an Assistant Secretary of the Interior.

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

COMMITTEE ON THE JUDICIARY

Mr. TOWER. Mr. President, I ask unanimous consent that the Judiciary Committee be authorized to meet during the session of the Senate on Thursday, June 7, in order to receive testimony concerning the following nominations:

U.S. CIRCUIT JUDGE

Jean Galloway Bissell, of South Carolina, to be U.S. circuit judge for the Federal circuit.

U.S. DISTRICT JUDGE

John M. Duhe, Jr., of Louisiana, to be U.S. district judge for the western district of Louisiana.

Tom S. Lee, of Mississippi, to be U.S. district judge for the southern district of Mississippi.

U.S. COURT OF INTERNATIONAL TRADE

Dominick L. DiCarlo, of New York, to be a judge of the U.S. Court of International Trade.

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

ADDITIONAL STATEMENTS

ASBESTOS SCHOOL HAZARD ABATEMENT ACT AMENDMENT

● Mr. SARBANES. Mr. President, as a sponsor of the Asbestos School Hazard Abatement Act floor amendment which passed the Senate yesterday, I am pleased to note the importance of this first step which has been taken to provide Federal assistance for those schools which need financial assistance to control severe asbestos hazards. This amendment, when finally enacted, will establish a program within the Environmental Protection Agency to ascertain the extent of the danger present in our schools due to asbestos hazards and provides loans and matching grants to eligible high-priority schools. In order to provide such assistance, my colleagues and I authorized $50 million for this program in both fiscal year 1984 and fiscal year 1985, and $100 million for each of the subsequent 5 years.

Nationwide, the EPA has stated that as many as 14,000 schools may contain asbestos hazards, posing risks to 3 million students. Approximately 224 children per 100,000 exposed to very minimum levels of asbestos will die early as a result of cancer of the stomach, esophagus, lungs, or colon.

In my own State of Maryland, there are no concrete figures to demonstrate the extent of asbestos problems in our schools. However, it is generally recognized by the Asbestos Abatement Information Center in Baltimore that hazardous asbestos conditions are present in many areas of the State. In some counties, the schools themselves have the financial resources to detect and control asbestos hazards. However, in other areas, such as Baltimore City and some rural areas of the State, Federal loans and matching grants will be welcomed as an important means of controlling such hazards.

I commend my colleagues in passing this important amendment and look forward to its final enactment and prompt implementation.●

SUCCESS WITH NUCLEAR POWER

● Mr. McCLURE. Mr. President, as you know, I strongly believe that nuclear power can make a significant contribution to our Nation's electricity producing capacity and our energy independence.

There have always been many opponents to the use of nuclear power, and in recent months, the media's frequent reports of construction and financial problems in the nuclear industry have given considerable negative material for the critics to use in a continuing assault on the entire nuclear community.

As a result, the public's perception of the nuclear industry is that it has a disastrous past and a dismal future—if, indeed it has any future at all.

However, an editorial in the May 27 issue of the Baltimore Sun puts the issue in perspective. Titled, "Success With Nuclear Power," the editorial correctly notes, as I have so often, that there are many more successes than failures in the nuclear industry, both here and abroad.

In the United States, 85 nuclear plants are operating; 50 more are under construction; one-third of the world's total nuclear capacity is here, which last year displaced 35 percent of our oil imports.

Although safety is the critic's rallying cry, the editor points out that in 758 reactor years of U.S. nuclear powerplant operation there has not been a single fatality due to radiation. He further notes the industry's efforts to enhance safety, reliability, and lower costs include research on smaller modular plants, standardization of components, and reviving the high-temperature gas reactor.

With electric demand growth increasing as a result of the economic recovery, and nuclear energy costs of 3.1 cents a kilowatt-hour compared to 3.5 cents for coal plants, the editor feels nuclear power has some appealing assets.

Mr. President, I am pleased to note the positive, upbeat flavor of this editorial. I ask that it be printed in the RECORD.

The article follows:

[From the Baltimore Sun, May 27, 1984]

SUCCESS WITH NUCLEAR POWER

Those who think the nuclear power industry is dead ought to look at Japan, China, France—or the United States. While news of the financial failure of yet another U.S. nuclear plant seems to come almost quarterly, there have been far more successes than failures. Eighty-five nuclear plants operate in the United States, and 50 more are under construction. One-third of the world's total nuclear capacity is here. That capacity reduced oil imports by 35 percent last year.

Nuclear critics persist in bringing up the safety issue, the threat of a reactor meltdown that they claim is the Achilles heel of the industry as revealed by the accident at Three Mile Island. Yet safety procedures are being improved, and the risk grows ever smaller. It must be noted that there were no casualties even at TMI. In 758 reactor-years of nuclear power plant operation in the United States, there has not been a single fatality due to radiation.

The industry continues to work to make the plants safer. Westinghouse and General Electric, in conjunction with Japanese companies, are seeking to develop light water reactors (the dominant type in the world) that are simpler, safer and more reliable. There are studies of inter-company and even inter-nation standardization of nuclear components to enhance safety and reliability and to lower costs. Research is being done on the advantages (safety and otherwise) of building smaller, modular nuclear plants, one-half or one-quarter the size of the ones being built today. There is talk of reviving the high-temperature gas reactor, a meltdown-proof system thjat was abandoned 20 years ago but that might make a comeback if it were redesigned.

Other factors could give nuclear a new lease on life. Electric demand growth is picking up because of the economic recovery. The utility industry may have to start once again to plan for new power plants, after several years of doldrums. Nationally, nuclear energy costs 3.1 cents a kilowatt hour, compared with 3.5 cents from coal plants. If costly emission controls to prevent acid rain are mandated for coal plants—as may happen within a few years—nuclear plants could prove even more appealing. The question is whether the public can be convinced they are safe.●

BALTIC FREEDOM DAY

● Mr. GLENN. Mr. President, as a cosponsor of the resolution to enact a Baltic Freedom Day, I feel it is essential that the Congress and the American people again reiterate our concern for the plight of the Baltic States of Estonia, Latvia, and Lithuania and their citizens' heroic struggle to maintain their national identity.

On June 14, 1940, the Soviet Union forcibly occupied and incorporated the states of Estonia, Latvia, and Lithuania into the U.S.S.R. After the First World War, these nations declared their independence and enjoyed a brief but proud moment of democratic government. With the outset of the Second World War, it was decided by Hitler and Stalin that these nations should be absorbed by the Soviet Union. Tens of thousands of Baltic people were killed and over 1 million were deported to slave labor camps because of their religious or political views. These deported individuals were replaced by people from other regions of the farflung Soviet Empire in an attempt to destroy the national identities of the Baltic people.

Despite ruthless Soviet subjugation, the peoples of Estonia, Latvia, and Lithuania have striven to maintain their rich national and cultural heritage. And their civic organizations and churches in the free world have struggled to keep faith with their enslaved countrymen so that the dimmed light of freedom is not extinguished. While world attention is focused on the unfortunate peoples of Poland and Afghanistan, we must never forsake the struggle of the courageous Baltic people for freedom. These people look to the United States as a source of moral support and unwavering commitment to the ideals of freedom and self-determination. As the oldest democracy in the world, we must do all that we can to help support the preservation of the national consciousness and cultural integrity of these once-free nations.

By establishing a Baltic Freedom Day, we not only express the solidarity of Americans with the aspirations of the enslaved Baltic people, but we remind the international community that by the continued subjugation of the Baltic States, the Soviet Union continues its flagrant violation of the United Nations Universal Declaration on Human Rights and the provisions of the Final Act of the Helsinki accords.●

TRIBUTE TO EDGAR BERNARD HOLT

● Mr. RIEGLE. Mr. President, last February, a great leader in the community of Flint passed away, and it is appropriate that we mark his passing in this small fashion. Edgar Bernard Holt was an individual totally committed to the betterment of his community, and devoted to the pursuit of civil rights.

He was a leader in all senses of that word: in his many years as a General Motors employee, his involvement in political campaigns, and in his many positions in the Flint NAACP.

His advice, wisdom and clear-thinking will be deeply missed by all who knew him, and by thousands that have benefited from his works and whose lives are richer because of his devotion to the cause of equality and civil rights. Perhaps the most fitting example of the fruits of his labor in Flint came last year with the election of a black mayor in Flint, something Edgar Holt had strived for over many years.

I submit for the Record an editorial from the Flint Journal, and add my voice to all those who know that Edgar Holt will be missed in so many ways, and at those critical times where his vision provided the light for all of us to move forward.

The editorial follows:

HOLT, TOO, HAD A DREAM

In the death of Edgar A. Holt, Flint has lost a leader who did much to rid our community of racial bias.

Over his lifetime, he made civil rights his cause. He had known the cancerous stigma of prejudice while growing up in the South, and after graduation from Wilberforce University, dedicated himself to fighting it.

Holt's efforts were channeled primarily through the NAACP. He served the Flint branch as president for six years and headed the Michigan Conference of NAACP Branches from 1964 to 1967.

He was a familiar figure at local governmental sessions, invariably speaking out on issues focused on ending practices which unfairly limited opportunities for blacks.

During the tumultuous 1960s, Holt saw great civil rights progress as Martin Luther King seized a historic moment and brought about laws guaranteeing minorities opportunities they had been denied. Holt was among the marchers in 1963 when King led his dramatic march in Washington and gave his famous "I have a dream" speech.

We are glad Edgar Holt—who too had a dream—lived to see the people of Flint elect a black mayor, James A. Sharp Jr. And we are sorry Flint has lost his wise counsel in the never-ending battle against prejudice.

Our community is made poorer by his passing.●

RESCUE AT SEA: A DAILY MISSION FOR THE COAST GUARD

● Mr. PELL. Mr. President, the men and women of the Coast Guard do an outstanding job in coping with all manner of emergencies at sea. Their record of saving lives and preventing maritime disasters is an excellent one—a performance which is particularly remarkable because search and rescue is but one of the many, many responsibilities borne by the Coast Guard.

A recent article in Parade magazine profiled the search and rescue mission of the U.S. Coast Guard Cape May Air Station, 1 of 26 Coast Guard bases providing air/sea rescue coverage across the country. I would like to share this compelling profile with my colleagues, and ask that the text of the article from Parade magazine dated May 27, 1984, be printed in full in the RECORD:

The wind blows like a solid wall of cold over Cape May, N.J., and the sea slams in gray and marbled. The North Atlantic stretches 3000 miles from here—icy, forbidding and stark. But, in an isolated hangar along the shore, the helicopter rescue pilots of the United States Coast Guard Cape May Air Station are ready for whatever the wind and the sea may bring. The cold Atlantic is their turf.

One of 26 Coast Guard bases providing air-sea rescue coverage across the country—from Kodiak in Alaska to Houston to Miami—Cape May is responsible for operations over an area of 8000 square miles. Most of its missions are flown against the knife edge of severe weather.

When distress calls come in to Cape May, as they did 283 times last year, the rotors of the helicopters begin to turn, and the wind shakes the big HH-52As as if they were Volkswagens. The pilots in their Nomex flight suits talk through the numbers and call signs of their preflight checkoff. Most feel fear, but they have learned to put it away. Fear intrudes on their work. At takeoff, they are past it.

Then the turbines shriek, the pilot grabs the collective stick down by his left hand and lifts off, arcing out over the coast to the ocean, to someplace where lives are in peril. If sailboats off California or Georgia are dismasted in storms, the Coast Guard's Sikorsky helicopters go to the rescue. If tankers split apart in typhoons, the bright white helicopters of the Guard bring in the crewmen who have been clinging to the frigid wreckage.

Coast Guard helcopters—or "helos," as they are called—operate in virtually any weather condition, and rescue pilots, who routinely perform with extraordinary daring to save people's lives, learn a protective callousness.

"In this business," says Lt. Stephen T. Delikat, a pilot at Cape May, "it's sort of an automatic gut reaction to go out and do the job."

On the night of Dec. 16, 1982, Lieutenant Delikat, then 25 years old, was on duty when a distress call came in at 9 p.m. from the fishing vessel Marblehead, out of Ocean City, Md. He and fellow pilot Paul Ellner, the aircraft commander, took off to search for the four crew members, who were clinging to a life raft in the rolling seas.

In pitch black, Delikat and Ellner combed the waves for two hours. The temperature was 32 degrees, freezing conditions were setting in, and rain clouds limited them to flying below 250 feet. It was like battering through a squall, but, says Delikat today, "I don't think I had a single thought about my own safety until I was back."

Delikat notes that Coast Guard pilots must steel themselves not only against their own fear but also against their natural concern for the people for whom they are searching. "You don't put yourself in the position where you are sorrowful," Delikat says. "You can't have a lot of pity overtake you. It could get to the point where you could not perform your mission properly." It is only after the mission, he says, that "I go through a long period of reflection about what they must have gone through."

Delikat's search that night was unsuccessful. The crew of the Marblehead was found the next morning. They had died from the cold.

On April 17, 1983, however, Cape May Air Station has more success. On that day, the party fishing boat Adventurer founded in heavy winds and eight-foot seas with 18 persons aboard. Cape May rescue teams hoisted them all out of the drink and brought them back to safety.

"I was concentrating on making sure they were all inside the helicopter," recalls air crewman John A. Brenchak, who pulled up seven people, including the captain and mate, into the belly of Helicopter 1463. "There are so many things going through your head, you don't have time to be scared."

Search-and-rescue operations by its helicopter squadrons are only one of the Coast Guard's assignments. The 39,000-member armed service, headquartered in Washington, D.C., under the aegis of the Department of Transportation, is the federal government on the water—responsible for insuring safety and enforcing the law on all American water jurisdictions. Commanding a fleet of 241 heavy, medium and light cutters, or patrol ships, as well as a fleet of 2000 utility boats and small craft, the men and women of the Guard clean up oil spills, maintain buoys and other aids to navigation, oversee port safety and inspect American merchant ships to make sure that they are safe for sea.

In recent years, the Coast Guard has taken on major new tasks—with little increase in funds. These include guarding fisheries in the expanded 200-mile zone of United States fishery control and interdicting illegal aliens. The Guard is also involved in a new effort against drug smugglers and is responsible for protecting against accidents involving hazardous materials by rigorously inspecting shore sites and handling spills that do occur.

Still, since the Coast Guard was created in 1790, lifesaving has been its fundamental mission. Nationwide, the Coast Guard fields a total of 66 Sikorsky HH-52A helicopters—medium-range aircraft with a top speed of

109 knots and a cruising radius of 150 miles—as well as 31 HH-3F helicopters—larger, heavy endurance machines capable of 142 knots and a cruising radius of 300 miles.

The most important apparatus aboard these helicopters is the airborne mechanical hoist, lowered through storms to pick up survivors. But the passenger bay of an HH-52A is also part fire truck, part ambulance—packed with blankets, basic medical equipment, strobe lights, flares, cable cutters, dye markers and message bottles. To the shivering survivors, its metal belly, canvas benches and navigation gear are more precious than a suite at the Plaza Hotel.

Pilots say the most difficult condition for them is flying solo at night, over the ocean. Darkness makes flying hazardous and makes objects and people extremely difficult to find. Flying in an Arctic "white-out"—an intense snowstorm, common in Alaska and other northern states, that totally eliminates visibility—is also extremely demanding on pilots. In a whiteout, the crew cannot tell whether the helicopter is flying up or down, left or right, except by instruments.

Indeed, Coast Guard pilots take substantial risks. In the last 20 years, 38 pilots and crewmen have died on missions. In the most recent incidents, two helicopters were lost in attempts to recover the crews of sinking fishing vessels: One accident occurred on Jan. 7, 1982, in Hawaii; the other, on Nov. 14, 1981, in Oregon.

Not all rescues are conducted over water. Lt. Cmdr. Bruce E. Melnick, the commander of an HH-3F helicopter based in Sitka, Alaska, was decorated after he and his crew rescued the pilot of a small plane that had crashed into the face of a mountain in dense fog. Melnick maneuvered his big helicopter right up to the crash site, so close that his rotor blades nearly brushed the mountain, maintaining a hover in this position for a half hour while the downed pilot was brought aboard. At that point, Melnick did an instrument takeoff away from the mountain face, with nothing but the dials and gauges before him to guide his ascent.

Capt. Lance A. Eagan, the commanding officer of Cape May, believes that teaching pilots to limit their willingness to fly in any weather condition is one of the most important functions of Coast Guard training. "The Coast Guard has an old saying," says Captain Eagan, "'You have to go out, but you don't have to come back.' In aviation, we have tried to get away from that feeling."

"The most difficult decision is turning down a mission," he explains. "There are going to be days when you are forced into making that decision, because it's beyond the limits of the crew or the airframe.

"We will risk equipment. That is a legitimate risk. But loss of life is an unacceptable cost." Eagan likes to quote a time-honored saying about caution and flying: "There are bold pilots and there are old pilots, but there are no old, bold pilots." Eagan adds: "We want everybody to be old."

Eagan, a 44-year-old Coast Guard Academy graduate, has flown in whiteouts, gales and squalls from Alaska to Georgia—even in one New York City blackout. He also spent a year in Vietnam, on loan to the Air Force, flying with the 37th and 40th Aerospace rescue-and-recovery squadrons.

On one mission—the recovery of an F-105 pilot shot down in enemy territory—Eagan ferried his HH-3F helicopter through trees more than 100 feet tall, lowered his paramedic crewman and then retrieved both the paramedic and the downed pilot. As he began to pull up from the jungle, Eagan recalls, "the first round hit through the windshield. When the paramedic said, 'Take us up, take us up,' the North Vietnamese started tearing the body of the aircraft apart with small arms fire." Eagan and his team managed to limp back across the Demilitarized Zone before the helicopter gave out, making a forced landing in friendly territory.

But Eagan says he agrees with the remark of an Air Force pilot who flew with the Coast Guard on an exchange program, then served in Vietnam. Upon returning from overseas, someone pointed out that he must be glad to be home. "'No,' the pilot said." recounts Eagan, "'it's scarier to fly for the Coast Guard than to fly in Vietnam. There's a lot of blackness out there.'"

Prospective pilots for search-and-rescue assignments undergo rigorous training. Each year, 57 candidates are selected for flight training. With a 14 percent washout rate, this assures a crop of 49 aviation pilots each year. Upon completion of basic training at the Navy flight school in Pensacola, Fla., trainees undergo a long and exhaustive education covering the many specialized and complicated operations they must be able to perform.

But flying helicopters for the Coast Guard is not all danger and grim business. It also has times of beauty, and something approaching joy. Out over the open water, cruising at 700 feet, with the friendly squawk of the radio coming through the earphones, the thin metal co-pilot's seat of an HH-52A is a bleacher position overlooking nature's spectacle. Helicopter flight is different from airplane flight. The helicopter's Plexiglas cockpit bubble affords greater freedom and a better view of the terrain below, the sky ahead and above.

"You've hit on the secret of why we do it," Eagan says. "It's a sensation, a high, that once you've experienced, it's very hard to live without."

Crewman John Brenchak has his own reasons. He vividly recalls the scene when the 18 survivors from the *Adventurer* were finally gathered together in the dispensary at the Cape May Air Station, safe on land.

When the pilots and the two crewmen walked in through the doors where the survivors were, everyone applauded," says Brenchak. "That's the most heart-warming thing I've ever had. Being recognized for doing a good job."●

GRADUATION ADDRESS BY ADM. JAMES D. WATKINS AT THE U.S. NAVAL ACADEMY

● Mr. DENTON. Mr. President, on Wednesday, May 23, 1984, my good friend, Adm. James D. Watkins, delivered to the graduating class at the U.S. Naval Academy what I would consider to be a very moving statement on the obligations of the individual toward others.

I would like to share Admiral Watkins words with my colleagues and ask that his statement to the 1984 graduating class at Annapolis be placed in the RECORD.

The address follows:

ADDRESS BY ADM. JAMES D. WATKINS, CHIEF OF NAVAL OPERATIONS

CONCERN NOT FOR SELF, BUT FOR OTHERS—CHALLENGE OF LEADERSHIP

Let me take you back to a moment in recent history which I shall not soon forget. I want to share with you my feelings about the tragedy which occurred only last fall in Beirut, Lebanon, on Sunday morning, October 23rd—these are feelings which will continue to guide my actions as I attempt to serve both nation and world community.

It was on this morning that a terrorist, in a bomb-laden truck, took the lives of two hundred and forty one brave young Americans, and in so doing, reawakened this nation to the terrible crime of international terrorism; its cost in individual lives, its toll in national suffering. This tragic moment reminded all of the challenge of leadership.

Events of this tragic day were best summarized, not by official report or investigatory commission, but by one of our rabbi chaplains, Lieutenant Commander Resnicoff, who witnessed not only the darkness and pain in Beirut, but the dedication and spirit of those sailors and Marines to whom he ministered there.

Rabbi Resnicoff wrote about a friend of his, a protestant chaplain, who was pulled from the ruin of what was once a concrete, reinforced headquarters building.

And as this young chaplain was pulled from the carnage—after being trapped beneath tons of concrete for over four hours—his body racked with pain and still unsure of his own condition, his first words were to ask how his clerk was. Like so many of the men saved that day, Rabbi Resnicoff wrote, this survivor asked first about others.

So the Beirut tragedy is *not only* about fear, or frustration, or death, but can be a symbol of spirit and strength and leadership; a living testimony to our great potential as Americans with special God-given gifts which can make a difference in a grief-stricken world. Now your challenge of leadership is like this special service to humanity embodied in the spirit of that day in Lebanon—to be concerned first about others.

For you, unlike others in universities around this great nation, are not *just* graduating from a college—you are not *just* entering the job market—you are assuming the mantle of selfless dedication to and responsibility for safety and defense of this great nation—and its people. This is your oath. As a result, you are special—a species to be cherished.

Your voyage ahead will not be easy, for the course is strewn with the social flotsam and jetsam cast off by those who espouse evil and despise human dignity.

In the face of such hazards, you must display courage and act in accordance with moral convictions. You must not be fashioned by events, but rather shape them for the future good of civilization. You can do this through helping freedom-loving and God-fearing people—whenever and wherever you find them. This is your destiny—your challenge of leadership.

In your exercise of a global mission to humanity, each of you will be asked to contribute in your own special way. Yet your individual efforts will unite—through the performance of our Navy-Marine Corps team—to form a singleness of purpose and strength. This is the strength of today's officer corps.

New challenges will confront you every day of your career—I have been tested anew with every duty assignment, with every new billet.

Only recently, I was tested once again. A new challegne of leadership was thrust upon me. For six days after the bombing in Beirut, I participated in a ceremony at Dover Air Force Base in Delaware which inspired a course change in my professional life.

At barely 7 a.m. on a Saturday morning, the Commandant of the Marine Corps, General Kelley, and I stood with families of some of the Beirut fallen. On this sad day we witnessed arrival of the first fifteen bodies of those who had died in Beirut. As I stood before those flag-draped coffins, I told those present:

"For anyone to die as the result of a cowardly act of faceless terrorism leaves each of us outraged and diminished. For so many to lose their lives both saddens us and makes us determined to ensure that those brave men did not die in vain.

"Now I would hope that Americans would strive, on an urgent basis, to build a new and enlightened national strategy, to deal with the insidious . . . practices of individuals, and their supporting governments, that would condone such acts of violence as their principal tool of political persuasion. For the sake of those who died, and those who continue to serve, we must do this."

Since then, assuming a personal responsibility to help build such a new strategy, I discussed the topic of terrorism with many people—military leaders and civilians, chaplains and lawyers, ethicists and philosophers. I knew I had to come to grips personally with this threat to humanity, so that I could better perform my duties both as a military leader sworn to defend this great nation and provide military advice, and as a man concerned with the proper, moral response to immoral acts.

But terrorism—like so many other modern problems—does not lend itself to simplistic "either/or" decisions. It is a complex subject and decisions in the making are less between absolutes of entirely good or dead wrong, than they are between subtle nuances which make up the best possible course of action considering world realities.

In my search for answers, I selected as a starting point the majority's acceptance of the basic right to defend against unjust aggression. I believe as long as evil and danger persist, a people shouldn't be denied the right of lawful self-defense, once all peace efforts have failed. This is a lawful obligation of peace-loving nations. This is the foundation of your oath of duty and call to service.

But lawful rights constitute only one side of any question. For a legal action, even in our society, is not necessarily a moral action. And, what constitutes a proper legal defense against terrorism, is not necessarily a moral response to terrorism. Then these questions are multiplied a hundred fold when we take the terrorism question outside our own national experience, and put it into an international setting.

This is further complicated because it is difficult, probably impossible, to develop a universal definition of terrorism upon which all can agree. Whereas an American might see terrorism as random acts of violence, or threats of violence, usually perpetrated against innocent victims to evoke fear, and usually undertaken to effect political objectives—a fanatic might see terrorism as a justifiable extension of his "war of liberation."

But I am not without answers; the Academy and the Navy have helped train me to make decisions, inculcating a strong sense of personal morality to temper my decision-making process. So, as a military leader, and as an American, charged with the proper defense of this great nation, I found my own definition of terrorism to be: the compromise of both safety and sanctity of human life. This is the core of the most heinous acts of terrorism.

So what then should be our response when threatened with terrorism? Can we attack bases where terrorists' bombs are made? Can we attack the base or country supplying materials and money to the terrorists? What is the moral response to such criminal actions? What should my military advice be?

Out of my search for answers and studies for solutions, I found that, in particular circumstances, there can be moral justification to preempt a probable terrorist attack. I found that under those circumstances, the moral course is to take action necessary to stay the terrorist's hand.

Indeed, we cannot stand idly by and let any small group of fanatics bend the will and break the spirit of an entire nation—certainly not while we have sworn oath to defend that nation—and particularly when our own sailors and Marines, asked in by friendly nations to help them, are the intended victims. We cannot allow fear of the unknown to become our reference point for action—or inaction.

Since you will face similar moral dilemmas and challenges to leadership, I thought it might be useful to walk you through the thought processes I experienced and principles I discovered which, if adhered to, would seem to justify a preemptive, yet a moral response, to terrorist attacks:

First, we should have just cause to believe we are threatened. Traditionally, this is defined as either self-defense against an aggressor or protection of legitimate interests. Retribution and punishment are not part of a moral course, and will not suffice as reasons to take action against the terrorist. Rather, we should act in accordance with out needs for self-defense and protection.

Second, we should base our decision to act on competent authority. This means a legitimate government is the only vested authority which can make a "go or no go" decision. We can never allow ourselves to respond to terrorism for personal or partisan political purposes. Rather, we should search for a reasoned and disciplined response for the greater good of this nation, our allies and friends.

Third, military force must be our last resort, our least favorite course of action. As moral people, we have an obligation to preserve human life—even those hostile and allied against us. So we must search our entire potential range of responses—which can include certain defensive measures, diplomatic actions, political and economic sanctions—before we elect a military response when all other alternatives have failed.

Next, there must be a reasonable hope of success before we take any preemptive action against terrorism. Otherwise, risk of life involved in our actions is not acceptable. This will require the best possible intelligence of the terrorist and his intentions. The less precise our intelligence, the greater the chance for mission failure and the less justification for taking a preemptive course of action.

Finally, we must foresee *more good than evil* as a result of our actions. We must consider the preemptive operation we plan to undertake in the laboratory of the world—with potential danger of escalation considered, and other unintended consequences which could render our actions self-defeating. The question is: will our actions deter aggressors from taking other actions against us? If this can be answered in the affirmative, with the greatest possible assurance, then we should take preemptive action.

Put another way, we should work to make terrorist acts so counter-productive and costly, or seem so costly, that potential perpetrators will think twice before conducting, or threatening to conduct, terrorist acts. In this context, even a retaliatory act carried out for its deterrent effect may, under carefully controlled circumstances, be moral.

I have shared with you a relevant case study, about a recent challenge to my leadership, in which I felt compelled to become involved and accept a degree of personal accountability for its resolution. By so doing, my conscience was clear that I had tried to faithfully exercise my oath of service to humanity.

In my opinion, we cannot afford to speak in grand terms about morality and western world leadership, if we fail to get involved, or if we lack conviction to stand by those terms, with resolute and responsible action. To quote Shakespeare, we cannot "speak in a monstrous little voice," which can only be viewed as a *legal* course of action, surely not a *moral* course of action expected of military leaders sworn to protect others.

Does that mean we should always take a military response? No! Fight fire with fire if you will? *Not at all.* I say this with great determination—a determination that American force should never be used haphazardly; should never be used without first thinking through and exhausting every *other possible action available.*

In my opinion, we should never adopt principles expounded by those we seek to thwart; that is, to return action of kind for kind. I am convinced our course is sound, for we do not seek to destroy our enemies, but to *protect* rights and freedoms of peace-loving people everywhere.

All of this time and effort I found essential to provide the basis for my moral and ethical approach to just one of our nation's current challenges—terrorism. You and I *can* and *must* face these kinds of difficult questions, both as responsible citizens of a nation which has the capability to defend others less fortunate than ourselves, and as military leaders.

This is my responsibility to those brave men who died in Beirut on October 23rd. A similar responsibility will soon be yours to Americans and all other freedom-loving peoples yet unborn. By seeking agressively to resolve such challenges to leadership within a moral context, you will all be more like those brave, young men in Beirut, whose first concern was not for self, but for others. This is what this nation will ask of you.

And it is through these efforts to serve, that even the common takes on uncommon heroism—where the ordinary has extraordinary qualities of service and devotion. No action is too insiginificant if it contributes to the greater good of humanity.

This reminds me of a beautiful call to humanity's service I once heard at a Washington prayer breakfast, one which seeks a commitment to special sacrifice which you—as future leaders—will be asked to make for this nation. I ask each of you in the class of 1984 to adopt the following prayer as your own commitment to responsible military leadership:

Lord God,
You have not called me to some puttering, pretty, mundane mediocrity.
You have called me to renew the world.
This is my task.
Impossible?
Unreachable?
Imperative?
Not all at once.
Not by revolution, at least not the blood-and-thunder kind.
But by revolution in the hearts of people.
Starting with me.
You have called me to renew the world—
at a breakfast,
at the supper table,
in a staff meeting,
at the polls,
in a letter to the editor,
in a letter to a friend.
These are merely puttering, petty, mundane things,
Unless they are done with all my mind
and strength
and soul
and heart . . .
To renew the world—
This is my task,
God, help me.

And God bless you and this Nation.●

WAR ON DRUNK DRIVING

● Mr. LAUTENBERG. Mr. President, today the House of Representatives took a major step toward establishing a uniform minimum drinking age of 21 nationwide and saving hundreds of young lives, with the adoption of an amendment by Congressman JIM HOWARD, of New Jersey, to the Federal Aid Highway Act of 1984. The Howard amendment would withhold Federal highway assistance from States which refuse to raise their minimum age for the purchase and public possession of alcoholic beverages to 21. It incorporates the language of H.R. 5383, companion legislation to S. 2719, which I introduced earlier this year.

House passage of the Uniform Minimum Drinking Age Act comes several days after the tragic defeat of legislation in the New York State legislature which would have raised that State's minimum drinking age to 21. New York's failure to act is bound to affect decisions by other States, such as Connecticut, which are considering this issue. In New Jersey, we are acutely aware of New York's action because we share a border with that State. It is our young people who cross that border in search of alcohol and it is our young people who die on the roads of the four adjoining counties.

It is significant to note the broad bipartisan support for the Howard amendment. Liberals and conservatives, Democrats and Republicans, from all sections of the country responded to the public support for this measure. Gallup polls have shown that 77 percent of the American people support a uniform minimum drinking age of 21. It is now time for the Senate to respond to this public outcry.

Mr. President, one of the few negative comments made regarding the House bill was based on the old premise that "if you're old enough to fight, you're old enough to drink." Recently, I received a letter from Mr. Gary Cummings, chief of police in Bedminster, N.J., which eloquently addresses this issue. I ask that a copy of his letter appear in the RECORD.

The letter follows:

TOWNSHIP OF BEDMINSTER,
POLICE DEPARTMENT,
Bedminster, N.J., March 9, 1984.

Senator FRANK R. LAUTENBERG,
Senate Office Building,
Washington, D.C.

DEAR SENATOR LAUTENBERG: In response to your letter and inquiry of February 28 I will, if I may, relate the following story. In February of 1966 I was at the Oakland Army Terminal preparatory to being sent to Vietnam as an infantryman. I was 19. Some buddies and I went to San Francisco the night before we left. Try as we might, we were refused at every bar we went to. I remember feeling that it was unfair that I could be sent to fight for my country but I wasn't old enough to buy a drink. I also felt, for the same reason, it was unfair that I wasn't allowed to vote for or against the people who were sending me there. When I returned from Vietnam in April of 1967 I still wasn't old enough to drink or vote. When the voting age was lowered to 18 I obviously supported the move as fair. Likewise, when New Jersey considered lowering the drinking age I supported the proposal because I remembered California in 1966 and thought that, finally, it was fair.

Senator, using my logic of 1966, it still is only fair that the drinking age should be 18. It is not, however, practical. Despite idealistic concepts of fairness I have to be practical. I can see the carnage caused by drunk driving and I know, from experience, the problem is only compounded by youth. I would suspect, Senator, that if the number of people in the 16-24 age group who died in alcohol related motor vehicle accidents were tallied on the Six O'clock News as the Vietnam casualties were, the public would become as incensed with the figures as they were with those from Vietnam. I support your bill to raise the drinking age to 21. Wars can only legally be declared by Congress and I think it is appropriate that Congress declare war on drunk driving.

Sincerely,
GARY H. CUMMINGS,
Chief Bedminster Township Police Department●

DEFICIT REDUCTION ACT OF 1984

● Mr. HEINZ. Mr. President, I believe the Senate erred in adopting, in the early morning hours of April 12, with no notice and no debate, the Grassley amendment (No. 2994) to the Deficit Reduction Act of 1984. I believe the Senate did not give this amendment the proper review and careful consideration required, and that such review would have revealed a significant flaw in the Grassley amendment.

The Grassley amendment does two things; first, it provides for a 10-percent tax credit for approved soil conservation practices, and second, it extends the depreciation schedule for single purpose agricultural buildings from 5 to 15 years. I have no quarrel with the concept of soil conservation; it is obviously needed. However, I object to the method being proposed to pay for the soil conservation credit. It would be paid for at the expense of the poultry, mushroom, and floral industries—just to name a few.

The Tax Equity and Fiscal Responsibility Act of 1981 (TEFRA) changed the method of determining depreciation for real property and equipment. Single-purpose agricultural structures were characterized as being machinery or equipment, rather than real property. This permitted poultry houses, or green houses, to qualify for a depreciation schedule as short as 5 years, as they are used in the producton of a special product. The Grassley amendment discriminates against this segment of the machinery and equipment category by reclassifying it as real property. Because of the special circumstances I am about to discuss, this approach is totally inappropriate and unfair.

Many members of the poultry industry in Pennsylvania and elsewhere have already been injured by the recent Avian flu epidemic. In Pennsylvania alone, 14 million chickens have been destroyed because of this epidemic. The poultry industry is in great need of assistance to rebuild its poultry stock. By altering the poultry industry's treatment of depreciation under the Tax Code at this time, Congress, via the Grassley Amendment, would be harming this industry's ability to firmly reestablish itself in the marketplace.

I would also urge you to consider the economic consequences of this amendment to the mushroom and floral industries. Again, both industries employ unique structures to produce their goods. Further, both groups are experiencing economic troubles because of competition from foreign imports.

The mushroom industry has been severely impacted by competition from imports from China, South Korea, and Taiwan. In October 1980, the mushroom industry received import relief for 3 years pursuant to section 201 of the Trade Act of 1974. That relief was given so that the mushroom industry could adjust to the increased import competition. However, during the relief period, the demand for mushrooms dropped off, and the industry was unable to recover. Now, at a time when they are no longer receiving tariff relief, they are severely threatened by the Grassley amendment—a provision that will make their recovery even more difficult.

The floral industry is experiencing significant domestic competition from Colombian exporters. The production of Colombian roses has increased over 50 percent in the period 1980-82. Production and exports will no doubt increase further as a result of the recent U.S. International Trade Commission decision not to impose trade barriers against Colombia's rose exports.

In short, the negative impact of the Grassley amendment to the poultry, mushroom and floral industries of Pennsylvania, and of the entire United States, will far outweigh its soil and water conservation benefits. I would therefore urge that unless another way is found to pay for the soil and water conservation tax credit, that the entire provision be deleted from the tax bill.●

IN SUPPORT OF MYASTHENIA GRAVIS AWARENESS WEEK

● Mr. D'AMATO. Mr. President, I rise today to cosponsor a joint resolution introduced by my distinguished colleague, the Senator from Ohio, that will designate the week of October 14 through October 20, 1984, as "Myasthenia Gravis Awareness Week."

Myasthenia gravis, first diagnosed in the 1600's is a neuromuscular disease, although it is not a disease of either the muscle or the nerve. This disease results in a deficiency in the substance which acts as a conductor between nerve and muscle. The major symptom of this disease is chronic fatigue. The victim experiences periods of extreme weakness. It can strike anyone at any age. An estimated 100,000 to 200,000 people now are diagnosed to have myasthenia gravis with up to another 100,000 undiagnosed cases.

Unfortunately, the biggest problem with myasthenia gravis is that it is little known. Doctor's often misdiagnose the disease as brain damage, emotional disturbances, or diseases of the lungs, limbs, or heart, depending on whether these parts of the body are affected by myasthenia gravis. A better understanding and more research into the cause and cure of myasthenia gravis is necessary to conquer this tragic disease. Myasthenia Gravis Awareness Week will provide an important first step toward the goal of increased public awareness.

I urge my colleagues to join me as a cosponsor of this resolution.●

ORDERS FOR FRIDAY

ORDER FOR RECOGNITION OF SENATOR PROXMIRE AND PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, there is an order for the Senate to convene at 9:30 a.m. tomorrow, is there not?

The PRESIDING OFFICER. That is correct.

Mr. BAKER. Mr. President, on tomorrow, after the recognition of the two leaders under the standing order, I ask unanimous consent that the distinguished Senator from Wisconsin (Mr. PROXMIRE) be recognized on special order of not to exceed 15 minutes, to be followed by a period for the transaction of routine morning business until no later than 10:15 a.m., with statements therein limited to 2 minutes each.

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

PROGRAM

Mr. BAKER. Mr. President, on tomorrow, the Senate will convene at 9:30 a.m. After the recognition of the two leaders under the standing order and the execution of one special order, there will be a time for the transaction of routine business until 10:15 a.m. At 10:15 a.m., the Senate will resume consideration of the Department of Defense authorization bill, which is the pending business.

At that time the amendment offered by the distinguished minority leader (Mr. BYRD), which is amendment No. 3164, will be the pending question. There is a time agreement limiting debate on that amendment, Mr. President, to 30 minutes equally divided and the vote will occur on the amendment at 10:45 a.m. A rollcall has been ordered.

Mr. President, it is fully expected that there will be another rollcall vote or votes tomorrow. However, the leadership on this side anticipates that the Senate should be able to complete its agenda for tomorrow by some time between 2 and 3 o'clock in the afternoon.

RECESS UNTIL 9:30 A.M. TOMORROW

Mr. BAKER. Mr. President, I see no other Senator seeking recognition. I move, in accordance with the order previously entered, that the Senate now stand in recess until 9:30 a.m. tomorrow.

The motion was agreed to, and at 6:34 p.m. the Senate recessed until tomorrow, Friday, June 8, 1984, at 9:30 a.m.