To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.

6226 Dirksen Building

Labor and Human Resources
Health and Scientific Research Subcommittee
To mark up S. 1177, to establish a partnership between the Federal government and the States in the planning and provisions of mental health services.

Room to be announced

OCTOBER 4

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold hearings on S. 1465, proposed Farm Credit Act Amendments.

322 Russell Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.

4232 Dirksen Building

OCTOBER 5

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To continue hearings on S. 1465, proposed Farm Credit Act Amendments.

322 Russell Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.

4232 Dirksen Building

OCTOBER 9

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To resume hearings on S. 1465, proposed Farm Credit Act Amendments.

322 Russell Building

OCTOBER 10

9:30 a.m.
Labor and Human Resources
Handicapped Subcommittee
To resume oversight hearings on the implementation of the Education for All Handicapped Children Act of 1975 (P.L. 94-142).

4232 Dirksen Building

Veterans' Affairs
To hold hearings on S. 1523 and H.R. 4015, bills to provide the capability of maintaining health care and medical services for the elderly under the Veterans' Administration.

457 Russell Building

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.

1318 Dirksen Building

OCTOBER 11

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.

4232 Dirksen Building

OCTOBER 12

10:00 a.m.
Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To continue hearings on proposed authorizations for fiscal year 1981 for programs under the Higher Education Act.

4232 Dirksen Building

OCTOBER 17

8:00 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings on the implementation of older American volunteer programs by ACTION agencies.

4232 Dirksen Building

CANCELLATIONS

SEPTEMBER 19

9:30 a.m.
Labor and Human Resources
To continue hearings on S. 1486, to exempt family farms and nonhazardous small businesses from the Occupational Safety and Health Act of 1970.

4232 Dirksen Building

SENATE—*Tuesday, September 18, 1979*

(Legislative day of Thursday, June 21, 1979)

The Senate met at 9:45 a.m., on the expiration of the recess, and was called to order by Hon. J. JAMES EXON, a Senator from the State of Nebraska, the Acting President pro tempore.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Open our lives, O Lord, to the wonders of the world of the spirit. Open our hearts to beauty and goodness and truth. Make us apostles of hope transformed from apathy, cynicism, and despair; ready to work for that higher kingdom yet to come, whose builder and maker is God. Move us to a deeper, profounder understanding of man and the world and Thy coming kingdom. Take from us all that obstructs doing Thy will. To all who serve this Government impart Thy grace and wisdom. Bind us together in Thy love that with purity of purpose we may walk in the steps of the Master, in whose name we pray. Amen.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

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

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that Mr. PELL desires to have me yield to him and I do so.

Mr. PELL. Mr. President, I thank the majority leader.

I am glad at this time to make a comment on the resolution of disallowance of the debate regulations submitted by the Federal Election Commission which I submit.

RESOLUTION RELATING TO FUNDING AND SPONSORSHIP OF CANDIDATE DEBATES

Mr. PELL. Mr. President, I wish to make a brief comment on the resolution of disapproval of the debate regulations submitted by the Federal Election Commission which I submitted. This resolution is submitted pursuant to the FECA which reserves to the Congress the power to disapprove regulations.

The Senate's action today should not be construed to prohibit, in any way, organizations such as the League of Women Voters, or broadcasters from sponsoring candidate debates. Debates have been a beneficial means of presenting the views of the candidates on issues of concern and should continue.

Rather, it is my hope, in introducing this resolution with Senator HATFIELD, not to discourage such debates, but to encourage them. Consistent with my support of debates, I feel that any regulation which could be interpreted as being burdensome to organizations which are likely to sponsor candidate debates, or which could in any way impede the heretofore successful debate procedure that has evolved through direct arrangements made between sponsors and candidates should not be allowed to take effect.

I feel that this resolution is necessary to keep the candidate debate process which has evolved workable, open, and accessible to candidates. I would strongly support the passage of legislation or the promulgation of any regulation which would encourage candidate debates. However, I am of the opinion that we must disapprove these regulations for the reasons previously set forth.

Mr. HATFIELD. Mr. President, I am concerned that the Federal Election Commission's proposed regulations on the funding and sponsorship of candidate debates represent an unwarranted

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

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intrusion of new Federal regulation into the political process, and are not in keeping with Congress intent in enacting Federal election campaign laws.

Letters to both the Rules Committee and the FEC from the Federal Communications Commission, CBS, NBC, and the National Association of Broadcasters have voiced the criticism that the regulations as they are written would prohibit the broadcast media's sponsorship of candidate debates. Broadcast stations are already subject to regulation by the FCC, and to provisions of the Communications Act. The FCC has urged that the proposed regulations be rejected, saying that local broadcasters would devote less time to the discussion of public issues, when faced with the problem of complying with the new regulations. Pointing to the broadcast industry's role in informing the electorate during Federal elections campaigns, the FCC stressed that such a result would be contrary to the public interest.

Another serious question raised by the regulations is their restriction of newspapers' sponsorship of candidate debates.

A representative of the Gannett newspaper chain, in a letter to the FEC's General Counsel, described the experience of a selected handful of local papers which had sponsored candidate debates—and stated strongly that such debates enriched citizen knowledge of elections issues and candidates, and were conducted in as fair and impartial a manner as the sponsors could devise. I express my own concern on this point that the record is bare of evidence of abuse by the thousands of newspapers in the States and communities across the country which have in the past sponsored candidate debates.

It was Congress intent in enacting Federal election laws to safeguard the integrity of the electoral process largely by means of campaign finance disclosure. The laws were not intended to impede the free flow of information to the voters, or disrupt the dialog among candidates for political office.

Principles of restraint should guide us when considering the reach of the laws that Congress enacted into a new area in the form of regulation. I question whether Congress ever intended to involve the Federal Election Commission in determining the format for candidate debates, or in deciding who may sponsor them.

The Senate has received no statement from the Commission offering to amend the regulations in response to the serious criticisms which have been leveled at them. It is my understanding that in light of the controversy surrounding the proposed regulations, that this matter has been discussed at several Commission meetings without resolution. Given all the facts and circumstances, I feel it is appropriate for the Senate to act to disapprove the proposed regulations.

In my view they would, if enacted, place yet another burden on participants in the political process, on the pretext of remedying abuses which have not been shown.

For this reason, I support the resolution disapproving the proposed regulations, and urge my colleagues to do the same.

Mr. PELL. Mr. President, I call for the motion on the resolution.

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

Mr. PELL. I yield.

Mr. BAKER. Mr. President, I am on the Rules Committee, as the Senator knows, and I, of course, respect the decision of the ranking member, but I must say I was not aware of this nor that it was going to come up this morning.

I wish just a few minutes to look into this matter, if the Senator does not mind.

Mr. PELL. Certainly.

Mr. BAKER. If the Senator will withhold, then, his request, I assure the Senator that with the concurrence of the majority leader I will be glad to consider it at some point soon, meaning this morning, but I wish just a few minutes to check into this.

Mr. ROBERT C. BYRD. I thought it was cleared on the minority side.

Mr. BAKER. It may have been. It was not cleared with me.

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BAKER. Mr. President, will the Senator from Rhode Island yield to me?

Mr. PELL. I yield to the Senator from Tennessee.

Mr. BAKER. I appreciate the Senator from Rhode Island's accommodation to me in permitting me to try to check with Members on this side to see what kind of condition we were in on this matter.

Let me say for the record that the fault does not lie with the distinguished Senator from Rhode Island nor the distinguished majority leader. Word was given to my staff in my office; it was simply that there was another commitment outstanding in this respect that they were not aware of. That caused this complication; but I am ready to proceed now, although in view of the situation I would hope that the distinguished majority leader and the Senator from Rhode Island would not proceed through the step of reconsideration.

Mr. PELL. Yes, of course.

Mr. ROBERT C. BYRD. I am agreeable to that.

Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Senate Resolution 236.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The resolution will be stated.

The legislative clerk read as follows:

The Senator from Rhode Island (Mr. PELL) for himself, Mr. HATFIELD, and Mr. CANNON submits a resolution (S. Res. 236) to disapprove of the regulations proposed by the Federal Election Commission relating to the funding and sponsorship of candidate debates.

Mr. PELL. I move the adoption of the resolution.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution (S. Res. 236) was agreed to, as follows:

RESOLUTION

To disapprove of the regulations proposed by the Federal Election Commission relating to funding and sponsorship of candidates debates

Resolved, That the Senate disapproves of the regulations proposed by the Federal Election Commission relating to the funding and sponsorship of candidate debates, submitted to the Senate pursuant to section 315(c) of the Federal Election Campaign Act of 1971, and received by the Senate on July 2, 1979.

SECOND CONCURRRENT RESOLUTION ON THE BUDGET

The ACTING PRESIDENT pro tempore. Under the previous order, the hour of 10 a.m. having arrived, the Senate will now resume consideration of the pending business, Senate Concurrent Resolution 36, which the clerk will state.

The legislative clerk read as follows:

Senate Concurrent Resolution 36 revising the congressoinal budget for the U.S. Government for fiscal years 1980, 1981, and 1982.

The Senate resumed consideration of the concurrent resolution.

AMENDMENT NO. 437

The ACTING PRESIDENT pro tempore. The pending question is on amendment No. 437 by the Senator from New Mexico (Mr. DOMENICI) and the Senator from Oklahoma (Mr. BELLMON), on which there shall be 45 minutes' debate, to be equally divided and controlled by the Senator from New Mexico (Mr. DOMENICI) and the Senator from Maine (Mr. MUSKIE).

The amendment is as follows:

Delete the first paragraph of Section 1(a) of the pending amendment and insert in lieu thereof:

"The allocation pursuant to Section 302 (a) of the Budget Act to the Committee on Appropriations for all legislation within its jurisdiction shall not exceed $383.6 billion in budget authority and $338.4 billion in outlays as assumed in this Budget Resolution. All bills making appropriations for the Fiscal Year beginning Oct. 1, 1979, not enrolled as of the date of enactment of this resolution shall not be enrolled until:

"(a) all regular FY 1980 appropriations bills are ready for enrollment;

"(b) The Committee on the Budget has reported to the Senate an estimate of the budget authority and outlays attributable to each FY 1980 appropriations bill which has been enacted or which is awaiting enrollment;

"(c) The Committee on the Budget has reported to the Senate a detailed estimate of the foreseeable supplemental requirements for appropriations and permanent appropriations for Fiscal Year 1980.

"If the Budget Committee report under this Section indicates that the foreseeable total of all bills within the Appropriations Committee's jurisdiction for FY 1980 will exceed the totals provided by the section for all such bills, then it shall not be in order for the Congress to consider a motion for sine die adjournment for the First Session of the 96th Congress until the Committee on Appropriations of each House has reported a bill or resolution rescinding or reconciling FY 1980 appropriations provided in already enacted bills or in bills awaiting

enrollment, and Congress has completed action on such bills or resolutions."

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum. I ask that the time be charged to the proponents of the amendment.

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

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

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

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

Mr. BELLMON. Mr. President, I am pleased to join the distinguished Senator from New Mexico (Mr. DOMENICI) in sponsoring the amendment now before the Senate. Before I talk about the amendment, I want to commend my good friend (Mr. MUSKIE) for the stand he has taken on the reconciliation provisions included in this budget resolution. I am sure that without his leadership, reconciliation would have been dead, if not forgotten, by now. So I hope our fine chairman will understand the concerns which lead me and a number of my colleagues to propose an amendment to the compromise Senator MUSKIE has developed.

The concern which prompts my amendment relates to only one part of Senator MUSKIE's compromise. The difficulty some of us have is with the fact that there would be no final determination until sometime next year of whether enacted appropriations would have to be rescinded to avoid breaching the appropriations committee's allocation. It appears that it will be the spring supplemental bill, rather than any of the regular bills, which would cause the appropriations committee to exceed its allocation. By that time, many of the possibilities for rescinding appropriations will be gone. Many contracts will have been awarded, many grants will have been processed, and lots of benefits will have been paid out, so that there will be a much smaller range of opportunities for achieving savings.

This amendment would remedy this problem by moving the time of reckoning to the remaining weeks of this session. Let me explain briefly how action on appropriations bills would proceed if my amendment is adopted:

First, the amendment would specify the same budget authority and outlay allocations for the Appropriations Committee as are specified in Senator MUSKIE's amendment;

Second, my amendment proposes that all appropriations bills not enacted or enrolled by the date the second budget resolution is adopted shall not be enrolled, but rather held until all of the regular appropriations bills are ready for enrollment. This will preserve maximum flexibility for Congress to reduce spending under appropriations bills that have not yet become law.

Let me comment at this point that I think it would be much better if we held up enrollment of all appropriations bills as of today, instead of after Congress takes final action on the budget resolution. To this end, if this amendment is approved, I shall offer a separate resolution, after we complete action on the budget resolution, directing that Senate enrollment of appropriations bills be suspended immediately, thus preserving maximum flexibility to take money out of the full array of appropriations bills, and not next spring, when we shall have this supplemental before us.

Third, under my amendment the Budget Committee will be required to submit a special report to the Senate as soon as all 13 regular appropriations bills are ready for enrollment. This report will inform the Senate of the latest Congressional Budget Office estimates of budget authority and outlays under each fiscal year 1980 appropriations bill, whether enacted or ready for enrollment. This special report to the Senate will also provide CBO's estimates of the costs of all foreseeable supplemental appropriations requirements;

Fourth, if the information reported to the Senate indicates that the spending under all foreseeable appropriations bills will exceed the total sums allocated to the Appropriations Committee, the Appropriations Committee will then be required to report a bill or resolution, as appropriate, rescinding or reconciling appropriations provided for in enacted bills or bills ready for enrollment.

Finally, this amendment will make out of order a motion to adjourn, until the Congress has acted on the bill or resolution reported by the Appropriations Committee to bring spending into conformity with the second budget resolution.

Mr. President, I believe the procedure I have outlined, and which this amendment would establish, is superior to the procedure that we shall have otherwise. I urge the Senate's approval of my amendment.

UP AMENDMENT NO. 559

(Purpose: Technical amendment to clarify reconciliation instruction to Governmental Affairs Committee)

Mr. MUSKIE. Mr. President, I ask unanimous consent that consideration of the pending amendment be set aside for 2 minutes so that we may take up a technical amendment which has been cleared on both sides.

The PRESIDING OFFICER (Mr. PRYOR). Is there objection? Without objection, it is so ordered.

Mr. DOMENICI. Will the Senator charge that to his time on the amendment?

Mr. MUSKIE. Yes, I am glad to charge it to my time.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Maine (Mr. MUSKIE) proposes an unprinted amendment numbered 559.

Mr. MUSKIE. 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 4, line 7, insert the following: after the word "Operations": "and the House Committee on Post Office and Civil Service"

On page 4, line 15, between the words "the" and "jurisdictions" insert the word "legislative"

On page 4, line 15, between the words "committees" and "sufficient" insert the words: "which would require reductions in spending or appropriations and which are"

Mr. MUSKIE. Mr. President, this is a technical amendment to the instruction to the Governmental Affairs Committee. This amendment is necessary to clarify the jurisdiction of that committee and the corresponding House committees, of which there are two, over the savings intended by the resolution.

It has been cleared with Senators RIBICOFF and PERCY of Governmental Affairs, and Senator BELLMON and I see objection to it.

It is a clarification. It does not change the substantive objective of the reconciliation instruction.

I support it and ask for its enactment.

Mr. STEVENS. Mr. President, I want to voice my appreciation to the Budget Committee for being understanding to our plight in the Governmental Affairs Committee. Despite the wide latitude of legislative jurisdiction held by the Governmental Affairs Committee, remarkably, we only hold direct budgetary control over the sizable program—that is, civil service retirement. Hence, reconciliation instructions to the Governmental Affairs Committee that require cuts in outlays automatically force changes in the civil service retirement program. Now, while I support the Budget Committee's use of the reconciliation process to restrain Government spending, I oppose any intrusions by the budget process into specific policy areas. Therefore, I appreciate their willingness to make a technical amendment to the Governmental Affairs Committee reconciliation instruction which authorizes us to find comparable cuts in other legislative areas under our jurisdiction.

I do, however, continue to oppose their assumption of savings with regard to the civil service retirement program. In both the first and now the second budget resolutions, $100 million was cut from the income security function of the budget. The Budget Committee specifically recommended that the savings be realized by changing the twice a year cost-of-living adjustments for Federal annuities to a once a year adjustment. I strongly oppose any such effort.

In 1976, the so-called 1 percent kicker was eliminated from Federal annuities over my objections and a few other Members' objections. To compensate for that significant loss of income, the twice a year cost-of-living adjustment arrangement was to be a substitute. The Budget Committee's recommendations, if adopted, would breach the good faith compromise made in 1976.

In addition, following the first budget resolution this year, we held oversight hearings on the retirement system to: First, calculate the effect of changing from twice a year to once a year adjustments; and, second, determine areas where cost savings could be achieved to the overall benefit of the retirement system. We learned a number of things. For example: First, the average Federal annuity is $654 per month. Second, 123,000 of the retirees only receive an average of

$223 per month or approximately $2,500 per year. Third, changing the semiannual cost-of-living adjustment to an annual adjustment would cost individual retirees approximately $250 per year in the first year. Fourth, the period of lag between price increases and annuity adjustments would increase from 3 to 9 months to as much as 15 months.

Retirees, as well as those tied to fixed incomes, are the ones least able to cope with inflation. In many cases, reducing the cost of living adjustment to once a year would harm retired Federal employees, who, though they worked for the Government for many years, retired long ago on low wages. They simply could not take such a pay cut.

Mr. President, I again thank the Budget Committee for its willingness to compromise with us. However, I urge that committee to make sure that its specific recommendations do not transpose into binding policy changes.

Mr. BELLMON. Mr. President, there is no objection on this side. We are happy to support it.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. MUSKIE. I yield back my time.

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

The amendment (UP No. 559) was agreed to.

AMENDMENT NO. 437

Mr. MUSKIE. Mr. President, I reserve the remainder of my time on the Domenici amendment.

Mr. DOMENICI. Mr. President, I yield myself 5 minutes at this point.

Mr. President, I commend the distinguished chairman (Mr. MUSKIE) not only for his leadership in bringing out a true reconciliation proposal under the resolution reported by the Senate Budget Committee, but also for his valiant efforts to preserve most of that in his amendment, which he offered as a Senator here on the floor of the Senate, because, indeed, it is fair to say that most of the reconciliation is preserved.

As my good friend from Oklahoma indicated in his remarks, we in no way want to change the numbers or the substantive impact of the Muskie amendment. We think that is a tremendous precedent for the U.S. Senate to establish.

But, rather, the amendment that we offer, that the distinguished Senator from Oklahoma and I, and others, offer, is our effort to see to it that, to the maximum extent possible, this institution and the Congress end up living by the marks set in the Muskie amendment.

We have now developed a history of not passing the appropriation bills by the time the second concurrent resolution comes to the floor. That is No. 1.

Second, we have developed a history of taking up supplemental appropriations well into the fiscal year.

I, personally, think it would be an excellent approach for the U.S. Senate to help our Appropriations Committee rid themselves of that approach to budgeting. Most of that is not their fault. They are tied up, almost tied in knots, with authorizing legislation being introduced on appropriation bills and then taking weeks in conference. For instance, the HEW appropriation is tied up because of an abortion issue, not because of dollar figures.

We never seem to be able to end up knowing all the money we want to spend, so they are forced to bring up supplementals well into the year.

What we say is that the chance of the Muskie amendment ending up with the cuts proposed as prescribed to the Appropriations Committee are minimal because of the very late time that the appropriation bills will get in, and even next year on supplementals, which means two things.

First, the chance of rescission is minimal because it will be late in the year. There will not be the unified opportunity to vote on a whole, but rather, we will cut and chop the Senate into pieces on appropriations issues, rather than a budget issue.

So we say three things in this amendment. We accept the Muskie amendment to the Budget Committee reconciliation, but we say that all appropriation bills will be held at the desk and not finalized until they are all here. That is No. 1.

Second, the U.S. Senate will not adjourn until that has happened and until an estimate of the supplementals is presented to the Senate, and if at that point the reconciliation is breached, a proposal must be submitted to the Senate, before it adjourns, to reconcile.

In simple language, that is what this four- or five-paragraph amendment does.

I would say that this is not unique. This is not unheard of. In fact, the Budget Act itself prescribes it. Because those drawing the Budget Act knew that the Senate and the House had a history of stretching out appropriation bills into the following year and well beyond the deadline set in the act, there is a provision that in the first concurrent resolution the Budget Committee could recommend that no appropriation bills leave the Senate until they are all there and that they all will be there before the second concurrent resolution is considered.

That is actually found in the Budget Act. We have never done that. I am not suggesting that we can do that now, because, obviously, we are well into the second concurrent resolution.

But the point I am making is that those who spent so many months, in fact I think it spanned years bringing a Budget Reform Act together, clearly understood that we could make the second concurrent resolution meaningless by bringing up supplementals and appropriations well after it is passed and then say, "What are we going to do about it? We breached it. Now, do you want to cut these wonderful bills?"

The last ones we pass are generally military.

What those framers of the Reform Act were saying is, "If you don't shape up and do it differently, then the Budget Committee perhaps ought to recommend in the first concurrent resolution that no appropriation bills become law until they are all out, all held at the desk, added up, to see where they fit in terms of the budget."

We did not do this because historically that has never been done.

I submit, if we keep on with supplementals well into the year, appropriations well beyond the time of the second concurrent, we will give the Senate a chance next year in the first concurrent resolution to vote on whether they want to hold all the appropriations until we have them all there and added, and measured against the resolution and its targets.

We did not do it, but we are doing the best we can.

So I want to repeat, we are giving the U.S. Senate here today a couple of rare opportunities, as I see it. One, stay with Senator MUSKIE's proposal for forcing cuts of about $3.6 billion in those areas where the Appropriations Committee has jurisdiction. It amounts to $2.5 billion. Force that. That is No. 1. Stay with that.

Second, send a message, not only to the Appropriations Committee, because it is not their fault, but to the institution, that we are going to have the appropriations finished and make some sense and order out of the budget process by holding all appropriations measures at the desk until they are added up and reconciled before we adjourn and go home at the end of this calendar year and this Congress.

That is the amendment.

Let me say this. Senator BELLMON made a very good point that everyone ought to understand. He made it very quickly. He understood what he was saying. I want to repeat it.

This amendment is part of the second concurrent resolution and thus it may be 2 or 3 weeks before we get through conference with the House.

In the meantime, we have only two appropriations bills that are out and not yet signed by the President, but five or six more could be out.

He said we are going to offer a Senate resolution—not a budget resolution but merely a Senate resolution—immediately after this, if this passes, saying that it is the sense of the Senate that the appropriations bills will be held at the desk until they are all there for purposes of reconciling as provided in this amendment. Otherwise, this will be part of the budget resolution and will not be operative until it comes back out of conference. But the resolution would bind the Senate to hold them at the desk until they are all there, thus measuring them against the targets or marks that we will agree upon under the Muskie amendment, which I am sure the Senate is going to adopt.

I urge that we adopt this amendment to it. It really will make it meaningful and add a significant timetable to the Senate, so that we can have some budgetary discipline as prescribed by reconciliation.

Mr. President, how much time do we have remaining on the amendment?

The PRESIDING OFFICER. The Senator has 9 minutes remaining, and the proponents have 9 minutes.

Mr. DOMENICI. How could that be? We had 45 minutes, equally divided, and we have used only a total of 20.

The PRESIDING OFFICER. The opponents have 25½ minutes remaining.

Mr. DOMENICI. And how much do we have?

The PRESIDING OFFICER. Nine minutes.

Mr. DOMENICI. I yield at this point, and I reserve the remainder of my time.

Mr. MUSKIE. Mr. President, I yield 3 minutes to the distinguished Senator from North Dakota.

Mr. YOUNG. Mr. President, I commend the Budget Committee for being instrumental in holding down appropriations. The amount would be several billion dollars higher than it is now, if it had not been for their efforts. However, I do not agree with all their conclusions or their methods of procedure.

Mr. President, the Bellmon-Domenici amendment would modify the Muskie compromise amendment that pertains to the Appropriations Committee.

This amendment would prohibit enrollment of fiscal year 1980 appropriations bills that have not been enacted until certain conditions are met. The conditions required under this amendment are as follows:

First. All remaining appropriations bills would be reported by the committee and ready for enrollment. This, in effect, would cause the committee to complete action on the remaining six appropriations bills and then hold them pending action by the Budget Committee;

Second. The Budget Committee would then estimate the budget authority and outlays attributable to each of the appropriations bills which has been previously enacted or which is awaiting enrollment; and

Third. The Committee on the Budget would also provide the Senate with a detailed estimate of the foreseeable supplemental requirements including permanent appropriations.

After the above conditions have been met, if the total of all of the appropriations bills exceeds the total ceilings allocated in the second concurrent resolution, the Congress would be restricted from sine die adjournment until the Committee on Appropriations of each House has rescinded or reconciled appropriations provided in the already enacted bills or the bills awaiting enrollment. Further, the Congress would have to complete action on such bills before it adjourns.

If a difference exists when all the bills are ready to be passed between the estimates of the Appropriations Committee and the Budget Committee as to the money which should be spent, we would be in a pretty mixed-up mess between the two Budget Committees of the House and Senate and two Appropriations Committees of the House and Senate trying to reconcile differences that might exist at that late date.

No one can foresee or even guess at this time what inflation will do to appropriations 3 months from now or 6 months from now.

One thing that bothers me is a great deficiency in the defense appropriation bill due to inflation. I understand that the Department of Defense has set over a request for $2.7 billion. All this has to do with inflation.

I will read a few of the items included in the request.

Fuel prices, operations, and maintenance, $888.5 million.

Currency exchange rates, operations, and maintenance, $470 million.

Supply costs, operations, and maintenance, $68 million.

Purchased utilities, operations, and maintenance, $113.3 million.

The value of our dollar is dropping every day and the price of gold is going up, so that the deficit figure is bound to increase.

Mr. President, I ask unanimous consent that the total list of items requested by Defense be printed in the RECORD.

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

The following list is a breakout of the Department of Defense FY 1980 budget amendment. The items below affect the operating accounts, as indicated and therefore no authorization is required. These amounts fund price increases which are designed to restore the 3% growth in outlays described in the January budget submission.

ITEM, FUNCTION, AND AMOUNT

[Dollars in millions]

Fuel prices, operations and maintenance, $888.5.

Currency exchange rates, operations and maintenance, $470.

Supply costs, operations and maintenance, $68.

Purchased utilities, operations and maintenance, $113.3.

Movement of household goods, military personnel, $175.

Recruiting costs, military personnel, operations and maintenance, $51.9.

Purchased services, operations and maintenance, $488.6.

Overseas station allowances, military personnel, $20.3.

Industrial fund purchases, operations and maintenance, $227.2.

Depot maintenance (contractual), operations and maintenance, $197.5.

Total increase over January fiscal year 1980 budget, $2,700.3.

Mr. YOUNG. Mr. President, if I knew that the Budget Committee would accept the pending budget amendment to include this $2.7 billion for the deficit in the defense budget, it would be easier to vote for this amendment. But I see no way in which the $2.7 billion could be absorbed within the existing totals without seriously injuring our national security. I understand the defense amendment will be coming up shortly.

I am concerned about the future of the Budget Committee and the future of the Appropriations Committee. If we continue our present trend, there will not be much need for the Appropriations Committee. We might have a few clerks here to divide the money previously allotted by the Budget Committee.

There must be a closer working relationship between the two. I think additional rules and procedures may be necessary.

For example, the Senate raised appropriations on the floor by about $860 million all together. We have no control over that. That is the will of the Senate. The Appropriations Committee can present these issues for another vote. The committee may be voted down again. So we are placed in the position of having to balance the budget without having the votes.

Half of our expenditures are by entitlements enacted by the legislative committees, over which the Appropriations Committee has no jurisdiction whatever.

Mr. President, I regret having to oppose this amendment.

Mr. President, I ask unanimous consent to have printed in the RECORD a list of the money items increased by the Senate over the appropriations money and the reductions, a total increase of about $860 million.

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

SENATE FLOOR AMENDMENTS TO APPROPRIATIONS BILLS

AMENDMENTS ADDING FUNDS

[Dollars in millions]

Title, bill, and amount

Health planning, Labor-HEW, $200.

National Health Service Corps, Labor-HEW, $12.

Primary health care, Labor-HEW, $7.5.

Adult education for immigrants, Labor-HEW, $10.

Alcohol and drug abuse education, Labor-HEW, $3.

Title VI—Older American Indians, Labor-HEW, $12.

Community Services Administration local initiative, Labor-HEW, $12.

Population education, Labor-HEW, $2.

Community Services Administration, Inspector General, Labor-HEW, $0.4.

Revenue sharing, State share, HUD, $684.

Elderly and handicapped housing, HUD, $30.

Veterans medical care, HUD, $30.

Soil Conservation Service, Agriculture, $17.9.

Human nutrition research (Letterman Army Institute of Research), Agriculture, $1.8.

Hart Building, Energy and Water, $57.

Federal Communications Commission, State-Justice, $0.4.

Census promotion plan, State-Justice, $1.

AMENDMENTS REDUCING FUNDS

[Dollars in millions]

Title, bill, and amount

Special home ownership assistance program, Agriculture, $200.

Yatesville Lake, Kentucky (water project), Energy and Water, $4.

Bayou Bodcau, Louisiana (water project), Energy and Water, $2.

Department of Energy operating expenses, Energy and Water, $6.

Mr. MUSKIE. Mr. President, I yield to the distinguished Senator from Washington (Mr. MAGNUSON), the chairman of the Appropriations Committee.

Mr. MAGNUSON. Mr. President, I, of course, am opposed to this particular amendment.

In the first place, it was an unprinted amendment and we did not even see a copy until this morning.

In the second place, it never has been discussed by the Budget Committee.

In the third place, it seems to be an end run to diminish the authority of the Appropriations Committee to make the cuts within the ceiling.

It would force an appropriations rescission based on the Budget Committee's assumptions and would force immediate rescission of discretionary programs in order to pay for the estimated mandatory supplementals that might come up next spring. It would hold the Appropri-

ations Committee responsible, even if the authorizing committees failed to make the cuts required of them.

I wish the Senator from New Mexico had brought this up in the Budget Committee for discussion. It is an unwritten amendment. I just received it this morning and took a look at it. It is hard to understand exactly what the Senator is driving at and how it could work.

The Senator from Oklahoma and I—and all of us in the Appropriations Committee—are holding down Federal expenditures. We have a ceiling and we are well below it. The compromise suggested by the Senator from Maine allows the Appropriations Committee to come within that ceiling, and we are going to try to do just that. I believe we will do it, on the 13 regular appropriation bills.

As the Senator from North Dakota said, only about 30 percent of the total budget—25 percent would be a better figure—are actually controllable in the normal way by the Congress. The remainder are uncontrollables. How do we know what the uncontrollables are going to be, the entitlements?

Let us take unemployment insurance, for example. If unemployment goes up, that is not putting a nickle into the Treasury. It will cut revenues and take out additional funds to cover those benefits.

Entitlement programs, like unemployment, pensions, disability, and others make up about 55 percent of the total budget outlays in fiscal 1980.

Apparently entitlement programs are going to go up, and the Budget Committee has to realize that and probably have another meeting on the uncontrollables to determine whether or not you should increase the ceiling a certain amount, not a large amount, but just to take care of the uncontrollables.

And how do we know? Let me get the attention of the Senator from New Mexico. How do we know what the assumptions are going to be in 3 months or 6 months? We have a rough idea and we consider them in both appropriations and the Budget Committee, but to nail us down on this is very unfair to the Appropriations Committee when we are trying to do the best we can.

I must oppose the amendment because it requires the Budget Committee and the entire Congress to engage in far too much guesswork. The amendment requires the Budget Committee to give the Senate, "A detailed estimate of the foreseeable supplemental requirements" for the entire fiscal year.

How does the Senator from New Mexico know what those requirements are going to be? Has he any idea?

I am asking the Senator from New Mexico. Has he any idea what they are going to be?

Mr. DOMENICI. Mr. President, let me respond in this manner.

Mr. MAGNUSON. Let me ask. Why did he not bring this amendment up in the Budget Committee?

Mr. DOMENICI. Mr. President, let me put it this way.

Mr. MAGNUSON. Why does he bring it up as an unprinted amendment which, as the Senator from North Dakota said, fouls up a decent relationship that we have now tried to achieve between the Appropriations Committee and the Budget Committee? Why does he do this? Does he do it for publicity sake or for what?

Mr. DOMENICI. Wait. Let me say this is not my amendment. This is an amendment of a number of Senators.

Mr. MAGNUSON. If it is a number, why did they not bring it up in the Budget Committee?

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

Mr. DOMENICI. Wait a minute. I will respond.

Senator BELLMON is part of the amendment.

The Senator from Washington might say I offer things for publicity, but I do not think I do. I do not think Senator BELLMON does. Let me tell the Senator that Senator MUSKIE's amendment was not presented to the Budget Committee either. It was an effort to change so that certain Senators could support the Budget Committee's approach, and I laud him for it. But I believe since he offered an amendment that drastically changed the mandatory aspects of the reconciliation, not the dollar figures, then we say, Good, Senator MUSKIE; that is what we want you to do, but we just want to make sure that your amendment is carried out."

We could not have offered it in the Budget Committee because we had a tougher amendment in the Budget Committee. The budget reconciliation was tougher than the Bellmon-Domenici amendment.

Mr. MAGNUSON. There are cosponsors to the Muskie compromise and Senator BELLMON is one.

Mr. DOMENICI. It is not inconsistent with it. It is just making sure that it will be carried out.

Mr. MAGNUSON. Why spoil this relationship that we are now getting with the Appropriations Committee and the Budget Committee? Why? Why nail us down on supplementals and future assumptions that none of us can predict with accuracy?

Mr. DOMENICI. Mr. President, I just want to——

Mr. MAGNUSON. Another thing. The amendment says that all appropriations bills shall lie at the desk. Is that correct?

Mr. DOMENICI. That is correct.

Mr. MAGNUSON. Yes. All right. Why are some of the appropriations bills now being held up? It is because of legislation on appropriations bills which the Senator from New Mexico has voted for.

Mr. DOMENICI. All Senators have voted for it. They have to vote. We bring them to the floor.

Mr. MAGNUSON. I say all Senators. I have deplored that idea.

Mr. DOMENICI. I do not want to be absent if I am here.

Mr. MAGNUSON. For instance, we have Labor-HEW. We are all finished with the money items, and we are going to be well under the President's budget except for the abortion issue—everything else, and the House of Representatives is lagging. The Defense appropriations they have not even authorized yet. We are about to finish Interior, I think, this week, and we have Foreign Operations and Transportation. Those are the big ones remaining.

Mrs. KASSEBAUM. Mr. President, will the Senator yield?

Mr. DOMENICI. The Senator wishes time on our side?

Mrs. KASSEBAUM. Yes.

Mr. DOMENICI. I am pleased to yield.

The PRESIDING OFFICER. The Senator from Washington has the floor.

Mr. DOMENICI. The Senator has the floor.

Mr. MAGNUSON. I expect we will complete all 13 bills in the next 30 to 60 days. It may be that the abortion issue might hold up HEW. And the House of Representatives is voting on the continuing resolution tomorrow which we are going to meet on Thursday and try to approve it. On all the appropriations bills the amendment will require the Budget Committee to predict future events over a 10- to 11-month period. How are you going to do that? Unemployment is one thing. And we only have about 25 percent as controllable and much of that is in the field of human needs, which involves the most sensitive arguments about priorities that go on around here.

I do not understand why the Senator from New Mexico brings up this last-minute amendment, and at the proper time I am going to move to table it.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, might I ask the distinguished Senator from Maine if he could assist me with some time problems that I have? Time got away from us, and I have some Senators who wish a couple minutes. I wonder if we might agree to vote at 10 instead of a quarter of?

Mr. MUSKIE. The Senator means 11?

Mr. DOMENICI. Eleven. Excuse me. And split the 15 minutes equally.

Mr. MUSKIE. I have no objection to that. I know there are other Senators who wish to speak. I do not need much time myself, but I want to be sure Senator MAGNUSON and Senator YOUNG have adequate time, and I wish about a minute to explain my reaction.

Mr. President, I ask unanimous consent that the time for voting be advanced by 15 minutes so that the vote on the Domenici amendment will occur at 11 o'clock and the vote on the Muskie amendment at 11:15 a.m., with the time from now until 11 a.m., equally divided.

The PRESIDING OFFICER. Is there objection?

Mr. BELLMON. Mr. President, reserving the right to object, I am told that we have a Member on this side who cannot agree to this extension of time.

Mr. MUSKIE. Then, Mr. President, lest we use up what time remains in arguing about an extension of time, I am willing to yield whatever time remains to me except 1 minute, if Senator MAGNUSON has no objection, to the other side.

Mr. MAGNUSON. I merely wish to say I understand a motion to table is not in order because we have to vote it up or down.

Mr. DOMENICI. Mr. President, I thank the chairman for accommodating the time.

Mr. MUSKIE. Mr. President, I yield all but 1 minute of my time to the pro-

ponents, and I reserve that minute for the close of the debate.

Mr. DOMENICI. Mr. President, I shall take 1 minute and yield the remaining time to three Senators who need part of the time.

I say to my good friend, Senator MAGNUSON, I truly regret that he has indicated that perhaps I am doing this for publicity's sake. I wish to say to him that this is about as tough an amendment as I have offered and it is about as tough for anyone to understand as any that I have offered, and I truly did not intend it to do anything but permit the Appropriations Committee to do what it has been saying it wants to do, and that is live within the budget.

I am trying to come up with an approach that will make it easier for them to do it rather than more difficult.

The Senator has told the Senator from Maine he wants to live within this reconciliation, and my amendment and the intention of the Senator from Oklahoma in offering it was merely to say, "If you are going to, then let us make it certain that you can, not that we doubt you, but that you can and that you will not be led off into delays that make it difficult for you." That is why we offer it.

Mr. MAGNUSON. The Senator from New Mexico should leave that up to the discretion of the Appropriations Committee rather than to come in and tell us what to do.

Mr. DOMENICI. I respect the Senator's judgment but I have to disagree.

I yield 1 minute to the Senator from Kansas.

Mrs. KASSEBAUM. Mr. President, as a member of the Budget Committee I wish to address the fact that we did in the Budget Committee vote for reconciliation, and the attempt to put some meaning and teeth into that process is not designed as an end run because I certainly believe we are all concerned with the desire of the distinguished chairman of the Appropriations Committee and the great obligation he has to come up at a certain time with the necessary appropriations. It is not an easy task and we all agree with that.

But the mood of the country at this point is one of asking us and urging us to address fiscal responsibility, and it is through this attempt, I think, that we feel putting some heat on the reconciliation process is important to us as showing a sense of responsibility, and showing that the budget process here works.

The distinguished chairman of the Budget Committee, who has been the father of the budget process, has certainly tried very hard not only to lead us responsibly on the committee, but to come up with a compromise, and I respect him for that; but I thoroughly endorse this as an attempt to put some heat into the reconciliation process.

Recognizing the responsibility of the Appropriations Committee, I think all of us should show some responsibility here on the floor in doing what we can to sustain both the budget and the appropriations process.

Mr. DOMENICI. Mr. President, I yield 2 minutes to the Senator from Colorado.

Mr. ARMSTRONG. I appreciate the Senator's yielding me time.

Mr. President, I would urge that the Senate consider the pending amendment in the context of the original Budget Control Act of 1974. During the years preceding the enactment of the Budget Act, it was the custom to simply appropriate with no overall plan. Increasingly, as the subcommittees of the Senate and House Appropriations Committees brought larger and larger bills to the floor, spending got farther and farther out of control. Eventually, about 15 or 20 years ago, an unwritten provision of our national constitution somehow got repealed, and we began to enact deficits year after year after year.

As a reaction to that, about 5 years ago, Congress decided we had to have some way of drawing together, with accountability, the issue of how much we should spend, what level of revenues we should appropriate, should we have a deficit, and if so, how big should it be. The Budget Act sought to accomplish that.

The amendment offered by Senator MUSKIE seriously undermines that process, because it permits the members to vote for the budget itself, and then slip off the tough decision of the rescission, which is postponed for at least several weeks and possibly for several months.

The efforts by Senators DOMENICI and BELLMON in the amendment which is pending is, again, simply to draw all the decisions together, so that at one time and one place there will be a single vote on the questions of how much we should spend, how does it compare with revenues, should there be a deficit, and how much.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from New Mexico has 1 minute remaining.

Mr. DOMENICI. I yield that 1 minute to the Senator from Utah.

I wonder if we might try to strike a balance here to get a little additional time. I know of one Senator who wants to catch both votes. Could we start the vote at 10 of?

Mr. MUSKIE. I have no objection.

Mr. DOMENICI. I ask unanimous consent that the rollcall begin at 10:50.

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

Mr. DOMENICI. I yield 1 minute to the Senator from Utah.

Mr. HATCH. Mr. President, I support the Domenici amendment to the Muskie "compromise" to the reconciliation language in the budget resolution. I believe that the Muskie language is no compromise at all concerning the Appropriations Committee. If the Senate does not require reconciliation of the overspending by the Appropriations Committee this fall, the Appropriations Committee will effectively be "off the hook" of controlling its spending levels. The Domenici amendment corrects that flaw by prohibiting enrollment of the remaining 11 appropriations bills this fall until the second concurrent resolution has been passed, requires reconciliation or rescission of these appropriations bills to fit within the ceilings of the budget resolution, with sufficient room left for the supplemental, before the beginning of November, and prevents the Congress from adjourning sine die until this reconciliation or rescission is finalized.

This provision is very similar to one I offered to the first concurrent resolution in the spring. At that time, I proposed that all appropriations bills be held at the desk and not enrolled until passage of the second concurrent resolution and any necessary reconciliation. I argued that this provision would give the Congress the flexibility to reduce spending in the second resolution if economic circumstance so warranted. As it turned out, the Budget Committee needs this flexibility to merely hold down the size of the spending increase over the first resolution to $10.7 billion.

When I offered this amendment to the first resolution, I was vehemently opposed by the distinguished chairman of the Appropriations and Budget Committees. The distinguished Chairman of the Budget Committee made the following argument:

> There is no justification in our experience since the Budget Act was created to trigger this procedure. . . . This provision was put in the Budget Act as a fail-safe device in the event the system envisioned by the Budget Act did not work. In other words in the event Congress ran wild with appropriations bills and spending bills between the first and second budget resolutions, the Budget Committee could recommend that this procedure be followed in order to have a handle on the budget process before it was finished.
>
> But we have had the reverse experience with the appropriations bills. . . . The Appropriations Committee could not have been more responsible.

Mr. President, that is the reason we asked for this then, and that is the reason we ask for it now, because what we predicted then has occurred now.

All I can say to my good friend from Maine is that there is a first time for everything. This year the Appropriations Committee has not acted so responsibly and has exceeded its targets in the first resolution. I can envision only two outcomes from letting the Appropriations Committee off the hook until the spring supplemental in controlling its spending.

The first possibility is that, next spring, when the supplemental appropriations bill might send spending above its ceiling, the Congress would merely "revise" the fiscal year 1980 spending levels to accommodate the increased spending. At this time, as with the revisions of the fiscal year 1979 spending levels earlier this year, everyone will be focusing on the next fiscal year's budget and will not pay much attention to the increase in spending in the revisions.

The second possibility may be the more likely. Because of the nature of other types of spending, the rescissions would most likely be directed at defense spending. Since we would be 6 to 8 months into the fiscal year at the time of the supplemental when the rescissions would have to be reported, I believe the Congress would hesitate to cut categorical grants to the States, or revenue sharing, or other types of programs where the spending levels would have already been figured into State and local government budgets. And since a very large portion of spending, which is considered to be "controllable" is found in the defense

budget, it would become a prime target for rescissions, even if it had remained within the functional total allowed it in the budget resolution.

Mr. President, I think either of these possible outcomes of allowing the Appropriations Committee to delay until spring in dealing with its overspending is undesirable, and I believe that any of my colleagues who truly believe in fiscal control or in the need to increase our commitment to the defense budget will agree with me. The Domenici amendment is the solution to this problem because it makes the Appropriations Committee deal with the issue of its overspending before the end of this session of Congress. I urge my colleagues to vote for it.

Mr. DOMENICI. Mr. President, how much time do we have remaining? The Senator from Maine has the last minute.

The PRESIDING OFFICER. The Senator from New Mexico has 1 minute and 34 seconds remaining. The Senator from Maine has 3 more minutes.

Mr. MUSKIE. I am happy to yield all but 1 minute. I hope I am not squeezed out of that minute; I would like to say something on this matter.

Mr. DOMENICI. I yield 1 minute to the Senator from Minnesota.

Mr. BOSCHWITZ. Mr. President, I will only take a minute, and not squeeze the time too much.

I support the Bellmon-Domenici amendment, and I am a cosponsor of it. I really believe in the budget process, and have become even more a believer as a member of the Budget Committee. I agreed with the first concurrent budget resolution; I voted for it in the committee and on the floor. I disagreed with the second budget resolution, because the spending increases were not 7.6 percent over last year as provided in the first concurrent budget resolution, but instead are now 10 percent. I think that is too rapid growth.

I also believe in the reconciliation process. If the Budget Committee is to be in any way effective, we have to have a reconciliation process. I simply do not believe one can rescind funds after the money is appropriated and spent, and certainly not 6 or 7 months down the line.

I am sorry to disagree with the chairman of the Appropriations Committee. Rescinding funds after they are appropriated is somewhat like going through a divorce. Breaking off an engagement at this earlier stage, before the money is obligated, is much easier to do now rather than 6 months down the line.

I support the position of my fellow Republicans, and yield back the remainder of my time.

Mr. DOMENICI. Mr. President, I yield a minute to the Senator from North Dakota.

Mr. YOUNG. Mr. President, I am troubled with how you reach a final figure of a balanced budget the last day of the session. I pointed out a little while ago that Senators themselves on the floor of the Senate raised the Appropriations Committee figures by an amount of $860 million. Many of the same Senators who voted for this balanced budget in 1980 yesterday may vote again to increase the figure by that amount. Will they change their votes and vote for a balanced budget then? The Appropriations Committee may well seek to bring back that $860 million that was increased, and see how they vote then.

I think it is much better to try to reach a reconciliation this way, rather than at the end of the session.

Mr. DOMENICI. Mr. President, drastic measures are needed. We have a situation in our country which demands more fiscal control. I regret that the only way to do it is to change some traditions and habits, even if people feel uncomfortable with the changes.

It is in that context that I offer my amendment, to make sure that the Muskie reconciliation becomes the level of expenditures. I believe that otherwise it is apt not to. I regret if it causes some anguish. If it makes it necessary for some people to change the way they do things, I am sorry for that.

Mr. MUSKIE. Mr. President, I rise to oppose the amendment. I would like to take a moment or two to say why.

First, I would like to express appreciation to our Republican colleagues for their support of the Muskie amendment. I explained to them its contents and the reasons for the compromise. They understood my explanation, but they wanted to press this amendment, which is, of course, their prerogative.

The procedures they seek to use are recognized in the Budget Act, though we have never had occasion to use them before. I am reluctant to use them now, because the budget process is not just the Budget Committee. The budget process is the Budget Committee, the Appropriations Committee, every authorizing committee, the Senate as a whole, and the Congress as a whole.

Mr. President, it is a very sensitive relationship which we face between the Budget Committee, the Appropriations Committee, other Senate committees, and the Congress as a whole. There is a strong tendency to look upon the Budget Committee as a new intruder that seeks power for its own sake, that is insensitive to the powers and responsibilities of other committees. That tendency is very strong, and we have seen that over the years. So we must be involved in a constant effort to accommodate the responsibilities of the Budget Committee and the responsibilities of the other committees. That will require great sensitivity on all sides.

With respect to the Muskie amendment, this was worked out after 2 or 3 days of very difficult negotiations and talks. It imposes a heavy responsibility on the Appropriations Committee as well as the authorizing committees.

Senator MAGNUSON, as chairman of the Committee on Appropriations, has given us his commitment that he will do his best, that the Appropriations Committee will do its best, to live within the constraints of this second budget resolution. I am willing to accept that commitment and to rest on it.

In saying that, I do not question the motivations of the sponsors of the Bellmon-Domenici amendment whatsoever. I appreciate the basic support that they have given to the Muskie amendment. But, Mr. President, I shall vote against the pending amendment.

● Mr. WILLIAMS. Mr. President, I object vigorously to the amendment before us today which makes several radical changes in the budget process. The amendment will delay enrollment of any appropriations bill until all of the 13 regular appropriations bills have been passed and are ready for enrollment. This slowing of the appropriations action would unnecessarily delay Federal funding, resulting in needless hardships and untold inefficiencies should any bill be delayed beyond the beginning of the new fiscal year. While this provision of the amendment would seriously retard the pace of Senate action, the remaining provisions of the amendment would totally alter the sharing of fiscal responsibility between the Budget and Appropriations Committees, essentially setting the Budget Committee as the decision or policymaking body directing appropriations action. To direct the Appropriations Committee to rescind action which has been approved by the Congress in order to make room for "assumptions" made by the Budget Committee concerning possible later requirements would raise the "assumptions" of the Budget Committee to a level of priority which takes precedence over action duly approved by the House and Senate. This amendment destroys the balance between the Budget and Appropriations Committees, and I urge my colleagues to reject it.●

The PRESIDING OFFICER. The question is now on agreeing to the amendment offered by the Senator from New Mexico and others. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Iowa (Mr. CULVER), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

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

Mr. STEVENS. I announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that, if present and voting, the Senator from Vermont (Mr. STAFFORD) would vote "yea."

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

The result was announced—yeas 37, nays 59, as follows:

[Rollcall Vote No. 290 Leg.]

YEAS—37

Armstrong	Durenberger	Lugar
Baker	Garn	McClure
Bellmon	Goldwater	Packwood
Boren	Hatch	Percy
Boschwitz	Hatfield	Pressler
Byrd, Harry F., Jr.	Hayakawa	Roth
Chafee	Heflin	Simpson
Cochran	Heinz	Thurmond
Cohen	Helms	Tower
Danforth	Humphrey	Wallop
Dole	Jepsen	Warner
Domenici	Kassebaum	Zorinsky
	Lavalt	

NAYS—59

Baucus	Bradley	Chiles
Bayh	Burdick	Church
Bentsen	Byrd, Robert C.	Cranston
Biden	Cannon	DeConcini

Durkin	Long	Riegle
Eagleton	Magnuson	Sarbanes
Exon	Mathias	Sasser
Ford	Matsunaga	Schmitt
Glenn	McGovern	Schweiker
Gravel	Melcher	Stennis
Hart	Metzenbaum	Stevens
Hollings	Morgan	Stevenson
Huddleston	Moynihan	Stewart
Inouye	Muskie	Stone
Jackson	Nelson	Talmadge
Javits	Nunn	Tsongas
Johnston	Pell	Weicker
Kennedy	Proxmire	Williams
Leahy	Pryor	Young
Levin	Randolph	

NOT VOTING—4

Bumpers	Ribicoff	Stafford
Culver		

So the amendment (No. 437) was rejected.

Mr. MAGNUSON. Mr. President, I move to reconsider the vote by which the amendment was rejected.

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

The motion to lay on the table was agreed to.

AMENDMENT NO. 434

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on the amendment by the Senator from Maine (Mr. MUSKIE) and others. 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. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Iowa (Mr. CULVER), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

I further announce that, if present and voting, the Senator from Connecticut (Mr. RIBICOFF) would vote "yea."

Mr. STEVENS. I announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that, if present and voting, the Senator from Vermont (Mr. STAFFORD) would vote "yea."

The PRESIDING OFFICER (Mr. TSONGAS). Are there any Senators in the Chamber who have not voted and who wish to do so?

The result was announced—yeas 90, nays 6, as follows:

[Rollcall Vote No. 291 Leg.]

YEAS—90

Baker	Hart	Packwood
Baucus	Hatfield	Pell
Bayh	Hayakawa	Percy
Bellmon	Heflin	Pressler
Bentsen	Heinz	Proxmire
Biden	Helms	Pryor
Boren	Hollings	Randolph
Boschwitz	Huddleston	Riegle
Burdick	Inouye	Roth
Byrd,	Jackson	Sarbanes
Harry F., Jr.	Javits	Sasser
Byrd, Robert C.	Jepsen	Schmitt
Cannon	Johnston	Schweiker
Chafee	Kassebaum	Simpson
Chiles	Kennedy	Stennis
Church	Laxalt	Stevens
Cochran	Leahy	Stevenson
Cohen	Levin	Stewart
Cranston	Long	Stone
Danforth	Lugar	Talmadge
DeConcini	Magnuson	Thurmond
Dole	Mathias	Tower
Domenici	Matsunaga	Tsongas
Durenberger	McGovern	Wallop
Durkin	Melcher	Warner
Eagleton	Metzenbaum	Weicker
Exon	Morgan	Williams
Ford	Moynihan	Young
Glenn	Muskie	Zorinsky
Goldwater	Nelson	
Gravel	Nunn	

NAYS—6

Armstrong	Garn	Humphrey
Bradley	Hatch	McClure

NOT VOTING—4

Bumpers	Ribicoff	Stafford
Culver		

So Mr. MUSKIE's amendment (No. 434) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. TSONGAS). The Senator from South Carolina.

Mr. BIDEN. Mr. President, will the Senator from South Carolina yield?

Mr. HOLLINGS. Since I have only a small amount of time, I yield to the Senator from Delaware without it counting against my time, and without losing my right to the floor.

Mr. BIDEN. Mr. President, it is a distinct honor——

The PRESIDING OFFICER. The Senate will be in order. The Senator will suspend until order is restored.

The Senator from Delaware.

VISIT TO THE SENATE BY BRITISH MEMBERS OF THE BRITISH-AMERICAN PARLIAMENTARY GROUP

Mr. BIDEN. Mr. President, it is my distinct honor, in my capacity as chairman of the European Affairs Subcommittee, to introduce this morning a group of eminent parliamentarians from Great Britain, all of whom are here present in the Chamber this morning. I would like to take this opportunity to introduce them individually, and after that, I will ask unanimous consent for the Senate to stand in recess for 2 or 3 minutes in order for my colleagues to have an opportunity to say hello to our friends from Great Britain.

Mr. Edward DuCann, vice chairman of the British-American Parliamentary Group.

Mr. Winston Churchill, who was on the floor, but I believe is off with Senator HELMS at the moment.

Mr. Michael Jopling.

Mr. Geoffrey Smith.

Mr. Michael Mates.

Mr. Roger Moate.

All of these gentlemen are members of the Conservative Party in Great Britain, though we have them standing on the Democratic side of the Chamber. Hopefully some of its influence will rub off before they go home.

Representing the Labour Party, the vice chairman of the group, Mr. John Silkin.

Mr. Eric Deakins.

Mr. Walter Harrison.

Mr. David Lambie.

Mr. Alfred Morris.

All these gentlemen are members of the Labour Government.

I would like my colleagues to welcome our friends from Great Britain. [Applause, Senators rising.]

RECESS

Mr. BIDEN. Mr. President, I ask unanimous consent that the Senate stand in recess for 2 minutes.

There being no objection, the Senate at 11:40 a.m., recessed until 11:42 a.m., whereupon the Senate reassembled when called to order by the Presiding Officer.

ONE-MINUTE EXTENSION OF RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the recess be extended for 1 additional minute.

There being no objection, the Senate recessed for 1 additional minute; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. TSONGAS).

Mr. HOLLINGS. Mr. President, I ask unanimous consent that Mick Miller and Mike Copps be granted the privilege of the floor during debate on this measure.

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

Mr. STENNIS. Will the Senator yield to me?

Mr. HOLLINGS. I yield to the distinguished Senator from Mississippi.

SECOND CONCURRENT RESOLUTION ON THE BUDGET

The Senate continued with the consideration of the concurrent resolution.

Mr. STENNIS. Mr. President, as to the Hollings amendment, I ask for a division of that pending Hollings amendment to permit the Senate to work on the change——

The PRESIDING OFFICER. The Chair informs the Senator that the amendment has not been called up.

Mr. STENNIS. I beg the Chair's pardon.

Mr. HOLLINGS. Mr. President, I call up my amendment.

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

Mr. HOLLINGS. Yes, I yield.

Mr. NUNN. Mr. President, during the course of the debate on the defense amendments, I ask unanimous consent that Jeff Record and Arnold Punaro of my staff and George Travers of the Armed Services Committee staff be granted the privilege of the floor.

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

AMENDMENT NO. 435 (AS MODIFIED)

(Purpose: To increase defense spending to provide for 3 per centum real growth in outlays in fiscal year 1980 and 5 per centum real growth in budget authority in fiscal year 1981 and fiscal year 1983)

Mr. HOLLINGS. Mr. President, I call up my amendment No. 435 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS), for himself, Mr. PACKWOOD, Mr. NUNN, Mr. TOWER, Mr. JACKSON, Mr. HATCH, Mr. WARNER, Mr. THURMOND, Mr. ARMSTRONG, Mr. HEFLIN, Mr. HAYAKAWA, Mr. CANNON, and Mr. BOSCHWITZ, proposes an amendment numbered 436, as modified.

Mr. HOLLINGS. 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:

Page 1, line 8, strike "$383,600,000,000" and insert "$388,000,000,000".

Page 1, line 9, strike "$338,400,000,000" and insert "$341,600,000,000".

Page 5, line 25, strike "$632,200,000,000" and insert "$636,600,000,000".

Page 6, line 1, strike "$649,200,000,000" and insert "$661,700,000,000".

Page 6, line 2, strike "$722,600,000,000" and insert "744,000,000,000".

Page 6, line 5, strike "$543,100,000,000" and insert "$546,300,000,000".

Page 6, line 6, strike "$589,500,000,000" and insert "$596,800,000,000".

Page 6, line 7, strike "$634,700,000,000" and insert "$649,100,000,000".

Page 6, line 11, strike "—$28,400,000,000" and insert "—$31,600,000,000".

Page 6, line 12, strike "+$14,100,000,000" and insert "+$6,800,000,000".

Page 6, line 13, strike "+$23,700,000,000" and insert "+$9,300,000,000".

Page 6, line 16, strike "$887,500,000,000" and "$890,700,000,000".

Page 6, line 17, strike "$906,300,000,000" and insert "$916,800,000,000".

Page 6, line 18, strike "921,800,000,000" and insert "$946,700,000,000".

Page 6, line 21, strike "$57,500,000,000" and insert "$60,700,000,000".

Page 6, line 22, strike "$76,300,000,000" and insert "$86,800,000,000".

Page 6, line 23, strike "$91,800,000,000" and insert "$116,700,000,000".

Page 7, line 11, strike "$136,800,000,000" and insert "$141,200,000,000".

Page 7, line 12, strike "$127,400,000,000" and insert "$130,600,000,000".

Page 7, line 14, strike "$147,300,000,000" and insert "$159,800,000,000".

Page 7, line 15, strike "$138,300,000,000" and insert "$145,600,000,000".

Page 7, line 17, strike "$159,000,000,000" and insert "$180,400,000,000".

Page 7, line 18, strike "$148,900,000,000" and insert "$163,300,000,000".

Mr. STENNIS. Mr. President, will the Senator yield for the same purpose as previously?

Mr. HOLLINGS. Yes, I yield.

Mr. STENNIS. Mr. President, if it is in order, I ask for a division of the pending Hollings amendment to permit the Senate to vote first on the changes for fiscal year 1980, then on fiscal years 1981 and 1982.

The PRESIDING OFFICER. The amendment is so divided.

Mr. HOLLINGS. Mr. President, I am sorry our distinguished colleagues from the United Kingdom left. Had they stayed, they would have heard how we stand, against alliance and against the commitment made to NATO and against our own leadership which, incidentally, the United Kingdom now leads. I say the United Kingdom leads because, at this present minute, neither the President nor Congress has responded to our present Budget Committee figures. They only propose a .7 percent, not the 3 percent commitment made to NATO, but only a .7 percent commitment, with even greater fiscal and economic difficulties.

The PRESIDING OFFICER. If the Senator will suspend, the Senator deserves to be heard. If Senators wish to converse, they should retire to the cloakroom.

Mr. HOLLINGS. Mr. President, the United Kingdom, with all of its difficulties, envisions, this present fiscal year, a 3.3 percent increase in constant real growth, with an increase in productivity of at least 3 percent and, for next year, 3.2 percent real growth. Canada projects for next fiscal year 4.8 percent, rather than just the mere 3; France, 6.1 percent.

We had Germany at 3 percent, but only last week, Germany announced that that would be very difficult and presently projects 1.8 percent. So our leadership, barring the amendment and appropriate action by the Senate on this particular resolution, the Congress and the President itself, our leadership has been in the wrong direction and they are beginning to weaken. So it could not come in a more timely fashion.

Mr. President, I rise today not to play a numbers game with a budget, but to address a need. It is the need which goes to the first responsibility of a public servant—to provide for the safety of the people. I speak, of course, of national defense, and I do so at a time when those who wish us ill are moving ahead with their military buildup at full speed, while we languish in complacency and seemingly endless debate.

The amendment I offer today is simple. It is the product of several Senators' efforts to implement the stated policy of the administration—a policy whose enunciation has not been backed up by administration efforts to turn promise into practice. The policy to which our President committed, and to which we are attempting to give force, is the clear and unquestionable support for our NATO allies against the threat of Soviet aggression. Our amendment provides the 3 percent real growth in the fiscal year 1980 military budget mutually pledged by us and by our allies.

Some background on the 3-percent pledge is in order. The pledge itself was made in the NATO Defense Planning Committee's ministerial meeting on May 18, 1977. The NATO communique stipulated that the defense ministers agreed to a specific guidance "for the development of force proposals for the period 1979-84." This guidance, leading to the NATO long-term defense plan, stipulates that—

> An annual increase in real terms in defense budgets should be aimed at by all member countries. This annual increase should be in the region of 3 percent. . . .

The same paragraph of the guidance makes it clear that the growth is to be measured by "expenditures," by which is meant what we call "outlays." This measure was chosen, because other nations do not use the same budget authority approach which we use, so that outlays provide the only common basis for comparison. There is a NATO definition of defense expenditures, used to establish comparability between nations which have different rules for what counts as defense spending. By the NATO definition, our defense spending includes the military functions of the Department of Defense (subfunction 051) defense-related atomic energy activities, the Coast Guard, some VA indemnity and insurance programs, the selective service system, military assistance, and the net activity in the foreign military sales trust fund. Thus it is not identical, and is larger than, function 050. Spending for these activities is reported to NATO every year in a document known as the defense planning questionnaire, which is sent out by NATO. Reported spending from all countries is then summed up and compared during the annual NATO Defense Planning Review. It is on the basis of these numbers that NATO will judge whether the United States—or any other member—is achieving real growth in defense spending, and the rate. So it is not true that there is ambiguity about the base, or the purpose of measuring growth in outlays.

Having defined the commitment, let me turn to the urgency of the need which motivated the commitment initially. In 1971, the United States and Soviet defense budgets were about equal, according to the Central Intelligence Agency, when measured in constant dollars. Nineteen seventy-one was, you will recall, the beginning of the "era of détente." Then in 1972, we and the Soviets agreed to the SALT I accord limiting offensive strategic forces, and to the ABM Treaty. The President visited Moscow. The Conference on Security and Cooperation in Europe was launched. The talks on Mutual and Balanced Force Reductions in Europe got underway in Vienna. Henry Kissinger announced that peace was at hand in Vietnam. Many people believed that détente with the Soviets and peace in Vietnam would and should permit a reduction in defense spending. The Democratic Party candidate for the Presidency, my good friend from South Dakota, recommended a large cut.

Since then, United States defense outlays—measured in constant dollars—have decreased by about 20 percent. But Soviet defense spending has increased by about 25 percent. The United States has been seeking to reduce its commitments around the world. But the Soviets have moved aggressively to further their interests, demonstrating for all to see that they do not flinch from any means, including military, to extend their sway.

A brief summary of general trends on Soviet military spending indicates that since 1972, the Soviet Union has:

Deployed MIRV's on a new generation of strategic missiles, posing a direct threat to the survival of our own ICBM's, and forcing us to choose between spending tens of billions to restore the balance—or to accept a greatly increased risk of nuclear attack.

Deployed SS-20 missiles, increasing the nuclear threat to Western Europe.

Deployed the Backfire bomber, which not only threatens Western Europe, but also the United States and the major sea lanes. The Backfire makes it possible for the Soviets to overfly sea lanes in the Pacific as far East as Hawaii, and in the Atlantic as far West as New York, and as far South as the Azores.

Increased the firepower, mobility, protection and size of their land forces in Europe.

Increased the range and payload of their tactical aviation units deployed against Europe, and given these new aircraft to client states including Syria and Cuba.

Deployed aircraft carriers.

Furthermore, they have done all this while also building up their forces in the Far East. These Far Eastern forces are

positioned so that they threaten not only China, but also Japan.

What type of international behavior by the Soviets has accompanied this sustained military buildup in the years since 1972?

In Southeast Asia, they assisted the North Vietnamese in breaking the peace treaty and in overrunning South Vietnam. Since then they have also assisted Vietnam during the invasion of Cambodia. When China—Cambodia's ally—responded by attacking Vietnam, the Soviets deployed strong naval forces in the South China Sea, and they began to make use of former American naval bases in Vietnam. (Although they have not yet established a permanent presence in the region, they appear to be able to do so at will, provided the Vietnamese agree.)

In Northeast Asia, the Soviets have increased their military presence around Japan, with larger numbers of flights into and around the Japanese air defense perimeter, more naval exercises near Japan, and a large-scale military exercise, including amphibious landings on islands in the Kuriles, which are claimed by Japan. All this has been undertaken at a time when Japan was contemplating the terms of a peace treaty with China, and it was clearly intended to intimidate the people and Government of Japan.

In Africa and the Arabian peninsula, the Soviets have introduced Cuban troops, intervened to determine the outcome of the civil war in Angola (which has since been used as a base for guerrilla attacks on neighboring countries), and to assist Ethiopia against Somalia, thereby gaining potential bases for operations in and around the Horn. They have aided South Yemen's invasion of North Yemen, and thus have brought serious pressure to bear on Saudi Arabia, with all the problems that will mean to America and our allies.

In Afghanistan, they have taken the lead in establishing a pro-Soviet regime, and you will recall this is where our U.S. Ambassador was recently murdered. They have stirred anti-American feeling in Iran during the last year of the shah's rule. They have opposed U.S. efforts to persuade Israel and Egypt to sign a peace treaty, and they continue to give encouragement and backing to radical Arab regimes and factions hostile to the peace process. It was these forces, incidentally, that led the most recent effort to persuade OPEC to increase oil prices.

None of these actions, however, represents the potential threat or the absolooks upon SALT or upon détente in clearly as the secret stationing of 3,000 Soviet combat troops in Cuba.

None of this behavior—not the military buildup, not the overseas political activity—suggests that the Soviet Union looks upon SALT or upon detenté in Europe as an occasion for shifting their resources from military spending to their domestic concerns, or for benignly neglecting long-term Soviet objectives hostile to Western interests.

We, however, are not unmindful of the question of priority. Last year, in our debate on defense spending, I noted that it is indeed difficult to argue for a higher rate of spending on defense while inflation is high, unemployment is climbing, our cities are decaying and on the verge of bankruptcy, our elderly cannot make ends meet. We could do something to alleviate these problems by transferring funds or by using these funds to curb the Federal deficit and balance the budget. The list of present evils in our society is long, while defense spending is directed at preparing for some future crisis which is difficult to foresee with clarity. But I went on to say that while inflation and unemployment and poverty concern me greatly, I also worry that the future crisis—which we hope to deter with a strong national defense—may be coming closer just because we have been ignoring the growing Soviet challenge. In the past year, the Soviets have put themselves in a position to do immediate harm to the West's oil supply, and to put increasing long-term pressure on the dwindling number of oil suppliers who remain sympathetic to the West. We must face the fact that we have suffered a major strategic setback. Whatever the shah's faults, he was generally friendly. Whatever the Ayatollah's political orientation will be, he is hostile to the United States and Israel. Whereas Iran was recently the strongest power in that region where most of the West's oil is produced, now the military balance has shifted decisively in favor of Iraq, which has been a Soviet client for many years.

It is time to wake up to the fact that we are engaged—whether we like it or not—in a serious competition with the Soviet Union, in which military strength inevitably plays a vital role. It is time to take our defense needs seriously. I hope it is not too late. While the Soviets build toward superiority, we allow our own strength, and consequently our world credibility, to ebb. While the Soviets push ahead on all fronts, we cancel the B-1 bomber, push aside the neutron bomb, stretch out the cruise missile, scrap the nuclear aircraft carrier, stretch deployment of Trident far into the future, and shut down the production line for the Minuteman II missile. And then we sit and wonder why things seem to be going against our interest around the world.

If we are not going to meet even our minimal commitments, then we might as well find out right now. Here, with this amendment, we have the opportunity to back up commitment with action, promise with performance.

I know defense is expensive business. Would that it were otherwise. But as my State's own John C. Calhoun said many years ago, and it is just as apt today:

> Those who would enjoy the blessings of liberty must undergo the hardships of sustaining it.

Mr. HART. Will the Senator from South Carolina yield for 1 minute?

Mr. HOLLINGS. I yield to the Senator from Colorado.

Mr. HART. Mr. President, I support the first part of the Hollings amendment, with a 3-percent increase for fiscal 1980, but oppose a 5-percent increase in the out years. I am prepared to offer an amendment if the second part of the Hollings amendment fails, which would substitute 3 percent real growth in 1981 and 1982. I wanted my colleagues to know that before the vote on the second part of the Hollings amendment occurs.

I have discussed it with the Senator from South Carolina. I understand that he has a similar provision which he is prepared to offer. I want him to know that it is not my intention to offer my amendment or any part of it if the vote on the 5 percent fails and the Senator does go forward with an alternative of the 3 percent; I would support him and want to endorse that effort. I wanted him and his colleagues to know.

Mr. HOLLINGS. I appreciate the cooperativeness and the views of my distinguished colleague from Colorado.

Mr. President, on the amendment, as I understand it now, with the division of time, we have only a half hour to a side on the first part, so I am going to talk real fast. We will talk more generally, I take it, because there are now several votes.

The PRESIDING OFFICER. The Chair informs the Senator that each side has 1 hour.

Mr. HOLLINGS. Each side has an hour on the first division, then?

The PRESIDING OFFICER. On both divisions.

Mr. HOLLINGS. An hour on both?

The PRESIDING OFFICER. All the time allocated will be consumed before the votes, which will come back to back.

Mr. HOLLINGS. Very well. We shall just proceed as fast as we possibly can. I hope you start measuring time up there right now.

The fact of the matter, Mr. President, is that the intent of the amendment is not to impair committee jurisdiction. I notice the distinguished chairman of the Committee on Armed Services is present, and I have conferred with him.

Mr. ROBERT C. BYRD. Mr. President, if the Senator will yield, I ask unanimous consent that the time start now, because the Senator has been interrupted several times by Senators who want to get aides on the floor, and so on. I make that request.

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

Mr. HOLLINGS. I thank the majority leader. This is very helpful.

Mr. President, committee jurisdiction is not interfered with, interrupted, or otherwise impaired. That is the affirmative, expressed intent of myself and the other authors. As a matter of fact, the authors of this particular amendment, in general, come from the Armed Services Committee on both sides of the aisle, the Appropriations Subcommittee on Defense, and the Budget Committee on both sides of the aisle.

We have put in budget authority figures in the out years, not categorically saying an outlay figure, that this must be expended, or it must be expended for readiness and not strategic, or for strategic and not for tanks. On the contrary, it is budget authority. There is no rule, if they do not spend any of it, under the budget authority figures. So we could pass 10 percent or 20 percent, but the volition and discretion, the leadership in Armed Services, would be, of course, reserved unto our Armed Services Committee.

Second, Mr. President, this amendment is not a SALT vote gesture of any kind. This is not an effort on the part of the authors to throw x dollars to the Pentagon to pick up so many SALT II votes. You could give the Pentagon $20 billion or $100 billion. In my judgment, it would not change the provisions of the SALT II Treaty to be submitted to us later on, in October or November. So this is not a treaty, really, between the administration and the Congress; rather, I hope it is a conjunctive effort to reawaken the American people, and particularly the administration, to at least a 5-percent defense increase need in the out years 1981 and 1982.

Now, the President, to his credit, has become more positive and more affirmative.

I wrote him in August when we went on our break that I had been opposed in the Budget Committee on a similar move. We had been opposed on this side when we tried to keep the 3 percent, and there did not seem to be any movement, support, or leadership.

We think the country's defenses are so weakened and imperiled that, in my judgment, really, only a President can reawaken it and give the proper leadership. It is very difficult through Senators and amendments.

But I hasten to emphasize, Mr. President, we have had some very salutary, enlightening, educational, and reawakening SALT II hearings before our Foreign Relations Committee and our Senate Armed Service Committee.

It is not just a 3,000-man brigade in Cuba. We are mature individuals. We are not saying, "Pull out the brigade and we'll vote for SALT II, all our defenses are secure." But rather, SALT II hearing gave us, as the Congress and Government and people, the only forum collectively to make a judgment as to whether or not we shall defend, whether we can defend, how much to defend, and in what direction and how.

Of course, more than anything else, Mr. President, it is not a proposition of just putting on 5 percent, a magical percentage figure, or because Henry Kissinger came up and said that we need 5 percent.

I am stating from my experience, 20 years ago, 25 years ago, on the Hoover Commission, studying this particular subject, coming to Congress, 13 years ago, working in the Appropriation Budget Committee, sitting there with Dick Russell and the little yellow pad. We used to pass, and we did one day, on a Friday afternoon, without an amendment, the defense appropriations bill. He used to write it up, and that was it.

Times have changed, Vietnam and everything else, right quickly.

From our experience, we know that the Pentagon has been pleading, has been begging, has been insisting, the best they know how, for at least $80 billion in the outyears, and the 5 percent only gives us half of what the Pentagon has asked for.

Mr. President, I will make up time. I ask unanimous consent that the particular document by the Defense Department on how they would spend the 3 percent in the ensuing year 1980, all on material, literally, fuel, currency, purchased utilities, right down the line, to be printed in the RECORD.

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

FISCAL YEAR 1980 BUDGET AMENDMENT PRIORITY LIST

[Dollar amounts in millions]

Priority	Item	Fiscal year 1980 Costs	Fiscal year 1980 Cumulative costs	Description
1	Fuel	$888.5	$888.5	The President's budget reflects consumption of approximately 170 million barrels of fuel at a cost $19.30 per barrel. The 888.5 million increment reflects an increase of $0.12 cents a gallon or a total cost of $24.50 per barrel, a 27-percent increase over the budgeted costs. This estimate takes into account the recent OPEC price increases and the phased decontrol policy now in effect. The major share of DOD fuel consumption is related to the operation of aircraft ships and Army combat vehicles. Total consumption of slightly over 170 million barrels per year is significantly less than was used prior to the 1974 embargo. For example in 1974, DOD consumed 193 million barrels of fuel. The reduction in consumption is primarily a reflection of conservation efforts in DOD since 1974. Because of this history it is unlikely that further significant reductions in consumption can be achieved without heavy impact on the activity levels and thus the readiness of the operating forces, both active and reserve.
2	Currency	470.0	1,358.5	The Department's fiscal year 1980 budget request assumed that foreign currency exchange rates in effect in November of 1978 would improve (U.S. dollar versus foreign currencies) by 10 percent. Based on the estimate it was assumed that the $500 million provided by the Congress in fiscal year 1979 would be sufficient to cover currency requirement through fiscal year 1980 at the currency rates used in the fiscal year 1979 budget (November 1977). The anticipated improvement has not taken place nor does it appear likely to occur at any time in the near future. As a result it now appears that most of the $500 million will be required in fiscal year 1979. Based on exchange rates in effect on Aug. 1, 1979 an additional $470 million will be required to finance that part of the department's operating program which must be paid for in foreign currencies.
3	Supply costs (2 percent)	68.0	1,426.5	Under our price stabilization policy, the stock fund managers adjust prices each Oct. 1 to reflect the latest contract experience plus the surcharge prescribed in the budget. Review of contract experience to date indicates that the actual fiscal year 1979 prices paid by the stock fund to commercial vendors are at least 2 percent higher than anticipated and will result in increased stock fund prices to O.M. customers when the stock fund catalog prices are increased this fall.
4	Purchased utilities	113.3	1,539.8	In addition to the POL purchased directly by the departments, an additional $1.3 billion of O.M. costs are related to the purchase of utilities. Purchased utility costs will also be significantly affected by fuel costs which appear to be up about 30 percent. Since these funds are spent at many different locations complete data are not yet available as to how much utilities costs are increasing nor have we experienced all of the increase. However, as a minimum it would be prudent to provide funds for a 15-percent increase over the fiscal year 1980 budget or $113.3 million. There have already been some examples of increases of that magnitude. Except for energy conservation measures already reflected in the estimates, utilities are essentially fixed costs and must be financed at the expense of reducing costs in controllable areas such as real property maintenance, transportation, logistical support and force levels. Such actions erode readiness and increase backlogs frequently pushing funding problems forward for later resolution.
5	Household goods	175.0	1,714.8	Rates charged by commercial carriers for transportation of household goods are regulated by the interstate Commerce Commission (ICC). Rate change requests are considered on a semiannual basis. Since the fiscal year 1980 budget for the military personnel appropriations is based on fall 1978 prices, rate increases effective in May 1979, November 1979, and May 1980 are not provided for in the budget. In addition the ICC in July 1979 approved an automatic passthrough by carriers of increased fuel costs. These rate increases are expected to total $195 million in fiscal year 1980. Absorption of increases of this magnitude would require extreme measures which would hamper our ability to effectively manage the force and have significant negative impact on morale. Needed relocation of personnel to match skill requirements would be curtailed, reducing force effectiveness and combat readiness. Involuntary extensions of overseas tours would create personal hardships and could be expected to create serious retention problems affecting our ability to meet all-volunteer force strength objectives.
6	Recruiting	51.9	1,766.7	Active Army military strength for fiscal year 1979 will be 10,000 to 13,000 lower than the 774,000 authorized by the Congress due to recruiting shortfall. The Army will have to recruit 25 percent more active component soldiers in fiscal year 1980 to recover the fiscal year 1979 shortfall and man the force. 1st quarter fiscal year 1980 accession requirements are double 1st quarter fiscal year 1979 while the mental category and educational levels of accessions are declining. The number of eligible enlistees and the propensity to enlist are declining. Competition from colleges, industry, HEW, etc. is keen. If active Army recruiting fails in fiscal year 1980. AVF will not recover for 2 or more years. The fiscal year 1980 recruiting budget is lower than fiscal year 1979 in constant dollars ($254.3 million in fiscal year 1979 versus $238.4 million in fiscal year 1980). The budget amendment would provide resources at a level more nearly comparable but still less than the successful recruiting years of 1974 and 1975 (in constant dollars). Additional resources would provide for intensified recruiting through expansion of the recruiter and recruiter aide workforce and directly involve Active Force units in the recruiting effort. Additional resources would provide essential support for the expansion of existing programs and initiatives such as advertising product improvements and material to support recruiting and the AFEES. Updated strength projections and revisions in the 1st term versus career force ratios require additional bonus funds. Current projections indicate that 7 military occupational specialities (MOS) will fall short in their reenlistments. An additional $11.6 million should produce about 3,800 reenlistments and prevent recruiting requirements from increasing by approximately 5,100.

FISCAL YEAR 1980 AMENDMENT PRIORITY LIST—Continued

[Dollar amounts in millions]

Priority	Item	Fiscal year 1980 Costs	Fiscal year 1980 Cumulative costs	Description
7	Other purchases	$488.6	$2,255.3	All the services are experiencing higher than budgeted inflation rates in the category of purchased services. The impact is across-the-board but particularly severe in such areas as custodial services (10–20 percent), KP contracts (12 percent), air defense contracts (9–12 percent), ADP support (15 percent), real property maintenance (10–15 percent), and overseas contractual operations where inflation rates are running 16 percent in Spain, 10 percent in the United Kingdom, and 12 percent in Italy. This adjustment represents a 5 percent increase over the amounts included in the fiscal year 1980 budget which is slightly higher than recent OMB guidelines that project a further increase of 3 percent for fiscal year 1980 over the rates budgeted. The differential is due to the particular experience of the Department as partially indicated above. Without augmentation of resources, program deferral will be effected by reducing mission support programs, real property and depot maintenance, transportation movements including ammunition, equipment repair and unit training. The effect will be reduced readiness and shortened periods of sustainability for all of the forces.
8	Overseas station allowances	20.3	2,275.6	The fiscal year 1980 President's budget for housing (HA) and cost-of-living (COLA) allowances were based on November 1977 exchange rate. A major share of the difference between the November 1977 rates and the actual rates paid is funded from the foreign currency fluctuation, defense appropriation. The balance of the change between budgeted rates and paid rates not attributed to currency fluctuation is unfunded. In addition, certain areas are experiencing an increase in the number of people drawing allowances and the average rate paid over that contained in the budget. As a result, an unfunded requirement of $20.3 million exists for HA/COLA payments.
9	Industrial fund purchases (excluding POL)	227.2	2,502.8	Price growth experienced by industrial fund managers has exceeded indices incorporated in customer billing rates reflected in the President's budget. It is estimated that the cumulative effect of both fiscal year 1979 experience and current increases projected for fiscal year 1980 will be to increase the cost of industrial fund purchases by 3 percent of $227.2 million over funds requested in customer programs. Minor pricing changes would be accommodated by drawing down cash in the industrial funds under our policy of rate stabilization. However, such action would draw down the cash position of the industrial fund to a level which would inhibit operations and not allow the industrial fund manager to meet operating costs.
10	Depot maintenance (contract)	197.5	2,700.3	Recent bid openings indicate that an additional $100 million will be required to cover ship overhaul contractual costs in fiscal year 1980, if current experience continues. Significantly higher prices began to appear in the ship maintenance program in February 1979. West coast contracts have been running about 7 percent higher than anticipated, while East coast work has ranged from 3 to 13 percent higher than reflected in the fiscal year 1980 budget. Without additional funding ship overhauls will have to be deferred from the fiscal year 1980 overhaul program. Similar inflationary price increases are impacting the services aircraft depot maintenance programs. This request includes $68.0 million for Air Force depot level aircraft maintenance, $11.8 million for Navy aircraft reworks, $7.2 million for Army increased aircraft maintenance costs and a total of $10.5 million for Reserve and Air Guard aircraft maintenance. The impact of these increasing costs and the necessity to reprogram fiscal year 1979 funds to cover other cost increases will increase the already too large backlog of aircraft maintenance and result in a degradation of readiness.

Mr. HOLLINGS. Mr. President, none of that is strategic. All that is readiness.

When we see the announcement, and discussion of this, by the Washington Post, and the media, that there is visions of sugar plums, and unjust enrichment. "They're just grabbing figures. The Pentagon would not know where to spend it."

Let us look, Mr. President, at the 5-year defense plan of the Secretary of Defense. The Secretary of Defense in that 5-year plan laid out three alternative figures, the minimal figure of 2 percent, the 5 percent middle figure of what he really needed, and what he would like to have of 7 percent. Those are the figures I wanted to bring before the U.S. Senate this morning. I made my request. Hopefully I am still looking. I do not have them because, under the rules, in the executive branch they go to the OMB and are not released to the Congress.

We were moving for less than 1 percent, until we spread the alert, the alarm, and put them on notice about this payment.

Now we have them back up to 3 percent, but only for 1 year.

But in that, the Pentagon says they need that 5 percent. If we play with that figure, we will find out immediately, our add-on of $40 billion is for real.

The distinguished Senator from Georgia, the Senator from Washington, they will have charts and many things to illustrate. But we can add up immediately several billions.

A man-penetrating bomber for $1 billion. We have to start with the cheaper version, at $47 million, or $57 million for the real need, the B–1, beginning now.

The C^3 modernization for improvements to command and control, and that is to give the early warning system the distinguished Senator from Oregon, who opposes SALT II, now wants in the morning Post to go to a submarine.

We do not have communications. We do not have the extremely low frequency communications system. The aircraft, and all those. We talk like we have them. That would add another $1.5 billion.

Armor and air defense, $1 billion. They need fighting vehicles in NATO, XMI tanks, ammunition carriers, POL carriers. Tactical aircraft and Navy vessels.

Mr. President, we have as a need just to stay even of 180 aircraft a year. They crash 100 of them. Just to stay even. We are only providing 39 now. Now, to stay even we need 180. And they ask us about our defenses. We need 50 in the Air Force, F–15's, F–16's. And if we went ahead with the Grumman fighters, the F–14's, we are producing now three a month, they tell me if that were increased we would save $1.5 million per copy, on each one of those planes.

So we can see we have a saving there of $15 million just by moving it up. What we need and need now.

Airlift and sealift, 20 KC 10's, and four transport ships. We need attack subs. The Soviets have 277. We only have 78. The Soviet is building four nuclear and four electric diesels for a total of eight a year. We are building one.

Now, we have two places of production. The Electric Boat in Connecticut and we have Newport News. We have to reduce, one or the other, and the unemployment comes back, because we will only build one. The Secretary of the Navy says he needs three to five a year.

These are, mind, not strategic, not SALT II items.

I particularly emphasize that one on surface ships, 12 combat and support. On Aegis destroyers. ST–7's, frigates, we need four. The Pentagon asked for 3 LSD–41's. We are trying to get a strike force out in the Middle East now and develop it. We need more oilers. We are behind in preparing our submarines and surface ships to carry the long-range cruise missiles after 1982. And if we adopt the protocol, it should be extended. We have to prepare for that. That is $1 billion, now.

I am going to yield to the distinguished Senator from Georgia to elaborate on that.

I ask unanimous consent that the entire list be printed in the RECORD.

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

I. Man-penetrating Bomber—$1 Billion: B–1 or cheaper derivative with fixed wing. Cheaper=$47 million, B–1=$57 million a copy—need 200.

II. C^3 Modernization—improvements to command and control:

A. Give early warning systems—a series of fixes so that our communications can't be jammed;

B. TACOMO aircraft—communicate with a submarine; and

C. ELF—Extra low frequency communications system—$1.5 billion.

III. Armor and Air Defense (1000 additional vehicles)—$1 billion:

A. IFV—Infantry Fighting Vehicles;

B. XMI Tanks;

C. Ammunition carriers; and

D. POL (Petroleum) carriers.

IV. Tactical Aircraft—$2 billion:

A. 50 Air Force—F–15s, F–16s and A–10s;

B. Navy—lose 100 a year—F–14s, F–18s and A–7s. Present Defense budget—39 planes. F–14s, 3 a month; if increased to 4 a month, save $1.5 million per aircraft; and

C. Need 180 normal replacement.

V. Airlift and Sealift—20 KC 10s and 4 Transport ships—$1.2 billion:

Need four more container ships;

Attack subs—2 SSNs—$1 billion, could spend $2 billion—USSR has 277; US has 78. For 199 advantage, the USSR is building 4

diesel-electric a year and 4 nuclear, or 8. The US is building one. Secretary Claytor says 3-5 a year to protect sea lanes and protect nuclear deterrents. Instead, we are laying off workers at Newport News and Electric Boat.

VI. Surface Ships—need 12 combat and support—$4.8 billion:

A. Need 22 Aegis destroyers. Now have none. Can build four a year. Can build at Quincy and Pascagoula—closing Quincy down;

B. ST7s Frigates—we need 4;

C. LSD 41s—Landing amphibious assault ships—need 3—cost $1 billion;

D. More AOs—oilers. All knocked out of Navy submission; and

E. Preparing submarines and surface ships to carry long-range Cruise missiles as soon as it be legal under SALT II (1/82)—cost $1 billion between now and then.

VII. War Reserves—General Purpose Forces—$5 billion: Ammunition Stocks—can't fight 1½ wars=60 to 90 days. In some cases, only a week's ammunition.

Mr. HOLLINGS. Mr. President, simply stated, it does not mention strategic.

Mr. President, I ask unanimous consent to have printed in the RECORD the Economist's list and the one from Defense Assistant Secretary Pierre.

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

WHAT 5 PERCENT EXTRA COULD BUY

The first round of the American senate's debate on the Salt-2 treaty with Russia has linked its ratification, probably inextricably, to a substantial increase in American defence spending. Mr. Kissinger, the star witness testifying to the senate committees, and Senator Sam Nunn, one of the key senators, have both said they cannot support Salt-2 without more money for defence.

Public discussion shifted almost immediately from the substance of the Salt treaty to the defence budget; indeed, much of the press comment over-emphasized the idea of a money-for-Salt deal. But in spite of this deflection from the central issue—which, with any luck, will get a better airing during the second round of senate hearings, which opened on Thursday, than it did during the first one—the call for a bigger defence budget as part of a Salt package has a lot going for it. The senate hearings have shown conclusively that American nuclear superiority is disappearing fast, and have convinced all but the ostriches that Russian power, both nuclear and conventional, will make the early 1980s a dangerous time for the west, Salt or no Salt, unless something is done about it soon. This is a problem that money can solve.

Several figures have been talked about. Mr. Kissinger wants defence to get about 5 percent a year more in real terms (after allowing for inflation) than it has been getting in the current 1978-79 fiscal year; he is apparently willing to support a move to bury Salt-2 back in committee until he gets it. Senator Nunn wants 4-5 percent a year. President Carter will offer 3 percent.

A 3 percent increase was what Mr. Carter originally proposed for the whole of Nato, and the American part of it was supposed to have been implemented by his 1979-80 budget, which he submitted in January. But the allowance for inflation built into the administration's calculations was unreasonably low—the critics say purposely—so that the real increase in 1979-80 will fall well below 3 percent. The president is now proposing a supplemental request to put this right. (But it will almost certainly not be put right: Mr. Carter's new defence budget for 1979-80, around $125 billion, is based on an assumed inflation of approximately 8.3 percent: lower than is likely).

IT WILL WORK, FAST

Two arguments have been heard against a bigger-than-3 percent increase in the budget: that the extra money will not work through the pipeline in time to prevent a serious gap opening up in the west's defences in the early 1980s; and that a sudden increase cannot be spent efficiently. Both are wrong.

A genuine 3 percent increase would bring the defence budget up to something like $126 billion; a 5 percent rise to about $128.5 billion. Spending that extra $2.5 billion in 1980, and keeping the 5 percent increase going for several years afterwards, would be child's play, could have an early effect, and should actually increase efficiency (by cutting the unit cost of some items of equipment). Here is a selection of ways in which extra money could improve the west's defences:

1. Speeding up the new MX mobile ballistic missile by one year. Cost: $2.2 billion; $800m of it in 1980. The MX missile would then be available in 1985 instead of 1986, giving the United States an extra year of security against a Soviet surprise attack.

2. Reopening the Minuteman-3 production line in order to replace 370 Minuteman-2s with the new model (all that is permitted by Salt-2). This would cost around $500m to start production again, plus about $10m per missile. The result would be greater accuracy and hence more counter-silo striking power for America's land-based missile force. The first new missiles would be available in early 1981.

3. Providing a "multiple aim point" system—several holes per missile—for half of the Minuteman force, so that the Russians would not know which hole the missile was in. Cost: about $10 billion. Missiles could be dropped into the first of the new holes in early 1982; as soon as they were, the possibility of Russia being able to launch an obliterating first strike would begin to dissolve.

4. Resurrecting the B-1 bomber, either as it was or in a cheaper version without swing-wings. The new aircraft could be available in the early 1980s. Since much of the huge development cost has already been paid, the price could work out to only around $50m a bomber at today's prices. President Carter originally cancelled the B-1 in the hope that Russia would make a matching gesture, which it did not. Bringing the B-1 back would not only strengthen the American forces: it would also be a signal that the United States had stopped being naive.

5. Getting some submarines and surface ships ready to carry long-range cruise missiles as soon as it will be legal under Salt-2 to do so, in January, 1982. Cost: about $1 billion between now and then.

6. Letting the American navy have more aircraft. The navy needs 180 combat aircraft a year for normal replacement and modernisation (the present defense budget asks for only 39 for 1979-80). The cost would be roughly $10m per aircraft. This is one place where higher production saves money. Grumman, for example, now makes three F-14 Tomcats a month; increasing this to four would save about $1.5m per aircraft.

7. Increasing stocks of things that would be needed in war, particularly ammunition. The United States needs 90 days' worth of stocks to meet Nato requirements; it has less than 30 days' worth, and is down to a fraction of that in some vital things. It will take some $20 billion to put this right; the money could all be spent within three years.

[From the Aerospace Daily, Sept. 12, 1979]

ARMY'S PIERRE SEES STRETCHOUTS AS SOLUTION TO PROCUREMENT CRUNCH

Percy A. Pierre, Army assistant secretary for research, development and acquisition, warned last night that the service will have to consider stretching some major systems and killing others as a way out of its procurement crunch in the new budget.

Pierre did not name the systems that were in jeopardy, but he made it clear in a speech prepared for an Army-organized briefing for industry at the Redstone Arsenal, Ala., that the prime fiscal year 1981 targets will be the ten major systems scheduled for production decisions within the next year.

"Within the next calendar year," Pierre told the industry audience, "production decisions are scheduled for ten more of the 14 Army Congressional Selected Acquisition Report (SAR) systems" and by the mid-1980s all 14 will have met their initial operational capability requirement.

The 14 systems in the March 31 SAR (Daily, Aug. 16) include 12 in development—Patriot air defense missile, Pershing II battlefield missile, Hellfire anti-tank missile, modernized CH-47 helicopter, AH-64 Advanced Attack Helicopter, SOTAS radar, FVS fighting vehicle, XM-1 tank, Roland air defense missile, Copperhead guided projectile, DIVAD air defense gun, and GSRS rocket. Two other systems in the most recent SAR were listed as in the procurement category—UH-60A Blackhawk helicopter and M-198 howitzer.

BOW-WAVE MONEY: "AN EVER-INTENSIFYING REALITY"

Pierre said that while the Army and industry "have every reason to be tremendously proud" of having so many systems up for production decisions, ". . . I would be less than honest if I did not say at the same time that the transition of such a large number of systems into procurement presents major challenges.

"From now through the mid-1980s the 'bow wave' of required funds we have heard so much about throughout the 1970s becomes an ever-intensifying reality with which the Army must cope."

Whereas the Army was compressing development schedules two years ago to get systems such as Patriot, the Division Air Defense Gun and the General Support Rocket System into the field earlier, Pierre said, the reverse trend may become necessary.

"In an era where major systems, some requiring as much as a half billion dollars a year, are competing for procurement dollars, it may be necessary to stretch procurement programs," Pierre said.

Some stretchouts, he said, will occur naturally because systems may not be ready for production while others "will be dictated by money."

He acknowledged that this would frustrate the Army's objectives in recent years to get equipment in the hands of troops more rapidly as well as raising program costs.

"Nevertheless," he continued, deliberations over the FY 1981 budget, now going on, indicate clearly that program stretchouts must be considered as we fight to procure new capabilities within scarce resource dollars. We need to carefully trade off such alternatives. Certainly, some programs should be killed. In doing so, we must weigh operational need plus sound business judgments."

Pierre appealed to industry to minimize the need for stretchouts through "aggressive cost control programs while providing alternative economic buy rates."

He said it was no longer true that a U.S. technological advantage in ground weaponry made up for a quantitative edge enjoyed by the Warsaw Pact. The new systems coming

into the U.S. inventory in the mid 1980s, he continued, will do little more than bring the nation into a position of "technological equivalence" but won't redress the quantitative disparity.

Pierre said that the late 1980s and early 1990s will of necessity be years of product improvement. With the Army having introduced at great expense tanks, aircraft, air defense weapons, fighting vehicles, field artillery, communications and intelligence systems "it is inconceivable that we could immediately embark on new R&D programs for replacement systems," he added.

Exceptions to this approach, he continued, may be situations where an entirely new combat capability is required, such as Assault Breaker, a number of systems working together to attack second echelon targets.

Another exception may be the availability of a new technology, such as the air launched cruise missile, he said.

A third exception, he added, may be one in which a system has been improved to its practical limit, dictating a need for a newer version. He suggested this may be true of the TOW anti-tank missile system, which the Army is now improving.

Pierre delivered his address at an Advanced Planning Briefing for Industry, organized at Redstone Arsenal by the Army Missile Command. The classified, two-session briefing (Sept. 11 and 12, and Sept. 13 and 14—the last session a repeat), includes a run-down of long-range Army missile requirements and funding plans for the next several fiscal years, according to the American Defense Preparedness Assn.

F100 ENGINE DERIVATIVE EFFORT GETS TENTATIVE REPROGRAMMING APPROVAL

The House Armed Services Committee yesterday tentatively approved an Air Force request for authority to reprogram $1.9 million for initiation of its Pratt & Whitney F100 engine model derivative program (EMDP), for F-15 and F-16 aircraft, in FY 1979.

The request has already been approved by two of the other three congressional panels which must give a go-ahead to reprogrammings—Senate Armed Services and Senate Appropriations defense subcommittee. The other unit, the House Appropriations defense subcommittee, is expected to approve it soon.

Testifying for the request, Brig. Gen. Tommy Bell, director of development and programming in the Office of the Deputy Chief of Staff for Research and Development, stressed that while the F100 "has serious durability, reliability and operating problems," it is essentially "a good performing engine," the Air Force has "a tremendous investment" in it, and in any case "it is going to be in many F-15s and F-16s—regardless."

Bell also emphasized that the Pentagon, following direction by Congress last year, is pursuing a competitive engine study program including the General Electric F101X, employing the core of the F101 powerplant for the B-1 bomber. Also, he noted, it is proceeding with a Component Improvement Program (CIP) devoted to making the fixes required on the existing F100s.

The F100 derivative, he testified, "offers great improvement in cost-effectiveness." Development of a derivative would require a successful F100 CIP.

Committee member Samuel S. Stratton (D-N.Y.) said heatedly that he believed "we ought to stop kidding around about the unreliable engine we have" and replace it with the GE engine "rather than try to come up with a second cousin to the bad one."

(Mr. SARBANES assumed the chair.)

Mr. HOLLINGS. Mr. President, the Army Assistant Secretary, Pierre, last week, Wednesday, said:

For research, development and acquisition, the service will have to consider stretching some major systems and killing others as a way out of its procurement crunch in the new budget.

Last week, when the news media was wondering about how to spend money, the Assistant Secretary of the Army was talking about cuts:

Within the next calendar year, production decisions are scheduled for 10 more of the 14 Army Congressional Selected Acquisition Report systems.

He said they are going to have to be pared back.

From now through the mid-1980's the "bow wave" of required funds we have heard so much about throughout the 1970's becomes an ever-intensifying reality with which the Army must cope.

The Army has been compensating development schedules. We started 2 years ago to get systems such as Patriot and others he lists.

Now we will have to cut back. Now we will have to reverse the trend. Now we will have to stretch out.

So there they are, canceling not the percentage the Senator from South Carolina would dream up, or anyone else's, but talking about very tangible cuts.

Mr. President, rather than going into the discussion of the threat that confronts us, in the slumber we enjoy, I will yield at this point, so that I can reserve some time for our distinguished colleagues who have worked hard on this measure.

I yield to the Senator from Washington.

CLOSING THE GAP

Mr. JACKSON. Mr. President, it is with enthusiasm that I support the amendment of the Senator from South Carolina in which I am joined as a cosponsor. No decision that this Senate can make is more fateful than the decision to provide for an adequate national defense; and the amendment of my good friend the Senator from South Carolina is a first step in the direction of mere adequacy.

Mr. President, even as I speak, I know full well that we face an uphill battle in persuading our colleagues to support this amendment. Without the full and vigorous support of the President, it is almost impossible for the legislature, by itself, to bring about any significant increase in the resources devoted to national defense. I regret the failure of the President to exert strong leadership in this area. We will do the best we can as Senators. But we are under no illusions about the difficulty of adopting an amendment such as this without support from the Commander in Chief.

The unhappy fact is that for more than a decade the Soviet Union has been investing substantially more than the United States in arming, equipping, training and maintaining its military forces, strategic, tactical-nuclear, and conventional. In some areas—strategic forces, for example—the Soviets are now spending more than twice the amount invested by the United States in the development and acquisition of new weapons. On the military overall, the Soviets are spending half-again as much as the United States, a ratio that is increasingly dangerous and that has its roots in the years following the first effort to achieve a stabilization through arms control—the SALT agreements of 1972.

For several years now, it has been common for officials of the Government to argue that while the current state of our defenses is adequate, the future, based on clear trends, is a cause for serious concern. One hears that said today just as it was said nearly a decade ago by the men who then occupied the senior national security posts—the President, the Secretary of Defense and the Secretary of State. One can only note that the future spoken of a decade ago must surely be now. The trends that caused concern a decade ago are now reflected in the current situation; and it is a situation that can only be described as a great and growing security gap.

We are here today in support of this amendment because it is the absolute rock bottom minimum needed to make a start—and only a start—on a program to respond to the challenge of a decade of Soviet military enhancement. The modest increment to the fiscal year 1980 defense budget proposed would restore the President's submitted budget in the face of corrosive inflation, especially with respect to fuel costs. The result of adoption of the amendment will be, for fiscal year 1980, merely to honor the solemn pledge made to ourselves and to our allies to provide for 3-percent growth in the defense budget.

In subsequent years we will have to do much more—unless we are prepared to see the gap widen, to see our situation worsen, to see our capacity for national defense fall further below the standard of mere adequacy. The simple but alarming fact is that without a minimum of 5 percent real growth over the next several years we will fall woefully short of meeting the minimal policy objectives of, first, preventing further erosion of our strategic position and second, maintaining a capacity to resist an attack upon NATO. It is far from clear that we can accomplish either of these modest goals even with 5 percent real growth. But it is clear that we will fail utterly without it.

There is nothing magic about the number five. There is nothing arbitrary about it. It is a beginning, not an end. Five percent real growth is the lowest level of defense budgeting in the out years that is consistent with an effort to close the gap that years of underinvestment have allowed to develop.

This is not the place to discuss the detailed disposition of funds for national defense. There will be ample opportunity during the process of authorization and appropriation to do that. But it is useful to comment in general about the nature of the gap that has developed so that

Senators might judge the magnitude of the problem we face. In conventional weapons, for example, the situation is very serious: The Soviets lead us in tanks by 5 to 1, in artillery pieces by 2.3 to 1, in attack submarines by 3.5 to 1, in ground forces divisions by 10 to 1, in medium bombers by 11 to 1, and in air defense missile systems by 278 to 1.

Mr. President, we now know that sometime in the next year or two our land-based strategic missile force will be vulnerable to a preemptive attack from the significantly larger and more capable ICBM force now deployed by the Soviet Union. Our bomber force will continue to consist of B-52's, many of which are older than the men who pilot them. Our submarine strategic forces lack the combination of yield and accuracy necessary to strike hardened military targets; they are thus available only for a wildly improbable suicidal strike against the civilian population of the Soviet Union.

The picture is equally grim with respect to theater forces. We have always relied on our theater nuclear forces, along with our strategic deterrent, to offset the conventional disadvantage we have faced in vital regions of the world, particularly Europe and the Middle East. But the advantages on which we have long depended are gone—swallowed up in the gap we have permitted to develop.

With respect to the theater nuclear and conventional balances, there are serious deficiencies everywhere one looks—from ammunition to the vehicles that carry it, from artillery tubes to precision guided munitions, from tactical aircraft with all-weather capability to command, control and communications, from naval combatants to sealift and airlift.

In the time it would take the United States to deploy a single armored division in the Persian Gulf, the Soviet Union could deploy 10 such divisions and the Iraqis 4. Yet the Gulf is the source of the vital energy supplies on which our economic survival depends. While the Soviet Navy has been growing, ours has been shrinking. Next year's budget could contain funding for as few as six ships and a contract tug—while the closure of shipyards for lack of work is imminent.

Mr. President, the state of our defenses, and especially the projections of our preparedness in the immediate future, has reached crisis proportions. Years of hyperbole about waste and overspending on defense have obscured the real trends—trends that are now culminating in a dangerous American military inferiority. However much we may dislike the idea that the force of arms could become the final arbiter of the fate of our allies in the near term and our country itself in the end, it is a reality we must face. This amendment is one small but essential step in facing it.

For too long we have hoped that an effort to cultivate relationship of détente with the Soviet Union would lead to a moderation of the Soviet effort to acquire military superiority. We have relied far too heavily on negotiations for arms control that have failed to contain the Soviet military buildup. The evidence is overwhelming that the Soviets are pursuing a strategy of negotiations to allay our apprehensions coupled with military investment to widen the margin of their advantage.

Mr. President, a growing Soviet military advantage will mean an increasingly aggressive Soviet international policy. As their strength increases, their willingness to challenge Western interests will increase as well—and they will be able to pursue an aggressive policy without taking undue risks. It is often said of the Soviet leadership that it is conservative, that it has shown great reluctance to take risks. It is precisely for this reason that Western strength is required—to assure that the Soviets cannot mount adventures against us without facing serious hazards. If we have areas of weakness, we will pose no hazard to Soviet adventure in those areas. If we are weak globally, we will pose no risk to the Soviets.

The principal thrust of an increasingly powerful Soviet Union is not directly, but only indirectly, military. It is essentially political, backed up by military power. For, in the face of overwhelming military strength, few nations will resist Soviet demands that they base their national foreign policies on the desires of the Kremlin.

Without the minimal expression of resolve entailed in this amendment, without the minimal step toward narrowing—for it will not close—the gap between us, we will have no choice but to continue to acquiesce in agreements that consolidate the Soviet Union's growing military advantage while we see our capacity for self-defense decline beyond repair.

Mr. President, I hope the Senate this afternoon will send the correct signal, that we intend to meet our national security requirements by providing for an adequate defense, both for our conventional and for our strategic forces.

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

Mr. HOLLINGS. I yield.

Mr. PACKWOOD. Mr. President, will the Senator from Oklahoma yield me time on the bill?

Mr. BELLMON. Mr. President, it is my understanding that I have 5 hours on the bill, and I yield the Senator from Oregon such time as he desires.

Mr. PACKWOOD. I thank the Senator. Mr. President, I have not come to my support of this amendment from experience on the Armed Services Committee. I never have served on it. Nor do I come to it because I represent a State that happens to have overwhelming defense spending. Oregon is last in terms of the amount of money spent in that State on defense. In some respects, that is a blessing, because we are not subject to the cyclical ups and downs of defense spending.

I have come at this from a budgetary standpoint, having joined the Budget Committee this year and having had the advantage of a very extraordinary budget staff who prepared information for me. Based upon some of the information they gave me, I was able to ask questions of the Library of Congress to flush out that information.

I start with a chart—which the pages are passing out now—which reveals the budget outlays in constant dollars for the last quarter of a century. I asked that this be prepared in constant 1955 dollars.

In that year, our total Federal budget was approximately $68 billion. The military was approximately $40 billion of that, human resources about $14.5 billion, and the remainder was interest and others, such as highways, public works projects, about $9.3 billion. But in terms of percentages in 1955, our military budget was roughly 58 percent of our budget, and human resources was 21 percent.

Twenty-five years later, 1980, in terms of constant 1955 dollars, the Federal budget is $183.5 billion, military spending is $43 billion, and human resources is $98 billion.

To capsulize those 25 years, in 1955 the military budget was $40 billion, in 1955 dollars. Today, in 1955 dollars, it is $43 billion. The human resources budget in 1955 was $14.5 billion. Today, in 1955 dollars, it is $98 billion.

So let us lay to rest the shibboleth that we have been chipping away at human resource spending on behalf of defense spending for the last quarter of a century. We have not. The tremendous increase we have seen in the Federal budget has been in the field of human resources.

Next, I move to the portion of the budget that we spend for defense, versus that the Soviet Union spends, and what portion of our gross national product it is. Here I will cite a variety of sources; but, principally, most of my sources are Secretary of Defense Harold Brown's Department of Defense annual report for fiscal year 1980.

The Soviet Union spends between 10 and 11 percent of its gross national product on defense and has rather consistently over the years. Ours has declined until it is now less than 5 percent and it is at its lowest mark since 1940.

However, percentages of gross national product can be deceiving because if a country has an insignificant gross national product, it does not really matter that it spends 20 or 30 or 40 or 50 percent of its budget on military affairs. The more important part is how much absolutely does it spend and in what direction does it go?

Let me quote first the direction of the trends of the United States versus U.S.S.R. defense expenditures:

> In the early part of the decade (1968–1978) the wind-down of Vietnam activities caused U.S. expenditures to begin from a high base and decline into the early 70's, after which they are fairly stable. Soviet activities, in dollar terms, rise throughout the decade, from a level well below U.S. activities in 1968, through a crossing in 1971, to a steady divergence from the U.S. figures through the latter part of the decade.

That is from the Rand Corp. report.

The CIA estimates exactly the same thing, and the Secretary of Defense estimates the same thing only he phrases it slightly differently. He says:

> The Soviets expanded their effort as ours grew in the 1960's. But theirs continued to expand as ours began to decline.

That is a very telling statement for those who say if we will scale down our military expenditures voluntarily the Soviets will scale down their military expenditures voluntarily. The facts belie that conclusion because from 1962 onward, from the Cuban missile showdown onward, Soviet military expenditures have increased roughly 3 to 5 percent in terms of real terms every year. Ours have declined until now, as I have said, they are precipitously low and at the lowest point in terms of relation to our gross national product of any time since 1940.

Most importantly, however, is not just the trend, it is the actual expenditures. I am quoting now again from Secretary of Defense Brown's annual Defense Department report 1980:

Its (Soviet Union) annual rate of increase has averaged more than three (3) percent measured by what it would cost the U.S. to duplicate that effort in our economy, and between four and five measured in rubles. By how much the present effort now exceeds our own is less certain. It could be by as much as 45 percent, or as little as 25 percent.

My fellow Senators, that is how much more they spend in absolute dollars or rubles, translate the currencies either way you want.

The CIA in its report "A Dollar Cost Comparison of Soviet and U.S. Defense Activities," comes to the same conclusion:

A ruble cost comparison shows Soviet defense activities in 1978 to be 25 percent larger than comparable U.S. activities, whereas a dollar cost comparison shows them to be about 45 percent higher.

What conclusion does Secretary of Defense Brown come to?

Relative defense spending, annual or cumulative, is the best single crude measure of relative military capabilities, if efficiencies are not too different. And in military matters, Soviet and U.S. efficiencies are not as far apart as in the civilian sector.

Let me recapitulate. In terms of the gross national product they spend almost twice as much as we do on defense. In terms of the trends, while we have been cutting our defense spending, they have been increasing theirs. In terms of absolute amounts, they spend some place between 25 and 45 percent more than we do, and the trend is growing.

All of that, Mr. President, would not have been enough to bring me to the conclusion that I support had it not been for the opportunity to listen to a speech of the Senator from Georgia (Mr. NUNN) given on this floor on September 7, and I will quote his conclusions:

1. The military trends across the board are adverse to the United States.

2. The 5-year budget projections proposed by the Carter administration will not provide sufficient funding to enable our military forces to meet the obligations of the President's own national security policies.

3. The President's defense budgets for FY 1980 through FY 1984 would underfund the President's own 5-year defense plan by over $60 billion.

4. The President's current national security policies will not be met by 1985 under the current 5-year defense program—even if it is fully funded with a 3 percent additional real growth each year for the next five years.

Again I am quoting from Senator NUNN:

These conclusions are not solely mine, nor those in Congress and the Nation who support a strong national defense. They are also the conclusions of the Department of Defense.

Mr. President, that is a damning statement. What Senator NUNN is saying is that the President's own policies for 1985, the defense needs that he projects for this country, that he projects are not going to be met by the budget he is asking for. I found that hard to believe as I listened to it. But I had the truth of it brought home forcibly to me last Thursday when the six of us who had signed the letter asking for the 3 percent and then the 5 percent and 5-percent increase were invited in the White House in the morning for a meeting with the President, Secretary Brown, National Security Adviser Brzezinski, Frank Moore, Vice President MONDALE. It was a blue ribbon, although not a large meeting. There was some gentle sparring back and forth at the start of the meeting. There was the effort by the President to say that no one had a greater concern for national defense than did he, and then Senator NUNN turned to Secretary Brown and said, "Mr. Secretary, isn't it true that by your own figures, your own figures, the military policy that you think necessary for the United States for the year 1985 will not be met by the funds that you are asking through the year 1985?"

And there was some hemming and hawing by Secretary Brown, but he finally acknowledged that that was a true statement.

Then Senator NUNN turned to the President and said:

Mr. President, under those circumstances, you have one of two obligations. Either you should join us in asking for this 5 percent increase or you should go before the public and indicate that the United States is not prepared to meet even the defense commitments that you said need to be met and that we are going to withdraw and retrench from the obligations we say we are going to undertake.

There was a 3- or 4-second stillness, and the President responded by saying:

Sam, look at our record. The cruise missile was not even on the drawing boards when the administration came in. We are deploying the MX,

And he cited some other figures, and then he said:

The real downturn in military spending occurred in this country under the Nixon and Ford administrations.

And I am unhappy to say that is true. But when the President said the real downturn occurred under the Republican administrations, Senator NUNN looked at the President and he said:

Mr. President, if we go to war it is not going to be with the Republicans.

I realize now that this President is misleading this Nation on the issue of national defense. He does not intend to meet the commitments that he says we must make by 1985. We will not be able to meet them if we have a consistent 3-percent increase in real expenditures. We will not be able to meet them if we have a 5-percent increase after fiscal year 1980.

The President is not going to help. He is not going to come out in favor of either the 5-percent increase or say to this Nation we will not meet the commitments that I say we should meet.

So it falls to this Senate today on this budget issue to make this decision.

Are we prepared to fund the minimal defense requirements that the President of the United States says we must meet by the year 1985? I emphasize "minimal," because there are many who say that the President's goals are not adequate.

But that is not the issue here today. The question is, are we even going to meet his goals that he says we must meet and proposes the funding for? Because by this vote, which will occur very soon, we are going to say one of two things: "Yes, we think those goals should be met and we are prepared to make the increases in defense expenditures necessary to meet them," or, "No, those goals are not going to be met; we are not going to fund them"; and by saying that, we send a signal to Russia that no matter what we may say orally, we are withdrawing and retrenching on certain commitments that we pretend we are going to keep.

What we are really saying is a prayer—a prayer that hopefully a powerful Germany, a resurgent China, and perhaps a courageous and plucky Israel will defend our interests in Europe and Asia and the Middle East.

But mark my words, if we make that decision, what we are hoping for is that on every occasion those nations' interests and ours will be identical, because it is too much to expect that any nation is going to act adverse to its own interests for the sake of ours.

Mr. President, it is with some reluctance that I have come to the conclusion I have come to. I started out only budgetarily. I looked at the history of the spending, the projections of the spending, but most of all I realized that we can no longer depend upon this President to keep even the commitments that he says are necessary.

Mr. TOWER. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. BELLMON. Mr. President, I yield the Senator from Texas 10 minutes on the bill.

The PRESIDING OFFICER. The Senator from Texas is recognized for 10 minutes.

Mr. MUSKIE. Mr. President, first may I inquire—I have no objection to using time on the bill if we run out of time on the amendment, but it seems to me it might be well to use the time on the amendment first, so that we may have some notion of when we are going to come to a conclusion. As I say, I have no objection to devoting to this issue as much time as possible, but I think we should use the time on the amendment, and then the time on the bill.

Mr. BELLMON. I would appreciate it if that could be done after we finish the opening statements.

Mr. MUSKIE. I am going to listen the rest of the afternoon before I speak.

Mr. TOWER. I am perfectly willing to let the Senator from Maine go ahead now.

Mr. MUSKIE. It is important to get the business done, and I certainly will not be reluctant to yield time on the bill when we have used up the time on the amendment. I would like to use up the time on the amendment first, and then use whatever time we need on the bill.

Mr. TOWER. Then will the Senator from South Carolina yield me 10 minutes on the amendment?

Mr. HOLLINGS. Yes.

Mr. BELLMON. Mr. President, it seems to me, very briefly, that this issue is going to require the time of the Senate. That is why I have been yielding time on the bill.

Mr. MUSKIE. What troubles me, Senator BELLMON, is that we have two other defense amendments pending. They cannot be offered until time on this amendment has expired, and it may well be in the interests of the Senate to get to those issues; but if we delay the expiration of time on the amendments, it could be 6 or 7 o'clock tonight before we get any vote on this bill.

So I think it is better to use the time on the amendment first, and then, if we need further time, to take it out of the time on the bill.

Mr. TOWER. Mr. President, I have 10 minutes on the amendment, and I am prepared to use it.

Mr. MUSKIE. All right. Fine.

Mr. TOWER. Mr. President, the SALT II debate has, I think, focused the Nation's awareness on the fact that our national defense budget is simply not adequate, not just in the area of strategic forces but in theater nuclear capacity and conventional capacity as well. The simple fact is that we have not been spending enough for defense. However, the President is not totally responsible, and I want to emphasize that. It seems to be popular these days to take potshots at Jimmy Carter, but let me say he pointed out to a group of us, quite properly, that over the last decade Congress had cut some $50 billion off defense.

I do not know of any defense budget recommendation that we have not cut over the past decade. So in fact it is the responsibility of Congress to make up for its own lack of vision, and what we propose here in the way of projections over the next 5 years will not make up for what has been cut from the Presidential recommendations of the last decade. It still falls short, and still will not cover all of the deficiencies in our defense capability.

Witness after witness has indicated that in order to redress the imbalance in our military posture and to reverse adverse trends vis-a-vis the Soviet Union, we simply must have a "real growth" in defense spending. The Joint Chiefs of Staff have testified that a real growth of 5 percent is required. Based on what we have heard in the SALT hearings and in the Senate Armed Services Committee hearings on the fiscal year 1980 defense budget request, it is clear that a minimum of 5-percent real growth in defense spending is imperative to begin to redress our force deficiencies and restore balance.

A recent assessment by the Joint Chiefs of Staff concluded that the programs contained in the President's own 5-year defense plan will require an additional $18 billion in real growth more than provided by his 3-percent commitment. The Joint Chiefs of Staff went on to conclude that, moreover, the programed forces contained in the President's plan were not sufficient to carry out national military objectives and strategy.

Our military experts have expressed a growing concern, in fact, an alarm, with the continuing adverse trends in the United States/Soviet military balance.

In short, Mr. President, by 1982 we will be No. 2. I do not believe there is one survey that has been taken in this country that indicates that Americans are comfortable with the idea of being second to the Soviet Union in military capability. As I have stated earlier, we are already second in theater nuclear and conventional terms. We have a rough equivalency in strategic terms. The Joint Chiefs of Staff have testified that we will lose that essential equivalency by the year 1982.

First, the United States and its NATO allies suffer an across-the-board imbalance relative to the Soviet Union and the Warsaw Pact in conventional forces. We are significantly outnumbered in personnel, tanks, artillery pieces, and tactical aircraft by ratios of 3 or 4 to 1—or more.

For the second year in a row, our Chief of Naval Operations testified before the Senate Armed Services Committee that the trend in United States/Soviet maritime force levels is not acceptable. While the Soviets are building larger, more and more sophisticated ships in greater numbers, the U.S. shipbuilding trend is toward fewer ships—with only 11 or 12 ships a year planned for fiscal years 1982–84. The trends based on the current 5-year shipbuilding program forecast an inevitable decline in the U.S. force levels in the mid-1980's, and according to Admiral Hayward, we will be in danger of losing "maritime superiority." It cannot be overemphasized that since the United States is an island nation with extended lines of communication to both our allies and our vital resources, U.S. maritime superiority is absolutely essential. "Maritime parity," or worse, "maritime inferiority," is without question totally unacceptable.

In the area of theater nuclear forces, the trend again is ominous. Our European allies are seriously concerned over the shift in balance in favor of the Soviets with their deployment of the SS–20 medium-range ballistic missile and the Backfire bomber. General Haig, former U.S. Commander in Chief, U.S. European Command and NATO Supreme Commander, testified before the Senate Armed Services Committee this year that the Soviets have now transformed Western superiority in theater nuclear forces into an almost 3-to-1 Soviet advantage. General Haig went on to indicate that it is increasingly urgent to remedy imbalances in our theater nuclear capabilities vis-a-vis the Soviets. In the recent SALT hearings, General Haig repeated his concerns.

Finally, we are all now familiar with the reality that the former U.S. position of strategic superiority has slowly eroded to what is now referred to as "essential equivalence," and that in the view of the Joint Chiefs, we will lose essential equivalence in the early 1980's as our ICBM's become vulnerable to a Soviet first strike.

The United States is inferior to the Soviet Union in conventional forces, the balance has recently swung in favor of the Soviet Union and the Warsaw Pact in theater nuclear forces, the United States will be inferior to the Soviet Union in strategic nuclear forces in the early 1980's, and the United States is in danger of losing maritime superiority to the Soviet Union in the mid-1980's.

This is a situation that we cannot tolerate, if we are to sustain our geographic and strategic goals over the next 20 years, indeed, if we are going to continue to be a real leadership force in the free world.

These imbalances and adverse trends in military posture are especially sobering in light of the fact that the Soviet Union is continuing to outspend the United States in defense spending by $50 billion a year in constant fiscal year 1980 dollars.

Senator PACKWOOD has given us some very enlightening information on this whole matter of relative spending for military purposes and nonmilitary purposes in this country, and for military purposes as far as the Soviet Union is concerned.

Now, the amendment proposed by the Senator from South Carolina, which is joined in by myself and many others, adds a total of $38.3 billion in budget authority for fiscal year 1980 through fiscal year 1982 above the second concurrent resolution. Of this increase, $20.8 billion is required simply to restore the President's 3-percent plan due to the impact of inflation and another $2.8 billion is required to restore Senate Budget Committee cuts. So, of the total $38.3 billion increase, only a net of $14.7 billion is "increased" real growth above the President's 3-percent plan.

This proposed amendment still allows the Senate's goal of "balancing the budget" by fiscal year 1981 to be achieved. With our amendment, there will be a surplus of $7.7 billion in fiscal year 1981. We will achieve our goal.

While this recommended defense budget would add approximately $120 billion to the President's 5-year defense plan for fiscal years 1980–84, only $50 billion (which equates to $40 billion in constant fiscal year 1980 dollars) is for "increased" real growth above the President's 3-percent plan. Around $70 billion of our increase is required simply to restore the President's commitment due to the impact of inflation—a consequence of the administration's unrealistic estimates of inflation in their January budget submission.

It is important to recognize that the recommended budget provides about $20 billion less for fiscal years 1980–84 than a budget which calls for 5-percent real growth beginning with fiscal year 1980.

The $40 billion in constant fiscal year 1980 dollars in increased real growth would only begin to address deficiencies in the area previously mentioned.

Let me be specific.

As previously mentioned, a recent assessment by the Joint Chiefs of Staff of the President's current 5-year defense plan (fiscal years 1980–84) concluded that—exclusive of inflation—the actual cost for the programs contained in the President's own 5-year plan will be $18 billion in constant fiscal year 1980 dollars more than currently budgeted. There is a $12 billion shortfall in readiness and support and a $6 billion shortfall in procurement. The point is that the President's own defense plan requires $18 billion more in real growth than provided by his 3-percent commitment.

This shortfall, if not alleviated by increasing real growth, will severely impact efforts to increase our state of readiness and address our deficiencies in the conventional forces area. Procurement programs for conventional forces which will experience a shortfall include the Army's XM–1 main battle tank, infantry fighting vehicle, and air defense systems for ground troops for the NATO theater.

TABLE 1.—*Procurement programs for conventional forces with shortfall in funding*

General Support Rocket System.
XM–1 Main Battle Tank.
Infantry Fighting Vehicle.
Advanced Attack Helicopter.
Division Air Defense Gun.
ROLAND Short-Range Air Defense Missile System.

Also, the shortfall includes some procurement funding for the Pershing II medium-range ballistic missile intended to help restore balance in theater nuclear forces.

Moreover, the Joint Chiefs of Staff assessment concluded that the programed forces in the 5-year defense plan will be incapable of carrying out approved national military objectives and strategy as set forth by the President. That is, additional funding is required above the President's 3-percent plan just to provide the forces necessary to support approved strategy—strategy which is now marginally adequate at best.

What is required, then, to begin to redress this imbalance between military strategy and forces?

In the area of naval forces, the Chief of Naval Operations has testified that a 5-year shipbuilding plan adequate simply to maintain a thin margin of maritime superiority would require 22 more new ships than contained in the President's 5-year shipbuilding plan—at a cost of an additional $8 billion in constant fiscal year 1980 dollars. Again, the requirement to maintain maritime superiority is beyond dispute—especially during a time period when we will have lost "essential equivalence" to the Soviet Union in strategic forces. This projected deficiency in the President's shipbuilding plan simply must be remedied.

Furthermore, there is a growing recognition of the need for increased conventional forces—Army, Navy, and Air Forces—above those provided in current Department of Defense consolidated guidance to protect our interests in the Persian Gulf area.

We are all now painfully aware of our dependence on this region for a significant part of our energy resources. It has become all too apparent that in a crisis, we simply must have the forces to protect our interests. It is especially crucial that we have the naval forces to protect the vital sea lines of communication for the flow of these energy resources to ourselves and to our allies.

Recent DOD planning estimates indicate that a Middle East/Indian Ocean/Persian Gulf presence would conservatively require a minimum of an additional $17 billion in constant fiscal year 1980 dollars for fiscal years 1981–84. I most regrettably conclude that, in all likelihood, the increase in defense we are proposing will not provide these forces.

Other conventional force deficiencies include unfunded tactical aircraft procurement consistent with previously presented service plans for maintaining force levels and modernizing forces, requiring an additional $7 billion in constant fiscal year 1980 dollars for fiscal years 1981–84 above that contained in the President's budget.

Some of the tactical aircraft affected are Blackhawk helicopters for the Army, the advanced F/A–18 fighter for the Navy, and the entire AV–8B V/STOL program for the Marines.

In the strategic area, the Secretary of Defense has testified in the SALT II hearings that a minimum of an additional $8 billion in constant fiscal year 1980 dollars will be required for fiscal years 1981–84 for strategic programs. This increase would simply allow fiscal year 1980 programs to be funded adequately in the out-years and would not accommodate major new initiatives, such as a new manned penetrating bomber or even an interim manned penetrating bomber such as the FB–111B.

The conservative requirements indicated—which are in no way exhaustive—would necessitate an increased real growth totaling about $60 billion in constant fiscal year 1980 dollars for fiscal years 1981–84. The budget recommended provides for only $40 billion. It is a minimal first step to begin to address these deficiencies, and it still is not enough.

These facts overwhelmingly convince me that we must increase our defense budget levels to guarantee our national security. The national security of our Nation cannot be compromised.

Moreover, it is critical that we improve our defense posture vis-a-vis the Soviets—and I think this is enormously important—in order to strengthen our negotiating position for any future SALT agreement. We simply cannot afford to negotiate from a position of vulnerability—which will inevitably be the case if we continue to exercise unilateral restraint. With or without a SALT treaty, we must improve our defense posture.

One of the great dangers of the present SALT treaty is that it may give the false impression that it restrains the Soviets and, hence, may dilute our national resolve to do what is necessary to improve our defense posture. We must never lose sight of the fundamental truth that the Soviets are striving for superiority and there is no evidence that, if SALT II is ratified, they will not continue that drive for superiority. That is their goal. To the extent they can use arms control to achieve it, they will do so.

I conclude with the words of the noted columnist, Collin S. Gray, which I think is a very succinct comment on the necessity to negotiate from a position of strength, when he says:

> Arms control negotiations with the Soviet Union are not protracted seminars in the meaning of stability; rather they are trading sessions critically dependent upon evidence of real programs.

Mr. President, it is essential for the future of meaningful arms control that we provide those real systems.

The American people have expressed a growing concern over the adverse trends in U.S. military posture relative to the Soviets. While the taxpayers want relief from their heavy tax burden, they have made it clear that they do not want to be No. 2.

For my colleagues who may have been told or who may still have the opinion that the administration's 3-percent defense plan is adequate, let me share with them this telling fact—two out of three of the alternative defense plans only recently approved by the Secretary of Defense on August 29 as program objectives for fiscal year 1981 and beyond call for defense budgets equal to or greater than the amounts in our amendment for fiscal year 1981 and fiscal year 1982.

The increase proposed in this budget amendment will not restore the force imbalances mentioned; it simply will begin to address the imbalances. It is a minimal first step which is absolutely essential and must be supported.

Mr. NUNN. Mr. President, will the Senator from South Carolina yield me 15 or 20 minutes?

Mr. HOLLINGS. Mr. President, I yield to the Senator from Georgia.

DEFENSE SPENDING AND DEFENSE CAPABILITIES—PAST, PRESENT, FUTURE

Mr. NUNN. Mr. President, I support the amendment by my good friend, the Senator from South Carolina, to increase the congressional budget ceilings for the national defense function.

Our Nation and this Congress must carefully examine the overall trends in national security. Our challenge cannot be properly understood without a recognition of the growing gap between what our strategy says we must be able to do and what in reality our military forces can do with current and projected defense budgets.

I suppose there is one thing more dangerous than not having an adequate defense force to meet your strategic goals. That is to add to that that your country, your congressional branch and your executive branch, do not realize it. That is the worst of all combinations. I am hoping that, if nothing else, in SALT II, we will realize that we cannot meet our defense goals today, that we are going to be less able to meet those goals by 1985 unless we reverse the trend. If nothing else, whether SALT II fails or is ratified, the forum provided for that debate will be the single most important debate for America's national security

that has occurred in the post-Vietnam era.

U.S.-U.S.S.R. DEFENSE SPENDING

First, we must recognize what has happened over the last decade in the military balance between the United States and the Soviet Union.

I have a series of charts that I am going to ask the staff to put up as I talk about them. They will be behind me, in the rear of the room. There are smaller copies on each Senator's desk. These charts are based on a detailed and comprehensive analysis by Rand Corp. During the public hearings on SALT II, I questioned Secretary of Defense Harold Brown about these charts during the SALT II hearings on July 23, 1979, and he stated that, as far as he could tell, they accurately portray what has transpired between the Soviet Union and the United States.

The first chart, a bargraph, depicts the net assessment in billions of dollars of total United States and Soviet defense activities from 1968 through 1978.

I might add that the Rand Corp. compiled these charts based on intelligence information that has been made public from the Central Intelligence Agency. The red bars on the chart represent Soviet defense spending; the blue bars represent U.S. defense spending. It is readily apparent that the lines on the chart crossed in approximately the 1971 time frame.

As you can see, Soviet defense programs show a steady increase during the period and are larger than those of the United States. The Kremlin has sustained steady real increases in military outlays for 10 to 15 years, while the United States has maintained a steady pace in decreasing real military expenditures. In the early 1970's, our paths crossed. The Soviets continued to climb and we continued to descend, as you see in the last figure, where the red bar is substantially beyond the blue bar.

The Soviet military buildup raises the question of changes in comparative capabilities since the late 1960's. The next chart will address that point.

In 1978 dollars, this chart shows that in the most important category of military investment, the Soviets have spent $104 billion more than we have. This area of military investment encompasses new weapons systems, major spares, and military construction. It is really a measurement of gross additions to existing military capability.

If we look at those charts, the yellow line represents the Soviet Union. The blue line represents the United States. It shows the gap on a cumulative basis from about 1971 to 1978. The total gap is slightly over $100 billion.

Although that total may seem astonishing to some people at first glance, it really does not come as a surprise to those monitoring and following the massive introduction of new Soviet weapon systems. We are not just measuring input. We are also measuring output. When we mention the output, we can see what the $100 billion has done.

The Soviet Union has developed four new intercontinental ballistic missile systems, the Backfire, the SS-20, missile submarines and SLBM's, new tanks, new armored combat fighting vehicles, the wholesale modernization of tactical air forces, new air defense systems, and whole new classes of ships.

If our own Department of Defense had at its disposal the funds represented by this disparity between U.S. military investment and Soviet Union military investment, it could have produced the following weapon systems.

I am not suggesting these funds should all be procured now, but I think it is illustrative of the purpose of the chart. That is what it could have produced in terms of U.S. defense systems if we had had that gap in money.

First, with that money, the $104 billion, we could have bought the entire fleet of B-1 bombers.

First. All 244 B-1 bombers.

Second. All MX missiles and 5,000 shelters.

Third. The 13 Trident submarines programed to date, as well as all the Trident 1 missiles.

Fourth. All 7,000 XM-1 tanks, 500 advanced attack helicopters, 7,000 new infantry fighting vehicles, and a fleet of new tactical airlifters, which are shown in the picture where it says AMST aircraft.

In addition to that prodigious list of weapons systems, this same amount of money that is represented by the gap between what we have done and what the Soviet Union has done in this time frame could have bought for the United States.

Fifth. It could also have bought about 400 F-14's and 800 F-18's to fully modernize naval air for the carrier forces and finally, it could have—

Sixth. Modernized all U.S. Air Force tactical air by adding 400 F-15's, 1,250 F-16's, and 400 A-10's.

When we talk about the spending gap, people might say the estimates could not be accurate, or it does not include Soviet inefficiencies. They might say it about the buildup on the border by the Soviet Union and China.

There is no explanation for this series of charts, there is no explanation other than that we in this country have gone to sleep on the theory that we can end the arms race by slumbering away, and the Soviet Union has diligently, consistently, steadily set about a task of building the most awesome military machine mankind has ever seen.

The question as to why, we can debate that a long time. I do not have the answers as to why they have built this machine. I do not have the answers as to what they wanted to do with it. But I do know that intentions, whatever they are, can change overnight. We cannot change capabilities overnight.

If we start out right now, today, if we adopt the Hollings motion for the outyears in defense, it would take us approximately until 1990 to be able to substantially alter the trends occurring. It is not something we are going to cure in 1 or 2 years. It has been happening for 10 or 12 years. It will take 10 or 12 years to turn around the trends. But the time to start is now.

U.S. military requirements are based on the force levels, our capabilities to wage a major war in Europe and a lesser contingency elsewhere.

This is the so-called 1½ war strategy, which is the foundation of the Presidential National Security Directive.

When I came to the Senate in 1972, we had a 2½ war objective. We are now down to 1½ and we really cannot fulfill that objective.

This objective requires levels that could sustain simultaneously a NATO requirement and also, for instance, a possible contingency in the Persian Gulf.

Unfortunately, our military forces today are incapable of fulfilling that strategy.

I could find dozens of major examples of the yawning gap between the requirements of that strategy and the ability of our forces to rise to task. I will, however, cite only a few which form the building block.

I want to add in advance that these are only examples of the critical shortages. I am not saying these particular systems and expenditures should be our priorities. This is not the purpose of the budget resolution today.

We are setting a total dollar ceiling for fiscal year 1980. We are setting targets for fiscal 1981 and 1982. But the following examples do show the need for increased defense spending in the outyears.

The outyear program needs for fiscal 1981 and 1982, in terms of setting the final priority, cannot be set in this budget debate. They have to be set in the ordinary course of the budget review in the House and the Senate by the appropriate committees and also by the executive branch recommendations.

But, for example, those, as the Senator from South Carolina said, anonymous sources who never appear from the shadows, but who say in the Washington Post and the New York Times, "They can't spend the money, they can't spend the money."

I do not know who they are because, obviously, if they had facts and figures, they would be willing to be identified and become part of the debate. In the absence of those figures that appeal to the emotions of those who, like all of us, would like to see less money go into defense, because we would like to see the arms race subside, but it is not subsiding, what is happening, we have only one country running in the race, and that country happens to be the Soviet Union.

Just take a couple of examples. Let us take, for instance, the Army shortages in ammunition and equipment.

Today, the U.S. Army has on hand only one-third of the ammunition and equipment it needs to fulfill the national strategy requirement of being able to sustain simultaneously a war in Europe and a contingency in the Middle East, or some other area outside Europe.

This chart depicts the equivalent in ammunition shortages that now exist.

On this left side, in fiscal 1980, as we go to 1984, this chart depicts the shortages that will exist if we fully fund the President's 3-percent increase.

The chart in 1984 shows where we will be.

Included in the shortage is some $31

billion in equipment and ammunition that is required, that we could produce, but which is not funded in the President's 5-year defense program. Even when it is fully funded, even when we add in place there 3 percent a year.

At the end of this period of time, as we see on the chart, we will have about 60 percent of the objective in equipment.

We will have a little more than 35 percent in ammunition. Another way of saying this is that we will be about 40 percent short of the Defense Department's objectives in equipment. We will be about 65 percent short in terms of ammunition.

If we fund fully under the Hollings amendment, the 5-percent growth, we will begin to close this gap more. But let no one misunderstand the chart. Even the Hollings amendment, which I support fully, will not close this gap.

We are not talking about meeting 100-percent objectives with a 5-percent growth. We cannot meet a 100-percent objective. Perhaps we never will be able to do so. However, we are talking about giving this to our troops in the field and trying to take a period of time in which we are going to lose essential equivalence, and at least have general-purpose forces that will be able to deter a conflict at the field level and, it is hoped, deter a conflict at every level.

These shortages call into question the ability of the Army to carry out its share of America's single most important defense commitment. If called upon to participate in a NATO-Pact war and a Middle East contingency simultaneously—which would represent the 1½ war requirement that forms the basis for all U.S. force planning—the situation would be even more dangerous. Every bullet and shell fired by the Army in a Middle East contingency would come at the expense of drawing down already dangerously inadequate stocks earmarked for Europe. We would find ourselves in an even worse position than the Israelis faced in the second week of the 1973 war, when they began running out of ammunition. Not having, as the Israelis had, another power to turn to for resupply, we would be compelled either to give up the fight entirely or be content with shooting at every third enemy soldier and tank while praying that the ones that got through would somehow get lost.

Mr. ROBERT C. BYRD. Mr. President, before the Senator goes to that, could he give the Senate some idea with respect to the stocks of ammunition, as to the number of days our NATO troops could be supplied with ammunition, also with respect to a war in the Persian Gulf? How many days?

Mr. NUNN. The planning function calls for 180 days. That is the 100-percent line.

The thing we have to be careful about on this is that the actual number of days we have now is classified. So I have to be careful in how I express this.

On a chart for 180 days, which is the 100-percent line, you would normally think the 50-percent line would be 90 days. It does not work that way.

The first part of any contingency expends a much more rapid rate of ammunition.

For example, if you look at 60 days and if you took the chart of 180 days, you might say that we will never meet the 180-day objective and let us pull 60 days out of the hat.

I say to the Senator that the 60 days of ammunition would be somewhere between the 70-percent and 80-percent line, meaning that we still would be less than half, if the 60-day supply were taken as the objective. I hope that explains it.

The reason is that in the first 60 days, you expend a lot more ammunition than you do in the following 120 days. The conflict, by any kind of planning scenario, would slow down.

Mr. HOLLINGS. In some instances, it is classified, but generally we have less than a week's ammunition in many cases.

Mr. NUNN. We have situations in which air defense missiles, for example, in Europe, in certain areas—I had better not go into further detail on that subject.

However, let us say this: We have critical shortages in air defense missiles in Europe. We have critical shortages, as I will point out, in our air-to-air missiles.

We have the most sophisticated fighter planes in the world. We are getting better and better with our quality of weapons. We do not have enough air-to-air missiles to sustain combat for the length of time that would be required, in my opinion, to achieve air superiority in Europe. If we do not have air superiority, our disadvantages on the ground are catastrophic.

EXAMPLE NO. 2—TACTICAL WHEELED VEHICLES

Even if the Army had the ammunition required, there are not enough tactical vehicles to move it and other essential supplies to and on the battlefield. As the chart shows, within the next several years, the Army will be short almost 60,000 tactical wheeled vehicles that are required to move ammunition, fuel, wounded soldiers, food, weapons, and to support just about every other Army mission. Without an adequate tactical vehicle fleet, the Army can neither shoot, move, nor communicate. It would require over $4 billion to make up this 60,000 shortage, and even this assumes that not a single vehicle in the current fleet breaks down, crashes, falls apart, or is transferred to another country. Many of the existing vehicles are older than the drivers. The needed funding is not provided under the current 5-year plan.

Today's modern Army requires wheels and our Army is running on foot.

EXAMPLE NO. 3: SHORTAGES IN AMPHIBIOUS SHIPPING

This particularly affects the Marine Corps. I will show the next chart on that. This chart basically shows what is happening to our amphibious shipping capability.

If the U.S. Marines were called upon to undertake a major landing in the Persian Gulf or elsewhere in the Middle East, they would probably have to walk on water to get ashore. Any sizable U.S. military intervention on the ground in the Middle East would almost certainly require a substantial amphibious assault against a potentially hostile beachhead. To be successful, however, an amphibious assault requires, among other things, substantial amounts of specialized vessels known as amphibious ships. This has been true of every major amphibious assault from Gallipoli in 1915 to Inchon in 1950. Yet although the U.S. Marine Corps today contains three division-sized Marine Amphibious Forces (MAF's) specifically tailored for this mission, the United States currently possesses only 63 amphibious ships capable of landing only slightly more than one Marine Amphibious Force requires. Indeed, as shown on the chart, the present level of amphibious shipping represents less than one-half that deemed the minimum necessary by the Joint Chiefs of Staff just last year. Moreover, if past and present trends in our inventory of amphibious vessels are permitted to continue, as is the case under the administration's 5-year defense plan, we will end up by the year 2002 with a total of six ships. In the late 1980's, there will be approximately 50 ships.

If you look at the 1980 fiscal line, you will see that we are capable of really providing the amphibious support for about one-third of our Marine Corps.

If you look at the 1985 line—and this is based on the President's budget, based on the 3-percent growth in the President's budget and inflation—we will be able to provide one Marine division the necessary amphibious lift. It gets worse after that.

What all this means is that the Marine Corps cannot now—nor in the foreseeable future—mount more than one division-sized amphibious landing at a time, and to do even that would take at least 30 to 40 days, since virtually every serviceable amphibious vessel would have to be assembled in one place at the same time. In short, like the Army, the Marine Corps has been stripped of its capacity to carry out the demands of the very national strategy which justifies its existence.

EXAMPLE NO. 4: NAVY

Mr. President, I could talk for hours about the U.S. Navy, but it is clear the United States is rapidly becoming more maritime dependent with less ships, while the Soviets, a land power, have the largest fleet in the world.

Our fleet size has decreased by 53 percent in the past 10 years, which is about half the number of ships we had available prior to Pearl Harbor. Just to keep our current fleet of 462 active ships from continuing to decline would take the authorization of 17 new vessels per year. Yet the request for 1980 was for 15 vessels and the administration apparently intends to request a total of 12 or 13 vessels for 1981, including 5 noncombatants.

Because of this decline, our Navy is spread so thin that it could only meet its NATO commitment by large scale diversion of ships from other areas which would create a very risky military situation.

The problems do not stop with numbers of ships. There are not enough torpedoes in the Navy inventory for each attack submarine to make two wartime patrols. There are insufficient mine sweepers to keep all U.S. harbors clear

and the Soviets are investing heavily in this area.

Naval aircraft forces have decreased by 21 percent in the past decade and the Navy is losing their current planes through attrition and old age faster than the administration's requests are replacing them. Aircraft without engines have more than doubled during the same period, and aircraft maintenance backlogs have tripled in the last several years.

The Navy requires 21 fleet oilers. They have only 16, and 10 of these are over 36 years old.

What is the bottomline of all these adverse trends in the Navy? The bottomline is that the United States is rapidly losing our naval advantage to the point that the Soviets will achieve naval superiority in the 1986 to 1988 timeframe if the trends are not reversed. One of the few areas where we still maintain an advantage over the Soviet Union is in the Navy. We have better quality ships today. We are building the 1985 to 1995 Navy and we are continuously giving up that advantage.

We will not determine the U.S. Navy's posture in fiscal year 1985. We will determine it now for fiscal year 1985 and years thereafter.

The 5-year defense program does not provide funding to even begin to reverse these trends.

We have a public record full of that kind of testimony. We have no rebuttal from anyone. If there is rebuttal to this, let us hear it. Where is it? We do not have a rebuttal.

EXAMPLE NO. 5: AIR FORCE

The U.S. Air Force is procuring millions of dollars of sophisticated fighter aircraft but, unfortunately, budgetary constraints do not allow the purchase of enough munitions, especially air-to-air missiles, to defend our fighters and achieve air superiority. Without air superiority, the whole thread of NATO's operational doctrine unravels. Our fighters have millions in high technology electronics to locate the enemy but will be reduced to shooting blanks in all likelihood before air superiority is achieved. To our hard pressed and under equipped Ground Forces, air superiority is the only hope.

U.S. airlift forces are another example. We also have a critical shortage here.

Our airlift forces are inadequate to meet U.S. strategic deployment needs, and sufficient improvement programs are not included in current military budgets.

For example, we talked a lot about the "fast deployment force" earmarked for the Persian Gulf. There was something in the paper about it today. And I do not really think we can appropriately give that the overall title of a fast deployment force. I think it can be called the last deployment force. It would take 17 days today for military airlift to deploy the lightly armed 82d Airborne Division to the Persian Gulf assuming that all military airlift assets were completely dedicated to this mission.

If a mechanized division with the capabilities really necessary to fight in this region were to be deployed, 26 days would be required. These long delays before effective military ground forces could be introduced into the Persian Gulf are unacceptable in light of the vital importance of the region.

These are just a few vivid examples that current and projected defense expenditures will not support those forces necessary to defend this Nation. This is a painful recognition in light of the long-term increases in Soviet capabilities.

What do we do?

I guess the easy way out would be to pretend this situation does not exist, or to ask for some new study to tell us what our defense needs are. That is the way to avoid difficult decisions. Unfortunately, this is the way we have stumbled into past confrontations and conflicts. There were too many who preferred to see no threat to freedom, because to admit such a threat implies a willingness to undertake the sacrifices to combat it. There is more agreement by defense experts today on our defense needs than at any time since I have been in the Senate. And I really believe there is more agreement than at any time in recent years. The information is available in abundance. What is missing thus far is a willingness on the part of our political leadership in the executive and legislative branches to face these facts.

The last chart that I think we should turn our attention to shows graphs for defense and nondefense spending. In addition, there is a green line indicating inflation rates over the period of time.

The 6.5 percent inflation projected for 1980, where you see the chart the line goes down in 1980, is based on the rosy projections submitted in January. We know that is now incorrect. Other than that, the chart is correct, and I think it illustrates a key point.

The charge is often made—and I am sure we will hear it in this debate today and I know the Senator from Maine is going to be addressing this point—that the defense spending feeds inflation. Anyone looking at this chart, unless he can rebut the facts and figures in the chart, and I am open to any counter rebuttal, would have to conclude that defense spending has not caused our inflation in the last 10 years.

If you look at the chart, you will see the actual inflation rate fits a similar pattern to the real increase in nondefense spending. Beginning in the year about 1950, the yellow line shows the real expenditures for social programs in the measurement of constant fiscal year 1980 dollars. So inflation is not included in either the yellow line or the blue line. The yellow line shows exactly what we have done in terms of social programs. You look at that. It went gradually up to about 1966 or 1967 and since 1966 or 1967 that yellow line of social programs goes straight up. The blue line, on the other hand, and it starts on the same side over there, it starts at a higher point than the yellow line and then it starts going back and forth, zigzagging through the fifties and sixties, and it shows a clear downward trend from about 1965 to 1966 and 1967 to the present time. It is now leveled out in the last 3 or 4 years. It has leveled out. So we are spending at about the same constant rate now that we were.

The green line is the inflation line and if you look at what happened to inflation in this country you will see that about 1967 as the yellow line started going straight up on the social side of the programs the green line also started going up. Perhaps there are explanations for this. I am not equating social spending with inflation. But what I am saying is that those who say that defense spending has caused inflation are ignoring the facts. They are ignoring the facts.

It is also important to take an overall look at how our Federal spending programs have changed, especially with the advent of a tremendous increase in social programs in the 1960's, and I must add here there are many good programs, many of them I support. But I think we have to look at the overall picture. There is no question that Federal spending has increased in all areas including national defense. However, as social and domestic programs have proliferated the percentage increases in spending in these areas offer some rather shocking statistics. For example, in fiscal year 1965, Federal budget outlays for health were $1.7 billion; however, by 1978 expenditures for health had risen to $43 billion, a percentage increase in health of 2,463 percent.

Likewise, our Federal expenditures for housing programs during the same period rose from $288 million to $8 billion, an increase of 2,813.19 percent. Similarly, our expenditures for social service programs increased by 1,918.88 percent; welfare by 750.30 percent, and jobs programs by 1,655.62 percent. Defense spending, however, in the same 1965–78 period rose from $49,578,000,000 to $105,186,000,000, a percentage increase of 112.16 percent.

In other words, if you compare defense spending to the social spending you will see that the housing budget has outgrown defense in this time frame by about 28 times, the health budget about 24 times, and so on, including the welfare budget about 7 times.

Since that time the overall decline in our national security has not been a coincidence. It has been a direct outgrowth.

It is clear that our military requirements are not matched by our military capabilities. Without real increases in defense spending over the long term, this situation will only worsen.

In the area of strategic nuclear forces, we are losing essential equivalence and will not hold on to what I call clinging parity without increased effort in the strategic area. Fortunately, the administration is beginning to undertake those efforts.

In theater nuclear systems, we have already lost our advantage and theater nuclear modernization is essential.

The PRESIDING OFFICER (Mr. LEVIN). The time of the Senator from Georgia has expired.

Mr. NUNN. If I may have 3 more minutes——

Mr. HOLLINGS. I yield the Senator 3 minutes.

The PRESIDING OFFICER. There is no further time left, except on the bill.

Mr. MUSKIE. Mr. President, I yield

the Senator such time as he requires on the bill.

Mr. NUNN. I thank the Senator from Maine.

In our general purpose forces, our Army's disadvantage is growing. The Soviets will have maritime superiority by the 1986–88 period if current plans for naval shipbuilding are not increased. Our Air Force does still have advantages but these are declining. The Marine Corps is faced with critical problems in the area of mobility—amphibious shipping—and sustainability in combat, especially munitions and naval firepower.

On top of all this, the allocations within our own defense dollars have 56 percent going to personnel costs, leaving too little for real investment.

There can be no disagreement that the trends are adverse. Our own Department of Defense clearly believes that the 5-year plan with 3-percent growth will not permit us to meet President Carter's national security directives. Even a 5-percent growth will not be sufficient, but if we make this commitment and fulfill it, we will begin making great strides. Unless we make an increased effort in defense, not only will meaningful arms control measures become virtually impossible to negotiate, but the already dangerous 1980's will become more dangerous.

Mr. President, I thank the Senator from South Carolina and the Senator from Maine for yielding me time.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Mr. President, if the Senator from Maine will yield me 30 seconds on the bill, I want to thank the distinguished Senator from Georgia.

Mr. MUSKIE. I yield.

Mr. HOLLINGS. There is no better informed Member in the entire Congress on our defense affairs. I only wish we had more time and attention given to him, because there would be no doubt in my mind about the outcome.

I also commend our distinguished colleague from Oregon, who has had to leave the floor momentarily (Mr. PACKWOOD). He gave one of the best defense talks I have heard in my time in the Senate.

I think it is very significant that Senator PACKWOOD, who has had a slightly different record, let us say, than that of the Senator from South Carolina on defense, gave as categorical, cogent, and persuasive a talk as he did.

I thank the distinguished manager of the bill. I believe the Senator from Mississippi and the senior Senator from South Carolina want to be heard, and the Senator from Virginia (Mr. WARNER).

Mr. MUSKIE. Yes. I assure my friend from South Carolina that we have, I think, adequate time for debate, and I will be perfectly willing to make it available.

I think at some point before long the other side of this issue ought to be heard. At the moment, the Senator from South Carolina is in the position of tilting with windmills; unless I become the windmill, the Senator will not have opposition.

At this time, I yield 12 minutes to my good friend the distinguished Senator from Mississippi, from the Armed Services Committee. Following that, I will yield Senator THURMOND 2 minutes, and then 3 minutes to the Senator from Virginia (Mr. WARNER); and then, at that point, I think I should make my position clear, so that the issue can begin to be drawn.

I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I thank the Senator for yielding.

Mr. MUSKIE. I am yielding this time out of my time on the amendment.

Mr. STENNIS. It may be that I will not take all of that time at this point, Mr. President.

Mr. President, I am supporting that part of the amendment that relates to fiscal year 1980. That is the part upon which we will have an opportunity to vote, according to the rule of division. There are great many points here that I could refer to, that relate to other parts of the Hollings amendment, but I will not go into that question just now.

I do want to say one word, Mr. President, lest the wrong impression get out: In all the years of NATO, I do not know of any single promise that we made that we have failed in any way to carry out. I do not know of anything that we promised and then failed to live up to that promise.

You can figure as many possibilities as to what might be the needs in Western Europe as you have people that have pencils. For example, the estimated time of the battle or the war vary in estimates from 1 or 2 days to a year or more. You make your calculation, then, on what may be needed.

I also speak as one who has been through many of these debates, in a position of responsibility on the floor with reference to NATO. I always supported the idea and defended the recommendations for the money. We had many of those requests, to bring home within a year's time 40 to 50 percent of the troops. As I recall, one time the resolution had 44 Senators as cosponsors.

But now, according to the best figures available, we are presently spending a total sum of $48 billion a year on NATO. That is not chicken change; $48 billion a year, and that has steadily risen since 1974, which is the figure that I have here; it was then $44 billion a year. It has steadily risen at that rate.

I hear criticism, because we do not have nuclear missiles, or that we have not enough. Well, it is a pretty good reason, when you do not have the permission of a country to put those missiles there.

So all the things of that kind are joined in here in the overall picture of NATO. I will continue to support NATO, but I know how easy it is to get off into those problems. I know how difficult it is to even carry out a contract for making weapons over there, or making part here and the motors over there, or the motors here and the rest over there. It does not work well.

We have here, and I like the fact, a Budget Committee. They have made headway. They are helping arrest this trend toward overspending and unbalanced budgets. Any overspending is bound to have its place in the inflation picture, as I see things. But they have made headway, and I do not want to tear down their work. I want to support them when I can.

But here, on this part of the amendment, this is a budget that has already been gone over. Hearings have been held, members have worked on these items and passed on them, and reports have been filed. This bill, in effect, has already been before the Senate and passed by a highly favorable vote.

This part of the amendment today that relates to fiscal year 1980 is merely a refiguring of the application of the 3-percent increase that the President promised. He promised the military and he promised NATO. When it was figured almost a year ago, or at the beginning of this calendar year, it was less than now. I have an itemized list of these items here that shows that the fuel alone has gone up so much in price that it constitutes a great part of this increase. Fuel prices have increased $888 million. Dollar devaluation, $470 million. It all adds up to $2.7 billion.

Almost every item in that amount of money will have to be paid for, anyway. We are not saving any money by failing to put it in the bill this year. You just defer the time that it will be paid.

I should like to insist on exercising a management effort all year to try to hold these figures down and make some improvements here, there, and everywhere. But we are face to face with time here, and now. I hope that this part of the Hollings amendment can be put in here so it will not be out of order when we come back with an appropriations bill.

These are times that do not have to be expressly authorized by the Senate Armed Services Committee, because they are what we call O. & M. items. But there will have to be an accounting for all of this. I am one of the ones who goes to the other committees and deals with the Appropriations Committee in the House on these very matters.

I hope that we can develop this and pass it this way, because time has run out.

I am not saying that about these other items, these future years, where none of these figures have been weighed by anyone and hearings have not been held, committees have not passed on them. But I do see the picture here, clearly, with reference to this refiguring of these inflated figures that go to make up this amount.

Mr. GOLDWATER. Will the Senator yield?

Mr. STENNIS. Yes, I yield.

Mr. GOLDWATER. I have wanted to get the floor for 5 minutes.

Mr. STENNIS. Let me yield back the time that I had to the chairman of the committee.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I had already agreed to yield 2 minutes to Senator THURMOND and 3 minutes to Senator

WARNER. I shall be happy then to yield 5 minutes to Senator GOLDWATER.

I simply want to repeat that at some point, the other side of the case ought to be made so the issue will be drawn. I am happy to yield in accordance with that sequence.

The PRESIDING OFFICER. The Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, I rise in support of the pending amendment, of which I am a cosponsor, to restore fiscal year 1980 defense spending to a level of 3 percent real growth as originally recommended by President Carter in his initial budget message.

I believe this amendment is the bare minimum level of defense funding needed for fiscal year 1980 if we are to undertake any worthwhile effort to meet our defense shortages.

While this amendment supports only a 3-percent real growth in fiscal year 1980 defense spending, I believe we must increase this level to as high as 8 percent in future years if we are to reduce the period of danger we now face.

Because various defense programs have been delayed, and others canceled, such as the B-1 bomber, the United States will lose "strategic essential equivalence" with the Soviets in the early 1980's.

This is substantiated by the Joint Chiefs of Staff. Only through an aggressive defense program can we regain that equivalence or shorten the period this danger will be hanging over our heads.

This can be done by accelerating production of the MX and cruise missiles, building a modern manned bomber such as the B-1, increasing the size of our Navy, and modernizing our Army. If we fail to take these actions we will be placing the safety of our people and the future of our free system in jeopardy.

Mr. President, I just call the attention of the Senate to the fact that, in 1955, the defense budget was 58.1 percent of the entire budget. For 1980, it will be about 23.4 percent. In other words, it has gone down from 58.1 to 23.4 percent.

On human resources in 1955, that was 21.2 percent of the entire budget; in 1980, it will be 52.6 percent.

Mr. President, really, we are placing this country in danger if we do not increase our defense expenditures, because that is the only way, in my judgment, that we can retain freedom for the people of this Nation.

Mr. President, I ask unanimous consent to have printed in the RECORD at the conclusion of my remarks a speech on this subject which I delivered at Fort Campbell, Ky., during the Senate recess.

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

REMARKS BY SENATOR STROM THURMOND

CHALLENGE OF THE 1980'S

General Brandenburg, Judge Wilson, Members of the Tennessee-Kentucky Chapter of the AUSA, Distinguished Guests, Ladies and Gentlemen:

It is a distinct privilege to visit with the military men and women who make up the 101st Airborne Division and other units at this outstanding installation and to also meet with leaders in the civilian community who have supported Fort Campbell and the Army over the years.

The high state of readiness of this unit with its air assault capabilities provides this nation with an important capability to deter would be troublemakers and to deal with them if necessary. After visiting some of the training of the 101st this morning I can say their spirit and capabilities are equal to any challenge.

I wish I could report to you today that our nation is equally prepared for the threats that face us.

ESSENTIAL EQUIVALENCE LOST

Only last week, for the first time in our history, the Joint Chiefs of Staff admitted before the Senate that the United States will lose essential equivalence in a strategic sense with the Soviet Union in the 1980's. This is a shocking, but truthful, statement of the situation we face when improved accuracy of Soviet missiles will make our landbased Minuteman ICBM force hostage to a first strike beginning around 1982.

This sad and dangerous development has resulted from two easily visible movements in history: First, an unprecedented buildup of Soviet strategic military power; and, second, the failure by our nation to accelerate our own strategic force modernization to meet this threat.

Today, in bringing this situation into focus, I would like to touch briefly on first, the shifting balance of power; second the SALT II Treaty, and third, meeting the Soviet threat.

1. Shifting power balance

In 1969, by any measurable standard, our military strength vis-a-vis the Soviets was clearly superior. Our technology had enabled us to counter the massive Soviet buildup which began following the Cuban crisis in 1962.

However, the first four years of the Nixon Administration were spent on supplying our forces in Vietnam and attempting to extract us from that war in an honorable manner. Next came Watergate, which mesmerized the country and saw us embrace SALT I which I supported.

When President Ford assumed office, his efforts went towards healing the wounds of Vietnam and Watergate. Then President Carter was elected, and he initiated policies which not only failed to reverse the shifting balance of military power, but in many respects moved us towards an even weaker position.

U.S. LEAD ENDING

These trends can be illustrated quite dramatically in the area of strategic military strength. In 1969, the U.S. led the Soviet Union in nearly every measure of strategic defense systems: the numbers of land and sea-based missiles, the accuracy of these weapons, the number of warheads, and the megatonnage of our missile forces. Now, with the SALT II Treaty at hand, we find the Soviet Union leads the U.S. in all categories except the number of warheads. Unfortunately, they will lead in this area by the time the SALT II Treaty ends in 1985.

DEFENSE ISSUES

This trend is also prevalent in our overall military force structure. Think for a moment what has happened concerning our defense preparedness in just the past two years. Here are some of my concerns:

1. Cancellation of MINUTEMAN III missiles production;
2. Cancellation of the B-1 Bomber Program;
3. Cancellation of Neutron warhead deployment;
4. Veto of a new nuclear aircraft carrier;
5. Constant delays in the badly needed MX mobile missile program;
6. Constant delays in development of the cruise missile programs;
7. Reduction by ½ of the Navy's 5-year ship program.
8. Reductions by 10's of billions in overall defense spending during which time not one single new program has been initiated.

OTHER POLICY ACTIONS

In addition to these unilateral reductions in our military strength such reductions have been accompanied by other policy actions with which I disagree, such as:

1. The giveaway of the Panama Canal;
2. Troop withdrawals from Korea;
3. Acceptance of nuclear capable aircraft in Cuba.
4. The appointment of Paul Warnke to negotiate SALT II;
5. Transfer of technology to Communist nations; and
6. Amnesty for draft dodgers.

These are some of the major actions on weapons programs and policy actions which concern me and others in Congress who favor a strong national defense.

SOVIET BUILDUP

Against this background we find that the Soviets have been outspending the U.S. on overall defense by at least 40 percent and by three times as much on strategic forces.

It is clear the Soviets are not interested in a position of parity, but seek a clear military superiority.

This Soviet buildup is far in excess of any defensive needs. They view military power as the key to political influence, and rightly so. It is not so much a question of whether or not they will launch a military attack, but rather the leverage this power gives them throughout the world. They intend to use this power to bring other nations into their orbit and to deprive the free nations of access to oil resources, raw materials, and the like.

SOVIETS PROJECT POWER

Examples of their power projections abound even with the current power balance. Through their Cuban proxy troops in Africa and direct military aid, they have brought to power pro-Soviet regimes in Angola, Ethiopia, South Yemen, Afghanistan and other places; supported the insurgents in Rhodesia and Nicaragua; encouraged the fall of the Shah of Iran; introduced MIG-23 nuclear capable aircraft in Cuba; backed Vietnam in its takeover of Cambodia; and used the Vietnam-China War to gain access to South Vietnamese ports.

These events, along with the Soviet military buildup, have contributed to a deep running apprehension in the Senate as to the worth of any arms agreement with the Soviets.

2. SALT II agreement

As for the SALT II agreement, we have just completed two weeks of hearings before the Senate Armed Services Committee. There hearings have shown the Treaty to be seriously flawed. In my judgment, it is a poorly negotiated document in many respects.

As an example, why should we allow the Soviets 308 heavy missiles, each with 10 warheads, while the U.S. is not allowed any? Even our light missiles are permitted to carry only one-half the number of warheads allowed the Soviets. Is this equality?

Further the Soviet Backfire bomber does not count in the Treaty, although it clearly has strategic capabilities. On the other hand, the U.S. is forced to count all of our old B-52's, even some which have been cannibalized for spare parts. Is this equality?

Another example is the fact that the Soviet SS-20 mobile missile, already deployed against NATO can easily be converted to a strategic missile which could reach the United States by adding a booster or by downloading some of the warheads. The SS-20 is not counted in SALT II but the U.S. nuclear and non-nuclear ground and sea based cruise missiles are limited in the protocol to 372 miles in range.

OTHER TREATY CONSIDERATIONS

Besides the obvious inequality of the Treaty, the Senate must also consider SALT in the context of how it will impact on the critical need we face to redress our strategic weaknesses.

Will it create a euphoria such as occurred in SALT I which will diminish our will to meet the Soviet threat?

Can its ambiguities be corrected by unilateral reservations and understandings?

Is it possible to effectively link SALT II to Soviet expansion around the world?

Can this treaty be adequately verified?

These are all questions of the greatest importance. My chief hope is that SALT II will ignite a great national debate which will spur the country to respond as we did in the space race. We need to initiate a crash program to regain the essential equivalence we will lose in just a few years.

3. Meeting the Soviet threat

This brings me to my third and final point, meeting the Soviet threat. I believe our people are ready and able to meet this challenge. The only element now lacking is positive and aggressive leadership in Washington. This leadership needs to come from both the President and the Congress. In my judgment there is no question as to what we should and must do. Congress has already made a beginning. We have moved to accelerate the MX program and the President has recommended the larger MX missile for advanced development. We have added four ships to our Navy in the military bill this year by ordering conversion of the Iranian destroyers to U.S. type ships. Money is included in this year's bill for concept work on a new strategic bomber and for design of a cruise missile carrier.

However, many other steps need to be taken. The President himself must speak to the nation on this approaching crisis. We have had many talks on energy, but not one on national defense. Our leaders must realize that we cannot defend ourselves in the 1980's and 1990's with the weapons of the 1950's and 1960's. We need an 8 to 10 percent increase in real growth in the defense budget over the next 10 years. Even this large effort would represent only about a 2 percent real growth in our overall national budget of around $600 billion.

We should announce immediately the deployment of the new MX missile in the most survivable basing mode;

We should accelerate deployment of the cruise missile without SALT restrictions;

We should build the B-1 or some other new strategic bomber;

We should modernize our conventional forces without delay;

We should accelerate development of the Trident II missile for our strategic submarines;

We should build a Navy that can protect the sea lanes which are vital to our national survival.

These efforts will require a national consensus in which I urge that you participate as individuals and collectively. If you act Washington will react.

In closing, I would like to quote first from the Book of Proverbs where we find this admonition: "Where there is no vision, the people perish"; and, second, in Luke: "When a strong man armed keepeth his place, his goods are in peace."

Thank you.

The PRESIDING OFFICER. The Senator from Virginia was to be recognized for 3 minutes.

Mr. MUSKIE. Mr. President, I yield to the Senator from Arizona at this moment.

Mr. GOLDWATER. Mr. President, I do not know if the Senator from Maine would want to yield to me. I probably come someplace in between.

Mr. MUSKIE. I understand.

Mr. GOLDWATER. I only need a few minutes because, to be honest, I have not completely made up my mind on this matter. Commonsense tells me which way to go, but I have such high respect for what the two chairmen of the Budget Committee have been able to do with this that I kind of hate to upset the apple cart.

But I cannot let an almost lifetime experience with the military just go by. I think I can safely say that this country has never, in its history, been in such a dangerous condition militarily as we find it today. Our Navy is in worse shape than it was before Pearl Harbor. Our Army is in good shape, but not good enough. The flying forces of the Army, the Navy, the Marines and the Air Force are the only areas in which we are superior to the possible enemy, the Soviet. It is not because of equipment, because they outnumber us 2 to 1 in tactical aircraft. If the truth were told by the Defense Department, which they do not do very often, they would admit that in numbers of aircraft that can deliver bombs to the mainland of America, they have as many as we have that can deliver bombs to the mainland of Soviets. The difference is that ours can get back; most of theirs cannot.

We are no longer the No. 1 military country in this world and I want the American people to start understanding that.

I am tired of the President telling them that we are ahead; I am tired of the Secretary of Defense saying that we are No. 1, when we are not. We are No. 2 and not a very good No. 2. They outnumber us almost 4 to 1 in uniformed people, nearly 9 to 1 in tanks, and we still have not a new tank since World War II nor a new artillery piece. They outnumber us 20 to 1 in artillery pieces, by the way.

We are not looking at a world that we are dominant in any more. What I am afraid of is not a confrontation with the Soviets. I do not believe that we shall ever go to war with that country. But what we are seeing in Cuba today is just one of many instances that we are going to start seeing all over this world. The battlefields that we have talked of in the past being on the soil of Europe probably will not come through.

We see possible battlefields in Yemen and Ethiopia, around the perimeter of the Indian Ocean, in areas of this world that we never dreamed of, and not from big countries. Because a small country like Cuba can thumb its nose at the United States, every small country in the world is going to be tempted to do it.

As I say, Mr. President, my mind is not made up on this.

I want to mention one more fact that I could not mention before yesterday but, thanks to the ever-leaking New York Times, an article was published yesterday that is still highly classified, which I tried to get the Defense Department to release so that the American people will understand that our forces are in very depleted condition. Our Reserve and National Guard are about 50 percent of the strength that we would like them to be. Our doctor strength is 25 percent, nurse strength 12 percent, short. It would take about 200 days to get a draftee prepared for war in view of the fact that we have no draft at this time. As the man who spoke out first publicly in politics against the draft, I now have to support a draft for this country, as distasteful as it would be to see it happen.

But it either happens or we do not have troops to back up the freedom of this country, if it is needed.

If I have sounded dismal in my talk, I feel dismal. I do not like my country being second to any country in this world in anything, but we are. We are second militarily. We are certainly not the strong moral country we once were, not the strong economic country we once were.

If I said these words, I am not sorry for them. I do not have to live this life forever. But I have grandchildren and I do not want them to have to go through what most of us in this room went through, all because of a shortsighted, foolish Government that could not believe that the United States could be in such bad shape.

I congratulate both the Senators who brought this subject to the floor. I hope it gets a very thorough discussion and, in all probability, I will support it, but I am not sure yet.

I thank both sides for letting me speak.

Mr. DOMENICI. Mr. President, will the Senator from Maine yield me 5 minutes?

Mr. MUSKIE. I agreed to yield 3 minutes to the Senator from Virginia. There has not been a word of debate on the side of the opposition to the Hollings amendment and I think the time has come when I have a responsibilty to raise those questions and those issues.

So I yield to Senator WARNER at this point for the 3 minutes I agreed to, and then I will take some time on the amendment in order to present my rationale.

These speakers, all of whom I respect highly, have put my position in doubt by their arguments, unless their arguments are answered. So I think I must do so after I have yielded to the Senator from Virginia.

The PRESIDING OFFICER. The Chair recognizes the Senator from Virginia.

Mr. WARNER. I thank the Chair and I thank Senator MUSKIE for this time.

Mr. President, I am pleased that the Senate is debating our defense requirements. It is a subject that needs to be given the highest priority by every Senator.

As a new member of the Armed Services Committee, I have had the privilege this year of reviewing our defense posture and our defense needs in depth. And from that review, I must tell my colleagues, I am greatly concerned.

We as a nation are no longer in a position to feel comfortable and secure. We face unprecedented threats—and we are ill-prepared and ill-equipped to meet them. I will not here attempt to catalog all the threats we face, but I hope every

Senator will take the time to consider them in detail.

The trends are clearly adverse—across the board.

Over the past 10 to 15 years, the Soviet Union has been engaged in a peacetime military buildup of unprecedented proportions. With a GNP less than half that of the United States, that country in the last 8 years has succeeded in investing an estimated $100 billion more for defense than has the United States.

This very substantial investment is beginning to pay off in the form of formidable military forces capable of challenging the United States and its allies around the world—on land, at sea, and in the air.

What has the United States done in the face of this military buildup? Have we recognized the threat? Have we responded adequately to protect our Nation's interests?

Not yet. Our defense effort today continues at a level below what this Nation spent on defense in fiscal 1964. The threat has grown tremendously since then, but our defense effort has actually declined.

I know that each year the headlines shout "Record Defense Budget This Year"—but that is largely because of inflation and increased manpower costs, not because we have a greater defense effort.

In fact, when you discount for inflation, we now spend less for defense in uninflated dollars than in fiscal 1964—and that money buys less and less defense equipment because of higher manpower and operating costs.

This year's defense budget request, for example, is about the same size in uninflated dollars as our defense budget in fiscal 1970. Yet, this year's budget request will support a million fewer men and women in uniform, approximately 300 fewer ships, and approximately 4,000 fewer aircraft than did the 1970 budget.

Thus, the threat has grown tremendously—while our defense effort has actually declined. The key question now is how long this trend can go on before the Soviet Union realizes meaningful military and political advantages that will further alter the worldwide balance of power.

Recent events give us some hint of what is likely to come if we allow the military balance to shift further in favor of the Soviet Union.

It is a sad fact of life, but as much as we would like to, we have no control over the threats we face. The Soviet arms buildup and other threats to our security are beyond our control. As long as the threats are there, we must respond.

Mr. President, over the August recess, there were several articles and editorials in the press to the effect that the Pentagon had so much money it did not know what to do with it all. The implication was that adding any more money to the defense budget would only throw good money after bad.

Nothing could be further from the truth. There are literally hundreds of—needed—effective—worthwhile defense programs that have gone unfunded for years.

Let me give but a few examples. The Navy currently has so few tactical aircraft that it cannot even muster enough airplanes to put a full complement of aircraft on each of our 13 aircraft carriers. Just to stay at this already low level of aircraft, we would have to buy at least 180 tactical aircraft per year.

The administration budget request asks for only 39.

When the members of the Armed Services Committee try to increase the number of aircraft in the bill, we are told that the budget constraints will not allow it.

Another example is Navy shipbuilding. The Carter shipbuilding plan for fiscal 1980 calls for construction of only 10 combatant ships—a building rate that will lead to an even further decline in our fleet at a time when our dependence on the sea lanes is increasing.

The other services are just as badly off.

The Army has tremendous shortfalls in ammunition and combat equipment. The details of these shortfalls are classified, but I would like every Senator to know that I do not feel at all comfortable letting American soldiers be deployed along the East German border with the ammunition stockages we have today.

We simply must build up these stocks, but it takes money.

In all the services, funding constraints are such that flying hours are being restricted to the point where readiness is suffering. Our pilots are flying just barely enough hours to maintain proficiency.

These are not isolated examples. I could go on. They run through our entire defense structure from top to bottom.

Take Mark 48 torpedoes. The administration wants to end production. They say we have enough. What we have is enough torpedoes for each of our attack submarines to have one full load plus a few.

It seems unwise to buy a $400 million submarine and give it only enough torpedoes for one patrol. When the torpedoes are gone, we may as well tie the submarine up at the pier.

These are just some of the decisions being made because of funding constraints.

Military construction is another whole area which has suffered greatly from funding limitations. There is currently a $35 billion backlog in needed military construction and modernization. There are hundreds of high-priority projects that go unfunded year after year.

We have medical facilities that are not only inadequate and outdated, but in outright violation of health and safety standards.

We have ammunition handling facilities that are antiquated and unsafe.

Mr. President, the list goes on and on and on.

It is becoming increasingly difficult to ignore the strains on our defense posture.

Mr. President, in closing, I urge that Senators take a look at some of the printed hearings of testimony before the Armed Services Committee.

Take a look at volume II, page 538 of this year's hearings, for instance. You will see Admiral Hayward quoted as saying:

> With fewer ships facing an increasing threat, we are no longer able to achieve the concentration of forces necessary to secure at the outset of the war all of the historically vital sea lanes.

Mr. President, the shortages are real, the threat is real, the time is now. We simply must increase our defense spending to assure the continued security and freedom of our Nation.

Mr. President, it appears to me that this morning we have had a very fine dissertation from knowledgeable Members of this Chamber about the adverse trends in our national defense. I have referred to those trends in my statement. But I ask my colleagues to think of something else besides the charts and the statistics and the weapons systems, and that is, the individual soldier, the individual citizen. He is counting on his Government to provide for an adequate defense.

When we send a soldier to some overseas outpost, he has a right to expect that he will have good equipment—and plenty of it.

If you look at the facts, we are not meeting that expectation. The Army is critically short of ammunition and equipment. The Navy has barely enough ships to meet its peacetime commitments. Across the board, our Armed Forces have significant weaknesses caused by budgetary constraints.

I ask my colleagues that when they come to the floor to cast their vote on this amendment they think in terms of their responsibility to those young people to give them the arms that they expect, that they are entitled to, not only to defend freedom, but to defend themselves.

In good conscience, we cannot order these people throughout the world and fail to give them the weapons to which they are entitled.

We have a broader obligation, however, to all Americans. We should not—as Senator NUNN has said—allow the American people to be lulled into a false sense of security.

The facts are there for all those who want to see them. The shortages are real. The growing Soviet threat is real.

It is time for the Congress to respond. It is time to start strengthening our defenses.

I thank the Chair.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, I yield myself 15 minutes on the amendment.

Mr. President, I have listened now for some 2 hours or more to colleagues for whom I have the highest respect on both sides of the aisle. I share their concern for the state of the national security.

So what divides us is not our perception of the importance of a sufficient defense, but rather, what in addition do we need now, what in addition do we need in the years ahead, with respect to our defense posture.

I am concerned about our national security, Mr. President, but I view our national security as involving something more than our arms capability. To me, the greatest threat to our national

security today is not the condition of our defense establishment and it is not those threats which we can perceive from abroad. The greatest threat to our national security is inflation.

Yesterday, gold breached the $350 ceiling. Now, that is not as dramatic, I suppose, as some of the statements we have heard today with respect to the alleged shortage of arms in the defense establishment. But the significance of what happened yesterday ought to strike thoughtful people in this body and should shock them and disturb them more than any threat to our national security interests.

When I was a freshman in college, the Congress of the United States, under the pressures of the depression, set the price of gold at $35 an ounce. It stayed there until 1971 when it was allowed to float free of that shackle and to respond to the real economic conditions of this country, and the industrial countries of the world.

As the price of gold rises, the value of the dollar drops.

The price of gold yesterday was 10 times more than it was in 1971, or in the early 1930's.

What does this reflect? It reflects the fact of inflation. What does it reflect? It reflects the fact of our dependence upon imported oil. What does it reflect? It reflects our inability to come to grips with energy. What does it reflect? It reflects our inability to exercise restraint in the management of our fiscal affairs.

Do you think for one moment that defense is going to be benefitted if the rest of the Government's budget must absorb inflation and not the defense budget? Do you think defense will be benefitted if the rest of the American economy and all American citizens must somehow swallow inflation but not the defense budget? Do you think there is some way to so insulate the defense budget from inflation so that there will be no threat to it?

I have listened with a great deal of interest to my good friend, the Senator from Georgia (Mr. NUNN), and I have as high respect for him as I have for any other Member of this body or any man in public life I have ever met. He is a young man of substance, intelligence, and judgment, but he occasionally makes arguments that do not rest on fact.

First of all, he created a strawman. He said somebody was arguing that defense spending was responsible for our inflation. I have never made that argument. I have never heard anybody else make that argument.

But then Senator NUNN went one step further, and he said inflation correlates with the growth in nondefense programs and the budget. I have never heard that argument made before, and I must say that it is nonsense.

The Federal budget or any part of it is sometimes a contributor to inflation and often it is not. With respect to the 1960's, it was defense spending in connection with the Vietnam war that triggered the inflationary forces that have never subsided since, because we were not willing to pay for that war as it occurred. We did not increase taxes, but we did increase defense spending, and that defense spending was inflationary.

Whether or not defense spending or any other Government spending is inflationary generally depends upon the state of the economy. With the recovery from the 1974–75 depression, Mr. President, and with the reduction in unused industrial capacity, we have reached the point in many segments of our economy where Government spending can trigger inflationary forces—and that is true of any Government spending, whether it is defense or domestic programs. That is where I come down.

Senator NUNN is arguing, in effect, that whatever the effect of Government spending on inflation—assuming Government spending is generally inflationary, then somehow the defense component of Government spending does not contribute to inflation. Mr. President, that argument simply does not hold.

Mr. NUNN. Mr. President, if the Senator will yield, I will stipulate, if he would like, that the total Government spending affects inflation.

I am not arguing that you can say that defense does not have an effect. I am saying that this chart clearly shows that the inflation rate has gone sky high in a period of time that defense spending was going down.

But I will agree with the Senator from Maine that it is the total spending of the Government, including defense and social spending, that affects inflation. We have no argument on that point.

Mr. MUSKIE. But the Senator did not make that clarification when he presented that chart.

Mr. NUNN. I said that those who are arguing that defense spending is causing inflation are wrong.

Mr. MUSKIE. But I have heard nobody make that argument.

Mr. NUNN. I have read it in the paper over and over.

Mr. MUSKIE. I read all kinds of things in the paper, but I have not heard that argument made.

Mr. NUNN. Did I say that the Senator from Maine had?

Mr. MUSKIE. No, but the debate is on the Senate floor.

Mr. NUNN. I did not say, either, to the Senator from Maine that social spending caused inflation. I specifically said I was not making that allegation.

This chart is accurate. If the Senator wants to argue about it, I will stipulate that both added together have an effect on inflation. I am not isolating either. The straw man is being created by the Senator from Maine.

Mr. MUSKIE. I say to the Senator from Georgia that I accept his qualification of his earlier statement. I do not quarrel with what he has just said. I quarreled with what he said earlier.

Mr. NUNN. The Senator did not listen to what I said earlier, or he misinterpreted what I said earlier. If we have a stipulation or an agreement, I guess there is no further argument.

Mr. MUSKIE. Whether I listened closely is a subjective thing I cannot prove or disprove.

Mr. NUNN. The record will show what I said. We can read it.

Mr. MUSKIE. The record can be read. I think the point is now clarified, and it is not irrelevant.

Mr. NUNN. Both added together will have an overall fiscal impact. I agree with that.

Mr. MUSKIE. Exactly, and now the point is clear.

Mr. President, I hope I do not stir tempers every time I make points that in any way disagree with the arguments of the supporters of the amendment that I have been listening to for 2 hours. There has been no challenge to those arguments; and while there was no challenge, the environment was quiet. Now, when a clarification is sought, I have somehow asked for something that stirs tempers.

The point I am making is that the enemy in fiscal year 1979 and in fiscal year 1980, the enemy who has the capacity in those years to devastate this economy—the defense budget, the Government's overall budget—is not the Soivet Union nor any other enemy I can foresee. It is the enemy called inflation.

You can take one of two positions with respect to it: either that there is not much we can do about inflation by any of our actions with respect to the Government's budget, or that we can exercise some control over inflation by our actions on Government spending. If there is something we can do by our control over the Government's budget, then I say we should do it.

I must say that many of those who have been speaking for the Hollings amendment are the same Members who have been saying this same thing when we are talking about the nondefense portion of the budget. You cannot have it two ways. All aspects of the budget, defense and nondefense, have to be controlled by this body if we are to control inflation.

If someone can give me some demonstration, such as an imminent Soviet attack of some kind next year, then I will say, "Let's go to it. Let's raise taxes. Let's raise defense spending the way we do in wartime." But that is not a rational process. We throw money at wars. Perhaps some would have us do it now, if there is that kind of physical threat to us from the Soviet Union in 1980.

What has triggered all of this debate? Until the SALT hearings came along, there was none of this surge, this interest and determination to add such large increments to defense spending. Oh, there were those, including Senator HOLLINGS, who complained about the inadequacy of defense appropriations for years, and I do not mean to suggest otherwise about my friend and other longtime advocates of large defense spending totals. My question deals with the general attitude about defense spending.

It is only a short time ago that the Navy Department, for example, was talking about a high-low mix of ships: a high mix, the expensive, sophisticated ships that had to do with the projection of American power, and the low mix, the inexpensive ships we could use for escort in order to guard our sea lanes.

The defense establishment senses now

that there is momentum in congressional opinion and in public opinion for enormously increased defense spending levels. No longer do I hear as much about the high-low mix. I do not hear as much about the need to exercise restraint in spending.

I am beginning to hear more and more about wish lists originating in the Defense Department and elsewhere: The theme is, "We can get more money now. What can we do to justify it? What is your wish list, Mr. Navy Department? What is yours, Mr. Air Force?"

I have seen this reaction over a lifetime, long before I was in public life; and it is true not only of the Defense Department but also of other Government agencies. Senator NUNN's example of domestic programs during the last 15 years is another illustration.

Once the public makes an issue or a cause popular, Government agencies and the Congress of the United States rush into the breach and throw money at it. The Defense budget is one of the most attractive recipients.

Who dares to stand and challenge an argument that tells the people of this country that their freedom and their security are in jeopardy because their national defense capability is inadequate? That is the essence of this argument today—that the freedom and security of the people of this country are in jeopardy because our national defense is no longer adequate.

Mr. President, if I believed that, would I be standing here, arguing for the Senate budget resolution numbers? Am I really conceived as being insensitive to the real needs of national security? Are the members of the Budget Committee who, in committee, voted down this amendment, or its equivalent—and look over the list of their names—are the Members insensitive to our national security interest? Of course not.

I have heard a lot of horror stories in the Chamber today. I am really not a sufficient expert in defense to answer all of them, to reply to all of them or to put all of them in perspective.

But here is one analysis, and I am going to use two or three, and there are more than this, to put another perspective on the adequacy of our defense expenditures. For example, I have seen a chart circulated by the proponents of this amendment that compares Soviet defense spending to American defense spending.

Mr. President, why do they not add NATO defense spending levels to American defense spending and Warsaw spending to Soviet spending? It may be because the Warsaw Pact nations contribute very little to Soviet military spending but the NATO allies contribute a great deal in conjunction with U.S. military spending. The best figures I have seen and nobody has challenged them, is that combined NATO-U.S. military spending in the year 1979 is about $218 billion. The Soviet-Warsaw Pact spending is $188 billion.

Is it illogical to add NATO spending to U.S. spending and Warsaw Pact spending to the Soviets in order to get a real comparison of the levels of defense spending? Of course it is not illogical. We are being urged today by this amendment to increase our commitment to NATO. If NATO spending is irrelevant, why should we be adding our commitment to it? So I assume that NATO spending is a real and substantial element of the military buildup that confronts the Soviet Union when they look at us and our NATO allies, and on that basis the spending is $218 billion for NATO/United States as against $188 billion for Warsaw Pact/U.S.S.R. That is a $30 billion difference on an annual basis.

I have another table that was produced by the Department of Defense, the International Institute of Strategic Studies, and the Center for Defense Information. This table compares the military resources of NATO, the Warsaw Pact, and the People's Republic of China. I ask unanimous consent that the table be printed in the RECORD.

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

AT A GLANCE: MILITARY RESOURCES OF NATO, WARSAW PACT, AND PEOPLE'S REPUBLIC OF CHINA

	NATO	Warsaw Pact	People's Republic of China
Population	554,800,000	365,700,000	900,000,000
GNP (billions)	$3,367	$1,240	$309
Military spending (billions)	$175	$139	$23-28
Military manpower	4,900,000	[1] 4,580,000	4,300,000
Strategic nuclear weapons	9,400	4,500	2007
Tactical nuclear weapons	22,0007	15,0007	NA
Tanks	25,250+	59,000	9,000
Anti-tank missiles	200,000+	NA	NA
Other armor vehicles	48,000+	62,000+	3,500
Heavy artillery	11,400+	22,600+	200,00
Combat aircraft	8,900+	10,400	5,900
Helicopters	12,300	4,550	350
Major surface warships	522	247	22
Attack submarines (all types)	211	239	66

[1] The U.S. Defense Department estimates of Warsaw Pact manpower includes 750,000 uniformed civilian personnel making the total Warsaw Pact manpower 5,600,000.

Data: Department of Defense, International Institute for Strategic Studies, Center for Defense Information.

Mr. MUSKIE Mr. President, we have been hearing about the inadequacy of the defense numbers in the second budget resolution. Between now and the mid-1980's according to our analysis, our capacity to hit Soviet strategic targets will be double because of the defense posture written into the fiscal year 1980 second budget resolution and preceding congressional budget resolutions.

I offer those perspectives not as the ultimate in what our defense capability should be, but to counter this impression that has been argued repeatedly by our experts today that our freedom and our security are in jeopardy because our arms capability is inadequate. I just do not believe that.

Mr. President, I have not even touched my prepared speech. Perhaps I should save it and I will for later, but I wish to make one observation at this point very briefly:

Through this budget resolution and the reconciliation instruction that the Senate adopted 90 to 6 this morning—we are imposing on millions of Americans the impact of budgetary restraint. I am not one to pretend that the programs which are impacted will do everything that should be done to deal with the problems generated by a deteriorating economy—to deal with the problems of the disadvantaged, to deal with the problems that we face with severe health costs increases, and to deal with the problems of the aged and young. I am the first to conclude that with the reconciliation instruction we are imposing restraints.

There are those who will say that through the 1960's social programs grew so fast that no one should have a problem anymore. That does not happen to be the fact. It certainly is not in my State.

And I cannot believe that there is a Member of the Senate who does not have disadvantaged groups in his State whose ability to grapple with inflation in their daily lives, whose ability to meet their food requirements, their housing requirements, their health requirements, their educational requirements, will not be impacted by the restraint this Senate adopted 90 to 6 this morning. How much restraint did that impose on the Defense Department? One hundred million dollars. That is the only restraint of the reconciliation instruction on the Defense Department. All the rest of the reconciliation comes out of programs impacting on the people I have described. That is why, may I say to my colleagues, sensitive as I am to the pressures for more spending for defense triggered altogether by the SALT hearings, I believe I have a responsibility—as does every Senator—not only to exercise restraint on the levels of Government spending, but to insure that the resources available are fairly distributed. I do not think it would be fair in the morning to impose a restraint of $3.6 billion on domestic programs and in the afternoon vote to spend $3.2 billion more for defense without a clear showing of the need now for the increase. Inflation is our enemy—we are on the front lines—now. And God help us if we do not realize it.

Mr. President, I am for enhancing defense capability, and this budget resolution provides—in response to an amendment by Senator DOMENICI—$13.5 billion more in the strategic warfare mission aimed at the early 1980's missile vulnerability problem disclosed in the SALT hearings.

Therefore, Mr. President, I oppose the Hollings amendment. I oppose any increase in defense spending in the fiscal year 1980 budget. What we do in subsequent years should be done rationally and I suspect we may have to do more. But let us not do it by a formula approach, 3 percent, 5 percent, which sim-

ply attracts wish lists from the Defense Department and other overly enthusiastic defense supporters. Let us insure that a solid case is made for increased spending.

Senator HARRY F. BYRD, JR., submitted a letter recently to the Secretary of the Army—and it is a good letter asking about cost overruns with respect to six weapons systems, the Black Hawk utility helicopter, the Roland air defense missile system, the infantry fighting vehicle, the AAH attack helicopter, the Patriot air defense missile system, and the XM-1 tank. The letter concerns cost overruns involving billions of dollars for these Army programs.

And what is our answer to the evidence, that the military cannot control the costs of the systems they are buying. We are going to throw more money at them.

Then there is the question of $23.5 billion in unobligated balances which may be necessary to advance the funding of weapons systems. The amount of $23.5 billion. I understand that it is a deliberate policy decision made by the Congress, to fully fund the costs of many weapons as we approve their acquisition. But what if the level of such unobligated funds reaches $50 billion, or $70 billion, as it could?

The Hollings amendment would add $110 billion over the next 5 years—$110 billion—to the Senate budget resolution assumptions about defense.

Have we been that far off, Mr. President? A total of $110 billion off in our estimates of defense needs? Those estimates are based on 5 years' experience with the budget process—5 years of inputs by the Armed Services Committee—5 years of inputs by the Appropriations Committee—5 years of inputs by interested Senators. Have we really been $110 billion off in terms of what our real national security needs require?

That is an appropriate question. It ought to be answered, but not by a formula approach such as 3 percent or 5 percent, as though somehow those suggestions have been completely justified in detail by thoughtful, rational, thoroughly examined bases of specific weapons systems and defense requirements. The lists I have seen for defense increases have all been generated since the SALT hearings.

The PRESIDING OFFICER (Mr. HEFLIN). The Senator's time has expired.

Mr. MUSKIE. I reserve the remainder of my time.

Mr. NUNN. Mr. President, will the Senator from South Carolina yield me 1 minute?

Mr. HOLLINGS. The Senator from Maine will have to do it. I do not have any time.

The PRESIDING OFFICER. The Senator from South Carolina has no time remaining on his amendment.

Mr. HOLLINGS. Will the Senator from Oklahoma yield me 1 minute? Or will the Senator from Maine yield me 1 minute, just to clarify one point? Because I was a party to the reconciliation. I have a transcript showing there is no question but that when we considered the reconciliation, and we negotiated several days, that we had my amendment in mind, and that we knew we would have to reconcile whatever it would take. Instead of that, we have just voted the Army another $110 million cut.

Mr. MUSKIE. I yield 1 minute to the Senator, to clarify the point.

Mr. HOLLINGS. We understood it would have to be reconciled, one way or the other. To come out of the excess profits tax or reconciled one way or another.

Mr. NUNN. Mr. President, will the Senator yield me 1 minute?

Mr. MUSKIE. I yield 1 minute to the Senator from Georgia.

Mr. NUNN. First, the Senator from Maine has my great admiration for the marvelous job he is doing overall. But on the question of unobligated balances, this is referred to all the time, and I think it needs clarification.

An unobligated balance means we fund all the money before it is spent. I think it is interesting just to look at the unexpended and unobligated balances totals in 1978—this is as of September 30, 1978. The Defense Department at that time had an unobligated balance of $21 billion, and an unexpended balance of $54 billion, total $73 billion.

At the same time, HUD, the Department of Housing and Urban Development, had an unobligated balance of $34 billion, and an unexpended balance of $195 billion, or a total of over $200 billion in HUD, approximately three times the total unobligated balance and unexpended balance in the Department of Defense.

HEW had an unobligated balance of $45 billion, and an unexpended balance of $28 billion, approximately the same as the Department of Defense.

The Office of Personnel Management—I assume this relates to retirement systems—had an unobligated balance of $56 billion and an unexpended balance of $34 billion, making a total of $100 billion.

So, Mr. President, this has to be put in perspective. That is the way this Government operates, and I do not believe anyone would want to change that.

But all I remember, particularly from the House side, is that we have these unobligated balances, therefore they do not need any more money. If that is the case, we could cut out the HUD and HEW appropriations. I do not believe anyone would favor that. And I do not believe anyone would change the system. I think it is a fiscally responsible method of accounting.

Mr. MUSKIE. Mr. President, the Senator from Georgia makes some good points, but there are differences between the programs that he refers to as unobligated balances.

For instance, the HUD figure represents simply the 30- or 40-year payoffs of mortgages on homes. That is something different from the unobligated balance in defense. That is not to say it ought not to be compared with that. It is a bigger percentage, and perhaps I should not have pointed it out, but I think it is appropriate to point out not only with respect to defense but with respect to other programs, that we are stockpiling unexpended dollars, which tends to obscure the resources available in one way or another. I think we have to come to some reckoning.

Mr. NUNN. I do not dispute that.

Mr. MUSKIE. The Senator has made an appropriate point.

Mr. President, I yield 6 minutes to the Senator from Ohio.

The PRESIDING OFFICER. The Senator has 4½ minutes remaining.

Mr. MUSKIE. I yield it on the bill.

Mr. METZENBAUM. Mr. President, I rise to commend the Senator from Maine for his leadership in effectively resisting this amendment, and his ability to capsulize the issue and point out how, this morning, we agreed to limit the social service spending programs that have to do with human concerns by $3.6 billion, and this afternoon we are talking about increasing the military spending by $3.2 billion in the first year.

I note that many of the Senators who are supporting and will support this amendment have been among this body's most vocal advocates of a balanced Federal budget.

I have heard time and again from many of these Senators that we cannot solve problems simply by throwing dollars at them.

And I have heard many of these same Senators denounce the so-called "big spenders" in the Congress who, they say, bring the attitudes of "a drunken sailor" to the Federal Treasury.

Mr. President, I have rarely seen a proposal that exceeds the one before us today in its total disregard for budgetary restraint.

Here we have an amendment that would increase budget authority by over $47 billion through fiscal year 1982; $110 billion by 1984; that means raising the projected fiscal year 1980 deficit to nearly $30 billion and reducing by a third the surpluses projected for fiscal years 1981 and 1982.

And for what?

The supporters of this amendment tell us that we need to spend more on our national defense. Yet the administration has stated that any additional funds appropriated in fiscal year 1980 would go for fuel, utilities, moving costs, janitorial and kitchen services. Not a penny, the administration says, will go for new weapons.

We have heard that the fate of the SALT II treaty may ride on whether or not these vast, inflationary spending increases are enacted. The price of arms limitation, in other words, is arms escalation. To me, that price is unacceptable.

We have heard from the amendment's backers that this money is needed to meet a clear and present danger.

Yet it is a fact that the DOD already has over $20 billion backed up in its spending pipeline.

It is a fact that our shipyards are working at full capacity to upgrade the Navy.

It is a fact that we have a full range of missiles and that we are about to spend billions on the MX.

And it is a fact that DOD officials and the sponsors of this amendment are at a loss to say precisely where the mili-

tary could usefully spend this proposed embarrassment of riches.

Mr. President, I am skeptical about the need to spend this money at all.

I am disturbed by the fact our NATO allies do not now and will not in the future come close to matching the more than 5 percent of GNP that the taxpayers of America spend on defense. And I am not aware of any widespread European commitment to follow this country's lead in further escalating military expenditures.

But, Mr. President, in spite of the fact that I am not convinced that we must spend more, I am willing and anxious to listen to those who believe otherwise.

I am willing to listen to arguments on why we need this or that weapons system. Let those who wish to make that case go before the appropriate committees with specific proposals.

But I believe that it is ludicrous to authorize tens of billions of dollars without knowing what we are buying or why we are buying it.

I believe that it is wrong to write a blank check for military spending at a time when we are cutting back on programs for the people of this country.

Mr. President, this amendment is bad policy, it is bad economics, and it is bad precedent. I join the Senator from Maine in urging the Senate in the strongest terms to reject it.

Mr. MUSKIE. Mr. President, I promised to yield to the Senator from Virginia. I yield 15 minutes on the bill to the Senator from Virginia.

Mr. HARRY F. BYRD, JR. Mr. President, the stated purpose of the amendment offered by the Senator from South Carolina is to enhance national security. While Senators may differ as to whether it will accomplish the objective, no one will quarrel with the objective itself.

But we must keep in mind, I feel, that national security is not simply a matter of funds for operation of the national defense establishment.

If the United States is to be truly secure, it must have a strong economy. Even overwhelming military superiority would not insure our national security if America's economic strength were to continue to be undermined by runaway inflation. As I see it, it is the economic threat to our security which is the most immediate and the most dangerous.

High inflation is robbing our working men and women, destroying the incentive to save and invest, saddling our people with hidden tax increases, demoralizing both producers and consumers, and undermining the dollar in international money markets. I feel that inflation is the No. 1 problem facing our Nation today.

This vote which the Senate will soon take on the amendment offered by the Senator from South Carolina is a most difficult one, a most difficult decision, insofar as the Senator from Virginia is concerned. Through the years, the Senator from South Carolina and the Senator from Virginia have fought many battles in behalf of national defense. Through the years, the Senator from South Carolina and the Senator from Virginia have been on the same side of the issue when it came to voting appropriations and authorizations for our national defense.

Powerful arguments have been made on the floor of the Senate today as to our national defense needs. At the same time, powerful arguments have been made on the floor today in regard to the importance and the need and, indeed, the essentiality, in my judgment, of containing and curbing the high rate of inflation that is eating so heavily into every housewife's grocery dollar and into every worker's paycheck.

The threat to the security of the American people through runaway inflation is real. We all know that a nation can be destroyed from within more easily perhaps than from without.

The difficulty I have with the amendment offered by the Senator from South Carolina is that it would increase the total budget authority for fiscal year 1980 by $4.4 billion. It also would increase outlays for the fiscal year 1980 by $3.2 billion. Those outlays are on top of the $543 billion total in the budget resolution. The deficit under the pending amendment would be increased by $3.2 billion to more than $31 billion. The national debt will be increased, also,

I find it difficult to increase total spending when total spending is already too high.

Mr. President, the exchange which was held a moment ago between the Senator from Georgia (Mr. NUNN) and the Senator from Maine (Mr. MUSKIE), point out that it is the total spending by the Federal Government that is the major factor in the inflation. It is the total spending and the accumulated and accelerated deficits of the Federal Government that are contributing so heavily to the inflationary process in our country.

So, while I am totally in sympathy with the objective of the Senator from South Carolina, I find it very difficult, very difficult, to vote to increase the deficit, which already is too high, or to vote to increase the overall spending by the Federal Government, which already is too high.

Frankly, in my view, the second concurrent budget resolution does an inadequate job on that score: spending is too high at $543 billion, and the deficit is too high at $28 billion. Nor do I agree with the Budget Committee as to its priorities.

The amendment of the Senator from South Carolina is commendable as to its objectives. But I feel that the proposed increases of $4.4 billion in budget authority and $3.2 billion in outlays should be offset by reductions in other areas.

Frankly, I should like to see a reduction elsewhere in the budget which would permit the Senator from Virginia, then, to support the amendment offered by the Senator from South Carolina. I have talked with many of my colleagues about an amendment to the Hollings amendment to bring this about, but I find little support for cutting elsewhere.

The Senator from Delaware (Mr. ROTH) plans, at some time during the day, to introduce an amendment. As I understand his amendment, it would, among other things, provide for a 3-percent increase in defense spending, the same as Senator HOLLINGS' proposal. His amendment also would reduce spending in other areas of the budget to more than compensate for that increase in defense spending. That is the approach I favor. While I am not prepared to make a categorical statement in regard to the Roth amendment, if I understand it accurately, I feel that I could support it because it provides for a 3-percent increase in defense spending but compensates for that by eliminating spending in other areas. That is what needs to be done.

Mr. President, I realize the deep convictions on both sides of this issue. I do not know whether any of us can say with certainty whether we are right or wrong in trying to choose as to which is the more important: To vote additional funds for the military and thus create a higher deficit and a higher total, overall Federal spending, or, contrarywise, to vote against the Hollings amendment and thus hold down the overall total spending and, hopefully and presumably, play a part in containing inflation.

I shall not make a firm decision at the moment, but I have about reached the conclusion that if I have to assign priority, I must assign the first priority to containing inflation, to attempting to get inflation under control by not further increasing Government spending and thus increasing the Federal deficit. I probably shall vote for defense—defense against inflation.

Mr. President, I yield the floor.

Mr. MOYNIHAN and Mr. DOMENICI addressed the Chair.

Mr. MUSKIE. I had agreed to yield to the Senator.

How much time does the Senator from New York need?

Mr. DOMENICI. Will the Senator yield to me after that?

Mr. MUSKIE. To the Senator from New Mexico and the Senator from Nebraska, and——

How much time would the Senator like?

Mr. MOYNIHAN. Will the Senator kindly yield 10 minutes, I may not need all that.

Mr. MUSKIE. Yes; on the bill.

Mr. MOYNIHAN. I thank my friend and chairman, the Senator from Maine.

Mr. President, I rise to support the President's proposal, which has been introduced by the distinguished Senator from South Carolina, calling for a 3-percent increase in the first year. I support too the President's proposal for the second and third years which we must also consider today.

I would like, however, to make a number of points, many of which I will address to those who support the proposal, more than to those who do not.

I would like to begin by observing that the President's proposal represents a very large departure by the President from the positions he espoused during the 1976 election campaign. As we may recall, he campaigned for the Presidency proposing to reduce the defense budget—not by as large an amount as some others had done, but still he proposed reductions.

On November 30, 1976, Stuart Eizenstat

wrote President-elect Carter a memo which was in fact, a compilation of campaign promises. That memo states that on June 10, 1976, candidate Carter called for "reducing present defense expenditures by about $5–$7 billion annually."

What are we to conclude?

I think it important to note that not so many years into his Presidency, he reversed himself considerably.

Let us be clear that he has done so.

The increase in outlays proposed for 1980 under the President's proposal would be $13.5 billion. At that annual rate, if we had no defense budget 10 years ago, we would have a higher defense budget than we have today, to give some sense of what is going on here.

I should also like to call attention to the quite extraordinary avoidance by the American public and by the Congress of the facts which are illustrated in the chart here in the back of the Senate.

It is exactly the case that during the 1970's social spending rose very dramatically, and defense spending, in real terms, dropped. I think it is also true, however, that this was not perceived.

I raise the thought that there is a law of opposites in politics, and that the historic mission of the Republican administrations of the 1970's was to increase social spending and decrease defense spending. It is turning out that the historic mission of the Democratic administration is to be just the opposite—to cut social spending and increase defense spending.

How that comes about is for wiser men than I to say, I simply note it. I shall return to this point, because I would like to say that the Senator from Maine, my distinguished chairman and friend of so many years, is absolutely right in his observation that the proposals to increase spending from the administration came in the context of the SALT treaties.

I heard my friend from Ohio say that if arms escalation is the price of arms limitation, then it is unacceptable to him. I am afraid that is the choice he has. We have entered into the bizarre situation that, one day we hear from the administration that we must have the MX missile in order to have the SALT treaty, and the next day we hear that we must have the SALT treaty in order to have the MX missile. Neither seems to be a wholly intuitive connection between arms limitations.

But the fact is that those in charge of policy today seem to be changing their minds. A great shift is taking place.

The people who were responsible mainly for the defense policy of the 1970's are beginning to admit that, yes, indeed, they did reduce arms, they did indeed reduce the military strength of the country, and probably they ought not to have done it.

At a recent meeting of NATO in Brussels this was granted by no less a person than the former Secretary of State who allowed that the American nuclear umbrella no longer existed, and that what General de Gaulle had been saying to the Europeans for all those years was, in fact, the case, not because we would not defend Europe, but because we no longer can.

It seems to me, however, that no new consensus has emerged.

We have heard the Senator from Oregon speak, we have heard the Senator from South Carolina, the Senator from Georgia. We now hear a Senator from New York. We do not frequently hear a Senator from New York speaking in these terms. Yet, I do, because it seems to me the erosion of our circumstance is epochal and at the point of no return.

Yet I think that the change of circumstance will not come about by concessions cast in numbers, which are so hard to make real, to make solid, to explicate in specific terms.

If the President said to us, "I want an Indian Ocean fleet," that would be one thing. To say, "I want 3 percent on top of an inflationary deflator of 14.5 percent, minus an implicit acceleration lag of 7 percent, that comes out to 3 percent," is not the same as to say he has changed his mind since he campaigned for the Presidency saying he would cut the defense budget.

What has he learned to change his mind? Is it nothing more than that he has learned there are seven votes in the U.S. Senate that need to hear this in order to vote for SALT, or whatever?

I hope it is not just that. If it is more than that, we need to hear from him because there is a problem of balance. This has been alluded to, this problem of balance in the budget as a whole.

The chairman of the Budget Committee is absolutely right. We cannot, on the one hand, have a group of men, for whom we have the utmost respect and affection, say that the overall budget must be reduced to the lowest percentage of GNP we have seen since the 1950's, and have those same friends say, "And we must increase the defense budget by the largest increase since the 1960's." That will not work.

I would now like to speak to the question of regional balance. The Federal budget for defense is severely imbalanced between one region and another.

Mr. President, I ask unanimous consent to have printed in the RECORD a list showing those States which receive more in the way of defense expenditure than the representative population, and those that receive less.

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

The following States received per capita defense spending *less* than the national per capita average.

State	(1)	(2)
West Virginia	21	700
Wisconsin	25	1,600
Oregon	30	800
Iowa	34	1,000
Illinois	34	3,500
Michigan	45	2,400
Montana	47	200
Arkansas	48	500
Minnesota	49	1,000
Tennessee	49	1,000
South Dakota	50	200
Ohio	52	2,400
Nebraska	55	300
Indiana	55	1,000
Wyoming	60	70
Vermont	63	90
Pennsylvania	64	2,000
New York	65	3,000
Kentucky	68	500
New Jersey	70	1,000
Louisiana	71	500
North Carolina	75	700
Delaware	76	70
Idaho	84	70
Rhode Island	85	70
North Dakota	87	40
Alabama	87	200
Kansas	95	50
Florida	95	200
Nevada	95	20
South Carolina	100	0

[1] Per capita defense spending as percent of national average.

[2] Extra spending required to bring the State to the national per capita average (dollars in millions).

The following States received per capita defense spending greater than the national average.

State	(1)	(2)
Alaska	306	400
Hawaii	289	800
Connecticut	249	2,200
Virginia	219	3,000
Washington	189	1,500
Mississippi	180	900
Missouri	168	1,600
California	164	6,700
Maryland	156	1,000
Texas	148	3,000
Utah	129	200
Arizona	128	300
New Mexico	126	100
New Hampshire	125	100
Massachusetts	122	600
Colorado	119	200
Georgia	107	200
Maine	106	30
Oklahoma	104	60

[1] Per capita defense spending as percent of national average.

[2] Spending reduction required to bring the State to the national per capita average (dollars in millions).

Mr. MOYNIHAN. Mr. President, I would like to say that I have called this to the attention of the Secretary of Defense. My own State, as it happens, is hemorrhaged by the imbalance of defense expenditure. The contrast of my State, New Jersey, and States like that, with States such as California and Texas, is extraordinary.

I took this up with the Secretary of Defense. I am afraid the reply from the Secretary was not reassuring. He told me, first, there was no imbalance; second, if there was, it did not matter; and third, if it mattered, it was unpatriotic to talk about it.

Well, he is going to find out in the House of Representatives that it does matter because the chairman of the Subcommittee on Appropriations for Defense is from Queens.

I was in the Navy—ingloriously, but such as was asked of me—and one of the first principles we had in convoy duty was to see that the freighters had a complete mix of the materiel we were trying to get across the Atlantic in each ship. This was so that if one ship went down, we did not lose every axle bearing in the entire armored division.

Well, the Secretary of Defense should have the sense to know that if increasing the defense budget is to cause a strain on the economies of some States that can barely afford it, he is jeopardizing the capacity to do what the Nation needs;

and it is not enough to dismiss the argument as unpatriotic.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BELLMON. I yield the Senator 2 additional minutes from the bill.

Mr. MOYNIHAN. Mr. President, while I support this measure, I would like to speak to the administration and say that even the success of this measure will not be sufficient because we must hear from the administration. They must speak to the question as to whether they have changed their views of the condition of the American Armed Forces and why. They must speak to the question of how we can increase our support for the Armed Forces and not do so at the expense of legitimate domestic purposes.

They must speak to the question of the regional imbalance which has been allowed to grow and which threatens the base of support in this country for the single most important issue that can ever face a nation.

As someone who has spent his life mainly in domestic matters, particularly in social services, I say there is no social service a government can provide its people more important than that they should be kept alive and free. The capacity to do that will test our political will and creativity in the months ahead.

I congratulate the Senator from Georgia and the Senator from South Carolina for having commenced a debate which will not conclude this afternoon and may not even conclude with this Congress, but it is time this Nation embarked upon it.

Mr. DOMENICI. Mr. President, will the Senator yield me 5 minutes?

Mr. BELLMON. I yield the Senator 5 minutes from the bill.

Mr. DOMENICI. I thank the Senator from Oklahoma.

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

Mr. DOMENICI. Mr. President, it is difficult for me to depart from my position, which generally has been to support our Budget Committee, and I do so reluctantly; but I do want to say a few words in its defense—that is, the Senate Budget Committee's activities heretofore.

As a matter of fact, when we brought the first resolution to the floor, we had the entire 3-percent real growth requested by the President—and I might add parenthetically, requested and then not lobbied for very diligently thereafter. But we had it in.

It was when we went to the House, in conference, I say to Senator HOLLINGS, that they continually insisted on perpetrating the trend line that Senator NUNN has shown; that is, they want to swap add-ons on the other side of this budget if we are going to have anything added to their markup for defense. Conversely, if we are going to cut anything on the social side, we have to cut defense.

So we came back in the first concurrent resolution with a significant cut over that which the Senate had recommended at the first go-round.

Therefore, I am delighted at this point to support the first part of the amendment offered by Senator HOLLINGS, because it merely does what we had recommended the first time through in the Senate.

Now we have the President's support, and he has itemized what he needs, and Senator HOLLINGS and Senator NUNN have shown us unequivocally that that is needed.

Having said that, I also point out that the Senate Budget Committee was aware of the shortcomings in the outyears in terms of strategic deficiencies, and we did add $13.5 billion for specific weapons systems in the outyears, in both outlays and budget authority. We know those are not binding, but we did vote therein for that. That is the MX, R. & D., deployment, the Trident, and so forth. They are all in there.

We have to add more, but we do understand that there is a shortchanging of America's security in those outyears in terms of strategic preparedness.

Mr. President, maybe I have not heard the arguments heretofore, but it appears to me that the Budget Committee again and the budget process again deserve the full support and, in a very real sense, the appreciation of the American people and this institution; because, for the first time, as I understand it, the entire picture of the military preparedness of the United States versus the Soviet Union has come here to the floor for full debate. It is not within a committee, where we are restricted to the systems and the authorizations and the appropriations, but an overall view of America's preparedness and the preparedness of our logical opponents, the Soviet Union.

I think those who have participated deserve the full commendation of the Senate and the American people. They have heard some things put in perspective here in a way we have not heard before. I hope it does bring some understanding that we might cut here and cut there and add and kind of play games with the authorization and the appropriation in programs for years here; but if we do it in defense and do it long enough, it finally shows up, especially when we have an adversary that has determination and a singlemindedness and is not bound by our kind of open discussion of social needs, economic needs, inflation, and military needs, but rather, sets its goal and moves.

The debate by the Senator from Oregon this morning and by the Senator from Georgia (Mr. NUNN), the overview of where we have been and where we probably will be, should scare anyone. If we are going to err, we should err on the side of too much, not too little. That appears to me to be certain today, and I say that in all deference to the good chairman, who is arguing that America's major enemy is inflation. There is no question about that. But we cannot take the risk of underpreparedness, considering the kind of world we live in today.

I do not want to close by a confrontation with our President nor by blaming him for anything. But he sees fit to say that Congress has caused this military deficiency by cutting, as he told us, $50 billion in 10 years. He and his Secretary of Defense have sent less than clear signals in the past 3 years on where they stand in terms of military preparedness.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BELLMON. I yield the Senator 1 additional minute.

Mr. DOMENICI. In fact, it might be said that their signals have been mixed. It is only recently that this President is forthright, persistent; and only very recently did he send up a letter saying we should give him the full 3 percent he requested.

I have said before, and I say again, that only the Commander in Chief is going to turn around issues of the type we are discussing here today. I suggest to President Carter that if he were as persistent on this issue as he was in cutting water projects, we would not even be here today. We already would have had the 3 percent built into this budget in real growth for 1980, and we would not have the side issues now of whether it is SALT, the desire to get votes, or other things. We would have had the 3 percent.

If he would have said, "I will veto a bill if it is not in there," we would have got it for him. That is what he said on water projects, and in my opinion he was right on the water projects; but they are not as important, it seems to me, as 3 percent real growth in defense, if our Commander in Chief feels it is necessary.

I think it is time he understands that, and we will try to follow. If not, it seems to me that, in a very strange way, we will have to take the lead in an area where it is very difficult to lead.

Mr. BELLMON. Mr. President, how much time does the Senator from Oklahoma have remaining on the bill?

The PRESIDING OFFICER. The Senator has 251 minutes on the bill.

Mr. BELLMON. I thank the Chair. I yield myself 5 minutes.

Mr. President, I realize that increasing defense spending is a very popular issue at this particular moment.

I sat here all afternoon and I do not see how anyone could escape that conclusion. The idea of a 3-percent real growth in defense has become so ingrained that it obscures any real assessment of our needed defense capabilities. The ongoing SALT debate is making us all more aware of the global military balance and the situation that we face with Russian combat troops in Cuba has focused all of our attention on this issue.

As the supplemental submitted by the administration with, I might say, something like remarkable timing, tends to demonstrate, the President seems to be running scared on defense and the price of SALT seems to be getting higher day by day. In any event, I want to briefly state my reasons for not supporting the Hollings amendment.

My reasons revolve around two major concerns:

First. I believe higher defense spending will be required to increase our security, but I do not believe we have adequately identified how we can best use increased defense spending. Money is only half the problem, and I hope my friends from the Armed Services Committee will listen to this point.

If, after we have spent a trillion dollars on defense over the last 10 years, we find ourselves in a weakened position that has been described here today, part of the problem must be that we are not using the resources that have been made

available in an effective way. We are funding obsolete strategies and not responding correctly to the new security challenges that we face.

Our problem must stem from the absence of a long-term perspective on our defense needs and our requirements and not simply on a lack of adequate resources. We should have such a perspective in hand before we act to increase defense spending. Otherwise, we will act blindly and squander the chance to use increased resources to improve our defense posture. If we blindly scatter 3 or 5 percent per year in the defense function, we lose a valuable opportunity to focus carefully and target accurately on our essential defense needs. If we support real growth in defense spending, we should get a real improvement in defense capability. I am convinced we should wait until we identify desired real improvement in terms of capability and force structure before we support more defense spending. We can afford to wait until the details of this improvement are presented by the administration or by the appropriate committees. Nothing is desperately needed this year in terms of defense capability that is not adequately covered by the $136.8 billion already contained in this budget resolution.

What is needed is a recognition that we are in an adverse trend in terms of our national security and that this trend must be reversed over time. I want to know the best way to reverse this trend before I agree to any large increase in defense spending.

I realize my concerns may fall on deaf ears for people who see adopting a formula-type real growth approach to defense spending as the way to reverse this trend. They are evidently satisfied by symbolism. I fear we are seeing symbolism gone wild. Unless we also know what our force requirements are, I am afraid we will simply pour money into defense and get little improvement in our national security for our troubles and for the billions of dollars we spend.

My second concern deals with the overall budgetary implications of this defense increase. I do not subscribe to the philosophy that straight percentage increases in any function—Defense, HEW, or whatever—are useful.

The 3- or 5-percent approach to defense spending will merely result in a number into which the DOD will proceed to cram a lot of housekeeping items.

Mr. President, I call attention of the Members to a story in the Washington Post this morning on page A-7 in which it lists the items for which the Pentagon would spend the additional money and I read those items. Here is what it says:

> Here is how the Pentagon would use extra billions in fiscal year 1980:
>
> Fuel, $888.5 million. Carter, the Pentagon said figured oil would cost $19.30 a barrel rather than the actual price of $24.50. With ships, tanks and planes burning about 170 million barrels of fuel in fiscal 1980, almost $1 billion more is needed.

The same thing could be said about virtually any agency that is covered in our budget. They all have higher fuel costs than anticipated earlier. If we follow this line of reasoning, there would be an increase in virtually every function.

The second point:

> Dollar plunge, $470 million. "The anticipated improvement" in foreign exchange rates for the U.S. dollar "has not taken place, nor does it appear likely to occur at any time in the near future." More money is needed to cover wages and other activities paid in foreign currency.

The next item:

> Utilities $113.3 million. This covers higher-than-expected heat and light bills at military installations.

The same thing is true in every Government agency.

The next item:

> Higher moving expenses for household goods, $175 million.

The next item:

> Stepped-up recruiting of volunteers for the armed services, $51.9 million.

The next item:

> Supplies and services, including janitors and kitchen help, $558.6 million.

There is not one single one of these items that really relates directly to the problem we are having with the Soviet Union and nothing here that will help us to increase the defense of the country in the short term.

Mr. President, I oppose this approach of percentage increases because it ignores the programmatic realities. It eliminates any DOD responsibility to realize savings and reduce waste and inefficiency. And I think anyone will have to admit that waste and inefficiency exist in the Defense Department just as they do in other governmental agencies. Dropping 3 or 5 percent on top of their business-as-usual approach will only encourage waste.

Mr. President, I appreciate the need to do more in defense to preserve our national interests. But, being on the Budget Committee and having responsibility for our entire economic picture, I also know the need for budgetary discipline if we are to bring inflation under control. The supports of this amendment seem to believe the two goals are incompatible. And I do not accept that.

This amendment will risk pushing the overall fiscal year 1980 deficit over the $30 billion level that we fought to stay below and will jeopardize our goal of a balanced budget in fiscal year 1981, a goal which is high in priority, in a different sense, for the long-term viability of the United States, as a strong security posture.

I feel the reestablishment of U.S. defense credibility requires more than just money. Rather than specify a plan of action to reverse a disturbing erosion of U.S. capability, this is a tendency to stampede in the direction of higher spending. Frankly, it is the apparent haste in raising defense that bothers me most. The problem is more than just resources. The Senate should not delude itself into believing that the United States can buy its way out of this problem and then sit back and forget about it. This problem, like our energy problem, requires careful analysis.

And I do not see much thought reflected in the proposal that we raise the budget 3 or 5 percent as the proposition now before us would do.

Mr. President, the impending vote on SALT seems to be the whip driving the Senate to approve defense spending increases in order to approve a treaty hardly anyone seems totally happy with. Well, I see no reason for such artificial deadlines to inhibit a rational approach to our defense needs. If SALT threatens to rush us, we should make up our minds now to delay voting for 6 months until we are sure of our defense and foreign policy course and have had a chance to implement it. I have no problem with such a decision. It should be vastly preferable to hurriedly approving a multibillion-dollar undirected defense increase with such drastic budgetary implications.

Mr. JAVITS and Mr. PACKWOOD addressed the Chair.

Mr. BELLMON. Mr. President, I yield to the Senator from New York.

Mr. JAVITS. Mr. President, I appreciate the Senator yielding. I agreed to yield to Senator PACKWOOD, if the Senator will yield 5 minutes to me immediately thereafter.

Mr. PACKWOOD. Mr. President, could I have 7 additional minutes?

Mr. BELLMON. Mr. President, I yield 7 minutes to the Senator from Oregon.

The PRESIDING OFFICER. The Senator from Oregon is recognized.

Mr. PACKWOOD. Mr. President, it was not my intention to speak again today, but after I heard the Senator from Maine speak and now the Senator from Oklahoma, I cannot resist responding to two or three points in concluding.

One, symbolism is very important. Symbolism is very important in this world. What we are facing right now is an admitted failure of this President to ask for enough money to fund his defense objectives in 1985, admitted, and if this Senate goes along with that conclusion, that is a very, very significant symbolic conclusion.

What we are saying to the Soviet Union is, "We are not going to meet you on your battleground or any other. We are not even going to attempt to vote the programs that our President says we need."

The Senator from Maine says this is a wish list. Mr. President, this is not a wish list. This is not a great rush of enthusiasm for military spending. I have gone along before, voting against the B-1 and other military spending. I do not find any great rush in the country that says "Spend," but I think it is unfair to say that those of us who are supporting this proposal are giving in to the military, when the Secretary of Defense and the President will not support it when we are simply trying to achieve their ends, not ours.

The Senator from Maine says, "Let us count the NATO forces." Oh, those NATO forces; they were a great help in Vietnam. Those NATO countries, who would not even let us overfly their countries or land in their bases when we wanted to supply Israel in 1973. That is the kind of support we can count on from the NATO countries. They will

fight on their ground, when they think it is their interest, period.

Mr. MUSKIE. Will the Senator yield?

Mr. PACKWOOD. No, I do not wish to yield. I am not going to ask any Senator in this body to rest the security of the military policy of this country on the good intentions of NATO. I do not expect those countries to fight in places where they think it is only in our interest. I just do not want us to reduce our commitment below the level where it is impossible for us to make the decision as to whether we might choose to fight in those places where we think it is in our interest.

Let us take this Hollings amendment; $3.2 billion in outlays. We are not going to balance the budget in fiscal 1980 with or without the amendment. Alice Rivlin, the Director of the Congressional Budget Office, testified before the Finance Committee last week that we will have about a $15 billion surplus in fiscal 1981, so we can balance the budget in fiscal 1981 with or without the Hollings amendment.

At some stage, your level of military spendnig vis-a-vis that of your principal opponent goes below a threshold where not only your opponent, but others, do not regard you as credible; and I am afraid we have approached and gone below that point. All during the 1960's, we increased our military spending and Russia increased her military spending. All during the 1970's, we cut our military spending and Russia increased her military spending. Now, in relative terms, absolute terms, by every conceivable standard of comparison, they are spending more money than we are, and they will continue to do so absent some enormous change of policy, whether or not the SALT II treaty is ratified.

The Hollings amendment—if adopted—will not, for 3 percent in 1980, 5 percent in 1981, and 5 percent in 1982, and if we get it, 5 percent in 1983 and 1984—enable us to meet the goals the President has set for this country.

This debate is not over, and does not finish this year, but if we vote his down this year, we have given a symbol that we will pay dearly for. If we pass the Hollings amendment this year, we will only have started back, hopefully, above that level that is the threshold. If I might paraphrase Winston Churchill, if we pass this Hollings amendment, it is not the end. It is not even the beginning of the end. But it may be the end of the beginning.

Several Senators addressed the Chair.

Mr. BELLMON. Mr. President, I had agreed to yield the Senator from New York 5 minutes.

Mr. JAVITS. Mr. President, I have listened with great interest to the speakers, including my own colleague from New York. As I am the ranking Republican member of the Foreign Relations Committee, I think we can be of most use to the Senate by bringing in information as well as expressing conclusions based on that information. As I am a lawyer, I will state my conclusions first.

I do not agree with Senator PACKWOOD about NATO. NATO is defending on its own terms, it is true, and not helping us particularly in the Middle East or in the East, the most important piece of real estate in the world to the security of the United States of America. If we did not defend it now, we would have to defend it later, and then, talk about the Hollings amendment, you could just quadruple that.

NATO is critical. We promised NATO a 3-percent weapons increase over inflation. One thing we have certainly learned, if we have learned nothing else, and that is that we have to club in with other nations; we cannot do it alone. So keeping that promise is, to me, one of those terrible facts of life which you cannot get away from. No matter how poor you are, you want credit, and you want it most when you are very poor. You have to pay your bills.

So to my mind the realization comes in the following years, and that is where the SALT II experience is important. With all respect to the opponents of the amendment, I think the arguments made by Senator BELLMON and Senator MUSKIE that we still do not know what to spend the money on, and that we would simply be giving the military services a great big kitty on which they could draw, represents in my judgment, a mistake.

In the SALT debate we will articulate, and we will have articulated for us, exactly what Senator PACKWOOD calls for—not only what the President and the Secretary of Defense want for the country, but we will test whether it is right. The Senator who will probably succeed me on the floor today, Mr. HART, himself is very capable on that subject and will be very helpful to us in that regard. Because the Kissinger thesis, the Nunn thesis, and every other thesis is that we gave the Russians a signal in SALT I. We said, "We think there is so much overkill in terms of strategic nuclear weapons that we are going to give you a signal that we will sit still for a while."

Well, the Russians did not take that signal. So now we are compelled to give them another signal, to wit, that we will not sit still, either, and that "If you do not like it, if it hurts, you will have a chance, in SALT III, to correct it."

That, in my judgment, will be the outcome of our debate on SALT II: We will undoubtedly resolve that if we do bring in a SALT III, it has to have real reductions; otherwise we will tell the negotiators in advance, "Do not bring it in."

In that connection, we will have to total up what we need; and I agree with Senator MOYNIHAN in his, I think, historic statement that there is no social service that can be more important than to keep our people alive and free.

I would add one further dimension: There is no greater service we can render than to keep them alive and free from physical damage, but also to retain their financial integrity, because right now an appalling phenomenon is occurring in this country. That is that for the first time in my, thank God, long life, Americans are not confident of the future. Gentlemen, let us face it: Americans are not confident of the future. To give them that confidence, we have to restore both elements, their financial and economic future and their physical future.

So, in my opinion, Senator STENNIS has done us all a good turn by causing this vote to be divided. I believe that we have to not disappoint NATO. That is a critical situation. They are concerned and uncertain enough as it is. But we do not have to commit ourselves beyond that until we see what the bill is, and whether this is the particular bill for the particular purpose we want to pass.

It will therefore be my intention to vote "yea" on the first part and "nay" on the second.

Mr. HART. Mr. President, I wonder if the distinguished Senator from Maine will yield me 5 minutes.

Mr. MUSKIE. Yes, I yield the Senator 5 minutes on the bill.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. HART. Mr. President, I think it is indeed unfortunate that once again the Senate has chosen to cast a defense debate in quantitative dollar terms. I think it is unfortunate we have assumed here that spending money will make us stronger, on the one hand, and on the other hand that our national security should, or could be defined alone by what the Soviets are doing.

With all due respect to my friend and colleague from Georgia, who has done so much on this issue in the past, I think it does not further the quality of the debate to put up charts like this. I think we all understand Soviet defense needs are different from ours, and that in specific weapons systems and overall expenditures, we ought to pursue what is in fact, in the interest of making this country stronger.

Mr. President, I intend to support the Senator from South Carolina on the first part of his amendment. I shall explain why. I do not intend to support him on the second half.

We have procured very complex weapons systems for a number of years. We look at the F-15 and F-16 aircraft and they are incredibly more sophisticated and complex than the F-4. We look at the infantry fighthing vehicle compared to the M-113 and we see the same situation. We look at SSN-688 class submarines, compared to the conventional submarines that are being phased out, and we find they take more maintenance, more training, more expensive spare parts.

The fact of the matter is, Mr. President, that the DOD has budgeted, and continues to budget decreased readiness. By keeping operation and maintenance funds at the same level and, at the same time, by procuring more expensive and more elaborate weapons systems that require more maintenance, we have in fact planned to reduce our readiness, and our readiness is declining. I think the 3 percent proposed by the Senator from South Carolina is needed to reverse that decline.

The problem, Mr. President, is to look

at those very complex weapons systems and ask, are we in fact preparing to defend ourselves in the best possible way? I think the Senate of the United States does not do the people of this country or ourselves any good by continuing this debate about whether, on the one hand, more spending is better or, on the other hand, less spending is better. We have to look at what we are buying. If we continue to buy weapons systems that are more complex and more difficult to keep in readiness than their earlier counterparts, we are going to continue to have serious problems.

We have our combat aircraft down about 50 percent of the time, again, because of their sophistication. The same is true of many other weapons systems.

If this body does not, through its committees, begin to take a hard look at the types of weapons we are buying, at the quality of our national defenses and not just the quantity, I am afraid we are going to spend ourselves into oblivion and be weaker instead of stronger.

Given the situation in which we now find ourselves, I think we have no choice but to try to keep our weapons systems in better readiness.

I hope in the future we do not continue to fall into the trap we have fallen into today of 3-percent increases and 5-percent increases. They do not and will not alone make this country stronger. We have to get out of the habit of thinking that, by just spending more and buying more weapons systems, we are going to be stronger.

Like the Senator from Oklahoma, I do not think we do ourselves or our constituents any favor by arbitrary, across-the-board increases in this area of the budget any more than we do ourselves a favor by arbitrary decreases in other parts of the budget as others have proposed.

We are hired here to make judgments about the components of these budgets, about specific weapons systems, about the long-range planning for the future of our military and our defense. By simply adding on, year after year, arbitrary amounts of money I think we shall not increase this defense at all. I hope the debate, next time around, will focus on what we are buying, on the quality of our defenses and not just on raw comparisons with the Soviets and the desire for arbitrary increases.

I thank the Senator from Maine.

The PRESIDING OFFICER (Mr. STEWART). Who yields time?

Mr. MUSKIE. Mr. President, how much time did the Senator ask for?

Mr. JEPSEN. This Senator has asked for 5 minutes of the Senator from Oklahoma.

Mr. MUSKIE. I yield 5 minutes. Then I yield to the Senator from Nebraska on the bill.

The PRESIDING OFFICER. Is the Senator yielding time off the bill?

Mr. MUSKIE. Yes, off the bill.

Let me say, at this time, that we are beginning to run out of time on the bill. We have, I think, about 7 hours left and there are at least four or five amendments, each of which is entitled to an hour. So we ought not to be consuming that time on the defense issue. We have been spending the whole afternoon on it. I have no objection to continuing, but I just wanted to warn the Senate that we are beginning to come to the end of time on the bill that we should give to this particular issue.

I yield to the Senator from Iowa.

Mr. JEPSEN. Mr. President, I rise this afternoon to address the question of increased ceilings for defense spending. I might say that, in my brief 8½ months in the Senate, I have never, until this time, heard such a distinguished debate, by such distinguished people, on subjects where I find myself in agreement, for the most part, with everyone who has talked here today.

I agree with the distinguished Senator from Maine that inflation—I call it the silent embezzler in our society—is the most dangerous thing we have facing us. It must have top priority. I also agree with Somerset Maugham, who once said that if a nation values anything more than its freedom, it will lose it. The irony of it is if it is money that it values more, it will lose that, too. So both must have top priority and we can do both in this great Nation; we must do both to defend our country, and get the budget and our spending under control.

The people need to be told the facts about our defense problems. Many Senators heard me, in the last several weeks, discuss this with them individually. I should like to see, instead of this 3 percent or blanket 5 percent, a discussion which pinpoints and talks about our defense requirements and the things that we are going to spend this money for.

With consideration of the SALT II agreements now in progress, and with the unambiguous recommendation of the Joint Chiefs of Staff that approval of these agreements would not be in the best interests of the country in the absence of significant increases in defense spending, the American people are being admonished by many distinguished and experienced Members of this body that we must devote more of our national treasure to defense.

Mr. President, to those with expertise in the budget area—those familiar with inflation rates, budget authority, 5-year defense plans, and the like—the financial problems facing the Department of Defense may be obvious. But the average American hears only that we must "spend more for defense." I believe that this is an oversimplified and unsatisfactory approach to our problems. The experience of increased Government spending at all levels in the last two decades has demonstrated conclusively that spending for spending's sake solves nothing.

I am convinced of the fact that the American people are entirely willing to support the level of defense necessary to meet our national security requirements and keep the peace. The American people will support whatever it takes to defend this country if they are told the facts. Two general objectives we have historically sought are:

To prevent any single power or sphere of influence from gaining effective control over the Eurasian land-mass; and

To prevent any power from denying us freedom of access, or freedom of movement, on the high seas.

It is here in the congressional budget process that we attempt to reconcile ends and means. It is mandatory that we bring our defense capabilities in line with our national security and foreign policy objectives. It is a dangerous illusion to believe that the United States can continue to meet its fundamental objectives with progressively fewer material assets. We all know deep down that this conscious approach, if allowed to persist, provides the makings for potential disaster in American foreign policy.

The American people need to be told that the Navy, for example, cannot undertake sustained combat operations in the Atlantic without taking ships from the Pacific—the public understands that.

The American people need only to be told that United States and NATO forces are incapable of meeting essential naval missions simultaneously, and as a result will have to meet these missions one-at-a-time with a higher loss of ships, equipment, and personnel—the public understands that.

Tell the people that our amphibious lift capability for the Marines is such that we cannot undertake two Marine landings at the same time.

Tell the American people that the Marines have seen fit to cut their own strength by 10,000 men in order to save enough money to purchase needed equipment for the rest of the men.

Tell the Nation, as the learned Senator from Georgia (Mr. NUNN) has done, that we are not buying enough aircraft for the Navy to replace the ones we lose in training each year. The people understand these things.

Tell the public, as the Joint Chiefs of Staff told the Armed Services Committee, that in the early to middle 1980s military equivalence with the Soviet Union—in conventional, theater nuclear, and strategic nuclear power—will be lost.

As my colleagues on the Armed Services Committee know, Mr. President, the few examples that I have just listed only scratch the surface. The brief message I wish to leave here today is that the Senate needs to demonstrate to the American people that, should we vote to increase the budgetary ceilings for defense spending, there are recognized and legitimate requirements for these funds. We are not playing politics. We are not blowing political smoke.

I believe that prominent members of the relevant committees—Armed Services and Appropriations—have accurately assessed our defense budgetary problems and the proper level of necessary increases.

I stand in support of the distinguished Senator from South Carolina and his amendment to that effect. I thank the Senator from Oklahoma for his time.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, I yield 5 minutes to the Senator from Nebraska.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, I have been here since I opened the session in the chair this morning. Like my colleague from Iowa, I have learned a great deal from the debate.

I will be very brief now because in a very few moments I will be offering a substitute amendment which I hope will be considered by the Members of the Senate.

I find myself somewhere in between the two extremes, or the two positions that have been advanced here very eloquently on the floor.

While I know there has been some excitement from time to time in our voices, I say that this is a very legitimate and important issue, one I think needs a full airing.

Basically, I find myself somewhere in the middle. I know it is not popular these days to stand on the floor of the U.S. Senate and say that the President, for once, is right. But I think in this particular case the President is right.

I am not here to bury the President of the United States or to praise him. However, I noticed from the arguments made, and by some of those who have stood on this floor time and time again and offered amendments time and time again to reduce spending and control deficit financing, that in many instances the same people are up today and say, "Don't pay any attention to that because the country is going down the drain."

Well, the country, in my opinion, is not going down the drain militarily, and I wonder what in the world we are doing with the $127 billion plus that we are spending on our national defense.

However, I am one, and I said it yesterday when I was up in support of the Budget Committee on which I serve, that thinks it is time we hold fast in many cases, but I said at that time that I am for some increase in military expenditures.

Let me see if I can, in a minute or two, try to develop a scenario as to what I think is going to be before the U.S. Senate when we address this issue.

First, we have the amendment before us by Senator HOLLINGS that says we should have a 3-percent overall increase for 1980 and, if that is successful, I know he is going to go on and say that we should go to 5 percent for years 1981 and year 1982.

I do not agree with the 5 percent in 1981 and 1982. But I do feel that, generally speaking, the President's recommendations down the line for 3 percent for 1980, 3 percent for 1981, and 3 percent for 1982, are on the right track.

If, for example, we eventually accept the Hollings amendment all the way, not dividing the question, we will see for the next 3 years a total increase in defense spending of some $24.9 billion. If we accept the President's recommendation, we would be spending $19.3 billion for the same period. If the Senate accepts the Exon amendment, we would also be spending $19.3 billion, in addition.

The difference in the point I am going to make in my amendment is that, while I think we need some increase in defense, I also think we need to keep our eye on that ball that we have been talking about here for 7 or 8 months now and the commitment most of us made to the people back home that we want to hold down the deficit in 1980 to at or below the deficit in 1979, and also that we want to balance the Federal budget in 1981.

Therefore, in keeping wih those objectives, I am suggesting that in the amendment I will offer that we go for a 3-percent real increase in NATO spending for 1980, which would be the equivalent of $1.5 billion as opposed to $3.2 billion that is in the Hollings amendment now before us, and if I am successful in that, then I will follow up by offering an amendment to continue for the years 1981 and 1982, so that by the end of the 3-year period I would be recommending the expenditure of moneys, the same total as the President, but if we take the Exon approach we would be able to do that and maintain the integrity of coming in with a Federal budget that is below—below, I say—the deficits for 1980 compared with 1979.

Therefore, Mr. President, I hope that we recognize that there are several things that will come before us.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. EXON. With that, I yield back any further time and will be offering my substitute amendment as soon as time has expired and as soon as debate is finished here.

The PRESIDING OFFICER. Who yields time?

Mr. HOLLINGS. Will the Senator allow me just a few minutes?

Mr. MUSKIE. I yield 3 minutes to the Senator from South Carolina.

Mr. HOLLINGS. More than that?

Mr. MUSKIE. Could I yield 1 minute to Senator MCGOVERN first, and then 5 minutes to the Senator?

Mr. HOLLINGS. Yes.

Mr. MCGOVERN. Mr. President, I am not going to take the time of the Senate.

I would like to identify myself with the statement the Senator from Nebraska (Mr. EXON) just made. It seems to me it is a practical proposal that he is about to make to the Senate. I intend to support it as the best of the alternatives that are before us.

I am very much impressed with what Senator HART had to say in the caution he gave the Senate that we do not necessarily increase the defense of the country simply by spending more money, any more than we improve our social strengths here at home simply by spending more money.

We have had warnings on this many times about the folly of simply throwing money at a problem.

It seems to me that we stand in danger of doing that on the defense budget, rather than making the hard choices about what we will have to do to improve the quality and performance of our military assistance.

Mr. President, the central choice in this debate is whether Congress is willing to help this Nation put its economic house in order by reducing inflation or instead intends to pursue costly illusions of military grandeur which do not improve America's ability to meet the challenges which really threaten us in the world.

What this debate is not about is whether the United States should maintain a strong defense posture.

The budget resolution reported by the Budget Committee provides sufficient funds for a strong national defense. Our military capabilities will grow significantly assuring the United States will retain the capacity to deter aggression and defend its interests. The resolution provides for an average annual real growth of over 3 percent in budget authority for the research and development and the procurement accounts which constitute the most significant measurements of new military initiative. Compared to other budget functions, this real growth is enormous.

The basic explanation for the high levels of real growth in the national defense function is the significant expansion of the force structure since the end of the Vietnam war in 1975. Since that time, the number of active Army divisions has increased from 13 to 16, with a corresponding increase in the number of heavy divisions. The number of active air wings has increased from 22 to 26. The cost of equipping these new additions to the force is the engine pulling the whole procurement train forward. This expansion contradicts the myth that isolationism or arms control or détente have somehow tranquilized the American people or lulled the Nation to sleep. We have not been "goofing off" in our military programs. The resolution as reported would carry forward all of these expansion programs. The Budget Committee is not shortchanging national defense.

There are only limited lessons to be gained by comparing our military budget on a 1-to-1 scale with the Soviet Union's. Our military, political, and economic systems are too different. A great deal of Soviet spending is devoted to the Chinese threat. The Soviet economy is vastly more inefficient. Soviet military spending may consume more GNP, but our GNP is twice as large. NATO's GNP is roughly 2½ times as large as the Warsaw Pact nations'. In addition, GNP measures only the drain of the military sector on a nation's resources. GNP does not measure the effectiveness of military output. The fact is that in the past several years, NATO has either outspent or spent as much as the Warsaw Pact on defense.

The proponents of this amendment seem to have forgotten the basic proposition that dollars do not necessarily buy defense. An inefficient military force can be as helpless as an underequipped force. In addition, legislating by a percentage is not sound budgetary policy either for domestic or for military spending programs. The truth is that our defense can be enhanced within the budgetary limits imposed by this resolution if basic defense priorities are reexamined. We should concentrate on expanding the existing military potential of the current budget rather than adding more to the budget in a time of scarce resources.

We cannot responsibly add to a budget without knowing in advance which specific programs should be funded. This is not the case today. For example, attempting to use tactical air forces as antitank weapons is a very expensive and dangerous proposition—especially in an era of precision-guided munitions which favor the defense over the offense.

Similarly, wasting funds on another gold-plated aircraft carrier which is both extremely vulnerable to antiship missiles and very uncertain in terms of any NATO-related military mission will not improve our defense. The missions of the Navy and the Marines need to be reexamined.

The weaknesses in our defense relate to questions of strategy, organization, and design of forces in Europe—not to a shortage of funds. How we spend the real increases already funded in this resolution rather than adding even more is the real challenge facing our military leaders. There is little point in debating how much to spend unless we also debate how our defense dollars can generate more military effectiveness.

The fact that the Budget Committee has indeed funded a large real increase and the fact that our forces can be made more efficient and productive within these budgetary limits lead me to conclude that this debate is really not about whether to have a strong military defense. We all support whatever forces are necessary to guarantee our security. Instead, this debate turns on the issue of whether we should expect 5 percent real growth in military spending to reverse our country's fortunes in the world. The proponents of this amendment seem to be promising that with 5 percent real growth the future Shah's or Somoza's of the world will not be driven from power. The temptation in response to the presence of Soviet combat troops in Cuba is to believe that 5 percent or 6 percent or some other real growth military increase will prevent these events from recurring in the future.

The basic fallacy of this amendment is its suggestion that our problems in the world are due to military weakness or that increasing our military forces beyond the levels required for true military deterrence will dramatically improve our image abroad.

The real issue we have to face is the relation between military force and political power. Our political power in the world is changing, but it is not basically due to military weakness at all.

The outcomes which frustrate Americans are the result of questionable policy choices, not insufficient military forces. We could not have protected the Shah of Iran with a new carrier or an MX missile because he was opposed by the vast majority of the Iranian people—not just students, but large segments of the professional and business classes. Access to oil was jeopardized not by an external Soviet threat to Iran, but rather by an 80-year-old religious leader living in exile in Paris. Events in Iran were a setback to the United States, but it is one we could have avoided earlier by moving away from the Nixon doctrine. It was a policy failure, not an intelligence failure or a military failure. Iran was not an indicator of America's decline but rather an indicator of a flawed world outlook which put internal developments in Iran in a secondary policy position while focusing on dubious external threats.

The same holds true in Nicaragua. Nicaragua confirms the basic lesson that we cannot rely on dictatorial regimes to represent American interests in the Third World. Instead of focusing on the fear of Cuba, we should have evolved a policy which alined the United States with the majority interests of the Nicaraguans for an end to corruption and repression.

Another frustration is the tight grip of OPEC on the international oil supply market. We should develop new ways to counterbalance OPEC by developing alternative sources of supply, by a domestic energy program stressing conservation and renewable energies. We cannot rely on the goodwill of OPEC in the future.

But OPEC was not the outcome of any lack of American military strength. OPEC was formed by a series of the world's second- and third-level size countries most of whom were either alined with or friendly to the West. It was not a Soviet creation. It is not a Soviet cartel today.

What all of these examples suggest is not the omnipotence of military power to solve our foreign policy problems, but rather the limitations of military power in a diverse and interdependent world. If we turn in desperation or frustration to this 5-percent increase, we will find not a solution but only an exacerbation of the problems. The fact is that the size of our military budget is an inappropriate instrument for sending diplomatic signals around the world. By expecting military force to deter political or economic decisions of other countries, we will find ourselves consistently disappointed.

That is why I feel this amendment is not only wasteful and unnecessary. Above all, it is unrealistic because the real growth it creates will not affect a change in America's status around the world. It offers false hope and a bogus strategy. The need is not for more muscle power but for more brainpower.

The United States need not fear a world in which military power no longer commands the preeminence it once did. In an era of military parity, the economic and cultural strengths of the United States can flourish in the world.

The world is no longer divided up into two hostile camps. The world's smaller nations reject the concept of a rigid and hierarchial world system in which they must choose between East and West or between security and détente. Our European allies want security as well as détente and trade with Eastern Europe and the Soviet Union.

The new Third World states want diplomatic relations and economic trade with the United States even if they have relations with the Soviet Union because they want to avoid being pushed into a dependent relationship with the Soviet Union. They know our technology is superior, our grain more productive and our development advisers are more skilled. This is a world of great possibilities for American diplomacy if we realize how to take advantage of these opportunities. A new era of gunboat diplomacy will close this door as surely as anything.

But there are two factors which could make our allies doubt us and potential friends keep their distance. The first is an excessive affliction of self-doubt. It is time to stop bad-mouthing our military posture. Deterrence is weakened by the perception that we regard ourselves as a helpless giant. Unrealistic first-strike scenarios or unwarranted criticisms of our defense capabilities do us a great disservice.

The second factor leading other nations to doubt our will and our system is the failure to better manage our domestic economy and implement a rational and equitable energy program. That is the real meaning of national priorities. It is not just a guns versus butter argument. It is not merely a question of transferring a billion dollars from one budget function to another. Instead, it is a question of developing a rational distribution of resources to solve the problems which truly handicap American society. It is political and diplomatic problems abroad, not military weakness, which we must solve, and that calls for a rational defense budget. And it is the economy and energy here at home which require the highest priority in terms of national effort. Inflation makes the family paycheck vulnerable. A shortage of heating oil makes family health and comfort vulnerable.

I am opposed to this amendment because this risk cannot be justified. Under this resolution, we can keep our national defense strong while we can begin to tackle the tough issue of fiscal responsibility.

Finally, it is no secret that this debate over the national defense spending level today is an important scene in the SALT drama. Increased military spending has become one of the prizes in the SALT competition. One-third of this body can use its power to block ratification of the SALT treaty to coerce the administration into supporting either a level of military spending or individual weapon systems which normally at least one-half of this body is constitutionally required to approve.

I have spoken out in the past against the escalatory impact of the ratification process. The apparent political need to increase arms spending to ratify an arms limitation treaty is one of the most maddening paradoxes of our time. SALT is too important to allow the debate to degenerate into a parliamentary version of "Let's Make a Deal." Blackmail is no substitute for a reasoned inquiry and dialog about SALT and American security. All I can do today is to reaffirm, along with Senator HATFIELD and Senator PROXMIRE, that the administration is taking the risk of losing my vote if it goes too far down the road toward side-deals with the opponents of arms control.

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I thank my distinguished colleague from Maine.

Right to the point of the Senator from Nebraska, who said he did not know what they were doing with $127 billion, I can tell you, Mr. President, what they are doing. They are retreating. They are going backward.

The Volunteer Army is not working, ammunition stocks, in many instances, are less than 1 week.

As to what the Senator from Ohio (Mr. METZENBAUM) said on all the shipyards working: Of nine shipyards, five of them will be working this time. We will pull four, in the face of the need for new naval construction. And so it goes on down the line.

We can only listen to the Assistant Secretary of the Army, Mr. Pierre, who last week said they are canceling programs and dragging them out, and they are down.

If the Senator listened to the eloquent presentation by the Senator from Georgia that we are going backward, that is what we are doing with the $127 billion.

Oh, they will throw around the figures.

But in all candor, when my distinguished chairman said $100 billion in the next 5 years, that was a sort of tricky analysis, Mr. President. That is with an amendment we hope to get in order to change the trend.

Now, without any amendment, under the Muskie reconciliation and his own figures of 90 to 5, HEW in budget authority will go up $133 billion—with no amendment.

The distinguished Senator takes us back to his college days and the price of gold—and the bow and arrow, I might say. We are not going back that far. [Laughter.] Are we really responsible in saying that we did agree on the matter of inflation?

I sat in the same chair for the State-Justice-Commerce-Judiciary and other related agencies—EDA, LEAA, SBA, and all the others, 123 units. While we agreed to that conference report the week before last, a reconciliation may be in order, where we would have to cut down on that single budget, which is not one of the biggest but one of the smaller budgets, $300 million.

The Senator from Virginia talks about balancing budgets and priorities. In all candor, we have worked for that balanced budget. Twenty years ago, I got the first AAA credit rating in South Carolina, before the State of Virginia or any other State, so I know about balancing budgets.

The deficit is now $28.4 billion, and without any reconciliation it is a $3.2 billion add-on, or $31.6 billion.

What is the magic between the $28.4 billion and the $31.6 billion? It is relative to inflation, and we have a real need.

Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors of the amendment: the Senator from Pennsylvania (Mr. HEINZ), the Senator from Illinois (Mr. PERCY), the Senator from Wyoming (Mr. SIMPSON), and the Senator from Nevada (Mr. LAXALT).

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

Mr. HOLLINGS. Mr. President, the particularly nettling point is the accusation that somehow we are coming up all of a sudden with wish lists. That is not accurate. That is not the fact. We are not running around with wish lists as the Senator is talking about. The contrary is true. As chairman of the Budget Committee, the chairman should know budgets better than that.

What did the President of the United States, President Carter, do in 1977 when he took office? He took the projected budget, in which we were projecting some 5 years on different programs: the B-1 bomber, the neutron bomb, the Cruise missile, the Trident, the aircraft carrier—some canceled, some delayed, some slowed. It was $11 billion that Congress and the Budget Committee decided we needed. The Senator from Maine supported that conference report, and I supported that conference report, when we adjourned in 1976. We were projecting these defense programs.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. MUSKIE. I yield the Senator as much time as he needs to disagree with me.

Mr. HOLLINGS. What I want to do is get this thing in perspective, because all of a sudden we are blamed for inflation. All of a sudden, when we know budgets better, we are making up wish lists; and we do not go to the fact that we really had to bring the President of the United States, kicking and screaming, to this particular point.

He opposed the motion I made. I was called by the White House and their minions to go to the Budget Committee and help him. I did. I went up and helped him on the CETA vote and some of the other countercyclical votes. The White House called me.

However, when I made my motion, they were fighting 3 percent, Mr. Majority Leader, and I wrote that to the President of the United States the day afterward. I put him on notice. I cited the fact that he opposed it in the House.

So when the distinguished chairman of the Armed Services Committee says what commitment we did not keep, had we not raised this point, we would not have kept this commitment. We forced them to do it, and I hope we can force it on the House side.

Rather than wish lists, I will just go to two items.

The SALT hearings did have a shocking effect on this Congress and on the people of the United States, because we had arrayed before us all the witnesses. Rather than a disarmament arms limitation, we had, in contrast, a rearmament hearing and a rearmament conference and a rearmament treaty between the American people and our leadership.

There was the Secretary of State, saying, "Oh, no, we need more." There was the Director of the Disarmament and Arms Control Agency: "Oh, no, Senators; we need more money." We had professors on Soviet history: "We need more in defense." We had think tanks: Rand, Brookings, and others. The unanimous opinion in the SALT II hearings was to the effect that our defenses were down. I will cite two of them, if I can get my hands on them. I will do one from memory and I think I have a quotation here as to the other.

There were two significant witnesses. One was the architect of SALT I, the architect of Vladivostok, and the architect of SALT II, and that was our dear friend Henry Kissinger.

We had to debate SALT I. Incidentally, we are not anti-Soviet. We do not trust them, but we are not anti-Soviet I voted for the ABM Treaty—that was in August 1972. But I am the only living Senator who voted against SALT I—the interim agreement—and I had to debate it with the same distinguished Henry Kissinger.

So it necessarily made an impression on me when the architect of SALT II came in and said: I was wrong on SALT I. I must have been fatigued in my conversation or I was just shooting from the hip. I do not understand the comments I made. I do know this—that before you do anything about this thing, you have to increase defenses at least 5 percent.

He is a studied gentleman. He did not pick it out of the wind. He hated to talk about it. He hated to mention it. He mentioned some other conditions, that we would come back and make sure it was kept up, and everything like that. This was the architect himself, so I am not talking wish lists on where we are going and what we are doing.

You cannot get a better presentation than that of the Senator from Georgia.

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

Mr. HOLLINGS. I yield, and then I am going to the Secretary.

Mr. TOWER. Is it not true that the 5-percent figure that was arrived at was driven by need, not something that was pulled out of the air? In fact, a higher expenditure than that can be justified, and this is coming in somewhat on the low side of what is required.

Mr. HOLLINGS. I think what Senator PACKWOOD pointed out and the distinguished Senator from Texas emphasized in his opening remarks, and again now, is the fact that the Pentagon's own study, which is classified—the fact is that these facts are not classified—that they are not taking care of what they find as the barebones minimum for the national security of the United States of America. In the projected figures—and the Senator from Oregon used the figures of the Senator from Georgia—they are $60 billion under their own projected need, and the 5 percent is only going to get about $38.8 billion, or call it $40 billion. So we are not up to the President's own figures.

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

Mr. HOLLINGS. I yield.

Mr. NUNN. The Senator from Georgia deals with manpower issues for many hours each year. It is my opinion that whether we talk about 1 percent, 2 percent, 3 percent, 4 percent, or 5 percent, we are not going to get any real military investment increase of a significant na-

ture over the next 5 to 10 years unless this Congress and this administration and this country are willing to come to grips with the manpower problem.

We just had this administration oppose registration, having people sign their names and addresses—oppose it on the floor of the House—and it was beaten by 2 to 1.

Nobody knows what we are going to do. They are going to appoint somebody to study it, have testimony. Every bit of this money will be eaten up unless we come to grips with manpower.

I do not want anyone thinking today that the problems are going to be solved if we go to 3 percent, 4 percent, or 5 percent. The manpower problems are still to come and we will be talking about that in closed session later this week.

Mr. HOLLINGS. Mr. President, when the architect of détente says we need it, that is the sort of ultimate in my mind about our needs. Maybe I am a little over sensitive, maybe too liberal on the defense side. But when the architect of détente says that is the barebones, you should even consider what he has architected—namely, SALT II—he did not finalize it, but he was the architect.

Let me go now to the Joint Chiefs, because the Senator from Maine is right when he says we are short of time. Here is what the Chairman of the Joint Chiefs, General Jones, says. I do not think he is picking it out of the air. Here is his answer. Listen to it, word for word:

> Yes, sir; over time we have strongly supported working with our allies, for at least 3 percent in real growth. We have also stated that in our judgment to reduce the risk to this country—and the risk will be great under any circumstances—we need to do more and that 5 percent real growth was our best judgment. Taking into account all factors—our ability to absorb the increase, the needs, all factors—5 percent real growth would be our recommendation.
>
> Now we didn't pick 5 percent arbitrarily.

The Senator from Colorado is the one who used "arbitrary" across-the-board increases from year to year, picking up items. He wanted to put this off. I think this is a delightful occasion when we can get a comprehensive overview and hear, on the word "arbitrary," the best authority, the chairman of the Joint Chiefs:

> Now we didn't pick 5 percent arbitrarily. We went through the critical programs and tried to determine which ones would reduce the risk the most and the increase in funding came out to about 5 percent. Not 5 percent every year; it varies somewhat. But over a longer period of time about a 5 percent growth.

The PRESIDING OFFICER. The time of the Senator has expired.

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

Mr. HOLLINGS. I yield.

Mr. MUSKIE. The Chair did not understand. When I last yielded additional time to my good friend from South Carolina I yielded 2 minutes, and 8 minutes has since expired. I simply wish to inquire how much time at this point the Senator desires.

Mr. HOLLINGS. One more thought. It will take 2 minutes. I will just talk.

Mr. MUSKIE. I yield 2 additional minutes.

Mr. HOLLINGS. We have additional time, I take it, on the Senator from Nebraska's amendment.

But much has been said and I have been most impressed obviously by all the presentations by the Senator from New York (Mr. MOYNIHAN), the Senator from Oregon, and the Senator from Georgia. Those just stick in my memory. Throughout it all is that theme of trying not to get a percentage here this afternoon but to get a direction.

Adlai Stevenson was asked one time whether he was conservative or liberal. He said: "That is not the important point. The question is, Am I headed in the right direction?"

The sponsors of this particular amendment know facts, figures, amounts, and everything else of that kind, and we are trying to turn it around and head us in the right direction and reawaken America.

Incidentally, the parallel is so strikingly similar. Earlier this year I reread an autographed copy, from our distinguished great friend of all time John F. Kennedy, of "While England Slept." As a senior at Harvard he wrote a treatise "Why England Slept." He spent the year with his father at the Court of St. James. He studied the beginning days of the genesis of World War II and then wrote this article and then his senior thesis. He then developed it as a book which became a Pulitzer Prize winner. The parallel is now and 40 years before. I should have had this better expressed by the Senator from New York who is the greatest historian, in my judgment, in this body. In the 1930's there was the very same atmosphere for disarmament.

After all, the President and everybody that runs for President is for peace. We are for peace loving and disarmament. And arms cause war rather than really defend us against the war.

Let me complete this thought a minute.

Mr. MUSKIE. One additional minute.

Mr. HOLLINGS. Mr. President, the atmosphere similarly was the futility that you could not protect yourself from a bomber attack.

The President in his address in January of this year to the joint Congress said one submarine can take care of all the large- and medium-size cities; as long as you got one you do not need any defense; you should not defend and it is wasted money. It was the same appeal, the same futility we had there 40 years ago.

And then we had the plea that we hear this afternoon by the distinguished leader of the Budget Committee, the other Senators, and our great friend on the other side, DAVE OBEY, of Wisconsin. And that is that we are taking away from social services when you increase defense. And now we come to the proposition of the inferiority complex. Even when they analyze the Soviets as they did Germany at that time. Germany was only embarrassed by the Versailles Treaty. They do not listen at State Department. After all it is the economic——

The PRESIDING OFFICER. The Senator's time has expired.

Mr. HOLLINGS. May the author have a few minutes?

Mr. MUSKIE. What does the Senator wish?

Mr. HOLLINGS. Five minutes and I will take 1.

Mr. MUSKIE. I ask the Senator, does he wish the remainder of my time on the bill?

Mr. HOLLINGS. No; just 5 minutes.

Mr. MUSKIE. I say to the Senator there are four or five nondefense amendments that must be accommodated within the 15 hours. I think that I have demonstrated a willingness to let the Senator have the bulk of the time on defense. But I have to protect those Senators whose amendments have not even been called up yet. We have some tax cut amendments. Senator EXON has an amendment to which he is entitled to an hour. Senator HART has a possible defense amendment to which he is entitled to an hour. I am simply trying to be fair to other Senators as well as the Senator from South Carolina.

I am happy to yield another 2 minutes now.

Mr. HOLLINGS. If you just try to follow the coherence, I really think it is that important because I worry about it. When I see that State Department bring me in and tell me about the inferiority complex, Senator from Arkansas, of the Soviets "Don't really worry about defense." General LeMay said if the Soviet attack was imminent next year we are going along we are being attacked; not in the sense of troops landing, but being fired; we are losing our shirts around the globe. It is not 3,000 troops. It is the sub base, the tracking station, the Mig-23's, the Mig-27 that carry nuclear. I only wish we had time. It is not just Cuba. It is in Libya where they are pouring it in. Ask the Admiral of the 6th Fleet to brief you on that if you want it.

Now, they bring up a 30,000-man strike force in Yemen. We had to get that of German news. We did not get it out of Defense Department intelligence. We are being attacked and losing our shirts. Within it all they say "Really, the Soviets want to disarm Cuba. But it is the only way they can show their macho. They cannot equal us economically and industrially" and all that bunk.

So it was that Neville Chamberlain went with the twofold proposition to Munich. And he wanted to arm and disarm at the same time and that is exactly what we got here today.

And in this entire debate on SALT all you are going to hear is that with SALT II we are going to disarm but we have to arm.

It was Paul in his second letter to the Corinthians because, because I know the Biblical background of the distinguished President: "If the sound of trumpets be uncertain; who should prepare for the battle?"

The purpose of this amendment is to get us prepared for that battle I only ask of you that if you could only listen and learn we can avoid that battle in only one way. We learned this 40 years ago. We are having a difficult time learning it today without the executive leadership. I plead with you this is the only

time that we can begin to change those directions. We have not bound anybody, but it is absolutely necessary, in my judgment.

I thank my distinguished colleague from Maine.

Mr. DOLE. Mr. President, I ask unanimous consent that I be added as a cosponsor to amendment No. 435, as modified.

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

● Mr. HATFIELD. Mr. President, I rise today to reject the latest attempts to increase defense expenditures that are unneeded, and in fact, dangerous. The proposals by the Senate Budget Committee for increased arms far above what the President originally called for and the proposed amendments now before the Senate to raise the defense budget are excessive and insane.

It is my fervent hope that Senators not be fooled into supporting these attempts to spur the spiral of unlimited defense weaponry that we are currently riding.

In recognition of concerns which have been expressed about the long-term viability of an effective SALT II agreement, the Senate Budget Committee has recommended a total increase of $13.5 billion in budget authority and $6.1 billion in outlays for the strategic force mission of our national defense over the 5-year planning period.

Printed and unprinted amendments to the resolution go even further than the committee recommendations. They call for billions of dollars in increased defense budget authority and total outlays.

In fact, if the 5 percent real increase being discussed is extended over the next 5 years, this Nation will spend $1 trillion on defense alone in that period of time. This will be a $120 billion increase over present expenditures—an amount that will pay for the President's entire energy program—nearly twice over.

If these increases are what it takes to secure ratification of a SALT II agreement, I do not believe it is worth the price. Pretending to controls arms while promising more of them is the height of cynicism.

It seems to me that as trustees of the tax dollars of the American people, we have the responsibility to respond to the following question: What level of defense spending will insure our country's survival? The fact is, after attempting to give a satisfactory answer to this question, we will undoubtedly come to the conclusion that there is no dollar figure which could guarantee our security. Even if we were to spend $200 or $300 billion per year on defense, we could not insure that the Soviets would forgo any contemplated attack upon this country. The sad fact is that in the nuclear age, we cannot "buy" security no matter how hard we try.

We must realize that military spending is almost pure inflation. Dollars spent in this part of the economy generate demand through the salaries of military personnel and defense workers and the profits of arms suppliers. But they contribute no offsetting supply of goods and services that can be bought and sold on the market. Hence, there is an inevitable upward pressure on prices. The consequences of our deficit spending policies to finance the approximately $150 billion Vietnam war effort alone continue to be felt by Americans today.

The arms race has too often overshadowed the problems of the human race. There are a half billion hungry people in this world, growing increasingly restless under governments that blame the rich nations for the plight of their citizens. By 1985, 40 nations will have sufficient plutonium from their nuclear reactors to build atomic weapons. In that volatile environment, the "balance of bread" will be at least as important as the "balance of terror" imposed by the superpowers' terrible weapons.

Ironically, the same voices that have been asking this body to hold the line on important social and domestic programs and the same voices that are urging a balanced budget with no deficit spending are now calling for an inflated defense budget. They are willing to sacrifice the economy of this country for a false sense of security they find in more weapons. And they are apparently willing to eliminate vital human services all at the expense of the American taxpayer

Certainly, arms control and reduction should be a goal for all countries, not the United States alone. But the challenges facing Americans have always been particularly great, and are more so now as we stand as one of the few free nations left on Earth. We lead the world in the military power, yet we lag behind other nations in literacy, per capita income, infant mortality, doctor-patient ratios, and other important indicators of a society's strength. We cannot allow ourselves to be caught up in a new phase of the arms race that will endanger us all and sap our ability to provide for other needs. If we cannot rid ourselves of our passion for being No. 1 in the world in providing for the common defense, should not we have an equal passion for being No. 1 in promoting the general welfare of our people?

The goal is disarmament, not arms sophistication and escalation. An arms agreement ratified on promises of new weapons lends support to the mentality that our security can only be obtained by reliance on the terror of nuclear destruction.

Mr. President, if we are to truly defend our country, we must be armed from within and without. Further escalation of military spending and hardware robs our Nation of a basic tool of survival—a strong economy and by diverting our resources, we weaken our ability to meet the needs of our people.●

IN SUPPORT OF HOLLINGS AMENDMENT

● Mr. DOLE. Mr. President, this amendment proposes to restore 3-percent real growth in the fiscal year 1980, and projects a 5-percent real growth in fiscal year 1981 and fiscal year 1982 in the defense function of the budget.

Mr. President, I am well aware of the efforts by the Budget Committee to balance the Federal budget and bring inflation under control and they are to be commended for such efforts. However, I want to point out that this amendment attempts to restore funds necessary to offset the adverse impact inflation has had on this year's defense budget.

During recent months, there has been much said concerning a need for greater defense spending. It may very well be that we need additional resources to maintain an effective national defense. But today we are not talking about additional resources: We are talking about filling the existing gap in our defense budget caused by the excessive rate of inflation during this past fiscal year.

DEFENSE SPENDING TRENDS

Mr. President, one only needs to review the trend established by the budget process in reducing the percentage of GNP that is spent on national security. In fiscal year 1975, the fiscal year before the congressional budget process took effect, defense expenditures were 5.9 percent of the GNP. That ratio has steadily declined to 5 percent in fiscal year 1979.

The figures in the second budget resolution, however, allow a slight increase to 5.1 percent in fiscal year 1980, but then decline to 4.9 percent in fiscal year 1981, 4.7 percent in 1982, 4.5 percent in 1983, and 4.3 percent in fiscal year 1984.

Mr. President, adjusting the figures for 5-percent real growth would allow defense outlays to be sustained at approximately 5.3 percent of the GNP throughout this entire period. This is still a low level of commitment, particularly when compared to the 12 percent of the GNP commitment the Soviet Union is making to its defense effort.

This amendment, which restores a 3 percent real growth in fiscal year 1980 and projects a 5-percent real growth in fiscal year 1981 and fiscal year 1982 is an equitable and reasonable approach to meeting and maintaining our defense capabilities.

Mr. President, the Senator from Kansas has long been concerned over the astronomical growth of the Federal budget and the resulting deficits. It is therefore with some reluctance that I must take the floor and urge my colleagues to vote to increase the budget for 1980. At a time when the mood of the public is turning more toward fiscal conservatism, this is an unpopular position to take. However, recent events dictate that our overall defense capabilities may not be as adequate as we need to maintain our national security, and recent surveys indicate the American public supports a continued commitment to a strong defense.

NATIONAL NET DEFENSE ASSESSMENT

Today, there has been much debate as to whether the United States should allocate greater resources to defense spending. Some have called for a substantial percentage increase and there are those who feel we need no increase at all.

Mr. President, for that reason I, on August 15, 1979, sent a letter to the President calling on him to order a national net assessment of strategic and overall defense needs. I urged him to establish a special commission to assess our priorities and spending trends in the defense areas.

Mr. President, the division evident in

this highly complex and crucial matter concerns me a great deal. The Senate must not act precipitously on this question, but, rather, we must take a factual, well-reasoned approach.

National defense is not merely a matter of spending more, and more money. What should concern us is not the total amount spent, but, rather, that whatever money is directed in the defense area be utilized in an efficient, cost-effective manner. Defense spending cannot be considered within a vacuum. There are many variables which interplay when talking of national security; the least of which should be concern over holding the line on some theoretical figure brought before us in a budget resolution. Overall military preparedness of the United States and world powers must be paramount in any debate centered on defense spending.

There are those in this Chamber who have joined with the Senator from Kansas in deferring judgment on the SALT II Treaty until these questions of defense capabilities are adequately addressed. We need to stop the past practice of throwing dollars at problems in the hope that more money will solve them. In today's economic environment that is plain foolishness. It is time the United States takes inventory and reassesses its defense and strategic capabilities.

A special committee as suggested by the ranking Republican on the Budget Committee, or a special commission as recommended by the Senator from Kansas, would provide the Senate with the pertinent facts needed to make a rational decision on new and additional resources to be allocated to defense spending. If such an assessment were to result in needed defense spending to insure American security, then no one will fight harder than the Senator from Kansas to enact the proper defense limits. And then, if the assessment were to reveal waste, fraud and abuse of taxpayer dollars, no one will move quicker to have the spending lowered and the priorities reordered.

INFLATIONARY WEAKENING OF U.S. DEFENSE

But, Mr. President, the amendment before us today does not concern itself with additional resources for defense, but merely takes into account the adverse impact inflation has had on the defense budget. It is a sound approach, both in fiscal and defense terms. It does not, as some suggest, merely throw money into the defense function with abandon. The amendment simply, once again, accounts for the ravages of inflation.

The distinguished Senator from South Carolina and those of us who support his amendment want to insure that the United States retains our deterrent capability in the future. We are also greatly concerned over the weakening structure of NATO. We must not be cajoled into accepting second-place in the world power structure, in the name of fiscal responsibility. It would be irresponsible at best to permit our defense structure to become so weakened that it is incapable of protecting our total well-being as a nation.

We need to remain free, both politically and economically, and these principles dictate that we continue to support a strong conventional as well as, strategic military capability.

What is before the Senate today is the absolute minimum we should have allocated to defense needs if we are to maintain our national defense capabilities. The recent assessment by the Joint Chiefs on the President's own 5-year defense plan states that we do not possess the resources needed to meet such a plan. Mr. President, what is most disturbing to the Senator from Kansas is not necessarily the programmatic problems which bother some of my colleagues, but, rather the current trends within our defense structure. The Department of Defense, in a statement to Congress by Under Secretary Dr. William Perry, the Joint Chiefs, and the Defense Intelligence Agency all agree: The trends are disturbing.

Maybe, as I stated earlier, a reordering of defense priorities is needed and maybe when the question of new, additional resources being allocated for defense is before the Senate, I will vote against them. But I am compelled to state one more time that what is being asked today is not to add funds for new programs, but only those funds needed to meet increased costs due to inflation.

Now is not the time to debate new programs, new weapon systems, and additional resources. The opportunity for that debate will arrive soon.

Mr. President, the amendment provides what is necessary for our national security now and accounts for future inflationary problems: That is all. This is a minimum amendment. I support the efforts of its sponsors and urge my colleagues to join in supporting this approach.

The text of my letter to the President follows:

U.S. SENATE,
Washington, D.C., August 9, 1979.

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

DEAR MR. PRESIDENT: In a previous letter to you I addressed several concerns I have with the SALT II treaty and its impact on the strategic balance. Over the past days and weeks of testimony before the Foreign Relations and Armed Services Committees the Senate has heard much expert opinion on the issues of national security and nuclear arms—but, unfortunately, much of this testimony has been conflicting. This testimony, from Administration sources as well as other experts in the field, has only added to the confusion over strategic balance and our future defense needs, rather than helped answer the many existing questions and concerns.

Recently, several Senators have called for an increase in strategic defense spending over the next few years to redress a perceived imbalance between the power of the Soviet Union and that of the United States. It has been requested that before SALT II is ratified, a new five-year plan for defense spending be submitted for the evaluation and commitment, not only of the Administration, but of the Congress.

This approach, while well-intentioned, makes too much of an attempt to solve hastily, by throwing federal money at them, problems which require reflection and direction. This country needs to know what its strategic and military needs are now. We need to know how we stand against our potential enemies. We need to know what needs will be five years, ten years and twenty years from now. It is not in our interests to simply spend more money, if we spend more we have to do so according to an overall defense plan. We ought to set the SALT debate into the more global setting of military force structure and total defense posture of the United States and our allies. It may well be that we do need to spend more in the defense area. But what concerns me most is not the total spent, but a careful analysis of the areas that need to be strengthened in order to halt the erosion of our position from number one to number two during the treaty years. Only when we have this knowledge can we achieve a plan of action.

For these reasons I urge that you call for a special, national net assessment of our current and future defense needs by the Joint Chiefs of Staff, perhaps in concert with a blue ribbon nonpartisan panel of experts, to bring the facts openly to Congress and the American people. Such a commission should include experts with a wide range of views, from present and former administrations, from academia, from the executive and legislative branches as well as the military and intelligence communities.

I suggest you direct the Joint Chiefs of Staff to independently report their assessment of the trends in the strategic balance on both sides through the end of this century. This assessment should be comprehensive in nature, and fully portray the impact of the provisions of SALT II. The assessment should show how currently planned and programmed U.S. force improvements will affect the balance and how known or probable Soviet force improvements will affect U.S. security. It should reveal our ability to predict the rate of improvement in Soviet forces. The overall uncertainties in our ability to predict and analyze Soviet actions—not simply to verify the limited aspect of Soviet force improvements covered in the treaty after they occur, must also be assessed.

I believe this would remove the SALT debate from a politicized arena and provide Congress adequate information upon which to base informed votes for or against the SALT II. I strongly urge you to consider such an approach, and provide my wholehearted support and backing to such an undertaking.

Sincerely yours,

BOB DOLE,
U.S. Senate.●

● Mr. LEAHY. Mr. President, I wish to commend the dishinguished chairman of the Budget Committee and the members of that committee for their outstanding work on both the first and second budget resolutions.

This second resolution, if passed without deficit increasing amendments, represents a giant step toward the achievement of fiscal responsibility and discipline in the Senate.

Critics of the 5-year-old congressional budget process claim that Congress cannot and will not accept budget discipline in the absence of a mandatory balanced budget requirement. This resolution, and the budget discipline and retroactive spending cuts it prescribes, proves those critics wrong.

The reduction of the deficit from its high point of $66.4 billion in fiscal year 1976, to this year's projected deficit of $28 billion represents no small accomplishment, Mr. President, we are firmly on track toward a balanced budget in fiscal year 1981. As we have approached the point of balance, spending reductions have been accomplished with

greater and greater difficulty. We have had to reject some very worthy spending requests. But we have not swerved from our commitment to move rapidly toward a balanced budget.

Mr. President, I have accepted the need to limit spending to the levels prescribed in this second budget resolution.

I have attempted to reorder spending priorities within the overall spending ceiling established by the second budget resolution. But failing that, I will not support spending for any cause which exceeds the ceiling established by this resolution.

Mr. President, during consideration of this budget resolution I supported amendments sponsored by Senators CRANSTON and MCGOVERN to limit spending cuts for veterans programs and for child nutrition programs.

I regret that those amendments were defeated. I would have preferred that the Senate make equal spending reductions in other areas.

But while I cannot fully endorse the spending priorities established by this resolution, I recognize that painful spending cuts are a necessary consequence of achieving fiscal responsibility.

I recognize that no spending requests, whether they be for domestic programs or for national defense, can escape the scrutiny of the budget process.

Mr. President, as a member of the Appropriations Committee, I am prepared to shoulder the responsibility for carrying out the difficult spending cuts the Senate has prescribed in this resolution. I will attempt to influence the committee to make cuts which are consistent with my spending priorities, and which are equitable. But in the last analysis, I will support only those spending levels which are consistent with this second budget resolution.●

Mr. BELLMON. Mr. President, This proposal to increase defense spending is the SALT II buy-off in its starkest form, obscured somewhat by the fact that it is offered by some Senators who have already announced their opposition to SALT.

I fear that agreeing to these spending levels in advance of a clear understanding of future defense and foreign policy objectives will permit the administration to point to such levels as evidence of U.S. resolve and will soothe the consciences of Senators who have real doubts about SALT II.

Yesterday, I introduced a resolution calling for a delay of the SALT vote pending a special Senate examination of foreign policy and defense objectives. I intend to call that resolution up in the near future. I think many of my Senate colleagues share my concern that we are being asked to vote on a very important issue without any clear idea of how it fits into the total picture of long-term U.S. policy. This is an intolerable situation.

I am quite willing to support any level of funding, whether it is 3 percent real growth or even 10 percent real growth, for defense so long as I have a clear and comprehensive explanation of what these levels will provide for in terms of securing the United States into the future.

There can be no doubt that the Pentagon would find dozens of ways to spend the money. Many would undoubtedly be valid, even essential as is claimed. Indeed, I am sure that they would still tell us more would be desirable. But, this all misses the key point. The money would be spent on the same old force postures and the same old strategies. It becomes clearer each year that these previous approaches to national security will not suffice in the future. We might as well begin now to identify the new directions in which we must move and embark on the development of postures to support such new strategies. This, I know, would inevitably cost a lot more money. But I believe the American people would support such levels so long as they know that we, as their representatives, are not squandering their money on old and unreliable approaches to national defense.

I urge my colleagues to resist the urge to blindly increase spending on defense until we have an opportunity to set a firm course in national defense. Our country will not fall apart in the relatively short time it will take to coalesce a clear statement of defense requirements. At that time, with objectives more clearly in view, we can supply defense with the level of spending resources which will truly enhance our long-term security. With that task completed, we will also feel more confident and competent to deal with the SALT treaty and our relationship with the Soviet Union.

● Mr. CHILES. Mr. President, the second budget resolution for fiscal year 1980, which the Senate is considering today, marks a critical point in congressional history. The new congressional budget process was created by many of us who thought Federal spending had gotten out of control. Over the last 5 years we have developed and refined that process, so that we can give the Senate a pretty accurate picture of what spending will look like if it follows one or another policy.

During those same years the public perception that Federal spending needs to be cut back has grown to a major crisis of confidence. I note that in the most recent University of Michigan consumer survey, 42 percent give Government economic policy a rating of "poor", up from 36 percent a year ago. Only 8 percent think the Government is doing a good job. That sounds to me like a failing grade, and a message that Congress ought to listen to. The Senate Budget Committee, on which I am privileged to serve, has tried to restore public confidence by setting reasonable and achievable spending targets, and by responding to changing economic conditions. The committee responded to inflation by fiscal restraint. We developed 5-year budgeting to reduce public uncertainty about spending policy, and let people know when to count on tax cuts and when to expect a balanced budget.

Last spring, in the face of rapid inflation, Congress took a pledge to balance the budget by 1981, and put itself on a path toward balance by reducing the deficit. To respond to the public demand of reduced spending and a smaller Government, we voted in the first budget resolution to cut spending a net of $5 billion below current law levels, with cutbacks in old programs more than making up for increases in high priority areas. No area of the budget was to be exempt from cuts.

RECONCILIATION AND RESTRAINT

To date, most of the savings contemplated in the first resolution have not been achieved. The choice now faced by the Senate is whether to reaffirm that pledge of fiscal restraint and direct the various committees of Congress to report legislation that will achieve those savings.

The role of the Budget Committee is not to tell the entire Congress how to run every program. Our role is to point out that if Congress keeps on at its present rate of spending it will find itself with a 1980 deficit that is $4 or $5 billion higher than it was in 1979 instead of lower. It will say to the people of the country that it cannot even find 1 percent of current spending to cut in order to keep on track to a balanced budget.

Mr. President, the term "reconciliation" in the Budget Act refers to the entire Congress instructing its committees to report legislation to bring spending into the bounds of the budget resolution. Some opponents are treating "reconciliation" as a dictum from the Budget Committee to the other committees to carry out certain policies. That is not so. The Legislative and Appropriations Committees retain full jurisdiction to choose what programs are to be cut, and the full Senate will have to vote on their suggestions and accept or amend them. What the Budget Committee is trying to do is reconcile the actions of Congress with the words of Congress about cutting spending and balancing the budget.

I personally disagree with many of the particular savings items assumed by the Budget Committee. In other areas I would like to see deeper cuts. However, the overall level of restraint has to be the deciding factor for a budget resolution. When we made our first round of spending decisions for the resolution, we added back money for items we thought unrealistic or undesirable to cut. When we added it up, we found it would produce a 1980 deficit of $32.5 billion. That compares to $30 billion in 1979 and a $29 billion deficit in the President's budget. We therefore adopted a second-round motion to cut back to the levels of savings assumed in the first resolution. The only way Congress can keep the pledge of the first resolution to move as rapidly as possible to a balanced budget is to enact the amount of spending cuts it promised the country it would achieve.

ECONOMIC POLICY

Mr. President, there is great concern about how the budget resolution responds to the recession that appears to be starting. I share that concern. But I believe restraint is still appropriate at this time.

When the first resolution was adopted last spring, the Congressional Budget Office was projecting a slowdown in the economy for this year. However, CBO also projected an acceleration of inflation. When the Budget Committee exam-

ined what was likely to cause a recession, we found that Government spending and inflation were part of the problem, not the cure.

Inflation drives up interest rates, since lenders want to be compensated for the decline in the value of the money they lend. High interest rates slow down housing construction and business investment, which puts people out of work. Investment is also hurt by a low rate of savings. American consumers were so eager to improve their lifestyle after the energy crisis and recession that they spent down their savings to historically low levels. Accelerating inflation made the situation worse, since people stepped up their buying on the expectation that prices would be worse if they waited. Of course, the OPEC oil price increases made everything worse and drained off about $20 billion of real purchasing power from the American public. The Federal Government cannot restore that purchasing power through deficit spending; that would only make inflation worse. The economy will have to slow down for a while while people retrench. The Congressional Budget Office, the President's Council of Economic Advisers, and most private economists expect that the recession will be mild and short-lived, and that recovery will occur without any Federal stimulation. By the time Federal spending could create jobs, the recession would be over on its own. If the recession gets much deeper and lasts longer than we expect, then I believe we should return to a posture of fiscal stimulus in the form of a tax cut. What we have found is that, while unemployment is increasing slightly as projected, inflation is building up faster and faster. We therefore need a period of restraint to cool off inflation. That means cutting spending and reducing the deficit.

SPENDING PRIORITIES

Mr. President, a budget can be tight and still meet the needs of the poor and disadvantaged in our society. While cutting back on low priority programs, we have provided room for funding increases in such areas as food stamp benefits for the elderly, emergency cash assistance to pay energy bills, improvements in the medicaid program for low-income children and pregnant women, and youth employment programs.

My staff has prepared three tables showing the spending priorities reflected in the second budget resolution as reported, and I ask that these tables appear in the RECORD at this point.

The tables follow:

TABLE I.—GROWTH IN OUTLAYS, 1980–84 (PER SCR)

	Function	Billion increase	Percent change	Super-functions
050	National defense	$46.0	36.0	Defense and international: 34.7 percent; $47 billion.
150	International affairs	1.0	14.5	
250	General science, space and technology.	−.1	86.0	
270	Energy	4.0	61.9	Physical resources: 22.3 percent; $11 billion.
300	Natural resources and environment.	2.0	17.6	
350	Agriculture	2.0	63.4	
370	Commerce and housing credit.	−.1	96.4	
400	Transportation	3.0	13.4	
450	Community and regional development.	1.0	14.3	
500	Education, training, employment, and social services.	.1	.3	Human resources: 42.1 percent; $124 billion.
550	Health	30.0	55.4	
600	Income security	89.0	47.4	
700	Veterans benefits and services.	4.0	20.5	
750	Administration of justice	1.0	11.4	
800	General government	1.0	23.8	
850	General purpose fiscal assistance.	−2.0	81.7	
900	Interest	6.0	10.7	

Super-functions: Defense and international (50, 150) Physical resources (270, 300, 350, 370, 400, 450). Human resources (500, 550, 600, 700).

TABLE II.—PERCENT OF BUDGET INCREASE GOING TO VARIOUS FUNCTIONS, 1980–84

	Function	Billion increase	Percent of 177.2 billion	Super-functions
050	National defense	$45.7	25.9	Defense and international: 26.6 percent; $47 billion.
150	International affairs	1.2	.7	
250	General science, space, and technology.	−.8	−.5	
270	Energy	4.3	2.4	Physical resources: 6.5 percent; $11 billion.
300	Natural resources and environment.	2.1	1.2	
350	Agriculture	1.5	.8	
370	Commerce and housing credit.	−.1	−.1	
400	Transportation	2.5	1.4	
450	Community and regional development.	1.2	.7	
500	Education, training, employment and social services.	.1	.1	Human resources: 69.7 percent; $124 billion.
550	Health	30.0	16.9	
600	Income security	89.3	50.4	
700	Veterans benefits and services.	4.2	2.4	
750	Administration of justice	.5	.3	
800	General government	1.0	.6	
850	General purpose fiscal assistance.	−1.7	−1.0	
900	Interest	6.2	3.5	

Super-functions: Defense and international (50, 150). Physical resources (270, 300, 350, 370, 400, 450). Human resources (500, 550, 600, 700).

TABLE III.—PERCENT OF TOTAL OUTLAYS TO EACH FUNCTION FOR YRS. 1976, 1979, 1980, 1984; EACH SUPER-FUNCTION

[In percent]

	Function	1976	Super-functions	1979	Super-functions	1980	Super-functions	1984	Super-functions
050	National defense	24.4	Defense and international: 25.9 percent; $95 billion.	23.1	Defense and international: 24.7 percent; $121 billion.	23.5	Defense and international: 25 percent; $136 billion.	24.1	Defense and international: 25.4 percent; $183 billion.
150	International affairs	1.5		1.5		1.5		1.3	
250	General science, space and technology.	1.2		1.1		1.0		.7	
270	Energy	.8	Physical resources: 9.7 percent; $36 billion.	1.5	Physical resources: 11 percent; $55 billion.	1.3	Physical resources: 7.6 percent; $47 billion.	1.6	Physical resources: 6 percent; $43 billion.
300	Natural resources and environment.	2.2		2.3		2.2		1.9	
350	Agriculture	.7		1.3		.5		.6	
370	Commerce and housing credit.	1.0		.6		.6		.4	
400	Transportation	3.7		3.4		3.4		2.9	
450	Community and regional development.	1.3		2.0		1.5		1.3	
500	Education, training, employment, and social services.	5.1	Human resources: 54 percent; $198 billion.	6.0	Human resources: 52.7 percent; $259 billion.	5.6	Human resources: 54.1 percent; $294 billion.	4.3	Human resources: 58 percent; $417 billion.
550	Health	9.1		10.1		10.0		11.7	
600	Income security	34.8		32.6		34.7		38.6	
700	Veterans benefits and services.	5.0		4.1		3.8		3.4	
750	Administration of justice	.9		.8		.8		.7	
800	General government	.8		.8		.8		.7	
850	General purpose fiscal assistance.	2.0		1.8		1.7		1.1	
900	Interest	9.4		10.6		10.7		8.9	
920				.1		------		------	
	Total	366.4		494.45		542.7		719.9	

Super-functions: Defense and international (50, 150). Physical resources (270, 300, 350, 370, 400, 450). Human resources (500, 550, 600, 700).

Mr. CHILES. These tables demonstrate that human resource programs received top priority in the committee's spending decisions. Table I shows that while defense will increase by 35 percent in the next 5 years, human resources spending will increase by 42 percent. Another way of looking at priorities is to take the $177 billion of projected spending increase, and see how much goes to each function. Defense and international affairs gets $47 billion (27 percent), the human resources functions get $124 billion (70 percent). While $71 billion is for social security, an additional $53 billion is projected for other human resource programs.

Table III compares the percent of Federal outlays going to each function in:

1976, the first year of the congressional budget process;

1979, the current fiscal year;

1980, the year whose budget we are considering; and

1984, the final year of our 5-year projections.

While we have undertaken a turnaround defense budget by giving it real growth, we have not at all increased the share of outlays going to defense. In fact, defense has declined from 24.4 percent of the budget in 1976 to 23.1 percent in 1979, and only goes up to 24.1 percent by 1984. Since inflation is projected to be 31 percent from 1980 to 1984, the 36 percent increase in defense spending is only 5 percent over 4 years, or 1.2 percent a year. I therefore expect to support amendments to restore the share of the budget going to defense, and meet the President's commitment of 3 percent real growth. When I look at these trend figures, I feel fully justified in allowing substantial increases in defense while holding down growth in the rest of the budget.

The international situation is simply too unstable, and Soviet defense spending too great, for us to relax our defenses at this time. We have to spend our defense dollars carefully and cut back on waste, but overall, we need a renewed commitment to a strong military capability in both strategic and conventional forces. We have found in recent years that while the nuclear deterrent works among major powers, the serious threats in Asia and the Middle East requires strong conventional forces. Failure to keep up with the cost of inflation tends to run down conventional forces through deferred maintenance and obsolete equipment. The President has proposed to spend an extra $5 billion to pay those costs, and I intend to support his request.●

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, the Senator from Nebraska wants to call up his amendment at this time.

Mr. EXON. If all time expired, I would like to call up the amendment that I placed at the desk sometime ago.

The PRESIDING OFFICER. The Senator from Maine has 1 minute and 45 seconds remaining on the amendment.

Mr. MUSKIE. I will yield back the time on the amendment, or put it in the pool that is left on the bill, and I can yield from that as well as I can, the bill when the time expires.

UP AMENDMENT NO. 560

(Purpose: To increase defense spending to provide for 3 percent in real growth in outlays in fiscal year 1980, fiscal year 1981, and fiscal year 1982)

Mr. EXON. Mr. President, I call up my substitute amendment.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Nebraska (Mr. EXON) proposes an unprinted amendment numbered 560.

Mr. EXON. Mr. President, I ask unanimous consent, without objection, that the reading of the amendment be dispensed with.

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

The amendment is as follows:

Page 1, line 8, strike "$383,600,000,000" and insert "$386,600,000,000".

Page 1, line 9, strike "$338,400,000,000" and insert "$339,900,000,000".

Page 5, line 25, strike "$632,200,000,000" and insert "$635,200,000,000".

Page 6, line 5, strike "$543,100,000,000" and insert "$544,600,000,000".

Page 6, line 11, strike "—$28,400,000,000" and insert "—$29,900,000,000".

Page 6, line 16, strike "$887,500,000,000" and insert "$889,000,000,000".

Page 6, line 21, strike "$57,500,000,000" and insert "$59,000,000,000".

Page 7, line 11, strike "$136,800,000,000" and insert "$139,800,000,000".

Page 7, line 12, strike "$127,400,000,000" and insert "$128,900,000,000".

Mr. EXON. Mr. President, I believe that an acceptable compromise can be struck—a compromise which will show that the Senate is serious about its stated objectives of balancing the budget and maintaining adequate defense strength.

Having just returned from a month at home, I am sure that very few of us doubt that inflation is, and is perceived to be, the No. 1 problem in this country. An important step in combating inflation is to reduce Government spending in general and deficit spending in particular. Last spring, the Senate acted on a first concurrent budget resolution which continued us down the road of the important and necessary steps of reducing the 1980 deficit and balancing the Federal budget in fiscal year 1981. We must not abandon these twin goals if we are to maintain credibility with those whom we represent.

The Senate's No. 1, immediate priority, it seems to me, with respect to the budget, is to insure that the fiscal year 1980 deficit does not exceed that of fiscal year 1979. For too many years now, the Congress has promised fiscal responsibility "next year." Mr. President, "next year" is here. There will always be "truly pressing needs" or "extraordinary circumstances" to keep us from attaining our goal. However, we must not waiver from our goals now—now while we are so close. The Senate must continue along the course of declining deficits lest our objective of a balanced budget in 1981 be abandoned. Should we fail in these twin goals, we would unfortunately be sending the signal from Washington that we do not have the wherewithal or the courage to reasonably curtail expenditures and concurrently make the tough decisions on balancing priorities. We should consider "busting the budget" which was carefully and with considerable pain crafted by the Budget Committee, only if there is some unforeseen national emergency. In my opinion, such a situation does not exist today.

For these reasons, I have supported very tough spending restraints all year and especially those involved in this second concurrent resolution. During this process, many compromises have been made—across the board. Compromise must remain the name of the game as we conclude action on our overall budgetary ceilings.

As a member of the Senate Armed Services Committee, I have studied our defense needs in depth and feel that the Soviet Union has forced us into the position of having to increase our emphasis in this area to avoid slipping from our current posture of general military equivalence. I need not dwell on this point because I believe that a majority of my colleagues share this opinion. The United States has pledged, along with the other NATO nations, to increase our defense budget in real terms in the region of 3 percent, recognizing that for some individual countries economic factors will affect what can be achieved.

We should not engage in endless debate in evaluating this pledge or in using other indicators of NATO defense spending such as percentage of gross national product, which would show the United States doing more than our NATO partners. However, at this point, the more important consideration, it seems to me, is to realize that we all have a responsibility in this area. The United States should not carry more than its share of the burden, yet it would be difficult to convince others to do more, as they must, if we ourselves do not exert leadership in the alliance.

The United States, besides being the military leader of the free world, is perceived also as the economic leader, although few would disagree with the fact that in the latter category, at least, we are at best falling on hard times by any acceptable measuring stick. The other major industrialized nations agree that inflation in this country must be brought under control, exemplifying the importance of bringing the Federal budget under control. These apparently competing goals of increasing our collective defense capabilities and reducing inflation can be reconciled using the following approach:

The Senate has already supported the Budget Committee in its effort to hold the 1980 deficit to under the 1979 level by voting for the spending levels advocated by the committee. We have room remaining for a real increase of 3 percent for that portion of our defense budget which is NATO related, while still not raising the 1980 deficit above that of 1979. That figure would require an addi-

tional outlay of $1.5 billion in fiscal year 1980. For 1981 and 1982, I am proposing a full 3-percent real growth in the entire defense budget, similar to other proposals which have been discussed. My 1981 and 1982 additional outlays will be $6.6 billion and $11.2 billion respectively, representing a full 3-percent real growth in the defense budget over the 3 years as if the full 3 percent had been approved for 1980, also. In short, over this 3-year period, this amendment would provide for a full 3-percent real growth total—the same as the President's—while not increasing the 1980 deficit.

I will be the first to acknowledge the difficulty in determining the percentage of our overall defense budget which is related to our alliance commitments. However, estimates have been made and their conclusions do not differ significantly. The Budget Committee staff has provided me with an estimate that approximately one-half of our defense budget is related to this function, including rapid-deployment forces based outside the theater which would be dispatched to Europe in the event of a contingency there. Again, a long and interesting debate could ensue over the exact percentage involved; however, I do not believe this would be productive in this context.

The Senate Budget Committee figure currently before the Senate makes up for anticipated inflation, but does not include funds for real growth in defense expenditures. The President and others have advocated a figure which would provide for 3 percent in real growth in the entire defense budget in 1980. My compromise will accommodate the need to fulfill our pledge to increase our defense expenditures and allow us to hold down the 1980 deficit, thereby keeping on track the twin goals of reducing the 1980 deficit, or certainly not exceeding it, compared with fiscal 1979, and a balanced budget in 1981.

I am certain that some of my colleagues hold the view that our defense posture has slipped to the point where we need to increase our expenditures by 3 percent across-the-board in 1980 with even greater increases in later years. Others feel that no increases are necessary. The course I have proposed allows the Senate to take a middle course and afford us more time—time to evaluate our real defense needs and time to balance the budget. If it turns out that further increases above 3 percent are needed, then our plans for a budget surplus in 1981 and beyond can be adjusted to meet that need.

But let us insure that we meet these fiscal goals now. From this point forward, the first deviation from our balanced budget course will not be the last.

The time to hold the line is now, while not abandoning our twin goals of reducing the deficit in 1980 and balancing the budget in fiscal 1981.

How much time do I have remaining, Mr. President?

The PRESIDING OFFICER. The Senator has 40 minutes.

Mr. EXON. How much?

The PRESIDING OFFICER. The Senator has 40 minutes, out of his original 53.

Mr. EXON. I reserve the remainder of my time.

Mr. MUSKIE. Mr. President, who controls the time in opposition to the amendment?

The PRESIDING OFFICER. The Senator from Maine.

Mr. PERCY. Mr. President, will the Senator yield me a minute?

Mr. MUSKIE. Mr. President, at this moment, I find this a much more acceptable amendment than the Hollings amendment or any alternative that has been proposed.

In terms of controlling the time, I yield to the distinguished Senator from Illinois 3 minutes.

Mr. PERCY. Three minutes is fine.

The PRESIDING OFFICER. The Senator from Illinois is recognized to proceed for 3 minutes.

Mr. PERCY. Mr. President, I intend to support the Hollings amending to the budget resolution. As my distinguished colleagues (Mr. MUSKIE and Mr. BELLMON) know, I have opposed every amendment that has increased the budget ceiling in every other category, because I believe that we must get this Federal budget under control if we are to get inflation under control.

We must not, however, sacrifice the need to provide for an adequate defense to the need for fiscal austerity. Our ability to deal effectively with both our allies and adversaries depends on an America resolute in its determination to remain strong.

I support a 3 percent increase in the ceiling for 1980 because it represents the amount necessary to offset inflation which is much higher than was expected when the defense budget was submitted in January. The defense budget last January fulfilled a promise that the United States had made to our European allies. We persuaded our allies to join with us in endorsing a goal of a 3-percent annual increase in defense outlays, and our budget last January reflected that pledge. Inflation has since eroded its value. Without the 3-percent increase in the budget ceiling, our pledge will go unfulfilled.

Consequently, I find myself in the position of supporting the Hollings amendment. I simply feel we cannot walk away from our pledge to NATO. The original budget submission did not take into account an inflation level as high as it is today.

I also support the guidelines contained in the Hollings amendment for defense spending in 1981 and 1982. I understand that these guidelines are not binding. We will determine the amount of those budgets during the regular authorization and appropriations process and budget process next year. It, in my view, is premature to determine exactly what that amount will have to be. But I favor the guidelines allowing for a 5-percent increase for 1981 and 1982 because I see it as a symbol of this country's determination to do what is necessary to maintain our defense. We may not need such an increase in our defense spending; I would much prefer that we not have it. But, if it is necessary, we have the will and the economic power to sustain our military defenses at a higher level. That is the meaning behind this very important vote we are taking today.

Mr. President, I feel that, in the months of hearings we have had on SALT, one thing has become eminently clear; namely, that we must make it absolutely clear to the Soviet Union that if they want to engage in an arms race, we have the economic power and the will to counter their challenge. We should make sure we have absolute parity and that we are second to no other nation on Earth in this area. Our military capabilty, I think, must be taken into account in putting together this budget. That means sacrifices at other ends. That is why I shall fully support the Roth amendment, but will support reductions in expenditures to go right along with it.

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. Mr. President, before I yield time, may I alert the Senators that the Exon amendment is to the Hollings amendment and all time on the Hollings amendment has expired. The time on the bill is so tight, considering other amendments, that I do not feel I should yield anything but very minimal time on the bill.

On the Exon amendment, we have how much time, may I ask?

The PRESIDING OFFICER. One hour equally divided. The Senator now has 26 minutes and Senator EXON has 20 minutes and 20 seconds.

Mr. MUSKIE. I do not expect to use more than a minute or two of the 22 available to me on the Exon amendment, so I am willing to yield on that to the extent that it covers the ground.

Senator HATCH asked for 5 minutes and I shall yield to him. Senator HOLLINGS wants 5 minutes. I shall yield to him. And 2 minutes to Senator STENNIS. That will leave me 10 minutes on the Exon amendment.

Mr. HOLLINGS. Could we get the yeas and nays on all these amendments? I take it Mr. EXON wants the yeas and nays. I would like to have the yeas and nays.

Mr. MUSKIE. I ask for the yeas and nays on the Exon amendment, Mr. President.

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

The yeas and nays were ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that it be in order to order the yeas and nays on the Hollings amendment.

The PRESIDING OFFICER. Without objection, it is in order to order the yeas and nays.

Mr. MUSKIE. 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. HOLLINGS. That is on both Hollings amendments?

Mr. MUSKIE. It has now been ordered on both.

I yield now to the distinguished Senator from Utah.

Mr. HATCH. Mr. President, I would like to add my support to the efforts of

Senator HOLLINGS to increase the defense to reflect a 3 percent real increase in fiscal year 1980 and a 5 percent real increase in the future fiscal years; and thus lend my support to the amendment of my good friend (Mr. EXON). The levels included in the Budget Committee's recommendation are unrealistically low and should be rejected.

The Budget Committee will argue that it increased its commitment to the defense budget by adding $200 million in budget authority and $3.2 billion in outlays to the defense numbers in the first budget resolution, and also added funds for future fiscal years. It should be understood, however, that this represents no increase in the real level of commitment to the defense budget over the first resolution. Increases of a significant amount resulted from CBO reestimates of three major items—raising the pay cap to 5.5 percent for the entire period, higher retirement pay because of increased inflation projections, and higher levels of outlays resulting from more rapid than anticipated spending of budget authority from prior years. This more rapid spend out of prior years' budget authority is probably the result of inflation running higher than anticipated and DOD spending budget authority planned for other purposes to keep programs running at planned levels. This can only be a shortrun fix which will have to be compensated for at a later date.

The only other increase in the total defense figures in the resolution resulted from changes in the figures for the strategic mission. This also cannot be considered as a real change in commitment to the defense budget when the circumstances surrounding the increase are understood.

In the first resolution, the Congress essentially decided to accept the President's 5-year defense program with some minor cuts for personnel reforms and lower outlay estimates. However, unlike any other function of the budget, OMB does not present a detailed breakdown of the cost of different programs in the defense budget for fiscal years beyond the one under consideration. They merely submit an overall defense total for fiscal years 1981 through 1984. The Budget Committee must accept OMB's word that they can fit the defense program they claim they want within those numbers. In the first resolution, the committee assumed that they were buying the President's 5-year defense plan, with room to procure all the strategic weapons systems within the President's figures.

Since the first resolution was passed, the committee was able to acquire more information that indicated that the President could not buy his whole 5-year defense plan within his budget submission. First, the administration's inflation estimates were unrealistically low. More realistic CBO inflation assumptions were applied to the strategic mission. But even with this inflation correction, it was determined that there was still not enough money to fund the 5-year defense plan. The committee had to determine this from whatever independent cost information it could acquire. Therefore, the increase in the strategic mission was merely to compensate for these miscalculations at the time of the first resolution. Although it is at best a rough guess, it is the best estimate that the Budget Committee can make with the information available to it.

I would also like to comment on some other aspects of the Budget Committee's recommendation in the defense budget. First, if the defense commitment is measured in terms of percentage of GNP devoted to it, the Budget Committee's numbers reflect an alarming trend. Assuming the levels of GNP projected by the committee, if the Congress accepts the defense figures in the resolution, the percentage of GNP going for national security purposes will decline from 5.1 percent in fiscal year 1980 to 4.3 percent in fiscal year 1984. If one looks back a few years, one sees that the percentage of GNP going to defense has already fallen significantly over the past few years. In fiscal year 1976, it was 5.6 percent of GNP. If the Budget Committee's recommendation is adjusted to reflect a 3-percent level of real growth over the period, the percentage of GNP will still decline to 4.9 percent. However, with the 5-percent real growth adjustment, the proportion of GNP going to defense will be maintained at 5.3 percent over the period, its fiscal year 1977 level.

Also, applying the CBO inflation assumptions to the committee's defense figures, one finds that between fiscal year 1980 and fiscal year 1984, outlays will only grow by 2.6 percent in real terms over the entire period. Budget authority will actually fall by 2.3 percent in real terms over the period. This falls far short of living up to even our 3-percent pledge to NATO, where many of our allies are exceeding that pledge in their fiscal year 1980 budgets.

Let me add a personal note about the defense budget, Mr. President. Last month I visited many American military facilities in West Germany and met with Gen. Bernard Rogers, and senior NATO commanders. I carried with me a copy of the report issued in January 1977, by Senator NUNN and the late Senator Dewey Bartlett of Oklahoma in order to see for myself just how many of the proposals they put forward have actually been put into effect. The Nunn/Bartlett report, as it has come to be known, has received extensive attention in the last 3 years because it is probably the most thorough and, I might add, innovative approach to the problems of NATO ever attempted.

Without going into details, I would like to bring to the attention of the Senate the simple fact that many American and European officials with whom I met now believe that the basic tasks outlined in the Nunn/Bartlett report are currently in jeopardy for lack of adequate funds from the United States. This finding, which was repeated to me in London, Paris, Bonn, and in the field with American units, stands in sharp contrast to the phantom voices quoted in the Washington Post just before I left in early August, which alleged that the Pentagon would not know what to do with any extra funds this year or even next year. Let me offer just a few examples, and at the same time, let me encourage all of you to consider making a brief visit to our NATO forces to hear for yourselves these problems rather than becoming dependent upon the congressional relations staff at the Pentagon which has been serving as a strong filter between those who know the needs of our forces and those who want to know about these budgetary questions here in the Senate.

First, let me address the Air Force in Europe, then turn to the Army and the Navy.

Because of the sharp limitations in this year's proposed budget, severe cutbacks are already planned by the commander of our Air Force in Europe, Gen. John Pauly. Flying training will have to be cut back; the programs we have to defend our forces against chemical attack will be severely slowed; the programs that would have brought U.S. pilots to Europe to become familiar with their wartime missions will be canceled; and a number of other initiatives in accordance with the Nunn/Bartlett report will be reduced or postponed. That report called for "NATO's" air defenses to be transformed into a capability to inflict unacceptable losses upon intruding Soviet tactical air forces through better integration of air defense systems and by remedying the critical shortage of surface-to-air missiles.

Mr. President, this has not been done. In fact, our pilots have a historic lack of training in live firing of air-to-air missiles because of the shortage of funds. The Soviet forces train more and longer and with actual live missile firings. Worse still, and I am authorized to quote a senior American Air Force general in Europe about this, "our supply of air-to-air missiles is not only not up to requirements, but grossly insufficient." The exact number is highly classified. One officer even called the situation criminally insufficient.

Raising the readiness level of our Air Force was a critical part of the Nunn/Bartlett report, yet we see that this has not been accomplished, that the Soviets are moving further ahead of us, and that the congressional relations staff at the Pentagon, which was I suspect the source of the phantom quotation in the Washington Post, still tells us that "the Pentagon does not need any more funds."

Let me turn to the Army, where we were able to visit with the 11th Armored Cavalry Regiment stationed right on the border. Again, we found severe deficiencies freely admitted by ranking officers in response to our questions who openly complained of budgetary shortages. The supplies of ammunition are inadequate, and perhaps worse, these ammunition supplies are, in too many cases, not located in the proper place and cannot be moved for lack of funds.

We spent a half day at our largest conventional weapons depot at Miesau in Germany where we learned after a series of questions to the operational staff at the depot that there will be major obstacles in unloading and moving vital supplies and ammunition to the front in the event of a surprise attack

on our forces. More surprising to me was that with a few improvements in the logistical side of our forces—along the lines that were described briefly in the Nunn/Bartlett report—we would greatly improve the credibility of our defense of Western Europe. I should note that the Nunn/Bartlett report specifically called for "the co-location of combat units with their initial supplies of ammunition." This has not yet been accomplished, again for lack of funds, nor have the basic stocks of artillery ammunition been brought up to authorized levels.

Finally let me add that with respect to the role our naval forces in NATO that the situation may be worse than with the Air Force or the Army. Both Army and Air Force senior generals pointed out during the trip that we either have too many operational units for our readiness funds or too little readiness funds for our operational units. But in the case of the Navy, both readiness and unit strength are insufficient. There is reason for doubt about even the most vital requirements that our naval forces would have to perform in the event of an attack against Western Europe. The Navy will have to secure our convoys to bring reinforcements by sea from the United States in the face of an ever-growing number of Soviet submarines and mine laying ships augmented by the Backfire bomber's role in Soviet naval planning, and it will have to defend the key ports of our NATO allies in order to have anywhere to unload these reinforcements. These European ports have been placed in jeopardy because of the growing strength of the Soviet naval infantry available for use against the northern coastal ports of continental Europe. Even if our ground forces can hold the line, together with the land forces of our allies, and even if our naval forces can safeguard our convoys from our east coast to Europe, these Soviet naval infantry units have the capability to sabotage or even to capture these critical European ports if they can move through the Baltic Sea and the Straits of Denmark where we maintain no American naval units at all.

At risk of overstatement, I feel compelled to point out that, as near as I can tell at this point, the Navy has just been left out of NATO, or at least left out of the major plans for the improvement of NATO now under discussion. As has been made clear in congressional testimony by the Secretary of Defense and his adviser on NATO affairs on several occasions, we have participated for 2 years now in a new system of long range defense planning with our NATO allies in a series of 10 committees of civilian and military officials. These committees have drawn up impressive plans and made recommendations about what should be in a long term defense plan for NATO. Naturally, it came as a shock to many that NATO had never had a long-term plan since its establishment 30 years ago. It also came as a shock that the report of two Senators from the Armed Services Committee in 1977 could have such an impact on the overall direction of NATO military planning. But a third shock may be still be in store. The committee that is supposed to deal with the navies of NATO for the next 10 years has simply failed to recommend any major improvements or even any major changes in spite of many challenges to our naval strategy and many efforts in the past few years to expose its insufficient capabilities to insure wartime reinforcements across the Atlantic especially in the event of the kind of surprise attack or "short warning" attack that Senator NUNN and Senator Bartlett demonstrated should be addressed by our NATO planners.

Mr. President, I am not here today to discuss the details of NATO strategy and NATO long range planning. That is another debate that will come when we examine the SALT agreements, and I must say that my colleague from Oklahoma, Senator BELLMON, has hit upon an excellent idea when he recently proposed a select committee to look into these issues rather than dealing with them in haste. My visit to our forces in NATO confirms the need for a reexamination of our defense policy and our military strategy. This could be accomplished in the way that Senator BELLMON has proposed, or perhaps in another way. But I agree with him that we must not be rushed into a hasty rubber stamping of a treaty which will define for 5 years or more this Nation's defense strategy.

I am here to support the amendment of Senator HOLLINGS and to report to the Senate that there are severe budgetary problems with respect to our forces in NATO that any Member of this body can confirm by going directly to the commanders of our key Army, Air Force, and Navy units in Europe, rather than relying upon the Defense Department's so-called congressional relations assistance.

These problems in NATO are obvious to the Soviet Union, I might add. Before I left, I studied an article in the Soviet Journal called International Affairs of May 1979 addressed to the "ringleaders of NATO" which warned that "in the conditions of détente, contradictions are sharply increased in the ranks of the imperialist blocks, above all NATO, which is going through a permanent crisis".

The Soviets know that our NATO allies are concerned about the American defense budget. The Soviets know that there may be major opportunities for them ahead. Even the dissolution of NATO as major European nations drop out one by one is not impossible, in the Soviet view. I thought all this was ridiculous propaganda until I met with the New York Times correspondent in Paris Ms. Flora Lewis whose recent dispatches I would like to submit for the RECORD.

Flora Lewis points out that a few French political figures are now calling for a joint nuclear force with Britain and West Germany because of the drastic changes in circumstances that now face NATO. She writes that the President of France, "is aware of their new position and views it with some sympathy". According to this plan for a European defense force without the United States, West Germany could join only after quitting NATO. I might add that France plans to increase its defense budget by 15 percent this year, yielding about 6-percent real growth, and Paris plans to continue this level of real growth for the next few years. Mr. President, the trends are not going to be in favor of our Nation unless we reverse the neglect of our military forces so evident in earlier years and prepare ourselves for a long term strategic competition with the Soviet Union.

Mr. President, I ask unanimous consent to have printed in the RECORD two articles from the International Herald Tribune.

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

FRENCH DEBATING MILITARY-NUCLEAR POLICY

(By Flora Lewis)

PARIS.—A quiet but increasingly profound debate is developing in France on basic military policy, which has been essentially unchanged and virtually unquestioned since it was set by President Charles de Gaulle a generation ago.

The latest challenge has come in the form of a book called "Euroshima," an earnest argument to revive the concept of an independent European military force and extend it to a joint nuclear arm.

The idea is not new. What has attracted attention and provoked questions is that two of the book's three authors are officers on active duty, Lt. Col. Guy Doly and Capt. Rene Cagnat. The third is Pascal Fontaine, a professor and onetime aide to Jean Monnet, the late founder of the European unity movement. French officers are not normally encouraged to publish their views about issues under debate, but there has been no reprimand and they presumably had high-level approval to publish their thesis.

While there is no sign that the strategy they advance has received authoritative backing, French military experts say their publication is the tip of a broad behind-the-scenes review of security choices.

CRUCIAL FACTORS

Two developments have broken up the long-frozen assumptions of French military policy, a policy based on an insistence on total independence of decision and a supposition of U.S. global strategic superiority. One development is in technology, the changing capacity, vulnerability and cost of French weapons. The other is in the American military posture, both in terms of the balance of forces in areas near the Soviet bloc and of the intentions and political will of Washington.

The one clear decision made by the French government, officials said, is to maintain and modernize the nuclear arsenal. But all other questions seem to be more or less open. These include finance; the kinds of atomic weapons to develop; the balance between nuclear and conventional forces; the missions of the conventional force, whether for defense in Europe only or with ability to intervene on a limited basis elsewhere; the organization of the future nuclear force, whether alone or in cooperation with other European states, and the attitude toward efforts for nuclear arms control in Europe.

The idea of some form of cooperation with Britain has come up repeatedly over the years and had always been rejected because of the inherent political difficulties in the French stand of independence. It is not known whether any new approach has been made since Margaret Thatcher came to power in Britain with a more vigorous military policy and a more active pro-European stand than previous British governments took.

Even West Germany participation in a European nuclear force is being mentioned now, although it is still recognized as a political taboo that could not be envisioned in present circumstances.

New doubts about U.S. policy have reinforced the need here to reexamine French strategy. It is not that the United States has taken any specific actions that weaken confidence in its commitment to the defense of Europe, but the continuity and firmness of American policy in the coming decade no longer seems so well guaranteed to European experts.

The French are aware of long-term policy debates in West Germany. Whether or not there are changes in U.S. policy, it would be of crucial importance to French planners if West Germany felt such changes were developing and made its own studies based on reduced confidence in the United States.

It is in this atmosphere that "Euroshima" is significant. The authors argue that growing Soviet strength and parity with the United States, if not superiority, in strategic arms can cancel out the U.S. nuclear umbrella as a deterrent for Europe, since the United States might feel obliged to reserve all its strength for its own protection. Therefore, the authors see a risk of West European rushing for political accommodation with the Russians, unless they quickly develop their own credible deterrent.

This can only be done, the authors say, by cooperating with Britain in the first stage and later with West Germany and other members of the European Economic Community. They draw the consequences of their logic, arguing for a European political executive with the authority to make military decisions—in effect, a real president of a real United States of Europe.

Few others, and no one now in power, follow the implications of the problem of European security as far as do the authors of "Euroshima." But it is recognized now, as it has not been for many years, that a problem exists beyond the effectiveness of current North Atlantic Treaty Organization doctrines.

The new questions are being seen as more and more urgent, and could, the experts here conclude, lead to drastic shifts in French military policy.

TWO GAULLISTS ADVOCATE FRENCH-GERMAN A-FORCE

PARIS, August 19.—A rumbling behind-the-scenes debate on basic French military policy has exploded into the open with proposals from two veteran Gaullists for a French-West German nuclear force.

Gen. Georges Buis, one of the earliest and strongest advocates of an independent French nuclear force, and Alexandre Sanguinetti, a longtime political leader, put forward their plan in a joint interview in last week's issue of Le Nouvel Observateur.

The choice of the pro-Socialist magazine to announce their ideas was almost as surprising as the complete about-face of the two men. The most important pillar of President Charles de Gaulle's policy for France was a totally independent armed force based on nuclear weapons.

But the two men said that circumstances had drastically changed, that France could not afford to stay in the nuclear race with the superpowers on its own and that the U.S. nuclear umbrella over Western Europe had, in the words of Gen. Buis, "become less credible than ever." The original Gaullist argument for a French nuclear force was that Washington's pledge to unleash its strategic arsenal on the Soviet Union to save Western Europe was no longer believable once the Russians were able to retaliate against American territory.

Neither of the two men is in a decision-making position, but both are influential in military and Gaullist circles. Their joint interview hints that President Valery Giscard d'Estaing is aware of their new position and views it with some sympathy.

Mr. Sanguinetti clung to the anti-American aspect of the old Gaullist position, however, saying that there would be no merger of the French and West German nations and that West Germany would "have to quit NATO."

"That is the choice," he said. "It could be avoided. But then Europe will be definitively divided between an Atlantic world on one side and a Soviet world on the other. There will be no more Europe."

The suggestion is not likely to provoke any significant official reaction at the moment. But it reflects the intensity of the high-level debate on the difficult choices facing France at a time when fears about the reliability of U.S. support for Western Europe are being expressed more and more openly.

With the subject now in the public arena, the debate can be expected to spread widely. Analysts say it will probably end the tacit understanding that has kept Communists and Gaullists on the same side against the government for several years.—Flora Lewis.

The PRESIDING OFFICER (Mr. BRADLEY). The Senator from South Carolina.

Mr. HOLLINGS. Mr. President, with respect to the Exon amendment, the impression is that perhaps if we adopt his amendment we would adopt what, really, NATO felt they needed.

Going directly to that point, I was a delegate at the NATO conference last year in November, at the end of November, and what had the distinguished ambassador, Robert Komer, who is adviser to the Secretary of Defense on defense matters.

Incidentally, his nomination is before Congress, if not already confirmed, as Deputy Assistant Secretary of Defense in charge of policy and planning.

Ambassador Komer at the time testified before the Military Affairs Committee, and I think also, I am sure, before the military, because I heard him that Sunday afternoon I was there and they had this top-level conference, similar to what we will try to do today in a very short time, with members of the Armed Services Committee, members of the Budget Committee, talking about inflation and the overall needs, the threat they hoped to defend, and so forth.

He said that as a group they felt 10 to 15 percent in real growth in defense spending was necessary. The figure he used was 10 to 15 percent, not 5 percent, not 6 percent, or 7 percent some other countries have. But he said they compromised downward to the bare bones of what was absolutely agreed upon, not only 3 percent in real growth, not just for NATO, but the entire defense budget, with a caveat of 3 percent increase in productivity.

So, obviously, the amendment of the Senator from Nebraska does not satisfy the requirement of our commitment there. And it points up the significance of timing and assistance, with the President, presently having greater success with the 3 percent real growth.

The distinguished Senator and I served together as colleagues. We could not even get that. So his amendment is sort of well taken in that context. But I think we should point out that it does not keep up the real need that has been pointed out.

I will make one comment that I did not complete the thought on, as to my colleague's comment to the effect that when I was talking about "while England slept," I should have said while America slept. But what John F. Kennedy was talking about was not Neville Chamberlain as an appeaser. He was talking about the tide of the times, the people themselves, and Chamberlain himself reflected the feel and the wishes of the people as they knew it, pointing up and emphasizing, of course, once war breaks out, we find ourselves with our defenses down.

They do not blame themselves, but their leadership. They depend on the people's representatives to be briefed, to be concerned, to be interested, to study and tell them back home what is needed.

What I am saying, in essence, is not that years later we have a very similar situation. We can take a political policy and say that we do not need more defense, that it is too much with inflation, and let us balance the budget. And it obviously comes, these needed increases, at a very inconvenient time, it always does.

We need today, this afternoon, to be direct. We cannot do it with the Exon amendment. We cannot do it, in my judgment, I say most respectfully, with just 3 percent. It is just taking half what the Defense Department found it needs in the out years, which is the 5 percent real growth.

We will do it. I hope the Senate will speak loudly and clearly this afternoon so that we can then get the leadership of the executive branch to help us over on the other side.

Mr. President, I ask unanimous consent to have the distinguished Senator from Alabama (Mr. STEWART) added as a cosponsor on the Hollings amendment.

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

The Senator's 5 minutes have expired.

Mr. EXON. Mr. President, I yield myself 2 minutes.

Mr. President, from some discussion we have had here on the floor of the Senate so far on my amendment, I am very fearful that the Senators might not understand what the Exon amendment is all about.

I have explained it twice. I do not know whether they were listening. Certainly, the statements I have heard from some, with the exception of the Senator from South Carolina, thus far would seem to think I was talking against increasing defense expenditures. I am for increasing defense expenditures.

I see a strange coalition developing here. People that are not for the three, five, and five increase, as suggested by the Senator from South Carolina, and those that are for the President's position, but not taking a look, realistically, at what I am offering.

Once again I say, Mr. President, that what I am offering is exactly what the President of the United States says is necessary over a 3-year period.

I am merely reducing the outlays from $6.2 billion in fiscal 1980 to $1.5 billion for the first year, so that we might hold

down and not increase the deficit over 1979, and make that up in the out years.

So that at the end of 3 years, the Exon proposal expends the same amount of additional dollars, $19.3 billion.

I suppose that what we are really doing here, perhaps unintentionally, is confusing the issue. Once again I say that I am for increased defense spending. Some of the statements that were made in argument against the Exon proposal would have indicated that I felt to the contrary.

I yield the floor, and I reserve the remainder of my time.

Mr. NUNN. Mr. President, will the Senator yield me 1 minute?

Mr. MUSKIE. I yield.

Mr. NUNN. I say to the Senator from Nebraska that the President's letter that came over yesterday, as I understood it, leaves his position on 1981 and 1982 spending open. Although it is clear that he is not supporting the 5 percent now, he does not preclude going up from 3 percent in the future.

When the Senator says he is on the President's figure, the Senator's position is a little more vague than the President's figures.

Also, it is clear that the President's pledge to NATO, although there was some confusion at first, has been and is consistently now applied by the administration to the overall defense budget.

On January 25, 1979, in the Armed Services Committee, Senator LEVIN asked that very question of Secretary Brown. Senator LEVIN asked the question:

Is that overall defense expenditures or NATO related?

Secretary Brown:

It is overall, as they all made the same pledge, referring to their defense expenditures.

I wanted to clarify that.

Mr. EXON. I thank the Senator from Georgia.

I yield 3 minutes for a dialog on that point with the Senator from Georgia.

The Senator from Georgia would agree, then, that my proposal is stronger than the recommendation of the President of the United States with regard to future defense expenditures?

Mr. NUNN. As I understand it, the proposal of the Senator from Nebraska is 3 percent in the out years.

Mr. EXON. Yes.

Mr. NUNN. Slightly above, to make up for the lack of 3 percent this year. Is that correct?

Mr. EXON. Yes.

Mr. NUNN. I am not precisely sure what the President's position is now, but it was my understanding that he said yesterday that his proposal was for 3 percent in 1980, and he saw no need to go above the 3 percent in the out years, but he was going to preserve his options on that. So I would say the Senator from Nebraska is approximately where the President is but may not be soon.

Mr. EXON. Those who are talking on this subject certainly have the right to express their opinions in any way they see fit. But I do not want the remarks to be taken as meaning that I am soft on defense. I might not be as hard on defense as the Senator from South Carolina, but I am somewhere in line with the President's, if not a little stronger.

Mr. NUNN. I think the Senator from Nebraska is a very strong supporter of national security, and I would never allude to that. I do not agree with him on this amendment, but he has been a strong suporter in the Armed Services Committee.

Mr. HOLLINGS. In fairness to the President, the President calls for 3 percent across the board, in constant dollars, so his is 3.2. In my amendment, we are using the President's figures.

The Senator from Nebraska said that his add-on just for NATO was less than the 3.2. So he is not as strong in that regard as is the President, and that is why I oppose the amendment.

Am I correct, or do I misread the figures?

Mr. EXON. I yield myself 2 minutes.

I say to the Senator from South Carolina that it depends on whether you are talking about 1 year or 3 years. Once again, I say that the amendment before us now, which was divided at the request of the chairman of the Armed Services Committee—the amendment of the Senator from South Carolina had 3 percent for 1980 and then 5 and 5, as I understood it.

Mr. HOLLINGS. That is correct.

Mr. EXON. Had it not been divided, I was prepared to offer a substitute of 3, 3, and 3; and my 3 percent at the end of the 3-year period would have totaled 19.3, which is what I understand from talking to Senator Hart was the position of the administration. So I would be reducing those outlays on the 3 percent, 3 percent, 3 percent basis in the first year, and making it up in the out years, 1981 and 1982. So that at the end of the 3-year period, under the Exon amendment, we would be spending 19.3 total, which is what I understood the President's proposal was.

Mr. HOLLINGS. So the amendment at the desk does reduce the President's 3 percent for 1980.

Mr. EXON. The amendment at the desk reduces the President's expenditure for 1980 from 3.2 down to 1.5.

Mr. HOLLINGS. So for 1980, the Senator from Nebraska is as strong as the President, but he says that in 1981 and 1982 he is stronger.

Mr. EXON. We make it up.

Mr. HOLLINGS. I understand that difference. I thank the Senator.

Mr. MUSKIE. Mr. President, as I compute the budget authority under the Senator's amendment, the real growth increase in fiscal year 1981 is 4 percent; in fiscal year 1982, 3.2 percent. The real growth in outlays in 1981 is 4.8 percent; in 1982, 3.2 percent.

I would agree with the Senator's characterization of his amendment, that in terms of effective military spending—that is, based on the perceived threat of the early 1980's—in strategic matters, in support of NATO, the 3-year budgeting period is more significant than the fiscal year 1980 increase—at least, from my point of view. I simply want to say that.

Mr. EXON. It is a significant increase, and I tried to make that point.

I thank the chairman of the Budget Committee for the clarification. If he desires to join as a cosponsor of the amendment, I will be glad to accept his support.

Mr. MUSKIE. Mr. President, I continue to defend the numbers in the second budget resolution for the reasons I have covered at sufficient length this afternoon, and I do not think I need to repeat that argument.

It is apparent that the sentiment for increasing the defense function is very strong. For those who feel that way, I would commend the amendment of the Senator from Nebraska very vigorously, because his amendment is more nearly consistent with the need for budgetary discipline at this point than is the Hollings amendment. I have no doubt about that. It also moves in the direction of increased defense expenditures, which many Senators seem to think is in the national interest.

I believe that we will probably have to move in the direction of increased defense expenditures in those years ahead of us, but I think that movement should not be in response to what should happen to the SALT treaty. It should be in response to a positive, constructive, comprehensive evaluation of mission needs and program tradeoffs, leading to the real military capabilities that we need to have. I do not think we have had that kind of discussion and I have listened to the debate all afternoon. No Senator has satisfied me regarding the need for increased defense spending and I am told that I have been listening to Senators who are experts in this field. If they are, they have not revealed it, in the sense that I think we need to structure the defense priorities of the future.

We come to the floor being urged to increase spending 3 percent. What does that mean? Increase spending 5 percent. What does that mean? Can any Member relate that to improved military capability and effective management of resources? If so, I have not heard them.

Mr. NUNN. What does 1 percent mean? That is what the Budget Committee has in there. How are we to deal with out year projections?

Mr. MUSKIE. I have an answer to that. We structure our numbers in the budget resolution, as the Senator knows, on a mission basis that we initiated as a result of the leadership of the distinguished Senator from Florida (Mr. CHILES) and the distinguished Senator from Georgia (Mr. NUNN).

We do not go into line items, but we try to go into capabilities. We have not refined our ability to conduct that kind of analysis and judgment but each year our capability improves.

The remark I made a moment ago was addressed to the point that I understood there were Senators who were capable of offering us leadership in that respect. I have heard a lot about specific weapons systems and specific defense hardware. I have looked at those charts, and, in terms of capabilities, they have relevance to certain points of view. But in terms of the issues raised by the SALT hearings and the other major defense issues that have followed—as we began a closer and

more careful and intensive examination of our defense budget—we need something more than that, and I am all for that something more.

I will move in future budgets considerations to that kind of analysis and examination of policy that is indicated to be in the national interest. But I am not going to come to the Senate floor when confusion is present. Dealing with it effectively gives us sufficient time to also deal effectively with the national security aspects. I think we can do both, one step at a time, and I think both are important to do.

Mr. NUNN. I say to the Senator from Maine that I think it is perfectly understandable that he would not agree with those of us who have advocated increases. But to say that we have not addressed our capabilities, it is hard for me to have been here all day and believe that the Senator really does not understand that we have been addressing exactly that. We have talked about not being able to gain air superiority in NATO, No. 1. We have talked about not having enough ammunition for a 1½ war theory by 2½ percent.

We have talked about losing the tactical nuclear advantage we have had all the years since NATO was formed.

We have talked about losing essential equivalence in strategic weapons. I just ask the Senator from Maine what capability is it he wants to hear described? We talked about the loss of maritime superiority in the late 1980's. I cannot for the life of me understand what it is he wants us to describe for him.

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

Mr. NUNN. I yield.

Mr. MUSKIE. I respect the Senator as an intelligent, thoughtful, effective, committed Senator in the field of defense requirements. I am especially interested in listening to him. What I have heard are conclusions on the questions. By that I mean conclusions by the Senator from South Carolina and conclusions by the Senator from Georgia about defense issues. I have not heard the analyses. I heard the conclusions again just now. I have not heard the analyses. Nor have I heard anything that persuades me that such analyses, if made, dictate that we could overcome these shortages in the year 1980 and further that we must overcome them in 1980 to the exclusion of the national priority on inflation in 1980.

That I have not been persuaded of, and I am still not persuaded of it, and that seems to make the Senator uncomfortable.

Mr. NUNN. No.

Mr. MUSKIE. I am as stubborn in my pursuit of the national interest in economic security as the Senator is in his insistence upon pursuing defense security.

Mr. NUNN. I commend the Senator for that. No one has a higher regard for the Senator from Maine than I do. I think he has made probably the most singular contribution to this Senate and overall congressional debate of anyone I know in Congress. We have debated the security issue for 6 years. It has not just started. I debated in the Budget Committee every year. For 3 years I talked about details.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. NUNN. Will the Senator yield me 2 additional minutes?

Mr. MUSKIE. I yield 2 additional minutes.

Mr. NUNN. I have come to the conclusion that the Senator from Maine cannot be persuaded on this issue.

Mr. MUSKIE. I have come to the conclusion that the Senator from Georgia cannot be persuaded on the inflation issue.

Mr. NUNN. I do not agree with that one iota. I voted with the Senator.

Mr. MUSKIE. Neither do I agree with the Senator.

Mr. NUNN. All I can do is explain the need for planes, explain the need for ships, explain the need for ammunition, explain the shortages we have, relate them to the defense missions, relate that to the President's own national security objectives, and then I have to yield the floor. I cannot comprehend it for anyone else. I can only explain.

Mr. MUSKIE. In the same fashion, and I know he understands, the following is just as appropriate to me. I have to listen in the Budget Committee, as Senator MAGNUSON does in the Appropriations Committee, to all of these urgencies in every function of the budget, all of them. The Senator knows as well as I do that defense is not the only function in which people urge the importance of doing more about this, that, or the other.

The Senate said today we cannot do more in the domestic programs so we voted reconciliation. We said you have to cut $3.6 billion, notwithstanding the fact that a case can be made for doing more. But we have said you cannot afford to do more now because of inflation. When I make the same argument in defense then the Senator says to me, "Look I have been making these arguments for 6 years."

Mr. NUNN. That is exactly right.

Mr. MUSKIE. Those people interested in domestic programs have been making the same argument for 6 years to the Budget Committee.

Mr. NUNN. I agree with that.

Mr. MUSKIE. I have to ask for restraint across the board. I have not heard an argument that the imperatives associated with this proposed increase in defense budget argue for lifting restraint on defense by $3.2 billion while imposing restraint of $3.6 billion on other programs. I have not heard that argument this afternoon, and I am sorry if I do not have the comprehensive ability that the Senator from Georgia wishes I have. I do not, if that is what is required as a test.

Mr. STENNIS. Mr. President, will the Senator yield me 2 minutes?

Mr. MUSKIE. I yield 2 minutes to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I greatly appreciate the splendid services of the Senator from Nebraska on our Armed Services Committee. He is always active, constructive, and helpful. He has been here today on this amendment.

But I have to submit the proposition that at the same time his amendment, cutting in half this 3 percent, would make the mission of the 3-percent add-on fall short. It also complicates the future years, and would leave us short. If you get the application of the 3 percent to this $44 billion in support of NATO and readiness, it would not give us the 3-percent level.

I understand, talking about them being left out and our being short in supporting them, this 3 percent will be real and above inflation. I understand the German Government, with all deference to them, reported their budget the other day and it did not have any increase.

What we are trying to do now is to cover them as well as ourself. Therefore, the Exon amendment I respectfully say should not be adopted. I thank the Senator.

Mr. MUSKIE. Mr. President, I yield myself 1 minute on the bill to call to my colleagues' attention a headline on the front page of the afternoon Star, "Furious Buying Pushes Gold Price to $375."

I realize Senator HOLLINGS thinks I am preoccupied with that because I think back to my college days in the early thirties. But I say to the Senator that when we set a record yesterday at over $350 an ounce and we now have broken that record in less than 24 hours and set a record as high as $379, I find that frightening. It has nothing to do with the fact that I was a freshman in college at the bottom of the Great Depression. It has something to do with the fact that I think this counry is on the threshold of the greatest danger to the economy in the form of inflation that I have ever experienced in my lifetime. When the daily newspapers each day carry headlines like that regarding gold prices, I would think Members of this body would be alarmed.

Mr. EXON. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 3 minutes and 15 seconds.

Mr. EXON. And the opposition?

The PRESIDING OFFICER. The opposition has used all their time on the amendment.

Mr. EXON. Mr. President, I think we have debated this long and thoroughly this afternoon, and I am prepared now in just a few moments to ask for the vote and yield back the remainder of my time.

Just a very short closing statement: I hoe once again that all will recognize, before they vote on the Exon amendment, and will clearly understand that this is the only chance they are going to have to vote for substantial increase expenditures on defense without busting the 1980 budget deficit. I suspect if they do that they may well be hearing from the people back home.

I was home in August, as I said in my opening remarks. I think the chairman of the Budget Committee has just emphasized it with what he just said. I appreciate very much the fact that while the chairman of the Budget Committee said he could not support my amendment it is the most reasonable approach that has been offered. I think it is a very

reasonable approach, and I really believe that if all of the Members of the Senate understood what I was proposing and did not have their minds changed in one direction or another they would probably support it.

With those closing remarks, I wish to yield back the remainder of my time.

Mr. HOLLINGS. Mr. President, could I make a unanimous-consent request for cosponsorship?

Mr. EXON. On the Senator's time.

Mr. HOLLINGS. I do not have any time. I want to ask unanimous consent.

Mr. EXON. Certainly there are more cosponsors of the Hollings amendment and I want those on record.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the name of the Senator from Louisiana (Mr. JOHNSTON) be added as a cosponsor of my amendment.

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

Mr. EXON. Let the record show that there are no cosponsors on the Exon amendment.

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

Mr. EXON. With that, I yield back the remainder of my time.

Mr. MUSKIE. Mr. President, I oppose the amendment calling for substantial increases in defense spending for many reasons. And I must say that I have ceased being amazed by actions continually brought before the Congress that seek to overturn our carefully considered objective of budget discipline.

This spring the Congress charted a steady course of treatment aimed at balancing the budget and reducing the percentage of our gross national product which we devote to Government. But in the past 4 months, spending pressures have escalated. Inflation has worsened. And the economy has weakened. We have already agreed to reconsider a number of spending decisions made over the past several months in order to keep the deficit from climbing in the next year. The amendment to increase defense spending would destroy that incentive without a sound basis for altering our goals.

We set a course toward balance for two fundamental reasons:

First. We must control inflation. Inflation is our worst enemy, because it attacks the hopes and aspirations of our people. It drains our economy of vitality, and it can cripple our effectiveness as the leader of the free world.

Second. We must also limit the portion of the individual's income which we use for the common goals of Government, so the individual has a greater portion to use for his own priorities. That was the message of proposition 13, and the Congress must be committed to taking the minimum necessary for a compassionate and effective Government.

Those imperatives are still overwhelmingly clear to me. The budget resolution before us maintains our course. But we are encountering new complications every day.

The defense spending proposals contained in the amendment significantly alter the priorities we set in the first budget resolution. National security does not merely mean that we arm ourselves for every possible conflict—large or small—for a short time period or an extended conflict.

National security embodies the whole of the Nation. Our total economy, all our citizens, open and vital competition here and in the world marketplace. Our military needs compete with our domestic requirements and with the course to secure economic well-being. These are all legitimate priorities. They must be balanced. This amendment would bring them out of balance.

Mr. President, let me address why the proposal for increasing defense spending is being given such serious consideration at this time. In the first place, it is being advanced by some of our colleagues whose judgment we have relied on in the past.

Second, there is a legitimate need periodically to review our defense policies in light of Soviet activities and our perception of Soviet intentions and capabilities. Third, the SALT debate has focused the attention of the country on something none of us enjoys thinking about—nuclear war.

So these proposals to increase defense spending ought to be taken seriously. This country can and must have a strong military force which meets our defense needs. We must maintain the resources and the will to spend the extra $100 billion, and more, if need be, to remain the bulwark of the free world.

The question before the Senate is whether it is necesasry to spend the additional billions in the amendment to maintain our national security.

We are committed to maintaining a nuclear arsenal so strong that it can survive a massive surprise attack and deliver a lethal blow to the attacker. We are committed to maintaining a secure Europe by keeping the NATO alliance politically healthy and technologically superior. We are committed to maintaining a strike force so strong that we could, if necessary, exert our influence anywhere in the world to protect our interests and those of our allies. I believe there are sufficient funds provided for defense to accomplish these goals.

But what have we heard in the debate over defense spending levels? Some supporters of large increases in defense spending say we have done virtually nothing in the way of developing an improved military posture. Others say we have not done enough. Still others say our efforts have been unsuccessful, that we have fallen behind or soon might.

Mr. President, I do not agree with these pessimistic assessments. We have not been standing still.

There have been significant levels of real growth in the major investment activities of the Department of Defense from fiscal year 1975 to 1979 and the second budget resolution would continue that real growth trend from fiscal year 1980 to 1984.

The Budget Committee believes it is necessary to focus attention on investment, because that relates to improved capability. Total defense spending which includes active payroll and retired pay funds does not provide a measure of defense strength. That is one of the pitfalls contained in the amendment before us.

The research and development and procurement accounts of the DOD are estimated to have approximately 5 percent annual real growth from fiscal year 1975 to 1984. The Budget Committee carefully considered and agreed with the requirement that force-capability improvements be maintained and the budget resolution before the Senate provides for over 2 percent real growth in investment in fiscal year 1980 and an average annual rate of 2.75 percent from fiscal year 1980 to 1984. These are the types of real spending increases that will relate to actual force improvements.

During the Budget Committees deliberations on the second budget resolution, we decided to add $13.5 billion to the defense budget levels to cover requirements for the MX missile, the Trident submarine and missile, cruise missiles, and other major strategic program initiatives. We did not do this at the urging of the administration but because the committee analyzed future strategic needs in order that a balance in strategic capability be maintained with the Soviet Union. Mr. President, I ask unanimous consent that a table identifying major U.S. strategic program requirements over the fiscal year 1980–84 period be placed in the RECORD at this time.

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

STRATEGIC NUCLEAR PROGRAMS EXPLICITLY INCLUDED IN THE SECOND BUDGET RESOLUTION

[In millions of dollars; fiscal years]

	1980		1981		1982		1983		1984	
	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays	Budget authority	Outlays
Air launched cruise missile	475	290	501	419	482	394	441	441	449	45
Cruise missile carrier	30	25	60	46	88	75	295	204	1,033	368
B-52 Mods	563	149	488	344	497	430	493	471	409	480
MX	675	441	1,256	954	1,817	1,427	3,734	1,769	5,107	2,588
Trident submarine	1,520	1,289	1,476	1,341	2,174	1,339	2,218	1,569	4,100	1,818
Trident I	861	1,154	723	957	635	840	602	719	599	562
Trident II	41	31	129	91	379	261	830	606	1,614	1,211
Total	4,165	3,379	4,633	4,152	6,072	4,766	8,613	5,779	13,311	7,567

Note: The budget authority totals was derived from the fiscal year 1980 5-yr defense program of the DOD. Outlays represent CBO outlay rates based on historical spending patterns for various appropriation accounts.

Mr. MUSKIE. Mr. President, there are many areas of defense capability that the Congress has moved to strengthen. Army missile, aircraft, and tank capability are all in the process of being modernized and we have virtually completed a major Air Force modernization.

By 1983 we will have so increased our NATO capabilities that five U.S.-based Army divisions and most of the Air Force will be able to deploy to Europe within 10 days to augment the forces already there.

Today when many dangers are cited about the Soviet naval threat, we and our NATO allies have 30 percent more major combatant ships and submarines than the Soviet Union and the rest of the Warsaw Pact. In addition, these ships have over twice as much aggregate tonnage as do Warsaw Pact ships. Despite concerns about Soviet naval developments, we maintain the capability to protect our interests around the world.

Finally, as far as strategic nuclear forces are concerned, we will increase our strategic nuclear arsenal to 12,000 warheads during the life of the SALT II treaty.

Mr. President, the supporters of this amendment are telling us now that these programs are not enough. Of course, many of them are the same people who urged them on us in the first place. I ask them what new threat has arisen that necessitates spending over $100 billion above the budget resolution levels over the next 5 years? What other parts of the budget are to provide such a dividend? The second budget resolution provides for over $800 billion for defense spending during the fiscal year 1980–84 period. Where is the proof that an average annual expenditure of $160 billion cannot meet our priorities concerning defense spending?

Now we have before us, another formula increase to do the job of credible budgeting. I will continue to state that any formula increase, be it 7, 5, or 3 percent, ought to be viewed with suspicion. This sort of policymaking by arithmetic is not acceptable in any other area of the budget. It is unacceptable in defense. It is no substitute for careful analysis of programs, objectives, and needs. The choice in budgeting is almost always a choice among good programs. It is seldom easy. But it is always preferable to not choosing at all. The formula approach provides no guarantee whatsoever that American forces will be more able to engage effectively in military activities in future years. It is not levels of spending but how the funds are spent that relate to capability improvements.

There will always be ways to spend additional money for defense and we can be sure the military will find them. But we who are responsible for the entire budget must understand, that the military does not have the countervailing responsibility for providing for the domestic needs of the country and for maintaining the Nation's economic health.

Since the military has this single responsibility rather than the larger responsibility of the Congress, it will always find programs that are "essential" to U.S. security. Furthermore, there will always be defense contractors with new ideas on ways to spend money. If the Congress is to fulfill its responsibilities to the Nation, however, it must reject the impulse to throw more money at the Defense Department without a thorough understanding of how and why that money is to be spent and what will be sacrificed in the process. It is the responsibility of the Congress to insure that the citizen's tax dollars are effectively spent.

Mr. President, I would like to briefly address the major reasons why this amendment should be defeated.

The amendment adds $3.2 billion in outlays for fiscal year 1980 and $21.7 billion in fiscal years 1981 and 1982. This will cause the projected fiscal year 1980 deficit to increase to over $30 billion—an amount greater than the fiscal year 1979 deficit. Further, the increases for fiscal years 1981 and 1982 will significantly reduce—by up to one-half—the projected budget surplus levels for fiscal years 1981 and 1982.

The amendment provides for increases of $38.3 billion in budget authority for fiscal years 1980–82 without specification of how the money can be spent and what reductions are required in other budget functions to maintain budget credibility.

The amendment maintains defense outlays as a percent of GNP at a constant 5.1 percent level from fiscal year 1980 to fiscal year 1982 while nondefense outlays as a percent of GNP are being reduced from 16.6 to 15.2 percent. The amendment also keeps Federal outlays as a percent of GNP above the 20 percent level. So much for our lofty ideals of controlling outlays—and I might add that many supporters of the amendment are also the most vocal supporters of restraining Federal spending.

The NATO 3 percent commitment is not cast in stone forevermore. It has a built-in flexibility that addresses real growth in the region of 3 percent subject to economic circumstances affecting what can be achieved. Further, it stresses expenditures devoted to major equipment. The budget resolution reflects these flexibilities and the realities of our present economic situation. I ask unanimous consent that the NATO communique on the 3-percent commitment be placed in the RECORD at this time.

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

EXCERPT FROM NATO 3-PERCENT COMMITMENT AGREEMENT, MAY 18, 1977

RESOURCES FOR DEFENSE

16. Against the background of adverse trends in the NATO-Warsaw Pact military balance and in order to avoid a continued deterioration in the relative force capabilities; an annual increase in real terms in defense budgets should be aimed at by all member countries. This annual increase should be in the region of 3 percent, recognizing that for some individual countries:

Economic circumstances will affect what can be achieved;

Present force contributions may justify a higher level of increase.

Specific target figures for each country will need to be determined in the normal course of the Defense Planning Review. Nations should provide full compensation for the inflationary impact of rising pay and price levels to ensure that planned real increases are achieved. It is, moreover, imperative that nations increase the cost-effectiveness of their defense expenditures, in particular the percentage of such expenditure devoted to major equipment, but without detriment to combat readiness. The effective use of resources will depend to a large extent on progress in Alliance co-operation.

Mr. MUSKIE. Mr. President, the budget resolution provides for 2.1 percent real growth in budget authority in fiscal year 1980 for defense investments and an average annual real growth of 2.75 percent for investments over fiscal year 1980–84. These levels insure that defense investment activities will average real growth of approximately 5 percent annum from fiscal year 1975 to 1984.

Unobligated balances of the DOD—funds authorized by Congress but not obligated and available for spending—have increased from $12.6 billion in fiscal year 1975 to a projected $23.2 billion at the end of fiscal year 1980—an 84-percent increase. While the full funding concept that causes a buildup of funds may be a reasonable one, a determination on the availability of funds from such a large amount to other defense programs should be made prior to a wholesale commitment of new excessive funding levels.

Current DOD data on 54 major defense programs indicates that they will have cost growth of $96 billion over the lifetime of the programs; $72 billion of this growth is due to program changes that can be categorized as under the management control of the DOD. A 20-percent improvement in management efficiency could provide $15 billion in savings from the anticipated cost growth for use on other defense programs. I ask unanimous consent that a table of these programs and their levels of cost growth be included in the RECORD at this time.

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

[In millions of dollars]

Weapon system	Base year	Program changes in program then year dollars: Quantity changes, This qtr.	Quantity changes, To date	Engineering, This qtr.	Engineering, To date	Support, This qtr.	Support, To date	Schedule, This qtr.	Schedule, To date	Estimating, This qtr.	Estimating, To date	Other, This qtr.	Other, To date	Total, This qtr.	Total, To date	Economic escalation, This qtr.	Economic escalation, To date	Total cost changes, This qtr.	Total cost changes, To date
Army:																			
Patriot (fire sections)	1972		−1,842.5		−855.2		268.8		459.2		884.8		27.6		−1,057.3		1,448.7		391.4
Pershing II	1979																		
Hellfire	1975	−2.7	−4.3		7.0	14.7	12.2	17.6	30.4	55.5	59.7			85.1	105.0	1.5	62.1	86.6	167.1
CH-47 modernization	1975					49.7	49.7	32.8	36.4		2.3			82.5	88.4		211.1	82.5	299.5
UH-60A (Black Hawk)	1971		−22.0		−25.1		−128.4		−162.4		188.7	12.6	32.5	12.6	−116.7		1,472.7	12.6	1,356.0
YAH-64 (AAH)	1972			−17.5	0	19.1	−94.4		103.5	0	9.4			1.6	18.5	2.2	410.1	3.8	428.6
SOTAS (division sets)	1979				5.6						0				5.6		11.3		16.9
FVS (MICV)	1972		4,479.5	1.7	790.7		56.1	2.0	104.3		38.2	2.4	18.1	6.1	5,486.9		278.0	6.1	5,764.9
XM-1	1972		4,784.0		80.2		−23.0		326.1		398.4				5,565.7		580.5		6,146.2
Roland (fire units)	1975		30.2		31.0	78.4	143.3		161.2		694.2	5.1	90.0	83.5	1,149.9		123.8	83.5	1,273.7
Copperhead (CLGP)	1975		−128.3		16.6		10.0	4.9	104.1		50.4		6.3	4.9	59.1		80.5	4.9	139.6
DIVAD gun	1978		64.1				−4.0		19.8		9.4				89.3		54.2		143.5
GSRS	1978																		
M-198	1972		−51.7		1.8		3.5		10.8		38.3		0		2.7		55.7		58.4
Navy:																			
E-2C	1968		1,552.6		126.0	.5	502.7		51.4	.1	115.7		0	.6	2,348.4		83.1	.6	2,431.5
F-14A	1969		2,433.2		104.3	−5.0	1,485.8		1,015.5	−11.6	566.0		79.1	−16.6	5,683.9		342.3	−16.6	6,026.2
F-18	1975		6,870.4		142.6		1,888.0		311.3		724.8				9,937.1		1,210.9		11,148.0
P-3C	1968		2,143.0	−11.0	417.2	−.1	203.2		937.1		198.8		5.9	−11.1	3,905.2		283.3	−11.1	4,188.5
LAMPS MK III	1976		13.8		−125.7		−146.6		−95.3		−23.4				−377.2		48.5		−32 .7
Aegis	1970				107.0		19.2		52.9						179.1		23.9		203.0
Captor	1971		−1.0		216.3		169.2		206.9		367.3		.1		958.8		233.2		1,192.0
Harm	1978		−17.0		14.0				10.8			2.6	2.6	2.6	10.4		21.0	2.6	31.4
Harpoon	1970		139.8		189.4		73.7		122.0		134.4				659.3		256.6		915.9
Phoenix	1963		349.2		89.9	−.4	93.6		473.6		23.7		75.8	−.4	1,105.8		219.8	−.4	1,325.6
Sidewinder AIM-9L	1971		49.9		26.9		57.3		35.4	−1.7	50.2		−.1	−1.7	219.6		25.7	−1.7	245.3
Sparrow AIM-7F	1968	379.6	236.1		45.6	21.2	53.3		272.0		51.5		35.9	400.8	703.4		323.9	400.8	1,027.3
Tomahawk	1977		−1,016.3		122.2		−146.6		70.6		96.9				−873.2		1.6		−871.6
Trident	1974		4,314.2		139.5		58.6		2,509.2		2,159.0		527.0		9,707.5		3,406.8		13,114.3
MK-48 mod 1	1972		−431.8		9.4		−76.9		219.2	−2.5	142.1			−2.5	−138.0		89.7	−2.5	−48.3
5 in. guided proj.	1977		−3.0		6.4				14.3						17.7		7.5		25.2
SURTASS	1975				54.9		9.3	5.7	60.6		84.6	.5	9.3	6.2	218.7		43.7	6.2	262.4
TACTAS	1976	57.6	−8.8		115.0		98.9		37.4	44.2	41.8		2.9	101.8	287.2		96.2	101.8	383.4
SSN-688	1971		2,005.6		122.0		193.3		41.5	−15.4	414.6		412.8	−15.4	3,189.8		1,860.4	−15.4	5,050.2
DD-963	1970		315.2		35.0		34.2		−2.0		105.2		661.3		1,148.9		622.5		1,771.4
DDG-47	1978			−12.8	255.9		20.6				164.9			−12.8	441.4		337.0	−12.8	778.4
CGN-38	1970		308.0		14.7		−1.5				84.7		31.6		437.5		50.6		488.1
LHA	1969		−436.9		117.8		60.6		39.4		10.5		431.3		222.7		70.0		292.7
FFG-7	1973		2,316.6	−39.5	885.5		126.2		1,585.2		1,682.3			−39.5	6,595.8		2,231.9	−39.5	8,827.7
PHM	1973		−533.1		.4		.6		137.5	5.1	24.1		29.4	5.1	−341.1		12.0	5.1	−329.1
CVN-68 class	1974 1967 1972				116.7		27.0		84.0		−4.4		159.4		382.7		356.4		739.1
Air Force:																			
A-10	1970		0		336.8	−.3	55.2		913.1	−4.7	95.8		28.8	−5.0	1,429.7		898.0	−5.0	2,327.7
F-15	1970				429.8		19.9		1,457.9		74.9		767.		2,750.2		3,197.6		5,947.8
F-16	1975		5,364.7		431.6		1,729.6			−17.7	−88.9		32.2	−17.7	7,469.2		1,543.1	−17.7	9,012.3
E-3A (AWACS)	1970		50.4		44.0	.2	1.3	−18.0	1,160.2	−.2	−101.9		−9.8	−18.0	1,144.2		341.5	−18.0	1,485.7
E-4 (AABNCP)	1974		−315.2		22.2		−31.7		150.5	−.3	113.8			−.3	−60.4		57.8	−.3	−2.6
EF-111A	1973				−19.2		117.9		266.3		136.6		12.3		153.9		16.8		530.7
PLSS	1977		−598.2		−2.6		−129.7		28.9		9.6				−692.0		5.9		−686.1
Harm (AGM-88)	1978		128.7							−.1	55.2			−.1	183.9		32.8	−.1	216.7
Maverick (IIR)	1975		59.2				−1.7		177.7		−56.1				179.1		86.1		265.2
Sidewinder AIM-9L	1971		111.1		15.0	−1.4	27.3		16.6	.6	141.0		1.9	−.8	312.9		58.0	−.8	370.9
Sparrow AIM-7F	1968		277.4		15.3		11.4		186.7	−4.3	−7.2		1.7	−4.3	485.3		149.0	−4.3	634.3
DSCS III (space seg)	1977				19.6						−78.7				−59.1		14.7		−44.4
ALCM	1977		−19.1	1.9	98.5		−22.8		132.1	3.4	5.2		−.2	5.3	193.7		81.1	5.3	274.8
GLCM	1977		−1.7		4.6	.9	22.8		91.9		43.0			.9	160.6		15.8	.9	176.4
Summary:																			
Army		−2.7	7,309.0	−15.8	52.6	161.9	293.8	57.3	1,193.4	55.5	2,373.8	20.1	174.5	276.3	11,397.1	3.7	4,788.7	28.0	16,185.8
Navy		437.2	20,599.7	−63.3	3,357.9	16.2	4,803.7	5.7	8,190.5	18.2	7,215.3	3.1	2,464.3	417.1	46,631.4	0	12,258.5	417.1	58,889.9
Air Force		0	5,057.3	1.9	1,395.6	−.6	(1)	−18.0	4,581.9	−23.3	342.3	0	834.6	−40.0	(1)	0	6,498.2	−40.0	(1)
Grand total		434.5	32,966.0	−77.2	4,806.1	177.7	(1)	45.0	13,965.8	50.4	9,931.4	23.2	3,473.4	653.4	(1)	3.7	23,545.4	657.1	(1)

[1] Figures missing in copy.

Mr. MUSKIE. Mr. President, the United States currently provides 5 percent of its GNP to defense spending—no other NATO ally achieves this level of spending. Mr. President, I ask that a table identifying the percent of GNP devoted to defense by NATO members and other U.S. allies be included in the RECORD at this time.

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

NATO EXPENSES (1978)[1]

	Defense expenditures: Per head	As a percent of gross domestic product
Belgium	$231	3.3
Denmark	198	2.5
France	274	4.0
Germany	265	3.3
Italy	80	2.6
Netherlands	229	3.4
Norway	257	3.2
United Kingdom	195	4.7
NATO Europe (without Greece and Turkey)	201	3.6

NATO EXPENSES (1978)[1]—Continued

	Defense expenditures: Per head	As a percent of gross domestic product
Canada	166	2.0
United States	425	5.0
Japan	74	.9
South Korea	72	6.5
Israel	887	30.0
Egypt	112	NA

[1] NATO data provided by NATO Press Service Release M-DPC-2(78)20, Dec. 5, 1978. Data on Greece and Turkey is not available. Japan and Israel data provided by the IISS.

Mr. MUSKIE. Mr. President, by rejecting this amendment, we are asking the Senate to live up to its commitment to move toward a balanced budget. If this amendment is not defeated our deficit next year will be larger than our deficit this year.

That result is unacceptable to me. We must make painful cuts in valuable social and economic programs, ask people to do without some of the government services they seek, and ask the individual Members of Congress to set aside some of their favorite programs for the common good. We must do it if we are ever to control the budget.

Those who argue for a 3- or 5-percent increase for defense would set aside important social goals in the name of economy, but add over $100 billion new dollars for undefined defense programs of no proved value and no demonstrated need.

If we adopt these increases in the face of this evidence, the deficit will increase. We will build new spending momentum into the budget. We will saddle the future Congresses with even more painful choices. We will throw oil on the fires of inflation in an important industrial sector. And we can say goodbye to all the brave talk about bringing the budget under control.

The PRESIDING OFFICER. All remaining time having been yielded back, the question is on agreeing to the amendment (UP No. 560) of the Senator from Nebraska (Mr. EXON). The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Kansas (Mr. DOLE) and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

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

The PRESIDING OFFICER. Are there any Senators in the Chamber who have not voted, who desire to do so?

The result was announced—yeas 12, nays 85, as follows:

[Rollcall Vote No. 292 Leg.]

YEAS—12

Bayh	Exon	Metzenbaum
Bumpers	Kassebaum	Nelson
Chiles	Levin	Randolph
Eagleton	McGovern	Weicker

NAYS—85

Armstrong	Danforth	Inouye
Baker	DeConcini	Jackson
Baucus	Domenici	Javits
Bellmon	Durenberger	Jepsen
Bentsen	Durkin	Johnston
Biden	Ford	Kennedy
Boren	Garn	Laxalt
Boschwitz	Glenn	Leahy
Bradley	Goldwater	Long
Burdick	Gravel	Lugar
Byrd, Harry F., Jr.	Hart	Magnuson
	Hatch	Mathias
Byrd, Robert C.	Hatfield	Matsunaga
Cannon	Hayakawa	McClure
Chafee	Heflin	Melcher
Church	Heinz	Morgan
Cochran	Helms	Moynihan
Cohen	Hollings	Muskie
Cranston	Huddleston	Nunn
Culver	Humphrey	Packwood
Fell	Sasser	Thurmond
Percy	Schmitt	Tower
Pressler	Simpson	Tsongas
Proxmire	Stennis	Wallop
Pryor	Stevens	Warner
Ribicoff	Stevenson	Williams
Riegle	Stewart	Young
Roth	Stone	Zorinsky
Sarbanes	Talmadge	

NOT VOTING—3

Dole	Schweiker	Stafford

So Mr. EXON's amendment (UP No. 560) was rejected.

Mr. MUSKIE addressed the Chair.

The PRESIDING OFFICER. The Senator from Maine.

Mr. MUSKIE. Mr. President, if I might have the attention of my colleagues, the debate on the defense issue has gone on all afternoon. There are two votes now pending. The first vote is on the Hollings 1980 numbers, and the second vote is on the Hollings 1981 and 1982 numbers.

Senator HOLLINGS and Senator STENNIS and I agreed that between the last vote and the next vote, we ought to have 11 minutes of discussion, simply to wrap up the debate for those who were not able to attend most of the afternoon.

I have agreed to divide that time, 5 minutes to Senator HOLLINGS, 5 minutes to Senator STENNIS, and 1 minute to myself, typically brief.

Now, to the 1980 number.

Mr. HOLLINGS. Three percent?

Mr. MUSKIE. That is right.

Mr. HOLLINGS. The yeas and nays have been ordered.

Mr. STENNIS. Mr. President, may we have quiet so the membership can hear?

The PRESIDING OFFICER. There will be order in the Senate.

Mr. MUSKIE. Will the Chair state the pending business?

The PRESIDING OFFICER. The question is on division 1 of the amendment of the Senator from South Carolina, which deals with 1980. 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 Kansas (Mr. DOLE) and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that, if present and voting the Senator from Kansas (Mr. DOLE) would vote "yea".

The PRESIDING OFFICER. Are there Senators in the Chamber who have not voted and who desire to do so?

The result was announced—yeas 78, nays 19, as follows:

[Rollcall Vote No. 293 Leg.]

YEAS—78

Armstrong	Chafee	Garn
Baker	Chiles	Glenn
Baucus	Church	Goldwater
Bayh	Cochran	Gravel
Bentsen	Cohen	Hart
Biden	Culver	Hatch
Boren	Danforth	Hayakawa
Boschwitz	DeConcini	Heflin
Bumpers	Domenici	Heinz
Burdick	Durenberger	Helms
Byrd, Robert C.	Durkin	Hollings
Cannon	Ford	Huddleston
Humphrey	Melcher	Schmitt
Inouye	Morgan	Simpson
Jackson	Moynihan	Stennis
Javits	Nunn	Stevens
Jepsen	Packwood	Stewart
Johnston	Pell	Stone
Kennedy	Percy	Talmadge
Laxalt	Pressler	Thurmond
Long	Pryor	Tower
Lugar	Randolph	Tsongas
Magnuson	Ribicoff	Wallop
Mathias	Roth	Warner
Matsunaga	Sarbanes	Young
McClure	Sasser	Zorinsky

NAYS—19

Bellmon	Hatfield	Nelson
Bradley	Kassebaum	Proxmire
Byrd, Harry F., Jr.	Leahy	Riegle
	Levin	Stevenson
Cranston	McGovern	Weicker
Eagleton	Metzenbaum	Williams
Exon	Muskie	

NOT VOTING—3

Dole	Schweiker	Stafford

So division No. I of the amendment of the Senator from South Carolina (Amendment No. 435, as modified), was agreed to.

Mr. HOLLINGS. I move to reconsider the vote by which division 1 of 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. MUSKIE. Mr. President, at this time I yield 5 minutes respectfully to my good friend from South Carolina.

Mr. HOLLINGS. I wish to yield to the distinguished chairman. He asked for it. I want to answer what he has to say and will yield back the time.

Mr. MUSKIE. Mr. President, I yield myself the 1 minute I indicated earlier. I am willing to speak first. I will just make these points briefly.

First, I call to the attention of colleagues on the floor at the time, the evening paper indicates on the front page that after setting a record yesterday of $350 an ounce on the price of gold the markets have now broken that record, a new benchmark of $375 an ounce, with a high price of $379.

That is a figure that should strike terror in the heart of any Member of this body who is concerned about what is happening to the dollar and to inflation and with the implications of the budget that we are voting on for those problems.

The second point I make is that this is the vote on the Hollings 1981, 1982 figures which projects a 5-percent, 5-percent, increase in the defense budget, raising the second budget resolution. There is another proposition that will be offered if this one fails, 3 percent and 3 percent. I think that that is excessive at this point but preferable to the 5 percent, 5 percent.

So I urge my colleagues to vote against the Hollings proposal. I am now prepared to yield to either of my colleagues who wishes to speak at this point.

Mr. HOLLINGS. Go ahead.

Mr. STENNIS. Go ahead.

Mr. HOLLINGS. No; go right ahead.

Mr. MUSKIE. I yield 5 minutes to the distinguished Senator from Mississippi.

Mr. STENNIS. Mr. President, this presents a very serious matter to all of us. It is certainly so to me as I see it and

I think a very grave matter for the Senate as an institution.

I just do not believe that we can afford now to launch out into a new system of setting the amount for the military budget when we are as far removed as we are in time, but more particularly, as far removed in fact when we do not know what it will be or what hardware it will be—planes, ships, manpower, missiles, and all the host of other things that go with it.

I believe we have by far the better system now to have indepth hearings and change of views and arguments by a committee staff trained in that field, and this applies to other departments, incidentally. And then the men around the table get those facts the best they can and make a judgment the best they can and reach a conclusion as firm as they can. Then based on a recommendation that they make, sworn officers under the Constitution, with a special obligation to the people and to their colleagues, bring in a recommendation here with written report of explanation as to why and then open debate.

I believe if we try to set that far in advance we set up a target for lobbying, and everything else, that will start as a minimum, but, more particularly, if we and this applies to other Departments, of Defense we just as well look out here comes HEW and all the rest in time.

Where will they bring this matter? To the Budget Committee. To the Budget Committee, inevitably, as was seen happen this year. And they have done a monumental job over the years, I think, and I have supported them at nearly every turn.

I know, too, there are others to be dealt with besides the Senate. There is the House of Representatives. I thought about this a lot. I think that to try to move in one direction and they are not joining in or not going to adopt a pattern somewhere in that neighborhood at least would be a great mistake. So I object to it as a matter of principle as it relates to the processes of legislation, for the reasons I have given, and I just think we cannot make a sound judgment now on the priority to give to the money in dollars and the priority of kinds of weapons.

So for those reasons that are so clear to me in practice and over the years that I think certainly we should stick by the system we have. When you destroy the committee system in this great institution you almost destroy it, as I see it. We all know the volume of matters we have to pass on here in the course of every year and the committee must carry a lot of the load.

I hope that we can retain the system, leave plenty to do by this Budget Committee and that they will continue to follow the high road that they have followed. So I yield back the remainder of my time.

Mr. NUNN. Mr. President, will the Senator yield for one brief question?

Mr. STENNIS. I am glad to yield.

Mr. NUNN. As I understand the Senator's position, he is opposed to the concept of the outyear estimates?

The PRESIDING OFFICER (Mr. BOREN). The 5 minutes have expired.

Mr. NUNN. Will the Senator from South Carolina yield?

Mr. HOLLINGS. I yield that time.

Mr. NUNN. The Senator from Mississippi is opposed to the concept of setting any kind of limit whether 5 percent, 4 percent, 2 percent, 1 percent on the outyear budget, that is 1981 and 1982 budget. Is that the Senator's position?

Mr. STENNIS. Primarily speaking, I am against that, as I was saying, not when it is an iota of little money difference, but any appreciable amount cannot be better set now than it can months later, and we would finally destroy the system.

Mr. HOLLINGS. Mr. President, with respect to the distinguished chairman of the Armed Services Committee, No. 1, he objects to the principle and procedure and, mind you me, the principle and that procedure has changed, particularly with respect while we work, as the Budget Committee, to give the 5 year outyears and have been doing that for several years. The Senate itself voted at the time of the First Concurrent Resolution that we shall include those outyears and therefore the outyears, for HEW, for HUD, for Commerce, for Interior, all the other endeavors of Government are already included.

Mr. STENNIS. Will the Senator yield to me on that just briefly?

Mr. HOLLINGS. I yield.

Mr. STENNIS. There was a colloquy here with the Senator from Louisiana that was made clear by him and me, too, that was not a binding matter or anything like that, and it would be more or less pro forma and I did not challenge it for a vote but I was in favor of it then.

Mr. HOLLINGS. Yes, that was my second point. There is really no difference between Senator STENNIS and myself on a binding nature because one Congress cannot bind another and the only guidelines—this is only budget, the third—we tailored it with the leadership and bipartisan support on both sides of the aisle, with Senators NUNN and JACKSON, Senator TOWER, and the others on the Armed Services Committee.

They say, "Now, what should it be? We put that much budget authority in there for the Senator from Mississippi and the other Members to determine what was really necessary."

That is the real point. Where we are weak in our position is in selecting a particular percentage. It was done so interestingly by the Senator from New York: you get a certain percentile, and a 7.8-percent CBO deflator rate, and multiply it by that, and everything else, and we can work out a program.

We talk about submarines, we talk about planes, we talk about every particular item we use, it has been cleared from prior years on both sides, and on any particular weaponry, I have talked solely on conventional readiness, not strategic.

Item 1, attack submarines; the Soviet Union has 277, and we have 78. They produce 80 a year, and we are producing 1. Secretary Graham Claytor says, "I need five."

It took us a long time down in Newport News to teach them how to manufacture them, but now they finally know how to do it, and come January we are going to close down Newport News, in the face of real need, and produce one.

In order to stay even, they need 180; in accordance with the President's budget, the figure he had, the amendment provides 38, when we need 180.

The Chairman of the Joint Chiefs of Staff, General Jones, said at the hearings just this past month:

> Yes, sir; over time we have strongly supported working with our allies, for at least 3 percent in real growth. We have also stated that in our judgment to reduce the risk to this country—and the risk will be great under any circumstances—we need to do more and that 5 percent real growth was our best judgment. Taking into account all factors—our ability to absorb the increase, the needs, all factors—5 percent real growth would be our recommendation.

That is the Chairman of the Joint Chiefs of Staff. So what we are trying to say is, "Yes, Senator MUSKIE, I agree with you on inflation, but there are many other things." The little Arabs can get in a tent and they can come up with 8 percent, 15 percent, or anything else. Our deficit under the present resolution is $28.4 billion and this addition will carry it up to $31.6 billion in the out years. That is the deficit figure we have voted on for 1980. We have a deficit for 1981 and 1982, but I do not want to mislead; the real inflation is in energy costs, and the real need at this particular hour is not what came before the SALT hearings. We have a real deficit in arms, in every category, and they came up and said, "Please approve the treaty, but we must do something about every weapon, about our strategic missiles, about our ICBM's," and down the whole litany, as stated by Senator NUNN.

I yield my remaining minute to the Senator from Oregon.

Mr. PACKWOOD. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PACKWOOD. Is there a unanimous-consent agreement?

The PRESIDING OFFICER. No, there was not a unanimous-consent agreement.

Mr. PACKWOOD. The 11 minutes was not by a unanimous-consent agreement?

The PRESIDING OFFICER. It was not.

Mr. PACKWOOD. Then I was going to ask the Senator from Oklahoma if I might have 5 more minutes on the bill.

Mr. STENNIS. Then may I have 2 minutes?

Mr. MUSKIE. Mr. President, I ask unanimous consent—and I am trying to save time for other Senators who have amendments to offer—that there be another 15 minutes before the next vote,

to be divided 5 minutes to the Senator from Oregon, 2 minutes to the Senator from Mississippi, I would like to have a couple of minutes, and 5 minutes to other Senators.

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

Mr. PACKWOOD. Mr. President, I spoke earlier in the day, and stated that I did not pretend competence in the areas of the Armed Services Committee. I have gone on the Budget Committee this year, and could not escape noticing the trends, that while for the most part our expenditures have been down, those of the Russians have been up.

Let me quote from Secretary Brown:

> It's (Soviet Union) annual rate of increase has averaged more than 3 percent measured by what it would cost the U.S. to duplicate that effort in our economy, and between four and five measured in rubles. By how much the present effort now exceeds our own is less certain. It could be by as much as 45 percent, or as little as 25 percent.

Then he concluded by saying, relative to defense spending:

> Relative defense spending, annual or cumulative, is the best single crude measure of relative military capabilities, if efficiencies are not too different. And in military matters, Soviet and U.S. efficiencies are not as far apart as in the civilian sector.

Mr. President, the one critical signal we are going to give here, I have said it twice today and I will say it again, is that we are not going to meet the President's own standards, his own policies for fulfillment by 1985 without the whole 5 percent.

What the President stated, indirectly through Secretary Brown, last Thursday during the hearings, upon being asked, "Mr. Secretary and Mr. President, is it not true that the goals that you have set for 1985 will not be met by the budget you have asked for between now and 1985?" Secretary Brown, after hemming and hawing around a bit said, "Yes."

We will not meet them at a 5-percent increase, and if we vote that down today, the signal we are giving is that the minimal requests the President has asked for will not be met; that the Senate is not attempting to meet those minimal requests that we have said we were going to meet.

That is the signal we send to the Soviet Union. I do not know how far we can go down in military spending and preparedness before we not only have no credibility with the Soviet Union, but before we begin to have very little credibility with countries around the world whose support we are interested in.

One last fundamental fact: a vote for the Hollings amendment today will not give us enough money to meet the standards that the President and his own Secretary of Defense say are necessary for us to meet, by 1985, the President's goals. A vote for anything less than what Senator HOLLINGS is suggesting today is a vote to even widen the disparity in meeting those standards.

Mr. MUSKIE. Mr. President, I yield myself 1 minute.

I have heard the distinguished Senator from Oregon argue that we will not meet the President's budget by adopting the Hollings amendment.

Mr. President, we are not acting on the President's budget. We are acting on the second budget resolution for fiscal year 1980. I have already spelled out in detail, in my own comments and statements that I have put in the RECORD, what that establishes for national defense.

The second budget resolution will achieve what I have said it will achieve. Whether or not it will achieve the President's goals, in a year when I think the fight against inflation is imperative, is another question.

But we are not acting on the President's budget; we are acting on the Senate's budget resolution, as modified from the first budget resolution adopted in May.

That is the issue, and that issue poses the inflation question for us. I have already told you about the price of gold today. Within the last hour, the Federal Reserve Board has raised the discount rate from 10.5 percent to a historic 11 percent.

The Bank felt that was necessary because of the strong inflationary pressures evidenced in the economy and because of what is happening to the price of gold. Just 1 year ago, gentlemen, the discount rate was only 7 percent. At the peak of inflation during 1973–74, the rate never got above 8 percent. Now it is 11 percent.

Here, indeed, is a way for us to send a signal to the world's central bankers, to other countries watching our economy, to our own citizens who are watching the behavior of the spenders in the Federal Government. There is a signal. We have already sent two today. Send another one.

Your vote indicates that you are going to send the one that I oppose. But do not be unaware of the economic signal you will be sending at the same time that you respond to Senator PACKWOOD's challenge.

Are there other Senators who wish to speak?

Mr. STENNIS. Mr. President, I do not want to detain the Senate; I think the Senate is ready to vote. But I do want to point out a little hardware here.

I ask the question, first, what are we voting for now, in this so-called 5 percent? What are we voting for? Do we know how many submarines or ships or planes or missiles or what have you? No one knows. There has been no listing, no report, no examination, no priorities. We are just setting that high figure there through this committee. I say we had better stay out of it.

Let me say just a word here about our Navy. It is agreed that the new antisubmarine destroyers are the finest in the world and over half of 30 new ones have been delivered and the rest will be within a few more months. The nuclear attack submarine force has increased from 19 in 1965 to 70 in 1978, and 25 more are under construction now. The money has already been appropriated for them.

There were years there when we could not get a contractor to build them, for reasons I shall not go into, old claims and so forth. There is the quality Navy. There are the best weapons in the world in that field. We know what they are. We are pulling them out, putting them in, all the time.

Planes—I have a list here. Fighter aircraft have gone up and up and up. We have more in the bill this year, and about 75 percent now, 521 of our F–14's have already been delivered. Half of the 733 A–10 attack aircraft have been funded or delivered. Production of the F–16 aircraft and F–18 for the Navy and Marine Corps is now starting.

There are a number of other things here. The modernization of our tactical air force is further along than that of our relay ground force. Much has been done in that field.

I have others here. Strategic Forces. We have an amazing supply and resupply and redo and we keep them clean and fresh all the time and replaced.

There is no doubt about those things. What are we trying to vote on here? I warn again: Beware; beware of this process. It breeds trouble. It does not have the technical basis, it does not have the analysis, it does not have the recommendations, except just the dollar amount. It cannot be made to fit the need as well as our present system that we have.

I hope we will stick to it. These days will pass and this little matter that we are excited about now will pass. The big thing is to keep on the track and keep this program going.

Mr. HART. Will the Senator yield 30 seconds to me?

Mr. STENNIS. If I have it, yes, I yield.

Mr. HART. I want to remind our colleagues of what the floor manager of the bill has indicated. That is to say that if they do feel that there ought to be some at least symbolic support of the President's commitment for the 3-percent increase, that will be offered, if this vote fails, by either the Senator from South Carolina or myself. So there will be an alternative of the 3 percent in the outyear to vote on if this measure does not pass.

Mr. NUNN. Will the Senator from Colorado yield for just a brief question?

Mr. HART. Yes.

Mr. NUNN. Would not all the objections which the Senator from Mississippi posed to the 5 percent—without having hearings, the budget—would they not as well apply to the 3 percent or to 1 percent? If we defeat the Hollings amendment, we still have all the problems the Senator from Mississippi was referring to, because we still have the outyear budget.

Mr. HART. The Senator from Mississippi would still have the problem; the rest of us would not.

Mr. NUNN. I agree with the Senator.

The PRESIDING OFFICER. The question is on agreeing to division 2 of the amendment of the Senator from South Carolina. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. STEVENS. I announce that the Senator from Kansas (Mr. DOLE) and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that, if present and voting, the Senator from Kansas (Mr. DOLE) would vote "yea."

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

The result was announced—yeas 55, nays 42, as follows:

[Rollcall Vote No. 294 Leg.]

YEAS—55

Armstrong	Hayakawa	Packwood
Baker	Heflin	Percy
Bentsen	Heinz	Pressler
Boren	Helms	Pryor
Boschwitz	Hollings	Roth
Byrd, Robert C.	Huddleston	Schmitt
Cannon	Humphrey	Simpson
Chiles	Inouye	Stevens
Cochran	Jackson	Stewart
Cohen	Jensen	Stone
Danforth	Johnston	Talmadge
DeConcini	Laxalt	Thurmond
Domenici	Long	Tower
Durenberger	Lugar	Wallop
Durkin	Magnuson	Warner
Ford	McClure	Young
Garn	Morgan	Zorinsky
Goldwater	Moynihan	
Hatch	Nunn	

NAYS—42

Baucus	Glenn	Nelson
Bayh	Gravel	Pell
Bellmon	Hart	Proxmire
Biden	Hatfield	Randolph
Bradley	Javits	Ribicoff
Bumpers	Kassebaum	Riegle
Burdick	Kennedy	Sarbanes
Byrd, Harry F., Jr.	Leahy	Sasser
Chafee	Levin	Stennis
Church	Mathias	Stevenson
Cranston	Matsunaga	Tsongas
Culver	McGovern	Weicker
Eagleton	Melcher	Williams
Exon	Metzenbaum	
	Muskie	

NOT VOTING—3

Dole	Schweiker	Stafford

So division II of the amendment of the Senator from South Carolina (No. 435, as modified) was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which division two of the amendment was agreed to.

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

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield me 2 minutes?

Mr. MUSKIE. I yield.

Mr. ROBERT C. BYRD. Mr. President, as I understand it, about 6 hours remain on the resolution. I understand that Mr. ROTH and Mr. DANFORTH have an amendment in which they will join, and there will be 2 hours on that amendment. Mr. ARMSTRONG, I am told, has an amendment on which there would be 2 hours. Mrs. KASSEBAUM has an amendment. I suppose that would be an amendment to an amendment, because there would be a 1-hour limitation to that.

Do any other Senators have amendments?

Mr. MELCHER has an amendment, and there will be 2 hours on that amendment.

Mr. JAVITS. Mr. President, I expect to be able to dispose of my matter by colloquy.

Mr. ROBERT C. BYRD. There are four amendments we know about, which would consume the 6 hours.

Will Mr. ROTH be willing to call up his amendment at this time and have the Senate resume the consideration of it tomorrow morning?

Mr. ROTH. I will be willing to do that, with the understanding that we get the full 2 hours.

Mr. ROBERT C. BYRD. The full 2 hours and then go over until tomorrow. Is this agreeable with the manager?

Mr. MUSKIE. Mr. President, reserving the right to object—and I will not object—I point out to Senators who have not added up these times that the remaining time on the bill will not accommodate all the amendments which have been disclosed at this point. They add up to 7 hours, and we have 6 hours.

So, to the extent that we could get a reduction in time on any amendment, we could accommodate every amendment. If we cannot, the last amendment will be squeezed into whatever time remains, and we will have to reconcile that.

I will be happy to try to reduce the time I take on an amendment, and I hope that the proponents of amendments also will try to reduce the time they need, in order to accommodate every Senator.

Mr. BAKER. Mr. President, reserving the right to object—and I will not object—I say, in response to the Senator from Maine, that I am fairly sure we can work out some reductions tomorrow. I think this is a good arrangement. If the Senator from Delaware is willing to call up his amendment tonight and take it up at a reasonably early hour tomorrow, I assure the Senator that I will try on this side to see if we can reconcile the time requests.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume consideration of the pending measure, with the pending question at that time to be on the amendment by Mr. ROTH, at 9:30 tomorrow morning.

Mr. BUMPERS. Mr. President, reserving the right to object, is the majority leader cutting the total time remaining down for consideration of amendments?

Mr. ROBERT C. BYRD. No.

Mr. BUMPERS. Any amendment will still be in order with the agreed time available?

Mr. ROBERT C. BYRD. As of now, I am not making an effort to reduce the time as yet. I am simply trying to get an order to go over until 9:30 tomorrow morning and to begin at that time on the amendment by Mr. ROTH.

There are 6 hours remaining. We know of four amendments. Mr. MUSKIE has just indicated, quite correctly, that if the full time were to be taken on just three of those amendments, the fourth amendment would not have the time allotted. He expressed the hope that we might be able to get a general pro rata reduction tomorrow.

Mr. BUMPERS. That puts me in a little awkward position, because I have an amendment that I am not certain I am going to offer, but I do not want to waive my rights to offer it if I decide overnight to offer it.

Under the unanimous-consent request by the majority leader, if the other four were offered before mine and the time were used up on the first three, that would preempt mine.

Mr. ROBERT C. BYRD. My request has nothing to do with the time on amendments. If we do not go over until tomorrow and go ahead this evening with Mr. ROTH's amendment, the overall time would not be changed and the time on amendments would have the same problems as if we go over. All I am trying to do at this time is to have the Senate go over and take up Mr. ROTH's amendment the first thing tomorrow.

Mr. BUMPERS. I have no objection.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no time be charged against the Roth amendment at this time.

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

Mr. ROBERT C. BYRD. I yield, hoping that the Senator will call up his amendment.

UP AMENDMENT NO. 561

(Subsequently numbered Amendment No. 445)

Mr. ROTH. Mr. President, I send my amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Delaware (Mr. ROTH) for himself, Mr. DANFORTH, Mr. HATCH, Mr. BOSCHWITZ, and Mr. ARMSTRONG, proposes an unprinted amendment numbered 561.

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

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

The amendment is as follows:

On page 5 strike out all the figures in section 2 of the Muskie Substitute and insert in lieu thereof the following:

(a) the recommended level of Federal revenues is as follows:

Fiscal year 1980: $500,000,000,000;
Fiscal year 1981: $572,500,000,000;
Fiscal year 1982: $649,000,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1980:—$12,700,000,000;
Fiscal year 1981:—$21,400,000,000;
Fiscal year 1982:—$48,100,000,000;

(b) the appropriate level of total new budget authority is as follows:

Fiscal year 1980: $614,500,000,000;
Fiscal year 1981: $638,400,000,000;
Fiscal year 1982: $734,300,000,000;

(c) the appropriate level of total budget outlays is as follows:

Fiscal year 1980: $527,000,000,000;
Fiscal year 1981: $572,500,000,000;
Fiscal year 1982: $642,200,000,000;

(d) the amount of the deficit or surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is as follows:

Fiscal year 1980: —$27,000,000,000;
Fiscal year 1981: —0;

Fiscal year 1982: +$6,800,000,000.

(e) the appropriate level of the public debt is as follows:

Fiscal year 1980: $887,500,000,000;
Fiscal year 1981: $906,300,000,000;
Fiscal year 1982: $921,800,000,000;

the amount by which the temporary statutory limit on such debt should be accordingly increased is as follows:

Fiscal year 1980: $57,500,000,000;
Fiscal year 1981: $76,300,000,000;
Fiscal year 1982: $91,800,000,000.

Viz: On page 7, beginning with line 9, strike out all through line 4, page 15 and insert the following:

(a) National Defense (050):
Fiscal year 1980:
(A) New budget authority, $141,200,000,000;
(B) Outlays, $130,600,000,000.
Fiscal year 1981:
(A) New budget authority, $159,800,000,000;
(B) Outlays, $145,600,000,000.
Fiscal year 1982:
(A) New budget authority, $180,400,000,000;
(B) Outlays, $163,300,000,000.

(b) International Affairs (150):
Fiscal year 1980:
(A) New budget authority, $12,000,000,000;
(B) Outlays, $7,500,000,000.
Fiscal year 1981:
(A) New budget authority, $13,000,000,000;
(B) Outlays, $7,600,000,000.
Fiscal year 1982:
(A) New budget authority, $14,900,000,000;
(B) Outlays, $8,700,000,000.

(c) General Science, Space, and Technology (250):
Fiscal year 1980:
(A) New budget authority, $5,500,000,000;
(B) Outlays, $5,400,000.
Fiscal year 1981:
(A) New budget authority, $5,000,000,000;
(B) Outlays, $5,500,000,000.
Fiscal year 1982:
(A) New budget authority, $5,400,000,000;
(B) Outlays, $5,400,000,000.

(d) Energy (270):
Fiscal year 1980:
(A) New budget authority, $41,000,000,000;
(B) Outlays, $7,000,000,000.
Fiscal year 1981:
(A) New budget authority, $4,700,000,000;
(B) Outlays, $7,600,000,000.
Fiscal year 1982:
(A) New budget authority, $24,200,000,000;
(B) Outlays, $9,500,000,000.

(e) Natural Resources and Environment (300):
Fiscal year 1980:
(A) New budget authority, $12,200,000,000;
(B) Outlays, $11,600,000,000.
Fiscal year 1981:
(A) New budget authority, $13,200,000,000;
(B) Outlays $12,500,000,000.
Fiscal year 1982:
(A) New budget authority, $14,100,000,000;
(B) Outlays, $13,500,000,000.

(f) Agriculture (350):
Fiscal year 1980:
(A) New budget authority, $4,900,000,000;
(B) Outlays, $2,500,000,000.
Fiscal year 1981:
(A) New budget authority, $5,300,000,000;
(B) Outlays, $2,700,000,000.
Fiscal year 1982:
(A) New budget authority, $3,900,000,000;
(B) Outlays, $3,100,000,000.

(g) Commerce and Housing Credit (370):
Fiscal year 1980:
(A) New budget authority, $6,800,000,000;
(B) Outlays, $3,000,000,000.
Fiscal year 1981:
(A) New budget authority, $5,900,000,000;
(B) Outlays, $3,200,000,000.
Fiscal year 1982:
(A) New budget authority, $6,800,000,000;
(B) Outlays, $2,800,000,000.

(h) Transportation (400):
Fiscal year 1980:
(A) New budget authority, $19,500,000,000;
(B) Outlays, $18,600,000,000.
Fiscal year 1981:
(A) New budget authority, $21,200,000,000;
(B) Outlays, $19,600,000,000.
Fiscal year 1982:
(A) New budget authority $20,400,000,000;
(B) Outlays, $20,100,000,000.

(i) Community and Regional Development (450):
Fiscal year 1980:
(A) New budget authority, $8,700,000,000;
(B) Outlays, $7,500,000,000.
Fiscal year 1981:
(A) New budget authority, $9,300,000,000;
(B) Outlays, $8,300,000,000.
Fiscal year 1982:
(A) New budget authority, $8,900,000,000;
(B) Outlays, $8,400,000,000.

(j) Education, Training, Employment, and Social Services (500):
Fiscal year 1980:
(A) New budget authority, $26,700,000,000;
(B) Outlays, $28,100,000,000.
Fiscal year 1981:
(A) New budget authority, $28,800,000,000;
(B) Outlays, $27,700,000,000.
Fiscal year 1982:
(A) New budget authority, $30,300,000,000;
(B) Outlays, $30,000,000,000.

(k) Health (550):
Fiscal year 1980:
(A) New budget authority, $55,200,000,000.
(B) Outlays, $52,800,000,000.
Fiscal year 1981:
(A) New budget authority, $67,700,000,000;
(B) Outlays, $58,800,000,000.
Fiscal year 1982:
(A) New budget authority, $79,400,000,000;
(B) Outlays, $65,800,000,000.

(l) Income Security (600):
Fiscal year 1980:
(A) New budget authority, $210,300,000,000.
(B) Outlays, $181,800,000,000.
Fiscal year 1981:
(A) New budget authority, $232,400,000,000.
(B) Outlays, $201,500,000,000.
Fiscal year 1982:
(A) New budget authority, $267,900,000,000.
(B) Outlays, $228,700,000,000.

(m) Veterans Benefits and Services (700):
Fiscal year 1980:
(A) New budget authority, $21,200,000,000;
(B) Outlays, $20,500,000,000.
Fiscal year 1981:
(A) New budget authority, $21,700,000,000;
(B) Outlays, $21,400,000,000.
Fiscal year 1982:
(A) New budget authority, $22,800,000,000;
(B) Outlays, $22,700,000,000.

(n) Administration of Justice (750):
Fiscal year 1980:
(A) New budget authority, $3,900,000,000;
(B) Outlays, $4,400,000,000.
Fiscal year 1981:
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,400,000,000.
Fiscal year 1982:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,500,000,000.

(o) General Government (800):
Fiscal year 1980:
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,100,000,000.
Fiscal year 1981:
(A) New budget authority, $4,400,000,000;
(B) Outlays, $4,200,000,000.
Fiscal year 1982:
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,200,000,000.

(p) General Purpose Fiscal Assistance (850):
Fiscal year 1980:
(A) New budget authority, $8,500,000,000;
(B) Outlays, $8,500,000,000.
Fiscal year 1981:
(A) New budget authority, $8,200,000,000;
(B) Outlays, $8,600,000,000.
Fiscal year 1982:
(A) New budget authority $8,200,000,000;
(B) Outlays, $8,200,000,000.

(q) Interest (900):
Fiscal year 1980:
(A) New budget authority, $57,000,000,000;
(B) Outlays, $57,000,000,000.
Fiscal year 1981:
(A) New budget authority, $59,000,000,000;
(B) Outlays, $59,000,000,000.
Fiscal year 1982:
(A) New budget authority, $61,000,000,000;
(B) Outlays, $61,000,000,000.

(r) Allowances (920):
Fiscal year 1980:
(A) New budget authority—$4,800,000,000;
(B) Outlays—$4,300,000,000.
Fiscal year 1981:
(A) New budget authority—$4,800,000,000;
(B) Outlays—$4,300,000,000.
Fiscal year 1982:
(A) New budget authority—$0.
(B) Outlays, $0.

(s) Undistributed Offsetting Receipts (950):
Fiscal year 1980:
(A) New budget authority—$19,700,000,000;
(B) Outlays—$19,700,000,000.
Fiscal year 1981:
(A) New budget authority—$21,500,000,000;
(B) Outlays—$21,500,000,000.
Fiscal year 1982:
(A) New budget authority—$23,900,000,000;
(B) Outlays, $23,900,000,000.

Mr. ROTH. Mr. President, I yield the floor.

Mr. HART. Mr. President, the Senate today accepted overwhelmingly action by the Budget Committee on its resolution of reconciliation and at the same time we voted to increase for 1980 the possibility of defense spending.

I think some cuts are going to have to be made in the budget if we reach our goal of balancing the budget by 1981.

The Senate faces an important test this week as it considers the second concurrent budget resolution. It is a test of our commitment to the congressional budgeting process, and more importantly, it is a test of our will to balance the Federal budget.

So far the Senate has taken two major actions: it approved the reconciliation instructions as modified by Senator MUSKIE, and it then increased defense spending by $3.2 billion in 1980. In essence, the Senate passed reconciliation to move toward a balanced budget. Then, it moved away from a balanced budget to accomplish national defense objectives.

The budget resolution now stands at a 1980 deficit of $31.6 billion, compared to a projected deficit of $28.4 billion before the vote on defense. The 1979 budget deficit is $30 billion. The Senate is no longer on the road to a balanced budget in 1981.

I voted with the majority to increase the defense budget in 1980 by $3.2 billion because I was convinced that this additional amount is absolutely necessary to establish needed improvements in our national security. But I also believe we should not increase the deficit in 1980 above 1979, and I am, therefore, committed to take actions which will provide for $2.4 in further cuts that will reduce the budget deficit in 1980 to $29.2 billion.

There are many, many ways to cut

Federal spending. It is very hard for the Senate to agree on a mix of spending cuts, even though most individual Senators are more firmly committed to balancing the budget than they are to the mix of cuts in their very first choice.

I have looked at the budget in great detail and believe spending cuts can be made in several programs to achieve the desired savings. However, because the budget resolution does not address particular programs, an amendment addressed to programs which can be cut, would not be in order.

The mix of cuts I am supporting totals $2.4 billion and would reduce the budget to $29.2 billion in 1980. This mix of cuts is distributed as follows:

	1980 outlay cuts
Function No. 250 (General Science)	$ .2b
Function No. 550 (Health)	.4b
Function No. 600 (Income Security)	.1b
Function No. 850 (General Fiscal Assistance)	1.7b
Total	2.4b

WHY IS THE $2.4 BILLION IMPORTANT?

The rate at which Federal spending is increasing must be reduced so the Federal deficit can be eliminated and taxes can be reduced. The Federal budget can be balanced in 1981 only if we lower Federal spending sufficiently in 1980.

Without the savings which will be achieved by these cuts, the deficit will rise from $30 billion in 1979 to $31.6 billion in 1980. Certainly, by increasing the deficit this year, it will be nearly impossible to balance the budget in 1981.

My arguments are plain and simple:

First. The Senate decided last May it intends to balance the budget in 1981.

Second. It voted to reduce spending in 1980 to move toward that goal.

Third. So far, the Senate has added more spending, after it cut spending in the reconciliation instructions.

Fourth. Unless we achieve additional savings, we cannot avoid increasing the deficit in 1980 above the level in 1979.

Mr. President, the Senate has voted—wisely, I believe—to provide for possible increased defense spending. Now, the Senate must also vote to reduce spending elsewhere by a comparable amount. That is the only way to achieve a reduction in the Federal deficit, and to stay on the road to a balanced budget in 1981.

Mr. President, I urge my colleagues to support those cuts, or similar cuts, to bring the budget deficit back on the road to balance in 1981.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business, not to extend beyond 30 minutes, and that Senators may speak therein up to 5 minutes each.

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

ORDER FOR RECESS UNTIL 9 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 9 o'clock tomorrow morning.

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

NEW FBI CHARTER

Mr. THURMOND. Mr. President, the Federal Bureau of Investigation has compiled the most impressive record of law enforcement in the history of our country. The Bureau's years of service to America has been invaluable and its effectiveness unparalleled.

In order to protect the Bureau from political pressure and preserve its efficiency, a charter has been proposed that defines its duties and responsibilities. A recent editorial in the Augusta Chronicle newspaper of Augusta, Ga., sheds light on the need for this charter.

Mr. President, in order to share this editorial with my colleagues, I ask unanimous consent that it be printed in the RECORD.

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

NEW FBI CHARTER

Renewed attention is being focused on the Federal Bureau of Investigation in light of the tragic slayings of three of its agents last week. Just as much, if not more, attention ought to be focused on the proposed FBI Charter Act of 1979.

Few want an American police agency to become a kind of Soviet KGB, but on the other hand, a vast majority of Americans do not want to see the nation's top law enforcement agency hamstrung by political liberals.

For these reasons, it is useful to analyze the charter offered by President Carter.

Unfortunately, Carter took the opportunity to unveil the charter by taking cheap and petty shots at the late J. Edgar Hoover, the bureau's first director who died in 1972. He blamed Mr. Hoover for trying to harass black activist Martin Luther King, among other things.

The charter should be divorced from such political statements by the President. Focus instead, ought to be on charter guidelines spelling out in general terms the kind of investigations in which the bureau could engage and what type techniques may be used.

By the time this bill gets out of Congress (possibly not before next spring), it is our hope that the charter can be carefully amended and molded into a document that provides safeguards for all Americans without hampering the bureau's ability to apprehend criminals or agents of foreign powers bent on espionage or subversion. The charter should especially make the point that unauthorized activity by an individual agent or agents without higher approval could result in a jail term. Although the Augusta newspapers have long supported the role of the FBI in safeguarding America, it concerns us that such illegalities went on during the 1960s like the opening of mail of private citizens who were not involved in any criminal activity.

The task before Congress, therefore, is to produce a charter that can be used as a tool by which the bureau can have the clout to rebuff political pressure and thereby cement and preserve the bureau's 70-year reputation as the most professional law enforcement agency of our time.

We are reminded of one other thought, too. In the end, it will be the character, integrity and patriotism of the man who serves as FBI director which will offer America more security than any written rules as to what an FBI agent may or may not do.

THE 250TH ANNIVERSARY OF WESTFORD, MASS.

Mr. TSONGAS. Mr. President, the citizens of Westford, Mass. celebrate their town's 250th anniversary on September 23. It is fitting that we commemorate this occasion in the U.S. Senate.

Westford is a town that is representative of the beauty of New England. Anyone walking through its streets, as I have done, is impressed by the fine old houses and attractive neighborhoods. But perhaps the most beautiful aspect of Westford is its strong sense of community. The town's human resources are even greater than the physical resources there.

The town of Westford is a classic example of the strengths of Massachusetts. It is not the quantity of marketable things. The strength of my State is its quality of life—priceless qualities such as clean air, open space, natural beauty, and historical tradition. Quality of life involves the physical environment, but it also depends on the social environment. The close-knit community of Westford is a fine example of the human values that make Massachusetts special.

Mr. President, Westford is a neighbor of the historic city of Lowell, where I grew up and continue to live. As a neighbor with many friends in Westford, I am pleased that my colleagues have this opportunity to learn about Westford's history. I am indebted to the Westford 250th Anniversary Committee's commemorative book for many of the historical details that follow.

Westford's past is not dramatically different from that of the region's other rural towns. Nor is its past vastly different from its present.

The first inhabitants of Westford were the Pawtucket, Wamesit, and Nashoba Indians. In 1653, the plantation of Chelmsford was granted to 39 petitioners. Each man chose land to clear and farm. What was known as the "west precinct" of Chelmsford became a separate township on September 23, 1729.

Westford was a growing agricultural community. In the first years, issues decided at the yearly town meetings ran from establishing a bounty to be paid for killing squirrels, blackbirds, and wolves to the purchase of a meeting house bell. Budget matters included a 1 pound yearly salary to the bell-ringer, discussion of whether to pay for town officers to have supper at the town meeting—voted down—and many items relating to caring for Westford's poor. The town was responsible for providing food and clothing for any resident in need.

Forming committees was a major activity. There was a "comity" to study the formation of a new county, a "comity" to meet with another committee to decide if Westford should joint the country road, a "comity" to find the boundary of the first burying grounds, a "comity" to build a fence for the burying ground when the boundary was finally found—after 2 years—a fish committee to help fish pass the dams between the Merrimack River and Forge Pond, and others.

A system of schooling was established. At first, school was held in private houses for a short time during the year. Eventually, school houses were built. At times one teacher would rotate—a month at one neighborhood school, the next month at another.

The first immigrants to settle in Westford probably were from Nova Scotia. After the English took possession of Nova Scotia, they required all the French Catholic inhabitants to take an oath of allegience. When these Arcadians refused to comply they were expelled. Many were sent to France and the British colonies, including Massachusetts. A group of them became inhabitants of Westford.

Residents of Westford strongly supported the struggle for American independence. In 1756 Westford citizens put their protest of the Stamp Act on record at the annual town meeting. In 1770 the town voted unanimously to boycott British goods. In 1773, a "committee of correspondence" was established to provide communication among the independence movements. The next year the town voted to boycott tea until the tax on it was repealed.

Three companies of Minutemen from Westford fought the Redcoats at Concord on April 19, 1775. As the Revolution progressed, the people of Westford participated not only in military actions, but also in governmental deliberations. In 1778 Westford instructed its representative to Congress vote for the Articles of Confederation.

After the war was won, hard times continued. Many families were broken; many faced poverty. But life in Westford went on, and slowly conditions improved. By 1792 citizens were ready to take on a new project. They raised money to build Westford Academy. The academy building, which still stands, is being remodeled to serve as the future home of the Westford Museum. The basic curriculum included English, Latin, Greek, writing, and arithmetic. Then they built a library.

The town work farm was established in the early 1800's. Citizens decided that one way to care for the sick and the needy was to establish a farm where residents could live and work. The farm was purchased along with tools, provisions, and furniture. The work farm operated until Government programs such as welfare and social security came into effect.

One of Westford's most important and best known businesses—granite quarrying—started in the early 1800's. Large, loose boulders were sold. In the 1820's, Isaac Carkin opened the first quarry and was soon followed by many others. The granite was hauled by teams of horses or oxen and loaded on trains at special sites to be transported to other areas of Massachusetts and to places as far away as New York, Chicago, and New Orleans. Faneuil Hall, Concord's Minuteman statue, buildings in Washington, D.C.—including a wing of the Smithsonian Institute and the Washington Monument—and other places of interest include Westford granite in the construction.

In the 1860's, Westford again was faced with war—the Civil War. Some enlisted; others were drafted. The women of Westford were making contributions to the war, too. One way of doing this was to join the Soldiers' Aid Society. They provided such items as flannel shirts, drawers and socks, towels, pin cushions, needles, buttons, mittens, bandages, poultices, feather pillows, handkerchiefs 454, cushions for limbs, 440 pounds of dried apples, 62 gallons of pickles, and currant wine.

When the Civil War ended, soldiers returned to a prosperous Westford. Industry and agriculture had done well during the war years. New buildings and building improvements soon were keeping the town busy. The major building constructed during this period was the town hall that stands today.

Over the years, Westford developed many small businesses and industries. From the early days, there were sawmills, blacksmiths, tanneries, and other services. Brickmaking, pottery making, a horse nail company, curtain making, and mink farming have been businesses there at various times.

In 1854 Charles G. Sargeant came to Westford from Lowell. He and Frances Calvert bought a farm and grist mill in Graniteville and converted them to manufacture woolen machinery. Within a year they had been razed, but new buildings were constructed.

In 1855, John W. Abbot, John W. P. Abbot, and Charles Sargeant formed a partnership to become the Abbot Worsted Mills for the production of worsted yarns for upholstery goods. Fire destroyed the mills. The business continued in half of a large stone mill which now produced yarns used in the manufacture of carpets. They continued to expand, soon occupying all the mill and then the building that once housed the Forge Village Horse Nail Co. The firm continued to grow through the years. In the early 1900's the owners planned major expansion but were unable to find sufficient help to meet their growing needs.

They sent representatives to Europe and made agreements with large numbers of people to emigrate. They advanced the price of a train ticket across Europe and a boat ticket to New York's Ellis Island. There they were gathered together and given special tags that identified them as destined for the mills of Westford, Mass. Many French Canadians also traveled to the area in search of work in the mills. The workers were supervised by men from England, Ireland, and Scotland who were brought here for their knowledge of soccer. In the town marriage records for the early 1900's, the place of birth, in most cases, was listed as Russia, Poland, Italy, Ireland, Scotland, Sweden, or Quebec. The company built houses near the mill and rented small apartments at low rents to the immigrants.

At one time about half of Westford's residents were millworkers, but the immigrants were not readily accepted into the community. They were looked down upon for their place of birth. A division was established between the agricultural part of town and the mills. For some years official records of marriages and births had special notes dividing the numbers into "Americans" and "foreigners.

Women and children worked long hours beside the men in the mills. Even after child labor laws were passed, children as young as 11 were found at work there.

The 1890's brought improvements to Westford—new schools, electric street lights, and an electric fire alarm system. At one time in the 1900's, there were eight train stations for three separate railroad lines and two trolleys in Westford.

Westford's economy always was based on agriculture. Peaches, berries, and other small fruit were grown, but apples were the principal crop. Agriculture began to decline in the mid-forties.

The Depression was one of the most difficult periods of Westford history. It left many without work or enough money. The Board of Public Welfare was established to help support families in need and to oversee Government programs established to supply jobs. Jobs were provided in the form of building and repairing roads in the town. Others worked for the project that canned and distributed food. Young men between 18 and 25 were able to find employment with the Conservation Corps.

The Depression dealt the final blow to the general stores in town. Beginning in the 1800's, the general stores had furnished the needs of the community. They sold everything from farming tools to household goods, food, shoes and boots, and nonprescription drugs. These stores were also the social centers of town. A crowd would always be gathered around the potbellied stove for a lively discussion or small talk. After World War I, chainstores came into the area. Although they did not allow credit as did the general stores, they had lower prices. During the hard times of the Depression, people needed the bargains of the chainstores and the general stores never recovered.

The years after World War II brought new life to the town in the form of new housing and new people. Lots were sold in 5,000 square foot parcels around the Nabnasset Pond. What was once farmland became housing developments throughout the town. Since that time the population of Westford has grown steadily to the approximately 14,000 residents of today.

One of the most interesting newcomers to town is the Haystack Observatory. This odd-looking structure is a radio-astronomy observatory—using radio waves to gather information about the universe. It was dedicated in 1964 by Northeast Radio Observatory Corp., an association of 13 educational institutions in the Northeast.

Mr. President, the town of Westford has changed in its two and one-half centuries, but it has taken what we call progress with a grain of salt. Life in Westford is seasoned with a 250-year-old tradition of community—caring about other residents and other Americans.

It is a time for the people of Westford

to celebrate the quality of life as it has continued in their beautiful town.

Mr. JAVITS. Mr. President, is the pending business still Senate Concurrent Resolution 36?

The PRESIDING OFFICER. The Senate is in morning business.

Mr. PROXMIRE. Mr. President, I realize the Senator from New York wants to speak on the bill. I shall be as brief as I can.

WORLD GROWTH DEMANDS THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, as time progresses, it becomes more apparent that ratification of the Genocide Convention would benefit our country. Once considered a threat to American sovereignty, the Convention is now being praised by an increasing number of organizations. Both the Defense Department and the American Bar Association have agreed that ratification of the treaty would be in our national interest.

One reason for the increasing compatability of the Convention with American interests is the overcrowded condition of our world. As population increases, our environment deteriorates. As the supply of land and scarce resources diminishes, the fight for survival becomes more fierce. Never before have there existed so many possible areas for conflict. Never before has it been so important for nations to have a clear understanding of common moral principles.

Yet without ratification of the Genocide Convention, we lack worldwide consensus on a fundamental moral issue—the right to live. The Senate has failed to reassure other nations of the U.S. commitment to human rights. Only in an atmosphere of trust and mutual obligation can we be most effective in containing the increasing areas of conflict.

For our national interest—for our own survival, as well as for the survival of those elsewhere in this shrinking world—we must pledge ourselves to the highest moral principles.

Ratification of the Genocide Convention would be such a pledge. It would help promote the atmosphere of cooperation necessary to solve present and future conflicts.

What I have been saying today was well summarized by the Committee on Foreign Relations in their 1976 report on the Genocide Convention. That report stated—

> . . . (a)s our planet becomes more crowded, man's behavior toward his fellows must be governed by standards even higher and more humane.

I urge my colleagues to ratify the Genocide Convention and demonstrate to the world America's commitment to human rights.

Mr. President, I yield the floor and thank my friend from New York.

RESTORING PERSPECTIVE TO THE RELATIONSHIP OF SOVIET TROOPS IN CUBA TO THE SALT II TREATY

Mr. TOWER. Mr. President, the recent confirmation of the presence of a Soviet combat brigade in Cuba is a source of grave concern to the American people and many of my colleagues in the Senate. The announcement has resulted in calls for a number of measures, some related to the withdrawal of these forces, others related to the linkage of this issue to other dimensions of United States-Soviet affairs, most notably the SALT II treaty. Amid the cacophony of disparate viewpoints, I was struck by the thoughtfulness and precision reflected in an article appearing in the September 14, 1979, Washington Star by my colleague from Maine, Senator COHEN.

Responding to calls that the Senate set aside further consideration of the SALT treaty, Senator COHEN avoids simplistic reaction and with great clarity places the Soviet presence in proper context within the overall rubric of United States-Soviet relations. In this regard, Senator COHEN points out that this—

> . . . most recent "Cuban crisis" should not serve to scuttle the SALT II debate but rather to shape it.

And further, that—

> The SALT II debate should not turn solely upon this latest Soviet test. The combat brigade should be but one important factor among many that we consider in judging whether the Soviet Union is interested in peace or bent upon provocation and expansion.

I am sure that Senator COHEN finds this latest Soviet provocation as intolerable as do I. His article, however, reflects the vision to dismiss knee-jerk responses in favor of recognizing the broader issue before us. This approach is most welcome and timely. As we continue our SALT deliberations in the weeks ahead, I believe we would all do well to recognize that this single issue—even if adequately resolved—will remain with us as only the latest example of Soviet adventurism. The trend it reflects should color our thinking but not divert it from the urgent business before us.

Mr. President, I commend Senator COHEN's article to my colleagues and ask unanimous consent that it be printed in the RECORD.

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

THE DANGERS WE FACE

(By Senator WILLIAM S. COHEN)

The revelation of Soviet combat troops in Cuba has had a sobering and, it is to be hoped, salutary impact upon many Americans. It has concentrated wonderfully minds that have been wandering around the rarefied halls of quiet diplomacy, blinking benignly at various acts of Soviet adventurism.

Inaction, or mild protest in the face of aggression, however minor, can only encourage more aggression. This verity should not be more of a mystery to diplomats and presidents than it is to parents.

When the Soviet-made MiG-23s first graced Cuban airfields, we were patted on the napes of our necks with the comforting assurance that they were for defensive purposes only. When curious periscopes bearing Soviet decals appeared in Cuban waters, we were told that the submarines were merely being refueled or repaired in the port of an ally. Not to worry. Cuban troops in Africa were of grave concern to us, but then again, some rationalized, the troops did lend a "stabilizing influence" to that troubled continent.

And recall that when our kidnapped ambassador to Afghanistan, Adolph Dubs, was murdered during a clumsy rescue attempt, we lodged a protest to the Soviet Union for its role in the brutal affair. A deafening silence greeted our protest. The precedent of Soviet action that is inconsistent with our notions of international good behavior was set and suffered long ago.

We need not be so bleak in spirit, to borrow a phrase from Mencken, that we search for coffins whenever we smell flowers. But Soviet troops in Cuba should come as no great surprise to those who have been brushed, even lightly, by the wing of experience.

What is surprising, however, is the rush by the United States Senate to the exit door on the SALT II debate. Someone has yelled fire in a crowded theater and prudence seems to be falling under thundering feet.

The most recent "Cuban crisis" should not serve to scuttle the SALT II debate but rather to shape it. We have been conducting our lives and national affairs under the light-headed illusion that our security and national interests are measured by the proximity of our enemies to our coastline. Phrased another way, we need not shout until we see (by satellite) the barrels of their guns.

To be sure, the presence of 2,500 troops 90 miles off the coast of Florida is no mere trifle. Our security, however, is not measured in miles but in minutes. Our potential destruction lies buried in Soviet silos that sheathe missiles carrying as many warheads as Medusa's head had snakes—and they can turn us to stone in less than 30 minutes.

The SALT II debate should not turn solely upon this latest Soviet test. The combat brigade should be but one important factor among many that we consider in judging whether the Soviet Union is interested in peace or bent upon provocation and expansion.

There are, in my judgment, inherent deficiencies, dangerous precedents and legal ambiguities that require that the SALT II treaty be amended before it can be ratified. Moreover, there are serious questions whether the SALT process and policies of detente have served to moderate or simply embolden Soviet strategic and global aspirations. These matters should be addressed vigorously before the full Senate as soon as the Foreign Relations and Armed Services Committees can complete their reports.

The danger in shelving the SALT II treaty until the Soviets eliminate their combat brigade, or more probably reduce it in some superficially concessionary way, is that we predicate the ratification process upon the removal of only the tip of a very large threat. The ratification or rejection of SALT II should be based upon a more profound appreciation of the dangers we face and the safety we seek.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Labor and Human Resources.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED JOINT RESOLUTION SIGNED

At 10:51 a.m., a message from the House of Representatives delivered by

Mr. Berry, one of its reading clerks, announced that the Speaker has signed the following enrolled joint resolution:

H.J. Res. 367. A joint resolution to authorize and request the President to proclaim the week of September 16 through 22, 1979, as "National Meals on Wheels Week."

The enrolled joint resolution was subsequently signed by the President pro tempore (Mr. MAGNUSON).

At 1:24 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 998. An act to amend the Agricultural Adjustment Act of 1938, as amended, to exempt State prison farms from paying of marketing quota penalties;

H.R. 1197. An act to simplify the tonnage measurement of certain vessels;

H.R. 1198. An act to clarify the authority to establish lines of demarcation dividing the high seas and inland waters;

H.R. 4337. An act to provide for the transfer of the Foreign Claims Settlement Commission of the United States to the U.S. Department of Justice as a separate Agency in that Department; to provide for the authority and responsibility of the Department of Justice to supply to the Foreign Claims Settlement Commission certain administrative support services without altering the adjudicatory independence of the Commission; to change the terms of office and method of appointment of the members of the Commission; and for other purposes;

H.R. 4998. An act to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings shall be published on a deferred basis.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 91. A concurrent resolution urging the Government of Syria, on humanitarian grounds, to permit Syrian Jews to emigrate.

HOUSE BILLS AND CONCURRENT RESOLUTION REFERRED

The following bills were read by their titles and referred as indicated:

H.R. 1197. An act to simplify the tonnage measurement of certain vessels; to the Committee on Commerce, Science, and Transportation.

H.R. 1198. An act to clarify the authority to establish lines of demarcation dividing the high seas and inland waters; to the Committee on Commerce, Science, and Transportation.

H.R. 4337. An act to provide for the transfer of the Foreign Claims Settlement Commission of the United States to the U.S. Department of Justice as a separate Agency in that Department; to provide for the authority and responsibility of the Department of Justice to supply to the Foreign Claims Settlement Commission certain administrative support services without altering the ajudicatory independence of the Commission; to change the terms of office and method of appointment of the members of the Commission; and for other purposes; to the Committee on Governmental Affairs.

H.R. 4998. An act to amend the Federal Reserve Act to require that detailed minutes of Federal Open Market Committee meetings shall be published on a deferred basis; to the Committee on Banking, Housing, and Urban Affairs.

The following concurrent resolution was read by title and referred as indicated:

H. Con. Res. 91. A concurrent resolution urging the Government of Syria, on humanitarian grounds, to permit Syrian Jews to emigrate; to the Committee on Foreign Relations.

BILL ORDERED HELD AT THE DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that H.R. 998, an act to amend the Agricultural Adjustment Act of 1938, as amended, to exempt State prison farms from paying of marketing quota penalties, be held at the desk pending further disposition.

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

REPORTS OF COMMITTEES

The following results of committees were submitted:

PANAMA CANAL ACT OF 1979—CONFERENCE REPORT

Mr. STENNIS, from the committee of conference, submitted a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 111) to enable the United States to maintain American security and interests respecting the Panama Canal, for the duration of the Panama Canal Treaty of 1977 (Rept. No. 96-320).

By Mr. KENNEDY, from the Committee on Labor and Human Resources, with an amendment:

S. 1075. A bill to revise and reform Federal law applicable to drugs for human use, and for other purposes (together with additional views) (Rept. No. 96-321).

FEDERAL MAGISTRATE ACT OF 1979—CONFERENCE REPORT

Mr. DECONCINI, from the committee of conference, submitted a report of the committee of conference on the disagreeing vote of the two Houses on the amendment of the House to the bill (S. 237) to improve access to the Federal courts by enlarging the civil and criminal jurisdiction of U.S. magistrates, and for other purposes (Rept. No. 96-322).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. JACKSON, from the Committee on Energy and Natural Resources:

Louis F. Moret, of California, to be Director of the Office of Minority Economic Impact.

(The above nomination from the Committee on Energy and Natural Resources was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. JACKSON. Mr. President, today the Committee on Energy and Natural Resources ordered favorably reported the nomination of Louis F. Moret, of California, to be Director of the Office of Minority Economic Impact, Department of Energy.

I ask unanimous consent that Mr. Moret's résumé and statement of qualifications be printed in the RECORD.

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

RÉSUMÉ

Louis F. Moret, 3701 South George Mason Drive, Apt. 2407 North, Falls Church, Virginia 22042. Home: 703/931-1155; Work: 202/377-2677. Birthdate: October 18, 1944.

EDUCATION

University of Southern California, Masters in Public Administration, 1976.

Whittier College, B.A. in Sociology, 1972.

East Los Angeles College, A.A. in Sociology, 1970.

OTHER PROFESSIONAL TRAINING

Harvard University, Senior Managers in Government, 1978.

Automation Institute, Certificate in Computer Programming and Systems Analysis, 1969.

PROFESSIONAL EXPERIENCE

Deputy Director, Office of Minority Business Enterprise, U.S. Department of Commerce, Washington, D.C., April 1977 to present.

Serves as Deputy Director for Program Resources and Field Operations of an independent agency with a $50 million plus budget for the conduct of a nationwide program to promote minority business development.

Has overall responsibility for developing and implementing all of OMBE's program efforts, including those in marketing, capital development, government and private sector resource development, and management and technical assistance.

Duties include significant amount of speechmaking and official liaison with corporate and government executives to increase their support of minority enterprise.

Administrative Assistant, Assemblyman Richard Alatorre, California State Assembly, May 1976-April 1977, and Jan. 1976-Jan. 1977.

Chief of Staff for California Assemblyman representing some 250,000 persons in East Los Angeles.

Duties included development of political and legislative strategies; overseeing staff in the Assemblyman's district and Sacramento Capitol offices; handling constituent problems; and representing the Assemblyman at public interest groups and public forums. Also conducted legislative research, public information tasks and managed fund-raising and reelection campaigns.

Served as Chairman of several civic and business groups working with the Assemblyman to develop and implement business assistance or other public service programs for constituents.

Affirmative Action Officer, Montebello Unified School District, Montebello, California, Dec. 1975-May 1976.

Developed and implemented the Affirmative Action Plan for the Montebello Unified School District. This involved considerable interaction with school, city and community officials and representatives.

Conducted in-service training for school officials and mediated any grievances emanating from implementation of the plan.

Vice President, Public Affairs, National Economic Development Association, Los Angeles, April 1975-Dec. 1975.

Developed and supervised the implementation of all public information and public relations efforts of this corporation which was headquartered in Los Angeles with district offices located throughout the country.

Directed the corporation's legislative advocacy program and maintained liaison with its funding sources, including the U.S. Small Business Administration and the U.S. Department of Commerce.

Campaign Manager, Committee to Elect Edward Avila Councilman, Los Angeles, Jan. 1975-April 1975.

Organized and supervised the operation of

the campaign headquarters and precinct operation. Hired staff and recruited volunteers.

Participated in the development of campaign political strategy and issues. Wrote speeches and developed campaign literature. Coordinated all fundraising activities.

Campaign Manager, Committee to Elect Richard Alatorre Assemblyman, Los Angeles, June 1972–Nov. 1972.

Developed campaign strategy and priorities.

Organized and supervised all aspects of the campaign, including fundraising, press, precinct work and mailers.

Southern California Chicano Coordinator, Committee to Elect Hubert H. Humphrey President, Los Angeles, Feb. 1972–June 1972.

Developed and implemented the Southern California campaign strategy to be used in the Chicano community for the June primary election.

Developed the issues and stands that Senator Humphrey used in the Spanish-speaking communities. Supervised the operation of the campaign headquarters.

Field Deputy, State Assemblyman Walter Karabian, Monterey Park, California, Sept. 1970–Feb. 1972 (Summer excepted; see below).

Advised and developed strategy and legislation for the Assemblyman as it pertained to the Chicano community.

Represented the Assemblyman at civic and community affairs and handled all Chicano constituent problems within the district.

Director of Community Relations, East Los Angeles Doctors Hospital, June 1971–Sept. 1971.

Operated as liaison between the hospital and the East Los Angeles community, advising hospital officials on the needs of and services required by the community.

Developed the Bus Bench Art Contest in conjunction with the Mechicano Art Center, and was responsible for extensive research on the kidney dialysis machine the hospital hoped to acquire with state aid.

Executive Director, East Los Angeles Voter, Registration Drive, June 1970–Sept. 1970.

Managed a nonpartisan drive aimed at registering and educating the Chicano community of East Los Angeles to take a more active role in the local and national political process.

Recruited registrars, trained bird-dogs and canvassed every precinct in East Los Angeles.

Executive Board Member, Los Angeles Economic, Development Corporation, June 1970–April 1977.

Managed the staffing, budget preparation and overall operational efficiency of this corporation which is a quasi-governmental agency with an annual budget of over $1.5 million. Was responsible for the allocation of over $4 million in loans and services during tenure.

HONORS/ACHIEVEMENTS

Guest Lecturer, John F. Kennedy School of Politics, Harvard University, 1975.

Instructor of Political Science and Minority Politics, East Los Angeles College, 1976 to 1977.

Recipient, Wendell Milo Hunt Memorial and Ford Motor Company Scholarship, Whittier College.

Recipient, National Defense and Educational Grant.

Recipient, Jaycee of the Year, 1970.

Recipient, Jaycees International Senator Number 17812, 1974.

Past District Governor, District 7, California Jaycees.

Past President, East Los Angeles Jaycees.

Recipient, Distinguished Service Award, East Los Angeles Jaycees, 1977.

Member, National Democratic Platform Committee, 1976.

Member of and recipient of awards from numberous other civic and business organizations.

QUALIFICATIONS FOR THE POSITION

My broad experience and strong capabilities as a program manager, public administrator and public policy strategist should more than adequately qualify me for the position as Director of the Office of Minority Economic Impact, U.S. Department of Energy.

For the past two years, I have served as Deputy Director of the Department of Commerce's Office of Minority Business Enterprise (OMBE). As such, I have had the responsibility for developing and implementing all of OMBE's program efforts and field operations, including those in marketing, capital development and management and technical assistance. I have also provided overall direction for OMBE's demonstration and technology commercialization efforts which have included several energy-related projects involving gasohol, solar energy and lowhead hydroelectric power.

My earlier business development experiences, prior to coming to Washington, should also enhance my capabilities to successfully undertake this new position. As founder, Executive Board member and manager of the Los Angeles Economic Development Association, I directed the operations of a local development organization which provided loans and services for economic development projects and businesses in disadvantaged communities of Los Angeles. I also served as Vice President of Public Affairs for a nationwide minority business development organization, the National Economic Development Association. This position gave me an excellent opportunity to expand my knowledge of Federal and local funding sources and agencies which should serve in a public-private partnership to promote the total economic and social development of minority communities across the country. This knowledge will be vital to my proposed role at the Energy Department, along with the corporate sector contacts and advocacy role which I developed at OMBE.

My capabilities as a public administrator, policy strategist and community liaison go back even further. Trained as a professional public administrator at the graduate university level, I have long been active as a public issues advisor to California elected officials and in state and local government. My leadership capabilities and willingness to work long hours to accomplish the task at hand were long ago established in these earlier public service positions. My knowledge of the workings of government, my strong community ties and leadership and my demonstrated capacity to make government move should serve me well in this new position where success will depend greatly on advocacy within the Department of Energy and interchange with minority communities and persons across this country. My experience as a Mexican-American leader in Los Angeles, and my extensive outreach to minority communities in California—and elsewhere in the U.S. since coming to OMBE—should provide me, the new office and the Department of Energy with the vital access it needs to carry out its mandate as prescribed by Congress in H.R. 11686. Combined with my proven public administrative skills, I believe that I am well qualified for this new position. I look forward to the challenge.

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. TSONGAS:

S. 1761. A bill for the relief of Erica Ann-Marie Humber; to the Committee on the Judiciary.

By Mr. NELSON (for himself and Mr. DURENBERGER):

S. 1762. A bill to amend the Internal Revenue Code of 1951 to provide tax incentives for the refurbishing and refitting of existing small hydroelectric generating facilities; to the Committee on Finance.

By Mr. KENNEDY:

S. 1763. A bill to amend the Immigration and Nationality Act to improve the efficiency of the Immigration and Naturalization Service, and to establish a different numerical limitation for immigrants born in foreign contiguous territories, and for other purposes; to the Committee on the Judiciary.

By Mr. CHURCH (for himself and Mr. McCLURE):

S. 1764. A bill to authorize the Secretary of the Interior to construct, operate, and maintain an enlargement of the Palisades powerplant of the Palisades Project, Idaho-Wyoming, with financing by public, non-Federal entities, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BENTSEN:

S. 1765. A bill for the relief of Danusa, Eduardo, George and Iva Sestak; to the Committee on the Judiciary.

By Mr. MOYNIHAN:

S. 1766. A bill to amend the Internal Revenue Code of 1954 to provide a refundable tax credit to individuals for the amount by which the cost of heating their home increases more rapidly than the Consumer Price Index, and to provide an energy cost allowance to SSI recipients and AFDC recipients; to the Committee on Finance.

By Mr. BENTSEN:

S. 1767. A bill to amend title III of the Outer Continental Shelf Lands Act Amendments of 1978; to the Committee on Environment and Public Works.

By Mr. THURMOND:

S. 1768. A bill to permit the lease and transfer of allotments and quotas for 1979 crop flue-cured tobacco destroyed because of contamination by the herbicide picloram; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. McGOVERN (for himself and Mr. PRESSLER):

S. 1769. A bill to designate certain lands in the Black Hills National Forest, South Dakota, as the Black Elk Wilderness; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. NELSON (for himself and Mr. DURENBERGER):

S. 1762. A bill to amend the Internal Revenue Code of 1954 to provide tax incentives for the refurbishing and refitting of existing small hydroelectric generating facilities; to the Committee on Finance.

● Mr. NELSON. Mr. President, I am today introducing for myself and Mr. DURENBERGER the Small-Scale Hydropower Tax Incentive Act of 1979. This bill provides a comprehensive solution to several financial obstacles currently blocking the development of this Nation's hydropower potential. By removing these obstacles, we will be clearing the way for the utilization of this significant power resource.

The Army Corps of Engineers has estimated that full development of the Nation's hydropower potential at existing dams could generate almost 160 billion kilowatt-hours of electricity each year and save us 727,000 barrels of oil per day. This figure represents a 9-percent savings when measured against our foreign oil imports. Moreover, it would

reduce our balance-of-payments problem by $15 million a day.

We cannot afford to overlook any significant answer to our pressing energy shortages. The technology to produce electricity from running water has been available since the 1800's. In fact, the world's first hydroelectric central generating station was put into operation on the Fox River in my own State of Wisconsin in 1882.

Besides being a ready source of power for the immediate future, hydropower from existing small dams has several additional advantages. It is inflation proof and nonpolluting. It is a decentralized source of energy and can be controlled by small communities and small businesses. The useful life of hydropower facilities is two to three times longer than thermal plans, and operation and maintenance costs are lower because equipment is simpler.

Hydropower from smaller sites, which has been declining in recent years, is again becoming important due to several factors. As the cost of fossil fuels continues to rise exponentially, the economics of a source of power without additional fuel costs becomes very attractive. Rising fossil fuel costs are not the only factor. The costs of constructing huge, centralized plants and distributing their power have increased as well. The economics of scale and low fuel costs which led to the development of large central generating plants and the abandonment of small hydroplants are fast disappearing and are being replaced by small-scale decentralized efficiencies.

For example, according to a recent report by the Edison Electric Institute, the cost per kilowatt for installing a coal-fired plant has risen from $144 in 1970 to $1,100 for plants under construction today. During the same period, nuclear plant construction costs went from $165 per kilowatt to almost $1,900 per kilowatt.

In Wisconsin, a recent survey by the Army Corps of Engineers found 129 existing small dams which could be refurbished to provide 400 additional megawatts of power, or a doubling of the hydropower now available to the State. If this potential could be realized, hydropower would provide half as much power as is currently provided by all of the nuclear plants now operating in Wisconsin without the associated safety hazards, without the need for vast networks of power transmission lines, and without the 50 tons of nuclear waste produced each year by these plants.

If small-scale hydropower makes so much sense, why is it not being developed? Many of the answers can be found in our bureaucratic, financial, and legal institutions. Unfortunately, beacuse we have been oriented toward large-scale, centralized-power generation, the energy bureaucracy is unresponsive to the needs of the small power producer, lending institutions are extremely wary of investing in small hydro, and tax policies have ignored or, in some cases, even penalized the developer of small hydropower facilities.

In the past, it has been said that if one is not part of the solution, then one is part of the problem. More recently, the focus of the common wisdom has switched to our national malaise and the crisis of confidence. Anyone reading the letters, which are arriving in ever-increasing numbers, bitterly complaining about the inaction of the Federal Government toward solving our energy problem would very likely agree that the American public seems more willing to complain about the problem than to be a part of the solution. I admit I had nearly reached that conclusion. Nearly, but not quite.

In July, I wrote to the owners of more than 200 small dams in Wisconsin. Individual citizens, business concerns, large and small utilities, rural electric cooperatives, towns, counties, and villages responded enthusiastically and energetically. They demonstrated, far beyond my hopes, that they are ready to go to work on our Nation's energy problems. The people are ready and willing to be a part of the solution.

The bill which I am pleased to introduce today will provide the assistance needed by those who have come forward to help solve our energy problem. It will put small-scale hydro on an equal footing with other forms of alternative energy in receiving tax incentives to development. It will also remove the obstacles which have been put in the way, whether by chance or design, via the Federal Tax Code.

The problems which are addressed by this bill were identified with the assistance of the Energy Law Institute of the Franklin Pierce Law Center in New Hampshire. The Institute has a 2-year contract for the U.S. Department of Energy which calls for research into the legal and institutional obstacles and incentives to small-scale hydroelectric power in 19 Northeastern States.

The bill encourages the development of hydroelectric power at existing small dams by proposing six amendments to the Internal Revenue Code. These amendments will stimulate small scale hydroelectric development at existing dams and provide the same types of tax treatment for small scale hydroelectric development as are afforded other energy resources and capital investments.

INVESTMENT TAX CREDITS

Under present law, taxpayers receive a tax credit equal to 10 percent of their investment in certain depreciable business assets. As an extra incentive to the development of small-scale hydropower facilities, this bill provides an additional 20-percent tax credit for investments in property used to produce hydroelectric power at existing small dams, for a total credit of 30 percent.

The energy tax credit would directly reduce the capital costs associated with a project and thus encourage the development of hydroelectricity at existing small dams.

In addition, the basic tax credit does not currently apply to investments in fish passageways at hydroelectric facilities.

State or Federal law often requires the installation of a fish ladder before a dam will be licensed. Fish ladders typically will result in a one-third increase in the capital costs of a project, and often the increase is higher. These extra costs are paid from the developer's private funds, although they are made for the public benefit and sometimes are directed toward benefiting the commercial fishing industry.

This bill would extend the general 10-percent tax credit to such investments as well as the additional 20 percent to provide a total credit of 30 percent for investments in fish passageways.

CAPITAL COST RECOVERY

Because the costs associated with hydroelectric facilities are primarily in the initial capital investment rather than operation, developers frequently have cash flow problems. This is especially true for small-scale sites which are more likely to be developed by individuals, small businesses, and small communities with limited financing capabilities.

At present, the long asset life of hydroelectric investments, 40 to 60 years, means that a small dam developer is prevented from depreciating a significant percentage of his capital investment in his earlier years of operation.

Many potential hydroelectric sites remain undeveloped because projected cash flows in the early years are too small to make the projects feasible. A shorter permissible useful life represents a major step to correct this problem. By reducing the asset life, the capital investment will be returned more rapidly to the developer thus alleviating cash flow problems.

This bill allows developers of small hydroelectric facilities to depreciate their investments in buildings and structural components of the dam over 10 years and in equipment over 5 years.

TAX EXEMPT FINANCING

Under existing law, interest on obligations of a State or political subdivision is generally exempt from Federal taxation. However, interest on State and municipal government bonds used for industrial purposes (industrial development bonds) is taxable, with certain exceptions.

Currently, State and municipal bonds issued to finance hydroelectric facilities are considered to be industrial development bonds when 25 percent or more of power goes to a nontax exempt person, such as an investor-owned utility. The bonds are, therefore, taxable, an extreme disincentive for attracting investors.

This proposal provides a special exemption for State and municipal bonds used to finance hydroelectric facilities so that they are exempt from Federal taxation.

In addition, this bill corrects a technicality in the Internal Revenue Code that may prohibit many small hydropower developers from using otherwise permissible accelerated depreciation for their property. The Public Utility Regulatory Policies Act of 1978 requires electric utilities to purchase power from, among others, small hydropower sites under rates established pursuant to FERC guidelines. The problem is that I.R.C. § 167(l), strictly construed, defines property used by a small dam developer selling under PURPA as "public

utility property." This is so because the selling price of this power will be determined by rates established under governmental guidelines and approval, which is the criterion of the definition of "public utility." According to IRC § 167(l), public utilities may use accelerated depreciation only when they use a normalization or, in certain instances, a flow-through method of accounting. Sellers under PURPA will be using neither method, as their rates will not be determined on a rate of return basis. Rates established under PURPA will be based on the cost to the buyer of producing the energy that the purchases will replace. Therefore, this bill includes a technical amendment to § 167(l) which specifically excludes small power production facilities that sell their power at rates determined pursuant to PURPA from the definition of "public utility."

INCREASED REPAIR ALLOWANCE

The class life asset depreciation range (ADR) system allows taxpayers to take as a reasonable allowance for depreciation an amount based on a period of years selected by them within a range of guidelines specified under the tax code for designated classes of assets.

The ADR system allows taxpayers a 20-percent shortening or lengthening of the useful life of equipment or machinery.

A taxpayer may also elect a simplified procedure to determine if an outlay with respect to property eligible for ADR treatment is a currently deductible repair or a capital improvement which must be depreciated over the asset's useful life.

In general, the repair allowance for a tax year is determined by multiplying the appropriate repair allowance percentage by the cost basis of the particular property. Repair allowance percentages for various classes of assets are determined under the tax code.

The majority of existing small dams were built in the 19th and early 20th century. As a result, they may require considerable maintenance and repair. It therefore seems that small hydropower facilities should be given a higher repair allowance than other types of utility property. The opposite result under present tax law is in fact the case.

Hydroelectric equipment is currently permitted a repair allowance percentage of 1.5 percent. This compares to a 3-percent allowance for nuclear power equipment and a 5-percent allowance for electric steam production equipment. In fact, the repair allowance percentage for hydroelectric equipment is the lowest of all electric utility equipment.

This proposal will correct this patent inequity by increasing the repair allowance percentage for hydroelectric equipment to 4 percent.

The technology necessary for hydroelectric development already exists. No expensive research and development is necessary. What is needed are legislative changes that will guarantee that small-scale hydroelectricity will be given the same opportunities that are currently afforded other energy resources.

This bill proposes six changes in the tax code: First, that small-scale hydropower facilities be eligible for an additional 20-percent investment tax credit, for a total credit of 30 percent; second, that fish passageways receive the basic 10-percent tax credit, plus the additional 20 percent, for a total credit of 30 percent; third that the asset depreciation life be reduced from 40 to 60 years to 10 years for buildings and 5 years for equipment; fourth, that the facilities, when developed by individuals or businesses other than electric utility businesses, are not classified as "public utility property" so as to be eligible for accelerated depreciation; fifth, that municipal and similar governmental bonds used to finance small hydropower projects maintain their tax exempt status; and sixth, that the repair allowance percentage be increased from 1.5 to 4. Taken together, these several provisions will provide incentives and remove obstacles for both private and public investors in small-scale hydroelectric facilities.

I ask unanimous consent that the bill be printed at this point in the RECORD.

There being on objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1762

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

SECTION 1. TREATMENT OF SMALL HYDROELECTRIC PROPERTY FOR PURPOSES OF THE INVESTMENT TAX CREDIT.

(a) TREATMENT AS SECTION 38 PROPERTY.—Paragraph (1) of section 48(a) of the Internal Revenue Code of 1954 (relating to section 38 property) is amended by striking out "or" at the end of subparagraphs (A), (B), (C), and (D), by striking out the period at the end of subparagraph (E) and inserting in lieu thereof a comma and the word "or", and by inserting immediately after subparagraph (E) the following new subparagraph:

"(F) small hydroelectric property (as defined in subsection (l)(13).".

(b) TREATMENT AS ENERGY PROPERTY.—Subparagraph (A) of section 48(l)(2) of the Internal Revenue Code of 1954 (relating to definition of energy property) is amended by striking out "or" at the end of clause (v), by striking out the period at the end of clause (vi) and inserting in lieu thereof a comma and the word "or", and by adding at the end thereof the following new clause:

"(vii) small hydroelectric property.".

(c) DEFINITION OF SMALL HYDROELECTRIC PROPERTY.—

(1) IN GENERAL.—Subsection (l) of section 48 of the Internal Revenue Code of 1954 (relating to energy property) is amended by adding at the end thereof the following new paragraph:

"(13) SMALL HYDROELECTRIC PROPERTY.—

"(A) IN GENERAL.—The term 'small hydroelectric property' means section 38 property acquired, constructed, or reconstructed in connection with a small hydroelectric power generation project, including fish passageways installed in connection with, or as a part of, such property.

"(B) SMALL HYDROELECTRIC POWER GENERATION PROJECT.—For purposes of subparagraph (A), the term 'small hydroelectric power generation project' means a project located at the site of any existing dam which—

"(i) uses the water potential of such dam, and

"(ii) does not have more than 25,000 kilowatts of installed capacity.

"(C) SPECIAL RULES FOR ENERGY PERCENTAGE AND EFFECTIVE PERIOD.—For the purpose of applying this subpart to small hydroelectric property—

"(i) 'December 31, 1985' shall be substituted for 'December 31, 1982' in paragraph (1) of this subsection, and

"(ii) '20 percent' shall be substituted for '10 percent' in section 46(a)(2)(C)(i).".

SEC. 2. TREATMENT OF SMALL HYDROELECTRIC PROPERTY FOR DEPRECIATION AND OTHER CAPITAL COST RECOVERY PURPOSES.

(a) EXEMPTION FROM PUBLIC UTILITY PROPERTY DEPRECIATION RULES.—Paragraph (3) of section 167(l) of the Internal Revenue Code of 1954 (relating to reasonable allowance in case of property of certain utilities) is amended by inserting immediately after subparagraph (H) the following new subparagraph:

"(I) SMALL HYDROELECTRIC PROPERTY ELECTION.—At the election of the taxpayer, made at such time and in such manner as the Secretary may prescribe, this subsection shall not apply with respect to small hydroelectric property (as defined in section 48(l)(13)).".

(b) TREATMENT UNDER ADR.—

(1) IN GENERAL.—Notwithstanding any rule or regulation to the contrary, for the purpose of applying the class life asset depreciation range system under section 167(m) of the Internal Revenue Code of 1954 (relating to class lives) to assets which are small hydroelectric property (as defined in section 48(l)(13) of such code), the following asset depreciation range and annual asset guideline repair allowance percentage shall apply:

Description of asset	Asset depreciation range (in years)			Annual asset guideline repair allowance percentage
	Lower limit	Asset guideline period	Upper limit	
Buildings and their structural components	8	10	12	4
Other	4	5	6	4

(2) FULL INVESTMENT CREDIT ALLOWED.—Subsection (c) of section 46 of such Code (relating to qualified investment) is amended by adding at the end thereof the following new paragraph:

"(7) SPECIAL RULE FOR SMALL HYDROELECTRIC PROPERTY.—Notwithstanding paragraph (2), in the case of small hydroelectric property (as defined in section 48(l)(13)) the useful life of which is 5 years or more, the applicable percentage for purposes of paragraph (1) shall be 100 percent.".

(3) AMENDMENT OF THE RECAPTURE RULES.—Subsection (a) of section 47 of such code (relating to certain dispositions, etc., of section 38 property) is amended by redesignating paragraph (5) as (6), and by inserting after paragraph (4) the following new paragraph:

"(5) SPECIAL RULE FOR SMALL HYDROELECTRIC PROPERTY.—For purposes of this subsection the useful life of small hydroelectric property (as defined in section 48(l)(13)) taken into account for purposes of applying the class life asset depreciation range system under section 167(m) shall be treated as the useful life which was taken into account in computing the credit under section 3.".

SEC. 3. TREATMENT OF STATE AND LOCAL OBLIGATIONS FUNDING SMALL HYDROELECTRIC POWER GENERATING PROJECTS.

Paragraph (4) of section 103(b) of the Internal Revenue Code of 1954 (relating to certain exempt activities) is amended by striking out "or" at the end of subparagraph (F), by striking out the period at the end of subparagraph (G) and inserting in lieu

thereof a comma and the word "or", and by inserting immediately after subparagraph (G) the following new subparagraph:

"(H) funding for a small hydroelectric power generation project (as defined in section 48(l)(13)(B)).".

SEC. 4. EFFECTIVE DATE.

The amendments made by this Act shall apply with respect to taxable years ending after the date of enactment of this Act and to property placed in service after that date.●

By Mr. KENNEDY:

S. 1763. A bill to amend the Immigration and Nationality Act to improve the efficiency of the Immigration and Naturalization Service, and to establish a different numerical limitation for immigrants born in foreign contiguous territories, and for other purposes; to the Committee on the Judiciary.

IMMIGRATION AND NATIONALITY EFFICIENCY ACT OF 1979

● Mr. KENNEDY. Mr. President, I am introducing today a bill to bring urgently needed remedial reform to our immigration laws, and to improve the efficiency of the Immigration and Naturalization Service. It also provides an increase in the number of annual visas available to our contiguous neighbors, Canada and Mexico.

The responsibility of the Immigration and Naturalization Service to administer and enforce our immigration laws has become extremely difficult in recent times. The complexity of our laws, and the sensitivity of the issue, make it imperative that we remove all unnecessary barriers which presently hamper the Service from providing the American people and our prospective immigrants with an efficient Service, with humane, flexible immigration procedures.

Mr. President, the proposed bill is strictly remedial in nature. It does not seek drastic changes in our immigration laws or policies. That important task has been assigned to the Select Commission on Immigration and Refugee Policy, which has now begun its work. Their mandate is to undertake a comprehensive analysis of the Immigration and Nationality Act, and to propose substantive long term reforms.

The bill I am offering today will facilitate the administration of the immigration process by repealing or updating antiquated and unnecessary reporting requirements, saving the American taxpayer over a million dollars every year. There is universal agreement that these changes are needed.

Second, the bill will remove some needless barriers to naturalization for a group of immigrants who have long been denied this privilege due to no fault of their own. This provision will restore eligibility to U.S. citizenship to those legal resident aliens who at the time of application for exemption from U.S. military service were nationals of foreign states which had a treaty or international agreement with the United States exempting such nationals from U.S. military service.

Finally, Mr. President, the bill addresses the question of increasing the number of annual visas made available to our contiguous neighbors—Canada and Mexico. This is a provision I have introduced in previous years and closely follows recommendations made by many experts in the immigration field. I have not, in this working bill, specified the number of visas to be increased—that will be explored in hearings by the Judiciary Committee—but I do believe it is important that we provide additional numbers and begin to address this issue now.

Presently Canada and Mexico each have the same 20,000 annual visa allotment as all other countries, which fails to reflect our special ties to both of our neighbors. Under my proposal the annual visa allotment would be increased—to at least, I would agree, 35,000. This modest increase would alleviate several serious backlogs which are causing severe and unnecessary hardships to prospective immigrants. Presently, spouses and children of U.S. legal resident aliens, who have been declared eligible to immigrate, must wait up to 9 years because there are inadequate numbers of visas available. Without an alternative many choose to join their families, in any case, thus adding to the problem of illegal migration. The principal goal of this provision is to strengthen our traditional immigration objective of family unity.

The increase that I propose is modest. The benefit to our country would be enormous. This gesture will convey goodwill and understanding at a time when our relationship with our contiguous neighbors is being redefined.

Mr. President, this bill represents a reasonable consensus on remedial reform. The voluntary agencies, church groups and the Immigration and Naturalization Service all favor this legislation. It marks the beginning of more enlightened and humane immigration legislation.

I ask unanimous consent to have printed at this point in the RECORD the text and summary analysis of the bill.

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

S. 1763

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 "Immigration and Nationality Efficiency Act of 1979".

That section 101(a)(15) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15) is amended—

(1) by amending subparagraph (f) to read as follows:

"(f)(i) an alien having a residence in a foreign country which he has no intention of abandoning, who is a bona fide student qualified to pursue a full course of study and who seeks to enter the United States temporarily and solely for the purpose of pursuing such a course of study at an established college, university, seminary, conservatory, academic high school, elementary school, or other academic institution in the United States, particularly designated by him and approved by the Attorney General after consultation with the Secretary of Health, Education, and Welfare, which institution or place of study shall have agreed to report to the Attorney General the termination of attendance of each nonimmigrant student, and if any such institution of learning or place of study fails to make reports promptly, the Attorney General shall have the authority, for this or any other cause satisfactory to him to withdraw the approval of any school previously approved by him, and (ii) the alien spouse and minor children of any such alien if accompanying him or following to join him."; and

(2) by striking out the period at the end of subparagraph (L) and inserting in lieu thereof a semicolon and the following:

"(M)(i) an alien having a residence in a foreign country which he has no intention of abandoning and who seeks to enter the United States temporarily and solely for the purpose of pursuing a full course of study at an established vocational, language, or other recognized nonacademic institution in the United States, particularly designated by him and approved by the Attorney General after consultation with the Secretary of Health, Education, and Welfare, which institution shall have agreed to report to the Attorney General the termination of attendance of each nonimmigrant nonacademic student, and if any such institution fails to make reports promptly the Attorney General shall have the authority, for this or any other cause satisfactory to him, to withdraw the approval of any school previously approved by him, and (ii) the alien spouse and minor children of any such alien if accompanying or following to join him".

SEC. 2. Section 101(a)(19) of that Act (8 U.S.C. 1101(a)(19)) is amended—

(1) by striking out ", notwithstanding the provisions of any treaty relating to military service," after "means"; and

(2) by striking out ", or was at any time," after "an individual who is".

SEC. 3. Section 201(a) of that Act (8 U.S.C. 1151) is amended by striking out "two hundred and ninety thousand" and inserting in lieu thereof (number to be inserted at a later date).

SEC. 4. Section 202 of that Act (8 U.S.C. 1152) is amended—

(1) by inserting "(other than a foreign state which is a foreign contiguous territory)" immediately after "foreign state" in the proviso to subsection (a);

(2) by adding at the end of subsection (a) the following: "Provided further, that the total number of immigrant visas and the number of conditional entries made available to the natives of all foreign contiguous territories under paragraphs (1) through (8) of section 203(a) shall not exceed (number to be inserted at a later date) in any fiscal year, except that any of the (number to be inserted at a later date) visas unused by one contiguous foreign state in a prior fiscal year shall be made available to the other contiguous foreign state in the subsequent fiscal year in addition to its annual allotment of (number to be inserted at a later date) visas)"; and

(3) by striking out all through the colon in subsection (e) and inserting in lieu thereof the following:

"(e) Whenever the maximum number of visas or conditional entries has been made available under section 202 to natives of any single foreign state as defined in subsection (b) of this section, any dependent area as defined in subsection (c) of this section, or all foreign contiguous territories as defined in subsection (a) of this section in any fiscal year, in the next following fiscal year a number of visas and conditional entries, not to exceed 20,000 in the case of a foreign state (other than foreign state which is a foreign contiguous territory), 600 in the case of a dependent area, or (number to be inserted at a later date) in the case of all foreign contiguous territories, shall be made available and allocated as follows:".

SEC. 5. Section 212 of that Act (8 U.S.C. 1182) is amended—

(1) by amending paragraph (17) of subsection (a) to read as follows:

"(17) Aliens who have been arrested and deported, or who have fallen into distress and have been removed pursuant to this or any prior Act, or who have been removed as alien enemies, or who have been removed at Gov-

ernment expense in lieu of deportation pursuant to section 242(b), and who seek admission within five years of such deportation or removal, unless prior to their embarkation or reembarkation at a place outside the United States or their attempt to be admitted from foreign contiguous territory, the Attorney General has consented to their applying for admission:"; and

(2) by adding at the end thereof the following:

"(k) The Attorney General may admit to the United States any otherwise admissible alien in possession of an immigrant visa who is inadmissible under paragraphs (14), (20), or (21) of section 212(a), if satisfied that such inadmissibility was not known to and could not have been ascertained by the exercise of reasonable diligence by such immigrant prior to the departure of the vessel or aircraft from the last port outside the United States and outside foreign contiguous territory, or, in the case of an immigrant coming from foreign contiguous territory, prior to the application of the immigrant for admission.".

SEC. 6. Section 223(b) of that Act (8 U.S.C. 1203(b)) is amended to read as follows:

"(b) If the Attorney General finds (1) that the applicant under subsection (a)(1) has been lawfully admitted to the United States for permanent residence, or that the applicant under subsection (a)(2) has since admission maintained the status required of him at the time of his admission and such applicant desires to visit abroad and to return to the United States to resume the status existing at the time of his departure for such visit, (2) that the application is made in good faith, and (3) that the alien's proposed departure from the United States would not be contrary to the interests of the United States, the Attorney General may, in his discretion, issue the permit, which shall be valid for not more than two years from the date of issuance and shall not be renewable. The permit shall be in such form as prescribed by regulation for the complete identification of the alien.".

SEC. 7. Section 237 of that Act (8 U.S.C. 1227) is amended—

(1) by amending subsection (a) to read as follows:

"(a)(1) Any alien (other than an alien crewman) arriving in the United States who is excluded under this Act, shall be immediately deported in accommodations of the same class in which he arrived, unless the Attorney General, in an individual case in his discretion, concludes that immediate deportation is not practicable or proper.

"(2) Deportation shall be to the country in which the alien boarded the vessel or aircraft on which he arrived in the United States, unless the alien boarded such vessel or aircraft in foreign territory contiguous to the United States or in any island adjacent thereto or adjacent to the United States and the alien is not a native, citizen, subject, or national of, or does not have a residence in, such foreign contiguous territory or adjacent island, in which case the deportation shall instead be to the country in which is located the port at which the alien embarked for such foreign contiguous territory or adjacent island.

"(3) The cost of the maintenance, including detention expenses and expenses incident to detention of any such alien while he is being detailed, shall be borne by the owner of the vessel or aircraft on which he arrived, except that the cost of maintenance (including detention expenses and expenses incident to detention while the alien is being detained prior to the time he is offered for deportation to the transportation line which brought him to the United States) shall not be assessed against the owner of such vessel or aircraft if—

"(A) the alien was in possession of a valid, unexpired immigrant visa,

"(B) the alien (other than an alien crewman) was in possession of a valid, unexpired nonimmigrant visa or other document authorizing such alien to apply for temporary admission to the United States or an unexpired reentry permit issued to him, and (i) such application was made within one hundred and twenty days of the date of issuance of the visa or other document, or in the case of an alien in possession of a reentry permit, within one hundred and twenty days of the date on which the alien was last examined and admitted by the Service, or (ii) in the event the application was made later than one hundred and twenty days of the date of issuance of the visa or other document or such examination and admission, if the owner of such vessel or aircraft established to the satisfaction of the Attorney General that the ground of exclusion could not have been ascertained by the exercise of due diligence prior to the alien's embarkation, or

"(C) the person claimed United States nationality or citizenship and was in possession of an unexpired United States passport issued to him by competent authority.";

(2) by inserting immediately after subsection (a) the following:

"(b) If the government of the country designated in subsection (a) will not accept the alien into its territory, the alien's deportation shall be directed by the Attorney General, in his discretion and without necessarily giving any priority or preference because of the order as herein set forth to—

"(1) the country of which the alien is a subject, citizen, or national;

"(2) the country in which he was born;

"(3) the country in which he has a residence; or

"(4) any country which is willing to accept the alien into its territory, if deportation to any of the countries under paragraphs (1), (2), and (3) is impracticable, inadvisable, or impossible.";

(3) by redesignating subsection (b) as subsection (c) and amending it to read as follows:

"(c)(1) It shall be unlawful for any master, commanding officer, purser, person in charge, agent, owner, or consignee of any vessel or aircraft to—

"(A) refuse to receive any alien (other than an alien crewman), ordered deported under this section back on board such vessel or aircraft or another vessel or aircraft owned or operated by the same interest;

"(B) fail to detain any alien (other than an alien crewman) on board any such vessel or at the airport of arrival of the aircraft when required by this Act or if so ordered by an immigration officer, or to fail or refuse to deliver him for medical or other inspection, or for further medical or other inspection, as so ordered by such officer;

"(C) refuse or fail to remove him from the United States in the country to which his deportation has been directed;

"(D) fail to pay the cost of his maintenance while being detained as required by this section or section 233 of this Act;

"(E) take any fee, deposit, or consideration on a contingent basis to be kept or returned in case the alien is landed or excluded; or

"(F) knowingly bring to the United States any alien (other than an alien crewman) excluded or arrested and deported under any provision of law until such alien may be lawfully entitled to reapply for admission to the United States.

"(2) If it appears to the satisfaction of the Attorney General that any such master, commanding officer, purser, person in charge, agent, owner, or consignee of any vessel or aircraft has violated any of the provisions of this section or of section 233 of this Act, such master, commanding officer, purser, person in charge, agent, owner, or consignee shall pay to the district director of customs of the district in which the port of arrival is situated or in which any vessel or aircraft of the line may be found, the sum of $300 for each violation. No such vessel or aircraft shall have clearance from any port of the United States while any such fine is unpaid or while the question of liability to pay such fine is being determined, nor shall any such fine be remitted or refunded, except that clearance may be granted prior to the determination of such question upon the deposit with the district director of customs of a bond or undertaking approved by the Attorney General or a sum sufficient to cover such fine.";

(4) by redesignating subsection (c) as subsection (d) and amending it to read as follows:

"(d) An alien shall be deported on a vessel or aircraft owned by the same person who owns the vessel or aircraft on which such alien arrived in the United States, unless it is impracticable to so deport the alien within a reasonable time. The transportation expense of the alien's deportation shall be borne by the owner of the vessel or aircraft on which the alien arrived. If the deportation is effected on a vessel or aircraft not owned by such owner or owners, the transportation expense of the alien's deportation may be paid from the appropriation for the enforcement of this Act and recovered by civil suit from any owner, agent, or consignee of the vessel or aircraft."; and

(5) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively.

SEC. 8. Section 241(f) of that Act (8 U.S.C. 1251(f)) is amended to read as follows:

"(f)(1) The provisions of this section relating to the deportation of aliens within the United States on the ground that they were excludable at the time of entry as aliens who have sought to procure or have procured visas or other documentation, or entry into the United States, by fraud or misrepresentation, whether willful or innocent, may, in the discretion of the Attorney General, be waived for any alien who—

"(A) is the spouse, parent, or child of a United States citizen or of an alien lawfully admitted to the United States for permanent residence, and

"(B) was in possession of an immigrant visa or equivalent document and was otherwise admissible to the United States at the time of such entry except for those grounds of inadmissibility specified under paragraphs (14), (20), and (21) of section 212(a) which were a direct result of that fraud or misrepresentation.

"(2) A waiver of deportation for fraud or misrepresentation granted under paragraph (1) shall also operate to waive deportation based on the grounds of inadmissibility at entry described under subparagraph (B) directly resulting from such fraud or misrepresentation.".

SEC. 9. Section 244(c) of that Act (8 U.S.C. 1254(c)) is amended to read as follows:

"(c) Upon application by any alien who is found by the Attorney General to meet the requirements of subsection (a) of this section the Attorney General may, in his discretion, suspend deportation of such alien, cancel the deportation proceedings, and adjust the status to that of an alien lawfully admitted for permanent residence.".

SEC. 10. Section 244(d) of that Act (8 U.S.C. 1254(d)) is amended to read as follows:

"(d) Upon the cancellation of deportation in the case of any alien under this section, the Attorney General shall record the alien's lawful admission for permanent residence as of the date the cancellation of deportation of such alien is made, and unless the alien is an immediate relative within the meaning of section 201(b), the Secretary of

State shall reduce by one the number of preference immigrant visas authorized to be issued under section 203(a) or 202(e) for the fiscal year then current.".

SEC. 11. Section 244(f) of that Act (8 U.S.C. 1245(f)) is amended to read as follows:

"(f) The provisions of subsection (a) of this section shall not apply to an alien who—

"(1) entered the United States as a crewman subsequent to June 30, 1964.

"(2) was admitted to the United States as a nonimmigrant exchange alien as defined in section 101(a)(15)(J), or

"(3) has acquired the status of a nonimmigrant exchange alien as defined in section 101(a)(15)(J) after admission, is subject to the two-year foreign residence requirement of section 212(e), and has not fulfilled that requirement or received a waiver thereof.".

SEC. 12. Section 248 of that Act (8 U.S.C. 1258) is amended to read as follows:

"SEC. 248. The Attorney General may, under such conditions as he may prescribe, authorize a change from any nonimmigrant classification to any other nonimmigrant classification in the case of any alien lawfully admitted to the United States as a nonimmigrant who is continuing to maintain that status, except an alien classified as a nonimmigrant under paragraph (15)(C), (D), or (K) of section 101(a), or an alien classified as a nonimmigrant under paragraph (15)(J) of section 101(a) who is subject to the two year foreign residence requirement of section 212(e) and has not received a waiver thereof, unless the alien applies to have his classification changed from a classification under paragraph (15)(C) or (J) to a classification under paragraph (15)(A) or (G) of section 101(a).".

SEC. 13. Section 286 of that Act (8 U.S.C. 1356) is amended—

(1) by inserting after subsection (a) the following:

"(b) Moneys expended from appropriations of the Immigration and Naturalization Service for purchase of evidence and subsequently recovered shall be reimbursed to the appropriations for the Immigration and Naturalization Service."; and

(2) by redesignating subsection (b) as subsection (c) and by inserting "and subsection (b)" immediately after "Except as otherwise provided in subsection (a)".

SEC. 14. Section 315 of that Act (8 U.S.C. 1426) is amended—

(1) by striking out the period at the end of subsection (a) and inserting in lieu thereof the following: ", except as provided in subsection (c).".; and

(2) by adding at the end thereof the following new subsection:

"(c) The provisions of subsection (a) shall not apply to an alien who at the time of applying for exemption for discharge, whether before or after the effective date of this section, was a national of a foreign state with which the United States then had a treaty or international agreement exempting such nationals from military service in the Armed Forces of the United States. This subsection shall have retroactive application to an alien who is or has been debarred from citizenship in accordance with the provisions of subsection (a), whether the petition for naturalization filed by such alien was denied by administrative action of the Immigration and Naturalization Service or by judicial decree.".

SEC. 15. Section 316(b) of that Act (8 U.S.C. 1427(b)) is amended by adding the following paragraph at the end:

"The spouse and dependent unmarried sons and daughters who are members of the household of a person who qualifies for the benefits of this subsection shall also be entitled to such benefits during the period for which they were residing abroad as dependent members of the household of the principal.".

SEC. 16. Section 329(b) of that Act (8 U.S.C. 1440(b)) is amended by striking out paragraph (5).

SEC. 17. Section 334(a) of that Act (8 U.S.C. 1445(a)) is amended by striking "and duly verified by two witnesses,".

SEC. 18. Section 335 of that Act (8 U.S.C. 1446) is amended—

(1) in subsection (b) by striking out "and the oaths of petitioner's witnesses to the petition for naturalization";

(2) by striking out subsections (f), (g), and (h); and

(3) by redesignating subsection (i) as subsection (f).

SEC. 19. Section 336 of that Act (8 U.S.C. 1447) is amended—

(1) by striking out "and the witnesses" each time it appears in subsections (a) and (b);

(2) by striking out subsection (c);

(3) by redesignating subsection (d) as subsection (c);

(4) by redesignating subsection (e) as subsection (d) and by striking the last sentence of that subsection; and

(5) by redesignating subsection (f) as subsection (e).

SEC. 20. Section 344(c) of that Act (8 U.S.C. 1455(c)) is amended by striking out "$6,000" each time it appears and inserting in lieu thereof "$40,000".

SEC. 21. Section 1 of this Act shall become effective 180 days after the date of enactment of this Act, and sections 2 through 20 of this Act shall become effective upon the date of enactment of this Act.

SECTION-BY-SECTION ANALYSIS

Section 1 amends section 101(a)(15) of the Immigration and Nationality Act. Section 1(a) amends subparagraph (F), relating to nonimmigrant students, to specifically limit it to academic students, and to expand the authority of the Attorney General to allow him to withdraw his approval of a participating school for any cause. Section 1(b) creates a new nonimmigrant category, subparagraph (M), for nonacademic or vocational students, and provides for their entry according to the same terms and conditions as those set forth for (F) academic students.

Section 2 deletes from the term "ineligible to citizenship" any reference to provisions relating to individuals who are exempted from United States military service because of a treaty between the United States and a Foreign State.

Section 3 amends section 201(a) of the Immigration and Nationality Act to increase the annual ceiling on numerically limited worldwide immigration. Presently, the worldwide ceiling is 290,000. Under the proposed bill, the worldwide ceiling would increase to accommodate whatever increment is allocated to our contiguous neighbors (Canada and Mexico).

Section 4 amends section 202(a) of the Immigration and Nationality Act to increase from the present 20,000 limit to (an unspecified number) the number of immigrant visas and conditional entries which may be made available annually under the preference system to the natives of the contiguous countries (Canada and Mexico). No specific number or limit has been set under the bill to provide the public, the Administration, The Select Commission on Immigration and Refugee Policy and other concerned citizens an opportunity to speak on the issue and to make appropriate recommendations. Under prior bills introduced by Senator Kennedy, our contiguous neighbors (Canada and Mexico) would be allocated 35,000 immigrant visas annually. The present bill recommends that the annual immigrant visa allotment be increased at least to 35,000. It further provides that, in addition to its annual allotment any visas unused by a contiguous country in a given fiscal year will be made available to the other contiguous country in the subsequent fiscal year. Section 202(e) is amended to extend the preference percentage allocations to the unspecified number of visas and conditional entries allotted to a contiguous country, in the event that the maximum number of visas or conditional entries was made available to that contiguous country in the previous fiscal year.

Section 5 amends section 212 of the Immigration and Nationality Act. Section 4(a) amends section 212(17), one of the categories of excludable aliens, by placing a five year time limit on the requirement that aliens who have been deported, or who have been removed from the United States as an alien enemy, because of indigence, or at government expense, must obtain the consent of the Attorney General to reapply for admission. Under current law, such aliens are perpetually barred without such permission, in contrast to aliens who have been deported following exclusion from admission, who are required under section 212(a)(16) to seek the Attorney General's permission for readmission for only a one year period.

Section 4(b) adds a new subsection (k) to section 212, restoring to the Attorney General discretionary authority to waive certain technical defects in immigrant visas, if he is satisfied that the aliens involved are innocent of wrongdoing. Similar authority was contained in the Immigration Act of 1924 and was carried forward in the 1952 Act as section 211(c), which was deleted, apparently inadvertently, by the 1965 amendments.

Section 6 amends section 223(b) of the Immigration and Nationality Act to provide that a reentry permit, issued to an alien lawfully admitted for permanent residence who wishes to temporarily leave the country, will be valid for two years and not renewable. Under present law, reentry permits are valid for one year, with provision for renewal up to an additional year. The reentry permit is generally needed only for anticipated absences of over a year.

Section 7 amends section 237 of the Immigration and Nationality Act primarily to clarify the appropriate destination of an alien who is being deported following exclusion from admission or entry in violation of the law. Section 237(a) is amended by the deletion of the provision that such an alien be immediately deported "to the country whence he came." A new paragraph 237(a)(2) provides that such an alien will be deported to the country in which he boarded the vessel or aircraft which brought him to the United States, unless he boarded it in a foreign contiguous territory or adjacent island of which he is not a native, citizen, subject, national, or resident. In that case, he will be deported to the country from which he departed to the foreign contiguous country or adjacent island. A new subsection 237(b) provides that in the event that the country to which the alien is to be deported will not accept him, the Attorney General will, at his discretion, direct that the alien be deported to the country of which the alien is a subject, citizen, or national; the country of his birth; the country in which he has a residence; or if deportation to the above is "impracticable, inadvisable, or impossible," to any country willing to accept him. The above provisions are closely related to those in section 243(a) of current law, designating the destination of an alien who is being deported following an expulsion hearing.

Section 8 amends section 241(f) of the Immigration and Nationality Act. Under current law, section 241(f) provides a mandatory waiver of deportation based upon visa fraud at the time of entry for aliens who are "otherwise admissible" and are the spouses, parents, or children of U.S. citizens or permanent resident aliens. This provision has been a major source of litigation and controversy for years. According to the Justice Department, differing administrative and judi-

cial interpretations of the most recent Supreme Court decision relating to the provision, *Reid* v. *INS*, 420 U.S. 619 (1975), "have left the law in a state of confusion which makes it virtually impossible for the Service to uniformly administer section 241(f)."

Section 8 amends section 241(f) to make the waiver discretionary rather than mandatory; to indicate the specific grounds of inadmissibility to which the waiver relating to visa fraud or misrepresentation may apply; to specifically include innocent, as well as willful, misrepresentation within the purview of the law; and to specifically limit eligibility to aliens who entered as immigrants.

Section 9 amends section 244(c) of the Immigration and Nationality Act. Current law requires the Attorney General to report to the Congress on suspension of deportation cases, and requires Congressional approval in certain case and allows for Congressional disapproval in all cases. Section 8 eliminates the role of the Congress in this discretionary function of the Attorney General, by deleting the reporting requirement contained in section 24(c)(1), and deleting paragraphs 244(c)(2) and (3), relating to Congressional action on suspension of deportation cases.

Section 10 amends section 244(d) of the Immigration and Nationality Act. Current law requires that upon cancellation of deportation the Attorney General record the aliens admission for permanent residence as of the date of cancellation of deportation of such alien is made and to deduct the number of visas granted from allocations authorized under the former provisions of the law. The amendment updates section (d) to conform to current annual visa distribution under section 202(e) or 203(a) of the act and instructs the Attorney General to deduct the number of visas granted under this provision from the current authorized allocations.

Section 11 amends section 244(f) of the Immigration and Nationality Act, relating to ineligibility for suspension of deportation and voluntary departure. It amends the existing language to limit ineligibility of (j) nonimmigrant exchange visitors to those who are subject to the two-year for residence requirement of section 212(e), and have not fulfilled it or obtained a waiver. It also deletes section 244(f)(3), which bars from eligibility natives of contiguous countries or adjacent islands who are eligible for "special immigrant" visas, a classification which was eliminated by P.L. 94-571. Both of these changes codify Board of Immigration Appeals interpretations of the law.

Section 12 amends section 248 of the Immigration and Nationality Act, relating to change of nonimmigrant classification. Under the amended Section 248, (J) nonimmigrant exchange visitors who are not subject to the two year foreign residence requirement of section 212(e), or who have obtained a waiver, are eligible to change to any other nonimmigrant classification. Nonimmigrants with (K) nonimmigrant finance status are ineligible to change to any other nonimmigrant status.

Section 13 amends section 286 of the Immigration and Nationality Act. It allows INS to retain funds spent out of INS appropriations for the purchase of evidence when such funds are subsequently recovered. Presently such recovered funds must be deposited into the Treasury as miscellaneous receipts, in accordance with a ruling by the Comptroller General.

Section 14 adds a new subsection (c) which provides that aliens who at the time of applying for exemption from U.S. military service were nationals of a Foreign State with which the United States had a treaty or international agreement exempting such aliens from military service in the Armed forces of the United States will not be held ineligible for United States citizenship merely because they applied and received military exemption.

Section 15 amends section 316(b) of the Immigration and Nationality Act. Current law provides that an absence of a year or more from the United States will break continuity of residence for purposes of the five year residency requirement for naturalization, but exempts certain aliens whose employment requires them to be abroad for extended periods of time. The amendment extends this benefit to the spouses and dependent unmarried sons and daughters who are members of the alien's households.

Section 16 amends section 329(b) of the Immigration and Nationality Act by eliminating paragraph (5). This is a conforming amendment in keeping with the elimination of the witness requirements from the naturalization provisions.

Section 17 amends section 334(a) by deleting the requirement that a petition for naturalization be "duty verified by two witnesses" when a petitioner for naturalization files his petition in court prior to a final court hearing. This amendment is requested by the Department of Justice, on the grounds that "examination of witnesses is time-consuming, unnecessary, and unproductive," and that INS can and does obtain relevant information about a petitioner's fitness for citizenship in other ways.

Section 18 amends section 335 of the Immigration and Nationality Act by deleting all references to the two witnesses required under present law to participate in naturalization proceedings.

Section 19 amends section 336 of the Immigration and Nationality Act. Section 16(2) strikes section 336(c), thereby deleting the requirement for a 30 day waiting period between the filing of a petition for naturalization and the final court hearing. According to the Department of Justice, the current mandatory 30 day waiting period and the return trip by the petitioner and examiner to the court which it necessitates are usually unnecessary, and additional time can be requested when it is needed. The remaining subsections of section 16 make conforming amendments necessitated by either the elimination of the 30 day waiting period or of the witness requirements.

Section 20, section 344(c) of the Immigration and Nationality Act to authorize certain courts which have naturalization jurisdiction to retain up to $20,000 of the fees collected in naturalization proceedings each fiscal year. Current law authorizes the retention of a maximum of $3,000 of the fees collected annually. This provision is strongly endorsed by INS, which is concerned that State courts may withdraw from the naturalization process unless the amount which they may retain is adequate to cover their costs.

Section 21 provides that all provisions will become effective on the date of enactment with the exception of section 1, relating to nonimmigrant foreign academic and vocational students, which will become effective 180 days after enactment.●

By Mr. CHURCH (for himself and Mr. McCLURE):

S. 1764. A bill to authorize the Secretary of the Interior to construct, operate and maintain an enlargement of the Palisades powerplant of the Palisades project, Idaho-Wyoming, with financing by public, non-Federal entities, and for other purposes; to the Committee on Energy and Natural Resources.

PALISADES POWERPLANT CONSTRUCTION ACT OF 1979

● Mr. CHURCH. Mr. President, today I am introducing legislation designed to speed the expansion of the Palisades hydroelectric powerplant.

The Palisades dam is a Bureau of Reclamation multipurpose project with a presently installed generation capacity of 114 megawatts. This facility has served my State well and has been a source of vitally needed electricity in eastern Idaho. Over the past 6 years, the ever-increasing cost of petroleum, both foreign and domestic, has turned the attention of Federal agencies and utility companies to finding environmentally acceptable ways to generate new power without relying on foreign sources for fuel.

The need to create additional power is especially acute in Idaho. My State is expanding its industrial and agricultural base and needs an increasing amount of electrical energy. Beginning in 1975, a series of studies have favorably reported that the existing generation capacity of the Palisades project could be expanded.

These studies have concluded that the existing Palisades powerplant is one of the most promising hydropower sites in the western United States. This dam could produce an additional 90 megawatts of hydroelectric power. The full use of flowing water to yield electricity is of a high priority for our Nation. There is no foreign cartel to escalate the "price" of flowing water.

Mr. President, the Senate Committee on Energy and Natural Resources has before it a bill, S. 1420, which would authorize one-half billion dollars for 13 hydroelectric projects at existing dams in six western States. Consideration was given earlier this year to including the Palisades expansion project in that bill as a Bureau of Reclamation project. However, I reached the conclusion that there is a faster way to bring this additional power on line. It is this alternative method of constructing the Palisades expansion that this bill addresses.

The bill I am introducing today would authorize the State of Idaho to finance this expansion. This joint Federal-State venture bears the prospect of getting the job done faster. Under this proposal, the Secretary of the Interior would design, construct and operate and maintain the powerplant expansion. Agreement between the Secretary of Interior and the State of Idaho is to be reached which would allow for the marketing of the new power within the State. The State bonds used to finance this expansion would be retired by the sale of this power.

This proposal has been endorsed by the Governor, the Idaho legislature and the Idaho Water Resource Board. I will chair hearings later this week to examine further this proposal and the other 13 hydroelectric projects proposed in other legislation. I urge my colleagues to support this unique concept of a Federal-State partnership to expand the Palisades project. I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

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

S. 1764

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 "Palisades Powerplant Construction Act of 1979".

SEC. 2. The Secretary of the Interior (hereinafter called the Secretary) is authorized to

design, construct, operate, and maintain a powerplant enlargement with a capacity of approximately 90 megawatts at Palisades Dam in Idaho, including necessary apppurtenant works, as an addition to and a part of the dam and reservoir of the Palisades project, Idaho-Wyoming. The appurtenant works shall include but not be limited to modifications to the existing powerplant, switchyard, public use facilities, and fish and wildlife mitigation measures necessitated by the powerplant enlargement. The appurtenant works shall not include transmission facilities for power and energy. The Secretary is authorized to modify the capacity of the powerplant enlargement as determined to be necessary and desirable during post authorization study and design.

SEC. 3. Construction of the Palisades powerplant enlargement shall not proceed until the Secretary has entered into contracts providing for the advancement and payment of all necessary construction, financing, and other costs related to the Palisades powerplant enlargement by the State of Idaho or other appropriate public, non-Federal entity (hereinafter called the State).

SEC. 4. Notwithstanding any other provisions of the law, such contracts with the State may provide for the marketing by the State of the hydroelectric power produced by the powerplant enlargement under such terms and conditions as the State shall determine to be necessary or desirable in order to return to the State no less than its operating, construction, financing, and other costs advanced, incurred or to be incurred by the State in connection with the construction, financing, operation and maintenance of the enlargement. Such contracts shall also provide for State participation in supervision in management of construction and for reimbursement of State costs, including debt service, in the event of a failure to deliver power.

SEC. 5. The State shall also contract with the Bureau of Reclamation to provide for allocation of generation and of operation and maintenance costs associated with joint operations and any other matters deemed necessary by the State. These contracts shall be for a period of not less than the payout period for bonds issued by the State to cover its costs and not more than 50 years with a right of renewal by the State under terms agreed to by the Secretary.

SEC. 6. The Palisades powerplant enlargement shall be designed, constructed, and operated so that it does not limit, restrict, or alter the release of water or the operation of Palisades Reservoir adverse to the satisfaction of existing water rights under State law, to the delivery of water to the holder of any valid water service contract, or to the accomplishment of the other authorized functions of the Palisades project as recognized by State law.

SEC. 7. The Secretary is authorized to construct, operate, and maintain or otherwise provide basic outdoor recreation facilities in the vicinity of Palisades Dam and powerplant for the protection and convenience of the visiting public. The costs of those measures shall be nonreimbursable. The Secretary is authorized to provide lands, facilities, and appropriate project modifications to provide fish and wildlife enhancement in connection with the enlargement of the powerplant, in accordance with the Federal Water Project Recreation Act (79 Stat. 213), as amended.

SEC. 8. There is hereby authorized to be appropriated for necessary post authorization study and design of the powerplant enlargement and appurtenant works, and for construction of basic outdoor recreation facilities and fish and wildlife enhancement measures, the sum of $7 million. The costs of necessary post authorization study, design, and related work performed by the Secretary on the potential power enlargement and appurtenant works shall be reimbursed by the State. Such sums as may be required for the operation and maintenance of outdoor recreation facilities and fish and wildlife enhancement features are additionally authorized to be appropriated.●

By Mr. MOYNIHAN:

S. 1766. A bill to amend the Internal Revenue Code of 1954 to provide a refundable tax credit to individuals for the amount by which the cost of heating their home increases more rapidly than the Consumer Price Index, and to provide an energy cost allowance to SSI recipients and AFDC recipients; to the Committee on Finance.

ENERGY COST ASSISTANCE ACT

● Mr. MOYNIHAN. Mr. President, the bill I am introducing today would lighten the burden that soaring fuel bills have placed on the American people.

The decision to lift price controls from domestic petroleum and oil products, combined with the rapacity of the OPEC cartel, has gravely imperiled the ability of our citizens to heat their homes, transport themselves and their families, and obtain a wide range of other necessities. Nowhere is this more pronounced than in New York State and the rest of the Northeast, where our historic reliance on oil for heat and our painful dependency on imports to supply much of that oil have produced an acute and alarming situation. It is entirely thinkable, indeed it appears all too likely, that tens of thousands of our families will not have sufficient money this winter to keep their homes warm enough to live in—even if the supply problem is solved and sufficient fuel is made available.

We are witnessing an extraordinary set of income transfers, in exactly the opposite direction from that which has dominated liberal social policy in the United States for nearly half a century.

Once the OPEC nations realized the extent of the West's vulnerability to economic extortion, they have steadily increased their demands and hiked the political ransom payments that we have all too willingly paid.

As one response, the President—rightly, in my opinion—has proposed to decontrol domestic oil prices. He has recognized—again rightly, in my judgment—that this would result in massive revenue increases for the oil companies and has proposed to hold back some of those profits by means of an excise tax on future oil production. Part of the proceeds of that tax is to be used to underwrite vital research, development and conservation programs. Our prior task is to fashion a tax that will not deter additional investment in the rather risky business of energy production.

But it is not sufficient to design a reasonable tax and to earmark some of the resulting revenues for research and conservation. We must also restore a portion of this money to the American people who ultimately pay the bill for all these activities, people who are already sorely afflicted by inflation and whose energy costs are rising even faster.

My proposal would restore some of the money generated by the "windfall profits tax" to the people who provided it. It would assist more than 80 percent of American households—all but the upper middle class and the wealthy—to heat their homes, purchase gasoline for their cars and pay for the myriad other essential goods and services whose costs have escalated along with oil prices.

Under this proposal, families earning up to $30 thousand per year could claim a credit on their Federal income tax against the ever-rising costs of residential heating. This credit—effective on January 1, 1980—would be as much as $250 per year.

In addition, households already receiving cash assistance would obtain additional benefits, averaging $200 per family per year, through the aid to families with dependent children (AFDC) and supplemental security income (SSI) programs. Such assistance would also start this winter.

The aid can begin to flow rapidly because my proposal would not require the creation of any new programs or governmental bureaucracies. The tax system is in place. So are the cash assistance programs. All that is needed is to make simple changes in the laws defining their operation—and to devote a portion of the windfall profits tax revenues to paying for these changes.

This plan is fiscally responsible. It provides relief where relief is needed. It can go into effect without delay or redtape. Its benefits are made available in a dignified and comprehensive way. I urge its support by my colleagues.

I ask unanimous consent that the text of my bill and the accompanying fact sheet be printed in full in the RECORD at the conclusion of these remarks.

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

S. 1766

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

SECTION 1. SHORT TITLE.—This Act may be cited as the "Energy Cost Assistance Act".

SEC. 2. CREDIT ALLOWED.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits allowed) is amended by inserting immediately before section 45 the following new section:

"SEC. 44D. CREDIT FOR EXCESSIVE HOME HEATING COSTS

"(a) GENERAL RULE.—In the case of an individual, there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the product of that individual's home heating costs for the taxable year multiplied by the number of percentage points (rounded off to the nearest one-tenth of a percent) by which the appropriate heating price index for the taxable year exceeds the consumer price index for the taxable year.

"(b) LIMITATIONS.—

"(1) MAXIMUM CREDIT.—The amount of the credit allowed by subsection (a) for any taxable year shall not exceed $250 ($125 in the case of a married individual filing a separate return of tax based upon the cost of heating a principal residence which was also the principal residence of his spouse for more than 6 months of the calendar year).

"(2) PHASE-OUT FOR ADJUSTED GROSS INCOME IN EXCESS OF $25,000.—The amount of the credit allowable under subsection (a) for any taxable year, after the application of paragraph (2), shall be reduced by 10 percent of the amount by which the adjusted gross income of the taxpayer exceeds $25,000 ($12,500 in the case of a taxpayer for whom the maximum credit under paragraph (2) is $125).

"(3) NO CREDIT ALLOWED TO INDIVIDUALS RECEIVING COMPARABLE BENEFITS UNDER AFDC OR SSI.—The credit allowed by subsection (a) shall not be allowed in the case of an individual who receives any amount during the taxable year which constitutes an energy cost assistance allowance provided for by section 403 or section 1611 of the Social Security Act for the taxable year.

"(d) DEFINITIONS; SPECIAL RULES.—For purposes of this section—

"(1) HOME HEATING COSTS.—The term 'home heating costs' means the sum of the amounts paid by an individual to heat that individual's principal residence for the calendar year which ends with or within the taxable year.

"(2) PRINCIPAL RESIDENCE.—The determination of whether or not a dwelling unit is a taxpayer's principal residence shall be made in the same manner in which that determination is made under section 44C (c) (8).

"(3) AMOUNTS PAID FOR HEATING.—

"(A) HEATING COSTS NOT SEPARABLE FROM COOLING COSTS.—In the case of a dwelling unit the heating costs of which are not separable from the cost of using gas or electricity for all purposes for such unit, the Secretary shall determine the portion of the cost which is properly allocable to heating.

"(B) RENTAL PROPERTY.—In the case of rental property for which there is no separate charge for heating costs, a portion of the rent paid shall be treated as paid for heating. The portion shall be determined by the Secretary and shall be the average percentage of rent paid for dwellings in the United States which is attributable to the payment of the cost of heating such dwellings.

"(C) CONDOMINIUMS AND COOPERATIVES.—The Secretary shall provide by regulation for the application of this section to condominium management associations (as defined in section 528 (c) (1)) and members of such associations, and tenant-stockholders in cooperative housing corporations (as defined in section 216), in such a fashion as to allow the credit allowed by subsection (a) by allocation, apportionment, or otherwise, to the individuals paying, directly or indirectly, for heating their principal residences.

"(D) TIME AND APPLICATION OF DETERMINATIONS.—The determinations made by the Secretary under this paragraph shall be made after consultation with the Secretary of Housing and Urban Development and the Secretary of Energy, shall be made on a calendar year basis, shall be published not more than 30 days after the close of the calendar year to which they relate, and shall take account of regional differences in climate and heating costs.

"(4) PRICE INDEXES.—

"(A) IN GENERAL.—At the beginning of each calendar year (commencing in 1980), as necessary data becomes available, the Secretary of Energy and the Secretary of Labor shall certify to the Secretary and publish in the Federal Register the percent difference between the heating price index and the consumer price index, respectively, for the preceding calendar year and the heating price index and the consumer price index for the base period. Each such percent difference, stated in terms of a percent of the heating price index and the consumer price index for the base period, shall be used to compute the amount of the credit allowed under subsection (a) for the taxable year with or within which the preceding calendar year ended.

"(B) BASE PERIOD.—The term 'base period' means—

"(i) for the heating price index, prices in effect on November 1, 1978, and

"(ii) for the consumer price index, the calendar year 1978.

"(C) HEATING PRICE INDEX.—The term 'heating price index' means means the average, over a calendar year, of the price of a gallon of number 2 home heating oil as determined by the Secretary of Energy. A separate index for comparable amounts of natural gas, electricity, and coal shall also be determined by the Secretary of Energy for each calendar year.

"(D) CONSUMER PRICE INDEX.—The term 'consumer price index' means the average over a calendar year of the Consumer Price Index (all items—United States city average) published by the Bureau of Labor Statistics.

"(5) JOINT OCCUPANCY.—In the case of any dwelling unit which is jointly occupied and used during the calendar year as a principal residence by 2 or more individuals who are not married to each other—

"(A) the amount of the credit allowable under subsection (a) by reason of expenditures for heating that dwelling during the calendar year by any of such individuals shall be determined by treating all of such individuals as one taxpayer whose taxable year is such calendar year, and

"(B) there shall be allowable with respect to such expenditures to each of such individuals a credit under subsection (a), for the taxable year with or within which such calendar year ends, in an amount which bears the same ratio to the amount determined under paragraph (A) as the amount of such expenditures made by such individual during such calendar year bears to the aggregate of such expenditures made by all of such individuals during such calendar year.".

(b) REFUND OF EXCESS CREDIT.—

(1) Section 6401 (b) of such Code (relating to amounts treated as overpayments) is amended—

(A) by striking out "and 43 (relating to earned income credit)," and inserting in lieu thereof "43 (relating to earned income credit), and 44D (relating to credit for excessive home heating costs),", and

(B) by striking out "and 43" and inserting in lieu thereof "43, and 44D".

(2) Section 6201 (a) (4) of such Code (relating to assessment authority) is amended—

(A) by striking out "or 43" in the caption thereof and inserting in lieu thereof ", 43 or 44D",

(B) by striking out "or section 43" and inserting in lieu thereof ", section 43", and

(C) by inserting "or section 44D (relating to credit for excessive home heating costs)," before "the amount so overstated".

(c) CLERICAL AND CONFORMING AMENDMENTS.—

(1) CLERICAL AMENDMENT.—The table of sections for subpart A of part IV of subchapter A of chapter 1 of such Code is amended by inserting immediately after the item relating to section 44B the following new item:

"Sec. 44D. Credit for excessive home heating costs.".

(2) CONFORMING AMENDMENTS.—Sections 44C(b)(5), 55(b)(2), and 56(c) of such Code are each amended by striking out "31, 39 and 43" and inserting in lieu thereof "31, 39, 43, and 44D".

SEC. 2. PAYMENTS TO AFDC RECIPIENTS.

(a) The last sentence of section 403(a) of the Social Security Act is amended by striking out "In the case of calendar quarters beginning after September 30, 1977, and prior to April 1, 1978" and inserting in lieu thereof "In the case of calendar quarters beginning after December 31, 1979".

(b) Section 403(i) of such Act is amended to read as follows:

"(i)(1) In addition to the amount payable under subsection (a) or section 1118 (as the case may be) to each State having a plan approved under this part, there shall be paid to each such State for each quarter an energy cost assistance grant (determined under paragraph (2)) and an administrative allowance (determined under paragraph (3)).

"(2)(A) The amount of the energy cost assistance grant for any State for each quarter shall be equal to 25 percent of the adjusted dollar amount (determined under subparagraphs (B) and (C)) for the calendar year in which such quarter falls, multiplied by the number of households in such State which contain an individual receiving aid under the plan for such quarter.

"(B) The adjusted dollar amount for all States for the calendar year 1980 shall be $200.

"(C) The adjusted dollar amount for each State shall be increased for each succeeding calendar year by an amount equal to the product of—

"(i) the adjusted dollar amount in such State as determined for the preceding calendar year, and

"(ii) the excess (if any) of the Residential Heating Price Index increase in such State for such year over the Consumer Price Index increase for such year.

"(D) The Residential Heating Price Index increase for any year shall be a percentage equal to the percentage increase (if any) in such State in the Residential Heating Price Index prepared by the Department of Energy for the third quarter of the preceding calendar year as compared to such index for such State for the third quarter of the second preceding calendar year (rounded to the nearest one-tenth of one percent).

"(E) The Consumer Price Index increase for any year shall be a percentage equal to the percentage increase (if any) in the Consumer Price Index prepared by the Department of Labor, and used in determining cost-of-living increases under section 215(i) of this Act, for the third quarter of the preceding calendar year as compared to such index for the third quarter of the second preceding calendar year (rounded to the nearest one-tenth of one percent).

"(F) For purposes of this subsection the Consumer Price Index and the Residential Heating Price Index for any quarter shall be the arithmetical mean of that index for the three months in such quarter.

"(3) The amount of the administrative allowance for any State for any quarter shall be equal to 5 percent of the energy cost assistance grant payable to such State for such quarter.

"(4) No payment shall be made under this subsection to any State unless such State provides in its State plan that the full amount of the energy cost assistance grant paid to such State is distributed in the form of energy cost assistance allowances to households in such State which contain recipients of aid under the plan in an equitable manner which takes into account the needs of such recipients for additional funds to pay for energy required for residential heating.".

SEC. 3. PAYMENTS TO SSI RECIPIENTS.

(a) Section 1611(b) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(3) (A) In addition to the benefit amount as determined under paragraph (1) or (2), and adjusted under section 1617(a), an energy allowance shall be payable under this title to each household which contains an eligible individual. The energy allowance shall be payable at a rate of $200 per year for calandar year 1980, and shall be adjusted under section 1617(b) for calendar years thereafter.

"(B) In any case where two or more eligible individuals live in the same household, the energy cost allowance shall be payable in equal parts to each such individual.".

(b) Section 1617 of such Act is amended—

(1) by striking out "COST-OF-LIVING" in the section heading;

(2) by inserting "(a)" after "1617."; and

(3) by adding at the end thereof the following:

"(b)(1) The energy allowance payable under section 1611(b)(3) for each calendar year after 1980 shall be an amount equal to the product of—

"(A) the energy allowance as determined for the preceding calendar year, and

"(B) the excess (if any) of the national Residential Heating Price Index increase for such year over the Consumer Price Index increase for such year.

"(2) The Residential Heating Price Index increase for any year shall be a percentage equal to the percentage increase (if any) in the national Residential Heating Price Index prepared by the Department of Energy for the third quarter of the preceding calendar year as compared to such index for the third quarter of the second preceding calendar year (rounded to the nearest one-tenth of one percent).

"(3) The Consumer Price Index increase for any year shall be a percentage equal to the percentage increase (if any) in the Consumer Price Index prepared by the Department of Labor, and used in determining cost-of-living increases under section 215(1) of this Act, for the third quarter of the preceding calendar year as compared to such index for the third quarter of the second preceding calendar year (rounded to the nearest one-tenth of one percent).

"(4) For purposes of this subsection the Consumer Price Index and the Residential Heating Price Index for any quarter shall be the arithmetical mean of that index for the three months in that quarter.".

(c) Sections 1611(a)(1)(A), 1611(a)(2)(A), 1611(b)(1), 1611(b)(2), and 1618(b) of such Act are each amended by striking out "1617" and inserting in lieu thereof "1617(a)".

SEC. 4. RESIDENTIAL HEATING PRICE INDEX.

(a) The Secretary of the Treasury shall use a Residential Heating Price Index for each State and for the Nation prepared by the Secretary of Energy on a monthly basis.

(b) Such indexes shall measure the percentage change for each month in residential heating costs, and shall be adjusted for each State and for the Nation to accurately reflect the average change in overall residential heating costs within that State and within the Nation, based upon the amount and types of heating fuels used in such State and in the Nation.

(c) The Secretary of Energy shall publish such indexes for each month in the Federal Register as soon as sufficient data is available to compute such indexes.

SEC. 5. EFFECTIVE DATES.

The amendments made by the section 1 of this Act shall apply with respect to taxable years beginning after December 31, 1979. The amendments made by sections 2 and 3 shall take effect on January 1, 1980.

SUMMARY OF MOYNIHAN ENERGY COST ASSISTANCE PROPOSAL

1. Provides relief against increasing costs of energy for home heating to over 80 percent of American families.

2. Assistance will be provided both through the tax system for income tax filers and through the existing cash assistance system (AFDC and SSI) for needy non-filers.

3. Taxpayers will get a refundable tax credit of up to $250, based on a percentage (50 percent) of the excess of an index of residential heating costs over the consumer price index. This allows for gradual increases in the average tax credit if energy costs continue to rise faster than the overall inflation rate.

4. The full amount of the credit will be available to all taxpayers with incomes of up to $25,000 to be completely phased out at $30,000.

5. Low-income non-filers will receive aid through increased SSI payments or through fully federally financed increased AFDC payments averaging $200 per recipient household per year at the outset.

6. SSI and AFDC payments would also increase to the extent that energy costs rise faster than the rate of inflation.

7. Plan would take effect on January 1, 1980.

8. AFDC and SSI recipients would begin to receive payments in 1980.

9. Taxpayers would get the credit when they file their returns for 1980 in 1981.

10. Estimated revenue loss under the plan—$1.5 billion for fiscal 1980 and $3.5 billion in 1981. (Joint Tax Committee).●

By Mr. THURMOND:

S. 1768. A bill to permit the lease and transfer of allotments and quotas for 1979 crop Flue-cured tobacco destroyed because of contamination by the herbicide picloram; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. THURMOND. Mr. President, I am today introducing emergency legislation to permit cross-county leasing of Flue-cured tobacco poundage allotments by farmers in North Carolina and South Carolina who have experienced a crop disaster due to contamination of their crop by the herbicide picloram. Only those farmers in these two States who, in accordance with a program established earlier this year by the Secretary of Agriculture, have destroyed the contaminated portion of their crop and properly certified such fact to the Secretary, would be eligible lessors under this bill. These farmers would be permitted to lease all or a portion of the destroyed poundage to other farmers in the same State who have Flue-cured tobacco allotments and who have a need for this poundage quota.

BACKGROUND AND NEED FOR THIS LEGISLATION

Mr. President, the need for this emergency legislation was precipitated by an unfortunate accident that befell a number of tobacco farmers in South Carolina and North Carolina earlier this year. During the tobacco planting season, these farmers purchased and applied fertilizer manufactured by the Smith-Douglass Fertilizer Co. of Norfolk, Va. This fertilizer was apparently shipped in railroad cars that had previously been used to transport the herbicide picloram, also known by the trade name, Tordon. As a result, this fertilizer was contaminated, and when applied to fields in which tobacco was planted, caused substantial damage to the crop.

After an investigation of this unfortunate situation, the U.S. Department of Agriculture determined that the wisest course of action would be to keep this damaged, herbicide-contaminated tobacco from entering the marketing channels. In conjunction with the Flue-Cured Tobacco Cooperative Stabilization Corp., a program was devised whereby farmers with damaged acreage destroyed the unharvested portion of their contaminated crop in the field and certified this fact to USDA in order to market any uncontaminated portion of their crop; those farmers who had already harvested picloram-tainted tobacco were given the option of destroying it or delivering it to specially designated warehouses of the stabilization cooperative, where it will be stored until a final determination can be made regarding whether or not this contaminated tobacco can be sold.

At the same time, the Smith-Douglass Co., which supplied the contaminated fertilizer, admitted its fault and responsibility to fairly compensate farmers whose crop was rendered unmarketable. In cooperation with USDA, the State Departments of Agriculture in South Carolina and North Carolina, and the State Departments of Insurance, Smith-Douglass employed insurance adjusters who visited each affected farm and attempted to negotiate a fair settlement with the producer.

As of this date, approximately 90 percent of the 405 farmers in South Carolina whose crop was contaminated have agreed to settlements with the fertilizer manufacturer and its insurer. I understand that the percentage of farmers in North Carolina who have made satisfactory settlements is somewhat fewer. However, these settlements, as a general rule, have not included any compensation for the value of the poundage-quota which the affected producers leased from other farmowners with tobacco allotments. That fact, as I will further explain, is the crux of the problem, and, due to the nature of the legal framework in which the Flue-cured tobacco program operates, has created the need for this emergency legislation.

Mr. President, as I understand the situation, the fertilizer manufacturer and its insurer have not been willing to compensate producers for the cost of leased poundage (which may, in some cases, be as much as 50 cents per pound) because, under current tobacco law and regulations, poundage-quota is an asset that can be carried over to the following crop year. If the farmer so desires, in the next crop year he can use the carried-over quota to increase the amount of tobacco grown, or he can lease that quota to another farmer within the same county.

The problem that has arisen, however, is that a number of farmers who have destroyed this contaminated poundage feel that, for one reason or another, they cannot sufficiently increase the scale of their farming operation next year in order to grow their usual amount of tobacco plus the carried-over poundage. Some farmers caught in this quandary may not have sufficient land, labor, equipment, curing barns or capital to double their output next year. Furthermore, if some additional crop disaster were to strike these farmers next year, it is likely that some of the poundage-quota would be permanently lost, since carryover is limited under current law and regulations.

Perhaps an even more important reason why this legislation is needed is because many of these farmers with unmarketed poundage have already expended hundreds and, in some cases, thousands of dollars in leasing poundage, only to have no possibility of recouping this expenditure in the current

crop year. For example, one farmer in Georgetown County, S.C., who leases most of the poundage that he grows, has informed me that he will lose $20,000 in the 1979 crop year unless he can sell this poundage to a willing buyer in an adjacent county who needs it. This farmer happens to be in a county where a substantial amount of the tobacco grown within the county borders was contaminated. Yet, he has already looked for possible buyers of this poundage within Georgetown County and has found none.

If this legislation were promptly enacted, this farmer, and others similarly affected, could find a market for their poundage and thereby recoup most of their losses. Many of these farmers face bills for seed, fertilizer, fuel and other items that they will not be able to pay unless some means of promptly recouping the rental cost of tobacco poundage is devised.

EXPLANATION OF THE BILL

Mr. President, while the background of the tobacco program and the picloram problem may be somewhat complicated, this emergency legislation is very simple and straightforward. Under current law, flue-cured tobacco farmers can lease poundage-quota only within the boundaries of the county where the farm is located. This restriction, while serving a useful purpose in some instances, obviously has the affect of limiting the market demand for excess, unmarketed poundage-quota.

The legislation I am introducing today would permit the owner or operator of a flue-cured tobacco-producing farm in South Carolina and North Carolina who has destroyed tobacco produced on that farm due to picloram contamination to lease and transfer any unmarketed quota to any other flue-cured tobacco-producing farm in any county within the same State. Furthermore, under this bill, producers of picloram-tainted tobacco who are unable to lease all or a part of their unmarketed poundage during the 1979 crop year will be permitted to carry over to the 1980 crop year such quota free of current restrictions. Thus, the bill gives eligible farmers the flexibility of cross-county leasing in both the 1979 and 1980 crop years.

Mr. President, I would like to emphasize that this emergency legislation is designed to alleviate a specific problem involving several hundred flue-cured tobacco farmers. It does not make any change in the tobacco price support program, and it would not require any additional Federal expenditures. I realize that there are those who, for one reason or another, object to the tobacco price support program, despite the fact that it has an excellent track record and has been operated at minimal expense to the taxpayers. Foes of the tobacco program have nothing about which to be concerned in this bill. It does not involve any cost to the taxpayers, and it will not lead to greater production of tobacco. What it will do, if enacted, is temporarily suspend a restriction in the tobacco program, thereby offering the relatively small percentage of tobacco farmers who are affected a chance to recoup some of their losses. I sincerely hope, for the sake of helping the farmers who have experienced the misfortune of picloram contamination, that this bill will be promptly enacted.

I would also point out that there is a precedent for this type of emergency legislation. Special legislation was enacted by Congress in 1973, 1974, and 1976 to provide relief to flue-cured tobacco farmers whose crop was destroyed by natural disaster. While this picloram-contamination problem was not an act of God, the circumstances are similar in that the crop damage was completely beyond the control of the affected farmers. Accordingly, I believe this emergency legislation is clearly justified in this instance.

Mr. President, I ask unanimous consent that the following be printed in the RECORD following my remarks: First, the bill; and second, a letter from a typical farmer in Georgetown County, S.C., to me regarding the need for this emergency legislation.

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

S. 1768

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 316 of the Agricultural Adjustment Act of 1938, as amended, (7 U.S.C. 1314b) is further amended by adding a new subsection (j) as follows:

"(j)(1) Notwithstanding any other provision of law, whenever the Secretary determines that all or any part of the 1979 crop flue-cured tobacco produced on a farm located in any county in North Carolina or South Carolina has been destroyed because of the application to such tobacco of fertilizer contaminated with the herbicide picloram and that a lease and transfer of all or any part of the 1979 crop allotment and quota for such farm attributable to tobacco which has been so destroyed will not impair the effective operation of the tobacco allotment and marketing quota or price support programs, the Secretary may permit the owned and operator of any such farm—

(i) to lease and transfer all or any part of such 1979 crop allotment and quota attributable to tobacco so destroyed to any other owners or operators in any county within the same state for use in such county for the 1979 crop year on a farm or farms having a current tobacco allotment and quota of the same kind, and

(ii) to carry over to the 1980 crop year that part of such 1979 crop allotment and quota attributable to tobacco so destroyed, which the owner and operator is unable to lease and transfer during the 1979 crop year, without regard to the limitation of Section 317 (a)(8) of this Act and to lease and transfer that part of such allotment and quota to any other owners or operators in any county within the same state for use in such county for the 1980 crop year on a farm or farms having a current tobacco allotment and quota of the same kind.

(2) The lease and transfer to an owner or operator in another county pursuant to this subsection shall not be effective until a copy of the lease is filed with the county committee of the county to which such transfer is made and such committee determines that the lease and transfer is in compliance with the provisions of this subsection."

SEPTEMBER 7, 1979.

DEAR SENATOR THURMOND:

This year I used the contaminated fertilizer manufactured by the Smith-Douglass Company. I had to destroy my entire tobacco crop.

In trying to make a settlement as to the value of my contaminated crop of tobacco, the insurance adjuster has refused to reimburse to me the money I have invested in renting tobacco quotas (poundage).

I personally feel that I should be paid this rent money in my settlement because this money was an expense incurred in the tobacco crop that was contaminated.

Due to the fact that the insurance company absolutely refuses to reimburse this rent money, I am asked to make a settlement that will put me in a position where I won't be able to pay off my operating expenses this year.

The only hope for me to be able to make a settlement and to pay bills with the money received from this tobacco crop, is that I can somehow rent these tobacco pounds (quotas) to someone who grew an excessive crop this year.

Georgetown County had approximately 20 percent of its tobacco crop contaminated by this fertilizer. The remainder of the county has a fairly short crop this year. With these two facts in mind, it would be almost impossible for myself and my affected neighbors to rent these tobacco pounds (quotas) within our own county. Therefore, the need for cross-county leasing of these tobacco pounds this fall, is very vital to the welfare of the families involved, including my own.

As you know, it takes a bill through legislation to authorize the USDA to allow us this cross-county leasing and transferring of tobacco poundage through our ASCS offices.

Congressman John Jenrette has stated that he has introduced a bill concerning this matter. To my knowledge, there hasn't been much said or done about it as of this time. As my Senator, I am asking you to check into this bill and please support it and push it through as soon as possible. If there is no bill, then would you please introduce some legislation to allow us farmers, who were affected by this fertilizer, cross-county leasing and transferring of tobacco quotas. It has been done in the past during a time of disaster, this is certainly a disaster to us now.

Your cooperation in this matter would be deeply appreciated. If there is any question concerning this matter, I would be more than happy to answer them for you if I can. Please advise me as to what you can do to help. Thank you.

Sincerely,

LARRY J. BAXLEY.

By Mr. McGOVERN (for himself and Mr. PRESSLER):

S. 1769. A bill to designate certain lands in the Black Hills National Forest, South Dakota, as the Black Elk Wilderness; to the Committee on Energy and Natural Resources.

BLACK ELK WILDERNESS

Mr. McGOVERN. Mr. President, I am today introducing legislation to establish a wilderness area in the Black Hills of South Dakota. This bill would also designate the area the "Black Elk Wilderness" in memory of one of the Oglala Sioux's greatest holy men. His "Great Vision" is familiar to millions of readers of John G. Neihardt's book "Black Elk Speaks", and to thousands who have seen its adaptation to the stage. Indeed, the story of Black Elk and his vision has the potential of becoming a popular one as the book adapted for the stage by Christopher Sergle and performed during the Longest Walk last year at the Kennedy Center will soon be opening on Broadway.

This proposed wilderness area embraces 10,700 acres surrounding and including Harney Peak—the highest point west of the Alps and east of the Rocky Mountains. This area is both literally and figuratively "the heart of the hills." It has been recommended for a wilderness designation by both the President and his Secretary of Agriculture as a result of the U.S. Forest Service's "roadless area review and evaluation," more commonly known as RARE II. A similar piece of legislation is being introduced in the House of Representatives by Congressmen JIM ABDNOR and TOM DASCHLE.

In a letter from the former Chief of the Forest Service John R. McGuire, the area was described in this way:

There are a number of unique features within the proposed . . . wilderness including some of the highest elevation east of the Rocky Mountains. It contains rugged granite formations like the Needles and Cathedral spires. Elevations range from 4,050 to 7,242 feet with the southern portions being around a mile high. Terrain varies from rolling hills along the southern boundary to precipitous granite walls of Harney Peak. Horse Thief and Sylvan Lakes, although small, provide contrast to the semi-arid conditions of nearby plains.

There are small areas of quaking aspen and open grass types scattered throughout the unit. But dense stands of ponderosa pine cover about a third of the area. There are open rocky or barren areas at some locations.

The area provides some primary habitat for Rocky Mountain goats and primary and secondary range for elk. Grouse, turkey, deer, and numerous nongame birds and mammals are also present.

According to the Forest Service's RARE II analysis of the site's suitability, the area has high potential for hardrock minerals and moderate potential for uranium. However, because the area is so special not only to native South Dakotans but to Native Americans and millions of visitors to my State, it should be the "last" area where these potentials are ever exploited. It currently contains no production sites.

Already the area attracts a thousand visitor days per year for picnicking and camping and 6,000 days of dispersed, nonmotorized use. It has appeal for 600 visitor days of hunting and 1,000 visitor days of nonhunting recreational use.

The "Black Elk Wilderness" contains 6,429 acres of commercial forest land out of the 10,700 acres there. Most of this is softwood sawtimber (39 MMBF) and sawtimber and products (11 MMCF). It is not prime commercial timbering for numerous reasons, primarily the rugged terrain, dispersed harvestable resources and lack of roads. Although the annual sell volume in the short term is 0.2 MMBF and 0.2 MMBF in the long-term—the Forest Service's 5-year action plan for the area would provide for no sales because whether or not the area is designated wilderness, the Forest Service intends to close-off motorized access under its master plan for the area surrounding the proposed wilderness—the Norbeck Wildlife Preserve.

As my colleagues will note, my proposed legislation makes reference to earlier legislation (the act of June 5, 1920 and the act of October 6, 1949). These two acts (41 Stat. 986 and 63 Stat. 708, 709, respectively) concern Congress' earlier action in creating the Norbeck Wildlife Preserve, an area encompassing a portion of the Black Hills National Forest and Custer State Park.

The Norbeck Wildlife Preserve was created for "the protection and propagation of wild game animals" due to the efforts of Peter Norbeck. Norbeck is a legend in his own right. As a former Governor of South Dakota and one of my predecessors here in the U.S. Senate, Norbeck made quite a reputation for himself as a conservationist. It is said he walked the area which became Custer State Park during his time as Governor. Later, a portion of that park and the Black Hills National Forest was set aside, under the leadership of the late South Dakota Senator Karl Mundt, as the Norbeck Wildlife Preserve.

The Black Elk Wilderness can be best envisioned as the "bull's eye" at the center of the Norbeck Wildlife Preserve. In this way, the memories of these two great South Dakotans—Norbeck and Black Elk—can be remembered by generations to come. As those generations ask "Who are this Norbeck and Black Elk" their quest for an answer to that question will help them uncover a rich heritage of their State. This is one of the reasons I would personally like to see this area receive this designation.

From an administrative standpoint, the alinement of my proposed bill with the earlier Norbeck Wildlife Preserve legislation will have the effect of allowing activities in the wilderness area for the protection and propagation of wild game animals residing there—primarily the Rocky Mountain goats and elk. The Forest Service has found about 1,000 acres scattered in three tracts which need some "biologic manipulation" to make it more satisfactory for habitat for these species. They would propose to use controlled or prescribed burning to achieve this objective. Such a technique would be allowed within the context of this legislation.

Mr. President, I would like to give over the rest of my introductory remarks to an explanation of why I would like to see this area designated the Black Elk Wilderness.

The playwright who has adapted John G. Neihardt's "Black Elk Speaks" gives this overall view of the importance of the area. Chris Sergle wrote me:

The Black Hills, Paha Sapa, are holy to the ten nations of the Sioux, the Cheyenne, the Arapaho and to many other Indian people. It was to those sacred hills that such leaders as Red Cloud, Sitting Bull, and Crazy Horse went many times to seek visions and to purify themselves. The Black Hills were also the sanctuary where warring tribes would meet in peace. And to Black Elk, the Ogalala holy man whose words and vision speak for all Native Americans, Harney Peak, the highest peak in the Black Hills, was the center of the world. Standing on Harney Peak in 1931 Black Elk's words, recorded by John G. Neihardt, were spoken to the sky:

"O six Powers of the World, hear me in my sorrow for I may never call again . . . O make my people live."

By designating the area around and including Harney Peak as "The Black Elk Wilderness" this holy man could, in a sense, continue to call again with his vision as to the meaning of life as it once was for the Indians and as it could be for all people.

These are Black Elk's words about the area, as recorded by John G. Neihardt—one of the Midwest's greatest historians, authors, and storytellers.

It seemed I reached the highest mountain in the Black Hills. Below I could see the whole wide circle of the day and it was green and beautiful. As I stood there, I saw more than I can tell and I understood more than I saw, for I was seeing in a sacred manner.

I saw that the second hoop of my people was one of many hoops that made one circle, and being endless, it was holy—with all powers becoming one power in the people without end.

It was a vision of all life that is holy and good to tell and of us two leggeds and the wings of the air and all green things, for these are the children of one mother which is the earth and one father which is the sky.

I was given a mission in the form of a bright red stick that by my power I must bring to life. I was to place it at the living center of the nation's hoop—and with it I should save my people. I was to make it grow into a shielding tree that would bloom, a mighty flowering tree to shelter the children, a tree to protect the people, to save us from the winds.

This "living center of the Nation's hoop" described by Black Elk, is Harney Peak in the Black Hills of South Dakota, and is in this context something much more than an interesting geologic formation at the heart of the Hills and the wilderness area my proposed bill would designate.

Chris Sergle went on to write to me:

The importance of this area to Native America was evidenced over a hundred years ago in the Treaty of 1868 which contained a clause relating to the Black Hills of overwhelming concern to Indians. It stated:

"No white person or persons shall be permitted to settle or occupy any portion of the territory without the consent of the Indians to pass through the same."

Another example of the reverence felt by Native Americans for this special area occurred after gold was discovered there and the government offered to buy back the Black Hills. The young military genius of the Ogalala, Crazy Horse, a relative of Black Elk, replied:

"One does not sell the earth upon which the People walk."

It would seem appropriate and sensitive to the people who lived here first if we could preserve this unique area as an ". . . earth upon which the People walk." Naming this wilderness for Black Elk would also seem appropriate and sensitive for Black Elk lived the experience of Native American people from a time before there were white people in his part of the world through the end of separate Indian independence in 1890 at the battle of Wounded Knee. His participation was immediate and personal. As a child he remembered his father being wounded in the "Fetterman Massacre" and the fear that followed as they fled.

He was present at the Battle of the Little Big Horn where Custer was killed. He is one of the few sources on the great Indian warrior, Crazy Horse, who he knew intimately and who was his second cousin. He was also present at Fort Robinson and saw the killing of Crazy Horse. He was involved in the Ghost Dance religion with its hope for an Indian messiah, and finally he was present and badly hurt at Wounded Knee, about which he spoke with such poignance . . .

"When I look back now from this high hill of my old age, I can still see the butchered women and children heaped and scattered all along the crooked gulch as plain as when I saw them with eyes still young. And I can see that something else died there in the bloody snow and was buried in the blizzard. It was my people's dream."

I will also add to this recounting of the life of Black Elk that he participated in the Wild West shows of Buffalo Bill Cody, traveling to England and meeting Queen Victoria. There is much, much more which I could say about Black Elk. However, his story is best told in his own words, as recorded by John G. Neihardt in Black Elk Speaks. Mr. Neihardt's daughter, Hilda Neihardt Petry, has written me about this designation, and I want to close my remarks with a story she tells about her encounter with this man:

You see, I was with my father, John Neihardt, when he spent that first summer with Black Elk at his Manderson, South Dakota, home. We lived and ate with the great holy man and his family and many of his friends, and they have remained like relatives to us. I recall that when Black Elk had been recounting his great vision, during which he was taken in spirit to the top of Harney Peak, he said: "I wish I could go to the top of Harney Peak again before I die."

"We'll go," my father replied, "as soon as we are finished with your story."

And go we did. Black Elk, his son Ben, my father, my sister and I drove in August 1931 from Manderson to Sylvan Lake, where we stayed overnight in a small cabin in that still most beautiful spot.

A spot, I might add, at which I chose to rejuvenate myself after the exertion of the primaries and Democratic Convention by which I was nominated as a candidate for the Presidency.

Early the next morning we set off for the Peak—a great adventure and something of a pilgrimage for us all, and particularly a meaningful event for Black Elk. On the way to the top, we stopped a few times so that Black Elk could rest. On one of these occasions, the old Sioux Holy Man remarked to my father, "If I have any power left, something should happen up there today." When questioned what he meant, he added: "There should be a little thunder and a little rain." You see, his power was the power of the West.

We finally reached the craggy top of Harney Peak and looked in wonder out over the panorama of unspoiled beauty below us.

Black Elk dressed himself as he was in his Vision, took his sacred pipe and, standing at one of the highest points on the rocky peak, faced the West and delivered his now world famous "Black Elk's Prayer." He spoke of the vision which had been given to him, of his people, the Sioux, and of all people.

"The Vision is true and beautiful, and is for all people," he said.

And as he spoke, what had been a clear and cloudless sky changed. Thin clouds came over the peak, and low, rumbling thunder was heard. . . . And a scant rain fell. Then the clouds left, and the day was once more bright and clear.

Mr. President, Black Elk's vision showed him the needs of his people and he was told by the "Grandfathers" what he should do for them. This great vision, as recounted in Neihardt's Black Elk Speaks, has captured the minds and hearts of people throughout this country and around the world. The beautiful prayer given by Black Elk on Harney Peak is an inspiration to many.

In short, it is not only important to preserve the area surrounding Harney Peak for generations to come so that they might enjoy a taste of wilderness, but it is historically, morally, and spiritually so very right that we do so. I hope my colleagues will concur.

ADDITIONAL COSPONSORS

S. 91

At the request of Mr. THURMOND, the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 91, a bill to amend title 10, United States Code, to remove certain inequities in the survivor benefit plan provided for under chapter 73 of such title, and for other purposes.

S. 1435

At the request of Mr. NELSON, the Senator from New York (Mr. MOYNIHAN), the Senator from Maryland (Mr. MATHIAS), the Senator from Connecticut (Mr. WEICKER), and the Senator from Hawaii (Mr. MATSUNAGA) were added as cosponsors of S. 1435, the Capital Cost Recovery Act of 1979.

S. 1576

At the request of Mr. JEPSEN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1576, a bill to amend the National Labor Relations Act to provide for a freedom of choice in labor relations for full-time and part-time secondary and college students by exempting them from compulsory union membership, and for other purposes.

S. 1577

At the request of Mr. JEPSEN, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 1577, a bill to preserve and protect the free choice of individual employees to form, join, or assist labor organizations, or to refrain from such activities.

S. 1598

At the request of Mr. NELSON, the Senator from New Hampshire (Mr. HUMPHREY), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Alaska (Mr. STEVENS), and the Senator from Wyoming (Mr. SIMPSON) were added as cosponsors of S. 1598, the State Social Security Deposit Act of 1979.

S. 1657

At the request of Mr. LEVIN, the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of S. 1657, a bill to amend title XVI of the Social Security Act to remove certain work disincentives, and for other purposes.

S. 1724

At the request of Mr. WILLIAMS, the Senator from West Virginia (Mr. RANDOLPH), the Senator from Rhode Island (Mr. PELL), and the Senator from Connecticut (Mr. WEICKER) were added as cosponsors of S. 1724, the Home Energy Assistance Act.

SENATE JOINT RESOLUTION 39

At the request of Mr. RANDOLPH, the Senator from Montana (Mr. MELCHER) was added as a cosponsor of Senate Joint Resolution 39, a joint resolution to establish the "National Employ the Older Worker Week."

SENATE JOINT RESOLUTION 103

At the request of Mr. THURMOND, the Senator from Wyoming (Mr. SIMPSON) was added as a cosponsor of Senate Joint Resolution 103, a joint resolution proposing an amendment to the Constitution of the United States with respect to the length of the term of Office of the President and Vice President and the number of terms a President may serve.

AMENDMENTS SUBMITTED FOR PRINTING

FEDERAL TRADE COMMISSION AUTHORIZATIONS—S. 1020

AMENDMENT NO. 439

(Ordered to be printed and to lie on the table.)

Mr. JEPSEN submitted an amendment intended to be proposed by him to S. 1020, a bill to authorize appropriations for the Federal Trade Commission.

WINDFALL PROFITS TAX—H.R. 3919

AMENDMENTS NOS. 440 THROUGH 442

(Ordered to be printed and referred to the Committee on Finance.)

Mr. BAYH (for himself and Mr. MCGOVERN) submitted three amendments intended to be proposed by them, jointly, to H.R. 3919, an act to impose a windfall profits tax on domestic crude oil.

● Mr. BAYH. Mr. President, I am today submitting along with my distinguished colleague from South Dakota, Mr. MCGOVERN, three printed amendments to H.R. 3191, the Windfall Profits Tax bill to promote the production and use of alcohol as a fuel.

S. 1200, ALCOHOL FUELS REGULATORY SIMPLIFICATION ACT

The first amendment embodies the text of S. 1200, the Alcohol Fuels Regulatory Simplification Act of 1979, which I introduced along with 20 of my colleagues earlier this year. This amendment would grant the Secretary of the Treasury the authority to waive unnecessary regulations and simplify others which presently govern the procedures one must follow to operate a still to produce gasohol.

This legislation was drafted by the Treasury Department in order to comply with instructions in the 1978 energy tax bill to reform procedures necessary to regulate alcohol production and to eliminate unnecessary paperwork and other requirements when alcohol is produced for use as a fuel. The Department's draft regulations divide alcohol manufacturers into three categories, based on size, with smaller manufacturers bearing a lighter regulatory burden than larger producers. Under the regulations, small producers would no longer face prohibitive barriers as, for example, the need to post a bond. Such requirements cause a hardship for small producers without the benefit of any advantages to the Government.

Passage of this provision will be especially helpful to those farmers who wish to produce alcohol on their own farms to meet their own energy needs. The Treasury Department is currently

issuing permits, under temporary and experimental authority, for such purposes. Just in the last few months, 32 of these permits have been issued in my State of Indiana, and another 29 are pending, attesting to interest in the rural community in this energy option.

Mr. President, the administration supports this legislation. I know of no reason why any question should arise over the amendment's merits. I hope the Finance Committee will see fit to adopt it as part of H.R. 3919.

S. 1736 EXCISE TAX REFUND

The second amendment I am proposing to H.R. 3919 embodies the text of S. 1746, which establishes a procedure to grant a refund or tax credit on excise taxes paid by gasohol marketers and retailers on gasoline.

The 1978 Energy Tax Act mandated that gasoline used to produce alcohol would be exempt from the 4 cents excise tax on gasoline. However, regulations pertaining to this exemption were not promulgated for several months and hence many people paid the tax needlessly, expecting to get a refund. The Treasury Department then realized that no authority or mechanism existed through which they could grant the refund. My amendment would allow those who paid the tax before the regulations were in effect, as well as those who will qualify for it in the future, to obtain a refund or a tax credit.

Again, Mr. President, I do not believe this legislation is controversial. It merely rebates tax payments to those deserving them under the 1978 Energy Tax Act.

PERMANENT EXEMPTION OF GASOHOL FROM FEDERAL EXCISE TAX

The third amendment I am proposing to H.R. 3919 would permanently exempt gasoline used to produce gasohol from the 4 cents Federal excise tax on gasoline.

Mr. President, the gasohol industry is an infant industry, just gaining its sea legs. Even though alcohol fuels gained national recognition and acceptance during World War II, the use of alcohol as a fuel entered a dormant stage until the last few years of periodic shortages and soaring prices. Currently, there is growing interest in investment in alcohol production facilities, but financing is difficult to obtain because of uncertainty about long-term Federal policy. Decisions made here in Washington intimately affect investors' willingness to risk capital and bankers' willingness to make loans.

This amendment would permanently extend the current 4 cents exemption from the Federal excise tax for gasohol in order to provide the certainty to the industry that Federal policy currently lacks. In order to finance alcohol facilities, investors must be able to obtain long-term loans from financial institutions. The competitive pricing incentive which gasohol currently enjoys through the excise tax exemption must be guaranteed to last for the duration of conventional loans. The current exemption extends to 1984. This amendment would extend the exemption indefinitely, with the caveat that the Treasury Department will report periodically to the Congress about the appropriate level for this subsidy. As alcohol production costs decrease, and crude oil prices increase, it should be possible to phase out the exemption with no detriment to those interested in initiating alcohol production. This extension was recommended by both the President, and the Department of Energy in its alcohol fuels policy review.

Another facet of this amendment, Mr. President, is to extend the excise tax exemption proportionately to various alcohol concentrations. Even though a 10-percent blend of alcohol and gasoline has been the norm, lower concentrations can be quite effective as high-octane blending components, while blends of up to 20 percent can easily be used without engine modifications. Thus, this amendment grants the incentive in proportion to the percentage of alcohol blended with gasoline.

For example, the exemption would be 4 cents if 10 percent alcohol is blended, 2 cents if 5 percent alcohol is present, or 8 cents if 20 percent alcohol is blended.

Mr. President, I recommend these amendments as a result of numerous conversations with individuals either engaged in alcohol production or marketing, or actively interested in becoming so engaged. These are not theoretical suggestions. They are practical solutions to real barriers being encountered by Americans determined to increase domestic energy production by harnessing our Nation's vast renewable resources. I urge their incorporation into H.R. 3919 by the Finance Committee.●

CHILD HEALTH ASSURANCE ACT—S. 1204

AMENDMENT NO. 443

(Ordered to be printed and to lie on the table).

Mr. JAVITS (for himself, Mr. MORGAN, Mr. BURDICK, Mr. COHEN, Mr. CRANSTON, Mr. DECONCINI, Mr. HEINZ, Mr. LEAHY, Mr. LEVIN, Mr. METZENBAUM, Mr. PELL, Mr. RANDOLPH, Mr. SARBANES, Mr. STAFFORD, and Mr. WILLIAMS) submitted an amendment intended to be proposed by them, jointly, to S. 1204, a bill to strengthen and improve medicaid services to low-income children and pregnant women, and for other purposes.

● Mr. JAVITS. Mr. President, I am submitting an amendment to S. 1204, the Child Health Assessment Act (CHAP), for myself and Senators MORGAN, BURDICK, COHEN, CRANSTON, DECONCINI, HEINZ, LEAHY, LEVIN, METZENBAUM, PELL, RANDOLPH, SARBANES, STAFFORD, and WILLIAMS.

This amendment will provide for the equitable treatment of low-income children screened and diagnosed as mentally ill by enabling them to seek and receive the necessary treatment. Without such amendment, we would have the unconscionable situation in CHAP where a child could be screened and diagnosed as mentally ill, but would not necessarily receive treatment for that diagnosed illness.

The early and periodic screening, diagnosis, and treatment program, part of medicaid since 1967, was intended to provide low-income children with quality diagnostic and treatment services for identified health and mental health problems. The program today, by the administration's own estimates, reaches only 30 percent of those currently eligible children. Moreover, 22 percent of those screened and found to be in need of treatment do not receive the kind of services required to ameliorate the physical or mental problems identified.

It has been widely recognized that the EPSDT program has not been working, that data are not available about the scope, quality, and extent of the treatment provided, that programs vary in quality from State to State based upon what is in the State plan. Indeed, even mandatory services are not necessarily being provided at the State level without the impetus of litigation.

The CHAP provisions before us today are a step toward improved services for physical health care, but do not take this step insofar as mental health services are concerned. The bill, as written, steps back from the limited effectiveness of EPSDT which, although not mandating Federal financial participation in the treatment of mental illness, did mandate referral for treatment services. As S. 1204 now reads, only treatment services presently available in the individual State's medicaid plan would be covered by CHAP. Although all other medical services are mandatory, mental health care is an option. As such, this exclusion would cast in medicaid law the first and only mandated exclusion by diagnostic category—explicit exclusion for the child diagnosed as mentally ill from receiving treatment mandated for all other medical conditions.

In fact, these children are being discriminated against twice—once by poverty, and again by the mental illness for which the child cannot receive treatment. To consider mental illness as a separate and distinct entity from the entire subject of health is to ignore the demonstrated relationship between mental and physical health. Children in need of mental health care often complain, or manifest physical symptoms. Where mental health services are unavailable, inappropriate and costly treatment of the physical symptoms is more likely. Moreover, evidence presented at a Senate Finance Committee hearing last year suggests that treatment for mental illness can actually reduce general health care costs, in one instance, by 30 percent.

The intent of the CHAP screening program is that early detection of health problems and early intervention of treatment regardless of initial cost outlays will yield future savings. It is reasonable to believe that this is as true for mental health care as it is for other services. In our future, healthier children will justify the expenditures that we make now.

The report of the President's Commission on Mental Health has identified mentally ill children as one of the four major groups which are unserved, under-

served, or inappropriately served within the mental health care system. It stated:

What we need is a more comprehensive and coordinated public and private strategy for financing mental health care services where payment is based upon the need for care, not diagnosis. . . .

S. 1204 as reported would perpetuate the current inequitable system which the PCMH urged be changed.

This amendment would remedy the discrimination against children diagnosed as mentally ill by mandating coverage of certain mental health treatment services on the same basis as other medical services are already mandatory in the bill. It would require the provision under CHAP of first, mental health treatment services in outpatient settings including ambulatory mental health centers meeting standards established by the Secretary; second, treatment for the child in general hospital settings; and third, emergency crisis intervention in psychiatric institutions. Further, the amendment would enable each eligible child and each State child health program to share for these mental health services the unique advantages of the child health assessment program, including the benefits in the Federal matching rate, performance standards for State programs, followup, and the mandatory provision of services without regard to limitations in amount, duration, and scope.

The Congressional Budget Office and the Department of Health, Education, and Welfare estimate that for 1981, the first full year of the program, the cost of the additional mental health services to be between $5.5 and $8 million and less than $1 million for the 3 months of program operation in 1980.

Such an amendment is prudent both in terms of meeting the treatment needs of the low-income mentally ill child and in terms of cost. Under the amendment, the overwhelming majority of children needing mental care can be treated on an outpatient, less costly basis. The small portion of children who require emergency inpatient attention could seek care in psychiatric hospitals—many of them offering specialized services for the child as well as the illness at a cost considerably lower than charges for general hospital care.

Finally, I believe that the amendment addresses the concerns of those who oppose expansion of mandatory mental health benefits—the concern that Federal dollars will be used to finance unaccepted fringe therapies, mind expanding treatment, or therapy which is accepted and appropriate for adults but not for children. The amendment protects against such practices by requiring the Secretary of the Department of Health, Education, and Welfare to exclude such mental health treatments.

As the Joint Commission on the Mental Health of Children pointed out:

If expenditures, both human and monetary, are not made, it will in the long run be more costly in terms of mental illness, human malfunctioning, and therefore under-productivity. In this aspect of our economy, we are far behind many countries which give highest priority to the proper shepherding of their most important resource, their children.

I urge my colleagues to support this amendment.

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

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

AMENDMENT NO. 443

On page 25, line 18, strike out through the comma on line 24 and insert in lieu thereof the following: "(other than (a) mental health services which the Secretary determines are not generally accepted by the mental health professions as appropriate modes of treatments for specific diagnosed nervous or mental disorders, (b) ambulatory mental health services provided in centers which are not funded under Community Mental Health Centers Act or centers which do not meet standards established by the Secretary by regulation, (c) inpatient mental health services provided by an accredited psychiatric institution or an institution for mental diseases, other than emergency crisis intervention provided in such an institution, (d) inpatient care in an intermediate care facility for the mentally retarded, and (e) dental care which is not routine dental care as defined in section 1905(o)),".●

● Mr. COHEN. Mr. President, I am pleased to join many of my colleagues in cosponsoring Senator JAVITS' amendment to the child health assessment program (CHAP). This amendment will assure that low-income medicaid-eligible children who are diagnosed as mentally ill are not denied treatment for such conditions under CHAP. Otherwise, I am afraid that the language in the bill, as reported from committee, will actually encourage those States which already require mental health services for children to cut back for lack of money in the face of other newly mandated services under the program.

A low-income child diagnosed as mentally ill stands little, if any, likelihood of receiving services without treatment costs being borne by medicaid. Poverty makes mental health care, and indeed physical health care, inaccessible. Even those costs, such as physicians' costs, which are covered under State plans for poor mentally ill children, contain restrictions in many States regarding scope, duration, and amount of services.

It has been demonstrated in a number of studies that treatment for mental illness reduces subsequent general health care costs by as much as 50 percent. In a Blue Cross of Western Pennsylvania study, it was shown that overall medical costs were reduced by 31 percent when mental health benefits were included in a health care plan. Such reduction was inclusive of the additional costs associated with mental health care. Further, a national study noted that over 90 percent of all children receiving mental health care were treated on a low-cost outpatient basis, and over 40 percent of such children were terminated from treatment within 12 visits. The costs associated with this amendment are small—$3.5 to $5.5 million—not only in actual terms of this bill, but when weighed against the savings to society throughout the lives of mentally ill children.

The President's Commission on Mental Health noted last year that children represent one of the four key categories of individuals who are unserved, underserved or inappropriately served by mental health services. The age discrimination report of the U.S. Commission on Civil Rights pointed out further that children are seriously ignored insofar as Federal health and mental health care programs are concerned. The CHAP legislation, without the benefit of the Javits amendment, would continue such a policy.

Mr. President, I have cosponsored important legislation to delete a provision in medicare law which discriminates against the mentally ill elderly. Frankly, I find it unconscionable that CHAP should be adopted with language which would put into medicaid law, for the first time, an explicit exclusion from treatment for the child diagnosed as mentally ill. Just as I cannot forget the plight of the mentally ill elderly, so too must I register concern about a provision which would worsen the condition of mentally ill, low-income children by denying them the right to treatment for that condition.

The Javits amendment would assure that all eligible children diagnosed as mentally ill would receive the necessary ambulatory and general hospital-based treatment to permit them to grow, learn and mature without the stigma of mental illness. I urge my colleagues to give heed and to support this amendment.●

● Mr. DECONCINI. Mr. President, I am pleased to consponsor Senator JAVITS' amendment to S. 1204, the child health assessment program. This amendment will assure that low-income medicaid-eligible children who are diagnosed as mentally ill are not denied treatment for such conditions under the child health assessment program which, if passed, will supplant the EPSDT medicaid program.

Without the Javits amendment, the legislation will single out mental illness for discriminatory, second-class coverage under medicaid. Mental health care for a low-income child diagnosed as mentally ill would remain an option for those States which have not included such under their State medicaid plan. The Javits amendment would assure that all eligible children diagnosed as mentally ill receive the necessary ambulatory and hospital-based treatment to permit them to grow, learn, and mature without the stigma of mental illness.

The House Commerce Health Subcommittee adopted CHAP program will expand services to 13.5 million low-income children now eligible for EPSDT and bring an additional 2 million children into that program. The Javits amendment, costing $3.5 to $8 million will assure that among those 15.5 million children, those in need of treatment for nervous, mental, or emotional disorders, receive the same range of treatment opportunities as provided to those children with physical ailments. The $3.5 million, which HEW has estimated that the amendment will cost, will eliminate arbitrary limits now imposed on the amount, duration, and scope of services provided by physicians in the care of mental illness. Further, the amend-

ment will permit full reimbursement to clinics which provide mental health treatment services to CHAP-eligible children diagnosed as mentally ill and also assure provision of emergency crisis intervention in accredited psychiatric hospitals.

To diagnose and treat mental and emotional illness among children, thus, are the first lines of prevention. Experience indicates that the failure to do so has already had severe consequences and will continue to have a profound effect in future years. On the other hand, if mental and emotional illnesses are attended to as closely as possible to the time of their inception, the result will be more normal development throughout childhood, and later entry into society as productive adults.

As pointed out by the Joint Commission on Mental Health of Children the effect of untreated mental illness is felt by many others beyond the child so diagnosed. They stated:

> It should be borne in mind that for every child who has a severe mental health problem, many more are affected—those who are in association with him in his neighborhood, in his school, and especially within his family. If only families are considered, one could estimate that at least three or four other people—parents and brothers and sisters—are intimately and deeply affected by a child's mental illness or serious emotional disorder.

Thus, the amendment which I am proud to cosponsor today, will benefit not only the child diagnosed as mentally ill, but will assure that his or her family, too, is safeguarded from the effects of mental illness—the pressures of which can divide families, irreparably scar its members, and destroy perhaps the most vital institution in our society.

I urge my colleagues to support this amendment.●

● Mr. RANDOLPH. Mr. President, I join my colleagues in cosponsoring an amendment to the child health assessment program, S. 104, to provide treatment for low-income children diagnosed as mentally ill under the CHAP program. This program will replace the early and periodic screening, diagnosis, and treatment program which has been part of medicaid since 1967. The EPSDT program has been fraught with problems almost since its implementation. CHAP generally spells a progressive step toward quality preventive health care and early intervention in identified health problems among our low-income child and youth populations. The amendment I am cosponsoring will assure that the mentally ill child can receive the full benefit of the advantages offered by CHAP.

As the chairman of the Subcommittee on the handicapped, I am particularly sensitive to the plight of the mentally ill. Indeed, in the Vocational Rehabilitation Act amendments, I have specifically included the mentally ill as a population in need of services—both social and medical. That bill was signed into law last year. Section 504 of that act provides for assurances that the mentally ill and other handicapped persons are not the subject of discrimination in Federal programs—and CHAP is one of those Federal programs.

My efforts and those of my colleagues, and the President's Commission on Mental Health, have been to bring these individuals into the mainstream of American life and productivity. If this amendment is not adopted, those low-income children diagnosed under CHAP as mentally ill, and then left untreated, will not be able to share in that effort. Moreover, adoption of this amendment will assure that CHAP does not violate section 504. The amendment will assure against per se discrimination against the mentally ill child, diagnosed but unable to receive treatment for his or her illness.

Our work with the handicapped has convinced me that the quality of life and productivity are paramount to assure that a person is a growing, contributing member of society. A low-income child is handicapped initially by income. A mentally ill, low-income child is handicapped yet again by the stigma of mental illness. That child can only be handicapped further by denying him or her the treatment for that illness because it is an illness of the mind and not the body.

CHAP, without the Javits amendment, will handicap that child in that third way. This proposal, however, takes the progressive step recommended by the President's Commission on Mental Health, and assures treatment for all eligible children diagnosed as mentally ill under CHAP. It ends the discrimination which now exists under EPSDT and assures that a similar discrimination is not cast into law under CHAP.

I have long fought against the second-class citizenship to which the handicapped have often been relegated. This amendment seeks to continue that fight for the mentally ill. I hope there will be support for this amendment.●

SECOND CONCURRENT BUDGET RESOLUTION—SENATE CONCURRENT RESOLUTION 36

AMENDMENT NO. 444

(Ordered to be printed and to lie on the table.)

Mr. PRESSLER submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 36, a concurrent resolution revising the congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982.

● Mr. PRESSLER. Mr. President, I am submitting today an amendment to the second concurrent budget resolution for fiscal year 1980. The purpose of this amendment would be to increase the funds available in the area of energy expenditures—function 270—for research, development, and production incentives programs for the production of fuel, ethanol, or gasohol. This amendment would raise outlays for 1980, 1981, and 1982, as they relate to energy, by 2 percent in order to achieve this objective, with appropriate adjustments in the budget authority figures. This would permit the availability of $140 million for this purpose in 1980.

Mr. President, the current energy shortage should make us all realize that our energy supplies, at current consumption levels, will be short lived. It is time to shift the emphasis from the importation of oil to the research and development of alternate sources of energy.

One of the most promising of these new sources is gasohol. Unfortunately, aside from a lot of talk, not much has been done to further the prospective use of gasohol.

The Department of Energy, in its Alcohol Fuels Policy Review report, recently endorsed the long-term use of gasohol. The Department determined that 9 percent of U.S. gasoline consumption could be replaced by gasohol, that gasohol could help alleviate shortages of unleaded gasoline, and that increased gasohol consumption could reduce our dependency on foreign oil.

There are several bills presently before Congress which propose to spend billions of tax dollars in subsidies for the development and application of exotic synfuels technology, including technology for the exploitation of shale oil, coal gasification, and coal liquefaction.

I support these other efforts to achieve less dependence on foreign petroleum sources.

However, we should avoid being penny-wise and pound-foolish. We must recognize that gasohol technology is tangible. It has been available for decades and, with today's high petroleum prices, it is the most nearly economically feasible synfuels technology being discussed today.

My amendment does not increase the fiscal year 1980 deficit as proposed in the original Budget Committee second budget resolution.

This small (2 percent) increase in expenditures would be funded, as appropriately it should be, out of revenues generated by proposed additional taxes on the escalating profits which will result from phased decontrol of petroleum prices.

Frankly, I do not like to see the Federal Government immerse itself any more deeply than it must in the affairs of private enterprise. But, I believe that our extensive dependence on foreign oil supplies creates a situation in which the national interest requires a greater intervention in the Nation's energy market.

This intervention must be carefully constrained to avoid destroying the incentives of producers of oil. It must be designed to be phased out as soon as the users of new and renewable energy technologies, such as gasohol, are able to stand on their own two feet—free of any subsidy whatsoever.

Thus, my amendment would assume a small, 0.0272 percent increase in the revenues to be anticipated from the so-called windfall energy profits tax in 1980.

I would prefer a better mechanism than the budget resolution to make my stand for a strengthening of Federal gasohol incentives. I would prefer not to use this vehicle to increase energy taxes. However, it seems to me that the assumption of higher, rather than lower revenues from that new tax initiative is fiscally sound thinking. We all know that the current relative hiatus in energy prices at the gas pump will not last much

longer—not with rampaging 13 percent inflation.

At best the revenue projections in the budget resolution are assumptions—sophisticated guesses, and I respect those advisors whose assumptions are in the committee bill. My amendment assumes a 0.0272-percent change in the total revenue assumption for fiscal year 1980 in section 1 of the budget resolution. That is an infinitesimal variation in the total revenue projection.

My approach is fiscally responsible. Surely, with rampaging inflation the assumption of a 0.0272 percent (two hundred and seventy-two hundredths of 1 percent) larger revenue total is extremely reasonable.

It is particularly frustrating, Mr. President, that although alcohol fuel production technology has been available for decades, alcohol production from renewable sources—grain, wood, sugar—to name a few, has hardly been utilized.

The use of alcohol as a fuel additive is not some new technology we have just recently discovered, but was quite common practice in many parts of the world in the 1930's where petroleum was in short supply. During World War II, this practice continued and even expanded, as the disruption caused by the war led to gasoline shortages around the world. Not only alcohol, but other substances such as wood, charcoal, and cow manure were used in many areas. Germany, which was in particular need of fuel for its war machine, developed a means for large scale production of gasoline in this manner. In the late 1940's these practices were stopped in favor of gasoline produced from crude oil. Neither alcohol, nor any other alternative fuels could economically compete with the cheap readily available flood of crude oil that entered the world market at that time.

As we all know, crude oil is no longer cheap and availability is even becoming questionable. With every meeting of the OPEC nations the price of crude oil rises and our economy sinks. It is time we end this strangle hold the OPEC nations have on the American economy. With the economics of alcohol-blended fuel coming of age, it is our chance to become less dependent on imported oil and in the process create a new industry at home.

The Department of Energy recently published a report entitled "Alcohol Fuels Policy Review." It stated that alcohol fuels, both ethanol and methanol, can contribute to U.S. energy resources by using domestic, renewable resources, and coal to extend supplies of high-quality liquid fuels. Most importantly, Mr. President, the report stated that—

> Ethanol is the only alternative fuel commercially available now, and the only one likely to be available in quantity before 1985.

The report also indicates that our national energy needs must be met by actively conserving and aggressively developing contributions from a large number of energy supplies. Alcohol fuels represent important supplies based on the American agricultural system (in which my State plays an important role) and on the potential of U.S. coal. More widespread development and use of alcohol fuels, derived from renewable resources, could help moderate current pressures on U.S. oil supplies.

It is, Mr. President, because of my concern that little is being done by the Government to further the use of fuel ethanol and gasohol, that I offer this amendment.

Mr. President, I urge my colleagues to accept this challenge to commit themselves to this gasohol initiative. My challenge is made in the most constructive way possible, without prejudice to either other synfuels alternatives or to the Budget Committee's efforts to keep the fiscal year 1980 deficit below $28.5 billion.

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

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

On p. 2 line 5, strike $514,700,000,000 and insert in lieu thereof $514,840,000,000.

On p. 2 line 6, strike $603,600,000,000 and insert in lieu thereof $603,752,000,000.

On p. 2 line 7, strike $658,400,000,000 and insert in lieu thereof $658,590,000,000.

On p. 2 line 11, strike $2,000,000,000 and insert in lieu thereof $2,140,000,000.

On p. 2 line 12, strike $9,700,000,000 and insert in lieu thereof $9,852,000,000.

On p. 2 line 13, strike $38,700,000,000 and insert in lieu thereof $38,510,000,000.

On p. 2 line 16, strike $632,200,000,000 and insert in lieu thereof $632,340,000,000.

On p. 2 line 17, strike $649,200,000,000 and insert in lieu thereof $649,352,000,000.

On p. 2 line 18, strike $722,500,000,000 and insert in lieu thereof $722,690,000,000.

On p. 2 line 21, strike $542,700,000,000 and insert in lieu thereof $542,840,000,000.

On p. 2 line 22, strike $588,600,000,000 and insert in lieu thereof $588,752,000,000.

On p. 2 line 23 strike $632,800,000,000 and insert in lieu thereof $632,990,000,000.

On p. 5 line 10, strike $41,000,000,000 and insert in lieu thereof $41,140,000,000.

On p. 5 line 11, strike $7,000,000,000 and insert in lieu thereof $7,140,000,000.

On p. 5 line 13, strike $4,700,000,000 and insert in lieu thereof $4,852,000,000.

On p. 5 line 14, strike $7,600,000,000 and insert in lieu thereof $7,752,000,000.

On p. 5 line 16, strike $24,200,000,000 and insert in lieu thereof $24,390,000,000.

On p. 5 line 17, strike $9,500,000,000 and insert in lieu thereof $9,690,000,000.●

AMENDMENT NO. 445

(Ordered to be printed.)

Mr. ROTH (for himself, Mr. DANFORTH, Mr. HATCH, Mr. BOSCHWITZ, and Mr. ARMSTRONG) proposed an amendment to Senate Concurrent Resolution 36, supra.

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

○ Mr. NELSON. Mr. President, I wish to announce that the Select Committee on Small Business has scheduled hearings to evaluate the impact of commercial credit reporting on small businesses.

The hearings will commence at 9:30 a.m. on each of the mornings of October 31, 1979, and November 1, 1979. Further information can be obtained from the committee's offices, room 424D, Russell Senate Office Building, Washington, D.C. 20510, Telephone 202-224-8497.●

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

○ Mr. JACKSON. Mr. President, I would like to announce for the Senate and the public that the hearing scheduled before the Subcommittee on Energy Research and Development of the Committee on Energy and Natural Resources on S. 1420 and S. 475, legislation authorizing construction of hydroelectric powerplants at various existing water projects has changed its time. The subcommittee hearing will begin at 10 a.m. instead of 9:30 a.m. as presently scheduled.

The hearing is scheduled for Friday, September 21, in room 3110 of the Dirksen Senate Office Building.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Energy and Natural Resources Committee be authorized to meet during the session of the Senate today to consider the Energy Mobilization Board legislation.

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

ADDITIONAL STATEMENTS

THE CONSTITUTION AND THE POPE'S VISIT

○ Mr. BAYH. Mr. President, as we all know Pope John Paul II is scheduled to visit the United States in several weeks. He intends to stop in several cities and will, over the course of his tour, celebrate Mass in Boston, Philadelphia, Chicago, and Washington.

I have been somewhat disturbed, Mr. President, over reports I have seen in the press recently concerning the growing controversy in several of these cities over the use of public money to pay for the costs of handling the huge crowds expected to attend these services and otherwise facilitating the Pope's visit. There are those who are contending that the use of such moneys would be a violation of the first amendment. As chairman of the Subcommittee on the Constitution I have had the occasion many times over the past few years to study the first amendment and its principle of separation of church and state. I heartily endorse this constitutional precept and I believe the troubled history of these countries which have attempted to place a governmental sanction on a particular religious belief have borne out the wisdom of the founders in incorporating this prohibition in our basic law.

Mr. President, my study of the first amendment has also led me to another conclusion that the separation of church and state is designed as a shield against undue interference, not as a sword to harass and unnecessarily complicate events such as the Pope's journey in this country. It would certainly be ironic, as well as tragic, if the man who drew millions to religious services in Communist dominated Poland would face less cooperation from the U.S. Government in his travels in America. Every day in this country demonstrations and

huge gatherings are held by a variety of persons expressing their feelings on a wide range of issues from nuclear energy to farm prices. Each one of these functions is a properly protected activity under the Constitution and each one necessitates the expenditure of public funds for the health and safety of those participating. Certainly, we should be able to support and assist the journey of the Pope if we are able to do the same for these other activities.

Mr. President, I recently visited Pope John Paul II in the Vatican. Anyone who has done so cannot help but be impressed with the fact that this man is truly an international figure of enormous influence. He is a potential force for good and reason in a world which sorely needs those qualities. It would be a sad day if the Pope's visit to this country was marred by a needless and divisive controversy.

Mr. President, the Constitution has no quarrel with the Pope and I would hope that we will welcome this man in the spirit of friendship and peace with which he comes to this country. At this point I would like to have printed in the RECORD an editorial which appeared in Sunday's Washington Post on this subject.

The editorial follows:

PAYING FOR THE PAPAL VISIT

No one knows how much Pope John Paul II's week-long U.S. visit will end up costing—or even how to calculate the cost. But already who picks up the tab has become a subject of considerable unnecessary controversy in three cities. Some religious and civil-liberties groups in Philadelphia and Boston are challenging—or nit-picking—proposals by governments in these cities to spend public money on facilities connected with outdoor papal masses; and in New York, local and Roman Catholic officials have been locked in negotiations over who will pay for what.

But by and large, here in Washington and in Chicago and Des Moines, these details are being handled as they should be: without making a separation-of-church-and-state issue out of the logistics. Spending by a city for the smoothest and safest handling of a major event is a legitimate secular municipal function. Even a spokesman for Americans United for Separation of Church and State has agreed that there is nothing wrong with using public money for cleanup, police overtime, police protection and traffic control.

Playing host to world figures and huge turnouts is indeed expensive, as District officials regularly remind us when they are haggling with Congress for more federal help with the bills. Still, here in the capital, whether it is the pope, angry American farmers, anti-war demonstrators or civil-rights marchers, public spending for special services is considered normal and essential. Much of the hair-spliting in other cities over the papal-visit expenses has to do with whether public money should pay for platforms from which the pope will celebrate outdoor masses. That's a long reach for a constitutional controversy, and not worth it.

Far better is the kind of cooperation that separate church and state groups here are demonstrating in their planning. For example, there will be a chainlink fence surrounding the stage and altar from which the pope will say the mass on the Mall and extending to other nearby areas. The police recommended the fence, estimated to cost about $25,000; the church has agreed to pay for the portion around the stage and altar. To help clean up, the church plans to produce hundreds of Scouts on the Monday holiday for volunteer duty. This approach to the visit is a lot more sensible—and helpful to all taxpayers—than a drawn-out argument and threats of legal action.

TIMES FOR ENDING "TAXFLATION"

● Mr. DOLE. Mr. President, over the past few weeks, I have been calling to the attention of my colleagues the need for legislation which would eliminate automatic tax increases caused by inflation. The legislation which would accomplish this goal is the Tax Equalization Act, S. 112. I have introduced S. 112 to eliminate "taxflation," which results when inflated incomes push people into higher tax brackets even though their real income has not grown. Our citizens automatically pay higher tax rates if they just keep up with inflation.

The Senator from Kansas believes that the Tax Equalization Act is urgently needed. The public is becoming very much aware of the fact that, when Government passes a tax cut, it is just agreeing to forgo an automatic tax increase from inflation. Most tax cuts do no more than permit taxpayers to pay a stable tax rate. But over the years periodic tax cuts do not protect most taxpayers from inflation, and their effective tax rates rise.

The evidence of growing public concern over taxflation continues to mount. Last Friday the New York Times published an editorial endorsing indexing as the most equitable kind of tax relief that Congress could provide. Acknowledging that periodic tax cuts cannot compensate for pushing taxpayers into higher brackets, the Times concluded that indexing the income tax for inflation is essential to help taxpayers to cope with doube-digit inflation. Fair tax treatment by the Government will also reduce the incentive for tax cheating.

The New York Times endorsement of indexing is most welcome, and it should help convince the remaining skeptics that taxflation is an extremely serious issue which will not go away. However, there are some grounds for disappointment in the approach taken by the Times editorial. The Times characterized indexing the income tax as a way to effect a tax cut. If tax cuts are to be made as an economic stimulus, says the Times, then those cuts should be made in the most equitable manner possible—through indexing. I agree with that. But it is important that we call things by their proper names, and it is wrong to term indexing a form of tax cut. It is a tax reform.

The Government has an obligation to set stable and equitable tax rates geared to real income. If Congress indexes taxes, it simply agrees to forgo an automatic, unlegislated tax increase which would otherwise occur because of inflation. This is not a tax cut; it is a return to tax equity and fundamental fairness for our citizens.

Mr. President, it is heartening to see that the New York Times has made public its support for putting a halt to taxflation. The Senator from Kansas recommends that the editors of the Times look at the Tax Equalization Act, which will achieve the goal they have endorsed. The role of the Times in setting the terms of public discourse and highlighting issues of public concern is extremely important. For this reason, I trust that the editors of the Times, as they continue to bring this issue to the public's attention, will acknowledge that eliminating taxflation is an essential tax reform and not just another tax cut. The way we say things can make a difference.●

COMPREHENSIVE ENERGY CONSERVATION SERVICES ACT OF 1979

● Mr. RIEGLE. Mr. President, on September 7, 1979, Senator NELSON, Senator KENNEDY, and I introduced the Comprehensive Energy Conservation Services Act of 1979. As an original cosponsor of this legislation, I would like to take this opportunity to urge my colleagues to join in support of this vitally important measure.

The Comprehensive Energy Conservation Services Act, S. 1725, is designed to assist low-income Americans in meeting the rising costs of fuel during the coming months and years and in increasing the energy-efficiency of their homes. The spectacular rise in energy costs over the last several years is taking an ever more serious toll on low-income citizens. In 1978, the average median income American family spent 10.4 percent of its budget on direct household expenditures for energy. That same year, low-income families spent 24.3 percent of their income for energy—almost one quarter of their total available income. If energy prices rise by 50 percent this year—as has been projected—the percentage of a low-income family's budget spent for energy could climb as high as 50 percent.

These figures give graphic evidence of the mounting crisis faced by poor and near-poor Americans across the Nation as a result of rising energy costs. As sobering as these figures are, however, they mask regional differences in the northern tier of the country, where energy costs during the coldest months of this winter could consume 80 percent or more of a poor household's monthly income.

Low-income households generally use less energy per capita than the rest of the nation and have reduced their energy consumption to the extent that the conditions of their homes and resources permit. But low-income families, because their homes are generally older, not energy-efficient and frequently in need of repair, have little further ability to conserve without outside assistance.

Skyrocketing fuel costs have hit aging Americans with particularly cruel force. Fourteen percent of America's senior citizens live below the poverty line. These older Americans have no room in their already inadequate budgets to pay for higher fuel costs. For many, the choice this winter will be a particularly harsh one—a choice between food and fuel, between health care and heat. I realize

that these words paint a stark picture, but they do not exaggerate the circumstances in which many older persons will find themselves this winter.

The plight of low income senior citizens is further exacerbated by the fact that older persons are more likely than the rest of the population to live in older homes, in single-family dwellings and in homes which are not energy-efficient. In addition, aging persons—and particularly the very old—are at far greater risk than younger people for hypothermia, a condition in which excessive cold leads to a progressive fall in body temperature and the collapse of the cardiovascular system. In testimony before the Special Committee on Aging on April 5, 1977, Dr. Robert Butler, director of the National Institute on Aging, noted that "the special susceptibility of older people to the cold may cause them to die of hypothermia in mild weather. Some older people cannot maintain their body heat at temperatures commonplace in many homes." For such individuals, even a home heated to the temperature of 70 degrees may pose a threat to health and even life.

The legislation we have introduced offers a comprehensive approach to these problems. S. 1725 would establish a state-administered program of energy assistance and crisis intervention for low income households, whose purpose is to offset the increasing costs of energy for poor and near-poor Americans and to provide emergency aid whenever there is a shortage of energy supply or severe weather conditions. Individuals and families with incomes not greater than 85 percent of the Bureau of Labor Statistics lower living level (presently $9,814 for a family of four) would be eligible for assistance under this program.

To aid in energy conservation, the bill makes Federal financial assistance available to States to operate weatherization programs. Funds provided under the weatherization program could be used for both material costs and labor costs. To the extent feasible, weatherization workers would be employed under the Comprehensive Employment and Training Act (CETA), with an emphasis on unemployed and in-school youth from families with incomes below 100 percent of the Bureau of Labor Statistics lower living level (presently an average of $11,546 for a family of four).

The bill would also establish an energy conservation and outreach program designed to assist low-income households in learning of available assistance and an energy conservation research, demonstration, and pilot project authority to promote innovative approaches to energy savings.

The Comprehensive Energy Conservation Services Act of 1979 provides a far-reaching and comprehensive approach which can form the cornerstone of a more adequate national policy on energy assistance and conservation for low-income citizens. It is one of several measures which have been introduced in the Senate this year to alleviate the crushing burden of rising energy costs on poor and near-poor Americans. I commend Senator NELSON for his leadership in this area, as well as Senators WILLIAMS, JAVITS, and others who have taken the initiative in developing energy assistance legislation. I look forward to working with them and the rest of my colleagues in the Senate in seeing that this vitally needed legislation is enacted into law as rapidly as possible.●

SANTA CLARA UNIFIED HIGH SCHOOL DISTRICT AND POLICE OFFICERS ASSOCIATION FOOTBALL GAME

● Mr. HAYAKAWA. Mr. President, I would like to commend the Santa Clara Unified High School District and the Santa Clara Police Officers Association, both of California, for their efforts in organizing a benefit football game to be held September 22, 1979.

This benefit game is an important event designed for the purpose of aiding the athletic department's budget within the Santa Clara Unified School District. This benefit is also for the purpose of promoting athletics and youth involvement, as well as developing good community relationships with the police department and the citizens of the city of Santa Clara.

The team members are police officers from the city of Santa Clara, with opposing team members comprised of graduates from four high schools who represent the All Stars. The high schools involved are Buchser, Peterson, Santa Clara, and Wilcox.

I applaud my Santa Clara constituents for devoting their time and attention to promoting good community relationships through youth involvement.●

AMERICAN VETERANS COMMITTEE'S VETERANS AFFAIRS PLATFORM

● Mr. CRANSTON. Mr. President, as chairman of the Committee on Veterans' Affairs, I have recently received the American Veterans Committee's veterans affairs platform which was adopted by that organization at its convention in June of this year. The AVC's veterans affairs platform sets forth views and recommendations on a wide variety of issues related to veterans and veterans' benefits.

Mr. President, so that all Senators and the public may be made aware of AVC's views, I ask that there be printed in the RECORD the text of that organization's platform as it concerns veterans issues.

The text follows:

AMERICAN VETERANS COMMITTEE PLATFORM 1979–80

The American Veterans Committee has constantly reiterated, since its founding, its fundamental belief that rehabilitation and integration of veterans into the community is the proper scope and purpose of a veterans program. The achievement of economic security for veterans through sound economic planning for all citizens rather than through special grants or favors to veterans is basic AVC policy.

(1) Compensation

For many years, AVC has pointed out the need for a thorough review and reappraisal of this Nation's policies on veterans as follows:

1. We oppose bonuses and general pensions as being class legislation and unrelated to the real needs of individual veterans and tending to set veterans apart from their fellow citizens.

In the matter of benefits, two basic standards should be applied:

(a) For death or disability incurred in military service: Are the benefits sufficient to provide a decent standard of living for the veteran, his family or survivors?

(b) For all veterans: Are the benefits so designated as to enable a readjustment from military service to civilian life with a minimum of economic loss?

Since benefits are a Federal responsibility, uniform standards of administration and compensation should be applied nationally without regard to race, creed, color, sex, national origin, handicap, age or religion.

(2) Benefit Dollar

AVC believes that provision should be made to maintain automatically the purchasing power of the benefit dollar and upward adjustments be made annually in accordance with the Bureau of Labor Statistics Consumer Price Index.

(3) Civil Service

AVC believes that veterans point preference in the civil service for non-disabled veterans should be limited to the initial appointment only, and that no person should receive a position unless fully qualified to perform the duties involved.

(4) G.I. Bill

AVC applauds the passage of a permanent G.I. Bill of Rights as a responsible means of enabling servicemen and women to return to civilian life with facility and ease at the end of their service and become useful and productive members of their communities. We also applaud the recent passage of legislation improving the benefits provided through the G.I. Bill of Rights.

However, we feel that benefits are not yet in line with the World War II and Korean War G.I. Bills and the current cost of living. Unfortunately, many existing programs remain unavailable to veterans because of the financial stress they now entail, or are available only at great sacrifice. This is particularly true in the area of educational programs.

AVC urges the Congress to further adjust benefits to match current costs of living and education.

The G.I. Bill of Rights should be administered in such manner as to guarantee the absence of discrimination.

AVC believes that experience has shown that the federal funds used to pay educational benefits for veterans have been repaid to the Treasury many times over in the form or higher income taxes collected from those whose education, financed by the GI Bill, has resulted in higher earnings. In addition, AVC believes that, as an incentive to enlistment in a volunteer army, educational benefits are, in the long run, better both for the individual and for society than the same sum used directly to increase military pay. For the foregoing reasons, among others, AVC urges the continuation or reinstatement of in-service and post-service educational benefits.

(5) VA Hospital

AVC believes that recent commitments within the Veterans Administration suggest a trend to upgrade and improve the VA hospital system, with particular emphasis on the following matters:

Quality and efficiency of in-patient care and services. AVC will continue to monitor these trends for specific accomplishments.

AVC urges that treatment of non-service-connected disabilities in VA hospitals be continued on a space-available basis, but that such treatment be charged at the full cost, if a patient has the means to pay for such serv-

ice; certificates that a veteran is unable to pay should be investigated thoroughly to determine the true ability to meet the cost of hospitalization. Further that terms of coverage of all prepaid medical associations, plans and companies should be amended by action of the legislatures, supervisory bodies or membership, so as to provide payment to VA hospitals for non-service-connected treatment on the same basis as payment to private voluntary and public hospitals.

RESOLUTION: ADMINISTRATIVE DISCHARGES

(a) AVC is gravely concerned for the thousands of ex-servicemen who have been and who continue to be returned to civilian life, stigmatized by less than honorable discharges.

(b) AVC believes that a study should be conducted to determine whether the present discharge categories (Honorable, General, Other-Than-Honorable, Bad Conduct and Dishonorable) should be retained.

(c) AVC strongly believes that enlistees who turn out, because of poor selection by recruiters or because they have qualities and attributes which the recruiters did not observe, or who, during the first three months of active service, are deemed by the military service concerned not to have the qualities which will enable them to pursue a successful military career, should be separated from the service in a manner which will not cause the individuals concerned any future difficulties. To that end, the services should develop procedures which will enable them to void enlistments retroactively; the individuals concerned should be given Honorable Discharges unless such individuals are tried by Courts-Martial.

(d) So long as the current system continues, AVC strongly urges that before an individual is given a Discharge under Other Than Honorable conditions, he be given full legal assistance, including, if the individual desires it, civilian counsel, and complete constitutional protection.

(e) AVC believes that the General Discharge Under Honorable Conditions should be classified as the mildest form of punitive discharge, not to be awarded except after hearing, rather than as an alternative form of Honorable Discharge, within the discretion of the authority responsible for discharging the individual concerned. The Department of Defense's contention that the possession of a General Discharge does not handicap an individual has not been borne out by the facts.

(f) A veteran who had been awarded a General Discharge under Honorable Conditions without a hearing should be granted an Honorable Discharge upon application unless the government can show good cause for the General Discharge.

(g) AVC urges DOD to adopt regulations and policies and, if necessary to seek legislation, to strengthen and improve the Discharge Review Boards and the Boards for Correction of Military Records, which changes should be directed toward simplifying and expediting the review process. Among the changes suggested are: Members of the Discharge Review Board and Boards for Correction of Military Records should be knowledgeable of the military system and independent of higher authority. Also, Discharge Review Board hearings should be held, even in Washington, D.C., outside military installations.

(h) Under current law, ex-servicemen who have obtained Honorable or General Discharges are eligible for all VA benefits, and those who have obtained Dishonorable Discharges are not so eligible. Those who have obtained Undesirable or Bad Conduct Discharges, or Discharges under Other Than Honorable Conditions may or may not obtain such benefits, depending upon an administrative decision by the VA. AVC has found that the Veterans Administration has exercised its discretion through regulations which widen the grounds on which to deny benefits in an exceedingly restrictive manner, thus depriving many ex-servicemen of benefits for which they would otherwise be eligible. AVC calls for VA to change its regulations and apply greater understanding and compassion by those charged with exercising the Administrator's discretion, and for interpretations which will exclude only the most heinous cases from veterans benefits. If the VA persists in its present practices, then AVC calls for corrective Congressional acts to redefine the VA's discretionary powers.

RESOLUTION: NAMING OF VA HOSPITAL

AVC supports legislation to rename the VA Hospital in Jackson, Mississippi as the Medgar Evers Hospital.

RESOLUTION: BETTER COORDINATION BETWEEN THE VA AND OTHER GOVERNMENT HOSPITAL SYSTEMS

The United States Government currently operates six separate hospital systems: Army, Navy and Air Force (operated by Department of Defense), Public Health Service and Indian (operated by DHEW) and the Veterans Administration.

AVC has a long history of favoring rationalization of government processes. AVC believes that federal decisions to build hospitals, to open and close its hospitals, and to set up specialized medical, surgical and psychiatric programs should not be made system-by-system. While we do not, at present, insist on unifying all hospital systems, there should be comprehensive planning and, much more cross-utilization and rationalization.

In addition we ask that the secretaries responsible for these systems undertake studies on the feasibility of contracting with civilian hospitals for services to selected beneficiaries.

RESOLUTION: VIETNAM ERA VETERANS

AVC urges the Federal government to provide the Vietnam era veteran a significant role in the planning and implementation of all programs, policies and agency actions affecting the Vietnam era veteran.

While AVC is encouraged that a Vietnam era veteran has been appointed VA Administrator, we urge that meeting the problems of the Vietnam era should be made a top priority of this Administration so that those individuals who served their country in an unpopular war can take their rightful places in society.

RESOLUTION: VETERANS GROUP LIFE INSURANCE

Whereas, Veterans Group Life Insurance created by Public Law 93-289 is a 5-year, non-refundable term insurance program which is non-renewable and has no cash value and,

Whereas, VGLI is available only to veterans who were separated or released from service on or after April 3, 1970 and before August 1, 1974 and is not applicable to Vietnam Era Veterans released during the period 1963-1970 which includes years in which some of the heaviest conflicts occurred, and,

Whereas, the insurance programs provided to veterans of earlier conflicts provided conversion to permanent plan insurance,

Be it Resolved that AVC seek to institute legislation for an insurance program equal to that provided to veterans who were separated or released from active service for the period beginning January 1, 1957, and ending August 1, 1974.

RESOLUTION: VETERANS BENEFITS AMENDMENTS

AVC favors the following amendments to Veterans Benefits legislation:

1) An increase in education benefits to parity, in terms of current cost-of-living and cost of education dollars, with the benefits given to World War II veterans. One way to reach parity is return to the World War II GI Bill System which provided direct payments to institutions of higher education for the costs of tuition, books and fees to supplement the subsistence allowance for veterans.

2) Permanent legislation providing automatic cost of living and cost of education adjustments, which with a formula similar to that which adjust military and civil service retirement pay.

3) Allow institutions of higher learning, with consent of State approval agencies, to retain educational autonomy by establishing what are satisfactory standards of progress for all students, veterans and nonveterans alike. This authority shall not relieve the institutions of their obligation under the civil rights laws.

4) Making NSLI Trust Funds available as a revolving fund to finance veterans educational loans.

5) AVC endorses the recently expanded VA-wide outreach efforts designed to identify Veterans, especially Vietnam-era and those Veterans from disadvantaged groups, and their dependents and beneficiaries for the full provision of VA benefits and services to incarcerated veterans. AVC will monitor these efforts to determine the effectiveness of VA's implementation and accomplishments.

6) An indepth review of current policies and procedures affecting both educational institutions and student veterans. Input should be invited from educational institutions and accrediting agencies, and the student veterans themselves. AVC recommends the setting up of a National Educational Task Force, composed of representatives of educational institutions, and relevant agencies, and veterans, should be convened as soon as possible by the VA Administrator to develop suggestions to remedy the present inadequacies and criticisms of PL 94-502. In addition, regional Advisory Committees should be formed to serve as consulting agencies to Regional VA Offices. By having these Regional Advisory Committees representing the views and needs of the local institutions and the student veterans, the Regional VA Offices would be in a better position to make adjudications.

7) VA should expand its counseling services and provide more contract services for Vietnam veterans, both in school and outside the school.

RESOLUTION: CONFERENCE ON EDUCATION AND EMPLOYMENT PROBLEMS OF VIETNAM ERA VETS

Resolved that AVC, if it finds appropriate funding, convene a national conference to explore the current situation and seek the remedies for the educational and employment problems of Vietnam Veterans. This would provide an audit of what has been accomplished on their behalf in these areas since 1972 when AVC ran the first National Conference on Educational Problems of Vietnam Veterans.

RESOLUTION: VETERANS AND RETIREES RESIDING ABROAD

AVC calls for a study to examine the extent to which U.S. citizens who are veterans or military retirees and who reside abroad in countries in which there are U.S. military bases should be entitled to use base facilities, and to receive service from U.S. sources, as compared to those to which they would be entitled if residing in the United States.

RESOLUTION: AMNESTY

AVC notes with regret that President Carter's Special Discharge Program did not lead to any substantial relief for hundreds of thousands of veterans with less-than-honorable discharges because of congressional action denying benefits to veterans upgraded under the Special Discharge Program, and because of many limitations and inadequacies of the Program itself. In view of the continuing problems of veterans with less-than-honorable discharges and AVC's historic concern for these veterans, AVC calls upon the President to initiate and Con-

gress to enact programs that could provide relief and a means of reentering civilian society for these veterans without the stigma of their discharges.

RESOLUTION: THE VA OFFICE OF HUMAN GOALS

AVC commends the Administrator of Veterans Affairs for setting up an Office of Human Goals with the VA, headed by an able executive of the rank of Assistant Administrator. However, AVC regrets that the Office of Human Goals is still limited to an advisory, a coordinating and policy role and that it has not been given line authority over civil rights and equal opportunity programs. AVC also regrets that the VA has not allocated adequate resources for the enforcement of Title VI of the Civil Rights Act of 1964 and other civil rights statutes. AVC hopes that the Office of Human Goals will speedily succeed in its objectives and to that end requests the Administrator to give to that Office the support, authority and resources it will need.

RESOLUTION: JUDICIAL REVIEW AND ATTORNEY FEES IN VA MATTERS

AVC supports the principle of Court Review of decisions of the Board of Appeals, and abolition of the present $10 limit for attorney's fees in VA matters which now inhibits representation of veterans by attorneys.

AVC generally supports S. 330 as reported by the Senate Veterans Affairs Committee.

RESOLUTION: VETERANS HEALTH CARE AMENDMENTS OF 1979

AVC has reviewed the Conference Report on S. 7 as amended (Senate Report 96-195) and generally supports the provisions contained therein except proposed 38 USC 611 (c) which would authorize VA medical care for delegates attending the conventions of certain veterans organizations, but not to delegates attending the conventions of other veterans organizations.

RESOLUTION: AFTEREFFECTS OF TOXIC HERBICIDES

AVC continues its concern regarding the health aftereffects of toxic herbicides. AVC urges the VA as well as other government and non-government agencies which may have the necessary expertise to continue their studies on a high priority basis. If a reasonable connection is shown between exposure to toxic herbicides and consequent disability, the VA is urged to pay proper compensation, including compensation retroactive to the onset of the disability.

RESOLUTION: CONTINUING PROBLEMS OF READJUSTMENT OF VIETNAM ERA VETERANS

AVC is aware that the problems of readjustment to postwar civilian generations of veterans far exceed those faced by earlier generations of veterans and that these problems continue. AVC applauds President Carter for his acknowledgement of the unique needs of the Vietnam era veterans. We call upon Congress and the administration to take specific actions to address and resolve these problems.●

NEW JERSEY'S TWO SKATING CHAMPIONS

● Mr. WILLIAMS. Mr. President, not long ago, I shared with my colleagues some good news about two young New Jersey ice skaters, Elaine Zayak of Paramus and Elisa Spitz of Short Hills.

Both girls have worked their way up through the ranks of hundreds of other young figure skaters to achieve distinction in the junior levels of skating. Elaine captured the title of Junior World Champion and Elisa won the Gold medal in the 1979 National Junior Dance Championships.

Now, I am happy to report, both girls have reached the senior level of skating and have set their sights of the 1984 Olympics. Representing New Jersey and the United States in numerous State, national, and international competitions, Elaine and Elisa have dazzled audiences with their exceptional grace and ability on the ice. Exciting, poised and professional are words used quite often to describe their performances. They are, in the words of experienced observers, "the ones to watch" in the coming months as they prepare for major competitions at the senior level.

I am proud to have these two young ladies represent our country in skating competitions around the globe, and most proud that they call New Jersey their home. I am sure they are destined for great careers and wish them continued success in the years ahead.●

ABORTION: TO SET THE RECORD STRAIGHT

● Mr. HUMPHREY. Mr. President, last Sunday evening, CBS television gave the public a double dose of abortion.

First came a "Sixty Minute" segment recounting the case of William Waddill—legally, he is entitled to call himself "Doctor" Waddill—who makes his living as a gynecologist and abortionist.

In 1977, however, one of Waddill's abortions went haywire. A little girl was born alive in a saline abortion.

For those unfamiliar with the arcane terminology of this grim business, a saline abortion is performed by injecting a strong saline solution into the uterus of the mother. The fluid then scalds her baby to death.

To death, usually. In Waddill's case, the baby girl was born alive. Thereafter began a series of events which led to his trial for murder. Not for performing a legal abortion but, in the accusation of one of his colleagues at the hospital, for strangling the baby girl who failed to be born dead.

Dr. Ronald Cornelson testified in court that Waddill reached into the little girl's crib and strangled the baby, saying "this baby just won't quit breathing." His patient has contracted with him to dispose of her child. If he presents her with a live baby, who will be liable for that child's support? Who will retain possession of the baby? Does it have any "parents," in the eyes of the law?

I hope that the proabortion majority on the Supreme Court, who inflicted abortion-on-demand upon our country, will carefully consider these intriguing consequences of their earlier decisions. For such matters, in one case or another, are surely headed their way. It will be a classic case of the Court's pigeons—or, more appropriately, its vultures—coming home to roost.

Immediately following "Sixty Minutes" on the CBS Sunday schedule was a special presentation, "The Tenth Month." This adaptation of a novel concerned the heartwarming experience of a 40-year-old, unmarried woman who becomes pregnant and, despite social pressure and personal hardships, refuses an abortion and keeps her child.

It was a good story with some great performances, but it was marred by one sleazy piece of slander directed against the prolife movement. Its portrayal of a destructive antiabortion raid on an abortion clinic gave the impression that prolifers are a vicious mob of hooligans, endangering the safety of pregnant women and their unborn children by violent behavior.

That is a vicious smear. All over the country, prolife organizations and individuals are giving counsel, friendship, homes, clothing, money, training, baby sitting services, transportation, medical care, education, and emotional support to mothers wed and unwed. In the best American tradition, they raise funds at the grassroots, through bake sales and raffles and block parties and socials, to help pregnant women and their unborn children.

There have been more and more demonstrations at abortion clinics. Demonstrators, almost all of them women, have sat in, chained themselves to equipment and blocked corridors. Sometimes there has been damage. There have even been a few instances of arson at abortion facilities, but none of them has ever been linked to any prolife activist.

In that light, the CBS portrayal of prolifers was terribly, irresponsibly distorted.

The bitter irony of the CBS double-feature on abortion is that it came at the end of the week in which NBC reran "Holocaust," which showed what happened in another country when a small group of officials—the Nazi rulers rather than six men on the Supreme Court—decided that not all lives deserved the protection of the law, not all lives were fully human.

The only difference between the Nazi crematoria portrayed in "Holocaust" and the abortion clinic in "The 10th Month" is that the latter is still in the death business.

It will not always be so. The dedicated efforts of the prolife movement, caring for women and children in trouble and translating that concern into political action, will one day guarantee that one baby lives to see its own 10th month.●

THE FUTURE OF THE RANCHING INDUSTRY

● Mr. GARN. Mr. President, during the August recess, the Senate Appropriations Committee, of which I am a member, held a series of hearings on public lands problems in several Western States. One was held in my own State of Utah, in Cedar City. We took testimony from organized groups, individuals, and government officials on the state of the public lands, their management, the conflicts between development and preservation, and a host of related issues.

One of the troubling issues was the future of the ranching industry, and I was particularly struck by the testimony of a young man, the son and grandson of cattle ranchers, who is seriously troubled about his future as a livestock operator. Too often when we consider these issues we do so abstractly, forgetting their impact on real, live people. Mr. Lyman Hafen's testimony to the committee is a useful corrective to that attitude, and I ask all my colleagues to

look at it. That they may do so, I ask that it be printed in the RECORD.

The statement follows:

ST. GEORGE, UTAH,
August 18, 1979.

My name is Lyman Hafen. I'm 23 years old. I was born and raised in St. George, Utah and am a graduate of Dixie College. I will graduate from Brigham Young University in December of this year.

My father and his two brothers are in the cattle business. Their operation is based in Clover Valley, Lincoln County, Nevada. Like the majority of the Western-states cattlemen, they own some private grazing ground but could not exist in the business without utilizing Bureau of Land Management lands.

My great-great grandfather Woods was an original settler in Clover Valley, Nevada as was my great-great grandfather Hafen in Santa Clara, Utah. Both of these pioneers were cattlemen and ran their herds on the then open ranges. Their sons continued in the cattle business and different family members of each generation have utilized the barren ranges of this area to produce livestock and derive a humble livelihood from otherwise unproductive land. My great grandfather, John Hafen was known as one of the best cowboys in Southern Utah in his day. My great grandfather, Lamond Woods was heralded as one of the best horsemen in Lincoln County, Nevada.

In establishing my cowboy heritage I must also mention my great-great grandfather, Jens Neilson who ran cattle first in Iron County, Utah and then settle and became a prominent cowman in San Juan County, Utah. That heritage extended down to my grandfather, Edward Neilson and my uncle DeReese Neilsen who have based their cattle operations in Blanding, Utah. I have been well exposed to the cattle business in this area.

I must say that I realize and understand that in the past, some of the public ranges have been mistreated and overgrazed. I admit that my ancestors may have been involved, although not knowingly, in past overstocking of ranges. I am the first to agree that regulation is necessary on the ranges as it is in any situation where public resources are being used for private economic purposes. Now with that said, let me explain my reason for testifying today. It can be summed up in one sentence: The cowboy way of life, an institution native to the American west, is slowly fading away and dying.

Let me give an example from my own experience. Out of my high school graduating class I can name at least 20 families of my schoolmates that are involved either in the cattle business or in occupations directly related to agriculture. But out of those 20 families I cannot name one schoolmate who is now, or is planning in the future, to continue operating the family farm or ranch. In fact, out of the entire St. George community I can only name three or four young men from my generation who are pursuing careers in agriculture.

I have many friends who have grown up in ranching families but are studying to become, or who have become, businessmen, lawyers, builders, doctors or other nonfood producing professions. I am not ignorant of the fact that many of my generation are not the least interested in farming or ranching, but many of us are. It's just not economically feasible for us to pursue it.

I grew up helping my dad on the ranch. I've learned to rope and handle cattle and to break and ride horses. I have developed the skills and have had the experience that would qualify me to raise cattle and produce beef on the public lands. But because of advice I've received from my own father and from other cattlemen, I am not pursuing a career as a cowboy, at least not until I become financially secure in another profession.

I realize there are many factors contributing to the difficulties of getting into the cattle business. The high cost of real estate, high interest rates and the fluctuating cattle market are all contributing causes to the problem but I feel the major reason I have been advised against the cattle business is because of the federal land policies that are making public land use next to impossible.

It is sad that so many of my generation are being advised against agriculturally related professions. To me it seems that agriculture is taking a back seat to all the other special interests. This apparent trend appears ironic to me when the basic physiological need of man is food. The special interest groups appear to be forgetting that we must eat before we can use electricity, we must eat before we can burn gasoline in our cars, we must eat before we can go out and earn a living, and we must even eat before we can go backpacking.

Why are issues like the environment, energy and the economy taking a front seat while the problems of ranchers and farmers are treated as insignificant? Maybe as the impending hard times fall upon us we will realize that cattle grazing is more important than turtle preservation and that what a rancher has to say is as important as what an ecologist has to say.

I love and respect America. I have spent time in foreign countries and have come to realize that we have more to be thankful for than any other nation in the world. I would never knowingly abuse the land that has provided my family's livelihood for generations nor do I feel that my ancestors have ever knowingly abused the land. I believe that those who work and sweat on the public lands are the true environmentalists.

I realize that administration by a governing power is necessary to maintain a balance on the land, but why can't this administration be closer to home? Why can't it create incentives for young people to enter agriculture instead of turning us away? Why can't we utilize this land to benefit and sustain our country in the most efficient ways possible? And why can't the voice of public land users play as great a part in policy formation as do the voices of people who have never even seen the land?

I wholeheartedly and sincerely support Senator Hatch's bill that provides for the cession and conveyance to the States of federally owned unreserved, unappropriated lands. I am aware of the many economic and political problems that would accompany such a change but the benefits for the American people would far outweigh the obstacles. The environment must be protected but the resources must also be utilized. The states are in a far better position to administer the protection of the environment and the use of the resources than is Washington.

It is my hope that any young American who has the knowledge, skill and guts to get into the cattle business, will be able to in the future.

I sincerely thank Senator Garn for being here. I praise the representation of our State in Washington by both Senators Garn and Hatch, they are truly voicing the sentiments of most Utahans.●

AMERICANS SUPPORT THE ADMISSION OF REFUGEES

● Mr. KENNEDY. Mr. President, I was interested to learn yesterday of the results of a recent Roper poll which indicates that 90 percent of the American people believe we should generously admit homeless refugees to our country. This poll reflects one of the oldest themes in our Nation's history, and the compassionate and concerned response of the American people to the plight of Indochinese, as well as Soviet Jewish and other refugees.

Specifically, the poll indicates that 45 percent of the American people believe we should admit 7,000 or more Indochinese refugees per month, while an equal number believe it should be 7,000 or less. In response to the President's proposal to admit 14,000 Indochinese refugees, 12 percent agree, while 7 percent believe we should do even more.

Although some Americans are troubled, and are properly concerned that we admit refugees in reasonable numbers, most agree we should admit numbers that reflect our ability to resettle and absorb them. Nonetheless, the overwhelming majority agree we should fulfill our longstanding humanitarian traditions to homeless people.

Many Americans responding to the Roper poll were clearly unaware, however, of recent statistical data outlining how much Indo-Chinese refugees are contributing to our society—some $60 million in Federal income taxes alone—and how their unemployment rate is far below the national average.

If this larger picture of refugee resettlement in the United States were better understood—the enrichment, both culturally and economically, that refugees and other migrants bring to our shores—then I believe many respondents to the Roper poll would have reflected a different view.

Yet, Mr. President, polls do reflect the current mood and concern of the American people, and it is gratifying to see that the overwhelming majority of the American people—90 percent—believe we should respond to the needs of refugees, and nearly half believe we should accept 7,000 or more every month.

In our turn, we in Congress have a deep responsibility to assure that the admission of refugees does not impact adversely upon State or local communities—to provide the Federal support necessary to assist refugees in becoming productive and contributing members of their adoptive homes throughout our land. I believe S. 643—the Refugee Act of 1979—which the Senate adopted on September 6 by a vote of 85 to 0, guarantees that Federal support. It also reflects the American people's concern for refugees—as reflected in the Roper poll.

Mr. President, I ask that the relevant excerpts from the Roper poll be printed in the RECORD.

The excerpts follow:

QUESTION 10.—GIVEN PROPOSAL TO RAISE NUMBER OF INDOCHINA REFUGEES U.S. ADMITS FROM 7,000 TO 14,000 A MONTH, WHAT SHOULD POLICY ON REFUGEE ADMISSIONS BE?

[In percent]

		Sex		Age				Income				Race		Geographic area				Market size			
	Total	Male	Fem	18–29	30–44	45–59	60+	Und 7M	7M–und 15M	15M–und 25M	25M+	Whte	Blck	NE	MW	So	Wst	A	B	C	D
Lower number of refugees we admit each month to less than 7,000	46	48	45	45	41	48	53	49	56	43	34	46	51	42	40	57	44	39	47	55	55
Leave at 7,000	26	25	26	26	26	24	26	29	21	28	28	26	27	26	30	23	23	28	25	24	21
Raise to 14,000	12	11	12	13	11	13	9	9	10	11	18	12	8	14	14	8	13	14	12	9	12
Raise number higher than that	7	7	6	7	12	4	3	2	4	9	10	7	5	7	7	4	10	7	8	5	2
Don't know/no answer	10	8	11	9	9	11	10	11	9	9	10	10	9	11	9	9	10	12	8	7	9

		Education			Occupation			Religion		Political affiliation			Political philosophy			Other key analysis groups					
																		Have kids			
	Total	Coll	HS grad	Non-HS grad	Excel prof	Whte coll	Blue coll	Prot	Cath	Dem	Rep	Ind	Cons	Modr	Libl	Pol-soc actv	Union mbrs	Und 13	13–18	1, 2 Pers fams	Empl fems
Lower number of refugees we admit each month to less than 7,000	46	36	50	55	34	46	51	49	45	49	42	45	51	48	34	38	49	44	51	48	45
Leave at 7,000	26	27	26	24	27	26	24	26	27	26	28	24	28	26	24	24	25	27	27	25	26
Raise to 14,000	12	17	10	7	14	15	10	11	11	11	13	13	9	12	20	15	11	12	8	11	13
Raise number higher than that	7	12	5	2	17	6	5	6	6	6	7	6	5	5	12	17	6	8	5	5	8
Don't know/no answer	10	9	9	12	8	7	9	9	9	8	9	12	7	10	11	6	8	8	9	10	8

QUESTION 11.—WHY FEEL WAY DO ABOUT UNITED STATES INDOCHINA REFUGEE ADMISSIONS POLICY?

[In percent]

		Sex		Age				Income				Race		Geographic area				Market size			
	Total	Male	Fem	18–29	30–44	45–59	60+	Und 7M	7M–und 15M	15M–und 25M	25M+	Whte	Blck	NE	MW	So	Wst	A	B	C	D
U.S. should admit more refugees to encourage other countries to admit more	12	14	11	14	14	12	7	8	9	14	19	13	8	14	13	7	19	13	15	9	6
Refugees expensive to resettle, deny jobs to Americans, too great an economic burden for this country	37	36	37	36	37	35	40	38	39	38	31	37	34	32	33	43	36	35	35	42	39
Refugees suffering and dying because have nowhere to go, we should help them	28	26	30	29	31	25	25	22	22	29	40	28	26	30	32	20	33	32	28	33	22
U.S. should not feel obligated to take in people from other countries who will have trouble adjusting to American ways	13	14	12	14	9	13	16	13	16	11	11	13	12	10	14	12	15	11	13	15	41
Refugees are hard-working and family- oriented/can contribute to American society	17	16	18	16	22	18	12	10	12	18	29	17	13	13	22	10	26	20	18	12	10
If U.S. accepts more refugees now, other countries will expel more people they don't want	15	15	16	16	14	15	17	12	13	17	19	16	13	14	16	12	23	16	15	16	11
We have a special obligation to help these refugees because of our Vietnam war involvement	14	13	14	14	17	12	11	11	11	15	17	13	13	13	19	7	18	17	11	9	23
We should help needy in our country first	45	45	46	43	37	46	56	53	51	41	37	44	58	38	45	49	50	38	46	52	57
None	1	2	1	-------	2	2	2	2	1	2	1	2	1	1	1	2	2	1	1	1	2
Don't know/no answer	6	4	7	6	4	5	7	8	6	5	3	6	5	7	5	5	5	7	5	5	2

REGULATORY IMPACT STATEMENT ON SENATE JOINT RESOLUTION 43

● Mr. DECONCINI. Mr. President, on July 31, 1979, the Committee on the Judiciary reported Senate Joint Resolution 43, a resolution to designate March 21, 1980, as "National Energy Education Day."

Through an oversight, the report filed on Senate Joint Resolution 43 did not include a regulatory impact statement, as required by rule 29.5 of the Standing Rules of the Senate.

Mr. President, in accordance with rule 29.5 of the Standing Rules of the Senate, the committee does not consider that enactment of Senate Joint Resolution 43 would have any regulatory impact.●

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

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

TIME LIMITATION AGREEMENT—S. 480

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that with respect to S. 480, Calendar Order No. 172, water resources planning, at such time as that measure is made the pending business before the Senate there be a time agreement thereon of 1 hour on the bill, to be equally divided between Mr. GRAVEL and Mr. DOMENICI; 30 minutes on any amendment; 20 minutes on any debatable motion or appeal or point of order such as submitted to the Senate and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object, this request has been cleared on our side with the ranking Member and other interested parties. We have no objection to the request.

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

The text of the agreement follows:

Ordered, That when the Senate proceeds to the consideration of S. 480 (Order No. 172), a bill amending the Water Resources Planning Act to authorize appropriations for fiscal years 1980 and 1981.

debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill; and debate on any debatable motion, appeal, or point of order which is submitted or on which the Chair entertains debate shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided*, That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of final passage of the said bill, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Alaska (Mr. GRAVEL) and the Senator from New Mexico (Mr. DOMENICI): *Provided*, That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion, appeal, or point of order.

AUTHORIZATION FOR THE SECRETARY OF THE SENATE TO MAKE TECHNICAL AND CLERICAL CORRECTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that for the balance of this Congress the Secretary of the Senate be authorized to make technical and clerical corrections in the engrossments of all Senate-passed bills and resolutions, Senate amendments to House bills and resolutions, Senate amendments to House amendments to Senate bills and resolutions, and Senate amendments to House amendments to Senate amendments to House bills and resolutions.

The PRESIDING OFFICER. Is there objection?

Mr. BAKER. Mr. President, reserving the right to object again, and I shall not object, I simply wish to say that we are in full accord with this request. The majority leader and I have discussed it at some length and for the remainder of this session we have no objection to this arrangement as we previously agreed to it and from time to time during the session.

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

SECOND CONCURRENT RESOLUTION ON THE BUDGET

The PRESIDING OFFICER. The Senate will now resume consideration of the pending business, Senate Concurrent Resolution 36, which the clerk will state by title.

The second assistant legislative clerk read as follows:

Second Concurrent Resolution 36 revising the Congressional Budget for the U.S. Government for the fiscal years 1980, 1981, and 1982.

The Senate resumed consideration of the concurrent resolution.

Mr. JAVITS. Mr. President, may I be recognized?

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

Mr. JAVITS. Mr. President, if I may have the attention of the two managers of the bill, I have introduced an amendment to the second budget resolution, Senate Concurrent Resolution 36, to add $1.1 billion in budget authority and $0.9 billion in outlays to income assistance (function 600) for the purpose of providing fuel assistance to needy families this winter. This action will not increase the deficit, because the funds are to be transferred from the energy supply mission (function 270).

I am keenly aware that this will constrain the already stretched energy outlays budgeted by the committee and that amendment poses some extremely difficult choices. While there is ample room within the budget authority figure of $41 billion to accommodate this and other portions of the President's energy initiatives, the $7 billion in outlays budgeted by the committee is extremely tight. It is our intention that the transfers come from energy supply outlays and be allotted in such a manner that parts of new projects be marginally delayed and that some contracts be put off till next fiscal year. Indeed, the committee may wish to arrange for other transfers among outlays.

However, the urgent needs of the poor for heat and light in the wake of the recent devastating OPEC price increases must be our first priority. It is, indeed, a life and death matter before which other priorities, even important ones like some of our energy construction projects, must give way. The $500 million ceiling on fuel assistance recommended by the committee is simply inadequate to meet the heating needs of the elderly and the poor this winter.

The recent escalation in residential fuel bills means we would have to double the level of last year's crisis assistance program which was $200 million, merely to meet the needs of the same 900,000 households served by that inadequate program. Yet the administration and the groups representing the poor and the elderly agree that there are many times that number of households in need. The White House has estimated the $1.6 billion in funds requested would provide $200 each to 6 million families in need. Our estimates and those prepared for the Department of Energy show 12.5 to 16 million poor and near-poor families needing help to avoid the dreadful choice between heating and eating.

My amendment accommodates this more realistic estimate of the minimum need for emergency assistance. At present the committee has allotted $22 billion in additional budget authority in function 270 to reflect commitments from new oil tax revenues to new energy supply programs; and our amendment transfers $1.1 billion from this $22 billion to function 600. The Budget Committee has allotted $4.7 billion in outlays for new energy supply program; and our amendment transfers $0.9 billion of that to function 600.

Mr. President, we face difficult choices given these tight budget conditions. If we accept the responsibility for protecting the poor from cold weather, we must either cut back important substantive programs like energy, or we must cut back administrative costs, perhaps by cutting back the new funds for Federal pay increases and allowing agencies to reprogram other funds for that purpose. The final option is to increase the size of the budget deficit.

My amendment adopts the first course, but it is my hope that together with the distinguished chairman and members of the Budget Committee we can arrive at a consensus on how to provide the sorely needed basic energy assistance.

Therefore, the question that I would like to put to the Senator from Maine and to the Senator from Oklahoma is this: I realize, as I say, the budget problem. I also have been given to understand that it is felt on the part of the committee that there is the money available for this emergency fuel assistance program. If we could have some understanding of the situation as the two managers of the bill for the Budget Committee see it, it may be that it may not be necessary for me to call up this amendment.

This is also, of course, as both Senators know, a program which has been put forward by the President of the United States, so the $1.6 billion level is almost generally agreed upon; the only question is how do we do it, and where do we get the money?

Mr. MUSKIE. Mr. President, I think the Senator, in his closing comment, did state the question.

I consider this program of energy assistance for low income families to be of the highest priority. With respect to the provisions in the second resolution for energy, what we wished to do is to put both budget authority and outlay figures realistically large enough to accommodate all the options which the Senate and Congress might wish to consider. We did not try to pinpoint specific assumptions when it came to energy, even to the degree that we usually do with the functional numbers. One practical reason for this was that much of the legislation is still in the evolutionary stage in the appropriate committees—Finance, the Energy Committee, and otherwise—so that we could not very well anticipate what the specific outcomes would be.

But speaking for myself, I think this priority, which the Senator has so appropriately advanced, is one that ought to be given the most serious consideration. It seems to me that it ought to be possible to accommodate this program within the confines of the second budget resolution as it stands, and it ought not to take too much skill to do so.

I assure the Senator that I sympathize with him completely. I would not presume to be speaking for all the members of the Budget Committee. Senator BELLMON is here and can speak for himself. But in my part of the country, what the

Senator proposes would be a very important thing indeed.

Mr. JAVITS. Does the Senator feel it can be accommodated?

Mr. MUSKIE. I think it can. We might step on some toes of others who want to take advantage of those numbers. We have seen today what that can involve. But so far as I am concerned, we have included $550 million in the budget for this purpose. We did so in the context of what we had previously provided in the first resolution. We are now talking about higher numbers, and I do not see any reason why the higher numbers ought not to be considered for inclusion within the confines of this resolution.

Mr. JAVITS. I thank the Senator. I yield to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I would like to join our chairman in the comments he has made. While the fuel problem is not as serious in the area that I know, I fully recognize the enormous impact that higher energy costs will have on low-income families in the regions of the country where winters are more severe.

I think I can speak for those from the areas where I come from that we fully appreciate the fact that some relief will be absolutely necessary, and I feel that we have made room in the budget to do the things that the Senator from New York is concerned about.

It may be more difficult in the outlay area than the budget authority, but I feel there is room to write a reasonable program to alleviate the problem in the areas of the country that will be most highly impacted. I certainly will vote with the Senator to that end.

Mr. JAVITS. And the amount it can accommodate is a higher figure than the amount provided, $350 million, in your view?

Mr. BENTSEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Texas.

Mr. JAVITS. Mr. President, I still have the floor.

Mr. BELLMON. We believe that both in the energy program and the low-income assistance, there is ample room for the higher figure.

Mr. JAVITS. Mr. President, I thank both my colleagues. Under those circumstances, I shall not call up the amendment. I would like the record to show that the amendment is cosponsored with me by Senators WILLIAMS, PELL, and DURENBERGER.

Mr. WILLIAMS. Mr. President, I am pleased to learn there is room in the budget for a fuel assistance program.

The dramatic increases in the price of household energy will create an unbearable burden this winter for many fixed and low-income households.

We are all aware of the bad news on fuel prices. Energy officials have already warned that many people will face a choice of "heat or eat" this winter. At a time when the tragic economics of energy might conceivably produce wintertime deaths, Congress has no real choice but to provide the right kind of financial assistance to men, women, and children who are in danger of either freezing, starving, or both.

The Senate Committee on Labor and Human Resources has pending before it six bills which provide assistance to offset rising household energy costs. The committee has scheduled hearings for September 25, 26, and 27, and we plan to markup legislation October.

Senator JAVITS and I both have bills, and we have now agreed to move jointly in order to expedite passage of this much needed legislation. I am pleased to hear from Senator MUSKIE that the amendment proposed by Senator JAVITS and myself is not needed as there is sufficient money in the budget for the purpose of providing relief for skyrocketing household energy costs. I am pleased that the distinguished chairman of the Budget Committee, recognizing the tremendous need, supports our efforts to alleviate the hardship which will be caused by rising energy costs.

The energy cost increases are sudden and largely unexpected. The June OPEC price increase was quite large and the need for this legislation did not become apparent until late summer. The Labor and Human Resources Committee did not act to mark up a bill prior to the May 15 deadline since the need for the legislation had not arisen at that time. Therefore, the bill which we will mark up in October will need a waiver from the Budget Committee.

The pressing need for the legislation has led the Budget Committee to make room for the program; it has led the Labor and Human Resources Committee to expedite the legislative process. I am very hopeful that fuel assistance legislation will pass the Senate this session and that an emergency appropriation will be made. This winter's needs must be met.

Mr. BENTSEN. Mr. President, I ask the distinguished majority leader, the minority leader, the managers of this bill, and the assembled Members, for unanimous consent that I be permitted to present an amendment at this time, with the understanding that I will be withdrawing it. I would like to speak upon it for a minute.

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

UP AMENDMENT NO. 562

(Purpose: To cut Federal paperwork)

Mr. BENTSEN. I send an amendment to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Texas (Mr. BENTSEN) proposes an unprinted amendment numbered 562.

The amendment is as follows:

On page 11, line 1, strike "—$100,000,000" and insert in lieu thereof "—$200,000,000".

On page 11, line 2, strike "—$100,000,000" and insert in lieu thereof "—$200,000,000".

On page 11, line 4, strike "—$100,000,000" and insert in lieu thereof "—$200,000,000".

On page 11, line 5, strike "—$100,000,000". and insert in lieu thereof "—$200,000,000".

On page 11, line 7, strike "$0" and insert in lieu thereof "—$100,000,000".

On page 11, line 8, strike "$0" and insert in lieu thereof "—$100,000,000".

On page 2, line 16, strike "$632,200,000,000" and insert in lieu thereof "$632,100,000,000".

On page 2, line 17, strike "$649,200,000,000" and insert in lieu thereof "$649,100,000,000".

On page 2, line 18, strike "$722,500,000,000" and insert in lieu thereof "$722,400,000,000".

On page 2, line 21, strike "$542,700,000,000" and insert in lieu thereof "$542,600,000,000".

On page 2, line 22, strike "$588,600,000,000" and insert in lieu thereof "$588,500,000,000".

On page 2, line 23, strike "$632,800,000,000" and insert in lieu thereof "$632,700,000,000".

On page 3, line 4, strike "—$28,000,000,000" and insert in lieu thereof "—$27,900,000,000".

On page 3, line 5, strike "$15,000,000,000" and insert in lieu thereof "$15,100,000,000".

On page 3, line 6, strike "$25,600,000,000" and insert in lieu thereof "$25,700,000,000".

On page 3, line 9, strike "$887,400,000,000" and insert in lieu thereof "$887,300,000,000".

On page 3, line 10, strike "$906,200,000,000" and insert in lieu thereof "$906,100,000,000".

On page 3, line 11, strike "$921,400,000,000" and insert in lieu thereof "$921,300,000,000".

On page 3, line 14, strike "$57,400,000,000" and insert in lieu thereof "$57,300,000,000".

On page 3, line 15, strike "$76,200,000,000" and insert in lieu thereof "$76,100,000,000".

On page 3, line 16, strike "$91,400,000,000" and insert in lieu thereof "$91,300,000,000".

Mr. BENTSEN. Mr. President, during House and Senate consideration of the first concurrent resolution for fiscal year 1980, $900 million in management savings were included in function 920 of the budget. These management savings were to occur in such areas as spending for travel by agency personnel, reduced spending for filmmaking, and less use of paid consultants. There is a fourth area where Government agencies can achieve significant cost savings, and that is by cutting back on activities that do nothing but generate unnecessary and excessive paperwork and reporting requirements on the American public.

I would like to urge that the authorizing and Appropriations Committees that are charged with implementing this $900 million in management savings accomplish a large part of the savings by cutting Federal paperwork.

This administration has worked diligently to cut unnecessary Government paperwork and its burden on the private sector, but the battle has not gone as well as it should. According to a recent GAO report to the Joint Economic Committee, American businesses each year spend more than 69 million hours at an estimated cost of more than $1 billion in responding to more than 2,100 U.S. reporting requirements that have been approved by either OMB or GAO under the requirements of the Federal Reports Act. When you add on forms that affect individuals, farms, nonprofit organizations, and State and local governments, as well as forms that are not cleared by OMB or GAO, such as tax forms, the total burden of Federal paperwork comes to a staggering 786 million hours annually. This is equiva-

lent to 393,000 full-time workers doing nothing but responding to Federal paperwork requirements—a work force exceeded by only five American corporaporations. This is a terrible waste of America's most valuable resource.

In 1977, the Commission on Federal Paperwork issued 36 reports with more than 500 specific recommendations for reducing the paperwork burden on American citizens. Two years later, according to OMB, only half those recommendations had been implemented. In fact, according to OMB's Associate Director for Management and Regulatory Policy, Wayne Granquist, OMB each year is bombarded by 2,200 to 2,700 requests from agencies to collect even more data and issue even more forms.

The Federal agencies continue to generate new paperwork largely because we have never pulled the one lever that will actually force a cutback—a cut in the funds available for creating new forms and paperwork requirements. It is time we do so.

By including paperwork activities as a source of management savings in function 920, Congress will be giving notice to the Federal agencies that we are serious about cutting the paperwork burden on the American public. When we consider specific appropriations bills, I intend to introduce amendments to cut the budgets of agencies that are particularly insensitive to the need for reducing unnecessary and excessive paperwork.

Mr. MUSKIE. Mr. President, I applaud the initiative which this amendment demonstrates. Last year, in the consideration of management savings, we were rather hesitant to step forward into that area, because we did not have the facts. As we have acquired the facts since, we are convinced that more savings can be achieved in this area than were programed in the 1979 budget and the 1980 budget. So I welcome this additional territory which the Senator from Texas has suggested for exploration. It seems to me that it is well to specify that an effort be made in this area, and that we bird dog it until we get results.

Mr. BENTSEN. Mr. President, I would like to say to my distinguished friend the manager of this bill that they are not going to do it unless we, as you say, bird dog it and keep after it. I can recall the FHA and the VA fighting for 11 years over trying to use a common appraisal, instead of two appraisals, to use common forms for mortgages and deeds of trust. Do you know how we did it? I sponsored a piece of legislation which the Senate adopted, and finally the House adopted, and we had to bump their heads together.

During the last Congress, I introduced two amendments that contributed to the easing of the paperwork burden. As I say, one amendment to the HUD authorization bill required FHA and VA to use the same forms for their single-family housing loan programs. These two agencies have been dancing around on that issue for over 15 years with no progress, but now they are finally cooperating to cut the housing paperwork maze. Another measure reduced the redtape on State and local governments in the CETA program. There are almost 200 recommendations of the Federal Paperwork Commission that have not yet been implemented but which could yield similar paperwork savings.

We can effect it if we pursue it, and I am glad to hear the manager of the bill lend his support.

Mr. MUSKIE. With the assistance of the Senator from Texas, we shall do our best to implement that.

Mr. BENTSEN. I thank the Senator.

Mr. President, I ask unanimous consent that the amendment be withdrawn, Mr. President.

The amendment was withdrawn.

Mr. MUSKIE. Mr. President, are there others who wish to offer any comments or amendments to the budget resolution?

If not, I suggest the absence of a quorum and I ask unanimous consent that the time not be charged to the budget resolution.

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

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. 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. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no time be charged against the pending resolution for the remainder of the day.

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

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the following nominations: Calendar Orders numbered 311 on page 1 of the Calendar; 314, 315, and 317 on page 2; Calendar Orders numbered 345 through 351 on page 5; and all of the nominations on page 6 and on page 7.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, the items identified by the majority leader are cleared on our Executive Calendar. We have no objection to proceeding to their consideration and their confirmation.

There being no objection, the Senate proceeded to the consideration of executive business.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the aforementioned nominations be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Emily Rauh Pulitzer, of Missouri, to be a member of the National Museum Services Board.

SECURITIES AND EXCHANGE COMMISSION

John R. Evans, of Utah, to be a member of the Securities and Exchange Commission.

Philip A. Loomis, Jr., of Maryland, to be a member of the Securities and Exchange Commission.

COUNCIL ON WAGE AND PRICE STABILITY

R. Robert Russell, of California, to be Director of the Council on Wage and Price Stability.

DEPARTMENT OF STATE

Thomas M. Tracy, of Florida, to be an Assistant Secretary of State.

Herbert F. York, of California, for the rank indicated during the tenure of his assignment as the U.S. Representative to the comprehensive test ban negotiations, to be Ambassador.

Lyle Franklin Lane, of Washington, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

Jack Richard Perry, of Georgia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bulgaria.

Stephen Low, of Ohio, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Nigeria.

John P. Condon, of Oklahoma, now Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominion of Fiji, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Tonga and as Ambassador Extraordinary and Plenipotentiary of the United States of America to Tuvalu.

Richard David Vine, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

U.S. AIR FORCE

Major General Richard Edwin Merkling, to be Lieutenant General.

INTERNATIONAL MONETARY FUND; INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT; INTER-AMERICAN DEVELOPMENT BANK; ASIAN DEVELOPMENT BANK; AFRICAN DEVELOPMENT FUND

G. William Miller, of California to be United States Governor of the International Monetary Fund for a term of 5 years and United States Governor of the International Bank for Reconstruction and Development for a term of 5 years; a Governor of the Inter-American Development Bank for a term of 5 years; and United States Governor of the Asian Development Bank and United States Governor of the African Development Fund.

INTERNATIONAL MONETARY FUND

Paul A. Volcker of New Jersey to be United States Alternate Governor of the International Monetary Fund for a term of 5 years, vice G. William Miller.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY, NAVY AND MARINE CORPS

Air Force nominations beginning Bernard Abramson, to be colonel, and ending James D. Mullins, to be major, which nominations were received by the Senate on August 16, 1979, and appeared in the Congressional Record on September 5, 1979.

Air Force nominations beginning James A. Abels, to be captain, and ending Marlin L. Sweigart, to be captain, which nominations were received by the Senate on August 16, 1979, and appeared in the Congressional Record of September 5, 1979.

Air Force nominations beginning Donald M. Toenjes, to be captain, and ending Merle W. Nash, to be colonel, which nominations were received by the Senate on August 27, 1979, and appeared in the Congressional Record of September 5, 1979.

Army nominations beginning Bruce L. Cain, to be second lieutenant, and ending Philip M. Yee, to be first lieutenant, which nominations were received by the Senate on August 16, 1979, and appeared in the Congressional Record of September 5, 1979.

Army nominations beginning Paul R. Hilty, Jr., to be colonel, and ending Robert R. Renaut, to be first lieutenant, which nominations were received by the Senate on August 16, 1979, and appeared in the Congressional Record of September 5, 1979.

Navy nominations beginning Mark O. Abbott, to be captain, and ending Lawrence K. Duke, to be ensign, which nominations were received by the Senate on August 27, 1979, and appeared in the Congressional Record of September 5, 1979.

Marine Corps nominations beginning Ronald E. Ablowich, to be lieutenant colonel, and ending Thomas M. Zarner, to be chief warrant officer, W-2, which nominations were received by the Senate on August 16, 1979, and appeared in the Congressional Record of September 5, 1979.

Mr. ROBERT C. BYRD. Mr. President, I move en bloc to reconsider the vote by which the various nominations were considered and confirmed en bloc.

Mr. BAKER. Mr. President, I move to lay that motion to reconsider on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of the nominees.

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

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

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

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Are there any orders, Mr. President, for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are none.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER FOR RECESS UNTIL 9:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 9:15 a.m. tomorrow.

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

ORDER FOR DIVISION OF TIME BETWEEN THE TWO LEADERS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the approval of the Journal and the prayer, the remaining time, up to 9:30 a.m., be equally divided between the two leaders or their designees.

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

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will come in at 9:15 a.m. tomorrow. The Senate will resume consideration of the second concurrent budget resolution at 9:30 a.m. At that time, the pending question will be on the amendment by Mr. ROTH. There will be rollcall votes throughout the morning and afternoon. About 6 hours remain on the resolution itself. Several amendments remain to be called up yet, so it will be a busy day tomorrow.

RECESS UNTIL 9:15 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 9:15 a.m. tomorrow.

The motion was agreed to and, at 6:26 p.m., the Senate recessed until tomorrow, Wednesday, September 19, 1979, at 9:15 a.m.

NOMINATIONS

Executive nominations received by the Senate September 18, 1979:

FEDERAL COUNCIL ON THE AGING

The following-named persons to be Members of the Federal Council on the Aging for the terms indicated:

For terms expiring June 5, 1981:

Cyril Hilary Carpenter, of Minnesota, vice Mrs. John William Devereux, term expired.

John B. Martin, of Maryland (reappointment).

Mary Crowley Mulvey, of Rhode Island, vice Harry Holland, term expired.

Jean Jones Perdue, of Florida, vice Nat T. Winston, Jr., term expired.

For a term expiring June 5, 1982:

Aaron E. Henry, of Mississippi, vice Frell M. Owl, term expired.

CONFIRMATIONS

Executive nominations confirmed by Senate September 18, 1979:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Emily Rauh Pulitzer, of Missouri, to be a Member of the National Museum Services Board for a term expiring December 6, 1983.

SECURITIES AND EXCHANGE COMMISSION

John R. Evans, of Utah, to be a Member of the Securities and Exchange Commission for the term expiring June 5, 1983.

Philip A. Loomis, Jr., of Maryland, to be a Member of the Securities and Exchange Commission for the term expiring June 5, 1984.

COUNCIL ON WAGE AND PRICE STABILITY

R. Robert Russell, of California, to be Director of the Council on Wage and Price Stability.

DEPARTMENT OF STATE

Thomas M. Tracy, of Florida, a Foreign Service Officer of class 1, to be an Assistant Secretary of State.

Herbert F. York, of California, for the rank of Ambassador during the tenure of his assignment as the U.S. representative to the Comprehensive Test Ban negotiations.

Lyle Franklin Lane, of Washington, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Uruguay.

Jack Richard Perry, of Georgia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Bulgaria.

Stephen Low, of Ohio, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Nigeria.

John P. Condon, of Oklahoma, a Foreign Service officer of class 1, now Ambassador Extraordinary and Plenipotentiary of the United States of America to the Dominion of Fiji, to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Kingdom of Tonga and as Ambassador Extraordinary and Plenipotentiary of the United States of America to Tuvalu.

Richard David Vine, of California, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Switzerland.

INTERNATIONAL MONETARY FUND; INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT; INTER-AMERICAN DEVELOPMENT BANK; ASIAN DEVELOPMENT BANK; AFRICAN DEVELOPMENT FUND

G. William Miller, of California, to be U.S. Governor of the International Monetary Fund for a term of 5 years and U.S. Governor of the International Bank for Reconstruction and Development for a term of 5 years; a Governor of the Inter-American Development Banwk for a term of 5 years; and U.S. Governor of the Asian Development Bank and U.S. Governor of the African Development Fund.

INTERNATIONAL MONETARY FUND

Paul A. Volcker, of New Jersey, to be U.S. Alternate Governor of the International Monetary Fund for a term of 5 years.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8036, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Richard Edwin Merkling, [redacted] U.S. Air Force.

Air Force nominations beginning Bernard Abramson, to be colonel, and ending James D. Mullins, to be major. (See Executive Journal proceedings of September 5, 1979, for complete list.)

Air Force nominations beginning James A. Abels, to be captain, and ending Marlin L. Sweigart, to be captain. (See Executive Journal proceedings of September 5, 1979, for complete list.)

Air Force nominations beginning Donald M. Toenjes, to be captain, and ending Merle W. Nash, to be colonel. (See Executive Journal proceedings of September 5, 1979, for complete list.)

IN THE ARMY

Army nominations beginning Bruce L. Cain, to be second lieutenant, and ending Philip M. Yee, to be first lieutenant. (See Executive Journal proceedings of September 5, 1979, for complete list.)

Army nominations beginning Paul R. Hilty, Jr., to be colonel, and ending Robert R. Renaut, to be first lieutenant. (See Executive Journal proceedings of September 5, 1979, for complete list.)

IN THE NAVY

Navy nominations beginning Mark O. Abbott, to be captain, and ending Lawrence K. Duke, to be ensign. (See Executive Journal proceedings of September 5, 1979, for complete list.)

IN THE MARINE CORPS

Marine Corps nominations beginning Ronald E. Ablowich, to be lieutenant colonel, and ending Thomas M. Zarner, to be chief warrant officer, W-2. (See Exectuive Journal proceedings of September 5, 1979, for complete list.)