SENATE—*Friday, November 9, 1979*

(Legislative day of Monday, November 5, 1979)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by HON. WALTER D. HUDDLESTON, a Senator from the State of Kentucky.

PRAYER

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

Let us pray.

Almighty God, before whom the nations rise and pass away, in this time of trouble suffer not our trust in Thee to fail. We thank Thee for this good land which Thou hast given us, for its luminous past, its challenging present, and its promising future. We thank Thee for the hero's valor, the patriot's devotion, the prophet's voice, and the toil and pain by which we have become great and good and strong. As on Veterans Day we gratefully remember those who have spent themselves in defense of the Nation, we pray for our fellow countrymen now in bondage to demonic powers abroad. Surround them with Thy love, assure them of our care, protect them from harm. Guide our leaders in the fragile quest for deliverance, freedom, and peace.

Be with us as we work. And may the light of God surround us, the love of God enfold us, the power of God protect us, and the presence of God watch over us. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., November 9, 1979.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable WALTER D. HUDDLESTON, a Senator from the State of Kentucky, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HUDDLESTON thereupon assumed the chair as Acting President pro tempore.

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.

ORDER FOR RECESS TODAY UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, just as a precaution and with no suggestion that the Senate will be in tomorrow—I have every reason to believe that the Senate will complete action of the DOD appropriations bill today—I have no doubt of that. Of course, I do not need unanimous consent. A motion to come in tomorrow and go out today at a certain time can be made and it is not debatable.

Mr. PROXMIRE. Will the Senator use the microphone, please? I cannot hear him.

Mr. ROBERT C. BYRD. Oh, yes, of course. I ask unanimous consent that when the Senate completes its business today, it stand in recess until the hour of 10 o'clock tomorrow morning.

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

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized for not to exceed 3 minutes.

Mr. ROBERT C. BYRD. Mr. President, I yield my 3 minutes to the distinguished Senator from Wisconsin.

Mr. PROXMIRE. I thank the distinguished majority leader.

THE GENOCIDE CONVENTION: CONTINUING THE TRADITION OF THE DECLARATION OF INDEPENDENCE

Mr. PROXMIRE. Mr. President, our Declaration of Independence states—

> That all Men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty, and the Pursuit of Happiness.

Based upon this sacred pledge, our Nation has struggled to uphold and further the cause of individual and human rights. Except for a few notable exceptions, our Nation can be proud of our record in this regard.

We believe our Nation to be a true leader in the area of human rights. In order to retain this position, we must speak out. We must be in the forefront of the human rights movement. Only by continuous action will we have the leverage to help further human rights throughout the world.

Ratifying the Genocide Convention will help us maintain our recognized leadership in the field of human rights. By ratifying this treaty we will remove a blemish on our Nation's human rights record.

Clearly, ratification of the treaty will give the United States more leverage in dealing with foreign countries who may be violating basic human rights. Eighty-three countries have already ratified the treaty. We must join those who have made a solemn commitment to deal with the terrible violation of human rights known as genocide. By doing so we will be joining the governments representing the overwhelming majority of the world's people.

Every major nation in the world has ratified the Genocide Convention, except the United States. Every President has pleaded with us to ratify it. Every Secretary of State, every Attorney General, every religious group in the country of any significance has supported the ratification of the treaty. Only the Senate stands in the way.

In ratification, we are keeping with our own rich tradition of protecting human and individual rights which has its roots in the Declaration of Independence.

Mr. President, on these grounds I urge my colleagues to join me in asking for ratification of this treaty.

Again, I thank the majority leader and yield the floor.

CHRYSLER AID

Mr. ROBERT C. BYRD. Mr. President, last week the Treasury announced a proposal to help Chrysler avoid bankruptcy. The plan would offer the company a Federal guarantee of up to $1.5 billion if it can independently raise an additional $1.5 billion.

I have been observing the evolution of this issue for some time. On September 6, in remarks on the Senate floor, I suggested that Chrysler must exhaust all self-help possibilities before the Government could properly offer assistance. I am pleased that the Treasury's proposal does require the company to raise additional unguaranteed capital.

However, in that same address and on many occasions subsequently, I have recommended that any Federal aid to Chrysler be linked to a transfer of a significant amount of Chrysler stock to its employees.

Unfortunately, the Treasury failed to recognize the boon to Chrysler's productivity which could result from such an approach. An employee stock ownership plan, such as that included in Senator RIEGLE's bill, would result in Chrysler's receiving the same amount of cash just as quickly as it would without the ESOP. In addition, by creating a trust to acquire shares for the workers, Chrysler's work force would be offered a tangible financial incentive to make the

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

sacrifices which the Treasury plan will require.

There is wide support in the Senate for sharing ownership of Chrysler with its employees.

It is my understanding that the Treasury was concerned that including an ESOP in its plan could result in a delay in the legislative process. Because of the support for an ESOP in the Senate, my reading of the situation and my advice to the Treasury was that inclusion of an ESOP approach may have expedited the legislative process.

This is an important piece of legislation. I have stated that the Senate could find time to consider it if the Banking Committee reports a bill. But this legislation needs a broad base of support in order to get out of committee and to merit consideration late in an already busy session.

I believe that the ESOP plan, as contained in Senator RIEGLE's bill, could help generate the level of support which would invite Senate consideration.

Requiring Chrysler to provide its employees with approximately one-third of its voting stock has another important benefit. This "bitter medicine" will insure that assisting Chrysler will not invite a rash of appeals from other companies for Government financial aid. Diluting existing shareholders' ownership, together with the inevitable election of employee representatives to the board of directors, will discourage all but the most desparate companies from approaching the Government for help. I believe that such a disincentive must be built into any acceptable Chrysler aid legislation.

Mr. President, I am informed that in its negotiations with Chrysler the United Auto Workers Union has agreed to forgo or defer wages, benefits, and pension contributions in the range of $400 million. This flexibility is essential for the company's survival. If other parties with an interest in the company's survival demonstrate similar cooperation, and if Chrysler's management is willing to dispose of or refinance some of the company's assets, Chrysler should be able to meet the Treasury's goal of raising $1.5 billion in additional nonguaranteed capital.

There are significant potential costs to the Government if Chrysler fails. Through guarantees of the company's pension funds alone, the Federal Government could lose up to $750 to $900 million. If we can avoid the costs to the Government and the dislocations to the economy of a Chrysler failure, we will serve the Nation well by considering all the possible options for Federal financial aid. I believe the most attractive option is one which incorporates an ESOP, offers an adequate guarantee level to see the company through its difficult times, and requires maximum self-help.

I will be watching the Banking Committee's progress on this issue with continued interest and will be reserving my final judgment on aid to Chrysler until the hearing record is complete. My final decision will be strongly influenced by the structure of the plan which is ultimately reported by the Banking Committee.

SOVIET EXIT VISAS

Mr. ROBERT C. BYRD. Mr. President, Soviet officials have indicated to me that exit visas have been granted to:

Mr. Jan Kargol and family, and

Mr. John Kachurak and family.

I had asked Soviet officials to give compassionate consideration to these and other cases. I had first raised this matter with President Brezhnev when I met with him in the Soviet Union in July.

I have been informed by the Soviets that certain other cases I have raised remain under active consideration.

Mr. Kargol and Mr. Kachurak represent long-standing hardship cases. Both were born in the United States and have been "dual citizens." They and their families have long sought to come to the United States and be reunited with relatives here. They have been attempting to obtain exit visas for many years. Mr. Kargol first applied to leave the Soviet Union in 1939. The U.S. Embassy made its first representations on Mr. Kargol's behalf in 1947. Mr. Kachurak and his family have been trying to obtain Soviet exit visas to the United States since 1964 to reunite with his mother in Philadelphia.

I welcome these actions by the Soviet Government, which obviously have great meaning for the individuals and families involved, but which also constitute a constructive contribution to United States-Soviet relations.

I believe that progress in resolving other cases I have raised with the Soviets—on humanitarian grounds—would be helpful to the general atmosphere of United States-Soviet relations.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader is recognized for not to exceed 3 minutes.

CONCERN FOR THE HOSTAGES IN IRAN

Mr. STEVENS. Mr. President, in the middle of the night last evening, I was called by one of my very best friends, upon whom I rely heavily for advice. It is hard to take advice in the middle of the night from anybody, even a friend. But he said "Ted, there is only one thing I hope you are keeping in mind throughout this Iranian crisis and that is the safety of the American people who are in custody there."

Many of us have been asked for comments and suggestions as to what we would do under the circumstances. My best advice to the Members of the Senate on my side of the aisle and, to all Members of the Senate for that matter, is that we keep our ideas to ourselves during this most critical time.

The administration has done its best job yet in keeping us informed as to the developments in Iran. Thanks to the majority leader's intervention, we have had full-scale briefings from the Vice President and the Secretary of State. It is my understanding that there will be a similar meeting today and it is apparent to me that every American's first concern ought to be the same as that of my late night caller and friend who asked: "How are we going to assure the safety and the return to freedom of our Americans who are held in custody?"

I think the Senate has to understand that if we are to assume the full powers that we have under our Constitution, such as the right to advise and consent to foreign treaties or agreements, then we should, in turn, allow those who have their own constitutional authority to conduct foreign affairs to do so without our interfering in their prerogative by making statements that might prove harmful at such a time of very serious crisis.

Having said that, Mr. President, I ask unanimous consent to have printed in the RECORD at this point an editorial from this morning's New York Times. I think it goes a little further than I would, but nevertheless it is consistent with my view that the first goal for all Americans should be to pray for the early return to freedom of our fellow citizens who went to Iran to conduct the business of this country.

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

THE STAKES IN IRAN

There have been good reasons for responsible Americans to hold their tongues about the outrage in Iran this week. No one, plainly, has a really good plan to assure the rescue of the 60 hostages and other vulnerable Americans in that disintegrating society. John Connally was quick to cast blame; he seems to believe it is sinful only to appease a foreign crowd. But given the widespread frustration of Americans, the wonder is that so many political figures have understood the predicament of the President—and of the hostages—and taken care not to goad the nation into frenzied action.

The off-stage whispering, however, seems to dwell on two extreme responses: get rid of the Shah or call out the cavalry. They deserve some ventilation before glib conclusions gain public favor.

Whatever one's view of the Shah, he was admitted to the United States, rightly or wrongly, because he was sick and powerless. Iran's student warriors may not know that, but Ayatollah Khomeini does. He knows that Washington tried to appease him by discouraging the Shah from settling here in the first place. The Ayatollah also knows that the Carter Administration gave him military aid to crush various rebels and encouraged American business to help rebuild his economy. If all that was not enough to preserve an elementary diplomatic civility, it can only be because the Ayatollah needed this contest of will. The suspicion grows that to salvage his power in the streets of Teheran, he found it necessary to reopen a unifying battle against the Shah and America. No shameful ransom will dissolve such calculated hostility.

Some may think the Shah is not worth the risk to 60 American lives. But if they do not see dishonor in trading him, they need at least to recognize that paying blackmail to a government that kidnaps diplomats can only invite further humiliations, and not

only by Iran. Above all they need to understand that bargaining away the rights of immunity and sanctuary that have been violated at the Teheran embassy would destroy the rules that even warring nations normally observe to protect human life and communication the world over. That cause far transcends the Shah.

So why not send the troops and get it over with? It may come to that if the hostages are harmed. But Teheran is not Entebbe airport; a huge force would be needed to seize the hostages and protect their evacuation. The casualties would be great, especially among those being saved. And hundreds of other Americans in Iran would suffer the vengeance of the mob.

Moreover, a temporary invasion could well rescue the Ayatollah from the collapse his policies have brought near. As Steven Erlanger wrote in The New Republic before the embassy was seized, the embattled priest has managed to excommunicate nearly all of the forces of the middle class, the left and the military that united to topple the Shah—leaving only the priests and the formidable but incoherent mass of the poor. "And they are hardly enough to preserve anything but a prolonged anarchy." That is why Khomeini has been inventing plots and American devils.

Delay, then, is a prudent course if it can be used to obtain the release of the captives without revivifying the Ayatollah's gasping regime. But that delay and those efforts should not be allowed to confuse the other interests that the United States is determined to protect. The Iranian authorities should have been on clearer notice all week that they will be deemed responsible for the fate of all Americans in their country. And the world needs to understand that American and other emissaries will discuss, but not bargain for, the release of the hostages.

If the Palestine Liberation Organization for example, wants to improve its reputation among Americans by arranging an evacuation, that is one thing. But if the P.L.O. were to replace the Ayatollah as ransom collector by demanding official recognition in exchange for its help, that is quite another matter.

Even this much speculation can cause damage in such a volatile situation. But this episode promises to trigger a heated debate about America's standing in the world. The nation's purpose ought to be clear even before it knows whether its tactics were right.

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

Mr. STEVENS. I do yield.

Mr. ROBERT C. BYRD. Mr. President, I share the sentiment that has been expressed by the acting Republican leader. Now is the time for restraint, not rhetoric. It is time for diplomacy. It is the time for cool heads, because the lives of at least 60 Americans are in great jeopardy at this moment.

I compliment my colleagues for the restraint that they have all demonstrated. We all know the feeling of our people and we share their feeling, but now is the time to let diplomacy work in this very delicate, very sensitive situation.

I also commend the press for the restraint that has been shown by the press.

I thank the Senator.

Mr. STEVENS. I thank the majority leader for yielding me that time.

ORDER OF PROCEDURE

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEVENS. I am glad to yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that I may yield 5 minutes to the distinguished acting Republican leader. I think he is going to need it to yield to someone.

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

Mr. STEVENS. I yield such time as I have remaining to the Senator from Minnesota (Mr. DURENBERGER) to be used following the special orders, if I may do so. I ask unanimous consent that I may do that.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Minnesota is recognized.

Mr. STEVENS. It will be to follow those Members who come to the floor to express sentiments under special orders.

The ACTING PRESIDENT pro tempore. Without objection, it——

Mr. STEVENS. Mr. President, it is not my desire to do that. The Senator from Iowa is here. I ask unanimous consent to yield to the Senator from Minnesota to follow the Senator from Iowa.

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

Under the previous order, the Senator from Iowa (Mr. JEPSEN) is recognized for not to exceed 15 minutes.

Mr. ROBERT C. BYRD. Will the Senator yield for just a request?

Mr. JEPSEN. I yield.

Mr. ROBERT C. BYRD. Mr. President, do I have 10 minutes remaining?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I yield 9 minutes to Mr. RIEGLE if he needs it and the additional minute to Mr. JEPSEN.

Mr. JEPSEN. Mr. President, the Senator from Iowa yields to the distinguished Senator from Minnesota (Mr. DURENBERGER).

Mr. DURENBERGER. Mr. President, I thank the distinguished Senator from Iowa for yielding.

COMPETITION AND HEALTH CARE

Mr. DURENBERGER. Mr. President, last week I introduced the revised version of the Health Incentives Reform Act, S. 1968. The bill was not printed in the RECORD. I ask unanimous consent that S. 1968 be printed in the RECORD at this time, together with two articles which describe the need for a return to competition in health care.

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

S. 1968

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Health Incentives Reform Act of 1979"

STANDARDS FOR HEALTH BENEFIT PLANS PROVIDED BY EMPLOYERS

SEC. 2. (a) Part II of subchapter B of chapter 1 of subtitle A of the Internal Revenue Code of 1954 (relating to items specifically included in gross income) is amended by adding at the end thereof the following new section:

"Sec. 86. Employer contributions to health benefit plans.

"(a) IN GENERAL.—

"(1) EXCESS CONTRIBUTIONS.—Notwithstanding section 106, any contribution to or on behalf of a taxpayer by his employer to a health benefit plan, or dental benefit plan, or both, for any month shall be included in such taxpayer's gross income to the extent that such contribution amount exceeds the limitation on contribution under subsection (e) for that month with respect to such taxpayer.

"(2) NON-QUALIFIED CONTRIBUTIONS.—Notwithstanding section 106, any contribution to or on behalf of a taxpayer by his employer to a health benefit plan for any month shall be included in such taxpayer's gross income if such employer fails to comply during that month with any requirement of this section (to the extent that such requirement applies to that employer).

"(b) DEFINITIONS.—For purposes of this section—

"(1) The term 'health benefit plan' means a separate plan of an employer, or a plan to which such employer contributes, for the benefit of his employees or their spouses or dependents to provide such employees, spouses, or dependents with specified hospital or medical services, through prepayment of fees, direct provision of services, payment of insurance premiums, or reimbursement for expenses incurred. For purposes of this section, plans described in this paragraph provided by an employer to two or more distinct categories of employees, which have different employer contribution amounts, shall be considered to be separate health benefit plans if the distinct categories of employees are reasonably differentiated for purposes of determining fringe benefits on a basis other than their choice of, or participation, in a health benefit plan or option thereof.

"(2) The term 'carrier' means an organization (including a self-insured organization or a multiemployer group) which—

"(A) is lawfully engaged in providing, paying for, or reimbursing the cost of, health services under group insurance policies or contracts, medical or hospital service agreements, membership or subscription contracts, or similar arrangements; and

"(B) offers at least one health benefit plan (or option thereof) meeting the standards of subsections (h) and (i) which individuals entitled to conversion rights under subsection (f) or (g) may purchase, in accordance with the provisions of subsection (f) or (g) at a reasonable premium rate (as determined by the appropriate State agency in accordance with standards prescribed by the Secretary, which standards shall ensure that the rate is reasonable on the basis of the costs involved in providing such coverage).

"(c) MULTIPLE CHOICE OF PLAN OPTIONS.—

"(1) Any employer having a total of more than 100 employees covered under any health benefit plan offered by such employer at any time during a calendar year must provide that such plan offers at least three options for coverage under such plan, each of which meets the requirements of subsections (f), (g), (h), and (i), and each of which is offered by a separate carrier.

"(2) For purposes of determining whether an option is offered by a separate carrier—

"(A) any carriers which are component members of a controlled group of corporations (as determined under section 1563) shall be considered to be a single carrier; and

"(B) any carriers which are under common

control (as determined under section 414(c)) shall be considered to be a single carrier.

"(3) For purposes of determining whether an employer has more than 100 employees covered under a plan—

"(A) all employees of all corporations which are members of a controlled group of corporations (as determined under section 1563) shall be treated as employed by a single employer;

"(B) all employees of trades or businesses which are under common control (as determined under section 414(c)) shall be treated as employed by a single employer; and

"(C) in the case of a plan offered by a multi-employer group, each employer of employees covered under the plan shall be considered to have more than 100 covered employees if the total number of covered employees of all member employers exceeds 100.

"(4) For purposes of this subsection, the three option requirement applies to each type of benefit required under subsections (h) and (i), and more than one carrier may be used under each option, provided that there are at least three options available (by three separate carriers) for each such type of required benefit. The requirements of this subsection shall not apply to benefits offered under a plan which are not such required benefits.

"(d) EQUAL CONTRIBUTION REQUIREMENTS.—

"(1) With respect to any employer offering more than one coverage option under a health benefit plan, the amount of such employer's contribution shall not depend upon which such option an employee chooses.

"(2) If the contribution amount selected by such employer is in excess of the total cost of any option offered, the employer shall contribute, to any employee choosing such option, an amount equal to the difference between the employer contribution amount and the total cost of the option chosen by that employee. Such contribution may be in cash or in any other form of compensation or benefit, but each such employee shall have the option of receiving such contribution in cash.

"(3) For the purposes of this section and section 125 (relating to cafeteria plans)—

"(A) a contribution required by this subsection which consists of additional health benefits shall be treated as a separate health benefit plan option; and

"(B) a contribution required by this subsection which consists of any type of benefit other than cash or health benefits shall be subject to the provisions of section 125.

"(4) No contribution shall be required under this subsection in the case of an employee who chooses not to participate in any option offered under a health benefit plan.

"(e) LIMITATION ON AMOUNT OF EMPLOYER CONTRIBUTION.—

"(1) For purposes of this section, the limitation on employer contribution to a health benefit plan, or to a dental benefit plan, or both, with respect to each month shall be an amount equal to the indexed contribution amount in effect for such month as determined under paragraph (2).

"(2) The indexed contribution amount for each month in a calendar year shall be an amount equal to the indexed contribution amount in effect for the preceding calendar year, increased or decreased (as the case may be) by the percentage increase or decrease in the medical care component of the Consumer Price Index for the third quarter of the preceding calendar year, as compared to such component for the third quarter of the second preceding calendar year.

"(3) For months in the calendar year 1980, the indexed contribution amount shall be—

"(A) $50.00 with respect to coverage provided for the employee only;

"(B) $100.00 with respect to coverage provided for the employee and his spouse; and

"(C) $125.00 with respect to coverage provided for a family group consisting of the employee and his family (other than coverage described in subparagraph (B)).

"(4) The Secretary shall by regulation establish methods for determining the amount of the employer contribution to or on behalf of each employee in the case of a self-insured employer.

"(f) CONTINUITY OF COVERAGE.—In order to be a qualified contribution under subsection (a)(2), the employer contribution must be for a plan (or option thereof) that provides—

"(1) continued group coverage under such plan or option in the event of the death, separation from employment, or divorce, of the employee, for a period of 30 days following such event, for any individual who had such coverage at the time of such event (and the plan shall provide that such employer shall continue his contribution during such period);

"(2) continued group coverage under such plan or option for an additional period of 180 days after the 30-day period referred to in paragraph (1) for any individual referred to in paragraph (1) upon payment of a premium not to exceed the applicable group premium rate for such period (and such payment may be made through the employer); and

"(3) for the right of any individual referred to in paragraph (1) to convert, during the 180-day period described in paragraph (2), to an individual health benefit plan or option that meets the requirements of subsections (h) and (i), without regard to prior medical condition or proof of insurability.

"(g) COVERAGE FOR FAMILY OF EMPLOYEE.—

"(1) In order to be a qualified contribution under subsection (a)(2), the employer contribution must be for a plan (or option thereof) that—

"(A) allows each employee choosing such plan or option to purchase coverage under such group plan or option, for so long as such employee maintains coverage for himself, for his spouse and any of his qualified children;

"(B) allows any such qualified child covered under the plan or option the right to convert, during the period of 180 days following the date on which he ceases to be a qualified child of the covered employee, to an individual plan or option that meets the requirements of subsections (h) and (i), without regard to prior medical condition or proof of insurability; and

"(C) provides that with respect to any employee who is covered under the plan or option at the time of the birth or any qualified child of his, the coverage under such plan or option shall automatically include such child (and the cost of coverage shall be adjusted accordingly); except that such employee may choose, during the 60-day period following such birth, to waive such coverage for the child.

"(2) A qualified child of an employee is an individual who is a child of the employee (within the meaning of section 151(e)), and who (A) has not attained the age of 19 and resides in the same household as the employee, or (B) is a student (within the meaning of section 151(e)).

"(h) MINIMUM BENEFITS.—

"(1) In order to be a qualified contribution under subsection (a)(2), the employer contribution must be to a plan (or option thereof) that at least provides coverage for the same types of services for which coverage is provided under title XVIII of the Social Security Act.

"(2) The requirements of paragraph (1) shall not affect any provisions of such plan or option relating to deductibles or copayments, or relating to requirements that covered services be provided by particular persons or facilities.

"(i) CATASTROPHIC EXPENSE PROTECTION.—

"(1) In order to be a qualified contribution under subsection (a)(2), the employer contribution must be to a plan (or option thereof) that provides for payment of 100 percent of the cost of services included under subsection (h)(1) which are provided to an individual covered under such plan or option during a catastrophic benefit period.

"(2) A catastrophic benefit period with respect to any individual—

"(A) shall begin at such time as the individual and his spouse and qualified children, if covered, have incurred, while covered under the plan, out-of-pocket expenses for services included under subsection (h)(1) provided to them during any calendar year in excess of $3,500; and

"(B) shall end at the end of such calendar year.

"(3) For purposes of this section the term 'out-of-pocket expenses' means expenses, the payment for which such individual, or his spouse, or qualified child covered under the plan or option, is responsible, and for which reimbursement cannot be made, or cannot reasonably be expected to be made, under any other form of insurance or benefit plan, or any law or Government program, but does not include expenses incurred to which reimbursement is not made under a health benefit plan or option solely by reason of the fact that the individual or his spouse or qualified child incurred such expenses provided by a person or facility, and under such circumstances, such that payment under such plan or option is not authorized.

"(4) For purposes of this section the term 'qualified child' has the same meaning as in subsection (g).

"(5) In the case of an employer whose contribution amount to a health benefit plan for his employees is less than the full amount necessary to provide catastrophic expense protection as required by this subsection, one health plan option offered by such employer shall be considered to meet the requirements of this subsection if it meets all such requirements except that the deductible amount is in excess of $3,500.".

(b) The table of contents of part II of subchapter B of chapter 1 of subtitle A of such Code is amended by adding at the end thereof the following item:

"Sec. 86. Employer contributions to health benefit plans.".

EFFECTIVE DATE

SEC. 3. The amendments made by this Act shall become effective on January 1, 1982.

SPECIAL RULE FOR EMPLOYMENT TAXES

(a) GENERAL RULE.—Chapter 25 (relating to general provisions relating to employment taxes) is amended by adding at the end thereof the following new section:

"Sec. 3508. Treatment of excess employer contributions and rebates under section 86 health plans.

"(a) AMOUNT INCLUDED IN GROSS INCOME UNDER SECTION 86(a) TREATED AS REMUNERATION.—For purposes of this subtitle, any amount required to be included in the gross income of an employee under section 86(a) with respect to any month—

"(1) shall be treated as paid in cash to such employee at the close of such month, and

"(2) shall not be treated as paid under a health or similar plan of the employer.

"(b) SPECIAL RULES FOR CASH PAYMENTS.—In the case of any required cash payment under section 86(d)(2)—

"(1) FICA, R&R, AND FUTA TREATMENT.—No amount (in addition to that to which subsection (a) of this section applies) shall be subject to tax under chapter 21, 22, or 23.

"(2) WITHHOLDING.—The remainder of the rebate (after the application of subsection (a) of this section) shall be subject to tax under chapter 24."

(b) CLERICAL AMENDMENT.—The table of sections for chapter 25 is amended by adding at the end thereof the following new item:

"Sec. 3508. Treatment of excess employer contributions and rebates under section 86 health plans.".

COORDINATED ADMINISTRATION

SEC. 5. The Secretary of the Treasury, in determining whether health plans or options meet the criteria of subsections (h) and (i) of section 86 of the Internal Revenue Code of 1954 (relating to minimum benefits and catastrophic expense protection) shall coordinate such determinations with the regulations and decisions of the Secretary of Health, Education, and Welfare in carrying out the program established under title XVIII of the Social Security Act.

COMPETITION IN THE DELIVERY OF MEDICAL CARE

(By Jon B. Christianson, Ph.D., and Walter McClure, Ph.D.)

Abstract.—One approach to reform of the medical-care-delivery system emphasizes the development of constructive competition among providers of health care. In this article we describe competition among providers in Minneapolis-St. Paul, one of the few areas that can provide information concerning the practicality of this type of reform. We have found that competition has helped to reduce hospitalization, contain costs and improve access to medical services. At the same time it has focused attention on consumer satisfaction with medical services, increased the range of consumer choice and given consumers better information about providers. Certain public and private measures could facilitate the development of similar competition in other communities. (N Engl J Med 301:812–818, 1979.)

The current debate concerning the appropriate public policy for restructuring the medical-care-delivery system in the United States appears to have identified two broad policy options. The first alternative is increased regulation, probably eventually including mandatory ceilings on health-care expenditures. A second approach emphasizes the introduction of effective market incentives in the delivery of medical care through the establishment of competing "health-care plans" in communities.[1-4] These organizations could take many different forms,[2] but their common characteristics would be the provision of comprehensive medical services by means of a defined set of physicians to a voluntarily enrolled population paying a prospective per capita fee. (Participating physicians could be paid in any way agreed on with their plan.) The major effect of this reform would be the division of providers into experience-rated groupings. Consumers would choose among these groupings and traditional providers under insurance plans on the basis of service and premiums. Thus, a health-care plan with efficient, highly qualified providers could draw patients away from inefficient providers by offering better service and broader benefits or lower premiums. This system contrasts with the present system of comprehensive third-party insurance coverage, which does not reward patients who choose efficient providers or providers who deliver care efficiently.[1,3]

Advocates of increased competition in the delivery of medical services have offered primarily theoretical arguments in its support. As a result the enthusiasm of many people for this approach has been tempered by concern about its practicality.[5] Can health-care plans be established on a wide scale and in a reasonable time? Will they really compete and not collude? Will consumers accept them in a setting of free choice? Will traditional providers respond positively to their development? Will a competitive market restrain increases in expenditures without impairing quality? These concerns about the actual performance of a competitive medical-care system can be addressed adequately only on the basis of experience, and there have been few, if any, examples of a competitive medical-care system in action. However, the recent development and growth of several health-care plans in Minneapolis-St. Paul has provided interesting evidence and insight into the practicality of this competitive approach.

A COMPETITIVE SYSTEM IN PRACTICE

There are now seven health-maintenance organizations (HMO's) in the Minneapolis-St. Paul metropolitan area. Their total enrollment has grown at an average annual rate of 27 percent since 1971,[6] and as of December 31, 1978, enrollment totaled approximately 240,800 members, or 12.4 per cent of the standard metropolitan statistical area (SMSA) population in the Twin Cities. Since this population grew very slowly over the past seven years, increases in HMO enrollment occurred at the expense of private insurers and traditional providers. Because of certain federal and state restrictions, HMO enrollees are drawn almost entirely from employed groups. There is only one "federally qualified" HMO in the Twin Cities. Thus, members older than 65 years are essentially precluded by Medicare reimbursement regulations that require HMO's to be federally qualified before enrolling the group eligible for Medicare. However, the age-sex distribution of members of these HMO's is still similar to that in HMO's in other parts of the United States.[6,7] As many as 35 per cent of those in eligible employee groups initially enrolled in the HMO's; after several enrollment periods the majority of employees in many major groups in the Twin Cities (for example, General Mills, Prudential Insurance, Cargill, Hennepin County and Deluxe Check Printers) have become HMO members.

SPONSORSHIP AND RISK-SHARING

The HMO's in the Twin Cities have been sponsored by a variety of organizations and feature many different financial arrangements for distributing risk. The largest and oldest HMO, Group Health Plan (121,184 members on December 31, 1978), began operation as a consumer cooperative, employs physicians on a salary basis and purchases hospital services by contractual arrangements with community hospitals. The second largest HMO, the MedCenter Health Plan (46,706 members), was sponsored by the St. Louis Park Medical Center, a multispecialty group practice. The plan has added several other physician groups and secures hospital services through negotiated contracts with a number of local hospitals.

In contrast to Group Health and MedCenter, there are three HMO's with somewhat closer ties to hospitals. The Ramsey Health Plan (4,025 members) contracts with St. Paul Ramsey Hospital, a public general hospital, for staff, hospital and ancillary services and clinic space, and the hospital is partially at risk for the expense of hospitalizing plan members. SHARE Health Plan (21,862 members) is located adjacent to Samaritan Hospital, which it uses for inpatient and outpatient ancillary services and hospitalization of members. However, the hospital is not financially at risk for the expense of hospitalizing SHARE members. SHARE was sponsored initially by a mutual-benefit association for railroad employees, but it is now independent and community-based, and its physicians are salaried employees of the health plan. It is the only HMO in the area that has sought federal qualification. The Nicollet-Eitel Health Plan (8,485 members) is a joint venture of the Nicollet Clinic (a multispecialty group practice) and Eitel Hospital. The clinic absorbs two-thirds of any financial losses associated with the plan, and Eitel Hospital is at risk for the remaining third.

The two newest HMO's were formed partially in response to the growth of the five organizations described above HMOMinnesota (HMOM, Twin Cities enrollment 12,170) consists of independent physician groups that contract with Blue Cross-Blue Shield to provide medical care to an enrolled population on a prepaid, capitation basis. One of these groups is sponsored by the Ramsey County (St. Paul) Medical Society. Hospitals throughout the Twin Cities provide institutional services on a contractual basis, and Blue Cross-Blue Shield provides administrative and support services. The Physicians Health Plan (PHP) 26,422 members), an "individual practice association" HMO, was sponsored by the Hennepin County Medical Society and includes over 1,200 physicians, or approximately 75 per cent of those in private practice in greater Minneapolis. Participating physicians agree to absorb any losses incurred by the plan, and enrollees are hospitalized through contractual arrangements with most of the hospitals in the Twin Cities.

COMPARATIVE PRICES

There is considerable variation in the premiums that the HMO's quote to different groups. In general, the quoted premiums of the HMO's vary with the benefit package offered, the expected premiums of competitors, the predicted use of services by the potential enrollee group, the ability of the HMO to assimilate additional membership and the marketing strengths other than price of competing HMO's. However, SHARE must construct premiums based on a community-wide rating system required of federally qualified HMO's.

Because of the variation in quoted premiums, average HMO monthly revenue per member derived from premiums provides the best proxy measure for HMO prices. This average rose at an annual rate of 18 per cent from 1974 to 1977 because of price inflation, increased benefit coverage and the high initial premiums of the newer HMO's formed by Blue Cross–Blue Shield and the Hennepin County Medical Society. However, during this period approximately 80 per cent of enrollment in HMO's in the area was concentrated in MedCenter and Group Health, and consequently these HMO's represented the major competition to traditional providers. The average monthly premium income per member for MedCenter and Group Health rose at annual rates of 13 and 16 per cent, respectively. (Percentage changes were calculated on the basis of revenue data from annual financial statements filed by the HMO's with the Minnesota Department of Health.)

On a group-by-group basis the premium advantage enjoyed by standard insurance plans over HMO's has decreased steadily, despite the more comprehensive benefits provided by the HMO's. For some groups, such as employees of Honeywell and General Mills, the difference has been eliminated entirely. All six of the HMO's that Honeywell initially offered to its employees (April, 1978) had lower premiums and broader benefit coverage than Honeywell's traditional insurance plan (Table 1). As a result 5300 Honeywell employees (33 per cent) switched from Blue Cross–Blue Shield to HMO membership. At the next enrollment period one year later (April, 1979), the proportion of Honeywell employees enrolled in HMO's rose to 45 per cent.

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TABLE 1.—COMPARISON OF PREMIUMS AND BENEFITS OFFERED AT HONEYWELL, APRIL 1978

Feature	Group health	MedCenter	Share	Nicollet-Eitel	HMO-Minnesota	Physicians Health Plan	Blue Cross-Blue Shield
Monthly charge to employee for family coverage.	$8	$5	$8	$8	$12	$13	$14.35.
Maximum lifetime dollar limit	None	None	None	None	None	None	$250,000.
Major medical deductible	do	do	do	do	do	do	$150 per family.
Major medical coinsurance	do	do	do	do	do	do	80 percent of 1st $15,000 after deductible.
Coverage for routine physical examinations, eye-ear examinations and immunizations.	100 percent	100 percent	100 percent	100 percent	100 percent	100 percent	None.
Coverage for hospitalization for psychiatric illness.	100 percent for 70 days.	>$15 per day for 21 days, >$25 per day for 22d through 60th day.	>$15 per day for 30 days.	>$20 per day for 30 days	100 percent for 45 days.	80 percent for 73 days.	100 percent for 70 days, 80 percent after deductible.
Coverage for hospitalization for alcohol or chemical dependency.	100 percent for 73 days.	>$15 per day for 21 days, >$25 per day for 22d through 75th day.	>$15 per day for 73 days.	100 percent for 1st 3 days, >$20 per day for next 70 days.	100 percent for 73 days.	80 percent for 73 days.	100 percent for 70 days, 80 percent after deductible.

The decreasing relative price of HMO services seems partially attributable to two policies of the Minneapolis-St. Paul business community in structuring their health-care-benefit options. First of all, it is common practice for companies to offer more than one HMO as an alternative to their traditional insurance plans. This practice encourages the HMO's to compete with each other, as well as with the insurer, for enrollees. Secondly, most employers in the Twin Cities contribute a fixed dollar amount to whichever benefit option is chosen. The employee must contribute the difference between this negotiated amount and the quoted premium (Table 1). Consequently, there is an incentive for employees to be conscious of price variation when making their choice among benefit options, and the HMO's are encouraged to compete on the basis of premiums. Since several HMO's are available as benefit options, no single HMO can successfully peg its premium increases to those of traditional insurance plans and still maintain enrollment growth. The number of HMO's and their diversity of organizational sponsorship and motivation make it unlikely that any collusive pricing arrangement (with this objective) could be sustained. In fact, there is no apparent pattern of price collusion, price leadership or predatory pricing in the HMO market in the Twin Cities.

COMPARATIVE COSTS

The necessity to be price competitive has forced HMO's in the Twin Cities to control costs tightly. The average HMO cost per enrollee per month in 1977 was $23.67 (Table 2)—$8.85 less than the average cost of $32.52 for enrollees in federally qualified HMO's[5] during that year. (Part but not all of this difference may be due to variation in the reporting requirements of the Department of Health, Education, and Welfare and the Minnesota Department of Health.) In 1977, only two HMO's in the Twin Cities had a net deficit on total income, whereas three achieved a surplus on premium income alone despite a relatively low income per enrollee ($24.79 per month versus an average of $28.52 per month in 1977 for federally qualified HMO's).[5]

TABLE 2.—EXPENSE AND INCOME PER ENROLLEE PER MONTH, 1977[6]

Health plan	Expenses*				Income ($)	
	Inpatient†	Outpatient	Administrative	Total	Premium‡	Total§
Group Health Plan	$7.24	$13.82	$1.42	$22.48	$23.04	$24.40
Med Center Health Plan	5.78	16.06	1.68	23.52	23.14	23.83
Ramsey Health Plan	9.14	14.10	3.74	26.98	24.79	25.79
SHARE Health Plan	7.04	13.97	2.69	23.70	23.85	24.90
Nicollet-Eitel Health Plan	10.36	16.44	3.22	30.02	25.22	‖30.02
HMOMinnesota	12.14	13.45	¶7.83	33.43	27.72	27.82
Physicians Health Plan	9.71	12.88	3.17	25.75	26.53	26.79
Mean	7.44	14.19	2.04	23.67	23.62	24.79
Proportion of total	.31	.60	.09	1.00	.95	1.00
Standard deviation	1.39	.99	1.27	2.40	1.28	1.29

*The correlation of inpatient expenditures to total expenditures equals 0.82, of outpatient expenditures to total expenditures equals 0.06 and of administrative expenditures to total expenditures equals 0.94.

† Inpatient expenses are primarily hospital charges to the HMO's. Payments to physicians are included under outpatient expenses.

‡ Income from capitation payments divided by total enrollee mo/yr.

§ Sum of all HMO income from capitation payments, grants, investments and copayments (but excluding fee-for-service income) divided by total enrollee mo/yr.

‖ Because of internal risk-sharing arrangements, the total net income of cost figures for Nicollet-Eitel Health Plan may not be comparable to those of other HMO's.

¶ HMOMinnesota has added administrative expenses because of marketing of the plan in northern Minnesota.

The performance of the SHARE Health Plan in the area of cost containment has been striking. From 1974 to 1978 SHARE reduced its monthly cost per enrollee from $25.72 to $25.61[6] despite an overall rise in the consumer price index of 38 percent in Minneapolis-St. Paul. Like SHARE, MedCenter and Group Health had average costs of under $27.00 per enrollee in 1978. In 1975, SHARE Health Plan enrolled approximately 300 recipients of the Aid for Dependent Children program through prepaid contracts with the Minnesota Department of Public Welfare. The average monthly cost for these enrollees was $23.90, as compared with an average cost of $36.79 for persons eligible for this aid who were served by traditional providers.[9]

Footnotes at end of article.

Inpatient costs

The success of the newer HMO's in competing for enrollees with Group Health and traditional insurers seems closely related to their ability to contain premiums by conservative hospitalization of their members.[10] The decrease in SHARE's costs cited above were paralleled by a reduction in hospital use from 752.5 to 422.8 days per 1000 members annually (Table 3). At the same time SHARE increased its membership by 560 per cent.[6]

TABLE 3.—HOSPITALIZATION

[Days per thousand]

Plan	1973	1974	1975	1976	1977	1978		
						Mental health	Nonmental health	Total
Group Health Plan[6]	489.0	490.2	504.8	500.8	496.6	122.3	360.0	482.3
MedCenter Health Plan[6]	329.9	354.0	465.2	*372.6	417.9	22.2	332.4	354.6
Ramsey Health Plan[6]	†630.9	740.5	729.8	719.9	709.9	118.6	504.9	623.5
SHARE Health Plan[6]	816.9	752.5	474.9	449.7	388.5	42.13	380.7	422.8
Nicollet-Eitel Health Plan[6]	†439.9	466.2	888.9	601.5	453.1	104.9	341.9	446.8
HMOMinnesota[6]‡		275.1	732.3	698.4	690.3	122.3	345.4	467.8
Physicians Health Plan[6]			†805.4	638.2	639.7	73.26	437.7	511.1
Average (weighted)‡	496.3	490.1	520.3	500.3	492.9	89.6	366.6	456.2
Kaiser Foundation Health Plan, northern California					[13] 421.0			†372.0
Federally qualified HMO's[7]					[13] 422.0			†397.0

*Reported hospitalization in 1976 was 306 days per 1,000 enrollees but excluded mental-health-related hospitalization. Mental-health hospitalization in 1976 was estimated by an actuarial adjustment of reported figures for mental-health hospitalization in 1977.

†Annual rates are based on less than 12 mo data.

‡Hospitalization data from 1974–77 based on experience of total membership, including plan Members residing outside the Twin Cities. Data for 1978 apply to Twin Cities members only

MedCenter, the fastest growing HMO, has been characterized by relatively low hospital use and premiums since its formation. The population base provided by the HMO membership merely permitted documentation of the already conservative hospitalization practices of MedCenter's sponsoring physicians, the St. Louis Park Medical Center. In contrast, the Ramsey Health Plan has been unable to achieve low rates of hospitalization and consequently has had high premiums and small enrollment gains.

The Physicians Health Plan lost more than $700,000 during its first two years of operation by underestimating, when constructing premiums, the rate at which its physicians would hospitalize patients. To remain financially solvent and at the same time offer competitive premiums, the plan found it necessary to institute tight controls over physician behavior. All hospital admissions by participating physicians must now be approved in advance by the plan, with an agreed-on length of stay. Physicians who fail to follow this procedure are not reimbursed by the plan, and some have been asked to leave it. These controls were instrumental in reducing hospitalization by over 100 days per 1000 members in 1978. HMOMinnesota has also been forced by the competitive environment in the Twin Cities to implement a similar set of controls, with equally impressive results (Table 3). The fact that HMO's sponsored by a medical society (such as the Physicians Health Plan) or containing major medical-society representation (such as HMOMinnesota) constrain their physicians to this extent indicates the emphasis that the HMO's place on controlling hospitalization. The acceptance of these constraints by the participating physicians demonstrates that they perceive the medical market in the Twin Cities to be quite competitive.

As a consequence of their efforts to reduce hospital use, the HMO's provided an average of 456.2 days of hospitalization per 1000 enrollees in 1978 (Table 3). Included in this average were 89.6 days of mental-health hospitalization per 1000 HMO members. These hospitalizations involved chemical dependency and alcohol abuse as well as acute psychiatric care. Comprehensive insurance coverage for inpatient treatment of alcohol and chemical dependency (Table 1) was ordered by the Minnesota Legislature in 1973. Thus, comparison of the hospitalization rates of HMO's in the Twin Cities and in other areas is somewhat difficult. (For instance, only 43 per cent of the members of the Kaiser Health Plan in Northern California had mental-health coverage as of December, 1977.[12] Eliminating mental-health hospitalization from the Kaiser data reduces its average total hospitalization by only 2.7 days per 1000 members.)

The non-mental-health hospitalization by HMO's in the Twin Cities, rather than the total hospital days per 1000 members, probably provides a better standard for comparison with the reported hospitalization by other HMO's. On the basis of this measure, Twin Cities HMO's were effective in limiting hospitalization relative to federally qualified HMO's (Table 3). By whichever measure is chosen, HMO hospital days reported are considerably lower than the 860 days per 1000 members reported for Blue Cross-Blue Shield employed groups in Minnesota during 1977.[11] These groups could be expected to have an age-sex distribution similar to that in HMO's in the Twin Cities.

It appears that the conservative use of hospital resources by Twin Cities HMO's represents no threat to community health standards. As observed previously, the St. Louis Park Medical Center instituted no new hospitalization controls on its physicians when it began to accept a portion of its patients as prepaid HMO enrollees in MedCenter. Yet the hospitalization rate for these members has varied little from its initial year and currently is less than the metropolitan and national HMO averages (Table 3). This observation suggests that these physicians, who are regarded as practicing high-quality medicine by their peers, have always hospitalized patients conservatively. But since over 70 percent of the physicians in the Twin Cities now participate in HMO's the low hospitalization rate for HMO members in other plans cannot be attributed to the physicians' style of medical practice before participation in an HMO. The reduction of hospital use over time in plans such as the Physicians Health Plan and HMOMinnesota indicates a substantial change in the style of their participating physicians. The willingness of the overwhelming majority of physicians to remain in these plans suggests that they do not perceive these more conservative practices as a threat to the quality of their patient care.

In addition to containing inpatient expenses through reductions in hospital use, the HMO's have been able to negotiate favorable contracts with hospitals in the Twin Cities. As noted above, Eitel Hospital and Ramsey Hospital participate in risk-sharing arrangements with the Nicollet-Eitel Health Plan and Ramsey Health Plan. The HMO's believe that these arrangements make hospitals more cost conscious SHARE Health Plan, Group Health and MedCenter pay rates reduced by about 4 to 9 per cent to their primary sources of inpatient services. The HMO's request these discounts because there is no delay in their payment of hospital charges and the hospitals incur no bad debts as a result of treating HMO members. Physicians Health Plan and HMOMinnesota customarily pay standard community charges since their hospitalization is not concentrated in particular facilities. Hospitals in the Twin Cities have sought HMO patients, even at discounted fees, because they currently have, on average, only a 74 per cent occupancy rate.[14] Through long-term enrollment growth, an HMO affiliation can potentially stabilize or increase a hospital's occupancy rate and thus reduce the possibility of hospital closure due to financial or regulatory pressures.

Outpatient costs

Although outpatient expenditures form the major category of HMO costs (Table 2) they vary little among the different HMO's. In all HMO's a greater proportion of the dollars go for physician care than for hospital care, reversing the usual split of conventional insurance dollars. Group Health and SHARE attempt to contain their outpatient expenditures by carefully matching numbers of salaried physicians with enrollment growth. Enrollment has grown rapidly in both HMO's during the past three years, but the number of full-time physicians per 1000 enrollees has remained stable, in the range from 0.6 to 0.8.[6] Both Group Health and SHARE have also responded to increased enrollment by reliance on physician extenders of various types; in 1977, 27 physician extenders were employed by Group Health and eight by SHARE.[6]

Competitive pressure to contain costs has apparently not lowered the referral rate of Minneapolis-St. Paul HMO's. The different plans averaged 0.34 referrals per enrollee per year in 1974 but 0.46 in 1976.[6] (The Minnesota Department of Health has reported no data on referrals after 1976.) Concurrently, referral expenses per month per enrollee increased from $1.64 to $2.13, which was approximately equal to the rate of increase in average HMO costs during the same period. However, the average cost of a referral visit decreased from $53.62 to $49.78.[6] This lower cost per referral could reflect either an increase in cost consciousness in the selection of referral physicians or a decrease in the seriousness of the medical condition of the average referral patient, owing to the larger number of referrals.

Administrative costs

The administrative costs of Minneapolis-St. Paul HMO's have averaged less than 10 per cent of total costs for the past five years. As one would predict, the larger HMO's have lower administrative costs per member, but even the smaller HMO's have consistently reported administrative costs well within the normal range of 10 to 15 per cent.[15] The organizations that have been the most successful at minimizing administrative costs also have the lowest total cost per member (Table 2).

COMPETITION ON ASPECTS OTHER THAN PRICE

Relative premium levels are not always the determining factor in the consumer's choice of an HMO. Other important factors are location of delivery sites, benefit coverage and the specific physicians participating in the plan. When Honeywell offered participation in an HMO (Table 1), over half the employees who chose to join selected the HMO with the highest premium—the Physicians Health Plan. Because of the accessibility of its 1200 participating physicians and the likelihood that an employee can enroll without changing physicians, the Physicians Health Plan can charge more than its HMO competitors and still achieve comparable enrollment gains. To attract enrollees most Twin Cities HMO's have added new locations. Group Health has constructed four new satellite buildings since 1974, and the Nicollet-Eitel plan has constructed one new facility and is in the process of building another. MedCenter, however, has taken the lead among "group practice based" HMO's in adding delivery sites. Primarily by contracting with existing group practices, MedCenter has increased its delivery outlets from five in 1974 to 17 at present. Because it has added delivery sites with a minimum of capital expenditure, MedCenter has been able to expand rapidly and there has been little impact on its costs. HMOMinnesota has also expanded its service network aggressively, particularly with the addition of the Ramsey County Medical Society sponsored independent-practice association as a participating provider group. When constructing new clinics or adding provider groups, the HMO's have emphasized the convenience of these locations for consumers rather than physicians. Consequently, HMO office construction tends to occur along main traffic arteries or near major retail centers, rather than near hospitals.

Another aspect of competition among HMO's has been the expansion of benefit options and covered services. Minnesota state law requires extensive benefit coverage for HMO's but allows some latitude in copayments and deductibles. A major variation in benefits now occurs in the payment for hospitalization for psychiatric care and alcohol or chemical dependency (Table 1). However, the overall trend in HMO benefit coverage has been toward increased comprehensiveness and decreased patient out-of-pocket expenditures. For example, until recently there were differences in maternity benefits among the HMO's, but now all feature complete coverage with no member payment required. Along with expanded benefits, some HMO's have begun to extend regular clinic hours to include Saturday mornings in an effort to attract enrollees.

CONSUMER INFORMATION

To clarify differences in benefits and services, larger employers distribute brochures that compare the benefits of HMO's and traditional insurance plans and describe the locations and characteristics of the various HMO's in a systematic, easily understood format. In addition, the HMO's have begun to advertise services, benefits and locations through local newspapers during enrollment, thus competing for larger groups like Honey-

Footnotes at end of article.

well, which has 16,000 eligible employees in the Twin Cities. Therefore, the potential enrollee is provided with considerable information concerning the non-price features of the HMO's.

CONSUMER SATISFACTION

The continued growth of Twin Cities HMO's is one important indication that consumers are satisfied with the services that they receive. Consumer satisfaction is also monitored by the government, employers, unions and the HMO's themselves. The Minnesota State Department of Health, which licenses all HMO's in the state, requires that the HMO's maintain quality-assurance programs and collects data concerning the nature and frequency of complaints issued by HMO members; written complaints were filed by less than 0.2 percent of all members in 1977, with less than 40 percent of these complaints relating to the delivery of medical care.[6]

Coupled with these government activities is continuing evaluation by employers and unions. Before recommending the HMO's as benefit options, some of these groups have undertaken studies of their facilities, financial stability and treatment procedures. After offering the HMO's, many employers conduct periodic surveys of members to determine employee satisfaction with HMO services. In the published results of one such survey conducted by General Mills, only 2 per cent of HMO enrollees were dissatisfied with their choice, whereas 45 per cent reported that the care provided by their HMO (MedCenter) was better than their previous care.[16]

Approximately 12 per cent of HMO enrollees in the Twin Cities terminated their membership during 1978, as compared with 19 per cent in 1974.[6] The most common reasons appear to be moving away from an HMO's service area, change of employment and enrollment in a different HMO, but no data were available on the relative frequency of these factors.

CONCLUSIONS

The HMO's in Minneapolis-St. Paul have demonstrated that a variety of health-care plans can develop, attract employees and become financially stable in a relatively short period, with little assistance from the public sector. (SHARE Health Plan is the only Twin Cities HMO to receive federal development funds.) Traditional providers have responded competitively to HMO growth, as evidenced by the formation of the Physicians Health Plan and HMO Minnesota and by the efforts of physicians participating in these plans to reduce hospitalization. Competition among healthcare plans has focused greater employer and union attention on the medical services offered to employees and their satisfaction with these services. It has stimulated the provision of better information concerning the medical care at various HMO's, increased consumer access to medical facilities and provided consumers with a choice among different approaches to the financing and delivery of medical care, some of which would be unavailable without the stimulus of a competitive marketplace.

Since the development of a competitive market in the Twin Cities is obviously in its initial stages, the data are incomplete. Further study of these HMO's is needed to determine whether any reductions in the supply of community physicians or hospital beds are precipitated by enrollment growth, whether competitive health plans will enroll the poor and elderly if the opportunity and incentive are provided, whether hospitalization rates lower than those of traditional providers will persist over time and whether constructive competitive behavior will continue as the market share of the health plans grows.

A careful comparison of the quality of the medical care delivered by traditional providers and health-care plans is also needed. Despite these caveats, we believe that conditions in the Minneapolis-St. Paul medical-care marketplace are encouraging and indicate that similar competition in other locations could be beneficial. Certainly, observation of other competitive markets at various stages of development would provide information on whether the health plans in Minneapolis-St. Paul demonstrate the benefits of competition.

Competition appears most likely to develop in communities where three conditions exist: at least two and preferably more reputable health-care plans are available to consumers; any contribution by an employer or government is the same for all plans, with the consumer paying or being rebated the difference; and efficient providers are permitted to attract consumers through more comprehensive benefits or lower enrollee premiums. Except for Medicare and Medicaid, much of the Minneapolis-St. Paul medical-care market contains these essential features, primarily because of efforts of the private sector undertaken in a reasonably benign regulatory climate. The important influence of Twin Cities employers in stimulating competition among health-care plans has already been noted.

There appears to be nothing in the minneapolis-St. Paul experience that would preclude duplicating it in other areas through private actions. The widespread adoption of multiple-choice benefit options by employers, coupled with the contribution of a fixed dollar amount to each option and the enthusiastic endorsement of choice and competition, would provide a favorable climate for the formation and growth of health plans. In addition, a supportive set of public policies could reinforce these private actions and increase the likelihood that competition would envolve in receptive areas. Specifically, public policies emphasizing "choice and competition" among a variety of private health-care plans and traditional providers, rather than the current policy of promoting specific "federally qualified HMO's," would be desirable.[2] In this respect, federal, state and local governments might set an example by expanding the options available to their own employees. If such supportive policies are not adopted, governmental attempts to reform the delivery of medical care should at least be structured so that they do not restrict the development of competitive systems through private initiatives. Protection of the option for individual communities to develop competitive medical-care systems through their own efforts should be an important consideration in any national health-insurance scheme.

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FOOTNOTES

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IT PAYS TO SHOP FOR HEALTH INSURANCE

(By Kenneth Bredemeier)

The estimated 400,000 federal and District government workers in the Washington area could save $300 or more in health insurance costs next year if they take the time to pick an insurance plan that best suits their needs, a new consumer's study showed yesterday.

The survey of the 30 health insurance plans available to federal and D.C. workers in Maryland, Virginia and the city shows that while the benefits from several plans may be virtually identical the premium and health care costs are often substantially different.

Moreover, the study by the Washington Consumers' Checkbook magazine showed that some high-cost plans do not provide the range of health care options that less costly plans do.

The survey showed that the most popular insurance plan, the Blue Cross-Blue Shield high option plan, is consistently, one of the most costly. Nonetheless almost half of the government workers here have signed up for that plan, the magazine stated.

Conversely, Robert Krughoff, Checkbook's publisher, said that relatively few workers have chosen the Government Employees Hospital Association (GEHA) insurance plan, despite the fact that its costs are often much cheaper than virtually any other plan, regardless of family size, and its benefits often the same or superior.

Krughoff described the GEHA program as "obviously a superb plan."

The survey also showed that Health Maintenance Organization plans, under which consumers typically pay for their health care on an annual fixed cost basis, can also be expensive.

"A big rationale for them is that they prevent unnecessary medical care," Krughoff said. With a fixed payment schedule, "They eliminate the incentive for doctors to prescribe more medicine and surgery."

But the survey showed that such preventive care health plans are among the most costly here, because the premiums often are so high that they more than outstrip the

savings in the out-of-pocket expenses that traditional health plans require.

The survey urges individual government workers to study thoroughly the various plans and their own personal medical care needs before finally selecting one. This was particularly important, the magazine said, if an individual or family is expecting unusual expenses, such as bills for dental or psychiatric care, that one plan might cover and another with the same premium might not.

Such insurance choices are relevant at the moment for federal and D.C. government workers, the magazine said, because the workers have their annual opportunity to switch insurance plans between next Monday and Dec. 7.

The magazine said that the vast differences between plans could easly be illustrated by comparing their highly ranked GEHA plan for a family of four with the lowly ranked Blue Cross-Blue Shield high option plan.

The study showed that in an average year the GEHA plan would cost about $680, including $235 in premiums and about $445 in unreimbursed expenses. The Blue Cross plan for about the same coverage will cost $1,040 in an average year, about $360 more than the GEHA plan.

While the Blue Cross plan would reimburse a greater proportion of a patient's bills, the premiums will be more than $450 higher.

"Over a 20-year period you will probably save over $5,000 by selecting GEHA," the magazine said. "Of course everyone would not have this much, and some families would actually come out ahead under the Blue Cross high option plan. But other families, the luckiest ones, would come out even more than $5,000 ahead under GEHA."

Washington Consumers' checkbook is published by the nonprofit Washington Center for the Study of Services, a group that previously has produced surveys of a variety of often-used consumer services.

Mr. DURENBERGER. Mr. President, briefly, my proposal is an attempt to apply the principles of competitive markets to our system for providing health care coverage. The theory of competitive markets is, of course, the basis of the American economy. The market approach is an effective alternative to greater Federal regulation and control of our health care system.

While Government regulation is becoming the norm for health care, there are areas in the country which have turned to the competitive-incentive model as a more appropriate means for the delivery of health care services. The Twin Cities of Minnesota is one area where competition is working. I have included with the bill an article describing the Minnesota experience. I would also like to call my colleagues' attention to an article which appeared in the Washington Post describing how the smart consumer can make an intelligent choice in choosing health insurance.

CONCERN FOR THE HOSTAGES IN IRAN

Mr. JEPSEN. Mr. President, I wish to echo the sentiments and comments of my distinguished colleague from Alaska (Mr. STEVENS) in regard to his request that all America should pray for the safety of those Americans being held hostage by some in Iran.

I also add that I hope we all pray for the President, and all those that govern and rule, that they may be given not only the wisdom, but the patience and the good fortune to do the things that need to be done, the way they ought to be done, in order that we might again have all our Americans safe at home with us.

MEALS ON WHEELS

Mr. JEPSEN. Mr. President, I ask unanimous consent to have printed in the RECORD "Self-Help Gets a Swift Kick," published in the Washington Star on October 28, 1979.

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

SELF-HELP GETS A SWIFT KICK

(By Michael Balzano)

"Resolved . . . that in recognition of the selfless service performed, the president is hereby authorized and requested to issue a proclamation designating the week of September 16 through 22, 1979, as 'National Meals-on-Wheels Week' . . ." With these words, the Congress prepared to celebrate the 25th anniversary of a typically American phenomenon.

But only a few weeks earlier HEW's Administration on Aging (AOA) unveiled draft regulations for a new federal home-delivered meals program; if left unchanged, these regulations threaten to drive Meals-on-Wheels right off the road.

Some birthday present! By any standard, these thousands of neighborhood programs constitute the very model of what has always been valued most in this country; tens of thousands of volunteers identifying a genuine community need, amassing private resources, and meeting that need—with a minimum of bureaucratic fuss and a maximum of effective service.

Every day for 25 years now, and often twice a day, these local, private, non-profit programs deliver hot meals (and often essential ties with the outside world) to the home bound. Most of them are old—but they need not be 60 years of age or older. Many pay some or all of the cost of the meals; others pay none. Local churches and charities make up the deficit. The programs are tailored to virtually individual situations—and apparently they work.

In 1972, responding to no less worthy a need but quite a different one, Congress amended Title VII of the Older Americans Act to authorize a so-called congregate nutrition program. These programs serve a hot meal to senior citizens (60 and over) five days a week in a group—congregate—setting. There is no means test or charge for the meals, voluntary contributions are accepted. Last year these congregate centers served some 500,000 meals a day at an annual cost to the taxpayers of more than $300 million.

So, for about six years now, there have been two nationwide networks providing meals to the elderly, each with a legitimate, different, and apparently complementary purpose; voluntary meals-on-wheels programs serving the homebound, and federal Title VII programs serving the physically mobile. The one was a citizens' effort, locally designed, flexible, and privately supported; the other, necessarily encumbered by federal regulation ranging from the nutritional content of the meals to equal opportunity requirements for the hired staff. The one represented no appreciable drain on the U.S. Treasury, the other a considerable one.

In 1978, Congress began debating the creation of a national, federally funded, home-delivered meals program. It was principally concerned with the nutrition needs of the homebound elderly and saw in meals-on-wheels a logical vehicle for getting the job done.

The legislation was supported by both the National Association of Title VII Project Directors, representing existing federal grantees, and by the National Associations of Meals Programs (NAMP), representing a number of meals-on-wheels programs. But the two groups disagreed on how the funds should be channeled. The Title VII directors argued that their network of congregate centers should operate the federal meals-on-wheels services—with the private programs participating only under the authority of Title VII grantees, not as direct recipients of federal grants.

NAMP's case, in contrast, was that the local voluntary programs were already in place, had a proven track record, needed money to meet a growing demand with which charitable contributions were not keeping pace, and ought to be eligible to receive federal grants. They should remain reasonably autonomous, free of burdensome federal regulations, and serve as conduits—draining off almost nothing in overhead—for federal aid to those who need it. What NAMP had in mind was a partnership, not absorption.

Another sort of concern was expressed by local programs that did not themselves want federal funds but feared the impact of a new federal meals-on-wheels program growing out of the Title VII centers. They assumed—quite rightly as it turned out—that the two different services would operate under the same guidelines—that meals would be free and that their own "pay if and what you can" principle would not be able to withstand that competition.

As passed by Congress on October 18, 1978, the meals-on-wheels bill was incorporated into amendments to the Older Americans Act that greatly expanded social services for the elderly. Still, NAMP had solid grounds for believing that it was the intent of Congress to expand meal service to the homebound by using local voluntary meals-on-wheels programs as the main vehicle. Many members of the Senate and House authorizing committees said it was, including the chairmen, Senator Thomas Eagleton and Representative John Brademas: "In awarding funds, first consideration must be given to organizations like Meals on Wheels . . ." (Letter to The Washington Star, July 21, 1978).

Moreover, Congress provided two separate authorizations, one for the existing congregate programs and another for home-delivered meals. This was taken as a signal of congressional intent that meals-on-wheels programs would be eligible for direct grants from the area agencies and not subsumed under the authority of Title VII projects. Finally NAMP was assured by the commissioner on aging that the regulations would specifically protect the local voluntary programs from being forced out of business by Title VII competition.

On July 31, 1979, the draft regulations finally appeared in The Federal Register. The key provision states: "The area agency may only award funds for home delivered meals to a service provider that also provides congregate meals." This flatly rules out all but a handful of the voluntary meals-on-wheels programs from eligibility for direct federal grants—since, by definition, it is not their purpose to serve congregate meals. It also eliminates the possibility of funding any home-delivered meals services in areas where no congregate meal center exists.

So much for congressional intent and signals, and so much for the commissioner's assurances!

A NARROW READING

Now, assuming some rationality in the universe and honorable intentions all around, the question has to be, Why? Why these provisions in the regulations? In a July 12, 1979 letter to NAMP, the commissioner on aging justified them as mandated in the statute itself. He cited a clause that says, with respect to nutrition services:

"Each project will provide meals in a congregate setting, except that each such project may provide home delivered meals . . ." Admittedly, this language is susceptible—especially if read in isolation—of the commissioner's interpretation that home-delivered meals may only be provided in addition to, rather than instead of, meals in a congregate setting. But to give it such an interpretation in the face of the legislative history is to conclude that the Congress actually accomplished the precise opposite of what it intended.

If the Congress fails to challenge AoA on its narrow translation of this ambiguous clause, some questions remain: Will the voluntary meals-on-wheels programs be utilized at all under the new law? And are there any provisions, as promised, to protect those local programs that do not want federal funds from inevitable Title VII competition? AoA says yes: "The nutrition services provider must purchase home delivered meals from an organization, where one exists that (i) Demonstrates proven ability to provide home-delivered meals effectively and at reasonable costs . . ." Officials at AoA argue that the intent of this provision is to require Title VII nutrition projects to purchase meals from the voluntary programs. Well, not quite: the wording is such that any organization, even a profit-making catering service, could qualify to provide the meals.

More important by far, reducing the relationship to the terms-and-conditions for "purchasing" meals—as the proposed regulations would—scarcely suggests the partnership that NAMP had in mind. Most of the local programs do a lot more than just provide meals. In addition to screening applicants, the volunteers help their clients establish eligibility for other kinds of assistance, arrange transportation, run errands, write letters, and deliver a host of other services. If participation in the federal program means simply delivering meals, many local groups will want no part of it.

So what future will they have? The experience of Twin Cities Area Meals-on-Wheels of Benton Harbor, Michigan, may be instructive. This four-year-old program used to serve 40 homebound people two meals a day, operating at a monthly deficit of $350 (offset by charitable contributions). The program's director said this to me in a letter dated August 9.

"Approximately three months ago we started receiving phone calls from clients saying, "I didn't get a meal." The people who were calling were not in our program. Upon investigation, we found that a duplicate program sponsored by Title VII was developing in this area and many of the clients didn't even know where their meals were coming from. Since that time we have found a gradual decrease in the number of clients who are requiring our services. This decrease has (reduced us) to approximately 20 meals per day and it is prohibitive for us to continue to maintain a half-time person, a telephone, an office and the various other overhead items to maintain a program that only serves 20 meals per day."

It seems clear that if the existing meals-on-wheels services choose not to participate in the new federal program—or are not chosen to participate—they probably will not make it. (The board in Benton Harbor, for one, already has decided to terminate its program.)

All of which constitutes a sorry reward for local voluntary initiative. Congress apparently did not carefully assess the impact of the legislative language. And, this failure has doubtless been compounded by an outbreak of extreme bureaucratic literalness in construing the statute and writing the regulations. Unless a way can be found to fund the voluntary effort directly, the law and the regulations are likely to have the unintended consequence of destroying the thousands of community-based programs that have been serving the homebound for so long at just about zero cost to the taxpayer.

SELF-HELP REPUDIATED

Given all the congressional accolades and assurances, why did the private meals-on-wheels programs fare so poorly? One reason surely is that NAMP, an all-volunteer organization, lacks the funds and lobbying skills to do battle with the federal legislative/regulatory process, whereas the Title VII organization is amply supplied with both.

A more interesting question is how did another new federal program pass the seemingly suspicious eye of a budget-conscious Congress? The answer is that, during the more visible period of the bill's congressional hearings, the motherhood-and-apple-pie Meals on Wheels vehicle was driven through a Proposition 13 Congress without a roadblock. Then when the bill reached the conference committee, all references to Meals on Wheels were removed. Congressional staff aides working closely with AoA bureaucrats helped to fashion the language that would enable AoA to interpret the law precisely as it did. The members of Congress were simply caught off guard. So the result is that the government ends up repudiating the philosophy of self-help and citizen responsibility!

What is at issue in all this is the nature and purpose of government, and of the federal establishment in particular. It is fair to assume that most Americans continue to believe that the central government's principal responsibility is to undertake great enterprises—to put people on the moon, to protect the nation from its enemies, to establish broad standards of public policy—and that, otherwise, it should do only that which individuals and voluntary groups, localities and states, cannot do as well for themselves.

On this assumption, it would seem that policy-makers have an obligation to fashion an approach for getting meals to the homebound that finds room for worthy national purposes, effective local enterprise, and a productive partnership between them. Surely this falls within the range of human ingenuity.

Mr. JEPSEN. Mr. President, in this article Dr. Michael Balzano describes a relationship between community service programs and the Federal regulative bureaucracy: A relationship that poses a serious threat to the community structure of our Nation.

Focusing on the Administration on Aging's treatment of private, nonprofit, voluntary Meals-on-Wheels programs, Dr. Balzano has uncovered some shocking policies.

The Administration on Aging has interpreted the Older Americans Act to require that any program receiving Federal funds for the delivery of meals to shut-ins, Meals-on-Wheels, must also operate a congregate feeding program. This effectively forces any small community operated Meals-on-Wheels programs to radically change their program, or simply shut down.

It is clear that congressional intent has consistently been in favor of helping these small community programs. In numerous attempts to improve the nutritional welfare of the Nation's elderly, agreements have been reached to work with the existing programs, so that the necessary services might be provided in the most efficient manner.

But honorable intentions somehow only continue to fuel the regulatory nightmare. It has been over a year since the Older Amercians Act required the Administration on Aging to submit regulations for congressional approval for the distribution of funds. At this time there are still no legal guidelines in action. The unofficial procedures now in use may well put every community based meals-on-wheels program into a grave, in spite of all congressional intent.

When the dust clears we may be left with massive elderly feeding programs that serve only the elderly in large urban areas.

In Benton Harbor, Mich., for example, a 4-year-old community based meals-on-wheels program woke up one morning to find a duplicate, federally sponsored program had moved in down the block. Within 3 months the independent program, which had been operating at no governmental expense, was serving half as many meals as it had before its unneeded neighbor moved in. It quickly became impossible for the community program to maintain its personnel, its telephone and office space, and virtually all of its overhead expenses.

In the same vein, the attempts to form massive feeding programs, whether needed or not, have proven particularly dangerous in a rural setting. By issuing rules and regulations to support programs for areas with large populations only, the Administration on Aging has categorically denied even minimal subsidies to areas that are sparsely populated. My constituents in Iowa have been penalized across the board because of a lack of concern for a rural environment. For example, Lanesboro, Iowa, recently had their Federal subsidy for meals canceled because they were only serving one meal a week.

Mr. President, why did we stop encouraging the community to take care of its own? The Administration on Aging has illustrated to the citizens of Benton Harbor, and of many other communities nationwide, that community concern is ultimately of no use. As the Federal bureaucracy continues to preempt the community-based programs, residents will learn to avoid community involvement; the caring community will soon disappear.

I am forced to ask why? Who can possibly benefit from this misguided Government philosophy? Is it possible that our massive regulatory bureaucracy intends to regulate the senior citizens in our rural areas to that of second-class citizens?

It would be helpful if I could point my finger at a responsible culprit and demand immediate reform. But the nature of our bureaucracy is such that no one seems guilty. These regulatory fiascos seems to create themselves.

Mr. President, we must work immediately to insist that the Administration on Aging follow the wishes of Congress. I respectfully ask the Special Committee on Aging, the Subcommittee on Aging, of the Labor and Human Resources Committee, and representatives of the Administration get together to guarantee the continued existence of the com-

munity programs that have operated efficiently and meaningfully. The U.S. Senate must look very carefully at what the Administration on Aging does to preserve these private, nonprofit, voluntary programs, with the realization that concrete actions must be taken in this body, if progress is not evident.

Finally, Mr. President, I make a plea for the integrity of the community itself. These community-based programs, such as Meals-on-Wheels, are the lifeline of any community: these are the programs that bind individual lives into caring communities of life. Congress must be willing to assert its power in helping the community to help itself.

FEDERAL MEAT INSPECTION

Mr. JEPSEN. Mr. President, S. 531, a bill to amend the Federal Meat Inspection Act, permits the sale of State-inspected meat products to federally inspected plants. Currently restricted interstate movement discriminates against State-inspected plants and narrows the market for smaller producers. Senator BENTSEN's bill is clearly an attempt to provide equitable treatment to our Nation's small meat producers. I applaud my distinguished colleagues for introducing this bill.

Mr. President, I ask unanimous consent that my name be added as a cosponsor.

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

Mr. JEPSEN. Mr. President, high standards of meat inspection are absolutely essential to insure that Americans are provided clean, healthy meat. I wish to express my complete support and endorsement of both Federal and State meat inspection systems. And I should add that my support of S. 531 is the result of careful examination and research convincing me that high standards of meat inspection will be continued.

In 1967 the Congress passed the Wholesome Meat Act, establishing a relationship between State and Federal meat inspection systems. Under this act, State-inspected meat products cannot be sold across State lines to federally inspected establishments; a plant wanting to sell to another State, must apply for Federal inspection. The costs of applying for Federal inspection may not pose a problem to newer, large-line plants, but for small, family-owned plants the costs of complying are often prohibitive.

A spokesman for the U.S. Department of Agriculture testified in a recent hearing that costs of complying with Federal facility requirements are "neither unreasonably costly nor burdensome." His testimony implies that the USDA is aware of the costs, but they are dismissed as being "not unreasonable." Such rhetoric evades the real problem facing small producers in America: excessive costs of complying with excessive regulations.

The Meat Inspection Act of 1967 also requires the Federal Government to "designate" States that cannot afford, or choose against, maintaining their own inspection systems. So far, 18 States have been "designated."

The 32 States that do maintain their own inspection systems serve 5,083 plants. These States must develop and enforce requirements at least "equal-to" those of Federal meat inspection. And the law guarantees that precautions are taken to insure that sanitary meats are provided by these State facilities.

In Iowa, we have 50 State-employed inspectors providing fine service to as many as 445 plants. These inspectors are educated in Federal training schools monitored by the USDA. The only major difference between State and Federal inspectors is their salaries; Federal inspectors are paid a salary of about $6,000 more than State inspectors.

Since State inspection is monitored by the USDA, and since all State meat processing plants operate under "equal-to" requirements, they should be allowed "equal-to" trade.

Our Government must recognize that small businesses are still the keystone of our market society. Small businesses contribute clean, healthy meat to American consumers. Small businesses deserve the right to interstate commerce and increased productivity provided by S. 531. Passage of S. 531 would offer consumers a greater variety of sanitary meat products, and ultimately, better prices in the marketplace from over 5,000 State-inspected plants.

Mr. President, I join consumers desiring efficient inspection of meat products. I support the USDA in its inspection of large plants that can afford to comply with facility requirements. But I remind my colleagues that we are not living in 1900. The appalling conditions of U.S. packinghouses exposed by Upton Sinclair's book, "The Jungle," are no longer with us. This is a new day—a new era. Today, a new book, called "The Jungle," would depict Government regulation and redtape strangling farmers and agribusiness. The pendulum has swung beyond the parameter of commonsense.

In closing, I want to commend the U.S. Department of Agriculture for its efforts to guarantee the production of quality meats. To maintain our posture as exporters and consumers of sanitary meats, we must keep a high standard of inspection. And in doing so, we must give fair treatment to our small, State-inspected meat producers. That is the purpose of S. 531.

ORDER OF BUSINESS

Mr. JEPSEN. Mr. President, I yield the remainder of my time, whatever it may be, to the distinguished Senator from Vermont (Mr. STAFFORD).

The ACTING PRESIDENT pro tempore. The Senator from Vermont.

Mr. STAFFORD. Mr. President, I thank the distinguished Senator from Iowa (Mr. JEPSEN) very much for yielding to me.

Mr. President, how much time remains to the Senator from Iowa?

The ACTING PRESIDENT pro tempore. Nine minutes remain.

Mr. STAFFORD. I thank the Chair.

INTERNATIONAL PARLIAMENTARY UNION

Mr. STAFFORD. Mr. President, I am taking this time this morning to again bring to the attention of my colleagues in the Senate the next meeting of the International Parliamentary Union which will occur in Oslo, Norway, during the Easter recess of the Senate next spring.

The meeting will actually occur between April 7 and April 12, 1980.

Mr. President, I have taken this time to talk a minute this morning after consultation with my fellow vice president in the American delegation to IPU, the distinguished Senator from New Jersey (Mr. WILLIAMS).

I would like to point out at the outset that the last meeting of the International Parliamentary Union occurred in Caracas, Venezuela, in September. There were 82 nations represented by delegations at that meeting. Many of the delegations were much larger and more fully prepared, frankly, than was the delegation from the United States.

Eighty-eight nations now belong to the International Parliamentary Union. Many of my colleagues, many people who listen this morning, or read the RECORD, may inquire as to what the International Parliamentary Union is.

It is an organization of parliamentarians, now from 88 nations, which meets twice a year. It is a very old organization. It was founded in 1889.

So this is the 90th year of the existence of the International Parliamentary Union.

The United States has belonged to the Union for a great many years. Twice in this century, the United States has served as the host for a meeting of the parliamentarians from the nations which belong to the International Parliamentary Union.

I particularly want to emphasize the meeting this coming spring, because Members who are interested in going as part of the U.S. delegation will not miss any votes in the Senate.

Any Members who might be interested in attending should contact either the majority leader or the minority leader, as appropriate, to indicate their interest.

I also invite the attention of my colleagues to the fact that in the RECORD for yesterday, November 8, beginning on page 31536 and continuing through the next pages, there are statements by Mr. PREYER, the president of the U.S. delegation to the International Parliamentary Union; Mr. DERWINSKI, Mr. BUTLER, Mr. MCCLORY, and Mr. PICKLE concerning the work of the U.S. delegation at the meeting in Caracas. There also is some general discussion of the purposes of International Parliamentary Union.

The Union really is designed to bring together parliamentarians of the world. While the United Nations brings diplomats of the world together, the parliamentarians of the world are the ones who must enact legislation, if any legislation is to result from meetings of these international bodies.

Mr. President, at the spring meeting in

Oslo, Norway, April 7–12, which will be interesting, the study committees of International Parliamentary Union will be dealing with the following subjects:

Committee on Political Questions, International Security, and Disarmament:

The strengthening of the process of detente: the urgent need, need to arrive at international agreements in the field of arms control and disarmament and in particular the comprehensive strengthening of the NPT regime;

Committee on Parliamentary, Judicial, and Human Rights Questions:

The problem of refugees: its legal and humanitarian aspects;

Economic and Social Committee and Committee on Education, Science, Culture and Environment:

The Third United Nations Development Decade: its economic, social, educational, scientific, cultural and environmental aspects;

Committee on Non-Self-Governing Territories and Ethnic Questions:

Progress toward the achievement of decolonization including the full implementation of the right to self-determination.

Mr. President, any Members who are interested in joining in the work of International Parliamentary Union will be welcomed by the Senator from New Jersey (Mr. WILLIAMS) and the Senator from Vermont. We would be glad to make available any further information Members might desire concerning the work of International Parliamentary Union.

DANGEROUS EFFECTS OF PBB

Mr. STAFFORD. Mr. President, as many Members know, the Subcommittees on Environmental Pollution and Resource Protection are in the process of marking up S. 1480, a bill which would create a liability and compensation scheme for releases of hazardous and toxic substances in the environment.

One of the most widely publicized and serious releases of toxic substances was that of polybrominated biphenyls in the State of Michigan in 1973. Although several years have elapsed since then, it is still not clear exactly how the PBB's were released. All we know is that somehow the chemical became mixed with the feed for dairy cattle and thereby was distributed throughout the State. One study showed that 90 percent or more of the residents of Michigan carried body burdens of polybrominated biphenyls in their blood.

At the recent meeting of the American Public Health Association in New York City, several scientists submitted papers describing the effects of PBB on laboratory animals. Their work indicated that extremely low dosage levels of PBB's caused hyperactivity and a decrease in the animals' ability to discriminate in the performance of certain tasks. Other papers indicate that low doses of PBB's caused up to a 160-percent increase in liver damage and a more than 600 percent increase in liver enzyme production. These were accompanied by an apparent permanent decrease in the production of thyroxin, a hormone produced by the thyroid gland.

While it is certainly not clear that humans carrying PBB would necessarily respond in the same way as laboratory animals, these studies do raise some serious questions concerning the long-term health of large numbers of people exposed to low levels of chemical poisons.

Recently the September issue of Reader's Digest contained an article describing the PBB incident in Michigan, focusing on some of those long-term implications. I think some Members may be interested in that story, and I ask unanimous consent to have it printed in the RECORD.

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

THE POISONING OF MICHIGAN

(By Ted J. Rakstis)

The trouble began quietly in the small central Michigan town of St. Louis (population 4200), home of the Michigan Chemical Corp. In October 1971, Michigan Chemical began to manufacture Firemaster BP-6, a fire retardant made of highly toxic chemicals called polybrominated biphenyls (PBBs). Although Michigan Chemical's own safety department recommended that workers handling Firemaster wear respirators, rubber gloves, chemical safety goggles and sanitary clothing, nobody enforced the rules. Baggers handled it freely, inhaled its dust, took work clothes home to dump in the family laundry.

By early 1972, many of them were feeling sick. Packager Charles Gross had memory lapses and shooting pains in his neck, back and shoulders. And he was sleeping excessively—12 or more hours a night.

Then, in 1973, Michigan Chemical introduced a new product called Nutrimaster, a cattle-feed additive made of magnesium oxide. The biggest buyer was Farm Bureau Services, Inc. (FBS), a farmers' cooperative affiliated with the Michigan Farm Bureau.

Michigan Chemical packaged Firemaster in brown bags bordered and printed in red, and Nutrimaster in similar bags printed in blue. Large piles of 50-pound bags of each were stored in the same warehouse. Later in 1973, a paper shortage caused the company to package both chemicals in brown bags identical except for the names (which were stenciled in black). Sometime between May and July, a forklift-truck operator loading a shipment of Nutrimaster picked up the wrong pile. Roughly 40 bags of Firemaster—about a ton—went out to the FBS central mixing mill in Battle Creek.

At the mill, Charles Szeluga, a feed mixer, noticed the different name. He says he was told that Firemaster was just a new trade name for Nutrimaster, and so he went ahead and mixed it. And soon FBS trucks began to carry the poison to feed mills and grain elevators across the state.

ELEPHANT HIDES

George LeMunyon is a 69-year-old bachelor who raised his young partner, Bernard Drent, as his own son. He lives with Bernard and his family in Cedar Springs, north of Grand Rapids, on a 450-acre farm. In the summer of 1973, LeMunyon's 150 milking cows stopped eating. Their hair fell out, sores developed on their bodies, their hoofs became grotesquely elongated, like wooden shoes.

Around the same time, in Missaukee County 100 miles north, Bob Geering's 40 milking cows developed ugly abscesses on their hocks, and their feet began to rot. Newborn calves had eye infections and battered their heads blindly on the barn walls.

Near Battle Creek, Rick Halbert and his father and brother ran one of the state's most profitable dairy farms. The family had 800 head of cattle, including 400 milking cows. But in September of that year the cows refused to eat, and milk output dropped by half. Halbert suspected his feed (which was enriched with what he thought was Nutrimaster).

Then Halbert's cows began aborting and dying when they tried to give birth. And when he fed the "Nutrimaster" mixture experimentally to some calves, they lost their hair and their skin began to look like elephant hide. When one calf died, Halbert took it to the diagnostic lab at Michigan State University. Vets cut it open and found a large ulcer, inflamed kidneys and almost no body fat. Their report stated that the problem was malnutrition.

Halbert then persuaded the Geagley Laboratory of the Michigan Department of Agriculture (MDA) to test the feed. It was given to six mice for ten days. All died. When Halbert reported this to the FBS staff, their response was to continue testing.

The breakthrough came in mid-April 1974, when Halbert sent feed samples to Dr. George Fries at the U.S. Department of Agriculture laboratory in Beltsville, Md. "This looks like something I've run a test on before—a fire retardant," Fries reported. "The trade name is Firemaster BP-6. I got a sample from Michigan Chemical Corp. in St. Louis."

All this time—for at least nine months—FBS feed was being used across the state. PBB would eventually be found in feed or residues at 189 mills and elevators. Nobody knows how many of Michigan's 9,000 dairy farms got the contaminated feed.

NOBODY KNEW

When it was proved that PBB had contaminated its grain, FBS announced a recall, and MDA began to quarantine dairy herds. More than 550 farmers were told they could not move their animals off the farms or sell their products. Many faced bankruptcy.

Yet even at this point nobody really knew how poisonous PBB was. The U.S. Food and Drug Administration (FDA) set "safe" guidelines at 1000 parts per billion (p.p.b.) in animal or milk fat, an arbitrary limit because PBB never had been in the food chain before. MDA tests of Halbert's milk showed 40,000 p.p.b., and his cows had between 500,000 and one million p.p.b. in their fat.

Farmers who had watched their livestock die, now began to get sick themselves. Rick Halbert and his wife, Sandy, suffered from stress, and she developed an ulcer. George LeMunyon had severe headaches, and sores covered his groin. Bernard Drent lost all feeling in his right arm; in a barn accident, he sliced off two fingertips and felt nothing. Bob Geering's failing memory made farm work impossible. He would try to plow a field and suddenly stop, unable to understand what he was doing. Geering's wife, June, also had dizzy spells and memory loss. And their daughter, Amy, became so fatigued that she went to bed immediately after school.

In November, as these stories spread, the FDA lowered the PBB tolerance level from 1000 p.p.b. to 300 p.p.b. for meat and milk. This became the state's official quarantine guideline, and financial settlements from Michigan Chemical and FBS generally followed that guideline. At the outset, only farmers under quarantine were eligible for a settlement. But many of them, offered what they believed to be only ten cents on the dollar, refused to settle and awaited court action.

NATIONAL SPOTLIGHT

In the fall of 1974, Michigan Chemical agreed to halt production of Firemaster. But the problem was far from over. PBB residuals in FBS mixing bins brought more contamination to farms. The quarantine total mounted, and some farmers not yet quarantined sent their cattle to be slaughtered. An unknown amount of meat went into the human food chain, primarily as hamburger, while the by-

products—mainly bones and entrails—were recycled as livestock feed. This spread the poison to farms and consumers not previously exposed to PBB.

At the University of Michigan, Dr. Thomas Corbett fed PBB to mice and found that they developed liver damage and birth defects. Alarmed over long-range health consequences, Corbett called Dr. Irving J. Selikoff, noted environmental-contamination expert at Mount Sinai School of Medicine in New York, and urged him to come to Michigan to study the state's human population.

Selikoff agreed, if state officials would extend a formal invitation. But Gov. William Milliken's office and the MDA never issued one. And while the state identified certain areas, such as Newaygo and Mecosta counties, as PBB "hot spots," it said that some other parts of the state had no poisoning at all. From the outset, the MDA sided with FBS, arguing that the farmers' problems were caused by bad management rather than PBB.

In Lake County, on a farm ruled not high enough in PBB levels for quarantine, Al and Hilda Green watched their world crumble. Most of their cattle were dead or dying. Al's body was covered with red welts, and his arms resembled elephant hide. The Greens could still legally sell their milk and beef, but Al said, "I wasn't going to poison other people." They asked permission to have their cows taken to Kalkaska, where a site for slaughtering and burying contaminated animals had been established. But since their cows were not quarantined, permission was refused.

So, on November 10, 1975, the Greens and a dozen neighbors met at ten o'clock near a 15-foot pit bulldozed the day before. Each neighbor carried a rifle. They herded the Greens' 112 remaining cows near the pit and shot them. Another American farm story was over.

But the Greens would be heard from again. Led by state Rep. Donald Albosta, a Special House Committee in March 1976 held hearings in Grand Rapids, Sault Ste. Marie and Cadillac. Mrs. Green testified, as did many others. The Albosta hearings brought the disaster into the national spotlight. On March 22, a caravan of farm trucks loaded with dead cows, sheep and calves headed for the capitol in Lansing. One truck bore a coffin, and the farmers carried signs—"Don't Let the State Poison you." They demonstrated in front of the capitol, and TV cameras told the country of their plight.

A statewide lobbying group, called the PBB Action Committee, was formed, and Hilda Green was named president. Across the state, bumper strickers bore the legend: "PBB—Cattlegate: Bigger Than Watergate." Public concern intensified when a state study showed that 96 percent of all nursing mothers tested had traces of PBB in their milk.

FAUSTIAN BARGAIN

In the fall of 1976, Bobby D. Crim, speaker of the Michigan house, learned of Irving Selikoff's offer to come to the state—a year and a half after he had volunteered. Crim invited Selikoff, and the Mount Sinai scientist put together a team of 50 physicians and technicians to begin the largest clinical field study of its kind ever conducted in the United States. After examinations of 1029 farmers, Michigan Chemical workers and consumers of food from contaminated farms, a preliminary report in January 1977 showed that 37 percent of the people tested had significant complaints, including liver abnormalities and neurological defects such as memory loss, extreme fatigue, lack of coordination and numbness.

In February 1977, Canada, Michigan's largest out-of-state beef market, announced that no meat with detectable PBB would be permitted to cross its border. For all practical purposes, Canada was closed to Michigan beef.

All these events finally prompted the state legislature in July 1977 to lower the PBB tolerance level to 20 p.p.b. in meat. Tests for PBB levels were begun on animals from every farm in Michigan, and farmers were paid for animals that had to be destroyed. The loss eventually totaled more than 30,000 cattle, 5,000 swine and sheep, 1.5 million chickens and many tons of dairy products. The state also filed a $119.2-million lawsuit against Michigan Farm Bureau, FBS, Michigan Chemical (now Velsicol Chemical Corp.) and Velsicol's parent company, Northwest Industries, Inc., and two subsidiaries. Velsicol later was indicated by a federal grand jury on charges of concealing material facts and conspiring to defraud the federal government.

In October of that year, following a 16-month trial, a circuit-court judge in Cadillac ruled against Roy and Marilyn Tacoma, dairy farmers who contended that their herd was ruined even though their cattle showed lower levels of PBB than those om many farmers who received large settlements. With little hope of help from the courts, most of the remaining claims were settled. The settlement total has reached more than $40 million spread among some 650 claims.

But even as claims were paid, Michigan farmers faced a new crisis. In the summer of 1978, recontamination had showed up on farms that had been heavy users of Nutrimaster, PBB, which may be buried as low as eight inches by plowing, had been spread primarily by manure used as fertilizer. The poison is now permanently embedded in barn-feed lots, machinery, barn walls. No amount of cleaning will remove all of it.

Thus "Cattlegate" has become the greatest man-made ecological tragedy in U.S. history. Although PBB is no longer manufactured by any American company, and Michigan's meat and dairy products are now considered safe to consume, it may be 20 years or more before PBB's long-range effects are known. In tests last year at the U.S. Center for Disease Control in Atlanta, rats given PBB developed tumors in the liver that could become cancerous. Monkeys given "safe" levels of PBB at the University of Wisconsin showed growth retardation. Last March, Selikoff and his research team reported that up to 90 percent of Michigan's nine million people have PBB in their body fat, and much of it will probably remain there for the person's entire lifetime.

The effects certainly linger for Charles Gross. He is still seriously ill and cannot find a job. "When they learn you worked at Michigan Chemical, they treat you like a leper," he says ruefully. Ron Creighton, another victim, feels useless and bitter. "I just don't think you should feel like 90 years old when you're only 34," he declares.

Selikoff feels that we have made "a Faustian bargain" with the chemical world. We demand the advantage of chemicals—synthetic clothes, fire-resistant plastics and fabrics, preserved foods. "But we are paying a price," he declares, "and the bills are now coming due."

STREAM CHANNELIZATION

Mr. STAFFORD. Mr. President, when the Senate earlier this year considered S. 914, the bill to reauthorize the Public Works and Economic Development Act, I sponsored an amendment to prevent the use of any money in that bill for the purposes of stream channelization. That amendment was adopted unanimously by the Senate. Because of the significance of this issue, and the destructive character of much of the stream channelization that occurs across the Nation, I intend to do all that I can to assure that my amendment will be included in any eventual conference report on this legislation.

The Jackson, Miss., Clarion-Ledger recently published an article by Tom Barlow discussing the issue and problems of stream channelization. I ask unanimous consent that the article be printed in the RECORD.

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

AGAINST CHANNELIZATION

(By Tom Barlow)

For decades federal agencies have been ditching and draining, chewing up natural streams, with channelization projects. In the past 30 years the U.S. Department of Agriculture in the name of "conservation" has helped dig drainage channels for over 50 million acres of land across the nation. In Mississippi 3,800 miles of channelization have been completed by the U.S. Army Corps of Engineers and Soil Conservation Service (SCS) in the name of "watershed protection" over the last three decades, and another 3,000 miles of such dragline work to drain tens of thousands of acres is awaiting construction funding.

The principle rallying the sponsors of these projects is "get those waters off my land." Quite simply, draining water rapidly downstream is "flood control."

But in the wake of the April and May backflooding of a half million acres on farms northeast of Vicksburg, warnings of flood overflows of the corps' dams in northern Mississippi and record-breaking flood crests on the Tombigbee, it's time to take a hard look at what our agencies are doing to us with channelization.

Wildlife professionals and naturalists have attacked channelization projects for years. With the destruction of bottomland forests and swamps after construction work is done, Americans have lost forever rich recreational and biological resources. For example, over 60 percent of the 1.2 million acres of bottomland hardwood forests in the Mississippi Yazoo Delta remaining in 1970 have now been cleared.

Rep. Tom Bevill, D-Ala., claims that federal flood control projects costing $10 billion over the past 30 years have resulted in flood control benefits to homes and industry located in flood plain areas valued at $68 billion.

However, because of upstream channelization, these flood protection benefits become potential flood losses.

Flooding increases because upstream as cropping intensifies on the lands bordering new channels they lose their water retaining capacities and shrug off rainloads almost as soon as they hit. For instance, over 900 miles of channel work in six SCS watershed projects in Rep. Jamie Whitten's district at the Tombigbee headwaters flushed tremendous volumes of water quickly downstream to compound floods in Bevill's district in Alabama in April.

The SCS has over 400 watershed projects across America already authorized and many more in the planning stages with over 8,000 miles of channel modification work to be done.

Although publicized as helping the farm community, channelization projects are in fact causing serious damage to the farm economy. Much of the 50 million acres the U.S. Department of Agriculture has helped to drain would have remained swamp and marsh if generous government flood control and drainage assistance had not been pro-

vided to finance up to 95 percent of project dollar costs.

In effect, as a result of channelization, over the past 30 years, a whole new agricultural empire has developed in America's bottomlands, rationalized by engineers pointing to development opportunities and crop increases to justify this work.

To be sure there are beneficiaries of these projects—the owners of this developed acreage.

But there are many farms (bottomland as well as upland farms) that can be hurt economically as the production from this new empire has surged into markets to hold down commodity prices.

Even with price supports, it is logical that only occasionally do we see crop prices soar to the point where farmers can retire debt and save enough to tide them through lean years.

Perhaps it is no coincidence that during the decades when federally financed channelization and drainage projects increased, there has been an alarming decline in the number of farms, especially small farms. Across our nation four million farms have disappeared since 1945.

Quite simply, more production has meant depressed commodity prices and currently when the costs of farming are skyrocketing, profit margins are rendered paper-thin on all but the largest operations. In America's current farm economy, soaring debt has become the order of the day. But the engineers still dig and drain.

What to do:

Halt all federal and state agency ditching and channelization until the downstream flooding impacts can be properly assessed.

Direct the corps of engineers through its permit authorities to survey all watershed and river basin ditching work to ensure that any drainage that will result in downstream flooding is regulated.

Where downstream flooding is occurring, go back upstream and recreate the wetland expanses which formerly held back flood volumes. In the wake of disastrous floods in the Red River Valley, the Minnesota Legislature is preparing to authorize such an effort in that state. Increase the capacity for detention reservoirs and build new impoundments upstream of the Delta areas of the Yazoo, for instance.

Turn off the flow of federal water resource development projects which are piling up crop production at a faster rate than demand is increasing, meaning that farms are going broke on commodity prices that hardly return the costs of production.

RECOGNITION OF SENATOR RIEGLE

Mr. STAFFORD. Mr. President, I again thank the distinguished Senator from Iowa for yielding this time to me, and I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Michigan is recognized for not to exceed 24 minutes.

SUPPORT FOR SALT II TREATY

Mr. RIEGLE. Mr. President, at the outset, I pay my personal respects to the majority leader, Senator ROBERT C. BYRD. He has given important personal leadership on the SALT II issue, and I admire him for it. He is performing a great service to the country.

Mr. President, I rise today to indicate my support for the essential ingredients of the SALT II treaty.

After months of study, analysis, and personal reflection I have concluded that ratification of the treaty as written is a safer and stronger course for America than the alternatives we would face should the treaty be defeated.

This does not mean that the treaty contains all that I would have hoped or might have liked. In fact, I am giving serious consideration to joining an effort that would tie the continued effect of SALT II, once ratified, to specific progress on a SALT III agreement that would require new and substantial mutual reductions in strategic stockpiles.

Moreover, while I am prepared to support SALT II without new amendments that would require renegotiation, I am not prepared either now or later to commit myself to SALT II if it is materially enlarged by side agreements and additional strategic commitments demanded by other Senators as the price for their ratification vote. If SALT II is altered in this fashion, then I will be compelled to reevaluate the entire matter and make a new judgment at that time.

It is my sincere hope that the administration will resist any attempts to add new strategic commitments demanded by other Senators. Any such arrangements will undermine the entire ratification process—and very likely doom SALT II.

As to the treaty as negotiated and presented to the Senate for ratification, I think it serves the strategic interests of the United States—and is greatly to be preferred over the totally unrestrained, dangerous, and wasteful arms race that will be triggered if it is defeated.

My support for SALT II is not based on a belief that the Russians are to be trusted. On the contrary, I believe that experience shows that the Russians are not to be trusted—and thus I prefer the monitoring safeguards and procedures that SALT II provides us as important means of keeping track of Soviet strategic arms activity.

Let me now address certain issues raised by the opponents of SALT II.

The issue of which side has superior nuclear strength is both devoid of relevant meaning and misleading. Both sides possess now—and in the future under SALT II—the capacity for complete mutual annihilation under any and all scenarios one can imagine. A nuclear exchange by either side is an act of national suicide. Both sides know this. Nuclear superiority in today's world is a fool's notion—it is a fiction with or without SALT II.

So SALT II does not guarantee either side nuclear survival. It is much more limited than that. It does little more than slow the arms race, which is a necessary step to the later possibility of halting and then reversing the nuclear buildup.

But it is clear to me that failure to decelerate the arms race by mutual agreement can only lead to an unrestrained acceleration of the arms race. However frail the tangible gains of SALT II may appear, their greatest value will be measured by the absence of monumental new dangers that would quickly appear without SALT II.

Such awful choices necessarily stagger a sane mind; the nuclear arms race now victimizing the world lost any relevance to sanity long ago. How does one make sense of a United States and Soviet inventory of 14,000 nuclear weapons, which in the aggregate represent destructive power over a million times greater than the bomb that destroyed Hiroshima in 1945? Anyone who imagines that a single additional nuclear weapon produces a safer world lives in a fool's paradise.

On the other hand, unilateral disarmament makes no sense either. We are left with the slow and halting steps of the SALT process as our only rational alternative.

SALT II will slow the arms race and by so doing will reduce somewhat the risk of a nuclear war that can only destroy both sides. It is why both countries find it in their mutual interests, despite deep suspicion and mistrust, to edge back from the brink of self-destruction.

A profoundly important second level benefit that accrues if SALT II is ratified is that the United States and the U.S.S.R will then have a chance to prove to themselves and to each other that mutual restraint can make both sides safer and stronger. This new path of mutual self-interest that diminishes the risk of mutual destruction and offers tangible gains to both sides may lead to other avenues of cooperation and accommodation that can further benefit both nations.

When "kill or be killed" has become "kill and be killed," the time has come to stop the blind rush toward the methods and means of killing. That is the essence of SALT II, a cautious and limited mutual step away from self destruction.

Gen. Douglas MacArthur's words echoing over some 25 years are directly relevant today. In 1954 General MacArthur said this:

> War has become a Frankenstein to destroy both sides. No longer is it the weapon of adventure whereby a short cut to international power and wealth—a place in the sun—can be gained. If you lose you are annihilated. If you win, you only stand to lose. No longer does it possess the chance of the winner of duel—it contains rather the germs of double suicide.

While the SALT II issue centers on strategic weapons, I think it is appropriate to express here my concern about what I consider to be the growing inadequacy of U.S. conventional military capability. The enormous cost of unrestrained strategic weapons development can leave the U.S. muscle-bound with unusable nuclear arms while we are underfinanced and undersupplied with more flexible conventional military capability better suited to the kinds of regional conflicts that can directly jeopardize the strategic interests of the United States.

A capacity for nuclear exchange has no practical value when one is faced with protecting vital shipping lanes, or faced with securing foreign oil fields vital to western industrial survival. When dollars are scarce, we must maximize the effectiveness of our military spending, and I think our current area of greatest military need is in the area of conventional forces. SALT II will reduce U.S.

spending for strategic weapons and free those resources to modernize and upgrade our conventional forces. That is a gain.

While SALT II is an agreement between the United States and the Soviet Union, all other nations have a direct and vital interest in this treaty.

Our Western European allies particularly have an enormous stake in the outcome of the SALT II process. They understand this and have so stated publicly. Every NATO country is on record as supporting SALT II as negotiated.

At a recent NATO parliamentarians meeting in Ottawa, Canada which I and other Senators attended, the parliamentarians assembled from all the NATO countries, after months of analysis and open debate, went on record as supporting SALT II treaty without a single dissenting vote.

That was a tremendously important expression by our NATO allies that they view SALT II as serving the vital strategic security interests of the entire Western alliance. Their safety and security is at stake as is ours, and their unanimous recommendation is that we ratify SALT II in behalf of the security interests of the free world.

The debate on SALT II has been valuable in causing a complete reassessment of U.S. strategic military posture.

And one troubling fact that has come to light, and I say this to my colleagues who are in the Chamber, one very troubling fact that has come to light reflects the glaring inequities in defense spending by the leading Western nations. While we and our NATO allies agree on strategic arms control, we do not agree on how the remaining cost burden is to be shared.

Most Americans are stunned when they learn that in 1978 the United States was spending $517 per capita on defense, while West Germany was spending $337, France $325, and Japan only $74. These are shocking differentials, and it is obvious that new efforts are needed to better balance the military cost burden of defending the free world.

Our inflationary Federal deficits are largely caused by the United States bearing the lion's share of free world defense costs. This must change.

Nothing more clearly illustrates our failure to be prudent in this regard than two recent events that illustrate our blindness to this problem. Short weeks ago this Senate voted to break the budget and enlarge the Federal deficit by adding a 3-percent increase to our planned military spending, ostensibly to meet a solemn NATO commitment. Within days of that action by the U.S. Senate, the West German Government quietly indicated they were cutting their military spending increase in half, to 1½, and even that figure appears inflated. Our enthusiasm to make an extra effort enabled them to reduce their effort.

Some of those who whoop and holler the loudest here on the Senate floor about meeting NATO spending targets ought to stop playing into the hands of our friends who encourage us to spend our scarce dollars for their defense, while they quietly divert their resources away from mutual defense to internal capital investment, reindustrialization, and their own national purposes.

In 1978, the United State spent 5 percent of our GNP on defense; Germany, by contrast, spent only 3.3 percent; and Japan spent less than 1 percent; they spent 0.9 of 1 percent. It is no wonder that their currencies are stronger than ours, that their inflation and interest rates are lower than ours, that they are better able to modernize their industrial base, sell their surplus production here in the U.S. market and export American jobs to their countries. It is time that we woke up to these realities and stop living in a dream world of military sloganeering and hurrah. Unless we face these hard realities and adjust our policies accordingly, we will continue to drain vital strength from the United States that can only make us weaker and more vulnerable in the future.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. RIEGLE. Yes.

Mr. ROBERT C. BYRD. Mr. President, I congratulate the distinguished Senator from Michigan on his very perceptive analysis of the SALT II treaty and of his articulate expression of support for the treaty.

I certainly share his concern that without the treaty we will be draining moneys away from conventional forces and from nuclear theater forces. There should not be any doubt, that without the treaty this country is going to be spending more, more, more for strategic systems in order to try to keep up with the Soviets, the Soviets already having developed the momentum and trends to go on and on for some years in building clear superiority in their central systems. Instead of 308 biggies, the Soviets can go to 400, 450, 500, and we will try to keep up undoubtedly, and as we do this we drain just that much money away from conventional forces, thus making us unable to deal with contingencies that can very well erupt here, there, elsewhere quickly, and which would necessitate our being able to deploy military forces in order to protect our national security interests.

So I say to all Senators who have concern for the inadequacies of our conventional forces—and I am not saying we have not been doing anything, we do not contend that—the SALT treaty hearings have convinced me that we need to do more to emphasize the conventional side of our military structure, and we are not going to be able to do that if we have to engage in a protracted and intensified strategic nuclear arms race, and it will be a race, it could be a race. So I commend the Senator. He put his finger right on an important point.

As we look at the tense international situation around the world, we look at the tenuous energy supply lines which are vital to our national security, suppose something happened here or there? Are we ready? Are we conventionally prepared to deal with it so that it will not escalate into a nuclear exchange? Or is that all we have? Are we going to be left only with a nuclear exchange to deal with those situations which could arise imperiling our security interests, and with which we could deal if we were conventionally prepared?

We do not want to be left in that situation where a nuclear exchange is the only answer.

So I congratulate the Senator. He has made some rather excellent points in his statement, and I agree with him that there should be a better balance in cost-sharing among our NATO friends.

But I do not think we should overlook the fact that Mrs. Thatcher, that is her government, is denying themselves other needs in order to meet that 3 percent, and that is a commitment on our part. President Carter made that commitment. It was he who led the way to a NATO summit last year, and we made that commitment, and I think we should live up to it because only by setting the example can we criticize constructively our NATO allies.

But it is shocking when the Senator speaks of Japan, a very, very strong ally, very resourceful people, spending so little, relatively speaking, for defense.

I thank the Senator and I congratulate him.

Mr. RIEGLE. Mr. President, let me just say that I appreciate the comments of the majority leader. I might say, I want to repeat what I said at the beginning of my remarks. I want to particularly pay my respects to the majority leader who, I feel, has given important personal leadership to the SALT II issue, and has thereby performed a great service to the country.

Let me say, in response to the point he has made, that if one goes to West Virginia today and we look at the problems facing the coal miners there or steelworkers there or we go to my home State of Michigan or we go to other industrial regions of the United States and we see problems with many of our people out of work, unable to compete with the flood and the influx of foreign products from Japan, West Germany, other allied nations, and we dig deeper into that matter and take a look at these defense spending differentials, what we find is that the money we need to spend to modernize our industrial base is going into free world defense.

The money from these other nations, the scarce capital, is, by and large, going into their nations to make them stronger economically and to put ourselves—while we are still on a friendly basis—in a more adverse position.

So these things are related, and we have to understand that relationship, because if we are not strong at home we are not going to be able to be strong abroad.

That is why this issue, the SALT II debate, has performed a service in the sense that it is bringing these kinds of questions to the surface.

I think the Senator's point about the additional efforts being exercised by the new government in Great Britain indicates some sign, at least in that one place, of a greater effort. But, as the Senator has acknowledged, in other nations that are much stronger economi-

cally and much better prepared to make a commitment of greater effort, that effort has fallen short.

I might further say, and it is important for us to remember the lessons of recent years, that this is my 13th year in Congress, and I recall very vividly the period of our involvement in the Vietnam war. That was a different situation but, I think, the principle is the same.

We found in the case of the Vietnam war that the more we were prepared to do for the South Vietnamese the less they were prepared to do for themselves, and it became a self-defeating course of action.

We cannot go back now and change that history, but in terms of burden-sharing today, allies who are in a stronger economic condition than we are, whose unemployment rates are lower, whose inflation rates are lower, whose currency is more valuable than ours, whose balance-of-payments situation is more favorable than ours, have to begin to carry their fair share in terms of free world defense, and its relationship to the SALT treaty which is direct in regard to the notion of who carries the bulk of the burden for strategic weapons spending.

That is why I think this treaty, if ratified, offers the possibility for the United States to be both safer and stronger in the future because we need our scarce resources for conventional military strength, we need them for reindustrialization within the United States, and for other purposes.

VETERANS DAY

Mr. BAKER. Mr. President, this Sunday, November 11, is the day our Nation has set aside to honor our veterans. A brief history of the significance of this date, I believe, is appropriate. In 1921, an American soldier—his name "known but to God"—was buried on a Virginia hillside overlooking the Potomac River. The Arlington National Cemetery burial site of this unknown World War I soldier became the personification of dignity and reverence for America's veterans. Similar ceremonies occurred earlier in England and France, where an "unknown soldier" was buried in each nation's highest place of honor. These memorial gestures all took place on November 11, giving universal recognition to the celebrated ending of World War I hostilities at 11 a.m., November 11, 1918—the 11th hour of the 11th day of the 11th month.

Originally known as "Armistice Day," this day of observance became a national holiday by congressional resolution in 1938. The idealistic hope that World War I was "the war to end all wars" was shattered the day World War II broke out in Europe. In answer to the dilemma of how to pay tribute to those who had served in that war, the name "Armistice Day" was changed to "Veterans Day" in 1954. Additional significance was added to Veterans Day in 1958, when two more unidentified American war dead were brought to Arlington Cemetery from overseas and interred beside the World War I soldier. One had been killed in World War II, the other in Korea. A law passed in 1973 provides for the future interment of an unknown American who lost his life in Southeast Asia during the Vietnam era if unidentified remains are discovered.

In keeping with our national tradition of honoring those brave men and women who have served their country, I am happy to announce my cosponsorship of several measures designed to pay tribute to our veterans who served during the hostilities in Southeast Asia. The first is a joint resolution to set aside a 2-acre section of Constitution Gardens in Washington, D.C. for a Vietnam memorial. Mr. Jan C. Scruggs, a veteran of the Vietnam war and now president of a memorial fund to raise the private donations for this monument, deserves much credit for his efforts to end "the sharp division in our generation" created by an unpopular war. This new legislation will enable Mr. Scruggs' fund to finance the building of a memorial on the Mall inscribed with the names of the 57,414 Americans who died in Vietnam. I share the view of my colleague, Senator MAC MATHIAS, that the memorial is a long overdue acknowledgement by the American people of the sacrifice and service of Vietnam veterans.

In addition to this type of recognition, I also believe that real, concrete steps need to be taken, to assist our Vietnam veterans in solving a number of continuing problems which have been ignored far too long. Therefore, I am also joining my colleagues, Senators HEINZ, JAVITS, MOYNIHAN, and PRESSLER in cosponsoring the Vietnam Veterans Act, which will provide a program of career development, advancement, and training; outreach and supportive services; increased funding and improved programs for health and psychological care; improved education assistance; and other provisions designed to help these veterans overcome significant readjustment problems.

A law passed in 1968 had changed the national commemoration of Veterans Day to the fourth Monday in October, but it soon became apparent that November 11 was a matter of historic and patriotic significance too great to be ignored. I was pleased when the Congress enacted legislation in 1978 returning the observance of this very special day to its traditional date. All of us in this country owe much to our veterans, and it is with humility and great admiration that I extend my personal gratitude and tribute to them on this Veterans Day.

DEPARTMENT OF DEFENSE APPROPRIATIONS, 1980

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the pending business (H.R. 5359), which the clerk will state.

The legislative clerk read as follows:

A bill (H.R. 5359) making appropriations for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes.

The ACTING PRESIDENT pro tempore. Debate on this bill is limited to 4 hours, to be equally divided between and controlled by the Senator from Mississippi (Mr. STENNIS) and the Senator from North Dakota (Mr. YOUNG), with 1 hour on any amendment in the first degree except a Heflin amendment on helicopter training, on which there shall be 2 hours, a Hatfield amendment on the MX missile, on which there shall be 3 hours, and an Armstrong amendment on pay cap, on which there shall be 3 hours, with 30 minutes on any amendment in the second degree, and with 20 minutes on any debatable motion, appeal, or point of order.

The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, the Senator from North Dakota (Mr. YOUNG) and I are ready to proceed as comanagers of the bill. May we ask, what time is there remaining from the 4-hour time limitation on the bill? I believe that all of that time is still available; is that right?

The ACTING PRESIDENT pro tempore. The Senator from Mississippi has 93 minutes remaining. The Senator from North Dakota has 118 minutes.

Mr. STENNIS. That is what we call "on the bill"?

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. STENNIS. All right.

Mr. President, the Senator from Oregon (Mr. HATFIELD) has a sweeping amendment here with reference to the MX. He has a very substantial argument, with strong points, and I appreciate the fact that he is ready this morning, and also willing to proceed now. He has such time as the Chair has already related. We have a like amount.

We are all inclined to get this matter before the body and then have the vote and turn back any time remaining, but we do not know yet what the requests are going to be from our colleagues for sharing time; so we will just withhold all comment on that, except to state our willingness to try to reduce the time somewhat.

I thank the Chair for recognizing me. I am charged with the time on this side. I have conferred with the Senator from North Dakota, and I have been speaking for him as well on that point.

If the Senator from Oregon now seeks recognition, I yield to him.

UP AMENDMENT NO. 787

(Purpose: To eliminate funds for the MX missile and provide $20 million for research and development in connection with the shallow underwater mobile Minuteman III missile system)

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

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Oregon (Mr. HATFIELD) proposes an unprinted amendment numbered 787:

On page 28, line 19, strike out "$4,892,043,000," and insert in lieu thereof "$4,242,043,000, of which $20,000,000 shall be used only for research, development, testing, and eval-

uation to determine the feasibility, the cost estimate for implementation, and an estimate of the time period required to attain both initial and full-scale deployment of a shallow underwater Minuteman III missile system;".

Mr. HATFIELD. Mr. President, basically this amendment proposes to stop the MX missile, and to provide us with a more logical and practical alternative. In my remarks I hope to convince my colleagues of the wisdom of this action; because, Mr. President, the Senate has been asked in the legislation before us to approve of a weapons system which will be the most expensive, most lethal and most intensely complicated project in U.S. history. Some $670 million is being appropriated in this bill for the MX missile and its so-called "racetrack" basing scheme. Brig. Gen. Guy Hecker, Jr., Office of the Special Assistant for MX Matters, USAF, has called MX "man's largest project, larger than the Great Wall, larger than the Pyramids, larger than the Alaska pipeline or the Panama Canal."

I am here today, Mr. President, to challenge the fundamental wisdom of the MX project and, just as importantly to offer an alternative which some of the finest scientific minds in this country believe to be far superior to the proposed MX scheme. The option is to put all or a portion of the present Minuteman III missile aboard a shallow underwater mobile system; hereafter referred to by the acronym "SUM."

The SUM proposal has been suggested by Drs. Richard Garwin and Sidney Drell, consultants to both the White House and Arms Control and Disarmament Agency. Both these highly respected scientists testified before the House Arms Services Committee earlier this year on the SUM alternative. In addition, Dr. Drell is a defense analyst and deputy director of the Stanford Linear Accelerator Center. He headed a study on the future of U.S. missile policy that was conducted at the Stanford Research Institute for the Department of Defense.

Dr. Garwin has sat on a task force on missile modernization put together by the White House Office of Science and Technology Policy. Garwin is a longtime defense consultant, former director of applied research at IBM, and professor at the Kennedy School of Government at Harvard University. I ask unanimous consent at this point that a detailed correspondence with Dr. Richard Garwin describing the SUM system be printed in the RECORD.

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

CORRESPONDENCE BY RICHARD L. GARWIN

AUGUST 31, 1979.

Hon. MARK O. HATFIELD
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR HATFIELD: This letter responds to the request of 08/30/79 from your office for my views on the suitability of Minuteman for survivable basing on small submarines. For the last three years I have studied extensively the possibility for basing the next-generation ICBM—the MX—on small submersibles and reported favorably on that possibility, for instance, in my testimony of 02/07/79 to the House Armed Services Committee.

The concept for the water based MX (WBMX), also called the Shallow Underwater Missile System (SUM) is simple—to carry ICBMs horizontally (not vertically as in the POSEIDON and TRIDENT submarines) in individual, releasable capsules. When the submarine wants to fire a missile, it releases a capsule which bobs to the surface and fires the missile as the missile capsule breaks the surface of the water. The concept can be used with missiles of size ranging from the very smallest, single-RV missile to the largest MX such as the 195,000 pound missile committed by President Carter to engineering development June 1979. A very interesting point is that the same largely-autonomous encapsulated missile which would be optimum for land-basing in so called mobile-modes, is suitable essentially without modification for the SUM system.

As I pointed out in my testimony, the same navigation/guidance system on the missile which is to provide good accuracy for the MX, can be used to navigate the submarine, although submarine navigation accuracy is not a requirement, even to fire missiles with good impact accuracy and good time on target. Missile accuracy could be maintained by equipping the missile guidance system on the missile itself with a receiver-computer for the NAVSTAR system, which would in fact permit accuracies twice as good as those projected for the silo-based MX system were it not to have this NAVSTAR supplement.

Furthermore, just as the land-based MX could continue to obtain such accuracy even in the absence of the NAVSTAR satellites (by the employment of the GBS (Ground Beacon System), the SUM missiles launched within a few hundred miles of U.S. shores could use the GBS system in just the same way, since the missiles as they boost will be able to have the GBS transmitters in sight.

It should be noted that recognition of the desirable aspects of the SUM system for invulnerability of basing and low operating cost go back to the mid 1960's, to the "STRAT-X" study, in which the technical preference was clearly toward the use of a "wooden round" or low-maintenance missile which would be carried in a horizontal capsule outside the pressure hull of the submarine. This essentially decouples the problems of submarine construction and operation from those of missile design, and this point is capitalized upon in our SUM proposal.

As emphasized in my testimony, all of the objective requirements stated by Air Force Chief of Staff General Lew Allen for the land-based MX are satisfied by the SUM system—it is the ideal follow-on ICBM basing system. For your convenience, I attach as the first enclosure pp. 29–36 of my testimony of 02/07/79 on the WBMX.

As for cost, proposals for developing, building, basing, and operating 200 MX missiles on land have involved manufacturing costs (after development) of the missiles themselves of about $3 B, while overall system costs (including 10 years of operation) amount to some $25 B to $40 B. The actual construction and purchase of the small submarines for basing the encapsulated missiles is likely to be only 20% to 30% as costly as the land-basing schemes, and because of the low manning requirements (less than the security force alone for land-based deployments) the operating costs will be tolerable.

As regards the schedule, cost, and realizability of the SUM system for MX, my review of the situation this year makes me even more optimistic. It is important to separate the bureaucratic impediments from the technical problems of small-submarine basing of ICBMs. I have looked again at the WBMX this summer and find that the German Navy operates modern military diesel-electric submarines built in the FRG, and of a size (450 tons) precisely that envisaged to carry the MX. Furthermore, I have looked at the communication means and find that a cheaper, nearer-term approach would be to use an expendable buoy with just a few hours life, connected by a slack line to the patrolling submarine. We should also plan to have a backup UHF whip a few inches long on the buoy, to receive signals directly from satellites if the VLF normal transmission to submarines were destroyed.

For your information, I enclose data on the HDW type-600 ocean-going submarine. The evidence on operability of submarines of this size in a military mode, the availability of a scheme for communications, and the decision to develop the large MX missile (compatible with water-basing) all lead me to believe that the submarine-based option for the ICMBs is a near-term possibility, available as soon as the missile itself.

Thus I believe that the SUM system could be ready and with its bugs worked out by the time MX missiles could be available in 1985 or 1986. Furthermore, even the early MX missiles could be invulnerably based in the first few small submersibles—quite different from the vulnerability of a deceptive-basing land system, which begins to be survivable only when most of the shelters have been deployed—which means, obviously, toward the end of the deployment period!

The suitability of Minuteman III for SUM deployment, has not received much concrete study. The question can, however, be answered reasonably well by comparison with the studies already done for road-mobile deployment of Minuteman III or for the ALPS redeployment of Minuteman to a large number of vertical shelters in the Minuteman operating area. Both of these deployments require that the Minuteman be modified to be capable of movement by truck while fully assembled and in the horizontal position. Both require modification to the guidance system to avoid certain limitations of maneuver of the missile while it is being transported. The ALPS concept requires that the Minuteman be largely free from maintenance as does the current silo deployment (simply for economic reasons).

The unique requirement for SUM deployment of Minuteman is the waterproof capsule, designed to house the missile, provide a simple attachment to the submarine, and to bob to the surface and fire the missile. I am quite sure that this could be developed and ready by the time the Minuteman missile could be modified for horizontal transport.

Thus, in view of the substantial investigation and discussion of underwater basing of MX, my views on near-term underwater basing of Minuteman III are as follows:

1. Feasibility. It is undoubtedly feasible to utilize Minuteman III in the SUM mode. Essentially the same modifications need be made to the Minuteman III missiles as would make it road mobile or suitable for ALPS deployment. Incorporation into the Minuteman III guidance system of a GPS/GBS receiver-computer would provide accuracy twice as good as that projected for MX. The requirement on low maintenance for the SUM deployment is considerably simpler to meet than the requirement for an ALPS or MPS deployment, simply one new-type ICBM, there is no such limitation on new-type SLBMs, as evidenced by our freedom to proceed with the Trident-II missile even though President Carter has committed the MX to engineering development. Thus the modification of Minuteman III to submarine basing would not impair our freedom to build one new-type ICBM such as the MX (or a different ICBM if we decided not to deploy the MX). Furthermore, if the MX were to be developed for basing on the small submersibles, as a follow-on to the modified Minute-

man III, the U.S. could later develop still another ICBM, so long as the MX was never based on land.

Finally, it is necessary to rectify two misconceptions. First, the submersibles would *not* be stationary on the continental shelf, nor would they necessarily be deployed in the waters over the continental shelf. Their primary areas of deployment would be at few hundred foot submarine depth in waters exceeding 800 foot depth on or beyond the continental slopes within a few hundred miles of U.S. shores. Given this large area of deployment, it would not add vulnerability at all to deploy submarines at an appropriate density in the Great Lakes or on the waters of the continental shelves. Second, the communication link to the submarines can be made at least as solid as that to the Minuteman silos. Not only do the submarines have the benefit of the normal fleet VLF broadcast—because our scheme envisages a small UHF wire antenna attached to the expendable float, the SUM system can be commanded by aircraft, satellites, or missiles.

I do believe that small-submersible basing of ICBMs is not only an important option for the long term but the system which can be used soonest in a technically sound manner to allay fears of Minuteman vulnerability.

If I can be of further help with papers or testimony, please let me know.

Sincerely yours,

RICHARD L. GARWIN.

TESTIMONY BY RICHARD L. GARWIN

WATER-BASED MX

In the space and time available, I shall describe the proposed system, evaluate it against the criteria which had been applied to the MAP system, inquire about the status of the WBMX, and make some recommendations for the present.

Prominent among the strategic offensive force candidates in the classic 1967 study of U.S. strategic force options was the carriage of encapsulated missiles in a horizontal position outside the pressure hull of a submarine. Alternatives included the vertical carriage of missiles inside the pressure hull (as is the case with the Poseidon and Trident submarines). The demonstrated advances of technology since 1967 have made horizontal carriage and encapsulated missiles a highly desirable approach, which also fits well under SALT (a distant consideration in 1967).

The technologies of importance for the WBMX are:

A 6,000-mile-range missile, encapsulated and in need of minimal associated support equipment. Note that the Trident-I missile itself, offloaded to 4 RVs, has about 6,000-mile range.

The GPS system, supplemented by inverted GPS for missiles fired from the territory of the U.S. or near U.S. territory, and

Encryption and verification procedures to constitute a flexible and secure "permissive action link" (PAL) so that missiles may not be fired or nuclear warheads armed except by the National Command Authority (NCA).

Specifically two of the largest missiles considered for the MX application (192,000 lb each, 10 RV) in their capsules would weigh about 350 tons and could be carried horizontally strapped to the side of a 350-ton minisubmersible. The United States Navy already has an 800-ton submersible, the DOLPHIN, and other craft of this size are in commercial use. In the WBMX concept, a fleet of perhaps 100 such submersibles would operate within a few hundred miles of the east and west coasts of the United States, lost in an area far too large for the Soviet Union to barrage effectively, even by devoting the entire throw weight of their ICBM force.

Although capable of operation at depths on the order of 600–1,000 ft. the submarines would normally patrol at a depth of 200 ft. so that they would be less vulnerable to attack by nuclear weapons, which for greatest capability against submarines should be exploded deep in the water. Under normal circumstances, the minisubs would be in constant (receive-only) communication with the NCA, by very low frequency radio (VLF) received by a free-swimming fish directly above the submarine and submerged a few feet below the water surface. If the ground-based VLF transmitters are destroyed, their role is assumed by the TACAMO aircraft which radiate the VLF signal from a long wire trailed by the aircraft. Ultimately, many other continuous communication and back-up systems are available—among them connection to the moving submarine by means of a fiber-optic thread which the submarine unreels as it cruises, plugging in again every few hours to a prearranged junction point. The fiber-optic approach would allow the submarines to receive continuously not only commands as required but also commercial TV as desired and provided by the management.

Since the submarines need deploy only a few hundred miles from many ports within the U.S., the high speed required of conventional Polaris and Poseidon ships enroute to duty station is unnecessary. A patrol speed of 5 kt and the small size of the loaded submersible (700 ton versus 8,000 ton for Poseidon and 18,000 ton for Trident) mean that the installed propulsion power need be no more than 50 kw. In order to have a burst speed of 10 kt, a 400 kw power plant could be installed. The primary power can be supplied either by means of fuel cells or by a Stirling engine. The fuel cells using hydrogen and oxygen would consume about 7.5 tons in one month to supply 25 kw on the average. Fuel cells which use oxygen and hydrocarbons would use about 9 tons of fuel in a month at an average output of 25 kw, and for a maximum output of some 400 kw would weigh about 30 tons. Neither fuel need result in bubbles, water and carbon dioxide being retained in the fuel tanks.

A tour of duty of 2 weeks or 4 weeks would be perfectly adequate to retain high fraction of the time on station, since the patrol area is close to the home port. As discussed, the crew of the submersible would have no ability to fire the missiles and no obligation to delay firing of the missiles on receipt of the proper encrypted command.

Thus crew responsibility and necessary crew training are minimal, as is crew size. Although the mission could be done with an unmanned submersible, as a baseline I provide three crew per watch for a total of 12 on board.

As for vulnerability and survivability of this system, I have considered threats of nuclear barrage, of Soviet aircraft rapidly deploying thousands of sonobuoys and attempting to detect the submarines and to hunt them down, and I find the WBMX highly survivable. The nature of survivability for the WBMX is substantially different than that for the Poseidon or the Trident, since the WBMX patrols in regions near U.S. shores, where the U.S. has a very substantial anti-submarine warfare ASW presence under normal conditions—ground-based patrol aircraft, ships, fixed-acoustic systems, and the like. Furthermore, it is quick and easy for the U.S. to take action against hostile measures deployed against the MBMX fleet. Finally, the small size of the submarine and its low normal speed (together with its proximity to the U.S.) make it feasible to develop and deploy decoys to counter long-range acoustic detection and tracking.

In comparison with other contemplated strategic offensive forces, particularly the MAP system described above, the WBMX should have comparable accuracy if it uses IGPS as indicated, or if survivability or redundancy of the GPS system could be maintained. Personnel requirements for these vehicles would be about 1200 (and on a 2-crew basis, 2400) to be compared with the 4300 personnel contemplated for a MAP deployment. Because of the low speed and the short tour of duty, nuclear power is both unnecessary and undesirable for such vehicles.

Quoting from General Allen's letter to Chairman Price:

"The following is a list of characteristics that silo-based ICBMs bring to the Triad today:

"Different pre-attack survival mode than aircraft or SLBMs and a different penetration to target mode than aircraft.

"Independence from strategic or tactical warning for pre-launch survival.

"Exceptionally reliable command, control, communications for positive control.

"Unique military capability as embodied in the ICBM's rapid response capability, prompt retargeting ability, short flight time to target, hard target capability, high alert rate and range.

"Enduring survivability in an extended nuclear conflict.

"Low domestic profile, but large international perception.

"High confidence in nuclear weapon safety and security.

"Relatively low operating cost and personnel requirements.

"Independence from concealment for survival.

"Straightforward SALT verification concept."

I find that the WBMX satisfies these requirements, some of them in a fashion preferable to that of MAP. Furthermore, the WBMX does *not* possess the characteristic common to Minuteman and its MAP replacement:

Subject to being pinned-down and launch denied for a period of hours at the option of the Soviet Union.

STATUS OF THE WBMX

Air Force has begun a preliminary look at the specific WBMX system outlined here. Navy interest is minimal, in my opinion because of the ongoing Trident program, although my judgment is that if the Trident program were presented for decision again as it was in 1972, Navy and DoD would choose to field a different system. Still, so long as we have an ongoing Trident building program, WBMX will be regarded by the Navy as a potential successor to Trident, and not something which can be accomplished in the near term.

Air Force familiarity with the operation of saltwater submersibles is nil, and there is no large constituency in USAF for the development and operation of such vehicles. Nevertheless, I believe that the development and deployment of an operating fleet of WBMX could be very rapid, using the VLF communication system, and that the small size of the individual ship would allow the development and procurement to be done in a fashion quite different from that appropriate for nuclear-powered ballistic missile launching submarines. Thus one could contemplate purchasing two operating WBMX ships from each of the first two contractors who make a plausible proposal at a fixed price, the requirements to include operation by contractor personnel (not military personnel) for two years after delivery of the vessel.

The low weight and small size of the WBMX vessel should be considered not as a result of squeezing all of the capability of a Trident submarine (SONAR, electronic defenses, inertial navigation systems, and the like) so that it will fit in a smaller ship, but rather what is left of required space after all these functions have been removed from the submarine. Thus, the submarine precision navigation should be done by the *missile*

navigation system, so that after the submarine has fired its missiles (or if the missiles are incapable of being fired because they require maintenance), the submarine should navigate like any other Navy ship, with frequent fixes obtained from navigation satellites, compass headings, dead reckoning, and the like. Under these circumstances (and missile development costs aside), the development cost of a 350 ton submersible should be only a few percent that of a Trident-size submersible, and the best way to ensure that the price paid for development is reduced in proportion to the cost is the fixed-price competitive procurement of end items from several suppliers.

SUBMARINE TYPE 600

MAIN PARTICULARS

Length over all, 48,90 m.
Length b.p., 48,00 m.
Inner diameter of pressure hull, 4,80 m. (parallel part)
Mean draft, 4,20 m.
Height over all, 8,80 m.
Standard displacement, approx. 550 long tons.
Surface displacement, approx. 600 m^3.
Submerged displacement, approx. 665 m^3.
Reserve of buoyancy, approx. 10%.
Maximum diving depth, 200 m.
Maximum operating depth, 160 m.
Maximum submerged speed, 17,0 Kn.
Maximum snorting speed, 9,0 Kn.
Maximum surface speed, 11,5 Kn.
Submerged cruising range (battery discharge 80%) at 4 Kn submerged speed, approx. 240 NM; at 8 Kn submerged speed, approx. 120 NM; at 16 Kn submerged speed, approx. 16 NM.
Total cruising range (snorting speed 6 Kn) at 4 Kn submerged speed, approx. 5400 NM; at 8 Kn submerged speed, approx. 3200 NM; at 16 Kn submerged speed, approx. 1500 NM.
Provisions for 30 days.
Complement 16.

PROVISIONS

Capacity of fresh water tanks, approx. 13,0 m^3.
Capacity of drinking water tanks, approx. 3,7 m^3.
Capacity of fuel oil tanks, approx. 23,0 t.
Food provision, 1,8 t.
Soda lime, 1,9 t.

PROPULSION PLANT

Propeller, 1.
Propulsion motor (sea water temperature 28°C) approx. 1 x 1320 kW; 1600 PS at 290 RPM max.
Diesel output when snorting (air temperature 40°C in front of the suction filter, sea water temperature 35°C), approx. 2 x 405 kW, at 1500 RPM.
Batteries, 3 x 120 cells (3 x 32 t).

ARMAMENT

8 swim-out torpedo tubes for short or long torpedoes; torpedoes SUT, MK 37 and NT 37 (6 long and 4 short or 16 short torpedoes).
A mine chamber with 24 mines can be mounted.

ACCOMMODATION

Commanding officer's cabin for 1 person.
Officer's living quarters for 4 persons.
Chief petty officer's, petty officers and ratings accommodation for 11 persons.
Reserve for 3 persons.
Galley.
1 lavatory with wash basin and WC.
1 washroom with shower, wash basin and WC.

YORKTOWN HEIGHTS, N.Y.,
October 24, 1979.

Hon. MARK O. HATFIELD,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR HATFIELD: Following up on my letter of August 31, 1979 in response to your request for comment on the small-submersible basing option for ICBMs, I want simply to estimate the 10-year cost of such a system. The system concept is that of my earlier letter, with 4 Minuteman III missiles in individual capsules (neutrally buoyant) carried horizontally alongside a submersible of some 300–450 tons. Such a system would also be suitable to carry 2 encapsulated MX missiles per submarine.

I have not seen a recent cost breakdown of the proposed "racetrack" deployment of MX, but MX missile development cost must be in the range of $6 B, MX missile unit production cost on the order of $15 per missile, and manning costs on the order of $100,000 per man-year.

The comparable investment costs for a SUM (shallow undersea submersible) basing of Minuteman III include some $3 B for development and modification of Minuteman III to a missile capable of encapsulated horizonal carriage, $30 M each for the 450-ton submersibles, and $100,000 per individual for the 15-man crews (2 crews per submarine). To this must be added the cost of in-port facilities, which must be carefully selected if they are not to contribute excessively to the overall system cost. The simple submarines, with shallow draft, and the encapsulated missiles minimize the amount of in-port maintenance required and allow great flexibility in basing. For instance, it is not necessary to use deep-draft dock space; the submersibles can be moored in the waters of the harbor.

The investment cost of the Minuteman-III SUM system is dominated by the $5.3 B for developing and modifying some 300 missiles and building 75 450-ton submersibles. Operating costs are dominated by the perhaps $3 M annual bill for total manpower costs (salary, benefits, training, and the like) for the 30 men of the two crews assumed for each submersible. The cost for investment and 10 years of operation of such a system is thus in the neighborhood of $9 B, assuming that other cost elements are small.

A system for preserving 100 MX missiles against Soviet attack, assuming that 80% of them can be kept at sea, would involve 125 MX and some 63 450-ton submarines to carry them (2 MX per submersible). This would be comparable in post-strike capability to the land deployments considered for MX, in which some 50% of the missiles could be destroyed by the assumed Soviet force which might be allocated to their destruction. From the cost elements previously assumed, such a SUM system would involve investment costs of some $10 B for missile development and procurement, and for manufacture of the 63 submersibles. Ten-year manning would add some $2 B, for a 10-year system cost in the range of $12 B. Of course, the MX SUM system could inherit from an early Minuteman-III SUM system the submarines, training, bases, and the like.

A system with the same first-strike capability as a 200-MX land deployment would involve some 100 submersibles and, according to these same planning figures, would have a cost, for investment and 10 years of operation, of some $15 B. I believe that it would constitute a far less vulnerable system, and one of no less capability than has been estimated for the best land-based deployment.

I look forward to the results of more detailed study than I have been able to give this problem. My judgment on technical feasibility and schedule is considerably more firm than on 10-year cost, but it is clear that the SUM system is far cheaper than would be either the racetrack or the vertical-silo deceptive basing of MX on land.

Sincerely yours,

RICHARD L. GARWIN.

Mr. HATFIELD. It is the belief of these scientists that the SUM/Minuteman III alternative will save years of theoretical U.S. ICBM vulnerability, save the American taxpayer tens of billions of dollars, pose virtually no environmental, legal or verification problems, and do nothing to destabilize the nuclear strategic balance. In short, the SUM/Minuteman III alternative offers dramatic strategic, budgetary and logistical strengths when compared to the proposed MX racetrack. It is vital that the Senate give consideration to the alternative before we become hostage to a deeply flawed MX proposal. Let me cite these strengths in more detail.

TIME/U.S. VULNERABILITY

President Carter has termed the theoretical vulnerability of our ICBM's to a Soviet first-strike attack "our most pressing strategic problem." But there is a very grave danger that the Carter decision, to redress this problem through deployment of the new MX in a racetrack scheme, might aggravate the problem of vulnerability by locking the United States into a decade of complicated missile development and land-based mobile deployment that serious strategic analysts believe might never be fully built.

Even if the MX scheme is finished within the decade cited, an increasingly dubious assumption, there is real concern that Soviet technological breakthroughs, or abandonment of the warhead limits under SALT II by 1986, will vitiate the entire MX concept. A mountain of environmental and legal action awaits the first shovelful of dirt in the Southwest desert. The Soviets have already complained about the proposed deployment scheme of the MX. The Air Force is already talking about the need to place an ABM system of untold expense around the MX site, an admission of the potentially deep inadequacies of the MX scheme for meeting in an effective and timely fashion supposedly the greatest strategic problem we face.

To be more specific, the Air Force assures us that the entire MX project can be built and functioning in the middle of the desert by September 1989. That is a decade from now. The Department of Defense estimates that the theoretical U.S. ICBM vulnerability to Soviet attack will become severe around 1983. Therefore, even the most optimistic Air Force assumption assures this Nation of at least 6 years of direct ICBM vulnerability by deployment of the MX. This means that during times of international crisis in the years ahead, the United States will presumably have adopted, as Secretary of Defense Brown has indicated, a launch on warning strategic stance for our ICBM force. I know of no one who does not consider this alteration of U.S. policy an extremely dangerous decision. It is therefore in everyone's interest for the United States to seek alternatives which will dramatically limit this vulnerability.

But consider the problems—environmental, legal and construction problems will work against even the September 1989, deadline. Simply to build the MX racetrack, the fourth largest city in Nevada will have to be created and sustained in the middle of the desert. For example, the project will require (and

these are only the latest tentative figures): 2 million tons of cement; 40 billion gallons of water for construction alone; 136 megawatts of power; 430–540 million cubic yards of earth; 160,000 tons of reinforcing steel; 48 million tons of sand; 140–210 million gallons of asphalt; a 64,000 population increase; 24,000 new housing units; and 23–28 million gallons of liquid asphalt.

These figures give the broad outline of the largest and most complicated project in U.S. history. Given the time and cost overruns associated with Department of Defense projects that have become a near legend over the years, and given the environmental and legal battles already being formed, do any of my colleagues reasonably believe that this massive project is going to come in at the 1989 deadline? And I will remind my colleagues that every year in court, every year of construction delay, and every year of bureaucratic inertia, are years added to the already 6 years of guaranteed U.S. ICBM vulnerability under the MX project.

SUM

By dramatic and direct contrast, the deployment of part or all of the Minuteman III missiles in the SUM proposal could begin by 1983 and end by 1986. There would be no unique or serious construction delays as would with MX. They could be built in almost any major shipyard. The designs for construction exist, Germany has already floated a fleet of similar submarines. In fact, construction of the submarines would be a tremendous boon to a number of U.S. shipyards suffering serious economic and unemployment problems.

In addition, the invulnerability of the 200 MX missiles will only occur during the final stages of construction—1988 or 1989. With Minuteman III deployment at sea in SUM, proportionate invulnerability occurs as soon as the first submarine is launshed in 1983. This is a major attraction associated with deploying the existing missiles rather than waiting until 1986 when the MX missiles have finally been researched, tested and constructed.

The massive environment concerns associated with MX—which might face unnecessary delays—simply do not exist with SUM. Moreover, the SUM system would be easily verifiable and fall without difficulty within the limits of SALT II. In short, the complex problems which seriously threaten the already decade-long timetable of the MX scheme do not exist for SUM.

Dr. Garwin believes that the 1983–86 timetable for SUM Minuteman III deployment is not just feasible—it is practical. At a minimum, therefore, the SUM proposal I offer today as an alternative to the MX could save 3–4 years of our theoretical ICBM vulnerability, the very problem which the President has termed the most dangerous strategic problem we face.

COSTS

The Air Force assures us that the MX racetrack and the 200 missiles to be shuttled among them can be built for $33 billion. Again ignoring for the moment the environmental and construction problems associated with the MX project, which may well drive up costs, the Congressional Budget Office estimated the inflation-adjusted cost at about $48 billion.

But Mr. President, even these unprecedented expenditures for the American taxpayer do not begin to reflect the ultimate costs involved.

I ask unanimous consent at this point in my remarks to have printed in the RECORD an article which appeared on August 7, 1979, in the Washington Post detailing the intent of the Air Force to possibly deploy an ABM system around the MX site.

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

AIR FORCE SUGGESTS REVIVING ABM TO PROTECT MX

(By George C. Wilson)

Even after a $30 billion outlay to make the new MX blockbuster hard to hit by hauling it back and forth in tunnels or around a race track, it still may need a revived anti-ballistic missile to protect it.

The Air Force acknowledges that possibility in recently released Senate testimony, terming the combination of the MX and ABM "a very happy marriage" for offsetting the threat of a barrage of Soviet warheads.

Rep. Les Aspin (D-Wis.), however, says that the Air Force testimony raises doubts in his mind about the wisdom of the MX project.

"It's time to seriously consider whether maintaining a huge, land-based ICBM force is really worth it at all," he said in a statement issued after reading the Senate testimony. Aspin said the prospect of having to build the ABM to protect the MX adds "a whole new dimension" to the debate.

Maj. Gen. Kelly Burke told the Senate Armed Services Committee at a closed session in April that the Soviets might decide to deploy enough warheads to bombard all the shelters to be built for the MX, which is still under development.

Under the Air Force scheme, each MX would be shuttled among 25 underground shelters so Soviet gunners would not know which one to aim at.

"The Soviets," Burke told the Senate committee, "have to attack all 25 in order to destroy" one MX missile.

"But with the Army's ballistic missile defense system in a mobile mode," Burke continued, "we could preferentially defend the occupied shelters and ignore the others."

In other words, the Air Force would make the ABM mobile along with the MX—presumably by putting some part of the warhead defense on its own wheels or tracks. The ABM would then concentrate on protecting the silo which held the MX missile without giving away the "shell game."

To be sure of breaking through the ABM shield, the Soviets would have to shoot two warheads at each of the 25 MX shelters, said Burke, who called such an effort prohibitively expensive.

Burke is director of operational requirements in the Air Force's research office. His superior, Lt. Gen. Thomas Stafford, deputy Air Force chief of staff for research, also portrayed the ABM as a potential guardian of the MX which is expected to be deployed in 1986.

Under the strategic arms limitation treaty before the Senate, the United States and Soviet Union could not arm a single missile with more than 10 warheads. However, the Pentagon has said that the Soviet SS18 missile already in the inventory has enough lift to carry 30 warheads.

Burke and Stafford see the ABM as a desirable protection if the Russians deploy more than 10 warheads on each missile after the SALT II treaty expires in 1985.

Stafford told the Senate committee that shuttling the MX from one shelter to another would be enough protection "for a period of time.

"But," he added, "if the Soviets should increase their number of boosters overtly or covertly, or number of re-entry vehicles, a ballistic missile defense could help offset that." Stafford said he did not know how much an ABM for MX would cost.

The Army spent $6 billion on the ABM from 1968 through 1975 before abandoning the idea of stopping a bullet with a bullet. Research on advanced ABMs has continued since then.

The testimony by Burke and Stafford comes at a time when some specialists are quietly advocating a heavier investment in weapons designed to defend the nuclear offense.

(Mr. PRYOR assumed the chair.)

Mr. HATFIELD. The ABM around the MX is not a strategic figment of some defense planner's imagination. With the MX deployment scheme, the option to Soviet breakout after 1985—or technological improvement in accuracy—an ABM is the only viable option to the constant building of shelters and racetracks every time the Soviets add warheads to their arsenal. The cost of such an ABM system?

The Army's tentative analysis indicates that a minimum of $4–6 billion in constant dollars would be required to be added to the $33 billion cost of the project to ABM the MX site. I stress that this is, according to the CBO, a very tentative figure. It could be far greater. Furthermore, the ABM system, no matter what the cost, will not be ready until the early 1990's. With an ABM system, and in inflation-adjusted terms, MX may cost at least $55 billion. This total assumes that there will not be a single day of environment delay, and that construction of the largest project of its kind in history will not meet any unanticipated delays.

Our experience with such cost overruns is, however, painful. A recent report by the General Accounting Office, the Systems Acquisitions Report, showed that 55 major Pentagon projects were initially estimated to cost $125 billion. As of September, 1978, the total cost of those projects was put at $210 billion. The GAO reported that 33 percent of the $85 billion increase can be attributed to inflation. The other $57 billion is the clear result of waste, bad planning and mismanagement. This $57 billion cost the average American family $1,140. What would be the cost overrun of the MX scheme? This is, of course, uncertain. A recent study by the machinists' union, for example, puts the cost of MX at $70 billion.

On top of all this, we assume that the Soviets will be benevolent enough to continue the warhead limits under SALT II beyond 1985, or that they will not acquire the capability of destroying the MX shelter with a single warhead, rather than the two now needed. The first of these eventualities will throw the United States into a highly dangerous and costly race with the Soviets. We will be forced to build a $2 million shelter every time the Soviets fractionate a warhead. The second eventuality, a Soviet technological breakthrough in accuracy or retargeting capability, will

totally vitiate the MX concept. By the late 1980's, the MX racetrack system may well be a $30 to $70 billion dinosaur lying useless in the desert, made extinct by the ongoing, complex rush of technology, environmental laws, and construction delays.

SUM

By contrast, the costs of the SUM/Minuteman III alternative are far more controllable. The submarines have already been built in West Germany, as I have indicated. Cooperation arrangements between the Federal Republic of Germany and the United States could speed building of the SUM fleet and minimize costs. A crash building program could be dispersed to a number of shipyards around the country.

Dr. Garwin estimates that the Minuteman III missiles can be redesigned and encapsulated for submarine launch for a total cost of $3 billion. Construction of the SUM fleet could occur for $6 billion. A total cost of $9 to $15 billion, depending on how large a percentage of the Minuteman III force was needed in SUM, would, in the opinion of these experts, be within conservative fiscal projections.

Most importantly, costs of the SUM/Minuteman III alternative would not be held hostage to environmental or legal actions, nor would they be forced upward through a breakdown of SALT or any conceivable near-term breakthrough in Soviet technological capabilities. Any Soviet threat to the entire SUM fleet would require, one, a major Soviet breakthrough in submarine detection and the building of a massive anti-submarine-warfare—ASW—force; and, two, a large-scale offensive incursion of ASW forces into U.S. coastal waters—probably itself an act of war. Most technologists agree that neither of these eventualities is possible within the foreseeable future. This contrasts sharply with the almost predictable Soviet technological breakthroughs needed to threaten the MX force on land.

Therefore, the SUM/Minuteman III alternative could save $15 to $50 billion in the next decade when compared to the projected costs of the MX.

COUNTERFORCE

MX

Mr. President, I have commissioned a Library of Congress study which has confirmed that the MX missile force will give the United States a first-strike counterforce capability against Soviet ICBM silos with tremendous residual strategic power remaining.

The combination of increased warhead yield, increased numbers of warheads, and increased accuracy of each warhead with the MX will mean that the lethality of U.S. ICBM force alone will be increased by a minimum of 450 percent. Once the MX system is deployed, it will pose an immediate threat to the entire Soviet land-based force.

The U.S. first-strike counterforce threat with the MX will dwarf the Soviet counterforce threat posed by the SS–18, SS–19, and SS–17 rockets. Fully 70 percent of Soviet warheads rest atop their land-based missiles. Some 25 percent of U.S. warheads rest on our ICBM's. If the strategic situation were reversed and the Soviets deployed a missile system that would be an immediate threat to 70 percent of our arsenal in a first-strike attack, who among the Members of the Senate would not draw the very darkest conclusions about U.S. strategic position and Soviet intentions?

We must understand that pursuit of the immense lethality of the MX missile will not be without serious consequences. The positive effect is that we will be able to say we have matched the Soviets large ICBM capability, while de-emphasizing the vast U.S. lead in submarine and bomber forces. But the negative factor of MX deployment will be that it will require the Soviets to take one or more of three very dangerous strategic steps. First, the Soviets may move to make their land-based missile system mobile. We have no guarantees that they will build a verifiable system.

Indeed, if the Soviets build precisely the same racetrack scheme that is being pursued by the United States, I can envision resounding cries of protest from a number of my colleagues, who will no doubt be uncomfortable with the possibility that Soviets may secretly deploy stockpiled missiles into shelters avoiding U.S. detection.

Second, Soviets may, as we have already indicated we shall, move to a launch-on-warning strategic stance. No one here needs to be apprised of the extremely dangerous situation this raises in times of international crisis and nuclear alert.

Third, the Soviets may begin to ABM their missile fields. Once we force perfection of ABM systems for missiles, does anyone truly feel confident that we will not move from the ABMing of missile fields to the ABMing of cities? This, in turn, could force the abrogation of the one solid accomplishment of the SALT process: limitation on ABM systems.

The question must be asked, Mr. President: If we are moving to make our ICBM force invulnerable, through either a land-based or sea-based deployment, why do we then choose to make that invulnerable missile force into a first-strike counterforce weapon? Such a decision, if the MX missile force is deployed, will give the United States a unilateral first-strike capability against Soviet ICBM sites. This will unnecessarily endanger the strategic balance and force the Soviet into decisions which could put a hair-trigger on nuclear war.

SUM

The SUM concept envisioned will place the present Minuteman III force of 550 missiles on 138 small coastal submarines. Four encapsulated missiles per submarine will patrol one-half million square mlies of U.S. coastal waters. The Library of Congress has assured us that the present Minuteman III force, while offering a wide range of strategic options, does not constitute a first-strike counterforce threat at the present time.

In addition, deployment of Minuteman III aboard the SUM system will allow for the United States to actively pursue a proposal considered by both sides during the SALT II negotiations at Geneva. This proposal, last offered by the Soviet Union in the spring of 1978, would place a mutual moratorium on the deployment of new land-based missiles. This would be a tremendously positive step forward in trying to grasp control of the burgeoning nuclear arms race and to halt Soviet ICBM growth. In addition, the United States, with the existing Minuteman II missiles remaining on land, would have a four-sided strategic "mix." This would be far preferable to a continuation of a triad, the MX land-based leg of which will become highly vulnerable to theoretical Soviet attack by late in the decade.

Finally, Mr. President, I ask unanimous consent to have printed in the RECORD a letter I received from Drs. Drell and Garwin responding to possible concerns raised by those objecting to the SUM proposal. The response is to questions of verifiability and possible vulnerability of SUM to surf zone turbulence, referred to as the Van Dorn effect. I ask that the portion of the letter dealing with these two subjects be reprinted in full in the RECORD.

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

1. VERIFIABILITY

The SUM proposal differs in no essential way from the practice for SLBM verification already accepted at SALT. Indeed, it capitalizes on the change from SALT I, which limited number of submarines in the missile fleet (or SSBN's to SALT II which counts only the number of launchers, i.e., the number of missile tubes. The SLBM's enter the official launcher inventory after sea trials and commissioning. Procedures for submarine construction would conform with the agreed rules ("no deliberate concealment") presently in force. We know of no credible way to construct in secrecy a fleet of 130 foot long, 30 foot wire, 900-ton systems (approximately 450 tons for the submarine and a comparable weight for the encapsulated missiles—perhaps four to a boat if they are suitably adapted Minuteman III's). Furthermore, the support network for construction, outfitting, missile handling, launching, and sea trials would be identifiable with confidence by present practice. The Soviet Union would surely have no credible basis for challenging U.S. procedures—nor have they for U.S. SLBM's/SSBN's in the past. There is no basis for U.S. loss of verification vis-a-vis comparable Soviet programs. The main point is: there is nothing required for SUM verification in addition to what has already been agreed to at SALT. In contrast, the requirements for cooperative assembly and operational procedures for the MX racetrack system are entirely new departure and an extension of SALT verification requirements.

2. SURF ZONE EFFECTS

Analysis indicates that in coastal waters of depths less than 400 feet there would be serious surf, zone waves and turbulence generated by nuclear detonations farther offshore. We do not advocate deployment of the entire SUM force in such shallow waters. Our proposal calls for deploying this force in coastal strips 200 miles wide in order to distribute the mini-subs over a broad enough ocean area so that the force cannot be barraged at any depth. In particular, the Pacific waters rapidly become deeper than 400 feet beyond a few miles near coast whereas the continental shelf off the Atlantic Coast drops below 100 fathoms or 600 feet within a distance of less than 100 miles from the coast line. There is thus no surf zone problem (van Dorn effect) for the survival of the SUM force although a fraction of the submarines in

transit or in port might be destroyed. In fact for the Soviets to develop any barrage threat to the SUM force would require their development and testing of new missile RV's designed to penetrate to deep ocean depths. Only then would the full energy of the explosion remain in the water. However, even if we make a very conservative assumption of SUM vulnerability to a shock wave at a distance of six miles from a 1MT detonation it would require 5,000 attacking megatons to destroy a SUM force loading one-tenth that magatonnage and deployed in a 200-mile wide belt. Of course the submarines could be deployed in a wider belt, requiring thereby more megatonnage to barrage.

We hope these comments are useful to you.

Sincerely,

RICHARD L. GARWIN,
SIDNEY D. DRELL.

Mr. HATFIELD. Mr. President, I also ask unanimous consent that another letter received from Dr. Garwin dealing with questions of command, control, and accuracy capabilities of the SUM system be printed in the RECORD.

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

YORKTOWN HEIGHTS, N.Y.,
November 6, 1979.

Hon. MARK O. HATFIELD,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR HATFIELD: In response to your request, I am providing further detail on the command, control, and communications for the shallow underwater missile system (SUM), as well as on the achievable accuracy.

A normal means of reception of command signals by the deployed SLBM fleet is via VLF radio from a fixed-based 16 kilohertz transmitter at Cutler, Maine. In case this transmitter is destroyed, the Navy has long maintained a backup fleet of P-3 aircraft with powerful VLF transmitters and a long trailing wire antenna. Our submarines on patrol can receive these signals by means of a buoy towed a few feet below the ocean surface, or on a floating wire trailed by the submarine. The SUM system can use these standard techniques. A better system (and one available also to the Poseidon and Trident submarines) would use an expendable molded plastic buoy weighing less than a pound, packaged with a spool of very fine plastic-insulated wire about 6 miles long and carried in a dispenser with some hundreds of its fellows outside the hull of the SUM submarine. The buoy would contain a small ferrite-rod antenna for VLF, such as is contained in the small transistor-radios one buys for a few dollars. For VLF no battery is required, but the expendable buoy can also be used to receive a UHF signal direct from the strategic command, control, and communication transmitters placed on satellites and commanded to operate when the VLF transmitter and the TACAMO aircraft are destroyed. A small battery and amplifier receive this signal and translate it to the VLF band so that it can be transmitted via the wire to the submarine. One can economize a bit further by limiting most of the buoys to VLF receive capability, with a set of UHF receiving buoys available if the VLF signal is not received. The connecting wire is paid out freely by the submarine as it patrols, like the fishing line from a "spinning rod," or the string from a cone of string in the bakery shop. Because the supply is exhausted in about 2-3 hours, many buoys are to be found on the ocean surface, and finding a buoy does not indicate the presence of a submarine, thus maintaining the invulnerability conferred by concealment. There is clearly no problem in having the requisite number of such buoys produced by 1982, or by the time modified Minutemen (or submarines) could be available.

Submarine-launched ballistic missiles have traditionally been less accurate than our most accurate missiles launched from silos, because of the uncertainty regarding submarine location, orientation, and velocity. Both Air Force and Navy contractors have studied the use of NAVSTAR receiver-computers which could be incorporated in the guidance system of the missile itself to determine repeatedly during missile powered flight the position of the missile to 30-ft. accuracy and its velocity to a few hundredths of a foot per second. It is cheaper to obtain good accuracy this way than by an all-inertial system, and one can do without the delicate and costly inertial navigation system now used in the submarine itself. Furthermore, reception of the NAVSTAR signal during all of powered flight would essentially eliminate all guidance errors and would leave as missile inaccuracy primarily the wander of the reentry vehicle as it returned through the atmosphere. Compared with the 0.1 nmi (nautical mile)—600 ft.—projected for accurate Soviet silo-based ICBMs, NAVSTAR-guided missiles could achieve 150-ft. accuracy, if desired.

The NAVSTAR signal would normally be provided by a constellation of 24 satellites in intermediate orbit, which would have many other uses. Because of the large cost of shifting existing users of other navigation systems to NAVSTAR, DoD may not deploy NAVSTAR as rapidly as is feasible. Furthermore, although NAVSTAR would be available to our strategic forces worldwide for guidance before the outbreak of high-intensity nuclear war, the satellites themselves could be destroyed by a concerted Soviet effort to do so. The SUM system would patrol within a few hundred miles of U.S. shores, and so the SUM missile NAVSTAR receiver-computer could receive line-of-sight signal from many NAVSTAR-like transmitters which could be deployed on U.S. soil—too many (with similar-appearing decoys) for the Soviet Union to attack. Reception of these signals would provide similar accuracy to the NAVSTAR satellite signals themselves under most circumstances. During a heavy nuclear exchange, best accuracy might be maintained by terminating the influence of radio guidance at the time the missile enters the ionosphere (about 50 miles altitude), because of the increased and variable electron density which can increase the position and velocity uncertainty available from the radio system. These ground-based transmitters would constitute an "inverted NAVSTAR" or "inverted global positioning system"—inverted GPS or "IGPS."

Whether or not NAVSTAR is deployed by 1983 or 1985, the inverted NAVSTAR system could easily be deployed by then, since weight, reliability, power requirements, and design are all significantly easier for ground deployment than for space.

Sincerely yours,

RICHARD L. GARWIN.

Mr. HATFIELD. Mr. President, in short, Mr. President, the SUM/Minuteman III alternative I present today holds out tremendous strengths when compared to the MX racetrack system. It can save many years of strategic vulnerability, it can neutralize first-strike counterforce capabilities on both sides in the decade ahead, it can save tens of billions of taxpayers' dollars, and it offers fresh arms control possibilities for the immediate years ahead. It is critical that the Senate exercise its duty to the American people and future stability of the arms race by insisting that this option be given comprehensive analysis before we embark on the most complicated project in the history of this Nation, and perhaps the world. For the MX project may have the ironic and tragic effect in the long-run of deepening this Nation's vulnerability to strategic attack or economic challenge from the Soviet Union. All of my colleagues are fully aware of the difficulties in stopping a program once we have committed billions of dollars to its continuation. This amendment urges that a strategic option which has the backing of some of the finest scientific minds of this country be fully explored prior to such a dangerous and wholesale commitment to the MX missile and its basing scheme.

Now, Mr. President, I would like to pause at this moment to recognize the distinguished Senator from Illinois (Mr. STEVENSON) so that he has an opportunity to make some remarks, and I will yield him such time as necessary for that purpose. Before I do that I ask unanimous consent to add Senator STEVENSON as a cosponsor to this amendment.

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

Mr. STEVENSON. Mr. President, I commend the Senator for offering this amendment, for his persuasive arguments in behalf of the amendment, and I also thank him for adding me as a cosponsor.

Before I make a few observations in support of the amendment I wonder if the Senator would be good enough to yield for a brief question.

Mr. HATFIELD. I would be happy to yield.

Mr. STEVENSON. The Senator referred in his comments to a diesel electric submarine, that was developed and manufactured by the West Germans. Does the Senator know what the cost of such a submarine, in which an MX or a Minuteman III missile might be based, is?

Mr. HATFIELD. Yes, about $30 million per submarine is the estimated cost of this type referred to as submarine type 600, German type.

Mr. STEVENSON. I thank the Senator.

Mr. President, it is my understanding that estimates of the relative costs of these two basic modes, if that submarine is used, produce a difference of about $35 billion. These estimates are, of course, imperfect, but based on the use of the submarine to which the Senator referred. It is possible, if not probable, that the racetrack system could cost some $35 billion more than the SUM system and without the vulnerability.

I support the amendment of the Senator from Oregon which would delete $670 million from the Department of Defense appropriations bill for development of the MX missile and its basing system which the President has decided should be the "racetrack" system.

The development of a land-based MX missile will not restore the deterrence eroded by the vulnerability of Minuteman. We would only invite the Soviets to match our efforts and, with improvements in accuracy, eventually make the MX as vulnerable as the Minuteman.

The racetrack basing mode requires

outlays for a system that is dependent on SALT II ceilings to be minimally effective and long after SALT II has expired. We are urged to support this basing mode in the hope that unratified and unnegotiated SALT agreements, or Soviet restraint, will reduce Soviet warheads to a level that can with confidence be survived by U.S. missiles based in the race track. That is not a safe assumption.

It is more prudent to counter the growing vulnerability of the Minuteman with a basing mode, using either the MX or existing missiles, that provides incremental deterrence as it is built, rather than devote vast resources to a dubious scheme that will not be effective until the last increment is in place, perhaps 10 years hence, and only then, if it is environmentally, fiscally, and technologically sound—and if the Soviets do not deploy weapons which require the United States to supply still more aiming points in what could become an endless escalation of the strategic arms race.

The proposal of the Senator from Oregon to delete $670 million for the MX, which includes, according to my understanding, about $235 million for development of the basing mode, is sound. We need to study alternatives. The shallow underwater missile system—SUM—which the Senator from Oregon suggests be studied is one such alternative. There are others. What is needed is a careful analysis, separate from the politics of the SALT debate, before we commit ourselves irrevocably to a "racetrack" that the administration says will cost $33 billion but which other estimates put at $60 billion and up.

The time spent studying alternative basing modes need not delay replacement of Minuteman. The development of such missiles, necessary, could proceed, with the decision on the basing mode to follow and with no delay for deployment.

Alternative basing modes may provide more invulnerability at less expense and without the destabilizing implications of a mode that ultimately relies on good faith for verification. If the Soviets were to approve a similar racetrack in a closed society and with vast expanses of land to hide it, I doubt we could accept the adequacy of our ability to verify its numbers or characteristics. This "racetrack" therefore, threatens to undermine the very basis of SALT which is an ability to monitor the activities of the other side by national technical means and with confidence. It would be better to pick up from SALT I and encourage the movement of missiles to sea with better prospects for verification and survivability for both sides. All the basing mode possibilities should be studied before embarking on this expensive and dangerous program.

For those reasons, Mr. President, I urge the Senate to approve the amendment offered by my good friend the Senator from Oregon.

Mr. HATFIELD. Mr. President, I thank the Senator from Illinois for his kind remarks, and wish to express my deep appreciation for his interest in and cosponsorship of this measure, and for the leadership he has provided in the Senate's consideration of arms control matters for many years.

Mr. President, let me emphasize again that the $20 million that remains in the budget in this amendment I am proposing would be given over to the SUM program in bringing it to a point of construction and deployment.

Mr. President, what is the remaining part of my time?

The PRESIDING OFFICER (Mr. CHILES). The Senator from Oregon has 62 minutes and 26 seconds.

Mr. HATFIELD. I thank the Chair.

Mr. President, I reserve the remainder of my time.

Mr. HATFIELD. I yield myself such time as is necessary.

Mr. President, I ask unanimous consent to have printed in the RECORD comments from a point paper put together by the Air Force. It is entitled "Point Paper on Shallow Underwater Missile Systems."

The U.S. Air Force has made some charges or has made some rebuttals to my proposal, and I would like to go over them briefly.

In response to my assertion that:

> The Shallow Underwater Missile System (SUM) alternative will be fully deployed at least 3–4 years sooner than the MX system, thus solving the vulnerability problem of our ICBM force at the very time in the 1980's when the Soviet first-strike threat is expected to be severe.

The Air Force has said that:

> The initial operating capability of the SUM system is unknown. If, as the U.S. Navy suggests, new larger submarines must be developed, and new submarine support facilities must be built, the initial, and full operating capability, may occur much later than for the MX. Kosta Tsipsis, a nuclear physicist from MIT and an opponent of land-based missiles, wrote in the November issue of Scientific American magazine: "Such a coastal submarine-based system could not be ready for deployment in the next decade or so."
>
> The U.S. Navy is not able at this time to estimate how long it will take to deploy the system.

The small submarines in the SUM system would by no means be "large" by any definition. The SUM submarines will weigh about 450 tons. By contrast, the Trident submarines weigh 18,000 tons. These submarines have already been built and launched by the Germans. Full speed construction and deployment on an urgent basis could occur rapidly. Plans for construction exist now. It is by no means certain, according to Drs. Garwin and Drell, that substantial support facilities will be needed. In fact, the submarines are purposefully made simple by design. They could be adequately maintenanced by "tender ships"—thus rarely having to put into port. Land-based support systems needed for the massive Trident ships could be minimal in the case of the SUM submarines, and would be unlikely to slow a decision toward rapid deployment.

By contrast, MX guarantees at a minimum 6 years of Minuteman vulnerability. This assumes that there will be absolutely no environmental or construction delays in the largest construction project in history—an increasingly dubious assumption.

This morning I received a letter at my request from Professor Tsipis at MIT. He put it over the telephone for us so that we would have an immediate response. It is dated November 9, today.

> DEAR SENATOR HATFIELD: In responding to your inquiry regarding the possibility of deploying Minuteman III missiles on a shallow underwater mobile system (SUM), the Air Force, it is my understanding, has quoted me as saying that such a basing system would require ten or more years to develop and deploy. I believe this is a misunderstanding that I would like to rectify.
>
> In my article "Land-Based Intercontinental Ballistic Missiles" that appeared in the November 1979 issue of Scientific American, I state that the development and deployment of a new small submarine using a novel propulsion system and capable of carrying two MX missiles each weighing 195,000 pounds would probably take ten years. On the other hand, it is not necessary for the U.S. to confine the response to the perceived vulnerability of the silo-based Minuteman force to such an r & d effort. A much earlier deployment of MM III missiles on a SUM system can be achieved if we use the 450-ton diesel/electric submarine already developed and produced by West Germany.
>
> This submarine can carry horizontally four MM III missiles in neutral-buoyancy watertight canisters external to its pressure hull. The canisters can be released to reach the surface of the ocean in a perpendicular position and launch the missile. Guidance, command and control, maintenance facilities preparation, and crew training requirements for these submarines have shorter time constants than the modification of MM III missiles for horizontal transportation. Therefore, the pacing element of such deployment will be the missile and not the submarine. Such missile modifications can be achieved in three years; consequently, initial operational deployment of the proposed system can begin in late 1983 or 1984.
>
> Since the submarines represent a technology already at hand, the alternative basing for the MM III force that they offer is not only more secure in terms of the invulnerability they offer than the "race-track" basing proposed by the Carter Administration, but much less venturesome since it does not involve any research and development effort, and has no impact on the environment of the continental U.S.
>
> Even though I have not studied the technical details of Dr. Garwin's proposal for basing MM III missiles on these submarines, and therefore I cannot have a firm opinion about it, I strongly urge that his proposal is seriously considered because it offers both rapid relief from the perceived vulnerability of silo-based MM III and opens the way for orderly development and deployment of an entirely new class of small non-nuclear ballistic missile submarines if they become necessary sometime in the future.
>
> I will be happy to help you and your staff with technical information or testimony on this matter.
>
> With best regards,
>
> Respectfully yours,
>
> K. TSIPIS.

I think that pretty well destroys the first argument used against our program by the Air Force. On the second point, the Air Force responds to my argument that:

> In the long-run, the SUM alternative would save the American taxpayer a minimum of $15 billion, and probably a good deal more.

Now the Air Force challenges this statement on the ground that:

> It is difficult (if not impossible) to reliably estimate overall system cost, but $12–

15 billion appears optimistically low considering: the requirement to modify the Minuteman missiles for underwater carriage and dormancy; the development and production of the submarines themselves; the acquisition of the support infrastructure including new bases; R&D required for encapsulation technology; and the necessary maintenance and logistical support.

Long term and continuing operating costs of a submarine system will soon eat up any potential savings in capital investment.

The $3 to $6 billion cost of modifying the Minuteman III missiles is based on the Air Force's own estimate of the costs for encapsulating the Minuteman III missile for mobile deployment on land in the ALPS system. The costs of building the submarines is based on the present cost per ton of submarine construction. The total cost also includes projected 10-year operating expenses for the crews. Unlike the 100-plus crew members aboard the Poseidon and Trident subs, the SUM submarines, because of their simplicity of design and direct command and control links, would only require a crew of 12 to 15. Long-term operating costs of the SUM concept would therefore be kept minimal compared to the deepwater SLBM force.

By contrast, the proposed costs of the MX racetrack scheme are open ended. How many shelters will have to be built at $2 million a throw should the Soviets decide to end the warhead limits under SALT II when the treaty expires in 1985? The Air Force assures us that if the Soviets add a warhead, we will add a shelter. We are told that the Soviets could possibly have 17,000 warheads by late in the decade.

That alone would add a minimum of $10 billion to the system—with no end in sight. In addition, there is evidence that the Soviets will be able to add warheads far more cheaply than it costs the United States to build a shelter—a perpetually losing proposition. If the Soviets develop a capability to knock out a shelter with one warhead—the entire MX scheme is vitiated. We are also told an ABM system may be needed to guard MX from such a Soviet breakout. The cost of that? Well, how much? Another $10 billion, at the very least. In fact, in his recent newsletter, Senator HOLLINGS has pointed out that had the Soviet advantage in heavy missiles allowed under SALT II not occurred, "we would not be required to spend anywhere from $30 to $90 billion to disperse our MX's in a racetrack type mobile mode."

Clearly in the area of overall cost, the Air Force has a lot more explaining to do than those supporters of the SUM concept.

Now, the third point the Air Force makes is:

We must examine closely the environmental effects of having more than 100 nuclear armed, diesel submarines operating in our shallow coastal waters in close proximity to our shipping, fishing, and recreational areas. Further, we have no idea of the environmental impacts of developing the bases to operate and maintain 138 or more submarines. Our experience with a new Trident base points to these problems.

The environmental impact of the MX is now under detailed study and now from all indications appears to be manageable.

This rebuttal by the Air Force conjures visions of nuclear missiles floating just off shore, barely out of the way of water skiers, surfers, and fishermen.

In fact, the submarines would chiefly patrol a 200-mile strip of ocean up and down the entire Atlantic and Pacific coastlines. They would travel in waters of 400 to 600 feet. Each submarine would be roughly equal in size to a 50-foot pleasure boat. It would be submerged at nearly all times. To argue that some 100 submarines of this size patrolling in one-half million square miles of ocean poses environmental risks to fishing and recreational areas is stretching the bounds of rational thought. I have already spoken to the projected minimal needs of this fleet for land basing, and the possibility that these submarines can be serviced by tender vessels in harbor.

By contrast, the MX project poses as complicated a barrage of possible environmental and legal problems as any project in history. I will repeat from my speech: No less than 33 Federal laws bear on the question of land acquisition alone. This is the largest project ever undertaken. By any realistic definition the potential environmental, legal, and construction problems posed by the MX racetrack are truly monumental.

The fourth charge by the Air Force:

I am particularly worried about the verification aspects of this system. Very small submarines may be difficult to count and verify, but mostly I'm concerned about the encapsulation of the missiles which are carried externally on these submarines. These missiles could be transported from port, dropped off at an undersea location, and the submarine return to port to be "reloaded," making counting of missiles virtually impossible.

The Air Force is concerned that the encapsulated missiles aboard SUM might secretly be dropped off in some "undersea location" and be returned to port to be "reloaded," thus making the counting of missiles virtually impossible. This is an interesting concern, but it overlooks one rather essential point: there are only 1,000 total Minuteman missiles. We propose to deploy 550 existing Minuteman III missiles. The 450 existing Minuteman II's will remain on land as the fourth leg of the new SUM enhanced strategic arsenal. Minuteman production lines have been shut down. There can be no concern, therefore, that the United States could "stockpile" additional Minuteman missiles on the ocean floor.

Mr. President, to respond to the Air Force rebuttal on the verification of the SUM/Minuteman III proposal, I would like to read a letter from Dr. Drell which was sent in anticipation of this argument being raised. In this letter he states:

1. VERIFIABILITY

The SUM proposal differs in no essential way from the practice for SLBM verification already accepted at SALT. Indeed, it capitalizes on the change from SALT I, which limited number of submarines in the missile fleet (or SSBN's), to SALT II which counts only the number of launchers, i.e., the number of missile tubes. The SLBM's enter the official launcher inventory after sea trials and commissioning. Procedures for submarine construction would conform with the agreed rules ("no deliberate concealment") presently in force. We know of no credible way to construct in secrecy a fleet of 130 foot long, 30 food wide, 900-ton systems (approximately 450 tons for the submarine and a comparable weight for the encapsulated missiles—perhaps four to a boat if they are suitably adapted Minuteman III's). Furthermore, the support network for construction, out-fitting, missile handling, launching, and sea trials would be identifiable with confidence by present practice. The Soviet Union would surely have no credible basis for challenging U.S. procedures—nor have they for U.S. SLBM's/SSBN's in the past. There is no basis for U.S. loss of verification vis-a-vis comparable Soviet programs. The main point is: there is nothing required for SUM verification in addition to what has already been agreed to at SALT. In contrast, the requirements for cooperative assembly and operational procedures for the MX racetrack system are an entirely new departure and an extension of SALT verification requirements.

The Air Force goes on ad nauseam with their charges. The fifth one is:

REBUTTAL

There is no reason to suspect that the MX per se will force the Soviets to a mobile basing of their land-based missiles. The Soviets, who have already demonstrated a propensity for mobile systems, will move to mobile basing when their fixed sites become vulnerable and they become concerned about a U.S. first strike. I suspect they will be threatened by the accurate Air Launched Cruise Missile, the Trident, and perhaps even our Minuteman missiles. Therefore, it is important for the U.S. to have established the precedent of a system which is unquestionably verifiable.

There is no question that the MX is a prompt, first-strike counterforce weapon against the 70 percent of Soviet warheads on their land-based missiles. If we are responding by mobilizing our land-based missiles which carry 25 percent of our warheads, how can the Air Force possibly assert that the Soviets won't feel compelled to somehow protect their warheads? It is curious to assert that the Minuteman III force is the first-strike counterforce weapon when it presently has too few warheads to pose any credible first-strike threat. The air launched cruise missile will take hours—not minutes—to reach its targets and is therefore incapable of being involved in a surprise first-strike threat. Clearly the existence of the Minuteman force today, and the impending deployment of the cruise missile in only a few years has done nothing to "threaten" the Soviets into mobilizing their larger missiles.

There is absolutely no guarantee that the Soviets will copy the MX scheme when—and if—they go mobile. Other alternatives forced by deployment of the first-strike threat of the MX are conveniently ignored by the Air Force. They include a Soviet ABMing of their missile fields or, more dangerously, a Soviet move to land a "launch on warning" strategic stance in times of nuclear crisis. The United States has announced its active consideration of both of these highly destabilizing alternatives.

The Air Force's argument that MX would set a "precedent" in verifiable mobile systems infers that Soviet perceptions of verifiability are the same as our own. Not only is there no evidence

to support this argument, but Soviet statements indicate that there very well could be fierce objections to the racetrack basing scheme.

To my argument that the SUM/Minuteman III system would neutralize first-strike counterforce capabilities emerging in the decade ahead on both sides, capabilities which threaten to dangerously destabilize the nuclear balance in times of international crises, the Air Force responded:

Stability is gained by survivability and confidence in survivability. The MX will negate the political and military utility of the new Soviet ICBM by creating so many possible launch points that an enemy attack would be futile. This is a passive move that demonstrates our resolve to provide survivability without appreciably increasing our dependence on nuclear weapons.

The unknown vulnerabilities of a shallow-based system may create a lucrative first-strike target to the Soviets. Surely that would be a destabilizing situation.

Mr. President I challenge this argument on the grounds that stability is derived from two principal elements:

First, survivability of forces.

This is attained by SUM/Minuteman III which, because of its large deployment area and concealed nature provides for higher confidence in survivability than the MX racetrack system as it cannot be pattern bombed or barraged. It would be neither practical nor rational for the Soviets to deploy enough warheads to saturate one-half million square miles of ocean area. Furthermore, even if this were attempted, a significant number of SUM/Minuteman III subs would still survive.

In contrast, MX in the racetrack basing mode is subject to "pindown"—a succession of warheads detonated in the air over missile silos which prohibits effective launching of missiles because they cannot penetrate the radioactive shield which this creates.

The second principle is that stability is a function of deterrence, which is greatly undercut by an increase in pressure toward a launch on warning strategic stance.

If we are moving to make our ICBM force invulnerable (through either a land-based or sea-based deployment), why do we then choose to make that invulnerable missile force into a first-strike counterforce weapon?

Finally, in response to my argument that by fully protecting our missiles while not proceeding with the MX the United States could accept a proposal considered by both sides during SALT discussions to establish a moratorium on new land-based missiles and this would be a major step toward limiting the nuclear arms race, the Air Force response was:

I question how "fully" we protect our missiles in the SUM system. Certain nuclear effects may make the coastal submarine particularly vulnerable. The so-called "Van Dorn" effect can create a "surf zone" on the continental shelf. Under certain conditions, the entire area could be seen breaking waves several hundred feet high, with a duration of several hours. The "bottom effect" may significantly increase the damage range by reflecting and enhancing the energy from an attacking weapon.

MX, on the one hand, relies on proven and understood hardening techniques for land-based missiles.

The security and invulnerability of an MX system may be the step to bring us to serious negotiations to reduce our dependence on nuclear weapons. We must not abandon the Triad which has served us so well, especially in the face of a Soviet threat.

Mr. President, analysis indicates that in coastal waters of depths less than 400 feet there would be serious surf zone waves and turbulence generated by nuclear detonations farther offshore. We do not advocate deployment of the entire SUM force in such shallow waters. Our proposal calls for deploying this force in coastal strips 200 miles wide in order to distribute the minisubs over a broad enough ocean area so that the force cannot be barraged at any depth. In particular, the Pacific waters rapidly become deeper than 400 feet beyond a few miles near coast whereas the continental shelf off the Atlantic Coast drops below 100 fathoms or 600 feet within a distance of less than 100 miles from the coast line. There is thus no surf zone problem (van Dorn effect) for the survival of the SUM force although a fraction of the submarines in transit or in port might be destroyed. In fact for the Soviets to develop any barrage threat to the SUM force would require their development and testing of new missile RV's designed to penetrate to deep ocean depths. Only then would the full energy of the explosion remain in the water. However, even if we make a very conservative assumption of SUM vulnerability to a shock wave at a distance of 6 miles from a 1MT detonation it would require some 5,000 attackng megatons to destroy a SUM force loading one-tenth that megatonnage and deploying in a 200-mile wide belt. Of course the submarines could be deployed in a wider belt, requiring thereby more megatonnage to barrage.

Again, the SUM/Minuteman III concept does not envision the abandoning of the land-based leg of the Triad. There are 450 existing Minuteman II missiles that will remain on land. We would not abandon the Triad. We are creating a Quadrad.

Mr. President, it is wise to disperse nuclear weapons technology among the land, air, and sea in order to insure against enabling the enemy to focus on one or two areas with increased capability.

These arguments are valid, but they do not apply to SUM/Minuteman III because of its close proximity to U.S. coast lines. SUM/Minuteman III thus departs from the Diad concept in two important respects.

Command, control, and communication are maintained at a level equivalent to that of land-based ICBM's, unlike a Poseidon or Polaris submarine somewhere in the middle of the ocean.

Because SUM/Minuteman III will be deployed in U.S. coastal waters, it can be easily protected; in addition, great numbers of Soviet "killer" subs would have to travel great distances without being detected; thus, SUM/Minuteman III contains virtually none of the vulnerability characteristics of strategic submarines. Finally, because noise levels become very high the closer one gets to shore, present and projected ASW technology would be rendered incapable of distinguished between normal interference and noise generated by the SUM fleet.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS addressed the Chair.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. STENNIS. Mr. President, I commend the Senator from Oregon for the work that he has done on this problem. It is a problem for all of us, a highly important matter in connection with our triad of strategic weapons, and the question of the modernization of the ICBM leg and is related to the Trident and Polaris submarines and also long-range bombers.

This is a long drawn-out program. It will take time to build. There is a great difference of opinion about the type of basing required.

But there is a great preponderance of opinion in the committee, and I think on the floor and in the House of Representatives, and the White House, everywhere, that while we regret it very much we are compelled to take a step.

This MX the Senator would strike out is the major step that needs to be taken now if we are really going to build up the land-based leg of the Triad.

His reference to a substitution of a small submarine is very sincere. I think at some stage it could well be considered. I cannot, for my part, give any encouragement to considering it in the 1980 budget. The 1980 budget year has already started, as we know, and this bill must move today, then go to conference and come back next week, or otherwise we will run out of time on our continuing resolution.

But in the beginning of the early consideration of the 1981 budget, we would be glad in our committee to give some consideration to the proposal being made, the so-called small submarine missile system that is mentioned here by the Senator from Oregon.

I think to really settle this matter today about the MX will require a vote on the Senator's proposal to strike the MX out of the bill. If that prevails, that ends the argument for now, perhaps. But I do not think we ought to strike the MX from the bill by any means.

This matter has been up before us now for 2 or 3 years with growing intensity. Now, a fairly definite plan, the research and development for the new missile, requires time. That time is running now and it will be running out. We must make a start.

Therefore, the authorizing committees, each, in the House and the Senate, this year have considered this matter. The committees, almost unanimously agreed to the MX as contained in the bill, and the same is virtually true in the appropriating committees, with all the facts before them.

This matter has already passed the House of Representatives in appropriation form with the figure still intact.

Now we are having this debate on the Senate floor. As I have said, it is very timely and, even though some phases are still in disagreement, the idea of having to go for the MX is almost unanimous.

I hope we can go along now and vote down this amendment. I believe if we do, then will come another understanding, or amendment, or agreement of some kind, with reference to the MX that will make it clear that this is not carte blanche authority to go all the way on the deployment of this new phase of this MX, the deployment of the horizontal system, as it is called, but that there will be another look by the Congress on that matter, the matter of the deployment.

In consideration today of the MX, there will be $400 million for research and development about which there is no real substantial dispute. Then the rest of that $670 million for MX will go for purposes that are not missile research and development, but will be spent in other ways.

I have a letter here from the Department of Defense addressed to our subcommittee, and I consider it for the whole Congress. We could not consider the Senator's amendment without this letter. It will be printed in the RECORD. It is from the Secretary of Defense with reference to the spending of the money beyond the research and development or the missile alone.

I believe that what is contained in that letter will correspond to most of the thinking here on the subject matter.

If we do not get some kind of agreement on that, we will just have to present it and see where the votes are.

My disposition would be that if we do not agree, we frame it up in such a way that we get clear and unmistakable votes on the amendment.

I favor legislation that would make it clear that this appropriation is not a carte blanche authority to proceed with the present basing of MX.

It is a reservation by the legislative branch, and the letter from the Secretary of Defense gives the interpretation that it is a reservation. That extra work must be done, and we must utilize the 2 years' time that otherwise would be lost. Whichever way the deployment goes, the present appropriation will be utilized, except in the neighborhood of about $50 million. That $50 million is a good deal of money; but with a project of this kind and considering the time that would be lost if we are not willing to take that load, the $50 million is not too big a price to pay. We will work out the details of that later.

I have asked Senators who have had different proposals to see if we can have a little meeting during a quorum call of 10 minutes, to see just where we are on the possibility of another agreement. I bring it up now because it reflects directly on the pending amendment.

The Senator from North Dakota is in the Chamber, and he has heard what I have said. I hope he is inclined to make a statement with respect to this matter.

Mr. YOUNG. Mr. President, it is always with great reluctance that I oppose anything advocated by my good friend from Oregon, Mr. HATFIELD. In this case, I feel that I must.

During SALT I, the Russians made their greatest gains, as I see it, in intercontinental missiles. At the start of SALT I, we were far superior to the Russians in intercontinental missiles, and overall nuclear power. Now they have the SS-18, which did carry one warhead of 25 megatons, which is a tremendous power in itself. But they are MIRV-ed now, so that the SS-18 carries 10 warheads, and it can carry up to 30 warheads.

We have the Minuteman III, which can carry three, and II with less. I believe this is one area in which we are greatly deficient in overall military power.

One thing that concerns me about SALT II is this great difference with respect to strategic nuclear power, particularly in the ICBM area, between the Soviet Union and the United States. I believe that we must go ahead immediately with the MX, a better missile. I do not think we need to be in a great hurry about how we will be deploying it, but it will take at least 3 or 4 years to come near finishing the research and development, and of course the deployment will come after that.

In any event, even going ahead as fast as we could, the MX would not be deployed until after the expiration of SALT II.

Mr. President, I hope the amendment is rejected.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, we have not had any other requests by Senators who wish to be heard on this amendment. If anyone wishes to be heard in opposition to the Hatfield amendment, we will be glad to yield time at this point.

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

Mr. STENNIS. I yield to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, I am as reluctant as the distinguished Senator from North Dakota to oppose the Senator from Oregon.

However, I do think, as I have said many times on this floor, that it is necessary for us to take a realistic look at our national defense posture, particularly one in which we might be required to implement a SALT treaty, and that posture has to be one of strength in a variety of ways.

The threat we face from the Soviet strategic missile force is now roughly balanced with our own capabilities—and I hope with our own will. The problem, of course, is becoming such that in the next few years, that threat will be unbalanced. I believe that the existence of a new missile production line is going to be extremely important to insure that we balance that threat so the threat never will be carried out.

It is unfortunate, in this time of human history, that we must deal with these kinds of weapons. Unfortunately, the clock cannot be turned back. If our civilization is to survive, it must survive through strength.

The distinguished chairman of the committee, I am sure, also realizes that our times are not unlike those of the 1930's, when the democracies of the world were unknowingly being threatened with their greatest challenge. A few people recognized it, but not enough did, until the threat became reality, with the attack on Pearl Harbor and subsequent events.

The times are analogous—not that we are unprepared militarily, but that the time we have to react to a potential threat is much less than it was in the 1930's and the 1940's, when we had months and, in fact, years to prepare and to develop the capability to defeat our adversaries who were threatening our freedom and democracy. Now we are looking at a threat measured in minutes, if not, in some possibilities, even seconds.

The only way to counter those kinds of threats is with greater strength.

I believe that this particular missile development is one we must begin. We must move rapidly on it, if it is going to be clearly a part of our total deterrent capability.

Not only are there alternatives in the long term to this type of defense, but also, there clearly are alternatives to the way in which this MX missile is based and deployed, and those alternatives should not be decided today. We in the legislative branch must take due deliberation of the possibilities, of the effectiveness, and of the costs involved.

So I reluctantly oppose the amendment of the Senator from Oregon, and I hope our colleagues will do the same.

Mr. STENNIS. Mr. President, we have several speakers who want to use some time. I am going to yield to them now as nearly in the order in which they have mentioned it to me as I can remember.

I yield 5 minutes to the Senator from Washington (Mr. JACKSON).

Mr. ARMSTRONG. Mr. President, will the Senator from Washington yield for a brief unanimous-consent request?

Mr. JACKSON. Yes, I yield.

Mr. ARMSTRONG. Mr. President, I have discussed the request I am about to make with the distinguished chairman and the distinguished ranking minority member of the committee.

My request is that on completion of the Hatfield amendment and any other pending amendments on the MX, the amendment sponsored by the Senator from Hawaii (Mr. MATSUNAGA) and me be the pending order of business.

The PRESIDING OFFICER (Mr. BOREN). Is there objection?

Mr. STENNIS. Mr. President, reserving the right to object, if the Senator will strike out that word "pending," I will have no objection. We may have another amendment on the MX, which has not actually been submitted yet.

Just make it "following the disposition of any MX amendments that may be submitted following the Hatfield amendment."

The PRESIDING OFFICER. Does the Senator from Colorado so modify his request?

Mr. ARMSTRONG. Yes, I do so modify the request, and I appreciate the Senator's assistance.

Mr. JACKSON. Mr. President, I rise in opposition to the amendment offered by my friend from Oregon. I do so because I am concerned that a modern, survivable land-based intercontinental missile force is essential to our national security. I have come to this conclusion based on several considerations.

First, our present, aging force of Minuteman ICBM's is being increasingly threatened by Soviet missiles.

Second, our national security dictates that steps must be taken to reduce this level of vulnerability.

Third, having failed to achieve meaningful constraints on Soviet large throw-weight, highly accurate missiles through our arms control efforts in SALT, we must develop and deploy some alternative weapon system which will retain our credible deterrent capabilities and be survivable.

In short, as I have said on many occasions, I profoundly regret, as does my friend from Oregon, the failure of SALT II to produce deep, mutual, balanced reductions on an equitable basis in the strategic nuclear arsenals of both the superpowers.

Certainly it is the height of irony that having spent 7 years negotiating an arms control agreement, we stand here today needing to spend enormous amounts of money precisely because the administration concluded an agreement which fails to get any meaningful cuts in the strategic arsenal of the Soviet Union.

The issue now before us is how we should respond to the increasingly destabilizing Soviet buildup in lethal, counterforce missiles aimed at our Minuteman force. The Senator from Oregon and I agree that something must be done to reduce our strategic vulnerability.

Mr. President, after considerable deliberation, debate, and unfortunate delay, the President of the United States has concluded that the long-standing policy of this country to diversify its strategic deterrent into three components continues to be a sound one—a bomber force, a submarine-launched ballistic missile force, and a land-based intercontinental ballistic missile force.

President Carter decided that the strategic triad represents the best way to provide for the national defense since the inherent vulnerabilities of each leg are offset by the strengths of the others. As it became evident that one leg of our triad—the ICBM force—was becoming vulnerable to a Soviet first strike, the Carter administration took a long, hard look at the option of eliminating that leg in favor of a strategic "diad."

But after considerable review, the idea of eliminating ICBM vulnerability by eliminating the ICBM force was rejected by President Carter. The administration concluded that to rely for deterrence only on a submarine-launched ballistic missile force and a strategic bomber force could have dangerous consequences. It would simplify the Soviet targeters' job in trying to destroy our strategic deterrent. It would also significantly reduce the capabilities of our forces, and raise the prospect that a single breakthrough in weapons technology—namely in the antisubmarine warfare area—could produce a profound change in the strategic balance.

Therefore, the administration has decided to proceed with modernization of the Triad, including the development and deployment of a new intercontinental ballistic missile, known as the MX, a land-based intercontinental ballistic missile with its inherently secure and reliable command, control, and communications characteristics.

Let me be clear about my own reservations with respect to the MX program. It is a program—we have to be candid—that is troubled with complications, not of a technical, but of a political nature.

In arguing for proceeding with the MX missile, I have no intention of supporting the racetrack basing mode that has been discussed—more, one sometime thinks, in the press than among the scientists and engineers who will have to make it work. I have profound reservations about the racetrack basing mode. It strikes me as cumbersome, risky, and expensive. It is a concept developed less by American engineers than by Soviet negotiators, and that troubles me deeply.

Mr. President, before any final deployment decision is taken on the MX, I believe the Senate must establish two critical points:

First, the bilaterally recognized right of the United States to proceed with a mobile missile incorporating deceptive basing in which the missile and launcher is moved among shelters; and

Second, the right of the United States and the intention of its Government to deploy the MX in a reliable, survivable, and cost-effective manner. In my judgment, this requires a finding that vertical shelters must be permitted by any arms control agreement we might ratify.

As many of my colleagues know, the Soviets have insisted that deceptive basing of ICBM's is inconsistent with SALT. The official position of the United States is that it is consistent with SALT. But if the MX can only be made consistent when deployed in an absurdly costly and technically doubtful manner, then it will never be deployed. So I intend, when SALT reaches the floor, to press for a clarification about the impact of the treaty and for a determination that we can proceed with vertical shelters as an alternative to the racetrack system now being considered in research and development.

The Senate and its Committee on Armed Services have repeatedly supported the MX missile and urged its expeditious development as essential to the maintenance of the Triad as a credible deterrent. Senators are being asked not only to reaffirm their support of the strategic Triad but to reassert the commitment of the United States to begin to redress the adverse trends in the strategic nuclear balance which this country has witnessed for the last decade.

Mr. President, I urge my colleagues to join me in voting against the Hatfield amendment and the movement it represents toward a less survivable, less capable and less credible deterrent posture for the United States.

I yield back any time remaining.

Mr. STENNIS. Mr. President, I yield 3 minutes to the Senator from Alaska.

Mr. STEVENS. I thank the chairman. I shall not even use that amount of time.

In the Appropriations Committee I supported the Senator from Oregon because of my opposition to the racetrack basing mode. Following the consideration of his amendment, I shall offer an amendment that will not commit the United States to any one basing mode for this MX missile system.

The action taken in the committee led to reports that I did not support the MX missile, which I regret, because I do support the missile. On the other hand, I believe that the racetrack basing mode would lead to such an escalation of costs, not only in terms of original construction but in terms of annual cost, and also such a tremendous potential for delay, that we would not really achieve the construction and deployment of the MX missile system as will be required to protect our national security.

I will be discussing this matter later, but I wanted to state now why having supported the amendment of the Senator from Oregon in committee, I shall not support it here now, and I will not offer my amendment as a substitute for the Senator's amendment. I will wait until his is disposed of. Assuming his is defeated, I will offer mine. If it is not, of course, I will not have the opportunity.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator from Nebraska.

Mr. EXON. I thank the Chair.

Mr. President, I do not know of one of our colleagues here in the Senate who does not deeply share the concerns of my friend, the Senator from Oregon, over the proliferation of nuclear weapons in arsenals of the United States and the Soviet Union. I, like the Senator from Oregon, am keenly disappointed that the SALT II treaty before us does not call for deep reductions in nuclear weapons. I do not want to build the MX missile system. When I had the honor of entering this body last January as a representative of the people of my State and with their authority, I was not persuaded for certain that deployment of the MX was necessary, for many of the reasons that have been so well articulated by the Senator from Oregon.

My service on the Armed Services Committee has since convinced me that, in a practical defense sense, we have no other viable alternative.

The Soviet Union, through their massive arms buildup, has placed us in a position where we must act now. The projected ability of the Soviets to make our land-based missile force vulnerable in the mid-1980's dictates that we proceed with further MX research and development. The missile forces which the Soviets have in place and which they will continue to build and improve upon have placed us in this situation.

The Secretary of Defense, Harold Brown, made a telling point when he stated, "When we build, they build. When

we cut back, they build." Arms control is a two-way street. We have learned that the thing the Soviets respect most is strength. The strategic Triad of land- and sea-based missiles and bombers has served us well in this respect.

However, that Triad of weapons is aging and we must take corrective actions. We are doing just that. The MX missile, Trident submarines, and air-launched cruise missile forces we are developing and building will accomplish this task. The diversification of our strategic weapons poses the most complicated of challenges to a Soviet war planner. He cannot simply channel his resources to defeat one type of weapon. Instead, he must work on antisubmarine warfare to counter our missile submarines; he must work on air defense to counter the air-breathing leg of air Triad; and he must devote massive resources to counter our land-based missile force. This is the crux of diversification and of our Triad. By abandoning our land-based force and substituting a new and different submarine-based missile force, we make his job easier.

Mr. President, I have not made up my mind yet on the SALT II treaty. But one thing is certain: If this treaty is ratified, with or without my support, then I want to immediately begin negotiating for arms reduction, rather than arms limitation. If the treaty is not ratified and sent back for renegotiation, it will be because it did not go far enough. In either event, recent history has shown that negotiating from strength is the best posture in dealing with the Soviets. I want our negotiators to be in the best possible position, one of strength, to achieve these desired goals.

Mr. President, strategic superiority at the level of weaponry is what we are talking about. This deals as much with perceptions as megatonnage. I want the Soviet Union to know that they cannot get away with even the perception of placing our strategic forces in jeopardy. While I am not thrilled about building a weapon with a potential first-strike capability, the Soviets have embarked on this course. The only way we can hope to get both sides to stop is to make them as uncomfortable as we are in such a situation. If we can somehow negotiate the threat away—fine. If we cannot, then I must feel—and make them feel—that what they are trying to do to us to improve their position simply will not work or be tolerated. This is why MX must be built and I urge my colleagues to support it and defeat the Hatfield amendment.

Mr. HOLLINGS addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I yield 10 minutes to the Senator from South Carolina.

Mr. HOLLINGS. Mr. President, I want the RECORD to be clear on exactly what it is that this Senator is voting for today. I am voting in favor of the MX missile, but I am most certainly not voting in support of the racetrack basing mode which has been proposed.

The need to move ahead swiftly with building the MX missile is, of course, apparent. Our aging Titan and Minuteman missiles are, every day, more vulnerable to Soviet counterforce weapons. The Soviets have not only built larger and more powerful missiles than we, but they have developed an accuracy on a plane with our own technology. Last-generation weaponry is inadequate to our security requirements. As a vital leg of the American strategic triad, our ICBM's must be afforded maximum survivability. The MX is, in short, sorely and urgently needed. Of course, one weapon alone cannot redress the military imbalance which favors the Soviets, and the MX, while twice the size of a Minuteman, is still very much smaller than the Soviet SS-18—the "heavy" missiles which we are allowing the Soviets to build and deploy and which now number 308. The MX will be a potent and needed addition to our arsenal, however, and, with the proper kind of basing mode, can significantly enhance our missile survivability.

Supporting the MX missile and supporting the racetrack basing mode are two entirely different things. MX is the right missile, but the racetrack basing is nonsensical extravagance. It is a budget-buster of the first order, and in terms of cost-effectiveness fails miserably to make the grade. I have looked at the matter of costs, and I can say that, without doubt, an MX system with the racetrack basing mode is going to cost the American taxpayer somewhere between $30 billion and $90 billion. If there were no other way to do it, and given the need to do whatever we must to insure the safety of our people, we would be justified in going ahead. But there are other, less costly options. One is the vertical shelter (MPS) system, which would be less expensive, and I think considerably more effective, than the racetrack. I think the record ought also to show that if it had not been for SALT I, with its sanction of Soviet "heavies" and its denial of American "heavies," we would not have some of these problems. Similarly, we would be in a better position to consider the option of an ABM system to protect our country. We could deploy an ABM system for somewhere in the vicinity of $10 billion, which is quite a saving when compared to the extravagance of the racetrack.

Thanks to their SALT ingenuity, the Soviets now have us debating not only the need for new weaponry, but also whether, under SALT II, we can even proceed with the development and deployment of the systems under consideration. Defense Secretary Harold Brown and Soviet Defense Minister Dmitriy F. Ustinov discussed this specifically, and Ustinov indicated that both the racetrack system and the multiple-aim point system would be violations of SALT II. SALT I constrained us from proceeding with what was essential. SALT II will accomplish the same end for the Soviets. There must be no question that we can proceed with so-called deceptive basing, vertical shelters, and whatever else is essential to the effective deployment of the MX missile.

In conclusion, Mr. President, let me repeat to my colleagues that by voting to defeat the Hatfield amendment, they are in no way closing off their consideration of basing systems other than the racetrack mode. We will have the opportunity to discuss and debate the basing system, and the vote today does not impact that debate any way whatsoever.

Mr. President, what I am supporting is the initiative of my distinguished colleague from Alaska, who has prepared an amendment saying that none of the funds appropriated under this paragraph for continued development of the MX missile may be used in a fashion which would commit the United States to only one basing mode for the MX missile system. Anyone who wants to continue the Triad should realize that we need the MX. The Minuteman, with its three warheads, is just not powerful enough against a hard target with the capacity of the SS-18's in Russia. We need that kind of capacity—the 10 warheads at 335 kilotons per warhead, or 3,350 kilotons total—if we are going to stay in the competition.

Mr. President, this is a very interesting thing: How do we make survivable this limited number of missiles? For one thing, we go right straight to the debate 7 years ago, on SALT I and the heavy megatonnage SS-9's, which were later developed into the SS-18's. We objected at that time and we opposed SALT I, but we were told not to worry, that we would equalize that in SALT II.

Now we have gone to SALT II but we have not done away with the SS-18's. If we had, all we would need is the MX missile in the same Minuteman silos and you would not have the $50 billion to $60 billion operational racetrack, horizontal, open the doors, shut the doors, budget-busting, Rube Goldberg arrangement. We should have gone to the conference and said, "Look, we are not here to get permission to put 308 heavies in for ourselves. The SS-18's are like rattlesnakes; we are trying to get rid of the rattlesnakes, because these SS-18's are what is destabilizing. It is rattlesnakes that are causing the difficulty, so let us get them out of the house."

Henry Kissinger finally realized it after SALT I. He tried in 1973 to limit the number of heavies to 50, and he tried again in 1977 to limit them to 150. But barring that, we needed to have at least that kind of parity. If we could not get rid of them, we should have insisted upon the additional megatonnage of 150 extra MX's. Three hundred and eight SS-18's have more megatonnage of destruction than all the ICBM's and all the Poseidon submarine-launched ballistic missiles of the United States put together.

So much for that. I emphasize the cost, which bothers all of us here in the Senate. Hawk and dove, conservative and liberal alike, realize that we are going into exorbitant costs for something that was never fully considered. We have a multiple-point vertical protection system that is verifiable. We can take off the covers at any time. They will tell you in SALT II, it is not; that is because the Russians did not like it. But it is verifiable and it is survivable.

So it is at the Soviet request that we go from the vertical to the horizontal. And if the very alert press would please

go out and talk to Martin and to Boeing, to the contractors, and ask them categorically to answer the question: "What is the difference between the vertical in cost and the horizontal in cost," they would be told 20 billion bucks. That is why I say SALT II is a budget buster.

Look at some of the other budget busters in SALT II. We have to have "Functionally Related Observable Differences" for the B-52, at a cost of $300 million. We have to have a new wide-bodied carrier to deliver the cruise missile. That is $2 billion more. We are denied optimal use of our cruise missiles which could save us planes at the front, and billions of dollars more; the Soviet Navy has SSN-3's. But we are not allowed. We are restricted. We do not restrict the Soviets' intermediate ballistic SS-20, but we restrict our intermediate cruise missiles. And they call that a good contract, a good agreement.

SALT II is replete with budget busters, and if we end up with this $20 billion racetrack mode, that will be the biggest budget buster of all.

We debated on defense on the floor of the U.S. Senate earlier this fall and proved categorically that if we turned down SALT II in the next 10 minutes there would not be one additional military program under the 5 percent voted by this U.S. Senate. But if we approve it, here is $20 billion more.

The Secretary of Defense in his letter to the distinguished chairman—and I take it that has been printed in the RECORD—admits to $1 billion, and this is $20 billion more here.

That is why I feel very strongly we need that MX, but do not need this horizontal racetrack, race around kind of system, that anybody with good commonsense realizes is not workable.

Mr. President, I know the time of the chairman is really limited, so I yield back the remainder of my time.

Mr. President, I thank the distinguished chairman.

Mr. STENNIS. I thank the Senator.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Who yields time?

Mr. STENNIS. Mr. President, we switch from one aisle to another. I yield to the Senator from Virginia for 3 minutes.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

Mr. WARNER. Mr. President, I thank my distinguished chairman of the Senate Armed Services Committee.

I have the utmost respect for my distinguished colleague from Oregon, but I rise in opposition to this amendment.

I have now served during my first year in the Senate as the ranking minority member of the Research and Development Subcommittee of the Armed Services Committee. That subcommittee has held lengthy hearings on this matter with many witnesses. We have considered carefully the MX missile system—both the missile and its various basing modes.

Mr. President, we have not spent any considerable time, very little, if at all, on the system proposed as an alternative by the distinguished Senator from Oregon. The feasibility of similar systems had already been considered by the Department of Defense and rejected.

I wish to urge my colleagues to place their trust and confidence in the expertise of the Senate Armed Services Committee and to rely on its decision as a committee that this system commonly known as MX is essential for America's future defense.

I believe it would be a very serious mistake to cut funding for development of the MX missile and to support instead a program with so many unknowns as the so-called shallow underwater missile system.

The MX missile program which is now before us is a program which has been thoroughly studied over the course of the last several years. The Department of Defense has studied the MX program and the Congress has reviewed it year after year. There is now widespread consensus that the MX program is a sound, cost-effective, and stabilizing means of responding to the problem of the vulnerability of our fixed, land-based missiles. The President believes the MX is a sound and necessary program; the Secretary of Defense believes it is a sound and necessary program. The Defense Science Board believes it is a sound and necessary program, and a substantial majority of both Houses of Congress have so far believed it to be a sound and necessary program.

The details are complex, lengthy, and in part, classified, and I shall not go into them at this point.

I wish we did not have to build the MX. We surely could find better ways to spend the funds if they were not necessary for our security.

But they are necessary. The Soviets have made the MX decision for us. They have built their strategic forces up to a point where they provide a destabilizing threat to the survival of the land-based portion of our deterrent.

We have no real choice. Either we restore the survivability of our land-based missile force or we accept a destabilizing situation and a much diminished deterrent.

The amendment offered here is a questionable substitute for the MX program. It offers a system whose concept has been seriously considered by the Department of Defense—and rejected. It is a program filled with unknowns. It is a program of reduced capabilities, great technical uncertainty, and doubtful survivability. It is a program that may wind up costing far more than MX in the end.

Mr. President, the arguments against this amendment have been made in detail by others and I shall not repeat those arguments any further. The President, the Secretary of Defense, and the relevant committees of the Congress all support the MX program and they would therefore oppose this amendment.

I urge my colleagues to vote against this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. I am glad to yield to the Senator from Utah for 5 minutes.

The PRESIDING OFFICER. The Senator from Utah is recognized.

Mr. GARN. Mr. President, I thank the distinguished chairman of the Armed Services Committee.

Mr. President, to save the time of the Senate, I ask unanimous consent that a statement by me before the Appropriations Committee of the House of Representatives in Cedar City, Utah, on the MX, November 5, 1979, be printed in the RECORD.

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

STATEMENT BY SENATOR JAKE GARN

Recent decisions by President Carter with regard to the MX, a land-based intercontinental ballistic missile (ICBM), will have important consequences for the security of the United States and the lives of the people of Utah. Approximately 30 percent of the 200 MX missile force will be deployed in southwestern Utah. It is, therefore, essential that we examine this issue with great care, and I appreciate this opportunity to address the issue of MX and its impact on U.S. national security and the state of Utah.

MX: What is it and why do we need it?

The MX, or Missile-Experimental, is a land-based intercontinental range ballistic missile which is intended to augment our present Minuteman ICBM force. The MX will be able to carry a heavier load, and therefore a larger number of multiple independently targetable reentry vehicles, or "MIRVs", and be more accurate than our current land-based ICBM missiles. The deployment of MX will give the U.S. an enhanced capability to credibly threaten Soviet military targets. The improved destructive potential of the MX missile, and its technical capabilities, however, are only effective as a deterrent when the chances for the missiles' survival are good.

President Carter has proposed to deploy the MX in horizontal shelters around what has been called a "racetrack" or "closed-loop" basing system. The random deployment of one MX among twenty-three shelters will dramatically increase the number of targets a Soviet surprise attack would have to contend with in order to assure themselves that the U.S. would not be able to effectively retaliate. This same concept applies, whether we are talking about a "racetrack" basing system, or other possible basing modes that could be adopted for MX. I would have preferred, in fact, to explore the vertical, multiple protective shelters as opposed to the racetrack system. I believe it would be less costly and more survivable.

The United States needs the MX missile because of the growing imbalance between our own strategic forces and those of the Soviet Union. The number of Russian missiles and their size and accuracy have increased to the point that they now pose a very real threat to our Minuteman missile system. This was described by Secretary of Defense Harold Brown, when he observed:

"The combination of accurate guidance and the large number of warheads expected in the early 1980s will give their (the Soviets') ICBM force the capability to destroy most of our ICBM silos with a relatively small fraction of their ICBMs. This is the most serious problem we face, probably in terms of threat to our strategic forces and certainly in terms of perceptions of equivalence."

Why has this situation been allowed to develop? It seems hard to believe, doesn't it, that we would have knowingly placed ourselves in such a vulnerable position? The reason is actually quite simple, and can be summed up in one word: MAD. MAD is the acronym for the doctrine of Mutual Assured Destruction which is the theory that has guided our strategic arms decisions for the past fifteen years. It says, in effect, that nuclear war is effectively deterred

when both the United States and the Soviet Union are vulnerable to a nuclear attack that would devastate their major population and industrial centers. The citizens—the civilian population—are, in effect, held hostage.

Homes, libraries, schools, churches, museums and factories are the principal targets—not the missile silos, air bases or harbors. This is the theory that makes Civil Defense or an ABM system wrong, because they would be "provocative acts". This is the theory that allows President Carter to feel he is justified in saying that just one Polaris submarine carries enough destructive power to effectively threaten the Soviet Union because it can destroy Moscow and Leningrad, and several other major Soviet cities. This so-called "Countervalue" targeting concept, required by the MAD theory, is no longer valid, if it ever was.

Even Dr. Henry Kissinger, one of the proponents of the MAD concept, now says it is wrong for today's world. Mutual Assured Destruction is no longer valid, because it is no longer "mutual". The Soviets have a massive civil defense program; they have an ABM system, and could quite easily deploy it throughout the country in a crisis situation. They are aiming their missiles at our missiles and at our bombers and submarines, and improving their accuracy so they can take out our ability to retaliate. Both SALT I and now SALT II have failed to meet the promise of arms control that would reduce this growing threat. To a certain extent, the failure of SALT II was inevitable, because the failure of SALT I left us in a very weak bargaining position.

You simply don't deal effectively with the Soviet Union from a position of weakness. If we are ever to bring them to consider arms reductions we must strengthen our own position. The deployment of MX in a survivable basing system will give us back some of that strength. A rejection of the tired old concept of MAD, and an improved ability to target and destroy Soviet military—not civilian—targets, must go along with the deployment of MX.

Let me say a little more about the implications of MX for arms control.

IMPLICATIONS FOR ARMS CONTROL

A recent editorial in the Wall Street Journal pointed out that the Soviets "use arms control negotiations as an offensive weapon to gain real military advantage". If we are to be successful in competing with the Soviets in the area of arms control, we need to recognize that Soviet arms control strategy is geared towards undermining Western security. Harvard Professor Richard Pipes has noted that the Soviet Union has used SALT to freeze our strategic nuclear systems, to inhibit our technological initiative, and to undermine our national commitment or perception of need in defense matters. The control and reduction of nuclear weapons is a worthy goal. But attempts to achieve it must be equitable and verifiable, and they must promote international peace and stability. Thus far, U.S.-Soviet arms control efforts have been none of these things.

Unless and until we are prepared to modernize our strategic forces, the Soviets will never be willing to negotiate meaningful arms control. In testifying before the Senate Foreign Relations Committee, Henry Kissinger stated that:

"Rarely in history has a nation so passively accepted such a radical change in the military balance. If we are to remedy it, we must first recognize the fact that we have placed ourselves at a significant disadvantage voluntarily."

The litany of U.S. defense programs that have been either cancelled or delayed in recent years includes the B-1 bomber, the Trident submarine and missile, the MX ICBM we are discussing today, cruise missiles, and the neutron bomb. If this trend continues, our negotiating position in future SALT talks will become increasingly untenable. As Kissinger went on to note in his testimony:

"SALT cannot be a substitute for defense programs. If we fall behind by our own actions, SALT runs the risk of perpetuating an inequality. If we want equality, we must build to equality."

The fact is, that had the SALT process to date not been such a monumental failure, particularly in allowing the Soviets to convert their light SS-11 ICBMs into very capable and destructive SS-19s and especially in legitimizing the exclusive Soviet deployment of 308 SS-18 heavy missiles, then U.S. ICBMs would not be so vulnerable today, and we would not be faced with the need to build the MX.

SOCIO-ECONOMIC AND ENVIRONMENTAL IMPACT

The people of Utah have traditionally been supporters of a strong national defense posture. I know this continues to be the case. Nonetheless, there are legitimate concerns which the people of this state have raised regarding the deployment of the MX in Utah. These concerns must and will be addressed. I have no doubt in my mind that this nation can provide for its self-defense while at the same time safeguard the material well-being of its citizens.

I believe that early identification of problems and openness in dealing with them are the keys to a successful MX deployment. The Air Force should be commended for its openness and its efforts to work with state and local government in Utah and Nevada. I hope the Air Force will recognize that expenditures to mitigate environmental and socio-economic impacts are as much an expenditure for national defense as expenditures on the missile system itself. Clearly, it is fully identifying and dealing with these problems at the front end that the way will be cleared for MX to be built.

There is much experience to draw on: the Alaska pipeline, the Trident submarine base in Seattle, a decade of construction of enormous power plants and coal mines in the West. We will need to draw on the lessons learned in each of these prior efforts to competently and effectively manage the direct impacts and the side-effects of building this vital system.

The key to coping with the staggering problems we will likely encounter is two-fold: planning and money. Effective planning will require involvement of state and local governments throughout the process as joint partners, not simply as reviewers at the end of the process. I commend the Governors of Utah and Nevada for establishing MX task forces in each of their states, and for establishing a bi-state task force to coordinate and integrate the efforts of the two states.

As far as funding is concerned, I think the recent construction of the Trident submarine base in Seattle provides a useful yardstick. In a project which cost $800,000,000 approximately $200,000,000 additional was provided for socio-economic impacts. This does not mean the Department of Defense must provide the same ratio of funding for Utah and Nevada in constructing MX. It simply means DoD and the Congress must provide full and timely funding to get the job done in a manner satisfactory to the residents of these states.

Let me now comment briefly on some specific areas where we are likely to experience the greatest problems. First among these is water. The Air Force has an ongoing drilling program to locate supplies. The water authorities in Nevada and Utah should be fully involved in all drilling and allocation studies. It is not enough to quantify the construction and operational needs of MX. We've been told there is more than adequate water for these purposes. The real focus must be on developing and maintaining supplies for the population attracted to the area, both permanent and temporary. Further, I believe the Air Force must comply with state water law and must not seek to assert a federal water right, reserved or unreserved. In addition, the Air Force must understand the relationship between underground water and surface water flows, and make certain that in mining underground water for the enormous supplies needed they do not deplete our water aquifers at a rate faster than they are recharged.

Second, very careful analysis must be done to examine the impact of the MX construction on the supply of concrete, construction workers and associated skilled workers, and other raw materials. It is my understanding the Air Force will fund job training for local residents and this is laudable and essential. But we must balance the recruitment and carefully plan the purchase of materials and services from both inside and outside the state, to make certain other areas and sectors of the state aren't starved for resources or priced out of the market.

Third, the question of land use must be raised and responsibly addressed. We need full disclosure of possible restrictions around the 25 square miles of fenced shelters. Additionally the 8,000 or 10,000 miles of roads and railways, although constituting only 75 square miles, will realistically impact thousands of square miles. There must be a full exploration of restrictions for security reasons which might be necessary, and the implications of those restrictions for access to and use of the land involved in the project.

Finally, the whole question of the boom/bust nature of this development must be carefully phased to smooth out the peaks and valleys of going from 25,000 workers and perhaps 100,000 people total at the peak of construction, to a permanent settlement of around 40,000 people. Our communities could be saddled with financial obligations for very expensive improvements—schools, hospitals, etc.—which will be necessary to accommodate the population at its peak during the height of construction. The Department of Defense, and the Air Force, through joint planning with state and local governments, and through full front end financing, must make certain this does not happen.

It will not be easy to meet the kinds of challenges that I have noted. It may even prove to be impossible. I have said recently that I am pessimistic about the MX ever being built. It's an expensive program, and one you just don't complete overnight. Over the years of its development the costs for deployment will increase. The figure of thirty billion dollars or so is expressed in today's dollars, with little or no hedge for inflation. No one can really say with any certainty what it will ultimately cost. And there is no guarantee that this Congress or this President, much less a future Congress or a future President, will continue the funding necessary to complete the program, however militarily important the MX system is. Look at what happened to the B-1.

I hope I am wrong. I hope my pessimism is unfounded. I hope we can develop a basing mode and a construction program whose benefits to the state and the nation far outweigh the costs, which I also hope we can minimize. I hope we'll meet that challenge. It will take a lot of work and a firm commitment from the people of Utah and Nevada who would have to live with the system and the impacts of its development. It will also require the dedicated efforts of public officials at every level of government. As a Senator representing the State of Utah, I will certainly do all in my power to assist in

meeting this challenge. I will be watching the development of MX very carefully. Every dime spent on the MX must be approved by the Defense Appropriations Subcommittee, on which I serve. That subcommittee will be holding hearings similar to this hearing today during the early, pre-construction stages of the MX program, as part of its responsibility to oversee the expenditure of public funds.

I would also like to point out that General Guy Hecker, Special Assistant for MX Matters, U.S. Air Force, has agreed to brief the Utah delegation on a bimonthly basis during the initial construction stages of the MX and on a more frequent basis whenever we request him to do so.

CONCLUSION

The U.S. has delayed action on the MX for far too long. We have placed in jeopardy an essential element of our strategic nuclear defenses. We have shown a lack of resolve to compete with the Soviets, and they, in turn, have done everything they can to exploit our self-imposed lethargy.

Let us now, therefore, work in a constructive manner and spirit to make the MX program a success for national defense policy and a social and economic model for the nation.

SUM: IT DOES NOT ADD UP

Mr. GARN. Mr. President, the SUM (shallow underwater missile) system proposed on September 18, 1979, is of dubious technical feasibility. The idea of placing three Minuteman III intercontinental ballistic missiles (ICBM's) weighing 100 tons on a very small 450-ton submarine is extremely questionable, to say the least; but even if it is possible to design a small submarine that can carry so large a missile, the SUM strategy is neither cheap, effective nor compatible with arms control.

Proponents of this strategy seem to be comparing total acquisition costs of the MX system with partial acquisition costs of the SUM system. Moreover, there are many other costs for the SUM system that are hidden costs. Also, there is no comparison of the military effectiveness of the two systems, nor is there an evaluation of the impact of SUM on strategic arms control. But first, let me disqualify SUM compared to MX on cost grounds alone.

MX VERSUS SUM

[Fiscal year 1980, in billions of dollars]

	MX	SUM
Acquisition	[1] 33.0	[2] 12.0–16.0
Operations and support (O. & S.), 15 yr	6.6	18.0–21.0
HIDDEN COSTS		
R. & D. on SUM system		.5– 1.0
New submarine bases		2.0– 3.0
ASW forces to protect SUM submarines:		
2 P-3C squadrons (24 aircraft):		
Acquisition		.36
O. & S. (15 yr)		.27
6 attack submarines (SSN):		
Acquisition		3.0
O. & S. (15 yr)		1.4
1 patrol frigate squadron (12):		
Acquisition		2.4
O. & S. (15 yr)		1.5
Total	39.6	47.1–55.6

[1] Missile and construction.
[2] Submarine only.

It is well known that operational costs for SLBM's are far higher than for ICBM's, even with the proposed "racetrack" basing concept of MX. To operate 138 submarines of the type necessary for the SUM strategy would require the construction of new submarine bases or large scale construction of facilities at existing bases—at great costs. Such construction would involve the same sort of economic and environmental impacts associated with MX.

Another major hidden cost would be the cost of defending these submarines. They would be exceptionally vulnerable to antisubmarine warfare (ASW). They would be extremely slow and be easily detectable by sonar, because large missile canisters would be strapped on their sides. The coastal areas of the United States are not sanctuaries. Current ASW forces are needed for other missions and should not be diverted to protect these submarines, which would be little more than sitting ducks if they were not defended. Since spare ASW forces currently do not exist, they would have to be acquired and operated at very substantial cost.

The military effectiveness of Minuteman II missiles on small submarines could not compare with the MX. Not only would their warheads need to be smaller, but their accuracy would be far less. Indeed, it is difficult to imagine that these missiles would be as accurate as the current U.S. Trident I missiles which have the benefit of a much more sophisticated navigation system than could be put aboard so small a submarine.

In addition, Submarine Launched Ballistic Missiles (SLBM's) have a much lower alert rate—it is about 50 percent for Poseidon submarines. For the type of small conventional submarines that the SUM system requires, the alert rate could be no more than 30 percent or 40 percent compared to over 90 percent with the MX. Hence, the difference in the forces between the two competing systems would be about 1,800 MX warheads on day-to-day alert compared to perhaps 500 SUM warheads on day-to-day alert, and the MX warheads would have a higher yield.

Since these submarines would be conventionally powered, and since the United States has not done anything significant in the development of diesel-electric submarine propulsion for perhaps 20 years, the SUM submarines would have to operate at periscope depth, snorkeling for most of the time in order to provide air for operation of the engine. This would substantially increase their vulnerability to ASW and to some form of advanced satellite detection. It is striking that this proposal would have us attempt to meet improving Soviet ASW capabilities in the 1980's and 1990's with the most primitive type of submarine that exists in the world today.

The possibility of putting more U.S. strategic nuclear weapons systems on submarines (although usually on far more technically feasible systems) has been studied in the past and consistently rejected. This course involves placing far more of our retaliatory assets in a single basket, and at this time a survivable submarine communications system does not exist, nor is one planned. The small submarines of the SUM system proposal would have a far more severe communications problem than even the existing, more sophisticated U.S. missile submarines.

If the United States puts its ICBM's on submarines and concentrates them in the relatively small oceans of the east and west coast of the United States, it opens the possibility that the Soviets could "barrage" attack the Continental Shelf area with weapons in the 50-megaton range. Tens or hundreds of these weapons might be detonated to destroy these submarines in the event of a Soviet attack. Very large yield thermonuclear weapons are cheap and could be produced in large numbers. In the event of an attack, the tidal waves and flooding of our heavily populated coasts would be catastrophic.

Perhaps the most telling argument against the SUM system is that it is not compatible with arms control. If we design a missile canister that can be attached to a very small submarine and successfully test launch an ICBM that could be deliverered to its target with high accuracy, then it becomes impossible to verify the provisions of SALT II or any feasible arms control agreement. If we can do this with the least capable submarine in the world, the Soviets can certainly do this with any of the hundreds of existing Soviet attack submarines that are many times larger than the proposed SUM submarines. Also, the Soviet Union has three missiles—the SS-13, SS-16, and SS-20—that are comparable in size to the U.S. Minuteman III and since they are all solid fueled, they could easily be used in a Soviet SUM system.

If one wished to promote the technical feasibility of the SUM system, one must conclude that the Soviet Union has the potential of deploying thousands of additional warheads by this scheme alone. The Soviet Union has reportedly been constructing submarine berthing tunnels which would allow the conversion of large numbers of existing submarines to such missile launchers without detection.

Many years ago in the 1960's when the United States studied the future of its SLBM force it concluded that a large submarine like the Trident was more cost effective than small submarines in maintaining missiles at sea. While one may challenge the choice of the specific Trident design, it is clear from all studies that very small submarines are not a cost effective means of putting missiles to sea.

In the uncertain world of the late 1980's and 1990's it would be unreasonable to abandon the ICBM element of our strategic nuclear forces triad—ICBM's, SLBM's, and aircraft—bombers and planned cruise missile carriers. Unfortunately, we are moving in this direction by our failure to modernize our forces. We have allowed our ICBM force to become vulnerable and we are in the process of allowing our bomber force to become vulnerable.

In 1800 the United States had underway a program to build large frigates. In an economy move, President Thomas Jefferson canceled the construction of

these vessels and used the money to build large numbers of very small gunboats. These turned out to be almost completely useless; firing a single round almost capsized them. The few large frigates we had built in the 1790's helped prevent the defeat of the United States in the War of 1812. If we make a mistake of a similar nature in the 1980's, the security of the United States will be seriously jeopardized.

Mr. President, this one area I do have some personal expertise in. For 4 years, I was a Navy pilot and I was in an antisubmarine squadron. I spent a good 3 years of that 4 years looking for submarines.

It is a difficult task, at best, to find them. Fortunately, since I did that, our capabilities have improved considerably over the Soviet Union. This area is one area where we are far ahead in our ability to detect and destroy submarines.

But as one who spent 3 years of my life looking for submarines, there is one thing we really like. We like them in shallow water. It is so much easier to find them in shallow coastal waters than in the deep blue ocean, there simply is no comparison.

The equipment that is available, I certainly will not discuss today. But it is much easier to find them in shallow coastal waters.

Secondly, once we have found them, it is much easier to destroy them. Because of the ground effect of conventional depth bombs, or atomic depth bombs, it would be much easier to destroy them than in the open waters.

Where we have very slow-moving diesel electric submarines that must snorkle to get air, the signature of those submarines from a noise level puts them in a category where current Soviet ASW capabilities would make it possible for them to find them much easier.

It would not compare to our atomic powered submarines, with quiet-running gear—but again, not to get into all the detail.

So, from a matter of personal experience, in my opinion, it just does not add up. It is not technically feasible. It is not cost effective. I believe it would end up costing far more than MX.

So, with all due respect to my distinguished colleague from Oregon, I must vote against his amendment and encourage my Senate colleagues to do so.

In closing, I agree with some of my colleagues that I do not like the race track system for the deployment of the MX. I think the administration made a mistake. I think the vertical system would be much more efficient, certainly more cost effective.

I hope as we go along that, in the basing mode, we can make some changes in the future, long before the deployment dates of the MX.

I thank the distinguished chairman of the Armed Services Committee.

Mr. STENNIS. I thank the Senator.

Mr. President, I yield 3 minutes to the Senator from Michigan.

Mr. LEVIN. Mr. President, I oppose this amendment, with a number of reservations which I shall describe in a moment.

As a member of the Committee on Armed Services, I have devoted much time during the past months to assessing the issue of the perceived vulnerability of our land-based missiles, the ICBM's, to a Soviet first strike in the early to mid-1980's.

I also have spent many hours evaluating the proposed solutions to this postulated problem, especially the mobile MX missile system with its significantly increased hard-target kill capabilities.

The shallow underwater missile (SUM) system, a variant of which is being proposed by my colleague from Oregon, also has been the subject of my studies, as have other proposals, such as mobile Minuteman III's and enhanced cruise missile options.

As a result of these analyses, I continue to have serious questions about the proposed MX missile system.

I raised those questions in my additional views in our Armed Services Committee's reports on the fiscal 1979 supplemental and fiscal 1980 defense authorization bills. Although these additional views, in part, address specific committee actions or details about the MX system which have now been "overtaken by events," the basic concerns I expressed about MX remain relevant.

To briefly summarize my concerns, I have serious reservations about MX on the basis of military utility, arms control implications, cost, and environmental effects.

I believe that the United States must maintain a strong nuclear deterrent, but I am not yet convinced that the MX system is the best way for us to maintain this deterrent in the future.

It is unclear that we need to field a system which, at certain deployment levels and with its increased silo-killing capabilities, could seriously upset strategic stability. Development of any missile/basing combination which is capable of a disarming first strike against Soviet missiles could undermine the strategic nuclear balance which supports deterrence.

I also question whether a large deployment of MX is compatible with general arms control considerations, and whether we ever could have sufficient confidence that any mobile missile system the Soviets might deploy in response to MX would be adequately verifiable under future arms limitation agreements.

The cost of the MX is skyrocketing faster than most of us can keep pace, and reports abound that the system will cost some $50 billion rather than the official $30 billion price tag. We will have to ask ourselves whether such a large amount of money or part of it, could buy us more defense if it were spent elsewhere.

Despite these reservations, Mr. President, I voted to authorize the fiscal 1980 budget request of $670 million for MX so that we can continue the research effort to develop possible solutions to the perceived vulnerability of our ICBM's in the next decade and to address some of the concerns about the present MX plan.

I think it is reasonable to continue this research, which is all that these funds support. And it is important to underscore that these funds do not commit us to production or deployment of MX, and that our approval of this appropriation does not commit is to future production or deployment of MX or its basing mode.

Congressional decisions about such production or deployment will be made in the future, after much more evaluation and debate. That fact was demonstrated during a colloquy between myself and the distinguished floor manager of the appropriations bill before us, my friend and colleague from Mississippi, during deliberation on the fiscal 1980 defense authorization.

To refresh my colleagues' memory on this important issue, I ask unanimous consent that the text of that colloquy be printed in the RECORD at this point:

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

Mr. LEVIN. Mr. President, will the Senator yield me 2 minutes?

Mr. STENNIS. Yes, I yield the Senator that time.

Mr. LEVIN. I thank the Senator very much.

Mr. President, there has been some discussion about the MX missile program this morning. I should like to make five points, then ask the chairman if he might be willing to comment on the accuracy of these points. I think it will clarify the debate somewhat; in any event, it will clarify my position.

The money in this bill for the MX missile and basing systems can only be spent on research and development of these systems, and not on their deployment.

The money in this bill for the MX program is for full scale engineering development of the missile and its basing systems, and not for any production and deployment of fully operational MX missiles.

The "full scale engineering development" phase in the life of any weapons systems is still a "research and development" stage and not a "production" or "deployment" stage.

By approving this authorization bill, which contains the money for full scale engineering development of the MX missile and basing systems, the Senate is not committing itself to production and deployment of this system.

Any decision to produce and deploy operational MX missiles is a decision the Senate will be asked to make in the future when it considers future Defense Department authorization bills.

I believe, after talking to the staff of the Armed Services Committee, that those points are all accurate and true. I would welcome a comment, if possible at this time by Senator STENNIS.

Mr. STENNIS. Mr. President, these questions are relevant. I have read them over before. The answer to all of them is, "Yes."

Mr. LEVIN. Mr. President, because I think it is reasonable that this research continue, I oppose the pending amendment to delete such funds.

At the same time, I can say that my studies of the strategic nuclear option supported by the sponsor of this amendment, the option known as "SUM," have indicated to me that we should study forms of this alternative while we continue research on the MX system.

The costs, military utility, and arms control implications of SUM ought to be examined, so that we can at some future date decide whether it represents a viable alternative to the proposed MX system.

The Senate should have the benefit of such a study before it decides the final disposition of the MX program.

I ask unanimous consent that my Additional Views on MX be printed in the RECORD.

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

ADDITIONAL VIEWS OF U.S. SENATOR CARL LEVIN—FISCAL YEAR 1979 SUPPLEMENTAL

Our deliberations on the supplemental raised significant issues about the best approaches to modernizing and protecting our land-based, intercontinental ballistic missile (ICBM) force.

While I believe that the United States must maintain a strong nuclear deterrent and that we should protect our strategic forces, the Administration's proposal to accelerate full scale engineering development of the M-X missile and its main basing modes caused some concern.

I have serious reservations about the utility and wisdom of developing the larger M-X missile and about one of its basing modes—the multiple protective structure (MPS) or "shell game" option.

Development of such a missile, which clearly would be capable of destroying, in a first strike, Soviet missiles in their hardened concrete silos, could be dangerously destabilizing to the strategic nuclear balance which supports mutual deterrence. In a crisis, one nation, fearing that its missiles could be destroyed on the ground by the other nation's ICBM's, might be prompted to strike first itself. Thus the threshold to nuclear war might be lowered.

I also question whether the MX/MPS basing option is compatible with general arms control considerations and more specifically with the concern that a similar system deployed by the Soviets might not be verifiable under an arms control agreement.

If such a deceptive basing system were deployed by the Soviet Union, we might face extreme difficulties in determining whether the Soviets are complying with their arms control commitments. As a result, meaningful arms control agreements in the future might be much more difficult to achieve.

Lastly, I am skeptical whether a MX/MPS weapon system would be survivable in the face of an increasing Soviet threat, if that threat is not constrained by a fractionation limit on adding warheads, such as the limit being considered as part of an emerging SALT II treaty.

Deployment of the system could drive both sides to build thousands of warheads—enough to target one or two warheads on each opposing missile silo, with many more remaining for other offensive or deterrent purposes.

Thus, without a fractionation limit, deployment of an MX/MPS weapon system could therefore plunge both the United States and the Soviet Union into a new and increasingly dangerous, expensive—and ultimately futile—arms competition.

Despite these reservations, I voted for the Committee decision to approve funding for full scale development of the MX missile and for continued research into which of the two main basing options—MPS or the air mobile plan—is the more prudent course to follow.

I supported the funding request for MX and basing modes research and development to provide the Administration full flexibility to continue its necessary evaluations of all reasonable missile and basing configurations.

This research will allow us to determine the best means by which we can maintain a credible ICBM deterrent, so we do not make a premature decision to pursue a particular basing mode and missile size which might later prove to be the incorrect choice.

I also was able to support the Committee's actions on MX because a final missile and basing decision was not linked by the Committee to Senate consideration of any emerging SALT II treaty.

The following report language does not mean that a final decision relative to a particular basing mode is stated to be necessary for adequate evaluation of the Fiscal 1980 defense budget request and the contemplated SALT II agreements:

The Committee requires a definitive program from the Administration, including the design characteristics and basing mode for the M-X missile, in order to evaluate adequately both the fiscal year 1980 budget requests and the anticipated SALT II agreements.

The language quoted above is only an indication that as much precise information, definition and analysis on MX and its basing modes *as possible* should be made available to help us make an informed decision on such matters as SALT II.

Thus, our Committee has allowed the Administration to keep open all its options relative to the MX missile and basing mode and to make those decisions as responsibly as possible.

Also, I am not committed to future development, or deployment, of a MX missile and mobile basing system. Such decisions will be made in the future, and the Committee on Armed Services and the Congress will have every opportunity to analyze and debate the issues at the appropriate time.

Our Committee's actions, in my view, simply provide for the necessary scientific effort to assist our government to gather and assess sufficient information to enable it to make one of the most important weapons systems decisions facing this nation in recent history.

It was under these circumstances that I supported the Committee's decisions on this part of the supplemental.

ADDITIONAL VIEWS OF U.S. SENATOR CARL LEVIN—FISCAL YEAR 1980 AUTHORIZATION

MX MISSILE PROGRAM

Although the committee rejected even more specific language mandating the detailed characteristics of a future MX missile and basing mode, the extensive language it did adopt does not adequately address the arms control implications of the various options being considered to modernize our ICBM forces.

The arms control ramifications of these options should be considered to be as important as their military effectiveness and cost characteristics. I am concerned that the more this committee pushes for a system only on the basis of military effectiveness and cost, the more likely it is this country will develop and deploy an ICBM which is dangerously destabilizing to the strategic nuclear balance.

There are some ICBM modernization options which are militarily and cost effective and which also contribute to arms control. Others meet the first two criteria but so fail by the last measure that they could lead to a futile, and foolish escalation of the arms competition between ourselves and the Soviets.

By the language in this bill, some Members of the committee clearly wish to drive the administration to select the most deceptive land-basing mode for the MX, regardless of whether it is compatible with reasonable and prudent arms control policies. Since arms control and military capabilities are complementary, not mutually exclusive, variables in any national security equation, I must disagree with this approach.

As I expressed in my "Additional Views" to our committee's report accompanying the fiscal year 1979 Department of Defense Supplemental Authorization Act, I have serious reservations about the utility and wisdom of developing the larger MX and about some of the basing mode options being considered.

Development of any missile/basing combination which is capable of a disarming first strike against Soviet missiles could undermine the strategic nuclear balance which supports deterrence. In a crisis, one nation, fearing that its missiles could be destroyed on the ground by the other nation's ICBM's, might be prompted to strike first itself. Thus the threshold to nuclear war might be lowered, and we would all live in a much more dangerous world.

In an effort to encourage a timely decision about ICBM force modernization, the committee is applying pressure in the wrong direction. I agree that the administration should make its decision as soon as possible in this area. I do not agree that the Congress, at this time, should force selection of a particular missile and basing mode—especially one which might create as many problems as it attempts to solve.

The committee's restrictive language on MX runs this risk. For example, if the administration selects a system which is better for arms control, and thus our overall national security, but is not more, only equally, militarily effective and costs more than another, more dangerous system, could it pursue this more desirable system under the committee's bill language? The answer to that question is far from clear.

The consequences of a forced decision on ICBM modernization, should that choice lead to a less stable nuclear environment and upset the balance of mutual deterrence, are sufficiently grave that the committee should resist further attempts to apply this pressure through similar bill language in the future.

CARL LEVIN.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, I thought the Senator from Oregon might want to use some time now. Senator SCHMITT would like a few minutes, but he is not in the Chamber at this time.

We can have a short quorum call, if the Senator from Oregon wishes.

Mr. HATFIELD. I do not care to use any time at this moment. I will use time in closing, but I want to hear the arguments.

Mr. President, I ask for the yeas and nays.

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

The yeas and nays were ordered.

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

The PRESIDING OFFICER. On whose time?

Mr. STENNIS. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. STENNIS. 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. STENNIS. Mr. President, I yield 3 minutes to the Senator from New Mexico.

The PRESIDING OFFICER. The Senator from New Mexico is recognized for 3 minutes.

Mr. SCHMITT. Mr. President, I think it has been made clear today, and it will be made clearer to the people of the

country, as to the importance and need for the development and production of the MX missile, regardless of the method of deployment we in Congress eventually approve for that missile.

Even if problems are in making that decision, there is no question that the production of the MX missile can proceed and should proceed because there are options for its use, even without a major new deployment system. It is compatible with the existing Minuteman deployment system and could be a great asset there.

There is a need, in the meantime, to decrease the vulnerability of that Minuteman system through the short-term fixes that are necessary, I believe, even without the present availability of the MX system.

I have talked about that before with the distinguished chairman of the Armed Services Committee, and it is hoped that those alternatives for short-term decreases in the vulnerability of our Minuteman system will be made.

They include, of course, the replacement of 100 Minuteman II's with Minuteman III's; the acceleration of the long-life battery program; further acceleration of the air-launch control system (ALCS), phase III and expansion of that program to provide airborne launch control for all Minuteman III's; the expansion of the Mark 12–A warhead production to include the additional Minuteman III missiles.

These, of course, do not substitute for the MX but are steps we must take in the short term to insure that the vulnerability of our intercontinental ballistic missile system is at a minimum as we enter the 1980's.

I hope our colleagues will strongly endorse the production of the MX system, while Congress reserves to a future time the consideration of the final mode of deployment of that system.

Mr. STENNIS. I thank the Senator from New Mexico.

Mr. President, I yield to the Senator from Nevada.

Mr. LAXALT. I thank the chairman.

Mr. President, on June 7, 1979, President Carter gave the go-ahead for further development of missile X, the proposed MX intercontinental range ballistic missile (ICBM). On September 7 he decided to deploy the system in the so-called race track basing mode. As currently envisioned, the MX would be far more capable and much less vulnerable to attack than any existing American missile. It is scheduled to become operational in 1986.

Since the early 1950's, the basic goal of American nuclear policy has been to deter a Soviet attack by threat of massive retaliation. In other words, if we are able to absorb a Soviet strike and then destroy a large enough percentage of Soviet military and economic capacity they would be deterred from attacking us. We have bet the Russians will not attack us because of the massive destruction that we could rain on them if they did.

In 1974, Defense Secretary James Schlesinger made explicit a second goal that had been implicit in U.S. planning: our forces should be capable of limited attacks on selected economic or military targets. If the President faced a Soviet provocation less cataclysmic than a nuclear strike on our cities, he should be in a position to launch a similar retaliatory attack.

This two-pronged philosophy, however, has been threatened by rapid growth in both numbers and accuracy of new Soviet monster missiles. Demands for the development of the MX are related to this growth and to the argument that by about 1982 Moscow will be able to destroy nearly all of our intercontinental missile force and still have enough weapons to hit remaining military and civilian targets.

The MX would remove that threat. Because of its hide-and-seek characteristic, the Soviets wiuld have to hit every one of the MX's possible launching sites to be sure of destroying the system. And enough sites could be built to assure that even if such an attack were launched, the Russians would have nothing left over afterward, leaving themselves vulnerable to deadly retaliation.

Missile X has an extensive history, with early proposals dating as far back as 1973. Logistically, the MX would be a king-sized weapon, measuring 92 inches in diameter and standing 70.5 feet tall, greater than a six-story building. It would weigh 190,000 pounds and be designed to carry up to 10 or more warheads, each capable of being aimed at a different target. That capability would narrow the gap which has opened through extensive Russian development of large missiles in recent years.

The MX is not only more powerful than the Minuteman, our current ICBM, but it is also more accurate. That improved accuracy would also help neutralize at least some of the growing Soviet numerical advantage.

Mr. President, as my colleagues are well aware, the United States today relies on a strategic nuclear force composed of three parts: Land-based missiles, bombers, and nuclear submarines, what the military refers to as the nuclear triad.

In this context, the MX would give us distinct national security advantages. For example, it would keep the Soviets from concentrating their forces in a single area and insure our safety should one or two elements of the triad be destroyed or fail. But more importantly, the MX would guarantee continued effectiveness of the land-based missile force in the face of growing Soviet missile capability.

The MX would be survivable and could deliver a devastating retaliatory punch against Soviet strategic forces. Its survivability is based on the fact that Soviets would not have enough warheads in their ICBM force to destroy all of the MX silos. Ideally, they would be deterred from attacking by the sheer difficulty of such a task. If the Soviets did attack, their ICBM forces would be so greatly depleted that they would be unable to launch attacks against other weapons systems and American cities.

The MX would also narrow the current U.S. deficit in throw-weight. As my colleagues are well aware, this is the weight of the weaponry placed on a trajectory toward an enemy target. Throw-weight is a basic indicator of military strength. Once this discrepancy is narrowed and the United States is more equal in throw-weight, there would be a perception by the Russians that they could gain no significant advantage by attacking our forces. Hopefully, this kind of balance would also give the Soviets an incentive to join us in considering effective arms control measures in the future.

Basically, then, the advantages of the MX are that it would serve to deter any potential Soviet attack on us, thus neutralizing any political advantages which might be gained by a perceived superiority of Soviet forces over the United States.

Personally, I am greatly disturbed by our deteriorating defense capability vis-a-vis the Soviet Union. As I see it, we must immediately take the necessary steps, in terms of increased defense spending, to insure, in the decades to come, that we never slip into an inferior position militarily relative to the Soviet Union.

As I see it, the MX system is a vital part of this country's answer to this serious problem. It provides the kind of firepower and accuracy which will be necessary to be an effective counterweight to Soviet power. And I think it essential that we begin without delay.

Mr. President, I oppose the amendment of the Senator from Oregon, not so much in terms of the concept. I have lived with this problem perhaps as much as any of my colleagues, because MX, in the contemplated present base mode, has more impact upon my State than any other State. It is my view, from talking with the people in the Air Force and with others, that the matter of the base mode is literally up for grabs.

As we know from observing the situation in the last year, there was talk initially of the so-called shell game, the holes; then we moved to talk of trenching; and finally we came with racetrack.

Racetrack has an impact upon my State of enormous proportions. It will literally gut the center of the State of Nevada, taking—under the present plan—some 21 interior valleys, with impact upon water, with impact upon the labor situation, with great impact upon the areas with small rural population.

It is my view we need MX. I share the sentiments of those who have previously spoken. We absolutely need this system in terms of effective counterforce to the Soviets. Where the basing mode should go I do not know. As I have expressed to the chairman I have great reservations about the racetrack as does he and as do others. Whether we should go to subs I do not know. I think that the question is. At this time should we proceed with MX? We should proceed with the system. The matter of the basing mode in connection with the racetrack and these others I think warrants complete investigation and it may well be that the submarine concept, as proposed by the good Senator from Oregon, has merit. I do not know. Perhaps that is part of the system.

In conclusion, let me simply say this: I feel as do my colleagues mostly that we should go with MX. There is the matter of basing mode and other problems in terms of whether we should follow the concept of the Senator from Oregon or whether we should go to racetrack, or whatever.

I thank the chairman.

The PRESIDING OFFICER. Who yields time?

Mr. HATFIELD. Mr. President, first of all, I wish to say that some of the technical questions or challenges that have been raised by various colleagues during the course of the discussion on this amendment have all been sufficiently answered in material that I used at the beginning of my comments. In consideration of the time factor we are involved in here, I will not seek to repeat them one by one at this time, but merely to indicate that those technical questions were addressed earlier on and were, I believe, adequately responded to.

I only wish to make one or two brief comments in closing. First of all, I think we have gotten a very clear signal today that one of my major arguments is truly verified by the debate in the Chamber.

I have indicated that the time in which our land-based missiles are vulnerable would be significantly reduced by going to a Minuteman III/SUM system.

I say this because I have heard Senator after Senator rise on the floor today to challenge the basing mode of the MX missile, the racetrack. Only a few weeks after the Commander in Chief of the armed services of the United States, the President of the United States, Mr. Carter, announced the basing mode we have a letter introduced today by the chairman of the Armed Services Committee in the RECORD from Secretary of Defense Brown, and I wish to quote from the second page of it in which Secretary Brown says:

> In summary, the $670 million allows us to continued FSED on both missile and basing with a full option to switch basing modes at a later date.

Here is the Secretary of Defense indicating within a few weeks after the announcement by the President that we are not sure what the basing mode will be.

Is this not a clear signal that this is a confused system already fraught with all kinds of delays so that the vulnerability of our ICBM's is going to be even greater than what I already estimated in my opening statement?

If land-based ICBM vulnerability is truly the most significant strategic problem we face today, as the President announced, then I think this Senate has a responsibility to do everything possible to reduce that vulnerability time factor. What I am asking for today does not commit the Nation to a weapons system. But it gives us some money to go ahead and make some final studies that would be necessary before we could actually launch the system.

Why we are unwilling to use a little money out of this vast barrel that we are appropriating for the Pentagon to look at an option that would reduce the time factor of our vulnerability, is beyond my imagination and my ability to understand.

For those who have said, "Perhaps the fact that we are still in the R. & D. stage means that we are not committed to the MX missile," let me say my intent is to stop MX missile in its track.

I make no effort to hide or to somehow camouflage that my real concern here is to stop this counterforce weapon before the momentum behind its development goes too far.

In 1974, we appropriated $4.2 million for research on the MX; in 1975, it jumped to $37.3 million; in 1976, it jumped to $36 million plus $13 million; in 1977, it jumped to $69 million; in 1978, it jumped to $134 million; in 1979, it jumped to $158 million; and now it has jumped to $670 million.

Let no one be misled: This is one of those almost irrevocable steps that we are taking today for a commitment to an MX missile counter-force system, and that to me represents a very dangerous step for this Nation to take.

Mr. President, as my colleagues know, I enjoy reading history, and I shared with my colleagues on the Appropriations Committee a reflection on an analogy to what we are doing here, and that analogy I think is a valid one. It goes back to the arguments which were running rampant in the military establishment of France after World War I. "How were we going to stop the German hordes from ever invading our great nation again." The argument came down during that period between World War I and World War II as to whether or not they should do one of two basic things: build a great Maginot Line, a military dinosaur, stationary, fixed, or should they do something relatively simple, put the French military on wheels? But no, with that complex, confused military mentality that so often predominates until one dinosaur follows another dinosaur, they opted to create that great magnificent sophisticated military line of defense. They rejected the simple proposition to put the military on wheels in order to make it mobile and thus more effective in responding quickly to any challenge.

All I am suggesting here is, instead of building another military Maginot Line, which in this case is even more dangerous because it puts us into a counterforce strategic strategy, but is also just as vulnerable to future complications. Why not shift to the quick mobility of putting our Minuteman III into a shallow underwater submarine basing mode to patrol the coastal waters of the United States.

That is merely an observation. I am not sure that I want to be proven right, down the road, because of our failure to take the action that I know we are not going to take today. But at least I want to say for the record that I think it is a serious, dangerous decision we are making to develop a counterforce weapon when we have not even gotten SALT II to the floor. Yet at the same time refuse to take the action of appropriating just $20 million for SUM/Minuteman III. That is pin money, petty cash for the military. That is what slips between the cracks every day or so in their cost overruns. That is all I am asking—to at least give us another option to protect our ICBM's.

I am ready to yield back my time.

Mr. STENNIS. Mr. President, I want to take 1 minutes here in reference to the presentation by the Senator from Oregon of his amendment. He has talked to several of us about the points he has made here today, and I am glad to see him bring them out in debate. I know he made a contribution here in this very difficult subject. It is a matter which those of us who are on the Committee on Armed Services have lived with, particularly for the last 2 years. But he, in his fine way, even though not a member of the committee, has worked on it in addition to the other burdens he already carries, and he has really made a contribution here today.

Mr. President, the Senator from North Dakota (Mr. YOUNG) and I think the case has been covered, and we propose that the unused time be yielded back now. Before I do that, I have a letter here, Mr. President, regarding the MX, dated today from the Secretary of Defense that I think ought to go in the RECORD. It came to me in my official capacity. So I ask unanimous consent that the letter be printed in the RECORD.

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

SECRETARY OF DEFENSE,
Washington, D.C., Nov. 8, 1979.

Hon. JOHN C. STENNIS,
Chairman, Committee on Armed Services, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Office of the Secretary of Defense and the Air Force have examined closely the problem of future ICBM survivability. After detailed study, we have come to the conclusion that the horizontal dash M-X basing mode best serves this end. We are now working at full speed on achieving an Initial Operational Capability (IOC) of ten missiles and an appropriate number of protective structures by July of 1986. The FY 1980 budget request now contains $670 million for M-X research and development and $5.4 million for modification of rocket motor test facilities. Of the $670 million, $440 million is allocated to Full Scale Engineering Development (FSED) of the missile itself (propulsion, reentry system, guidance and control, performance and software, etc.). We have also allocated $230 million for basing FSED (shelter design, vehicles, command and control, etc.). Of the $230 million, only $55 million is uniquely dedicated to the horizontal dash basing mode. In addition, the FY 1980 Military Construction Appropriations Act provides $57 million to construct flight test facilities at Vandenberg AFB, California. The facilities to be constructed with these funds can be used regardless of the basing mode chosen.

Any legislation that would delay basing mode development by restricting the funds will cause a slip in IOC equal to the length of the resulting delay in selection of basing mode. If our work on basing is delayed by a year, this irretrievably delays deployment in a survivable mode by a year. However, full funding of FSED of both missile and basing at this time does not commit us uniquely to the horizontal dash basing mode. A shift to another land based system because of technical or other factors discovered during Full Scale Engineering Development (FSED) during FY 1980 would cause only the loss of the $55 million uniquely tied to the horizontal dash. By proceeding with FSED now, a shift to a different basing mode could be made in

FY 1981 with minimum impact on both cost and schedule.

Many have assumed that the dash feature was motivated by SALT considerations. In fact it was added to provide increased survivability. This added survivability, obtained through the capacity rapidly to move the missiles, is felt to be essential should the Soviets obtain the capability to locate the missiles in their shelters. The added cost for SALT related features is about $1 billion, primarily for SALT verification ports and associated equipment.

In summary, the $670 million allows us to continue FSED on both missile and basing with a full option to switch basing modes at a later date. Furthermore, the basing activities include detailed analysis on environmental impact, water availability, and socioeconomic factors which affect the preferred deployment area, though no FY 1980 funds will be spent for actual land acquisition or any basing construction. Completion of this activity will permit us to proceed with land withdrawal activities necessary to insure an initial construction start in 1982. Appropriation of the requested amount without restriction does not preclude the Congress from making a final judgment in the basing mode at a later date, while still protecting the planned IOC date.

Sincerely,

HAROLD BROWN.

A SURVIVABLE ICBM FORCE

● Mr. CULVER. Mr. President, I have given close and careful attention to the MX program in recent months. The Research and Development Subcommittee of the Senate Armed Services Committee has held numerous hearings.

Last summer I wrote an article for the Des Moines Register, elaborating my views on this controversial program. I ask that this article be printed in the RECORD.

The article follows:

WHY CARTER SUPPORTS MX MISSILE DEVELOPMENT

(By JOHN C. CULVER)

In evaluating President Carter's decision to go ahead with the MX missile, a number of important questions need answers: (1) Exactly what was the decision? (2) Does it enhance or upset the historic triad concept of strategic deterrence that has served well? (3) Is its cost out of line for its mission? (4) Does it impair or fit in with our prospects for nuclear arms control agreements with the Soviet Union?

Carter did not make a final decision on production and deployment, and such a decision is several years away. We are not cemented into an inflexible program for the future.

Let's consider whether proceeding with the MX is consistent with our strategic-arms planning over the years or is a radical and dangerous departure from it.

For two decades the United States has maintained a triple-threat strategic force consisting of land-based intercontinental ballistic missiles (ICBMs), submarine-launched ballistic missiles (SLBMs) and bombers. Unlike the Soviet Union, which concentrates about 70 percent of its strategic power in ICBMs, we have developed a versatile, flexible and highly survivable triad which safeguards effectively against both evolutionary threats and sudden technological breakthroughs.

The versatility of our strategic forces gives us a unique edge. Each of the three components helps to reinsure the effectiveness of the others, and thereby deters an attack. The launching of a disarming first strike against us is unlikely because the firing of enemy ICBMs would give our bombers 30 minutes' warning to take off, and a close-in attack by submarine-launched missiles would not have the accuracy of explosive yield to destroy our ICBMs, though some of our bombers could be hit.

The missiles aboard our nuclear submarines at sea would likely survive in either case with several thousand nuclear weapons ready to retaliate against the aggressor. Similarly, the combination of ballistic missiles and aircraft complicates enemy defense and helps to assure military effectiveness.

Over the years we have invested billions of dollars in improving the survivability of our strategic forces. Our ICBM silos have been super-hardened. Our submarines have been made quieter to escape detection and have been equipped with longer-range missiles to allow much greater ocean operating areas. And our bombers have been equipped with electronic penetration devices and supersonic attack missiles.

Our policy always has been to deter nuclear war by maintaining the strength and currency of each component of the triad. President Carter wisely decided against production of the B-1 bomber largely because its mission could be adequately performed by other, less costly means. Now military experts are agreed that we have a problem that may threaten the survivability of one component of our triad in the next few years.

In the past two decades, we have concentrated on the accuracy of our missiles and diversity of delivery systems while the Soviets have centered their attention on size (throw-weight). However, in the next several years the Russians are expected to improve the accuracy of their missiles until it approaches the accuracy of our own.

This would give them the theoretical capacity to destroy one-third of our strategic triad, our ICBMs, in a surprise attack—assuming that they could solve many other difficult technical problems and assuming that they would recklessly begin a war in which most of their country would surely be destroyed.

Such an attack is a remote, "worst-case" possibility. But we have always been extremely careful in our planning and have structured our forces against probable Soviet capabilities regardless of perceived current intentions. We also have stressed survivability as one effective way of maintaining crisis stability.

We might increase the deterrent threat of our existing forces by adopting a "launch on warning" policy, but there are dangerous risks from such a hair-trigger—that we might fire our missiles in response to ambiguous evidence of an attack and that the president would be confronted with a fatal "launch or lose" decision.

Unilateral refusal to do anything to maintain a survivable ICBM force, when we have a technically acceptable solution, might be seen as a sign of indifference or irresolution and would leave us without a ready response if the Soviet Union should ever in the future achieve a capability to threaten our submarines or bombers.

Although I am reluctant to support any new weapons system that could conceivably touch off a new phase of the arms race, I believe the president's decision to continue research and development on the new missiles and on a more survivable basing method was justified.

[Senator Culver has voted for two Pentagon authorization bills for research and development on the MX: a supplemental authorization of $190 million for fiscal year 1979 and a $670 million authorization for fiscal year 1980.—Editor.]

The decision is not likely to spur the Soviets into any new activity because they expected it. The first official Soviet response in Pravda to the president's announcement was relatively calm and did not question that the new weapon will be within the limits of the SALT II agreement. The treaty permits each side to develop one new land-based missile system over the life of the pact.

As I indicated earlier, a final decision on production and deployment is still several years ahead. It is now reported that Carter will choose a system of hardened shelters for missiles, to be connected by rail or road, either above or below ground. This system is considered preferable to the silo "shell game" option: for arms-control verification purposes and because the missiles could be moved to alternate bunkers more rapidly in case of need.

But the basing system also will be subjected to intensive testing and study during the research and development period in the next few years.

Congress will want to review this program in detail before committing additional large sums of money but there is a consensus in both houses that we must act to help ensure greater survivability to our ICBMs both as a possible counter to the anticipated Soviet threat and as a powerful incentive for the Russians to accept significant reductions in their own strategic forces.

Because fixed land-based missiles on both sides are becoming vulnerable to improved missile accuracy, both nations have reason to reduce such forces and to seek means to assure greater survivability and crisis stability, such as by putting more missiles at sea.

Like other major strategic weapons, the MX will not be cheap. To build and deploy the new mobile missile system will cost $25 billion to $30 billion over the next 10 years, an annual increase of $2.5 billion to $3 billion in the $135 billion defense budget. The ultimate criterion is whether or not the new system is needed.

I have always said that in defense we should spend what is needed—whatever that may be—but only what is needed and no more. So far, no credible, less costly alternative to the MX has been proposed to maintain the survivability of the land-based component of our strategic triad.

The logical question arises: Why not, in the interests of economy and arms restraint, use our existing Minutemen ICBMs in a mobile basing system? One answer is that the Minutemen do not have the range for launching with full payloads from the southwestern part of the country, which has been judged the best area for deployment.

Another answer is that the Minutemen are not "nuclear-hardened" which means that they could be blocked out or rendered inoperable by the electromagnetic effects of incoming, exploding warheads.

Yet another reason for going ahead with the MX is that the mobile MX would make us less dependent on sheer numbers of missiles, a point consistent with the objective of arms restraint. Our present ICBMs, aging and ultimately in need of replacement, could be phased out within future arms agreements without reducing our retaliatory capability, thus helping to keep down the numbers of weapons in the nuclear arsenals of both superpowers.

Another suggestion that has been made is for a somewhat smaller version of the MX that could be launched from coastal waters by submarines or some other submerged launching system. This is one of the numerous options that was considered and ruled out, reportedly because of command and control difficulties and the longer development time that might be required. But this and various other alternatives that were considered could be recalled during the research and development period of the MX if new circumstances warranted.

As chairman of the Research and Development Subcommittee of the Senate Armed Services Committee, I believe that a mobile ICBM system should be evaluated according to the following criteria:

Since the goal of the system is crisis stability (rather than a first-strike threat), we

should limit our missile numbers so that we do not drive the Russians to a vulnerable, hair-trigger situation in which they would feel that they had to strike first in a crisis in order to avoid losing their entire ICBM force.

Our mobile-missile system must be compatible with our arms-control agreements, especially in terms of verifiability of numbers. And our standards must be sufficiently high that we could be confident of Soviet compliance if the Russians built an identical system.

The design must be technically sound and environmentally acceptable.

The costs must be reasonable compared with any feasible alternatives to maintain our security.

Although some observers view the MX as a price or bribe for Senate acceptance of the SALT II treaty, the pressures to begin full-scale development would have been very strong with or without SALT. In justice to the president, what he has done by his decision is to choose a plan that takes full advantage of SALT's provisions and makes it difficult for anyone who favors the MX to oppose the treaty.

As military and civilian officials have repeatedly admitted, the multiple-shelter system can be effective only if there are known limits on the number of Soviet nuclear warheads as provided by SALT II which would require them to assign most or all of their ICBM force just in the effort to destroy our ICBMs.

Without SALT's warhead limits, the multiple-shelter plan would be of dubious effectiveness or we would be caught up in a costly and continuing race to build new bunkers to match each new Soviet warhead Carter's decision has the double advantage of responding to a widely agreed-upon defense problem with a plan that should strengthen support for SALT.

In the long run, the security of both the United States and the Soviet Union will be improved if each nation has survivable retaliatory forces and thus no incentive to strike first. The challenge for both sides will be to deal with the likely improvements in missile accuracy against fixed positions in ways that do not increase instability or undermine efforts at arms control.

Until we find a better way, we should continue research and development of the mobile MX system and simultaneously seek mutual arms-control measures in SALT III to ensure enhanced strategic stability.●

MX AND STRATEGIC DOCTRINE

● Mr. McGOVERN. Mr. President, much of the attention on MX has focused on costs, basing mode and its relation to SALT votes. But a subject which has not received enough attention is the relation between MX and strategic doctrine—that is, what is the military purpose of the MX.

First. Basic U.S. strategic nuclear policy has been to have enough second-strike forces to retaliate against the Soviet Union if it struck first. This is mutual assured destruction. The United States presently has over 9,000 nuclear warheads to deliver against cities and military targets. This is an absolutely assured deterrent capacity.

Second. Just because Minuteman may be vulnerable in the computer print-outs is not the same thing as having our whole deterrent vulnerable—that is, even if Minuteman were wiped out, the United States would still retain enough nuclear weapons—on our submarines and bombers—where over 75 percent of our weapons are—to retaliate and destroy Soviet society. So even if Minuteman is hypothetically vulnerable, the United States is not vulnerable.

Third. If military officials feel that Minuteman should be replaced, there are ways to do it which preserve the mutual assured destruction doctrine. Senator HATFIELD has suggested one and there are others. So this debate is really not about vulnerability at all.

Fourth. The real issue in MX is that it is the weapon system designed to change our strategic doctrine from MAD to a first-strike counterforce doctrine which can be employed either to engage in a game of nuclear "chicken" or to actually fight limited nuclear warfare. MX represents a shift from deterrence to war-fighting.

Fifth. There are several reasons why MX is a first-strike war-fighting weapon:

It has the explosive power and accuracy in each warhead to wipe out a Soviet missile silo.

The number of warheads planned for MX—2,000—will, when added to Minuteman III warheads, give the United States a first-strike capability against Soviet missiles.

The ICBM preserves the command and control features required for war-fighting capability.

Sixth. The shift from deterrence to war fighting represented by the MX has serious consequences:

It will put a hair trigger on Soviet weapons because their ICBM's will become vulnerable and they will have to "use or lose" them.

It weakens deterrence by making limited nuclear war a "thinkable" option. This makes nuclear war more likely.

It makes nuclear weapons more usable in foreign policy crises since their actual military use short of full-scale exchange will be contemplated. Nuclear blackmail and nuclear brinkmanship will result.

Seventh. Adopting the counterforce strategy, the flexible response doctrine and the MX weapon are dangerous and far-reaching developments. We should not give credibility to limited nuclear war scenarios and we should not shift away from deterrence. The MX gives the illusion of security while raising the likelihood of nuclear war.●

The PRESIDING OFFICER. All time having been yielded back, and the yeas and nays having been ordered, the question is on agreeing to the amendment of the Senator from Oregon. The clerk will call the roll.

The assistant legislative clerk called the roll.

(During the call of the roll Mr. STEWART and then Mr. SARBANES assumed the chair.)

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. BUMPERS), the Senator from Nevada (Mr. CANNON), the Senator from Arizona (Mr. DECONCINI), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Georgia (Mr. TALMADGE), the Senator from Montana (Mr. BAUCUS), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Connecticut (Mr. RIBICOFF), and the Senator from Tennessee (Mr. SASSER) are necessarily absent.

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

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from California (Mr. HAYAKAWA) are necessarily absent.

The PRESIDING OFFICER (Mr. SARBANES). Is there any Member of the Senate present who has not voted and wishes to vote?

The result was announced—yeas 11, nays 77, as follows:

[Rollcall Vote No. 397 Leg.]

YEAS—11

Eagleton	McGovern	Riegle
Gravel	Metzenbaum	Stevenson
Hatfield	Pell	Weicker
Leahy	Proxmire	

NAYS—77

Armstrong	Garn	Muskie
Bayh	Glenn	Nelson
Bellmon	Hart	Nunn
Bentsen	Hatch	Packwood
Biden	Heflin	Percy
Boren	Heinz	Pressler
Boschwitz	Helms	Pryor
Bradley	Hollings	Randolph
Burdick	Huddleston	Roth
Byrd, Harry F., Jr.	Humphrey	Sarbanes
Byrd, Robert C.	Inouye	Schmitt
Chafee	Jackson	Schweiker
Chiles	Javits	Simpson
Church	Jepsen	Stafford
Cochran	Kassebaum	Stennis
Cohen	Laxalt	Stevens
Cranston	Levin	Stewart
Culver	Long	Stone
Danforth	Lugar	Thurmond
Dole	McClure	Tower
Domenici	Magnuson	Tsongas
Durenberger	Mathias	Wallop
Durkin	Matsunaga	Warner
Exon	Melcher	Williams
Ford	Morgan	Young
	Moynihan	Zorinsky

NOT VOTING—12

Baker	DeConcini	Kennedy
Baucus	Goldwater	Ribicoff
Bumpers	Hayakawa	Sasser
Cannon	Johnston	Talmadge

So Mr. HATFIELD's amendment (UP No. 787) was rejected.

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

Mr. LEAHY. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Is there any further amendment dealing with the subject of the MX?

UP AMENDMENT NO. 788

(Purpose: To insure that funds spent do not eliminate other basing modes for MX missiles)

Mr. STEVENS. Mr. President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Alaska (Mr. STEVENS) proposes an unprinted amendment numbered 788.

On page 29 after line 2 add new sentence: "None of the funds appropriated under this paragraph to continue development of the MX Missile may be used in a fashion which

would commit the U.S. to only one basing mode for the MX missile system.

Mr. STENNIS. Mr. President, will the Senator yield for a half-minute?

Mr. STEVENS. I am happy to yield.

Mr. STENNIS. Mr. President, may we have order?

The PRESIDING OFFICER. The Senator will suspend for a moment?

Will Members clear the aisles?

The Senator from Mississippi.

Mr. STENNIS. Mr. President, I hope Senators will be able to hear the Senator from Alaska. This amendment is very important. Quite a few have joined the preparation of the amendment. It covers a problem which has been hanging fire, and which has now been worked out. The Senator from North Dakota and I are supporting it.

Many of those who helped write the amendment will support it. We are going to ask for a rollcall vote.

Mr. STEVENS. Mr. President, I would like to add as cosponsors of this amendment the Senator from Oklahoma (Mr. BELLMON), the Senator from California (Mr. CRANSTON), the Senator from North Dakota (Mr. YOUNG), and the Senator from South Carolina (Mr. THURMOND). I would be happy to welcome any others.

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

Mr. STEVENS. Mr. President, I am today proposing an amendment which recognizes the need for the MX missile system while making clear that the currently suggested basing system should not be the only option we have.

There is widespread recognition of the need for a new intercontinental ballistic missile to bolster our strategic forces. The Minuteman force we developed in the early 1960's is becoming increasingly vulnerable to the threat from the Soviet Union because of increasing power and growing accuracy of the Soviet warheads. As their new MIRVed ICBM's, the SS 17's, SS 18's and SS 19's come into full deployment they will be capable of destroying up to 90 percent of our ICBM's in a first strike.

The essential element the MX can provide is a nuclear force which will survive a first attack and provide a credible retaliatory threat. This can be achieved by several basing modes.

But it is clear that the increasing vulnerability of our ICBM force demands a new missile system. I am a strong supporter of the MX missile and intend to do what I can to see that it is deployed promptly.

I do, however, have very serious doubts about the basing mode proposed by the President. The system is expensive, cumbersome, of questionable capability and presents serious environmental, social and legal implications which will undoubtedly lead to delay and additional expense. Frankly, it appears to be the worst of the available options and may very well be designed to fail.

This amendment makes it clear that the Congress does not consider this the best system. It is interesting to recall the President's decision to proceed with the MX missile was announced in late June, barely a week after the signing of the SALT Treaty in Vienna. But, no announcement was made on the basing mode.

The Air Force has long favored a vertical positioning mode which deployed the missiles in silos similar to the current Minuteman system. A major difference is the large number of firing points which do not contain missiles. The uncertainty as to which silos contained missiles would require the dedication of an unwisely large number of Soviet warheads to guarantee destruction of our ability to retaliate. Apparently, concern about possible verification problems and the Soviet reaction eliminated the vertical positioning system.

Other options which had been considered were a series of long trenches lined with railroad tracks. The missiles and launchers would shuttle along the tracks to hardened shelters where they can survive attack and be launched. An air mobile system calling for the deployment of the missiles in aircraft and requiring mid-air launches of the missiles was also rejected.

In place of these options the racetrack concept was decided upon and announced on September 7. This was after the Armed Services Committee was forced in its authorization bill to insist that the final basing system be detailed by October 1, because of administration delay.

I do not need to describe in detail the system here. It is a Rube Goldberg combination of the Transporter, Erector, Launcher vehicle (TEL), weighing over 600,000 pounds of mobile surveilance shield to hide the TEL, a system of mass simulators, shelter ports, and other undesigned and untested technology. Its workability is open to enormous question.

The system will establish 4,600 launch points in 200 separate racetracks for a total of 200 missiles. The entire system would cover 13,000–40,000 square miles, although when completed less than 100 square miles would be fenced off. Ten to twelve thousand construction workers will be needed. The total official estimated cost will be $33 billion and other estimates range up to $60–$120 billion, annual operating costs will be $440 million. This is an extraordinarily expensive proposition and, although we need an effective defense, we have learned the hard way that cost has scuttled much needed systems, such as the B–1 and ABM. This project, largely because of the basing mode selected, may simply be too expensive to complete.

When you are dealing with a project covering 13,000–40,000 square miles enormous environmental problems are presented. Thirty-three Federal laws govern land acquisition. The requirements of NEPA, the Clean Air Act, the Federal Water Pollution Control Act and all other environmental laws must be met. Enormous amounts of water in a very arid area are needed. The end result of the environmental and legal problems will undoubtedly be delay and higher costs. The experience of Alaskans on a project of great national security implications like the oil pipeline shows clearly what we can expect.

The social effects of the massive construction project on the people and communities of the affected areas are also enormous. Already opposition is beginning to surface. I am told the Governor of one of the affected Western States has requested enormous amounts of Federal impact money to help the local residents cope with the expected influx.

In short, the system is one that I, frankly, do not think we will ever see built. I say this, not because I do not think the missile should be deployed. It should, but this basing system is not the right system. That is why I supported the Hatfield amendment in the committee. But rather than terminate the entire MX program, I think we would do better to just keep our options open.

I wish I could provide a better alternative. The vertical positioning system long supported by the Air Force is significantly less expensive. The air mobile system would be more expensive but could avoid some of the environmental and social problems involved. Senator HATFIELD has suggested the Shallow Under Sea Missile system. This probably deserves further review.

A deep basing mode, employing significantly stronger and deeper silos, might also be practicable. There is no easy solution. We can avoid accepting by default this bad system if my amendment is adopted.

It merely requires that the other prospective options be kept available. Money cannot be spent which will commit us to only one basing mode. The design of the basing mode should allow the maximum flexibility so that the designs are adaptable to other possible modes. Any land acquired must be suitable for use by alternative basing modes. Research on the basing mode must be valuable for alternative basing modes. No other funds should be spent unless they will benefit alternative modes.

This does not have to lead to delay. The funds available can still be expended for research and development but the work should maximize the flexibility to insure the most reasonable system possible.

We must insure that the MX missile is built. A strong survivable ICBM force is needed and the MX can provide it. We need it soon. But, what we cannot do is accept any basing mode for the convenience or politics of the moment when that basing mode is going to be so expensive it will soon be abandoned, so complex and untested that it will never work, so prone to delay that it will come into service years after it is needed.

Our recent history is cluttered with examples of military systems which have been abandoned because of costs. The American people spent $5.7 billion over 10 years on the ABM system only to conclude it was too expensive. The total cost of the B–1 bomber was $6.3 billion—again the cost was cited as excessive and the system was abandoned. The implications of the B–1 decision on our strategic situation are becoming clearer every day. It was a mistake and we regret it.

We cannot afford to make a similar mistake with MX. The basing mode must provide us with adequate survivability but not a lot of gimmicks and untested ideas. The current proposed racetrack

system is not the best and we need to make it clear that we must keep our options open. I ask the Senate to accept this amendment, which will simply state that the moneys involved in this bill will be made available but they cannot be used to commit the United States to only one basing mode for the MX system.

Mr. STENNIS. Mr. President, I shall try not to repeat, but this is a matter that has been discussed pro and con in the authorization committees, in the Appropriations Committees, and on the floor, in the corridors, and in the press: the final basing mode that will be adopted for housing this new missile and launching pad, and so forth. Here is all this amendment does: It is in the nature of a limitation. It does not put any limitation on the amount of money, which is a total of $670 million, but it provides that none of this money may be used in a fashion which would commit the United States to only one basing mode for the MX missile system. That means just exactly what it says, a limitation. There will be no commitment, but it will still be an open question so far as the legislative branch of the Government is concerned.

There is a lot of interest in it; there is difference of opinion about it. The Senator from Alaska has worked on this language carefully and he usually has something that has a meaning.

Reference is made here to the different services. I am not interested in trying to protect or commit to one service or anything of that kind. What we want is results.

The Senator from North Dakota and I have been exposed to the problem all year and we are glad to join in this amendment. This is not being done behind the back of the Department of Defense. They have been apprised of the fact that we had to have something that addressed this problem. They have been consulted about it. So we agree. And so do several others.

Mr. President, I yield such time as he may use to the Senator from North Dakota.

Mr. YOUNG. Mr. President, I shall make my remarks very short.

I cannot help but feel that the Defense Department was quite limited in the methods of basing the MX missiles. If they had a free choice, which I think they will have in the not-too-distant future, they, themselves, will probably select a different mode. This is the most expensive one and I doubt it is the kind we can sell to the American public.

There are other modes of deploying these missiles that should be studied and, under this amendment, they can be.

I am very happy to support it because it gives the Pentagon leeway and gives Congress the leeway that it should have. We can make the final decision a year or two from now as to just how these missiles should be deployed.

Mr. BELLMON. Mr. President, will the Senator yield me 10 minutes?

Mr. STEVENS. I yield such time as he may need to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, at the outset, I want to make it clear that I favor the development and deployment of a mobile ICBM. In committee, I supported the Hatfield amendment. That was the only opportunity we had in committee to cast a vote against the so-called racetrack system. That is the controversy that I believe the Senate needs to know about and address itself to.

It is not that we are for or against the MX, but we are trying to find a way to deploy the MX in a manner that makes some sense. I do not support the Hatfield option of putting the ICBM's in small coastal submarines or any other basing mode at this time.

I voted against MX appropriations because I believe that the basing mode that has been selected by this administration is yet another example of schizophrenia in the conduct of our foreign and defense policies.

Here is the problem, Mr. President: The foreign policy planners want SALT II; there can be no question about that. The military planners want a land-based ICBM force that is essentially invulnerable to a first strike.

So, the administration, in an attempt to reconcile the irreconcilable, has proposed to deploy the MX in a horizontal structure, racetrack, dash-capable, shell game, basing mode.

Mr. President, the only reason the administration has decided to deploy our next ICBM in this costly, wasteful, inefficient, Rube Goldberg manner is that SALT II—as it is now written—prohibits a more rational basing mode. I know that; the administration knows it. The Russians know it. The Russians have told us, flat out, that a vertical silo "shell game" basing mode, which would be vastly cheaper than the mode the administration has selected, would be a violation, in the Russian mind, of the SALT II document that President Carter has signed.

But witness after witness before the Foreign Relations Committee and before the Armed Services Committee, including the Secretary of Defense and others seeking Senate ratification of SALT II, have testified that we will have an increasingly vulnerable land-based ICBM system by the middle 1980's and that we have got to have a new mobile ICBM system to protect us. They have all said, "We have got to have MX."

Those witnesses and other conversations I have had have convinced me that we will have an ICBM vulnerability problem and that we will need to build the MX.

Now, if you asked our military planners to come up with the most efficient, cost-effective, invulnerable basing mode for our new ICBM, I wonder if anyone believes that, left to their own devices and left free to make their own decisions, these military planners would come up with this thing that looks like the boondoggle of the ages, that has been presented to Congress by the administration, which we are about to fund in this bill?

Mr. President, if we need a truly mobile ICBM for national defense, and SALT II, as now written, prohibits us from deploying such a system in a rational manner, then I say we must either rewrite SALT II, or reject it.

I wonder, Mr. President, in all seriousness, if the way this basing mode has been presented to us was not deliberately chosen so as to make the system so outrageous and expensive that we will finally wind up rejecting it and, therefore, not build it at all.

This has happened, as Senator STEVENS said, with some other defense activities in recent years.

I wonder if the dash capability was not chosen so as to make the system outrageously expensive, and hence subject to being rejected by Congress?

Mr. President; I wonder if this administration truly intends to deploy a mobile ICBM system to redress the vulnerability of our forces in the mid-1980's. President Carter insists that he does intend to, and will. But he also insists that he has got to have SALT II as written.

I do not believe this kind of marriage will work. It seems to me that this SALT–MX marriage was a shotgun wedding. I do not think it was made in heaven. I do not think it will last. I do not think we ought to sanctify it.

Mr. President, I support the Stevens amendment because I feel no money should be spent for any aspect of the horizontal structure, dash-capable, racetrack, shell-game MX basing mode. I hope that all the money we appropriate is spent for development of the new ICBM, itself. I would like to see language in the appropriation bill to make those wishes clear. It is for this reason that I support and cosponsor the Stevens amendment.

I intend by my vote that all the money we appropriated be spent in ways that will not lock us into any basing system at this time.

I hope the language in the Stevens amendment makes this abundantly clear and that there will be no question of what we are talking about here, that it is not locking us in, in any way, so that later the argument can be made that we have to go ahead with the racetrack or we will lose time or the investment or a substantial amount of taxpayers' money.

Mr. President, I support and am a cosponsor of Senator STEVENS' amendment. In the past few days I have learned a great deal more about the proposed MX basing system—the so-called racetrack—and the alternative multiple protective structure basing system.

Frankly, I am appalled by the cost and complexity of the racetrack system. It appears to me that we are being forced into an unwieldy and horribly expensive basing system totally because of Soviet objections related to the SALT II treaty, as I have already said.

In essence we are permitting the Soviets to use SALT to force us into a basing system which is at least second best and which I have very grave doubts will ever be built, or the military would recommend if they could come out and speak.

I support the MX missile concept, and I recognize the need to redress the vulnerability of our land-based ICBM's that will develop shortly.

But I do not favor any funding action which implicitly or explicitly locks us into the racetrack mode. There are alternatives which are safer, harder, and

more cost effective. Authorities whom I trust have assured me the racetrack is not the most preferable system and that SALT verification concerns have led to its late and hurried consideration. This is hardly a responsible way to run a force planning exercise. We are in danger of building an MX which serves Russians not Americans. Deployment of the best possible systems which can contribute most to our national security should be our goal on this issue, not SALT conditions and not Russian blessings.

For this reason I support this effort to insure the United States is not locked into the racetrack MX leasing system.

Mr. President, I am confident we will do the right thing on the Stevens amendment to avoid locking us into a basing mode that is not in the national interest.

Mr. President, this is an issue which I believe is one of the most important the Senate has faced in a long time. I believe that determining the best way to deploy the MX is a matter of national priority and can contribute an enormous amount to the national security.

It may offer us hopes of ending the arms race, but we must make the decision in the most rational way possible.

I believe sincerely that the Stevens amendment will give us the opportunity to do that.

Mr. President, there is a letter the chairman of the Armed Services Committee has had printed in the RECORD from the Secretary of Defense which mentions $55 million as the amount in this bill that is earmarked or intended to be spent for the racetrack basing concept.

But I have an Air Force factsheet. I ask the distinguished Senator from Alaska if he knows what these figures mean?

According to the factsheet, it lists $97.4 million that is in this bill to be used for mechanical systems to develop the following components:

Transporter-erector-launcher, mobile surveillance shield, shelter port removal vehicle, provisions for mass simulators, preservation of location uncertainty countermeasures, shelter closure system, transportation and handling equipment, and environmental control system.

It sounds like that is all related to the basing mode of the racetrack.

I do not think what we are talking about here is just $55 million in the Secretary's letter, but we are talking about any money in this bill that might commit us to the racetrack system.

Also a $48.4 million figure intended to be spent for various kinds of civil engineering undertakings; and another amount of $70.6 million for engineering and general support.

Mr. President, I ask the Senator from Alaska if he intends his amendment applies just to the $55 million or to all funds in this bill that might lock us into the racetrack mode?

Mr. STEVENS. I say to the Senator from Oklahoma that the amendment is very specific that none of the funds appropriated in this program may be used in a fashion to permit the use of only one basing mode.

I have not examined in detail the individual items he has mentioned. I did see the letter he has mentioned that the chairman has had printed in the RECORD.

But it is my understanding that if any of those individual items could be used only in one basing mode, they would be precluded from being funded by the moneys in this bill.

Mr. BELLMON. I thank my friend.

Mr. STENNIS. Will the Senator yield?

Mr. STEVENS. Yes.

Mr. STENNIS. Mr. President, with reference to this $55 million, as I understood, there was a calculation there, should the Congress go to the other method, or the perpendicular method, there would be $55 million worth of work that had to be done, approximately that amount, that could not be directly used.

But we are not excluding that $55 million. It is left in the bill and, if it comes out that way, it will just be a price that we pay for utilizing the time.

Let me ask the Senator from Alaska, is that not approximately correct, with reference to our understanding?

Mr. STEVENS. That is correct.

However, I did not compute the $55 million. The Secretary did.

The Senator from Oklahoma's question is whether in any of these other items there could be moneys that might commit us to one basing mode.

That decision has to be made by the Secretary. We are telling him not to commit us to one basing mode. He has told us his understanding is that there is $55 million. My response to the Senator from Oklahoma is that there may be more or less.

But the direction is clear, do not commit us to only one basing mode.

Mr. STENNIS. Yes.

There is no committal involved, even though they may spend that $55 million.

Mr. STEVENS. That is right.

But not inhibited to spending. But we say spend it in a way to utilize it in more than one mode.

Mr. STENNIS. I do not know it can all be utilized in more than one mode.

Mr. STEVENS. No. Spend it in a way that will not commit us to one mode.

Mr. STENNIS. That is right. Agreed on no committal. If the money was spent, there would be no committal to that one mode.

I think that is a major point we got together on.

Mr. STEVENS. If I can yield to the Senator from Washington, I state to my friend that several Senators would appreciate it if we could vote at 2 o'clock, because they have schedules to leave this afternoon, it being a Friday on a long weekend. I would like to accommodate them, if possible.

Mr. STENNIS. We will do the best we can. I am ready to vote now. But I do not want to cut off anyone.

Mr. JACKSON. Mr. President, I have just one short question.

This is a followup, in fact, I think it is a parallel question, to one that has already been asked in connection with the Stevens amendment. I want to direct this to the author of the amendment.

In the interest of protecting our options, I hope that the Secretary of Defense will make resources and personnel available to continue exploring and studying other options. That is the key thing relating to the use of the funds with which the Senator's amendment is concerned.

I understand from the Air Force that within the budget provided for the advanced ballistic reentry systems (ABRES) program there are sufficient funds and people available for this purpose.

I wanted to ask the Senator if that is his general understanding?

Mr. STEVENS. It is my understanding. I think it is consistent with discussions we have had with the chairman that they are not to use these funds so as to commit us to one mode, and any other way possible they can find us a better mode for the use of these funds, they should do so without delay.

Mr. JACKSON. I think that answers it.

Mr. STENNIS. I did not get into the problem here of committing certain personnel or certain avenues.

Mr. STEVENS. That is correct.

Mr. STENNIS. I did not understand that.

Mr. JACKSON. But it is not foreclosed.

Mr. STENNIS. That is right, it is not foreclosed.

Mr. JACKSON. The point I think we all are talking about is that there are serious concerns about any one basing mode approach.

Mr. STENNIS. That is right.

Mr. JACKSON. Specifically, a number of us have expressed our concern about the so-called racetrack system. Others may express it in relation to something else.

I think that what all of us in the Senate are saying, loud and clear, is that we had better make sure that we have a basing mode that will provide the maximum degree of survivability at the lowest possible cost—cost effectiveness—and be able to do it as expeditiously and in as timely a fashion as is possible. That is all I am saying.

I do not have in mind an exact, specific basing system; but I am raising serious questions about what appears to be the administration's decision to go ahead on the so-called racetrack system.

As I see it, the racetrack system does portend serious trouble, both as to its survivability and in terms of cost. I think we have to nail down those things.

I believe that the Stevens amendment gives to the administration flexibility so that they are not bound and tied to any one specific basing mode. I commend the Senator from Alaska.

Mr. STENNIS. I was concerned about the loss of time, whichever way this thing went. I did not see that we had any time to lose on this basing mode, and I was willing to spend $55 million even though that might have to be abandoned, because time was worth so much to us—1 year or 2 years. I think we are all together.

Mr. JACKSON. I say to the Chairman that, in that connection, I hope the Department of Defense will place heavy emphasis on expediting the research and

development, and the moving into production on the MX missile itself.

Mr. STENNIS. Yes. I heartily agree.

Mr. JACKSON. I feel that that is a critical part of the total budget item we are considering.

I thank both Senators.

Mr. STEVENS. I say to the Senator from Washington that we are totally in agreement on that. We do not seek to delay. We seek to accelerate it.

Mr. BELLMON. Mr. President, will the Senator from Alaska yield for a question?

Mr. STEVENS. I yield.

Mr. BELLMON. Is it the intent of this amendment that the Defense Department not come in here a year from now and say that they have proceeded with the research on the basing mode, on one mode over another, so that if we, Congress, decide that the administration made a mistake, they will be able to say that changing modes will result in a lengthy delay?

What we are trying to accomplish is that all modes be moved ahead equally, so that whenever a decision is made as to which mode is going to be used, we can proceed without loss of time or loss of money.

Mr. STEVENS. The priorities we are seeking are in terms of the missile itself. We are warning them, as they commit funds under this bill, not to commit them so as to bind it to one mode.

Mr. BELLMON. Or to give one mode an advantage over the other as to time or cost.

Mr. STEVENS. I believe that is the intent, also.

Mr. President, I have had no further request for time. Unless there is some indication that someone wishes time, I am prepared to yield back the remainder of my time and meet the request that we vote by 2 p.m.

I thank Senator STENNIS and Senator YOUNG for their consideration. I appreciate the advice of Senator JACKSON, Senator TOWER, Senator BELLMON, Senator SCHMITT, and Senator CRANSTON.

If the Senator is willing to yield back his time, I will yield back mine.

Mr. STENNIS. Mr. President, we yield back the time on our side.

Mr. HATCH. Mr. President, I support the Stevens amendment and I believe the Stevens amendment will not delay the MX.

This administration has told us again and again that the MX program is an essential precondition to the SALT treaty, and as many newspaper columnists have pointed out, this administration is not composed of hawks on the national defense issue by any means. During the debate on the SALT treaty, I will be proposing a reservation that specifically links progress in the MX program to our remaining bound by the treaty. I will read it today as a contribution to the debate on the need for flexibility without delay on the MX basing mode.

Let me add that many of us are concerned at the casual attitude the Carter administration seems to be taking to the MX program. This massive undertaking which will cost from $30 to $50 billion has not received major Presidential endorsement in press conferences. It has not received any special attention in the Defense Department. It has not been called a "Manhattan Project" like the development of the atom bomb during World War II. It has not been the subject of a Blue Ribbon Commission set up by the White House. It has not been considered by a panel of "wise men" from previous administrations. It has not even been specifically approved in the SALT agreements. How then do the President and the Secretary of Defense expect us to believe that they are really going to build it? This is a subject we will return to during the SALT debate.

The reservation I shall propose reads as follows:

SALT II TREATY—EX. Y, 96-1

(Purpose: To provide for withdrawal from the Treaty if the MX program does not remain on schedule)

96th Congress, 1st session, as in Executive Session, Senate of the United States.

TREATY BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS ON THE LIMITATION OF STRATEGIC OFFENSIVE ARMS

Ordered to be printed and to lie on the table.

Intended to be proposed by Mr. Hatch to the resolution of ratification of the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Arms, done at Vienna on June 18, 1979, viz:

Before the period at the end of the resolution of ratification, insert a comma and the following: "subject to the reservations, which are to be made a part of the instrument of ratification, that:

"(1) The program schedule of the MX is a material fact in the consideration of this Treaty, and, because of assurances by the President that this MX program schedule will be strictly implemented, any significant change from that schedule shall be considered by the Senate in executive session.

"(2) If the Senate shall not accept proposed delays in the MX program during the life of this Treaty by a vote of two-thirds of the Senators present, the President shall give notice to the Union of Soviet Socialist Republics that extraordinary events have occurred as described in Article XIX, paragraph (3) of the Treaty, and the President will carry out the procedures of Article XIX of the Treaty necessary to withdraw the United States of America from the Treaty."

Mr. HATCH. Mr. President, I ask unanimous consent to have printed in the RECORD a table entitled "MX System Schedule."

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

MX SYSTEM SCHEDULE

[Estimated by Defense Department]

	Calendar year—					
	1979	1980	1981	1982	1983	1984
Missile development	FSED contract			1st flight		
Basing development		FSED contract				
Test facilities		FSED contract				
Flight test					20 missile flights	
Missile production				Materials auth	Production	Production.
Basing production				Materials auth	Production	Production.
Facilities/deployment			Main base, roads and utilities.	Site prep	Shelter construction	Shelter construction.

Mr. THURMOND. Mr. President, I am pleased to be a sponsor of the Stevens amendment, because I feel Congress should study the MX basing mode in view of the fact the administration went against the long-held Air Force recommendation in favor of the vertical shelter basing mode.

There is strong reason to believe the vertical shelter is more survivable, less costly, and could be deployed sooner with less environmental impact.

The key provision of this amendment is that the Defense Department could continue looking at other basing modes while moving forward with this highly important program.

I urge the Senate to accept this amendment.

Mr. STEVENS. Mr. President, the request has been made that we ask for the yeas and nays, and I do ask for the yeas and nays.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. BAUCUS), the Senator from Arkansas (Mr. BUMPERS), the Senator from Nevada (Mr. CANNON), the Senator from Arizona (Mr. DECONCINI), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Georgia (Mr. TALMADGE), the Senator from Illinois (Mr. STEVENSON), and the Senator from Connecticut (Mr. RIBICOFF) are necessarily absent.

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

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), and the Senator from California (Mr. HAYAKAWA) are necessarily absent.

The PRESIDING OFFICER (Mr. BRADLEY). Are there other Senators in

the Chamber wishing to vote who have not done so?

The result was announced—yeas 89, nays 0, as follows:

[Rollcall Vote No. 398 Leg.]

YEAS—89

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

NAYS—0

NOT VOTING—11

Baker	DeConcini	Ribicoff
Baucus	Goldwater	Stevenson
Bumpers	Hayakawa	Talmadge
Cannon	Kennedy	

So Mr. STEVENS' amendment (UP No. 788) was agreed to.

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

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

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Are there other amendments on the MX missile?

Mr. STENNIS. Mr. President, the next item I hope will be taken up is regarding the pay raise for the military personnel.

We have a time limitation, Mr. President, if I may say that. May we have quiet, please. This may be of interest now. There is a time limitation on this amendment which is 3 hours equally divided, but we have discussed it and I think we can manage it well enough to yield back some of that time, perhaps. So I hope the Senator will bring up his amendment.

AMENDMENT NO. 571

(Purpose: To provide that the comparability pay of members of uniformed services shall be determined without regard to the President's alternative pay plan)

Mr. ARMSTRONG. Mr. President, I appreciate the observations of the distinguished chairman. It will be my purpose to move expeditiously. I now call up amendment No. 571.

The PRESIDING OFFICER. The clerk will report.

The second assistant legislative clerk read as follows:

The Senator from Colorado (Mr. ARMSTRONG), for himself and others, proposes an amendment numbered 571.

Mr. ARMSTRONG. Mr. President, I ask unanimous consent to dispense with further reading of the amendment, and I would undertake a brief explanation of the purpose of the pending amendment.

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

The amendment is as follows:

At the end of title VII, insert the following new section:

SEC. . (a) Except as provided in subsection (b), funds made available under this Act under the heading "MILITARY PERSONNEL" shall be used to pay the salary or pay of any office or position with respect to which an adjustment is made during fiscal year 1980 under section 1009 of title 37, United States Code, at the rate of salary or pay for such office or position which would have been payable by reason of such adjustment if the President had not submitted an alternative pay plan under section 5305(c) of title 5, United States Code, with respect to such adjustment.

(b) The provisions of subsection (a) shall not apply to the salary or pay of any office or position the rate for which is limited by the provisions of the second paragraph of section 101(c) of the joint resolution entitled "Joint Resolution making continuing appropriations for the fiscal year 1980, and for other purposes", approved October 12, 1979.

Mr. ARMSTRONG. Mr. President and Members of the Senate, this amendment addresses itself to an issue which, in my judgment, is vital to the preservation of the all volunteer force and which, if adopted, will represent, in my view, the single most important step we can take this year to strengthen our national defense.

I am delighted to be associated in this effort with the distinguished Senator from Hawaii (Mr. MATSUNAGA), who has long been identified with the volunteer army and, indeed, who, along with the late Bill Steiger, is one of the fathers of the all volunteer concept.

The purpose of the Armstrong-Matsunaga amendment is to lift the cap which the administration has imposed upon military pay. Our amendment would simply lift military pay from the 7 percent cap proposed by the President to the 10.41 percent which the President's pay agent has certified to be required to meet the comparability standards prescribed by law.

Mr. President, at this time I ask unanimous consent that the following Senators be added as cosponsors to the Armstrong-Matsunaga amendment: Senators BELLMON, BOSCHWITZ, CHAFEE, COHEN, DOLE, DOMENICI, DURENBERGER, DURKIN, HART, HATCH, HATFIELD, HAYAKAWA, HUMPHREY, KASSEBAUM, LEAHY, LUGAR, MCGOVERN, PRESSLER, SCHMITT, SIMPSON, STONE, WALLOP, and WARNER.

I again renew my request, Mr. President, my unanimous-consent request, to have these Senators added as cosponsors of the amendment.

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

Mr. ARMSTRONG. It is very encouraging that so many distinguished Senators are united in the belief that we must provide a genuine cost-of-living increase to the men and women who defend our country. I think it is indicative of the seriousness of the problem.

Let there be no mistake about the seriousness of the problem, and that this is an issue of the utmost significance to our country. The chairman of the Joint Chiefs of Staff and each of the service chiefs have identified manpower as either the most serious, or one of the most serious problems confronting our national security as we enter the perilous decade of the 1980's.

This year, for the first time ever, all of the services failed to meet their recruiting goals. In the first 10 months of the 1979 fiscal year, the Army experienced a shortfall of 17.4 percent in its recruiting goal. The Marine Corps, Navy, and Air Force recruited only 93, 94, and 96 percent of their respective goals in that same period. The recent highly publicized recruiting scandals indicate the Army's recruiting problems may be even more severe than these statistics alone indicate.

The Armed Forces are also discovering that a steadily increasing percentage of those they do recruit are unsuitable for military service, and must be discharged before their enlistments expire.

Compounding the problem is that the learning skills of those who are attracted to military service, and who do serve out their terms of enlistment, is declining. Nearly 50 percent of all male volunteers test mentally in the lower half of the U.S. population, compared to 32 percent in 1974. Army training manuals are being rewritten downward from an 11th to an 8th grade reading level. This is a very serious development in an Army where a corporal who commands a tank is responsible for a more complex piece of machinery than the fighter planes college graduates flew during World War II.

But the most serious personnel problem in the Armed Forces is the declining rate of reenlistments. The shortages are especially acute in the middle noncommissioned officer and officer grades, the highly trained men and women who have the skills and experience necessary to operate the complex weapons in our modern, technology-centered Armed Forces. The Navy lacks 17,000 skilled petty officers with 9 to 16 years of service, and is suffering shortages of officers trained as nuclear submariners, pilots, and doctors. The Army is short more than 46,000 NCO's, the Air Force more than 3,000.

These shortages are compounded by the fact that there is no lateral entry into the Armed Forces. If a fighter squadron commander or a submariner leaves the service, the Navy or Air Force cannot go into the civilian job market and hire someone to replace him. It takes years, and many thousands of dollars, to train another to take his place.

When one takes a look at what has happened to military pay and benefits since the All Volunteer Force was created it is not hard to understand why the manpower shortages have developed.

Base pay for a recruit has fallen to 83 percent of the minimum wage.

Base pay has declined, relative to inflation, every year since the All-Volunteer Force was created.

Regular military compensation—base pay plus allowances for housing and subsistence—has declined more than 20 percent for each pay grade since 1972.

The average salary for enlisted person-

nel, including all allowances, is $9,900. I might point out that the Bureau of Labor Statistics says that the minimum necessary to maintain a "lower standard of living" for a family of four is $11,546, while the enlisted personnel average nearly $2,000 a year less than that amount; 100,000 military families are eligible for food stamps; a janitor on the union scale earns almost as much as a chief petty officer with 17 years of service.

The truth is that many patriotic, qualified, motivated men and women are discovering that they, literally, cannot afford to serve their country. I do not think it is surprising that so many of them are leaving the service. The wonder is that, considering the way they have been treated and considering the signals transmitted by Congress that so many are staying.

It should be clear to all of us that if we do not stop this erosion of pay and benefits now, restoration of the military draft will be all but inevitable.

I hope this will not happen. To restore the draft for any reason would be unfortunate. But to restore the draft simply because we are unwilling to pay the men and women who defend our country a living wage would be unconscionable, in my opinion.

But even restoration of the draft would not solve the most serious element of the manpower problem—the problem of retention. A draft would prevent a shortage of privates, and the existence of a draft likely would prevent a shortage of second lieutenants. But we cannot draft corporals and sergeants, captains and majors. We can solve the retention problem only by paying our servicemen a living wage.

So these are some of the reasons why Senator MATSUNAGA and I, and a number of our colleagues, have joined in bringing this amendment to the floor.

I want to add just one footnote to this discussion, which is so timely today. At this very instant there are 13 marines among those who have been taken hostage in our Embassy in Iran. I am advised that, including base pay and foreign duty pay, they are receiving the following amounts: four of them are receiving $7,250 a year; eight of them are receiving $8,200 a year; one of them just over $12,000. Only one of the 13 who are defending our Embassy and who have been held hostage—and who are not isolated cases but, indeed, are symbolic of what is wrong in the pay scale in the military—only 1 out of the 13 is paid at what the Bureau of Labor Statistics says is necessary to maintain what they describe as a lower standard of living.

In the name of national defense, in the name of the all-volunteer service, and in the name of justice to these dedicated men and women, I urge the adoption of this amendment.

Mr. MATSUNAGA addressed the Chair.

The PRESIDING OFFICER (Mr. MUSKIE). Who yields time?

Mr. ARMSTRONG. I yield such time as he may desire to the Senator from Hawaii.

Mr. MATSUNAGA. I thank the Senator from Colorado for yielding.

Mr. President, as a cosponsor, I rise in strong support of the amendment offered by my distinguished colleague from Colorado, Senator ARMSTRONG, which will lift the current pay increase ceiling for military personnel and allow them to receive a cost-of-living increase which will provide them with a hedge against inflation and greater comparability with salary levels of private sector employees.

Mr. President, as the Senator from Colorado has already indicated, the Armstrong-Matsunaga amendment would give the military services the authority to provide servicemen and women with a cost-of-living increase for fiscal year 1980 of 10.41 percent, which is the level of increase that the President's Council on Federal Pay determined earlier this year as necessary to offset inflation and achieve greater comparability with the private sector. In effect, our amendment will authorize, for the personnel of the uniformed services, an additional pay adjustment for this fiscal year of 3.41 percent, over and above the 7 percent pay adjustment they received on October 1, 1979.

Mr. President, the purpose of our amendment is this: To reverse the continuing erosion of military compensation that the Department of Defense has determined to be the primary cause of the manpower shortage problem facing the All-Volunteer Force today. We strongly believe that our failure to do what is of paramount importance to maintaining the All-Volunteer Force, that is, to maintain pay comparability, will lead in the very near future to the collapse of the all-volunteer system and the restoration of the conscription force. We are convinced that this contingency can be avoided if the Congress acts now to bring military pay back to levels which will once again allow the military services to compete reasonably and effectively with private industry for an adequate share of the national labor pool. Our amendment, Mr. President, represents the first step toward the goal of reachieving military pay comparability.

Mr. President, as my colleagues know, the Congress began, in 1971 and 1972, to build the framework for the All-Volunteer Force by enacting legislation introduced by the late Congressman William Steiger and myself which brought military pay literally out of the "Dark Ages," to levels which provided servicemen and women with a decent standard of living and relative comparability with their private sector counterparts. At that time, the Congress was fully cognizant of the fact that pay comparability was the means by which the military services, under the volunteer system, would be able to meet their recruiting objectives consistently for both the Active and Reserve Forces. It was clearly understood, at that time, that pay comparability was, indeed, the key to the success of the All-Volunteer Force. By the time the AVF was fully implemented, which was in mid-1973, military pay was at a level which the military considered imperative in terms of their recruitment and retention efforts.

Unfortunately, Mr. President, after the Congress upgraded military compensation early in the life of the All-Volunteer Force, little attention was given to it during the intervening years. As a result, military compensation has eroded throughout the decade to levels that are almost as unacceptable as those which existed prior to the establishment of the AVF.

Recent manpower studies made by the Defense Department and the military services have concluded that since 1972, there has been a general decline in purchasing power for military personnel of 7.4 percent. Certain grades of personnel have lost anywhere from 8 to 15 percent in purchasing power during the past 6 years, and are now nearly 20 percent behind civilians employed by the Department of Defense.

Looking at the rise in the Consumer Price Index during the volunteer era, relative to increases in military pay over the same period, it is clear that our military servicemen and their families have suffered terribly from skyrocketing inflation. From 1972 to the present, the CPI rose approximately 74.2 percent—taking into account an estimated 13.9-percent increase in 1979—while military pay increased by only 56.2 percent. This, of course, represents a CPI-military pay differential of over 18 percent. I might point out, at this point, that even with the full comparability increase provided in the Armstrong-Matsunaga amendment for fiscal year 1980, members of the Armed Forces will still remain some 18 percent behind the inflationary curve.

Overall, there has been a real decline of about 12 percent or more in regular military compensation for each pay grade since 1972. At this point in time, the average salary for enlisted men, including base pay, all allowances, miscellaneous payments, and moving expenses, is $9,900. This can be compared to an income of $11,546, which the Bureau of Labor Statistics estimates to be the level of income required for a family of four to maintain a "lower standard of living" in this country today.

I am reminded, Mr. President, of testimony that was delivered by the Secretary of Defense in 1970 concerning the status of military manpower before the establishment of the All-Volunteer Force. I was appalled, as were many other Members of Congress, that the cumulative pay of lower ranking military personnel was, in 1970, nearly 50 percent lower than their civilian counterparts. As a result of this unbelievably low pay, approximately 50,000 military families had incomes at or below the poverty level and were eligible for public welfare assistance. Indeed, the upgrading of military compensation in accordance with the All-Volunteer concept was supposed to have ended that unacceptable state of affairs. However, 6 years after the establishment of the All-Volunteer Force, the Department of Defense is reporting that

basic pay for beginning recruits has fallen to 17 percent below the minimum wage paid in this country, and that more than 100,000 military families are eligible for public welfare assistance, and many of them are already actively using food stamps to make ends meet.

Mr. President, I ask unanimous consent that a chart comparing changes in purchasing power and pay between the military and the private sector, and a chart comparing E–1 basic pay with the Federal minimum wage, be included in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. MATSUNAGA. Needless to say, Mr. President, the practical effect of this considerable pay erosion on the All-Volunteer Force can be seen very clearly by examining recent reports of recruiting shortfalls being experienced by all of the military services in both the Active and Reserve Forces. It is my understanding that for fiscal year 1979, all of the military services, for the first time, missed their recruiting goals. The Department of Defense believes that it must recruit 18 percent more people in 1980 to make up for the shortfall in 1979, with the Army needing 33 percent more men and 36 percent more women. Accordingly, the Department has expressed very serious concern about these shortfalls, which represent the poorest recruitment performances since the All-Volunteer Force was established in 1973. In response to this situation, the DOD has undertaken a study of the adequacy of military compensation in terms of its effectiveness relative to recruiting and retention. I am informed that this study, which is being conducted under the auspices of Assistant Secretary of Defense for Manpower, Reserve Affairs, and Logistics, Mr. Robert Pirie, is very near completion.

In a recent interview in the New York Times, Assistant Secretary Pirie indicated that two of the main reasons for recent AVF recruiting problems were military compensation which has declined to levels lower than that in comparable civilian jobs, and the unfavorable public image of military life today. Mr. Pirie said that in addition to seeking additional funds for the military's recruiting and advertising budgets, the DOD is considering asking the Congress to authorize an increase in pay levels for certain military personnel, and increases in certain benefits accorded to servicemen, such as housing allowances and travel reimbursements. Assistant Secretary Pirie believes that military pay increases are necessary in order to attract more enlistments and retain more skilled personnel already on duty.

It should be pointed out, Mr. President, that the manpower report released by the Department of Defense last December found that analysis of enlistment data show that volunteer enlistments during the period of fiscal years 1970 through 1977 have been influenced significantly by military pay levels as compared to civilian pay. The report explained that a 10-percent increase in first-term military pay would bring a 5- to 10-percent increase in high quality enlistments. Similarly, the report said, allowing military pay to decline relative to civilian pay would bring proportionate declines in enlistments.

Mr. President, in view of these circumstances, I ask my colleagues this: How can the Congress possibly expect the All-Volunteer Force to recruit and retain quality personnel when eroding military pay is making it increasingly difficult for qualified, motivated, and patriotic young men and women to choose the military for a career? Certainly, Mr. President, the answer to this question is that it is unrealistic to expect the AVF to meet its manpower requirements in terms of numbers and in terms of quality of enlistments without pay comparability.

The fact that it has done reasonably well in recruiting over the last 6 years can be attributed to the fact that the military has tried diligently to make the volunteer system work. In my judgment, they have pulled out all the stops to save the AVF because they believe that it can provide the quantity, and, most importantly, the quality, of personnel needed to meet our present and future manpower demands. However, it must be emphasized that this can only be achieved if the Congress keeps faith with the basic principle behind the All-Volunteer Force—pay comparability.

As I have said, Mr. President, that is precisely our intention in offering this amendment to raise military pay by 3.41 percent. In the Armstrong-Matsunaga amendment, the Congress has the opportunity to make the All-Volunteer Force work by taking the first steps toward reachieving and maintaining pay comparability for our military personnel. It is clear to this Senator that such action would help to improve our recruitment efforts by allowing the military to compete with private industry, help to increase our retention of skilled enlisted personnel by making a career in the military a more attractive prospect, and, in general, help to solve the nagging manpower problems in both the Active and Reserve Forces which have led some Members of Congress to call for a return to the draft.

Now, there are those, Mr. President, who will oppose the Armstrong-Matsunaga amendment on the grounds that the manpower costs of the All-Volunteer Force already constitute too large a part of our Nation's overall defense expenditures. They will say that AVF manpower costs are not being borne by increased general taxes or reduced social spending, but instead are taken from other parts of the defense budget, such as weapons procurement. For all intents and purposes, it can be said that they will be advocating the dismantling of the All-Volunteer Force and the reinstatement of a less costly draft system.

Mr. President, I just cannot understand and accept this type of reasoning. First, with respect to the draft, it should be noted that the Department of Defense, in its recent manpower study, found that manpower cost-savings anticipated from a return to the draft have been overstated by critics of the all-volunteer force. The DOD report said that while manpower costs have risen from 46 percent of the defense budget in fiscal year 1968, to around 60 percent during the era of the All-Volunteer Force, only a fraction of the increase would be reversed by returning to conscription. Considering that the career force has always been manned by volunteers, and the unlikelihood of across-the-board pay reductions, the only savings that the military could anticipate would be those associated with recruiting, paying, and training the first-term members. And, according to the DOD report, even those savings would be offset by the cost of operating the conscription system.

As far as I am concerned, the cost-savings associated with a return to the draft would not be substantial and, by no means, provides a sufficient reason for abandoning the AVF.

And in the name of reason, Mr. President, I just cannot understand how the Senate can justify spending $2 billion on a new nuclear aircraft carrier and increase the overall defense budget by 5 percent, and then not approve the Armstrong-Matsunaga amendment which proposes to spend a mere $632 million to help the All-Volunteer Force meet its manpower needs.

The fact of the matter is, Mr. President, that the All-Volunteer Force no longer has to be the weakest link in our vital chain of national security. By approving the Armstrong-Matsunaga amendment, the Congress can begin to reverse the military pay erosion which has undermined the All-Volunteer Force and deprived it of a fair opportunity to be successful. We can take the first step toward reachieving and maintaining pay comparability for military personnel, which the Senator from Colorado and I believe will insure the future of the All-Volunteer Force.

Mr. President, I, therefore, urge my colleagues to give thoughtful and favorable consideration to the Armstrong-Matsunaga amendment.

EXHIBIT 1

WAGE

Fiscal year	Basic pay	Hourly wage [1]	Minimum wage [2]	Percentage
1970	115.20	0.66	1.60	41.5
1971	134.40	.78	1.60	48.5
1972	288.00	1.66	1.60	103.8
1973	307.20	1.77	1.60	110.8
1974	326.10	1.88	2.00	94.1
1975	344.10	1.99	2.10	94.5
1976	361.20	2.08	2.30	90.6
1977	374.40	2.16	2.30	93.9
1978	397.50	2.29	2.65	86.5
1979	419.40	2.42	2.90	83.4
1980	448.80	2.59	3.10	83.5
1981	[3] 480.30	2.77	3.35	82.7

[1] Hourly wage is calculated as 12 mo basic pay divided by 52 weeks at 40 hr per week.

[2] Source: Table 11a, History of Federal minimum wage under the Fair Labor Standards Act, Wage and Hour Division of the Department of Labor.

[3] Assumes a fiscal year 1981 pay raise by 7 percent.

Source: Department of Defense.

MILITARY-WAGE SYSTEM, PRIVATE NONAGRICULTURAL INDUSTRY PERCENT CHANGE IN PAY AND PURCHASING POWER, JANUARY 1972 BASE POINT

	Mil RMC [1]	Wage systems, United States [2]	Production and nonsupervisory workers [3]				CPI-W [4]
			Total [5]	Manufacturing	Construction	Trade	
1972	6.0	8.6	7.5	8.6	4.5	5.3	3.3
1973	7.3	3.7	6.2	7.6	6.6	5.0	6.2
1974	5.5	9.7	6.4	6.2	5.7	6.5	11.0
1975	5.0	10.6	5.7	7.9	6.8	6.2	9.1
1976	4.8	11.6	7.3	9.7	6.6	5.8	5.8
1977	7.1	8.8	7.7	9.4	4.2	6.6	6.5
1978	5.5	8.8	7.8	8.9	8.0	7.6	7.6
Cumulative pay change	49.2	80.5	59.9	75.0	50.9	51.8	61.1
Cumulative purchasing power change	−7.4	12.0	−.7	8.6	−6.3	−5.8	

[1] Annual October increases.

[2] Increase in annual average salaries for standard 40 hr workweek. March is average observation month. Source: USCSC "Federal Workforce Statistics, Mar. 31, 1978" and OPM, Workforce Analysis and Statistics Division.

[3] Increase in annual average earnings for workweeks of full and part-time workers of 40.5 hr in 1972 to 40.4 in 1978 in manufacturing (includes overtime pay), 36.5 in 1972 to 36.9 in 1978 in construction, and 34.9 in calendar year 1972 to 32.9 in 1978 in trade. Total industries' hours ranged from 37.0 to 1972 to 35.8 in 1978. Includes paid overtime, holidays, vacations, sick leave; excludes bonuses, tips, in-kind payments, and fringe benefits. Source: "Employment and Earnings, 1909–78," USDL, BLS.

[4] U.S. city average annual CPI increases. 1967=100.

[5] Data relate to production and related workers in mining and manufacturing; to construction workers in construction; and to nonsupervisory workers in transportation and public utilities; wholesale and retail trade; finance, insurance and real estate; and services. Source: USDL, BLS, "Employment and Earnings, July 1979."

Source: Department of Defense.

The PRESIDING OFFICER. The Senator from Mississippi.

Who yields time?

Mr. STENNIS. Mr. President, I yield 5 minutes to the Senator from North Dakota.

Mr. YOUNG. Mr. President, I regret that I have to oppose the amendment by the distinguished Senator from Colorado to further increase pay for military personnel.

No one has a higher regard and respect for our military personnel in the Armed Services and would like to help them more than I do.

This amendment comes at a most inopportune time. Military personnel in the Armed Services received the same 7 percent pay raise as all Federal employees, commencing this past October 1. While service in the military requires many sacrifices, there are some advantages such as an opportunity for education, lifetime free medical service, and a noncontributory retirement program.

The retirement program for our military personnel is particularly attractive as an individual may retire on 50 percent of his pay after only 20 years of service. Further, as I just mentioned, the retirement program does not require contribution by the serviceman and there is no trust fund to which the serviceman or the Federal Government contributes. The retirement payments are made directly from the general funds of the Treasury.

The all-volunteer service concept, with its much higher pay and added incentives, which we embarked upon 8 years ago, has become very costly. This proposed pay increase would not only affect the present outlays for personnel but would greatly increase future retirement payments.

When the all-volunteer military service concept first went into effect 8 years ago, military retired pay was $3.7 billion and has been increasing at an alarming rate. For this fiscal year it is $11.5 bililon.

May I repeat, the cost of retirement pay has increased from $3.7 billion to $11.5 billion.

It is apparent that these retirement increases are going to continue to grow by leaps and bounds.

Increasing military pay under the pending amendment would further increase retirement and other military-related pay.

Mr. President, I do not believe this is the time to embark on another pay raise which undoubtedly would encourage other Government employees to demand a comparable pay increase.

The estimate of the cost of this amendment is $850 million. Presently, more than 55 percent of our defense budget request is for military and civilian personnel costs. This amendment would increase that percentage even more.

Mr. President, I strongly believe that existing pay rates for military personnel should not be increased at this time. With our military strength compared to Russia declining year by year, the highest priority for the huge amount of money in this budget should be for modernizing every phase of our military capability.

I urge support of the committee position and defeat of this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. STENNIS. Mr. President, if the proponents wish to use some time, this may be a good time to do so.

Mr. ARMSTRONG. Mr. President, I appreciate the suggestion of the distinguished chairman. I would like to recognize the Senator from Oklahoma. If he would tell me how much time he would like, I shall be happy to yield.

Mr. BELLMON. If the Senator will yield me 5 minutes, I would appreciate it.

Mr. ARMSTRONG. I am delighted to yield 5 minutes to the Senator.

Mr. BELLMON. Mr. President, I intend to support the amendment offered by Senator ARMSTRONG as it will be amended by Senator COHEN to remove the pay cap for military personnel effective January 1, 1980. The estimated additional cost of this amendment is approximately $670 million, assuming 25 percent absorption of the pay raise by the Pentagon. This is a significant amount of money and I am as aware as anyone that it makes the defense budget extremely tight. I have not reached my decision to support this amendment easily. I am very much concerned about our situation regarding recently reported drops in junior enlisted recruiting and the danger that there will be growing pressure for this country to return to the draft. I feel the Congress must take immediate action, and I hope this will be the first step to support the all-volunteer force concept.

Mr. President, I am one of those who went into World War II as a volunteer at what were ridiculously low wages, far below those being paid in the private sector. I have always resented that situation. I feel it is unfair to ask young Americans to subsidize the defense of this country by serving in uniform at salaries far below those being paid their counterparts in the private sector. I feel we simply cannot expect young Americans to volunteer on that basis.

I realize there are other, more selective, approaches to this problem that are being studied, and I wholeheartedly support the effort to find all ways possible to make the volunteer concept work so that we do not have to go back to a draft.

But the fact is that we need to take immediate action to help redress a serious nation defense problem, the dramatic decline in military enlistments. Mr. President, we are all generally aware of the manpower shortage problems which are increasingly plaguing our military forces. In 1979, for the first time in memory, all branches of the U.S. military missed their recruiting goals. This shortfall was especially serious for the Army, which missed its recruiting goal by 16,000 men and women.

These shortages can be attributed to a number of causes—a shrinking base of 18-year-old high school graduates and this problem will get worse, competition for young people as a result of increases in the minimum wage, the drop in dollar purchasing overseas, where one-quarter of our enlisted personnel are stationed, recruiting scandals, reductions in GI benefits, and perhaps others will be determined. All of these problems must be addressed and solved if the All-Volunteer Force concept is to survive and work.

Mr. President, there can be no doubt that the history of recent pay caps on enlisted military pay, which have resulted in real declines in the purchasing power of these individuals, has been a

significant factor in the decreasing attractiveness of the military for potential recruits. I realize that all Americans are affected by inflation. I realize that civilian Federal employees are affected by pay caps also. But the fact is that we face a real, not a hypothetical, problem and an immediate one regarding military personnel. We rely on these people to furnish the manpower for our national defense. They are in short supply.

Civilian Federal workers play an equally important role in our country, but there is no serious shortage of people for these positions. I am certain the director of the Office of Personnel Management could state that there is no shortage of applications for any Government jobs that come open for civilians, but there is obviously a very serious shortage of people willing to volunteer for the uniformed services.

Mr. President, I shall leave it to others to give more facts in support of this amendment. Senator ARMSTRONG has the facts regarding his amendment. He has already given them to the Senate. I am not going to repeat them. This action is, I believe, quite simply, a step that must be taken in the interest of our national defense.

During consideration of the budget resolution, I listened with great interest to the statements of individuals advocating higher defense spending, including Senator NUNN, who feels that we must spend more to preserve our defense. I agree with him. That higher spending was approved. But I do not believe that anyone can argue against insuring adequate manpower via the All Volunteer Force as the appropriate way to spend at least part of this increased money.

Mr. President, I feel that Congress needs to get our national priorities in order. We have expanded many programs to take inflation into account in the 1980 budget. I should like to read just a short summary of those programs that have been increased to take inflation fully into account, in some cases to go beyond.

First is elementary and secondary education grants for the disadvantaged; impact aid—not all parts of it, but parts of it have been increased significantly; vocational education; student assistance for postsecondary education; CETA jobs and training for the structurally unemployed; nutrition and other social services for the elderly; child welfare services; emergency fuel assistance; food stamps; countercyclical assistance for local governments; mass transportation. We have, Mr. President, provided additional funding for all those social programs. I feel that we cannot have the kind of situation where we do not take care of those in uniform, who are hit by inflation just as hard as those who receive the benefits of these various social schemes.

Our defense personnel are equally important, if not more important than those who are served by social programs and it is unfair for our country to force these young volunteers to subsidize defense by serving in uniform at salaries that do not keep up with the decline in the value of our currency.

Mr. President, as much as anyone in the Senate, I want a strong defense. I oppose the draft, I favor the all-volunteer concept, and I support the Armstrong amendment, which will help make the armed services more attractive to those who are considering serving as volunteers in the defense of our country.

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

Mr. ARMSTRONG. Mr. President, I compliment the Senator from Oklahoma for his very significant and meaningful contribution to this debate.

I am prepared to yield to the Senator from New Mexico unless the other side wishes to take time at this point.

I do now yield 5 minutes to the Senator from New Mexico.

Mr. SCHMITT. Mr. President, Senators ARMSTRONG and MATSUNAGA, in sponsoring this amendment along with their many cosponsors, have taken an important first step toward improving a very serious situation that our defense structure is facing, namely, the potential threats in conventional arms, which are far greater at this time than even those in strategic arms. Normally, I am one Senator who will bow to the judgment of the distinguished chairman of the Committee on Armed Services and the Defense Appropriations Subcommittee. However, in this case, the depth of our problems with respect to manpower requires me to do otherwise.

Those problems include the quality, quantity, retention, and mobilization of military manpower. The Armstrong-Matsunaga amendment is extremely important for obtaining and improving the quality, increasing the quantity, and insuring retention of necessary manpower. The mobilization issue is one which is still before us. However, if we can, in fact, create a strong volunteer force through actions such as this, then we, hopefully, will be able to avoid the draft, because it does not solve the mobilization problem. Only a strengthened Reserve and National Guard system will solve that problem.

The steps needed at this time, in addition to this amendment, are to take a good, objective look, both in Congress and in the administration, at the total manpower problem. This is why I introduced, along with the sponsorship of Senator ARMSTRONG and Senator MATSUNAGA and several others, S. 1989, which would provide an opportunity for that comprehensive look at military manpower needs and alternative means of meeting those needs.

Of course, it is my personal opinion that the Reserves and the National Guard will eventually be the core of our total national defense structure as it relates to conventional arms. We must do everything we can that will insure the equipment and incentives in that part of our military forces.

We must reverese this trend of continually eroding the compensation and benefits of our military enlisted and officer personnel. We must improve the pay scale, above all, but other benefits must also be looked to.

This amendment although an excellent one, obviously does not solve all the problems. It is, however, an excellent first step. The Senators are to be complimented for their efforts in this regard.

It demonstrates a commitment by Congress to providing for the needs of the military and a willingness of this Congress, and I believe of the American people, to pay the cost for retaining our freedom.

Mr. ARMSTRONG. Mr. President, I very much appreciate the encouragement and support of the Senator from New Mexico. I thank him for his insightful discussion of this amendment.

Mr. President, I ask unanimous consent that Jim Dykstra of Senator COHEN's staff be granted privilege of the floor during consideration of this bill.

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

Mr. ARMSTRONG. Mr. President, I yield 5 minutes to the Senator from Minnesota (Mr. DURENBERGER).

Mr. DURENBERGER. Mr. President, I am pleased to join my colleagues in cosponsoring amendment No. 571, a measure to set the military pay increase at the level recommended by the pay agent. My reasons for supporting this measure, and for urging its passage, can be summarized concisely in two words: equity and security.

Ever since passage of the Federal Pay Comparability Act of 1970, it has been the intention of the Congress to insure that Federal employees, whether civilian or military, receive salaries which are comparable to those of the civilian work force. Mr. President, we have broken faith with our uniformed military personnel by failing to keep this commitment.

While we are all aware of the effects of inflation, it is apparently necessary to reiterate that military salaries have been particularly savaged by this pernicious form of taxation. As my friends, Senator ARMSTRONG and Senator MATSUNAGA have pointed out, the cost of living has increased by nearly 60 percent in the past 6 years, but military compensation has increased by slightly less than 41 percent. In other words, our soldiers, sailors, airmen, and marines have suffered a net decline in purchasing power of 19.1 percent.

These figures are necessarily dry and therefore fail to evoke the full significance of the current military pay situation. To put it more bluntly, a recent editorial in the St. Paul Pioneer Press cites the fact that a bag boy in a San Francisco grocery store currently earns more money than an electronics technician in the Navy. Equally, a recent Air Force manpower study indicates that 20 percent of the enlisted personnel in the Air Force now hold a second job in order to make ends meet. How can our military personnel enjoy a strong family life when they are forced to choose between living below the poverty line or working 16 hours per day?

In other words, simple equity demands that we increase the salaries of the

military services at least to the modest levels recommended by the President's pay agent but overruled by the President himself. Mr. President, the men and women in our armed services too often constitute a forgotten and invisible group. Unlike other Americans, they cannot—and should not—seek pay increases through unionization or collective bargaining. They subsist on only what we in the Congress choose to give them. It is often easy to overlook their legitimate needs in the context of an appropriations process which focuses on huge budgets and which seeks out dramatic examples of waste. But we are speaking here neither of waste nor of huge budgets; instead, we are speaking of equity, and equity at a bargain-basement price.

My second reason for supporting this measure is, I believe, as simple and as logical as the first. Our military personnel can react to low pay through one very simple expedient: they can quit. Unfortunately, they are doing so today in ever larger numbers. The effects on our services will be alarming if we do not take steps to reverse this piecemeal attrition of our military strength.

When the United States made the decision to return to the All-Volunteer Force—a decision which I continue to believe was sound—it was recognized that pay would have to be increased in ordered to attract and retain qualified personnel. Consequently, pay was substantially boosted in 1972. But since that date, there has been a steady decline in the purchasing power of military pay, a decline which correlates markedly with the deterioration of recruiting and retention rates.

During fiscal year 1979, all four military services failed to meet their recruiting goals. The overall recruiting rate was only 93 percent of the goal, as compared to 96 percent in fiscal year 1978. While the Army, as usual was the service which most dramatically fell short of its goal. It is significant that 1979 represents the first year in which all four services failed to obtain their full quota of recruits.

These figures are grim enough, but perhaps even more disturbing are the rates of retention for the experienced people who are so crucial to the success of the military services. Third-term reenlistments are down to 69 percent, indicating that many service people who had previously been on a career track are getting out rather than suffer the continued hardships of military life. Second-term reenlistments in the Navy are below 50 percent. In other words, we are losing those mid-grade officers and NCO's whose experience and judgment have been developed to the point of expertise. While not everyone leaves the service for financial reasons, far too many cite this as the primary reason and it would be the height of folly to overlook an opportunity to reverse these trends.

On November 1, 1979, I had printed in the CONGRESSIONAL RECORD a letter from a young private in the Army, Philip Hewett. The thrust of his letter was to cite a decay in service morale arising from poor leadership. When our most experienced officers and NCO's leave the service, is it any wonder that leadership declines?

In summary, Mr. President, I urge the adoption of this amendment for two fundamental reasons. First, it is just. Second, it is smart. False economies in the area of military pay will leave us penny-wise but pound-foolish, and I hope that my colleagues will join me in voting for this investment in the security of America.

Mr. ARMSTRONG. Mr. President, in a moment I would like to yield to the Senator from New Hampshire.

I want to say before I do that I wish everyone in America could have heard the speech from my colleague from Minnesota. He really identified the problem and the solution. I thank him for his participation.

Mr. President, how much time do I have remaining under the time agreement?

The PRESIDING OFFICER. The Senator has 52 minutes and 49 seconds.

Mr. ARMSTRONG. I thank the Chair. I yield to the Senator.

Mr. STENNIS. May I say that I just indicated to the Senator from Maine that he would go next, but since he is not here——

Mr. ARMSTRONG. I am happy to yield some time.

Mr. STENNIS. I would like to yield 10 minutes to the Senator from Maine since I had asked him to come to the floor at this time.

Mr. MUSKIE. I thank the Senator.

Mr. President, I am not sure, so may I ask the distinguished Senator from Colorado, I have two speeches here, one addressed to his amendment as introduced, and another to his amendment as I am told it may be modified by an amendment to be offered by my colleague from Maine (Mr. COHEN).

I see no point in making both. Would the Senator be in a position to enlighten me as to which I should address myself to at this moment?

Mr. ARMSTRONG. I am very happy to do that.

Mr. President, the Senator from Maine (Mr. COHEN) intends to offer an amendment which will simply make the pending amendment effective January 1, rather than October 1.

While, of course, each of those who are sponsoring the amendment would be on their own as to how they feel about it, I think it is a reasonable idea and will support it because it will be nearly January 1 by the time this is enacted.

So I think the Budget Committee chairman would be correct in assuming that that is the way it is likely to be resolved, although perhaps the Senator from Hawaii also would like to comment on that.

Mr. MUSKIE. The Senator from Colorado intends to accept that amendment?

Mr. ARMSTRONG. I do, for my part, although I have not had an opportunity to discuss it with Senator MATSUNAGA.

Mr. MATSUNAGA. Mr. President, if the Senator will yield, I do intend to join the Senator from Colorado in accepting the amendment to be offered by the Senator from Maine.

Mr. COHEN. I want to indicate to my colleague from Maine that if this amendment is accepted, it will reduce the cost to the Treasury to $472 million, rather than the $700 million which is currently proposed.

Mr. MUSKIE. I understand the budget implications of the amendment of my colleague from Maine, as well as that of the Senator from Colorado. I will address myself to the Cohen substitute which apparently is acceptable to the Senator from Colorado.

Mr. President, as chairman of the Budget Committee, I constantly find myself in the position where the Congress has adopted budget ceilings, overall budget aggregates, functional aggregates, and then I have to hold the Senate's feet to the fire in protecting those aggregates.

What is involved in this amendment is not just function 050 national defense spending, but the overall aggregates of the budget which the Senate approved just this week and the details of which the House of Representatives approved yesterday.

This is not always a joyous or pleasant responsibility. Even if I liked this amendment and wanted to vote for it, I could not do so and at the same time discharge my responsibilities as chairman of the Budget Committee.

Yesterday, the distinguished Senator from Colorado and I had a brief colloquy. He opposed the conference report on the second budget resolution because he said it projected spending that was too high and a deficit that was too high. He said that if the budget process does not work. he was going to press for a constitutional amendment to limit spending.

The most recent amendment of that kind to which I have been exposed is one which would limit spending to 20 percent of GNP. Under that limit, if it were in place today, this amendment would be out of order—I repeat out of order.

I said to the Senator from Colorado yesterday that it is not budgets that spend money, it is people.

Here we have this very attractive proposal that is sure to attract votes in the Senate, applause out in the military, and applause throughout the country.

It is a nonloser in political terms. I have learned to detect these kinds of nonlosers. They are primarily responsible for the high level of Government spending in our budget today.

If this amendment is adopted, there will be another nonloser following on its heels—a proposal to spread this largesse, this 10.4 percent increase, across the board, throughout the Defense Department to all its civilians at the very least: Then a third nonloser would appear and it would spread the largesse across the entire Federal establishment.

If those two things happen, they are going to have just as much sex appeal, just as much attraction, and just as much clout as this one. Whether it is farmers on one occasion, or disaster victims on another occasion, or the recipients of school lunch programs on an-

other occasion, I have learned that I can detect them all—the nonlosers for which a case is made that justifies breaking the budget, ignoring spending ceilings, and abandoning discipline.

I know that I probably am on the losing side of this amendment, but setting this example, which could spread throughout the Federal budget, is no service to the people who would benefit from the amendment.

I listened to the sponsors of this amendment, and what was the very heart of their case for it? Inflation. Inflation. I was temporarily Presiding Officer and listened to both sides. And it was a good vantage point to hear each side. Inflation.

There is a built-in inflation in this budget: First, with military pay; then, with civilian pay in the Defense Department, I have no doubt; and then with Federal pay across the board. That is what I see ahead of us, and I am helpless to stop it.

So, Mr. President, I oppose the Armstrong amendment, as it will be amended by the Cohen amendment, to increase the 1980 pay raise for military personnel from 7 percent to 10.4 percent on January 1, 1980.

This 50 percent increase in the pay raise just granted 40 days ago violates the congressional budget, discriminates unfairly between Defense Department civilian and military personnel performing the same job and will lead through legislative or legal action to an equal pay increase for every civilian employee in the Government.

The actual cost of this amendment will not be the $600 million its authors suggest, even though that would break the budget. The actual cost—counting its inevitable extension to the whole Government—will exceed $1.5 billion per year and could add to the deficit by as much as the $1.5 billion.

Before addressing the specific problems, I want to make my support clear for a realistic, accurately targeted solution to the problem of military compensation and retention.

No doubt, many of these problems in recruiting and retention are dollar problems. All Government employees pay has been at well below the rate of inflation in recent years—all of it. Minimum wage increases have reduced the attractiveness of military pay to junior enlisted personnel. There is no doubt about it. The depreciation of the dollar places a severe strain on our servicemen overseas. There is no doubt about that.

Congress and the President must seek to rectify these and other related real problems, like recruitment scandals and inadequate housing and medical care, if we are to recruit and retain the all-volunteer-force and avoid returning to conscription. There is no doubt about it.

These real problems will not be solved by a well-intentioned but simplistic proposal that raises all military pay from seamen and privates to generals and admirals. This problem cannot be solved simply by throwing money at it—a device that often is attributed, on the floor of the Senate, to supporters of social programs.

This amendment is a very expensive but not necessarily an effective way of dealing with the causes that undermine our ability to recruit and retain the people needed to provide a strong defense capability. Instead, we should focus on the specific problems causing our manpower troubles. We do not need to increase generals' and admirals' and other career officers' pay to encourage recruitment and retention of the personnel who are really suffering the hardship this blunderbuss approach addresses. Those at the bottom of the pay scale in the military establishment will get only $15 a month out of this amendment; $15 a month.

Surely, this pay increase, which would come on top of the 7 percent $4.2 billion increase of just 40 days ago, is premature. The Department of Defense has just completed a study of its current manpower problems. That study is now being evaluated by the Secretary of Defense and the military services for submission to Congress. It recommends selective pay raises for the really critical personnel areas within the Armed Forces. These selective pay raises focus on entry-level recruits and junior level officers and also on special areas such as pilots and physicians. The Department of Defense has endorsed that approach and has written to Senator STENNIS, chairman of the Defense Appropriations Subcommittee, opposing the 10.4 percent pay increase amendment.

Mr. President, the Armstrong amendment would cost $600 million in budget authority and outlays. If the amendment were extended to cover the civilian employees of the Department of Defense, the cost would increase to $1.0 billion in budget authority and outlays. And, if it were further extended to cover all Federal civilian employees, the cost would escalate to $1.5 billion in both budget authority and outlays.

And that is not within the budget resolution. That is a budget buster.

If it were possible for the agencies involved to apply the same absorption rates to this proposal as were assumed for the 7-percent pay raise in the second budget resolution (25 percent for DOD military and civilian employees: 40 percent for Federal agencies other than DOD), the costs would be somewhat less but still considerable.

Mr. President, that would require a historically high absorption rate in the Department of Defense. To absorb at that rate becomes more difficult when the size of the pay increase grows. So absorption of 25 percent which is assumed in the budget is a very difficult proposition.

The Armstrong amendment itself would cost $500 million in budget authority and outlays. The cost would rise to $800 million in budget authority and outlays if the amendment were extended to include civilian employees of the Department of Defense. And the cost would be $1.1 billion in budget authority and outlays if all Federal civilian employees were included.

Mr. President, I ask unanimous consent to print in the RECORD a table showing these amounts.

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

[Fiscal year 1980, in millions of dollars]

	Full cost		Cost with absorption [1]	
	BA	O	BA	O
Armstrong amendment: Provide full 10.4 percent raise for military personnel	631	623	473	467
Plus full 10.4 percent pay raise for DoD civilian personeel	1,047	1,032	785	774
Plus full 10.4 percent pay raise for all Federal civilian employees	1,549	1,526	1,086	1,070

[1] Assumes absorption rates contained in Second Budget Resolution: 25 percent for DOD military and civilian employees; 40 percent for Federal agencies other than DOD.

Note: BA—Budget authority; O—Outlays.

Mr. MUSKIE. Mr. President, this pay increase amendment should be rejected for a number of reasons.

The amendment violates the congressional budget figures which have been agreed to by both Houses. Even though final conference action on the budget resolution is not complete, both Houses have approved budget totals which would be violated by this amendment. This same amendment was expressly rejected by the Budget Committee in its markup of the budget and no mention was made of it on the Senate floor at the time of the debate on the budget resolution.

Its adoption now would mean that money initiated by the Hollings-Nunn 3 percent growth amendment would be diverted from readiness expenditures to pay. Moreover, in light of the amounts already provided in the pending defense appropriation bill and foreseeable total defense spending requirements, such as the military construction appropriation, this bill will violate both the defense ceiling in the budget resolution and the budget resolution's aggregate totals as well. It will deepen the deficit to that extent and drive the deficit over $30 billion.

The pay increase proposed in this amendment will add between $470 and $640 million in both budget authority and outlays to defense spending levels. And these costs do not include the additional $900 million necessary when similar civilian pay increases are granted. And we are almost certainly going to be forced to extend these raises to civilians once this pay difference is created between military and civilian employees, many of whom perform identical work, side by side, in the same office or facility.

The cost of this amendment, added to the current estimate of other known defense funding requirements, will breach the defense spending ceilings by $140 million in budget authority.

If we assume that the historically high 25 percent absorption rate for defense pay raises assumed in the second budget resolution would reduce the total of the amendment to $470 million, the amendment would then fit within the defense ceilings. However, this does not include the hidden cost of added civilian pay.

Thus, it is likely that the potential cost of the amendment will break the budget

ceiling for the defense function. Further, the defense ceilings assume that the Congress will achieve strategic stockpile and future personnel savings.

I must add that the chief sponsor of the amendment is seeking to reduce some of these personnel savings. If he is successful, the pressure on spending ceilings will be even greater.

These potential violations of the defense budget ceiling will add directly to the deficit. There are no compensating budget areas which might be raided to pay for this amendment. In fact, it presently appears that the Appropriations Committee will have to substantially shortchange other priority areas to stay within the budget totals unless already enacted appropriations are reduced. The possible appropriations excess presently stands at more than $1 billion in budget authority and about $2 billion in outlays. These amounts assume that potential savings in the defense function can be applied to other areas of the budget.

And the amendment contains a second, even larger hidden cost, because it would open the floodgates for added pay increases for Federal civil service and wage board employees. This would add another $900 million to the budget and to the deficit. This is the cost we face when sooner or later this increase must also be given to the Department of Defense civilian employees and the employees of the rest of the Government.

I have no doubt that Federal unions favor passage of this amendment and will immediately demand in Congress and the courts that we honor the existing laws which requires comparability between military and civilian pay.

Which of us will be able to explain to civilian Defense Department employees from our State why a major doing the same work in the next office gets more pay? How can we give a pay increase to 2 million military personnel while we deny a comparable increase for the first time in many years to civilian Government employees?

The amendment also erodes our efforts to control inflation through wage guidelines. It abandons the need for Government to set examples for restraint in wages and spending.

Establishing inequality in pay among Government employees is not the solution to recruitment and retention in the All-Volunteer Force. Let us face the problems of the All-Volunteer Force head-on. We are not solving them here with this kind of proposal. Why kid ourselves otherwise? Is it fair to give a full colonel in the Pentagon with 18 years of service a 10.4-percent raise when the GS-3 civilian family man who cleans the colonel's office at night gets only 7.0 percent?

The Armed Services Committee and the Department of Defense should be given the time they need to work together on solutions for curing the ills of the All-Volunteer Force. We cannot do that by creating new, budget busting pay inequalities.

The answer to specific manpower problems involves selective solutions. If there are enlisted personnel problems—address them. If there are junior-level officer problems—address them. If there are problems overseas because of the dollar problem—address them. For example, there are 400,000 Armed Forces personnel overseas and 1.6 million in the United States. Only 20 percent of military personnel may be affected by the dollar's problems.

Rather than remedying the real problems of the personnel overseas, this amendment would dilute its benefits among those who are stationed here at home.

A comparison of selected examples of regular military compensation and general schedule civilian pay indicates that military pay already exceeds that of civilian pay at comparable levels. This amendment would only serve to create more disparity between military and civilian pay levels.

In closing, Mr. President, Congress must admit that there are manpower problems and pay problems within our Armed Forces. We must address these problems and how they affect the All-Volunteer Force. We must address them soon.

Defense manpower problems must be confronted jointly with the administration. I believe that the fiscal year 1981 defense budget will offer solutions that are reasonable. It is too soon to panic. The Congress must assert itself toward the objective of fiscal responsibility. Rejection of this amendment moves in that direction.

Mr. STENNIS. Mr. President, the Armed Services Committee has jurisdiction over manpower and responsibility for authorizing military personnel as well as civilian personnel. We have a subcommittee on that. We worked for years on the matter and I believe we have a real scientific record and presentation of pertinent facts.

I yield 10 minutes now to the Senator from Georgia who is the chairman of that subcommittee but not the only worker on it.

Mr. NUNN. Mr. President, I rise to support the position of the Senator from Mississippi and the Senator from Maine in opposition to this amendment. The Senator from Maine has just outlined what the cost of this amendment is in terms of its direct, immediate impact.

Let me tell what the Senate is really voting on. We are voting on a theory. We are voting on a philosophy. We are about to vote as to whether we think we can bail out the problems of the Volunteer Force by increasing military pay across the board. That is what we are voting on, by separating military pay from civilian pay. That is the issue here today.

The Senator is correct about the direct cost of this amendment. Let me tell my colleagues what the implied cost of this amendment is: This amendment, if we carry through this philosophy that is being voiced with all sincerity by well-meaning colleagues, will cost more than the MX program between now and 1985.

This is what we are talking about. We are talking about $40 billion, and I am not drawing that figure out of the air. If Senators want to look at a report, in 1977, by CBO, they will find that CBO predicted this body would face this question, and one possible response would be the way the sponsors of the amendment are asking us to respond today. I quote page 16 of the report: "If the Armed Forces try to make up for these shortages" and everyone has been able to predict shortages that knows about the demographic changes over the next 5 years. They say, and I quote again: "If the Armed Forces try to make up for these shortages with across-the-board pay increases by 1985, they could add up to $8 billion per year over today's manpower costs without any additions in military forces. Even if pay inducements were limited to bonuses for recruits alone, the cost would go up by more than $2 billion per year by 1985."

I will get into the $40 billion figure in a minute, but basically what it is, is taking the CBO figure and instead of using 1977 dollars, which they did, we can project the actual dollars that will evolve based on a very conservative rate of inflation.

Mr. President, I urge my colleagues to defeat the amendment by the Senators from Colorado and Hawaii and others to remove the pay cap for military personnel.

PROBLEMS OF THE ALL-VOLUNTEER FORCE

The sponsors of this amendment are absolutely correct when they cite the serious problems that the All-Volunteer Force is now encountering. Our Reserve forces are over 20,000 men below authorized strengths, which themselves are far below realistic requirements. Recruiting for the active military is becoming increasingly more difficult. All four services failed to meet their recruiting objectives in the past year and total active military strength is about 30,000 below the congressionally authorized level.

But shortages in the number of personnel are not the only problems. The military services are also having increasing difficulty in maintaining quality standards among those who do enlist. During fiscal year 1979, only 64 percent of all those who enlisted were high school graduates—a decline of 10 percent in the proportion of high school graduates from a year ago. Indeed, even though the Army is now simplifying its technical and equipment publications to the 7th grade level, some 19 percent of its new recruits are reading at or below the 7th grade level.

The future looks even worse because we face a substantial and continuing decline in the number of 18-year-olds for at least the next decade.

For fiscal year 1980, the Army will try to recruit one-third more recruits than it did in fiscal year 1979 in order to maintain strength.

The Army is responding to these adverse recruiting trends by lowering its enlistment eligibility criteria and has decided to permit the enlistment of 17-year-old males who have not completed high school. The Army had stopped enlisting 17-year-old nongraduates because of the alarming rate at which this group failed to complete its first term of service; now it will turn its attention once again to this group if it is to achieve its authorized end strength.

The Navy is faring little better. On August 28, the Navy announced that it will lower its recruiting goal for high school graduates from 76 percent of new enlistees to 72 percent, and will spend additional resources for so-called academic remediation training, emphasizing reading and writing skills for marginally qualified individuals.

These problems are exacerbated by the large shortages in the Reserve components, the lack of sufficient personnel in critical skills like doctors, and the lack of a peacetime registration program under the Military Selective Service Act. If the All-Volunteer Force cannot sustain itself adequately in peacetime, how can we expect it to provide the foundation for mobilization in war?

THESE PROBLEMS WILL NOT BE SOLVED BY PROPOSED AMENDMENTS

While the sponsors of this amendment are correct in recognizing the serious problems in the All-Volunteer Force, this proposed amendment will not solve these problems. Increasing the basic pay of recruits $15 a month, which is what this amendment does, will not solve recruiting problems, especially when we recognize that bonuses of $2,500 are now available for enlistments in skills where there are shortages.

In fact, Charles Moskos, sociology professor at Northwestern University, who has studied the enlisted volunteer force and manpower implications more than anyone else in the academic world I know about, testified before the Manpower and Personnel Subcommittee that:

> Large raises in military pay were the principal rationale to induce persons to join the All-Volunteer Force. This has turned out to be a double-edged sword, however. Youth surveys show that high pay motivates less qualified youth—for example, high school dropouts, those with poor grades—to join, while having a negligible effect on more qualified youth—those taking academic high school courses or college bound.

In other words, what we are doing, in all sincerity, if we are going to spend more money on military pay, is putting it precisely in the wrong place. If we want to recruit high quality people, what we really need to do, if we are trying to aim at recruiting, is to have some form of educational benefit. We have had hour after hour of testimony on that point.

I happen to be skeptical about any large increase in the overall cost of manpower. But for goodness sake let us not put it in this category across the board which really, in effect, is not going to help recruiting.

The structure of miltary pay does need to be reviewed. In 1964, the average first term military member was paid about 47 percent of the average careerist. Now, the average first term military member is paid about 62 percent of what the average careerist is paid. We have front loaded pay for first term personnel to the extent that there is less to look forward to in a military career, except for a large retirement annuity at 20 years service. Our first priority in looking at pay changes should be to address the needs and expectations of the career force. Removing the pay cap will not address this need.

What we need to do is to give incentives for people to stay in for a career. The Navy's critical problems, the most critical problems, are at the 8-, 9-, and 10-year career service pay, not at the beginning.

Military pay is a very complicated system. It includes basic pay, and the basic allowances for quarters, and the basic allowance for subsistence. There is also a tax advantage since these allowances are not taxed. There are other allowances such as those for uniforms and family separations. There are incentive pays for flight duty, submarine duty, and other hazardous duty. There are enlistment and re-enlistment bonuses and special pay for doctors and others. Military pay reform must include a comprehensive review of all parts of this compensation system.

The Department of Defense, which opposes this amendment, is now conducting a review of military pay as part of the fiscal year 1981 budget submission and has stated that proposed changes would not be an across-the-board pay increase. The Department has submitted a retired pay reform package which is now pending before the Armed Services Committee. The administration has submitted a proposed change to the measures of comparability in determining pay raises for military and civilian personnel, which is now pending before the Governmental Affairs Committee. There is a recognition that a restructuring of military pay is needed but this amendment does not provide for any restructuring.

Mr. President, as I have stated before, there is a need for substantial annual real increases in defense spending on the order of 5 percent or more in budget authority over the coming years. In my judgment, such increases are essential if we are to begin to halt the adverse trends in the East-West military balance. We must also get more out of the defense dollars we do spend, and we must limit and reduce the proportion of the budget used for manpower—even if it requires our political leaders to make uncomfortable choices.

Since 1970, the Soviet Union has invested a total of $104 billion more than the United States for military equipment and facilities.

The Volunteer Force was based on the theory—and I suppose it still is theoretically—that all the taxpayers should bear the additional cost of manpower directly, rather than impose an implicit tax on those drafted. Unfortunately, like most Washington theories, this one has been only 50 percent implemented. The additional manpower cost has not been borne by increased general taxes or reduced social spending, instead it has come directly from the other parts of the defense budget, and that is exactly what this amendment is also doing.

Manpower costs now account for 59 percent of the defense budget. In 1964, manpower costs accounted for 48 percent of the defense budget. If the manpower proportion had remained constant at the 48-percent level between 1970 and 1978, we would have had an additional $100 billion in today's dollars to spend on military investment and readiness rather than manpower. Additional defense funds which are made available should not be gobbled up just to keep baling wire and Band-aids on a policy that has lost its logical credibility but not its political support.

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So if your constituents ask you, "What is happening to all the money we are pouring in? Why can't we get a rapid deployment force to the Middle East quickly?" You can give them the answer "because we have spent another $100 billion on manpower."

I am not advocating we roll that back. I know much of those increases was needed. I realize the plight of many of our military personnel, but we have got to look at the bottom line, and the bottom line is why do we have military forces? The reason is so that we can protect this Nation.

I will say to the Senate today if we go down the line advocated by those who propose this amendment, we will not be able to protect this Nation because we are going to put a larger and larger percent of the overall military budget into manpower. That is a dead end street. We simply cannot afford to do it.

(Mr. PRYOR assumed the chair.)

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

Mr. NUNN. I have to get through with my remarks. My time has almost expired. After I complete my remarks I will be glad to yield to the Senator.

The high rate of inflation is affecting the real income of servicemen, Federal civilian workers, and most Americans. I am very sympathetic to the effect of inflation on military servicemen and realize and appreciate the many sacrifices that our military has made and is making. It should also be kept in mind that since 1964, before the Vietnam war, average military basic pay has increased by 224 percent. Prices during that same time frame have increased by 140 percent, 84 percent less than the rate of increase in the military pay.

Over the same period of time military procurement for ammunition, for planes, for ships, for the vital kinds of defense dollars that we have got to have to be able to protect this Nation, has increased by 46 percent, something like 100 percent less than the rate of inflation.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NUNN. Mr. President, I ask the Senator from Mississippi to yield me 5 additional minutes, if he would.

Mr. STENNIS. Very well, 5 minutes.

Mr. NUNN. The 7-percent pay cap is part of President Carter's anti-inflation program where the Federal Government is being asked to show an example of pay raise restraint in an effort to halt inflation. There are many questions of

equity that must arise if the pay cap is removed only for the military. What about Federal white collar and blue collar civilian workers? What about private sector workers who have settled for a 7-percent pay raise in voluntary compliance with the administration's wage guidelines?

In addition, this amendment attempts to introduce an entirely new pay raise mechanism. Instead of considering the amount of the pay raise to maintain comparability and any alternative plan submitted by the President in September, we will now, in addition, consider pay raises for individual groups of employees in appropriations bills. We will have to face the pay raise questions over and over again.

Mr. President, this amendment is a classic case of recognizing a problem and then attempting to solve the problem by throwing money at it.

According to the Department of Defense, the amendment would add $880 million directly to defense manpower costs in fiscal year 1980. But we must recognize that this is only a first step. You are voting on a philosophy today. We must recognize where that philosophy will lead.

THROWING MONEY AT A PROBLEM WILL NOT SOLVE THE PROBLEM

In January 1977, the Congressional Budget Office issued a report on the Costs of Defense Manpower. That study projected significant shortages in the supply of recruits for the military services in the 1980's and discussed budget options. On page 16 of that report, it states:

> If the armed forces try to make up for these shortages with across-the-board pay increases, by 1985 they could add up to $8 billion per year (in 1977 constant dollars) over today's manpower costs without any additions to military forces.

Senators should realize that by endorsing this amendment, they would be endorsing an attempted cure for the All-Volunteer Force with money. We would be literally accepting an attempt to "try to make up for these shortages with across-the-board pay increases" as outlined in the Congressional Budget Office study. If that is the approach that this body wants to adopt, then so be it. But let us realize exactly where we are heading with this approach.

The Senate should realize that this amendment will not be the last attempt to throw money at the All-Volunteer Force problems. This is a first step. This $880 million proposal is only the tip of the iceberg that may well sink attempts to satisfy our pressing national security needs. The sponsors of this amendment should realize that throwing money at the All-Volunteer Force problems will lead us down the road to this $8 billion increase predicted by the Congressional Budget Office; it will lead us down the road to the policy of increased manpower costs for lower quality personnel referred to by Secretary Brown; it will continue leading us down the road of increasing manpower costs at the expense of military investment, which may increase our defense costs and lower our defense capabilities.

Congress has recently adopted a budget resolution with dollar figures which I advocated intended to provide increasing efforts in national defense and 3 percent real growth in fiscal year 1980 and 5 percent real growth in future years for the national defense budget function. If we adopt this approach of trying to make up for the shortcomings of the All-Volunteer Force by across-the-board pay increases, we cannot also also accommodate those real growth increases for defense investment that we recently intended to include in the budget resolution. We will not be able to achieve a real growth of 3 percent in fiscal year 1980 and would probably have growth of less than 2 percent. We will have only one-half the real growth in fiscal year 1981 and one-third the real growth in fiscal year 1982 than the 5 percent real growth that was supposed to be provided in that budget resolution. By fiscal year 1983, this approach will completely absorb the dollars that a 5 percent real growth increase was supposed to provide for defense investment.

If you believe that increased pay is the right way to go, and you also believe that defense investment must be increased, as we voted earlier this year, in other words, if you want the approach and philosophy of this amendment but you want to see real defense investment grow, let me tell you what you are going to have to do.

You are going to have to add $40 billion to the national defense budget between fiscal year 1980 and fiscal year 1985 only for pay increases. That $40 billion will not buy a single ship, aircraft, or missile but will be needed to provide the money for the across-the-board pay increases that the Congressional Budget Office projects will be necessary to make up recruiting shortages in those years.

We have problems with the All-Volunteer Force.

Mr. President, I need about 2 more minutes and I will be finished.

We do have problems, and I agree with my colleagues on that point. But I want to tell you what this amendment will not do for those problems. It will not resolve the serious problems of reserves, in the individual Ready Reserve and Reserve units. It does not solve those problems.

It would not resolve the problem that in an emergency the Army would be compelled to deploy quickly all combat personnel from Reserve units, leaving those units completely gutted and incapable of being deployed until trained draftees became available to fill the units. The shortfall in combat trained personnel is so serious that it would seriously debilitate units in combat. This amendment will not resolve the problem of the disastrous state of military medical care and the grave shortages of doctors and other medical personnel. In case of an emergency, thousands of young people in combat units will die or be permanently crippled unnecessarily because we will not have the medical personnel to treat them or the capability to return them quickly to the United States.

This amendment will not solve the problem of the increasing number of married personnel who are enlisting in the military and who have increased the number of dependents in Europe to the point of adversely affecting readiness and bringing into question the adequacy of evacuation plans.

In summary, Mr. President, I commend the sponsors of this amendment for highlighting the serious problems of the All-Volunteer Force. All our efforts are needed to resolve current serious military manpower problems. Amending the appropriations bill to remove the pay cap for military personnel will not solve these problems. It will cost a great deal of money. I urge my colleagues to reject this amendment.

Mr. STENNIS. Mr. President, I will be prepared to yield in 2 minutes, but I want a chance to be heard by the membership. So, if non-Senator personnel will please retire to one side——

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me for a minute of two?

Mr. STENNIS. Yes; I yield to the Senator, if it is necessary.

Mr. ROBERT C. BYRD. I will be glad to wait.

Mr. STENNIS. Mr. President, I want to make just a very brief statement following what Senator NUNN has said.

Members of the Senate, the law of the land that gives comparability for the military services was worked out here; it took years and years and years to get that written into the law. That is the law of the land, and it is, I am sure, the best way we can administer it. But now, without one iota of testimony, no hearings on the matter, no legislative committee passing on the question, we come in here and, on the floor of the Senate, without it even being presented to a committee, we are going to blow the living daylights out of this law for comparability pay, that is, of the military pay compared to civilian pay. We are literally tearing its insides out. We are abandoning it and throwing it to the dogs.

We will catch the whirlwind; we might just as well fasten our seatbelts. We are not going to get by with an increase like this. The civilian employees will not leave us alone; they will be coming in here, and they will have a lobby. It is in their interests: I do not blame them.

You have heard these amazing figures here, compiled in a responsive way, of what the reults will be, year after year for 5 years. That is the course we are going. Fifty-nine percent of all the military appropriation goes for personnel already, with 41 percent left for all the other things, worldwide, that we have to face.

I am not trying to be stingy. I would be willing to lose the personnel, by even as much as 20 percent, and put the same amount of money on the 80 percent that are left. That would get the cost comparability that we need. Then, instead of putting it on these new men, I would put some money on the line sergeants and the first sergeants are are so essential and necessary, and without whom there can be no effective army.

I think we are just throwing caution

to the winds. We are repudiating all the legislative processes, and I do not know—we are going to make things worse again by just throwing in a big lump of money, hoping it will solve the problem. Mr. President, it will make it worse.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STENNIS. Yes.

Mr. ROBERT C. BYRD. Can we reduce the time, may I ask the proponents and the opponents? It seems to me this matter has been pretty evenly discussed and thoroughly discussed, and I dare say every Senator right now knows how he is going to vote.

Senators are going to have to catch planes and leave, and I have said if we finished this bill tonight we would not be in tomorrow. I would hope we could finish it today.

Can we vote after, say, 5 minutes on either side, and dispose of that?

Mr. STENNIS. I will be glad to yield back my time, Mr. President.

Mr. ARMSTRONG. Mr. President, I did not hear the suggestion of the majority leader.

Mr. ROBERT C. BYRD. I suggested that there be 5 minutes more to the side. Five minutes more.

Mr. ARMSTRONG. Mr. President, I am most eager to conclude the debate, and, like the majority leader, I am one of those on a time schedule for aircraft; but I have promised to yield time to the Senator from Virginia (Mr. WARNER), to the Senator from Kansas (Mr. DOLE), also to the Senator from Wisconsin (Mr. PROXMIRE), and also to the Senator from New Hampshire (Mr. HUMPHREY). I think to honor my commitment to them I should be prepared to yield at least 5 minutes to each of them. I would like to have, for my own part, just 2 minutes to wind up.

I should probably point out to the majority leader that the Senator from Maine (Mr. COHEN) has an amendment which I am sure he intends to offer, and which I am prepared to accept as an amendment to my amendment. So, on our side, I think we are ready to move expeditiously, but I am not prepared to agree precisely to the majority leader's request.

Mr. ROBERT C. BYRD. The Senator from Colorado needs 2 minutes. How much time does Senator WARNER need? Two minutes. How much does Senator COHEN need? Five minutes.

Mr. ARMSTRONG. Mr. President, I would be prepared to try to persuade Mr. DOLE, Mr. PROXMIRE, and Mr. HUMPHREY to each use no more than 2 minutes, but I could not promise that, because I have indicated my willingness to yield them some time.

Mr. ROBERT C. BYRD. Would the Senator be willing to agree to 15 minutes on his side, and the Senator from Mississippi——

Mr. STENNIS. Mr. President——

Mr. ROBERT C. BYRD. If Mr. ARMSTRONG would be willing to agree to 15 minutes on his side——

Mr. STENNIS. We will take 2 minutes on this side, Mr. President.

Mr. ROBERT C. BYRD. The Senator from Mississippi is willing to end his debate in 2 minutes.

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

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I might point out that there are two more planes that leave this town going west, the last one at 5:40.

Mr. ARMSTRONG. I understand. I have an engagement of the utmost urgency in Colorado, but this is a terribly important amendment to our service personnel, so I am certainly willing to accept 15 more minutes on this side, and attempt to do it in less than that.

I am prepared to yield at this time the 2 minutes, as requested, to the Senator from Virginia (Mr. WARNER).

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent for 15 minutes under the control of Mr. ARMSTRONG, to be yielded as he wishes, and 2 minutes to Senator STENNIS.

The PRESIDING OFFICER. Is there objection to the request of the Senator from West Virginia? Without objection, it is so ordered.

Mr. WARNER. Mr. President, I would like to speak a moment in support of this amendment. I am a cosponsor of it.

I find myself in a very awkward position, as a member of the Armed Services Committee, in opposing the position of my chairman as well as the chairman of the subcommittee (Mr. NUNN). But I feel that simple equity demands that we ask for this pay relief.

Mr. President, I do not like to advocate Federal spending programs. I believe our Government spends too much money and does not always spend it wisely. There are surely areas where Federal spending can be reduced.

However, I do believe in priorities and I do believe in basic equity.

I believe that the national defense function is the single most important function of our National Government. It is a responsibility derived from the Constitution. It is a responsibility I am sworn to meet.

Yet our Nation's defenses are suffering from certain weaknesses. The All-Volunteer Force is falling short in both the numbers and the quality of the people it needs, and the situation is getting worse. Not only are the services not recruiting sufficient people but the services are losing substantial numbers of midcareer servicemen who take with them much needed experience and expertise.

One of the root problems of this is inadequate pay. Despite limited pay increases each year, the military falls further and further behind in real terms. Military pay has not kept up with inflation and it has not kept up with the civilian economy. Pay comparability with the civilian economy, even though a goal espoused in public law, just does not exist.

With an All-Volunteer Force, the competition from the civilian economy is hard to beat. Fewer people are joining the services and more and more are leaving the military for economic reasons. Why stay in the military or go in the military when conditions are so bad as compared to the civilian economy.

Aside from the importance of providing for an adequate defense, I am concerned about military pay from an equity standpoint.

The Federal Government is paying its servicemen and women at a pay scale far below that of the civilian economy.

We ask our military personnel to endure hardships that would not be tolerated in the civilian world. We ask them to suffer prolonged periods of family separation, frequent household moves and many other less tangible hardships.

Even more important we ask them to risk their lives for us.

Yet, what do they get in return?

They get low pay. Many military families exist today at or below the poverty level. Thousands of military families qualify for food stamps and other public assistance. Even at the higher pay grades, many military personnel have skills that are much sought after in the civilian economy—skills that would bring much higher salaries and benefits if those individuals left military service.

They are experiencing a steady erosion in benefits. Many military benefits which existed when individuals enlisted have now been reduced or eliminated. The decline in the quality and availability of medical care is an obvious example. Even the 20-year retirement benefit is now perceived by many to be in jeopardy.

They do not receive the recognition they deserve. People tend to forget that military personnel serve us. They protect us and our interests, and they do so often at great hardships to themselves. They deserve our respect.

Mr. President, I do not view this amendment as an attempt to bail-out the All-Volunteer Force. Whether we continue to have an All-Volunteer Force or whether we return to a draft, we owe it to our servicemen and women to pay them a living wage.

I am not yet convinced that we need to return to the draft. Perhaps we may have to—perhaps not, but we do need to improve military pay scales regardless.

This is not to bail out the All-Volunteer Force. It is simple equity which I feel the people on active duty today are entitled to. Every person on active duty today that we can retain saves us from recruiting and training five or more people.

Mr. President, the Carter administration is reported to be considering the submission of a military pay raise next year which would have much the same effect as this amendment.

I see no reason to delay such a pay raise. Our military people need to pay their bills now. Every month we delay means more and more quality people will choose to leave the military. Many will be forced by economic necessity to do so.

Mr. President, this is a worthy amendment, a necesary amendment. I urge the Senate to support it.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a Wall Street Journal article and a Baltimore Sun article addressing the Carter administration's interest in a military pay raise.

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

[From the Wall Street Journal, Oct. 26, 1979]

U.S. IS CONSIDERING BOOST IN MILITARY PAY TO AID IN RECRUITING, KEEPING PERSONNEL

WASHINGTON.—The Carter administration is considering an increase in military pay for junior ranks to help the services recruit and retain personnel.

Assistant Secretary of Defense Robert Pirie said the Pentagon is in the final stages of drafting plans for a military pay increase for fiscal 1981, beginning next Oct. 1. He wouldn't discuss the size of the increase, saying figures are being studied in the Pentagon before being submitted to the White House for inclusion in the budget that will go to Congress early next year.

But Mr. Pirie said the Pentagon is considering increases for new recruits and military people who have served less than 10 years, rather than an across-the-board boost. "Recruiting for military service has become increasingly difficult," he said, in part because pay for the all-volunteer force "has failed to keep pace with wages for civilian employment alternatives." Base pay for a new recruit is $448.80 a month.

In fiscal 1979, ended Sept. 30, all four services fell below their recruiting goals for the first time since the draft was abolished in 1973. The military attracted 338,400 recruits, 93% of its goal of 362,400. However, retention of recruits beyond their first term was higher than expected, helping to produce a year-end active force of 2,027,000, 24,000 short of the goal.

There is increasingly vocal congressional support for a return to the draft, but Mr. Pirie reiterated the Carter administration's view that conscription isn't necessary. "A draft is a device for getting in very large numbers of people for very short terms," while today's increasingly technical military services need well-trained people who serve for more than one term, he said. He said he believes the volunteer force is meeting that goal.

Aside from a possible pay increase, the Pentagon is taking other actions to boost recruiting. The military's advertising budget for recruiting will rise to $97.7 million this year from $74.7 million last year. Efforts are being made to improve housing and adjust housing allowances to make military life more attractive.

"We also are providing better support for our recruiters, the vast majority of whom are doing a magnificent job," despite recent allegations of recruiting fraud in some areas of the country, Mr. Pirie said.

[From the Baltimore Sun, Oct. 26, 1979]

ARMED FORCES CONSIDER PAY, BENEFIT INCREASE TO BRIDGE RECRUITING GAP

(By Charles W Corddry)

WASHINGTON.—The Defense Department, facing its toughest recruiting problems since the draft ended, disclosed yesterday that it is considering pay raises and fringe benefits to make military service more attractive.

Robert B. Pirie, Jr., assistant defense secretary for manpower, told a press conference that enlisted men and women had suffered a 7 percent drop in purchasing power since 1973, the year the services shifted from the draft to reliance entirely on volunteers.

The failure of military pay to keep pace with the civilian competition was high on Mr. Pirie's list of reasons for declining interest in volunteering. But even higher, he said, was a less-than-adequate portrayal to American youth of the demands, challenges and rewards of service. To that end, he said, recruiting and advertising outlays will be stepped up.

Though all the services failed to meet their recruiting goals in fiscal 1979, the year that ended September 30, Mr. Pirie said he found nothing in current assessments "that says we need or should have conscription."

Military needs, he emphasized, are not for large numbers of men and women who serve short tours, but for willing service members who sign on for four, six or more years and deal with problems that, "in this technological age," are increasingly complex.

The services fell more than 24,000 short of their 1979 goal of 362,400 enlistees. They made 93 percent of the goal, compared with 96 percent in 1978. The decline evidently is continuing. In the final 1979 quarter, July-September, the figure dropped to 91 percent.

A possibly drearier prospect, emerging from Mr. Pirie's sheaf of statistics yesterday, is the steady decline in reenlistment rates for career personnel—those who have served more than two tours of duty. From a reenlistment rate of 81 percent in 1975, the figure has dropped each year and reached 69.2 percent in 1979.

The only offsetting increase was in the numbers willing to reenlist after their first term. This has gone up from 29.8 percent in 1976 to 40 percent in 1979 and helps to explain, Mr. Pirie said, why the services are within 1.5 percent of their strength goal despite the fall in new enlistments.

The manpower chief was diffident about spelling out pay raise and fringe benefit plans, noting the Army, Navy, Marine Corps and Air Force now are studying tentative plans and the hurdle of the White House Office of Management and Budget will yet have to be cleared. The administration, however, now recognizes the problem, he said, though he would not criticize its recent annual 5.5 percent limit on increases.

Mr. Pirie indicated that he was not thinking of an across-the-board raise, but of increased pay for those first entering service, perhaps for those in mid-career to help reenlistment rates, and possibly bonuses targeted in high-skill technical areas where it is hard to compete with civilian employers or in tough combat roles where it is hard to induce men to stay on.

He further said that consideration was being given to providing better housing and moving benefits. Servicemen argue for instance, for a variable housing allowance on grounds that it is hardly equitable to be given the same basic allowance in the Washington area as at, say, Fort Polk, La.

A young man or woman entering service today is paid $448.80 a month and, after basic training is boosted to $500.10 a month.

Mr. WARNER. Thank you, Mr. President. I yield back the remainder of my time.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. Mr. President, I appreciate the comments of the Senator from Virginia and I thank him. I am now pleased to yield to the distinguished Senator from Kansas (Mr. DOLE). I had previously indicated I would yield 5 minutes. Under the agreement just reached, if it is agreeable, I yield 2 minutes at this time.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

Mr. DOLE. I thank my distinguished colleague from Colorado.

THE ELIMINATION OF THE MILITARY PAY CAP

Mr. President, I rise in support of the amendment offered by my distinguished colleagues, Senators ARMSTRONG and MATSUNAGA, which eliminates the military pay cap.

Mr. President, I am proud to be a cosponsor of this amendment, as it begins to address a very real and serious problem for our military serviceman and woman.

Mr. President, the economic plight of our military serviceman and woman can no longer be ignored. As we all know, members of the armed services are wholly dependent upon Congress to provide them with a just and fair wage. In the past I have spoken against the concept of unions in the military. I have done so because, among others, I have recognized that unions could compromise the readiness of our military.

These unique kinds of restraints imposed on our military personnel, which are essential if we are to maintain a reliable and effective national defense, places these dedicated Americans in a special category. This, in turn, places a special obligation on us to deal fairly with the men and women who are expected to defend our country, an obligation that will not be met if we continue to ignore the serious economic plight of our servicemen and women.

THE AMERICAN SOLDIER NOT EXCLUDED FROM INFLATION WOES

Mr. President, most of us have suffered from inflation, but none so severely as those men and women who are expected to defend this country at all times, and in any place throughout the world. Mr. President, from December of 1972 to 1978, the cost of living rose 59.9 percent. But the regular military compensation—base pay plus allowances for housing and subsistence—of the Armed Forces rose by only 40.8 percent. The Department of Labor reports that even with the 7 percent pay raise on October 1 of 1979, members of our armed services are still some 19 percent behind the inflationary curve.

Mr. President, it is only fair that the pay cap for military personnel be lifted. In addition to this obvious reason, there are even more pressing, practical reasons for not forcing yet another pay cut on the men and women who defend our country.

Mr. President, I am referring to the serious problem the various armed services are having meeting their peacetime manpower requirements. This year, for example, all of the services have failed to meet the recruiting goals. When you consider that the base pay for fresh recruits is at 83 percent of the minimum wage, we should not be surprised with the increasing difficulty in attracting new recruits.

Mr. President, I can fully appreciate the concern of every Member of this body to curb Government spending in the fight against inflation. However, if we are to remain a strong and free Nation, in the face of increasing adversity throughout the world, we must insure the ability of our Armed Forces to perform their peacetime military missions. Continued erosion of pay and benefits will only contribute to this alarming trend of manpower shortage and overall ineffectiveness of our Armed Forces.

Mr. President, a vote for this amendment is a vote for a decent way of life

for members of our armed services who are charged with the responsibility of maintaining a strong and free America.

Mr. President, I urge the adoption of this amendment.

Mr. President, I want to point out that the average DOD now earns about $21,720, which is 61 percent more than his military counterpart.

I ask unanimous consent to have printed in the RECORD at this point an article in the Armed Forces Journal of March 1979, by Benjamin F. Schemmer, because I have heard discussed on this floor that we are discriminating against other Federal employees by doing this in the military. At $13,463 a year the average American soldier, sailor, and airman will earn 36 to 38 percent less in the next fiscal year than the Defense Department civilian who supports him or to whom he reports. The average DOD civilian will earn $21,117 to $21,720.

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

AVERAGE DOD CIVILIAN NOW EARNS $21,720; 61 PERCENT MORE THAN HIS MILITARY COUNTERPART

(By Benjamin F. Schemmer)

At $13.463 a year, the average American soldier, sailor and airman will earn 36–38 percent less in the new Fiscal Year 1980 (FY80) than the Defense Department civilian who supports him, or to whom he reports. The average DoD civilian will earn $21,117–$21,720. The difference depends upon whether or not DoD "indirect hire" civilians (mostly foreign personnel working under contract on U.S. bases overseas) are included, but still means that the average DoD civilian earns about 60 percent more than his sidekick in uniform.

The military vs. DoD civilian disparity has been growing, and continues to: in FY64, average DoD civilian pay was 39 percent higher than that for military personnel; in the current year (FY79), it is 56 percent higher; in FY 80, it will be at least 57 percent higher. Thus, the pay difference has grown almost 50 percent in the past 15 years.

Whereas the average person in uniform will earn $683 more in FY80 than in FY 79, the average DoD civilian will earn $1,197 more, an increase 75 percent greater.

The disparity is almost identical to the one AFJ headlined a year ago (March 1978 AFJ, page 45)—but once again the Pentagon fails even to mention it in its FY 80 annual budget presentations to Congress. The issue is not addressed in Defense Secretary Harold Brown's "Annual Report." In fact, to find out what the pay disparity is, one has, once again, to manipulate to report's tables on overall military and civilian "manpower" costs and employment levels. (DoD still hasn't switched to "people" power, or "persons" power, or "men and women" power.)

DoD did produce an explanation last year when AFJ asked informally for some explanation of the disparity. This year, after recomputing the numbers, AFJ placed a formal query with the Pentagon's public affairs office: "Why does the average DoD civilian earn 57–61 percent more than his military counterpart?"

But after more than two weeks, a DoD response is still pending. AFJ will provide information in April, assuming DoD is responsive to the query.

OVERTIME, GRADE CREEP, OR ???

Several explanations come to mind:

The most obvious one, not even hinted at by the Pentagon is this: DoD's civilians get paid overtime; soldiers don't.

Another explanation, less obvious: compensation of a lot of highly-paid civilian "spooks" from Central Intelligence Agency and other elements of the Nation Intelligence Community are hidden in DoD's civilian pay roll accounts.

A third reason, hinted at by Defense Secretary Brown (but not addressed in the context of a civilian vs. uniformed pay gap), is civilian "grade creep." In FY 64, the average DoD civilian was a GS (General Schedule) 7.2; today, that person ranks as a GS 7.7 or 7.8. Congress directed in the FY 78 budget that DoD reduce the number of employees holding the rank of GS–13 or above, but Brown opposed that legislative restriction in his FY 80 budget report. He told Congress, "I believe this is counter to our other attempts to establish grade levels that are fair to both the employees and the taxpayer," and said the legislation "incorrectly tied the number of GS–13 and above employees to the number of flag officers" when the two have "quite different roles and missions and their numbers are driven by different requirements." Brown said, nevertheless, that "DoD did program reductions in the number" of GS–13 or higher grade civilians—without specifying how many, when, or whether the new budget numbers in fact reflect that "program." He has also asked Congress to approve an increase in (or maintain the level of) general and flag officer authorizations, from the 1,073 limit imposed in the FY 78 budget by the end of FY 80 to the 1,119 presently authorized. That would maintain a level of about 5½ admirals or generals for every 10,000 persons in uniform.

Mr. DOLE. Also, I think it is of some interest to note in the Federal Diary, by Mike Causey, the average Japanese employee of the U.S. Embassy in Tokyo now gets $17,000 a year in pay and benefits from the U.S. military. But in the military the average is about $13,000 to $14,000 for the airman, sailor and soldier.

It seems to me whether we are considering the military alone or in concert with all the other services and all the other employees of the U.S. Government there is this disparity. I commend the distinguished Senator from Colorado, the Senator from Maine, and the others who are leading this effort.

It has been stated that maybe about 100,000 of our Armed Forces are on food stamps. I would hope that is something that would terminate if we at least increase the pay to this extent.

I ask unanimous consent that the statement I referred to by Mike Causey be printed in the RECORD.

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

[From the Washington Post, Mar. 5, 1979]

STATE DEPT. OVERSEAS KING OF PAY, FRINGES

(By Mike Causey)

An overseas recruiting war between U.S. agencies that have 178,000 foreign nationals on the payroll is costing American taxpayers millions of dollars each year. Those employees do a variety of chores, ranging from driving cars and emptying wastebaskets to handling top technical, cultural and administrative jobs for Uncle Sam.

The financial firefight is being won by the State Department. State is considered the pay and fringe benefit king. In some countries, mid-level foreigners working for the U.S. Embassy make more money, and get better pensions than they would in top-level jobs in their own government, or local industry.

Defense Department agencies abroad often find that their main competition for top-notch workers comes from the State Department, rather than from local host government or giant manufacturing companies.

A new report by the General Accounting Office says State could save millions if it stopped being so generous with pay levels for foreign workers. And it says the federal civil services pension system is being loaded up with unnecessary-financial burdens because State insists on enrolling foreign workers in it, rather than in retirement programs used in their own countries.

The Defense Department several years ago began getting tough in negotiating pay and fringe benefits with foreign workers, but opposition from State Department post officials has blocked State from being a hard-bargainer in many areas.

State, for instance, often puts foreign employees on the civil service retirement program setup and used to pay annuities to long-service U.S. government workers. Defense, on the other hand, requires its foreign employees to live with the prevailing retirement plan of their own governments.

The pay and fringe benefit war has resulted in some interesting, and costly, pay quirks. For instance:

The average Japanese employe of the U.S. embassy in Tokyo now gets $17,000 a year in pay and benefits from the U.S. Government. That is almost equal to the white collar federal salary average in this area, and much, much more than the typical Japanese worker—or government official—gets. It is also more than Defense agencies are willing to pay, and they often lose employes or job candidates to State.

Because the State Department has local foreign nationals under the U.S. Civil Service retirement program, Philippine employes retiring from government services get pensions that are 300 percent more than the average family income in that nation.

The lowest paid white collar German worker in the U.S. Embassy in Bonn has a starting salary of $9,300 a year.

A GAO sampling showed that State paid foreign workers 9 percent more than the Defense Department did for comparable jobs, and about 5 percent more than the Veterans Administration.

Federal agencies, often working in the same cities in foreign countries, often use different wage surveys resulting in different pay scales for the same jobs.

Defense in the Philippines gives year-end bonuses to foreign workers equal to 125 percent of a month's pay. State in the same area gives foreign workers 100 percent bonuses.

In 1977 in Korea the Defense Department gave local workers a 23.6 percent pay raise while State gave its Korean employees a 26.2 percent raise.

GAO's spot survey in Naples showed State paid its Italian workers 4 percent more than did Defense for the same jobs.

GAO has recommended that U.S. agencies overseas get together and pay the same basic salaries and has urged State to stop putting foreign nationals on the much-more generous U.S. civil service retirement plan.

U.S. Geological Survey celebrated its 100th birthday last weekend. It has grown from a small band of dedicated rock-hounds to one of the government's best-managed, most progressive scientific agencies. USGS was the first major agency to adopt flexible working hours for its entire workforce. Headquarters here is in Reston.

Hostage Paychecks: Federal payrolls no longer would be caught up in Senate-House language squabbles under legislation introduced by Sen. Charles McC. Mathias (R-Md.).

Senate-House differences over abortion-funding held up paychecks at HEW, Labor and other agencies in both 1977 and 1978.

Mathias' bill, like legislation introduced on the House side by Washington area representatives, would allow employes to be paid even if agency budgets remained unapproved because of Senate-House semantic warfare.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ARMSTRONG. May I say to the Senator from Kansas that his participation means so much not only because of his distinguished record as a legislator but also his distinguished record as a member of the Armed Forces of this country.

Mr. COHEN. Mr. President, the amendment I propose delays implementation of the Armstrong amendment until January 1, 1980. All members of the military would still receive the benefits of the lifting of the pay cap, but at the same time the cost to the Treasury would be only $472 million rather than the $700 million that would be involved in a retroactive implementation effective on October 1, 1979. I believe this approach would provide the assistance to those service personnel in need of relief and accomplish the goal at a cost which would be better absorbed within the Federal budget. It is my understanding that Mr. MATSUNAGA and Mr. ARMSTRONG both are in agreement as far as the acceptance of this particular amendment.

Mr. ARMSTRONG. Will the Senator yield?

Mr. COHEN. I yield.

Mr. ARMSTRONG. I am prepared to accept the amendment. I think it is a constructive one. However, I would like to make it plain that in any event the proposed Armstrong-Matsunaga is within the budget, within the $129.9 billion agreed to by the budget conference. I ask unanimous consent to have printed in the RECORD at this point a summary of the documentation developed by the staff of the budget conferees which puts these figures in perspective. Nonetheless, however, I do accept the amendment of the Senator from Maine.

There being no objections, the summary was ordered to be printed in the RECORD, as follows:

050: NATIONAL DEFENSE

[In millions of dollars]

	Budget authority	Outlays	Remarks
Appropriation bills in function:			
Treasury	21	19	Conference agreement.
HUD	137	140	Do.
Energy	2,959	2,753	Do.
Military construction	3,900	3,500	Military Construction Subcommittee allocation under FCR: Senate authorization provides for 3.7 in budget authority and 3.4 in outlays. House has passed 3.482 in budget authority and 3.433 in outlays.
Defense	131,743	121,037	Estimate of Defense Subcommittee markup; House has 129.5 in budget authority and 120.0 in outlays.
Other items:			
Stockpile acquisitions	237	24	Senate bill; House has no acquisitions.
Stockpile disposals	−301	−301	Senate bill; House has −200 in budget authority and outlays.
Offsetting receipts	−434	−434	
Pay supplemental	2,153	2,135	Assumes 25 percent absorption of 7 percent pay raise. Full pay raise 2.9 in budget authority and outlays.
Retired pay supplemental	200	200	
Potential military personnel supplementals.	80	94	DOPMA, survivor benefit reform and physicians pay.
Total	140,727	129,154	

Mr. COHEN. I yield to the Senator from Hawaii.

Mr. MATSUNAGA. I thank the Senator from Maine for yielding. I am happy to accept the Senator's amendment. I believe this would remove some of the objections which have been raised against the Armstrong-Matsunaga amendment.

Mr. COHEN. I thank the Senator. I would point out, in view of the fact that we have limited the time, that the Senator from Georgia indicated earlier that there is a matter of philosophy involved here. There is no question about that. The philosophy is whether or not we are willing to pay a fair, living wage to our military personnel. If not, we ought to say so.

If we want to go back to a draft, I think we also want to ask the question as to whether we are prepared to go back to $78 a month as it was in 1964. I have heard some figures tossed around that there has been a 224 percent increase since 1964. But between 1946 and 1964, there was an increase in military pay from $75 to $78 a month.

Mr. NUNN. If the Senator will yield, I have just a brief observation. I want to make absolutely plain that we are not advocating that we roll back military pay. I am advocating that we not increase the percentage of military pay relative to the military budget. If we continue to do that, the security of this time will be eroded just as it has eroded in the last 10 years.

Mr. COHEN. Mr. President, I want to hold on to my time, as there is so little left.

The fact of the matter is, we have to make that kind of a decision, whether we want to pay our military personnel a wage on which they can live. We have heard a lot of statements today about a good percentage of American people living on food stamps and supplementing their incomes with moonlighting jobs and second and third jobs. We are talking about maintaining a strong military force, and I think we have to direct our attention to this particular problem.

I think the problem is most severe with the lowest enlisted grades where the subminimum wages force military families onto food stamps. But there are also acute difficulties with the higher grades. The discrepancy between military and civilian wages is greatest in the 25–34 age group, where most are in grades E–5 and E–6 with 6 to 15 years of service.

We are talking about increasing our defense budget by a 5 percent real growth increase. If it is only to buy more weapons systems, another MX system with a racetrack, or more ballistic missiles or more tanks or planes, all of which we may need, and if we do not have people to man them, we are in trouble as far as maintaining a strong national defense.

We have a choice here: We can provide a decent wage scale for the people who serve this country, or we can say that we are not going to and go back to a draft system.

Mr. President, I ask unanimous consent that some questions raised on this issue and some responses be printed in the RECORD.

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

QUESTIONS AND RESPONSES

Argument: Why increase pay for military personnel and not for civil servants?

Response: Those in the service have not done as well as their civilian counterparts, and they have borne hardships not faced by civilian government workers. Federal blue collar wages outpaced military pay by 20 percentage points since 1972.

Circumstances special to military life have compounded the problem. Military personnel are reassigned to new posts, both stateside and overseas, throughout their career. A recent Pentagon study says that the average military family absorbs hundreds—and sometimes thousands—of dollars in expenses with every move—expenses the government should be obligated to pay. The report indicates that military people pay a $1.2 billion "subsidy" each year for official travel. A recent Army Times article on the report was headlined "PCS (permanent change of station) Huge Troop Ripoff."

In the last month and a half, these other stories have appeared in the Army Times:

"Stateside Housing Stipend Proposed: Travel Cash, Basic Pay Viewed as 'Weaknesses' "—An article on a DoD study group which "has identified so many weaknesses in compensation and entitlements, officials said, that it is not likely they could be remedied in a single fiscal year."

"Junior EM Parking Fee Exemption Asked"—A piece telling of DoD Secretary Brown's request for the junior EM exemption because "the parking fees would put an additional financial burden on personnel already strapped by the extra expenses of involuntary assignments in high-cost areas."

"Priority in Housing Backed for Lower-Rank Enlisted"—An article telling of a GAO report that "large numbers of E–1s through E–4s and their families are living off-post in housing they can't afford or in dilapidated, rodent-infested dwellings in poor neighborhoods. . . . Although DoD housing policy generally calls for suitable housing for military personnel with dependents, lower-ranking enlisted personnel are ineligible for post housing."

"Study Claims Military Hit Harder by Inflation"—Tells of a Pentagon pay study showing that "inflation has driven down

the purchasing power of service people more sharply than civilians by amounts ranging from seven to 20 percent."

Argument: This is just one more cost of the all-volunteer force.

Response: Whether our force is volunteer or conscripted, our young men and women in uniform deserve a fair living wage. In fact, if we draft only a small segment of the population, we owe a special obligation to them. One of the big reasons Congress passed the big military pay boost in the early 70s, before the advent of the AVF, was the feeling on the part of many Members of Congress that those serving in the draft army were being unfairly treated. Even during Vietnam, only a small percentage of the eligible population was drafted. The same is likely to be true in any future draft. If we ask these people to make a special sacrifice in service to their country, the least we can do is make sure they are paid the minimum wage.

Argument: Why include officers and senior NCOs in the pay increase?

Response: Those in the lowest enlisted ranks clearly face the greatest difficulties. But the Pentagon reports a significant problem in retaining top quality NCOs and officers at the point of second reenlistment. A Pentagon study group has recommended special pay increases for those in grades O–3 through O–5 (Captain, Major and Lieutenant Colonel) and for enlisted grades E–1 through E–6 (private through staff sergeant). The discrepancy between military and civilian wages is greatest in the 25 to 34 year old age group, where most enlisted members are in grades E–5 and E–6, with six to 15 years of service.

Argument: The personnel share of the defense budget is already too high.

Response: Pay for civilian DoD employees takes up 70 percent of the Pentagon's personnel budget. Enlisted personnel and officers each get about half of the remaining 30 percent.

The average DoD civilian earns $21,117 annually, the average Federal worker $16,999. The average military person makes $13,463 each year, the average enlisted person only $9,900. This compares with an income of $11,546 which the Bureau of Labor Statistics estimates a family of four needs to maintain a "lower level" standard of living.

It is unfair to our men and women in uniform to suggest that we cannot pay them a fair living wage because we do not want to increase the personnel share of the DoD budget. This is especially true in light of the disparity between their pay and that of their civilian counterparts at DoD.

Mr. COHEN. Mr. President, I yield back the remainder of my time. I urge we adopt the Armstrong amendment as amended by the proposal to confine it to January 1, 1980, next year.

Mr. ARMSTRONG. I am very grateful to the Senator from Maine for his contribution. The amendment is a good one. I ask unanimous consent that this amendment be accepted as an amendment to the Armstrong-Matsunaga amendment.

The PRESIDING OFFICER. Is there objection to the Senator modifying his amendment? Without objection, it is so ordered.

The amendment, as modified, is as follows:

At the end of title VII insert the following new section:

SEC. . (a) Except as provided in subsection (b), funds made available under this act under the heading "MILITARY PERSONNEL" shall be used to pay the salary or pay of any office or position with respect to which an adjustment is made during fiscal year 1980 under section 1009 of title 37, United States Code, at the rate of salary or pay for such office or position which would have been payable by reason of such adjustment if the President had not submitted an alternative pay plan under section 5305 (c) of title 5, United States Code, with respect to such adjustment.

(b) The provisions of subsection (a) shall not apply to the salary or pay of any office or position the rate for which is limited by the provisions of the second paragraph of section 101(c) of the joint resolution entitled "Joint Resolution making continuing appropriations for the fiscal year 1980, and for other purposes", approved January 1, 1980.

Mr. ARMSTRONG. Mr. President, I ask for the yeas and nays at this time.

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

The yeas and nays were ordered.

Mr. ARMSTRONG. I have only two other speakers I wish to yield time to. Senator PROXMIRE appears not to be on the floor at the moment. My distinguished colleague from Hawaii, Mr. MATSUNAGA, is here, and I would be pleased to yield 2 minutes, or such time as he might wish.

Mr. MATSUNAGA. I thank the Senator for yielding.

Mr. President, I would like to point out that in a recent interview with the New York Times, Assistant Secretary of Defense Robert Pirie indicated that two of the main reasons for the recent All-Volunteer Force recruiting problems were, one, military compensation, which has declined to levels lower than that in comparable civilian jobs; and, two, the unfavorable public image of military life.

Secretary Pirie said that, in addition to seeking additional funds for the military's recruiting and advertising budgets, the Department of Defense is considering asking Congress to authorize an increase in pay levels for certain military personnel and increases in certain benefits accorded to servicemen such as housing allowances and travel reimbursements. According to Secretary Pirie, he believes that military pay increases are necessary in order to attract more enlistments and to retain more skilled personnel already on duty.

It should be pointed out, Mr. President, that the manpower report released by the Department of Defense last December found that an analysis of enlistment figures showed that volunteer enlistments during the period of fiscal years 1973 through 1977 have been influenced significantly by military pay levels as compared to civilian pay. The report explained that a 10-percent increase in first-term military pay would bring a 5- to 10-percent increase in high-quality enlistments.

Mr. President, I urge that, in order to address the manpower problems of the All-Volunteer Force, which have been testified to by the Chairman of the Joint Chiefs of Staff and each of the service chiefs as the most critical national security problem of all for the 1980's, the Senate pass the Armstrong-Matsunaga amendment.

Mr. ARMSTRONG. Mr. President, I thank the Senator for his leadership on this issue and express my pleasure in being associated with him in this effort.

I yield for 1 more minute to the Senator from Maine.

Mr. COHEN. Mr. President, my distinguished colleague (Mr. MUSKIE) is indeed renowned as one of the true fiscal conservatives, certainly of this Congress. He has been holding the budget, doing his level best to hold expenditures within the ceilings we have voted upon.

I also take this opportunity to point out that my colleague from Colorado, with whom I served three terms in the House, is perhaps one of the most fiscally conservative Members of not only the House but the Senate, as well.

Mr. MUSKIE. Will the Senator yield?

Mr. COHEN. Yes, I yield.

Mr. MUSKIE. I find that there is no Senator in this body who is totally conservative when it all comes together. The increase that is proposed here adds to a shortfall in the budget of over a billion dollars.

Mr. COHEN. I simply say that I would match Senator ARMSTRONG's record on fiscal conservatism or spending with that of any Member of the Senate.

Mr. MUSKIE. That has nothing to do with this amendment or its effect on this budget. This is a blockbuster.

Mr. ARMSTRONG. Mr. President, do I have the floor?

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

Mr. ARMSTRONG. I appreciate the comments of both Senators from Maine. Now I yield 2 minutes to the distinguished Senator from Wisconsin (Mr. PROXMIRE).

The PRESIDING OFFICER. The Senator from Wisconsin has 45 seconds.

Mr. PROXMIRE. Mr. President, I am enthusiastically in support of the amendment by the Senator from Colorado and the Senator from Hawaii. I say that although I think I have voted against excessive military spending as much as anybody in the Senate and I recognize that we have wasted a lot of money in all our areas, particularly in the military area. But if we believe in an effective military, we have to pay for it. It is fine to say, yes, we would like to cut military spending so we will hold down salaries, but we just are not going to get a volunteer Army that way.

If we do not want a volunteer Army, let us pass a selective service program. There are Members of the Senate who favor that and I respect them for it. But if you believe in the volunteer Army, as I do, we are going to have to pay for it by paying people to get into it.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. PROXMIRE. Mr. President, I was yielded 2 minutes.

The PRESIDING OFFICER. The Senator only had 45 seconds.

Mr. STENNIS. I yield 1 minute if I have it.

Mr. PROXMIRE. Mr. President, we all know that life in the military can be lonely and dangerous. We also know it requires skilled people. The best equipment, and we are spending billions on equipment—aircraft carriers, tanks, missiles—will not work if we do not have

competent people to operate it. If we want an effective Army, we are going to have to get capable people in who have the competence to handle this complicated equipment. It is not the way it was when most of us were in the military in World War II, when it did not require that kind of skill and capability.

Sure it costs more. If we are going to be honest about a volunteer Army and we believe in real freedom in this country and believe people should not be drafted into services when they do not want to be, it seems to me this is a vote that is essential.

I thank my friend from Colorado.

Mr. STENNIS. A point of order, Mr. President: What is the time situation?

The PRESIDING OFFICER. The Senator from Mississippi has 1 minute, 10 seconds remaining.

Mr. STENNIS. And how much has the other side?

The PRESIDING OFFICER. Senator ARMSTRONG and the proponents of the amendment have used all their time.

Mr. STENNIS. Well, Mr. President, I yield back the time that we have remaining.

Mr. HUMPHREY. Mr. President, I rise to express my strong support for the Armstrong-Matsunaga amendment, of which I am proud to be a cosponsor, because it is another opportunity for the Senate to show its determination to strengthen our national defense.

There are those who will oppose this amendment on the grounds that already too large a proportion of our defense budget is devoted to manpower. There are those who will say that any increase in defense spending, however small, should be devoted to the procurement of weapons.

I am one of those who believe that too great a proportion of our defense budget is devoted to manpower costs. But the reason for this is not because military pay and allowances are too high.

Military pay cannot be too high if beginning recruits earn only 83 percent of the minimum wage.

Military pay cannot be too high if 100,000 military men must obtain food stamps in order to feed their families.

Military pay cannot be too high if the average salary for all enlisted personnel, from the newest private to the most senior sergeant-major, is $1,500 less than the minimum the Government thinks is necessary to maintain a lower level standard of living for a family of four.

The problem is not that we are spending too much for manpower. The problem is that we are spending too little for everything else. In the face of an unprecedented Soviet threat, we should be procuring modern airplanes, modern ships, modern tanks, modern weapons of all kinds. We should be providing more funds for operation, maintenance, and training.

We should be doing all these things. Recent events in the Middle East, in Southeast Asia and elsewhere emphasize how important it is for the United States to rebuild her defenses.

But we cannot strengthen our defenses by eroding the very foundation on which those defenses are constructed—our servicemen and women. All the sophisticated hardware we can buy is just so much expensive junk without the right numbers of the right kind of people to operate them.

Bernard Brodie put the matter well in his Guide to Naval Strategy, published in 1942:

> We must always remember that the basic element of strength in any nation is not in its machines but in its manhood.

There are others who will say: "You're right. There is a serious manpower problem in the military. It is caused by eroding pay and benefits. But let us study the matter further and put off action for another year."

To these people, let me say: We know what the problem is. We know it is getting worse. We know what is causing the problem. We know how to cure it. Why put the solution off any longer?

If a doctor has a patient with a bad cold, does he wait until the cold develops into double pneumonia before prescribing medication?

If the barn is on fire, do we wait until it has spread to the house before calling the fire department?

Mr. President, there can be no question that the Armstrong-Matsunaga amendment is directed at a very serious problem, a problem which will grow very much worse if action is postponed another year or beyond that. There is no question that the solution the amendment proposes will work. Every survey taken recently by the services indicates the principal cause of the manpower shortages is the erosion of pay and benefits. The way to stop the shortages is to stop the erosion of pay and benefits. This may be the one problem that we will ever confront that actually can be solved by more money.

Mr. ARMSTRONG. Mr. President, it is hard to imagine in this day and age that an employer in the United States could get away with:

Paying new employees less than the minimum wage;

Paying skilled journeymen who have been with the firm 8 to 10 years so little that they have to get food stamps in order to feed their families;

Forcing employees to work 20–30 hours overtime each week without any additional compensation; and

Holding cost-of-living increases below the rate of inflation for 6 out of the last 7 years.

Surely, if the Government ever found out about such a latter day Simon Legree, it would fall upon him like a ton of bricks. There would be lawsuits and OSHA inspectors everywhere, and denunciations on the floor of the Congress.

But it is the Government itself that is running this sweatshop. The examples above are not hypothetical horrors. They are the actual state of affairs in the Armed Forces today.

The All-Volunteer Force is in trouble. The reason it is in trouble is because Congress has not kept the promises it made to our servicemen and women at the time the AVF was created. Congress pledged to keep pay and benefits for the military comparable to those in the private sector. But Congress has reneged on that pledge.

The Armed Forces are smaller in number today than at any time since 1950, yet they are having grave difficulty meeting their peacetime manpower requirements. This year, for the first time ever, all of the services have failed to meet their recruiting goals. Now that base pay for a recruit has fallen to 83 percent of the minimum wage, it is not difficult to understand why.

Most of us have suffered from inflation, but none so severely as servicemen and women. From December of 1972 to October of 1978, the cost of living rose 59.9 percent. But the regular military compensation—base pay plus allowances for housing and subsistence—rose by only 40.8 percent.

Hardest hit have been the career noncommissioned officers, the bone and sinew of our Armed Forces. The average salary for all enlisted personnel, including all allowances, is $9,900. The Bureau of Labor Statistics says the minimum income necessary for a lower standard of living for a family of four is $11,546.

Unless steps are taken now to halt this erosion of pay and benefits, Congress will have no choice but to reinstate the draft. To reinstate conscription for any reason would be unfortunate. But to go back to the draft simply because Congress is unwilling to pay a living wage would be unconscionable.

I urge adoption of the amendment.

● Mr. HART. Mr. President, I am pleased to join Senator ARMSTRONG as a cosponsor of his amendment to lift the pay cap on military salaries. Without this measure, our service personnel will suffer their third real pay cut in 6 years.

One of the biggest problems we currently face in recruiting and retaining competent and dedicated people for our Armed Forces is that pay outside the military system has gone up faster than it has inside. Inflation is hurting almost every segment of our society, but it has fallen particularly hard on the members of the armed services.

Many of our most capable military personnel are leaving the service for civilian jobs. Since there is no lateral entry into the Armed Forces, this loss is devastating. Experienced people cannot be brought in at their level to take their place, as is the case in the private sector and in Federal agencies. So, less qualified personnel must be retained at great cost in dollars and time. The quality of military leadership inevitably deteriorates.

We cannot justify spending billions of dollars for military hardware, while not paying for the quality people we need to operate our weapons and command our ships and troop units effectively. A capable military service is not just equipment, it is people, and good people must be paid comparable wages if we expect them to stay in the service. I commend Senator ARMSTRONG for introducing this proposal, and I am happy to join with him in working to get the Senate to accept it.●

POINT OF ORDER

Mr. STENNIS. Mr. President, the law is plain; the provisions of this amendment are clear. Undoubtedly, it is legislation on an appropriation bill. It is clearly so, and I make that point of or-

der that, under rule XVI, paragraph 4, this amendment is legislation on an appropriation bill; therefore, it is out of order.

Mr. ARMSTRONG addressed the Chair.

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

Mr. STENNIS. Mr. President, I do not yield for any purpose. As I have understood it, these matters were not debatable.

The PRESIDING OFFICER. The Chair states that the Senator from Mississippi did lose the floor when he stated his point of order and the Senator from Colorado is recognized by the Chair. The Senator from Colorado has suggested the absence of a quorum. He has the right to do that. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ARMSTRONG. 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. ARMSTRONG. Mr. President, in light of the point of order that has been raised by the distinguished chairman, I raise the question of germaneness.

Mr. ROBERT C. BYRD. Mr. President, I make the point of order that this is a misuse of the precedents of the Senate, since there is no House language to which this amendment could be germane, and that, therefore, the Chair is required to rule on the point of order as to its being legislation on an appropriation bill and cannot submit the question of germaneness to the Senate.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ARMSTRONG. 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. ARMSTRONG. Mr. President, I ask unanimous consent that I be permitted to address the Senate for 1 minute.

The PRESIDING OFFICER. Is there objection?

Mr. ROBERT C. BYRD. Reserving the right to object, and I shall not object, I would like to have a minute, also.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Colorado is recognized.

Mr. ARMSTRONG. Mr. President, this point of order takes me by surprise, and I suppose it does other Senators, because the parliamentary procedure which we have followed up until now, that is, in which the distinguished chairman has raised the question of the legislation on an appropriation bill, and in response I raised germaneness, is, in fact, consistent with the precedents of this body. We have done it over and over again.

Now I gather we are about to get a different ruling from the Chair than we have had in the past. So if, in fact, the Chair sustains the point of order raised by the distinguished majority leader, then I will appeal the ruling of the Chair.

I think all Senators should realize that this is not a parliamentary issue. It will in effect constitute an up or down vote on the merits of the pending amendment.

Mr. ROBERT C. BYRD. Mr. President, there is no House language in this bill for the amendment to be germane to.

It is true, we have been following this merry-go-round, raising the point of order that an amendment is legislation on an appropriation bill, and a Senator then immediately raises the question of germaneness. The Chair submits the question of germaneness to the Senate.

I maintain it is the duty of the Chair to rule when there is no language for an amendment to be germane to, the Chair is required to rule on the point of order that it is legislation on an appropriation bill and should not submit the question of germaneness to the Senate.

Mr. STENNIS. Mr. President, may I address the Chamber for 1 minute in response to the Senator from Colorado?

The PRESIDING OFFICER. Is there objection?

The Senator from Mississippi is recognized.

Mr. STENNIS. Mr. President, there is nothing unusual or extraordinary about this point of order coming, and coming when it did.

I saw a gross violation on an appropriation bill by legislation. I also informed myself on this matter, but we had already agreed to time, a certain time for the amendment.

So I was cut off from making it at any other time until after that time has been used, or given back.

So this is made absolutely on the merits.

Mr. ARMSTRONG. It is a vote on the merits.

Mr. ROBERT C. BYRD. The Senator is not questioning the Senator's point of order, he is questioning mine.

Mr. STENNIS. All right. Let us vote on it.

The PRESIDING OFFICER. The point of order having been raised, the Chair wants to state that the Senator from Colorado is absolutely correct—it is a question of first impression and it would have the effect of adding to the existing precedents a threshold question, that being whether or not there is House language for the amendment to be germane to, and if there is no House language, the Chair would not submit the question of germaneness to the Senate, but at that time rule on the point of order.

With that background, the Chair is now prepared to rule.

Since there is no House language in this bill for the amendment to be germane to, the Chair thinks the point of order is well taken and, therefore, sustains it.

Mr. ARMSTRONG. Mr. President, I appeal the ruling of the Chair and I ask for the yeas and nays.

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

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I move to lay the appeal on the table, and I ask for the yeas and nays.

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

The yeas and nays were ordered.

Mr. STENNIS, Mr. President, will the Chair now state the question before the body?

The PRESIDING OFFICER. The question is on agreeing to the motion to lay on the table the appeal from the ruling of the Chair. The yeas and nays have been ordered and the clerk will call the roll.

Mr. ROBERT C. BYRD. Mr. President, a vote to support the tabling motion supports the ruling of the Chair.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. BAUCUS), the Senator from Arkansas (Mr. BUMPERS), the Senator from Nevada (Mr. CANNON), the Senator from Arizona (Mr. DECONCINI), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Illinois (Mr. STEVENSON), the Senator from Georgia (Mr. TALMADGE), the Senator from Delaware (Mr. BIDEN), the Senator from New Hampshire (Mr. DURKIN), the Senator from Ohio (Mr. GLENN), and the Senator from Ohio (Mr. METZENBAUM) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), the Senator from California (Mr. HAYAKAWA), and the Senator from New York (Mr. JAVITS) are necessarily absent.

On this vote, the Senator from New York (Mr. JAVITS) is paired with the Senator from Arizona (Mr. GOLDWATER).

If present and voting, the Senator from New York would vote "yea" and the Senator from Arizona would vote "nay."

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

The result was announced—yeas 44, nays 40, as follows:

[Rollcall Vote No. 399 Leg.]

YEAS—44

Bentsen	Hart	Nelson
Bradley	Heflin	Nunn
Burdick	Hollings	Pell
Byrd,	Huddleston	Pryor
Harry F., Jr.	Inouye	Randolph
Byrd, Robert C.	Jackson	Riegle
Chiles	Johnston	Sarbanes
Church	Leahy	Sasser
Cochran	Levin	Stafford
Cranston	Long	Stennis
Culver	Magnuson	Stewart
Eagleton	Melcher	Stone
Exon	Morgan	Williams
Ford	Moynihan	Young
Gravel	Muskie	Zorinsky

NAYS—40

Armstrong	Heinz	Proxmire
Bayh	Helms	Roth
Bellmon	Humphrey	Schmitt
Boren	Jepsen	Schweiker
Boschwitz	Kassebaum	Simpson
Chafee	Laxalt	Stevens
Cohen	Lugar	Thurmond
Danforth	McClure	Tower
Dole	McGovern	Tsongas
Domenici	Mathias	Wallop
Durenberger	Matsunaga	Warner
Garn	Packwood	Weicker
Hatch	Percy	
Hatfield	Pressler	

NOT VOTING—16

Baker	Durkin	Metzenbaum
Baucus	Glenn	Ribicoff
Biden	Goldwater	Stevenson
Bumpers	Hayakawa	Talmadge
Cannon	Javits	
DeConcini	Kennedy	

So the motion to table the appeal from the ruling of the Chair was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the motion was agreed to.

Mr. CRANSTON. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The appeal having been tabled, the ruling of the Chair stands and the Chair is now prepared to rule on the point of order of the Senator from Mississippi that the amendment constitutes legislation on an appropriations bill. The Chair holds that it does and the point of order is sustained.

Mr. ROBERT C. BYRD. Mr. President, I wonder if we can wind down the remaining amendments as soon as possible. Senators have planes that they have to take.

I thank the distinguished Senator (Mr. ARMSTRONG) for being so considerate and cutting back the time on his amendment.

What amendments remain? Could we go to third reading?

Mr. ARMSTRONG. Mr. President, before we take that, if I may be recognized for a moment, I compliment the majority leader. I learned something here today, and one of the things I learned is how he got to be the majority leader—by knowing the rules so well. I congratulate him for that.

I only wish to say two things: I appreciate very much the support of those who backed my amendment. It is a good amendment. It should have been agreed to, and I am sorry that parliamentary tactics have prevented that.

But I say to the distinguished majority leader that I think that the precedent that has been established here is a useful one. I support it. I think it was not right, frankly, to bring it up on a controversial amendment because he has created a controversial precedent.

Finally, before I yield the floor, if there are other amendments pending, let me say I may have an additional amendment to suggest because there is another way that this same pay amendment could be raised and it will be my purpose to do so if I can frame such an amendment.

Mr. ROBERT C. BYRD. Mr. President, may I thank those who supported the motion to table the appeal of the ruling of the Chair. We were not voting on the substance of the amendment, but this is one way to stop this business of legislating on appropriations bills when there is no House language to which a Senate amendment can be germane.

That is what the question was.

I thank Senators who supported that motion to table.

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

Mr. ROBERT C. BYRD. Mr. President, could we get on with the bill to dispose of it?

Mr. MAGNUSON. Will the Senator yield for one remark?

Mr. ROBERT C. BYRD. Are there other amendments?

Mr. HOLLINGS. Yes. I have one which will take about 5 minutes.

Mr. STENNIS. Mr. President, will the Senator yield to me,

Mr. ROBERT C. BYRD. I yield.

Mr. STENNIS. We have a few amendments here that I think we can get at pretty fast, but we have one amendment that has been waiting all day. That is the so-called helicopter amendment. We shall go to that now. There is time to have reasonable argument and have a vote here. I think a lot of that time could be yielded back.

Mr. ROBERT C. BYRD. Mr. President, could we have an understanding on amendments? How much time would the Senator from South Carolina (Mr. HOLLINGS) need on his amendment?

Mr. HOLLINGS. I talked to the managers of the bill and it will be accepted, I understand, on both the majority and minority side. I need about 5 minutes, 2½ minutes on each side.

Mr. THURMOND. Mr. President, I wish to have 2 minutes.

Mr. STENNIS. Mr. President, there is not going to be time now. It can take 4 hours to debate all these little amendments. Or maybe we could do it in 10 minutes and get rid of them. If we can get on with the debate, then we may have some conferences on these small amendments and there will be some kind of agreement on them.

Mr. ROBERT C. BYRD. Mr. President, what I am trying to do is help the Senator expedite it.

Mr. STENNIS. I understand.

Mr. ROBERT C. BYRD. If we could have 5 minutes' limitation on the amendment by Mr. HOLLINGS——

Mr. HOLLINGS. Five minutes to each side. I think the chairman agrees. I will agree to whatever the distinguished chairman agrees to.

Mr. ROBERT C. BYRD. Mr. President, could we give a limitation?

Mr. President, I yield the floor.

Mr. STENNIS. All right. The Senator from South Carolina has been ready to make an announcement on this bill.

May I ask the leader, does the Senator expect something on this helicopter amendment shortly, some word about it?

Mr. ROBERT C. BYRD. Yes. I just asked Senator HEFLIN. if it was his intention to call up the amendment, and he said he was not sure he would, but he had to make a phone call and he would be back.

Mr. STENNIS. I think if it is not called up soon, Mr. President, we will have to take it over until next week.

Mr. ROBERT C. BYRD. Mr. President, I hope we do not carry this bill over. I can understand the exigencies troubling the chairman of the committee. I said we would not be in tomorrow if we finished this bill today.

Mr. STENNIS. The Senator from South Carolina has an amendment if he wants to bring it up.

Let me also say that the Senator from Missouri (Mr. EAGLETON) has an amendment. Would someone let him know so he can get here. We do not have a time agreement.

UP AMENDMENT NO. 789

Mr. HOLLINGS. Mr. President, I call up my amendment and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. RIEGLE). The clerk will report the amendment. The Senate will be in order.

The second assistant legislative clerk read as follows:

The Senator from South Carolina (Mr. HOLLINGS), for himself, Mr. JACKSON, Mr. THURMOND, Mr. MAGNUSON, and Mr. BRADLEY, proposes an unprinted amendment numbered 789.

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

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

The amendment is as follows:

On page 3, line 12, strike "$7,902,275,000" and insert in lieu thereof: "$7,905,275,000."

On page 8, line 23, strike "$10,590,409,000" and insert in lieu thereof: "$10,599,409,000."

Mr. HOLLINGS. Mr. President, the Senators from Washington, Senator MAGNUSON and Senator JACKSON, Senator THURMOND, my senior colleague, and Senator BRADLEY from New Jersey are cosponsors.

Mr. President, this deals with $12 million for the Military Airlift Command. In marking up the bill in the Appropriations Committee we thought the problem could be handled by language. It so happened on the House side there was a Defense audit they responded to to see if they could redesign the handling of the military passengers through the various terminals in trying to congeal them for an economy move.

Now the Pentagon and the Military Airlift Command, in particular, point out that not only will that plan cost additional money but more than anything else would damage very, very seriously our readiness by about a 38-percent capacity.

I view with alarm the House and Senate action which cut $12 million dollars from the Air Force budget to encourage the closure of military passenger terminals. This cut is almost double what it takes to operate all of the Military Airlift Command's passenger terminals worldwide. It means the virtual elimination of MAC's ability to handle troops and noncombatant evacuation during the early hours of a war.

I am concerned because the cutting edge of our airpower, in support of NATO, rests on the Military Airlift Command's ability to get the troops and material in place fast. This requires an in-being force that is ready to deploy anywhere in the world prior to mobilization and within hours of an impending conflict. The House and Senate action would result in the closure of the military passenger terminals at McChord AFB, Wash.; Hickam AFB, Hawaii; Andersen AFB, Guam; Charleston AFB, S.C.; Dover AFB, Del.; Mildenhall AB, United Kingdom; and Rhein-Main AB, Germany. It would decrease the Military Airlift Command's ability to handle troops in war by 38 percent. It would sharply reduce the ability to train reserve forces and would move the Defense peacetime passenger traffic to commer-

cial aiports which are already saturated. In fact, the latter is contrary to GAO recommendations to the Congress which concluded that commercial facility congestion caused aircraft delays that cost the U.S. airlines $800 million in 1977, detained the traveling public of 600 million hours and caused the airlines to use an additional 700 million gallons of fuel—over 8 percent of their total consumption. The GAO recommended to the Congress and the Secretary of Transportation that traffic should, in fact, be shifted to "reliever" airports.

I fail to understand how we can close paid-for, existing facilities, which already provide us the recommended relief and move that traffic to commercial facilities such as Atlanta and Los Angeles which are overcrowded. I fail to understand the logic for cutting 263 military personnel who provide over a third of the Military Airlift Command's active duty wartime means to move combat troops, as well as the movement of up to 2 million noncombatants—especially when we face a growing threat in Europe. I fail to understand how our troops are going to move through commercial facilities, get on an aircraft and find their way to the battlefield. The nature of these two operations are completely different.

Apparently, the House and Senate Appropriations Committees based their decision on a Defense Audit Service report. Had they read between the lines they would have found the cost savings cited in that report were ghosts. Because of the Defense Audit report the Air Force just recently closed the Norton passenger terminal and started operations at Los Angeles. The Defense decision to move to Los Angeles was done without the knowledge of the Los Angeles airport authority, who raised considerable opposition because of already overtaxed facilities. Additionally, the cost of moving our young service people through these high-cost areas is certainly not in their best interests. Twelve million dollars is a small price to pay for the wartime capability we need to keep this country out in front and at the same time continue to provide a highly valued benefit to our people in uniform. Therefore, I propose the Senate restore $12 million in the fiscal year 1980 Defense appropriations bill.

Mr. STENNIS. Mr. President, this amendment pertains to our passenger terminals, which are involved in carrying our military personnel and their families and certain equipment back home, and so forth. The House took out this money. It certainly seems to us it ought to be reviewed. So I propose that we take this amendment respecting an established program to conference and see what we can work out and get the funds restored in part, at least, or in whole, and that is agreeable to the Senator from North Dakota.

May I request, please, if the Senators could just put their statements in the RECORD, it would greatly facilitate matters.

Mr. THURMOND. Mr. President, the committee cut $12 million from the bill which was needed for nine military gateway terminals at military airports based on a Defense Audit Agency report that it would be cheaper to move operations to the nearest commercial terminals.

A more recent General Accounting Office study shows these commercial terminals are already congested and that the United States should use "reliever" terminals like our present military facilities.

Furthermore, a recent Air Force study shows there would be no savings by shifting military passengers to commercial airports.

Mr. President, we need to keep these military gateway terminals as a mobilization base in emergencies. As a coauthor of this amendment, I urge its adoption.

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

Mr. STENNIS. Mr. President, let me ask are there any more requests for time?

The PRESIDING OFFICER. Is all time yielded back?

Mr. STENNIS. I yield back my time.

Mr. HOLLINGS. I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

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

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

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 790

(Purpose: To restore the funds for the Air Force Class IV modifications)

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Utah (Mr. GARN), for himself and Mr. HATCH, proposes an unprinted amendment numbered 790.

Mr. GARN. 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 26, line 11, insert the following: strike "$2,632,131,000" and insert in lieu thereof "$2,633,731,000".

The PRESIDING OFFICER. May I ask the staff members who are on the floor to find seats and stop conversations so that we can hear the Senator from Utah.

The Senator from Utah.

Mr. GARN. I thank the Chair. Mr. President, this is a simple amendment which has to do with Air Force TACAN programs, to restore a $1.6 million cut to complete the third phase of a three-phase modification program.

It is my understanding that the majority and minority floor managers have agreed to accept this amendment.

Mr. STENNIS. Mr. President, we support the amendment. We think it has merit and we hope we can yield back the time now.

Mr. YOUNG. I will be happy to yield back my time.

Mr. STENNIS. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Utah.

The amendment was agreed to.

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

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I see the Senator from Arkansas here. He has two amendments, if he would present the one about the early warning system first.

Mr. PRYOR. I thank the chairman for yielding to me. I think this amendment will take only a few moments.

The PRESIDING OFFICER. The Senator from Arkansas.

UP AMENDMENT NO. 791

Mr. PRYOR. I send an amendment to the desk at this time and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. PRYOR) proposes an unprinted amendment numbered 791.

Mr. PRYOR. 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 63, between lines 10 and 11, insert the following:

SEC. 763. The Secretary of the Air Force shall acquire and install, with such funds as may be available to him, a civilian early warning system at each Titan II missile site to the extent found necessary or desirable by the study conducted pursuant to section 813 of the Department of Defense Authorization Act, 1980.

Mr. PRYOR. Mr. President, the amendment which I offer will provide for the establishment of a civilian early warning system at Titan II missile sites which have surrounding communities and farms. It is my belief that such an early warning system is necessary to protect the safety of these civilians who could be exposed to accidentally released toxic and even lethal gaseous fumes. My amendment would not, of course, cover those missile sites which are located in isolated areas with no surrounding populations.

At the present time, there are 54 Titan II missile sites located in Arkansas, Kansas, and Arizona; 18 of these missile sites are located in Arkansas. My concern for the safety of the people living in the surrounding areas is very real, Mr. President. In January of 1978, a fuel transporter at a missile site near Damascus, Ark., overheated and vented toxic nitrogen tetroxide vapor into the atmosphere which drifed over the civilian countryside exposing seven people to the toxic fumes. One of those exposed has stated that he is still experiencing ill effects from the exposure over a year and half ago.

While we cannot prevent all accidents, we can take steps to protect the people living in the areas surrounding the mis-

sile sites. In the case of the accidental leak in Damascus of nitrogen tetroxide, a component of Titan II missile propellant, the most severe exposures were due to the simple fact that the individuals were simply not aware that any danger existed. They were working out in the fields and continued to work for several hours until neighbors found them and warned them of the evacuation of the area. The Air Force stated that the leak was not immediately detected, thus causing the delay in the notification rather than the lack of procedures. I, however, believe that this emphasizes the need for an immediate response once the accident is detected.

At the present time, there is no automatic alerting system which could be triggered to warn the surrounding civilian population about a leak of toxic fumes or any type of accident. The Air Force, while maintaining sensitive monitoring equipment at the missile site to immediately alert those at the site to a hazard, does not have an early warning system installed to warn civilians in the surrounding towns and farms. Air Force officials rely on the notification of local civilian law enforcement personnel and ask for their assistance "in establishing a controlled situation if the situation dictates." This, Mr. President, is simply not adequate. In Damascus, four persons were hospitalized. There is no need for this type of unfortunate occurrence to happen if the proper precautions are taken. This is the problem we need to address.

The question of the safety of the Titan II missile system has been raised before. When questioned, the Air Force revealed that 20 persons were hospitalized due to exposure to toxic Titan II propellants from 1974 to 1978 alone. These figures would not include the Damascus accident or a later propellant leak of nitrogen tetroxide that was much more severe near Rock, Kans. There were two fatalities of airmen working at the site, 20 hospitalized, and nearly 200 people evacuated from the nearby town and surrounding farms.

Concern over this leak and other incidents led to the adoption of an amendment to the 1980 Department of Defense authorization bill which called for the Secretary of the Air Force to conduct a complete investigation of the Titan II missile systems and report back to the Congress within 180 days. The study will include an investigation of the physical condition of the Titan II missile systems and recommendations for improvements to protect the public safety, including that of the military personnel assigned to the missile sites.

Mr. President, it has been pointed out that over 1 million people live in the areas surrounding the Titan II missile sites in Arkansas, Kansas, and Arizona. We have a responsibility to protect the safety and well-being of these people. The present so-called "system" for alerting the nearby civilian populations constitutes no viable "system" at all. Leaving the notification up to the local law enforcement officials is haphazard and leaves to chance many possible omissions for untold reasons. There needs to be established an early warning system which will indicate to the populace that a danger exists and that proper precautions need to be taken.

I would hope that once the recommendations of the Secretary of the Air Force are received regarding the improvements to protect the public safety, all necessary actions will be taken to install the recommended civilian warning system. It is my firm belief that this warning system will help to insure that there will be no future injury or loss of life due to an accident at a Titan II missile site which could have been prevented.

Mr. STENNIS. Mr. President, on that we asked the Senator from Nevada (Mr. CANNON) to look into this matter. It is something in which he is versed and about which he is familiar, and something he said should be done, provided they found the base for it that the Senator from Arkansas is expecting. I hope the Senate will approve the Senator's amendment.

The PRESIDING OFFICER. Is all time yielded back?

Mr. PRYOR. I yield back my time.

Mr. STENNIS. I yield back my time.

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

The amendment was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. STENNIS. We thank the Senator. He does have another amendment.

Mr. PRYOR. Yes, Mr. Chairman, I do.

The PRESIDING OFFICER. The Sentor from Arkansas.

UP AMENDMENT NO. 792

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

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas (Mr. PRYOR) proposes an unprinted amendment numbered 792.

Mr. PRYOR. 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 7, line 10, strike out "$10,031,-355,000" and insert in lieu thereof "$10,-006,355,000".

On page 7, line 21, strike out "$13,352,-224,000" and insert in lieu thereof "$13,-317,224,000".

On page 8, line 23, strike out "$10,599,-409,000" and insert in lieu thereof "$10,-564,409,000".

On page 9, line 6, strike out "$3,555,-197,000" and insert in lieu thereof "$3,-550,197,000".

Mr. PRYOR. Mr. President, I would like to make an inquiry at this time; under what time agreement are we acting at this moment?

Mr. STENNIS. I hope the Senator will take a very few minutes.

The PRESIDING OFFICER. The Chair will advise the Senator that under the rule that exists at this moment there are 30 mnutes to the amendments to a side, but they have not been taken.

Mr. PRYOR. Mr. President, I ask unanimous consent that it be in order to amend the bill on page 8, line 23 for a second time.

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

Mr. PRYOR. Mr. President, I will proceed as rapidly as I can. This subject has consumed a great deal of my attention and time in the past several weeks and I feel very deeply about it. For the past 35 years Congress, as an institution, has routinely delegated many of its responsibilities and obligations to the executive branch and to the departments and regulatory bodies of the Government.

Now, Mr. President, in 1979, as we are about to begin a new decade, we find that the same governmental entities to which we have delegated these responsibilities are now in turn delegating these responsibilities to consultants and contractors for a profit. I believe these consulting firms are pervading this country, and in this city they have literally taken over the decisionmaking process of our Federal system.

I am proud that the Senator from Washington (Mr. MAGNUSON), the distinguished chairman of the Appropriations Committee, has joined me as a cosponsor of this amendment.

Also joining me in this amendment are Senator ZORINSKY, Senator SIMPSON, and Senator METZENBAUM. Mr. President, I ask unanimous consent that their names be added as cosponsors of this amendment.

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

Will the Senator be kind enough to add the name of the occupant of the chair as a cosponsor, as well?

Mr. PRYOR. The Senator from Arkansas is extremely pleased to have Senator RIEGLE join him in this amendment.

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

Mr. PRYOR. Mr. President, my amendment states that the Department of Defense shall reduce by $100 million the amount of funds appropriated under this act to pay for the compensation of experts and consultants or to procure by contract the services of experts and consultants or organizations thereof. This amendment is similar in substance and form to the language in the HEW appropriation bill by the distinguished chairman of the Senate Appropriations Committee, Senator MAGNUSON (a cosponsor). This amendment is also similar to the action taken by the House of Representatives Committee on Appropriations, when they considered the DOD appropriations bill.

The problem of increasing dependency on consultants and experts by the Department of Defense is one of growing concern to me as I am sure it is to my colleagues. This problem exists, however, not only at the Department of Defense, but at every Federal agency and department. The costs and numbers of con-

sultants employed by the Government are astoundingly high, with estimates which run into millions of people and cost figures exceeding $2 billion. Moreover, from the study and investigations I have conducted thus far, I am convinced that much of this money is spent in an inefficient and wasteful manner and that fraud is rampant in these expenditures.

On October 12, 1979, the Subcommittee on Civil Service and General Services, which I chair, held the first of a series of hearings on the Federal Government's growing reliance on consultants and experts. Last Friday, November 2, I also chaired the Governmental Affairs Committee oversight hearings on the use of consultants at the Department of Energy. I plan to continue these hearings and my investigation into this subject by examining practices at various Federal agencies and departments.

My research to date indicates that not only do we not know how many consulants and experts are being used by the Federal Government, but we are not even sure what some of these people do for the Federal Government, how much their services cost the American taxpayer, or even why they were retained in the first place.

Although no exact figure has been compiled on how much the Federal Government spends for advice, all evidence points to a figure that is in the several billion-dollar range. Although I have not been able to discern any pattern to hiring practices, an overwhelming majority of consultants appear to gain access to Federal money as a result of friendships and previous contacts, rather than as a result of ability. While many of the contracts are for needed services, a large number are unnecessary and all but useless when completed. The lists of abuses which I have been able to develop in the short time of my investigation looks more like "Ripley's Believe It or Not," rather than legitimate Government procurements.

One witness, a retired officer, testified under oath about the abuses with which he became familiar while working as a DOD consultant. During his 4 years as a consultant he testified to witnessing or participating in the completion of approximately 70 contracts totaling nearly $5 million, of which 94 percent were with the Department of Defense; 93 percent of those were awarded on a sole source basis, that is, without competitive bids. The witness testified to abuses, such as lack of competition in contracts by awarding either sole source contracts or what are known as wired contracts (these were advertised to the public, but agreements had already been reached to award them to a particular consultant); use of security classifications arbitrarily applied to limit competition; subdivision of contracts to circumvent paperwork requirements and to avoid closer scrutiny; use of exclusive information by contractors who "became cozy" with Government officials; improper billing by contractors to secure top pay, bonuses, first class travel, and payment for such personal items as automobiles. These are only a few of the more blatant examples about which he testified. Such practices are permitted and perhaps even encouraged by the Department of Defense. Additional areas of concern I have uncovered include the following examples.

One agency of the Department of Defense, the Naval Air Facility, issued seven separate contracts to the same consultant. His task was to write up suggestions for more contracts which the Navy could contract out. This suggests to me that this agency has money to burn if they can go shopping in this manner.

We also find that the Defense Department authorized $169,000 for a study on "How to Organize and Administer Contracts." The approved cost overrun on the consultant's fee brought the total to $200,000. After spending this amount the Department refuted the results and delayed release of the study. Instead, they authorized an in-house study which contradicted much of what the consultant has said.

Similar abuses have been documented to me by other witnesses, as well as in the 1977 Defense Audit Service report on the audit of management studies and analyses in DOD. A similar audit report, now underway, is expected to outline similar patterns of abuse. In addition, like findings have also been confirmed and documented by the General Accounting Office and the House Appropriation's Subcommittee on Surveys and Investigations in February 1977. The House report reviewed the Department of Defense's contract studies and analyses and reported that "there was found an abysmal lack of uniformity making it impossible to gather accurate study data." Further, according to the House report:

> The many abuses make it doubtful the Department of Defense is adequately preserving the integrity, credibility, and even the honesty of the negotiating method of procurement.

We have literally granted a hunting license for these people who comprise this invisible bureaucracy, and the prey is the American taxpayer.

A meaningful first step is to establish a sound reporting system of the Government's consultants.

On this point, I would like to strongly identify myself with the concerns raised on page 85, in title III of the committee report. As explained in the report, the committee recommends that the Department of Defense establish a special exhibit in the budget justification material, beginning with fiscal year 1981, that shows the amount expended, or requested for:

First, consultants (salaried and contracted); second, contract studies and analyses; and third, other management support contracts. I hope that the chairman of the Defense Appropriations Committee will make DOD adhere to this valuable requirement and if possible expand its langauge in the conference report.

I believe that this action is long overdue and I wholeheartedly support the Senator from Mississippi in this effort to begin to uncover a large part of this so-called invisible bureaucracy. I am pleased that the Senate Committee on Appropriations believes that the Department of Defense should not "export" its management responsibilities and prerogatives to consultants, contract analysts and Defense "experts" who are not on the DOD payroll.

In greater recognition of this problem, our counterparts in the House of Representatives Committee on Appropriations have recomended a $300 million reduction in contracts, studies, and analyses, as well as management and engineering support and consultant services. To quote from the House DOD Appropriations Committee report:

> The Committee has very little confidence in the overall accuracy of the figures, the fact remains that the amounts being spent in such contracts have been rapidly increasing in recent years.

DOD spent $2,252,600,000 in fiscal year 1977 on service support contracts. Although the overall size of the United States Armed Forces has remained relatively stable since then, the expenditures for such "service support" have increased over $1 billion to $3,263,100,000.

The House Appropriations Committee has several times admonished the Department of Defense to make reductions in the service support contract portion of the budget, however, the committee has been ignored year after year. The House committee has very carefully documented examples of consultant abuse, as well as the committee's efforts to curb the growth and dependency on consultants and experts. Among the continuing abusive practices are: contracting-out for services when they can be done less costly in-house, awarding contracts to firms that are in violation of the administration's wage and price guidelines, revolving door arrangements, and use of consultant services to perform functions for which there are in-house capabilities. The House committee's 10 volume hearing record is replete with example of studies and audits which have been conducted by consultants for DOD and which have produced questionable results.

I must say that I am in agreement with my colleagues in the House. I believe we have an invisible bureaucracy which is growing by leaps and bounds, feeding off the Federal Government and spending literally billions of dollars in an unregulated and unchecked manner. When defense dollars are wasted on unnecessary consultant costs it means that our Nation's national security is being diminished. Steps must be taken immediately to insure that all the taxpayer's dollars allocated for defense are actually spent in a cost effective and productive manner. We must not further abrogate our national security through wasteful and needless consultant contracts.

My amendment is a simple first step which we in the Congress should take in order to put Federal agencies on notice that wasteful, inefficient, and often fraudulent consultant arrangements must be ended.

Consultant abuse and fraud is evident not only in the Department of Defense. As I have mentioned, the distinguished chairman of the Senate Appropriations Committee, Senator MAGNUSON, is aware of the problems associated with the in-

creasing reliance on consultants by the Federal Government, particularly at the Department of Health, and Welfare. In fact, the fiscal year 1980 appropriations bill for DHW made a reduction of $65,000,000 in consultant costs. It also ordered the Secretary to report to the committee within 60 days where the reductions would be made. According to the committee report:

(T)he Committee is taking this action as an expression of its displeasure over the expanded role that consultant organizations are playing in the day-to-day operation and decisionmaking process that are integral to HEW's mission.

I would hope that the conference report agreement on the DOD appropriation bill will also adopt language which requires the Secretary of Defense to report to Congress within 60 days on how the proposed reductions will be accomplished.

I would suggest to my colleagues that this problem is not isolated to DHW or to DOD but is found in virtually every Federal agency and department, which has been permitted to spend the taxpayers' dollars in an unchecked and frivolous manner for often worthless consultant studies and commonsense advice.

I would also like to put my colleagues on notice that I plan to carefully scrutinize each bill which comes before the Congress in order to insure that taxpayers' dollars are not spent unnecessarily for needless consultant studies and reports.

As I said in the first day of my hearings on this subject, the invisible bureaucracy is made up of literally thousands of individuals hired as consultants by government.

Until recently very little has been said or done about the growing influence of the consulting industry.

Over 2 years ago the President of the United States expressed his concern over the waste of taxpayer dollars for consultant services that were being spent "excessively, unnecessarily, and improperly." He then directed the Office of Management and Budget to find out how many consultant contracts the Federal Government awarded, the names of each firm, and the benefit that the Government derived from these contracts. Today, 2½ years later, we still do not know how many consultants the Government uses, how much they are paid, or what benefit the Government derives from their services. Worse yet, during the 2-year period when Federal agencies were being asked to cut down on excessive and abusive arrangements and to implement controls, every indication is that the Government instead relied even more heavily than ever on the consultant industry.

As a result of the President's interest in eliminating unnecessary and abusive consulting arrangements in the Federal Government, the Office of Management and Budget on May 5, 1978, issued Bulletin No. 78-11, "Guidelines for the Use of Consulting Services." I would, however, point out to my colleagues that this bulletin has not been adequately monitored by OMB and, in fact, has not even been implemented by a number of Federal agencies and departments. Perhaps the most notable Federal agency among those is the largest employer of consultants and one which we are discussing today—the Department of Defense.

On September 5, 1979, I wrote to over 30 Federal agencies and departments asking them a series of questions regarding their use of consultants and experts and the status of their efforts to implement the OMB bulletin. Although not all agencies I wrote have responded, I did receive a prompt response from the Department of Defense on September 27, 1979. They enclosed a copy of the DOD directive which implements OMB Bulletin 78-11 issued on May 5, 1978, but told me, and I quote:

This directive is pending signature of the Secretary of Defense.

Over a year after OMB issued their cure-all for consultant abuses, DOD, the largest Federal agency, has not even implemented the order. This information, in my opinion, is utterly shocking but perhaps shed light upon the problems which we face. I ask unanimous consent that the Department of Defense response to my letter, together with an article on HEW consultants, be printed in the RECORD.

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

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C., September 27, 1979.

Hon. DAVID PRYOR,
Chairman, Subcommittee on Civil Services and General Services, Committee on Governmental Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR PRYOR: The enclosed information is provided in response to your request of September 5, 1979, regarding consultant/expert services in the Department of Defense.

If you need any further information or have any questions, please feel free to contact me.

Sincerely,

D. O. COOKE,
Deputy Assistant Secretary of Defense.

Enclosures.

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1. Has your agency implemented the management controls outlined in Bulletin 78-11 within your internal regulations? If not, why not? If yes, please enclose a copy of these regulations.

Yes. Enclosed is a copy of the DoD Directive which implements OMB Bulletin 78-11. This directive is pending signature of the Secretary of Defense (enclosure 1).

2. Bulletin 78-11 established a requirement for all agencies to report various statistical information on all consultant contract awards over $10,000 to the Federal Procurement Data Center. What types and levels of officials within your agency decide whether or not a particular contract is for consultant services as defined in Bulletin 78-11?

The need for the use of consultant services must be approved at a level above the organization sponsoring the consulting service. This would mean an individual in a command or staff position of rank of at least a colonel or equivalent in the Navy or Civil Service. The decision to designate a contract as being for consultant-type services is based on the information and approvals appearing on the requesting document or requisition and the guidelines and examples of Bulletin 78-11 which are incorporated into the Defense Acquisition Regulation (DAR).

a. Are these officials contracting officers or the program managers that requested the contract?

The individuals actually marking the DD Form 350, the Individual Procurement Action Report, which provides the basic data for our statistical reporting system, are usually purchasing personnel, rather than program managers, although program managers are involved in initiating the original request for a consultant service contract.

b. Are these officials in the best position (e.g., most familiar with the work to be performed) to make this decision?

Yes, purchasing personnel are in the best position to make a final, objective decision based on the information and approvals presented to them and using the Bulletin 78-11 guidelines and examples incorporated in the DAR.

c. What assurance do you have that all contracts for consultant services are properly identified and reported to the Federal Procurement Data Center?

We are incorporating the guidelines and examples of Bulletin 78-11 in the instructions for filling out the DD Form 350 in the DAR. With proper management attention, this should provide identification and reporting.

3. What statutory authorities does your agency currently have for obtaining the services of experts and consultants by contract or by appointment? Please provide a copy of these authorities. Statutory authorities (enclosure 2) used by the Department of Defense include:

a. 5 USC 3109 as implemented by the current Department of Defense Appropriations Act (e.g., PL 95-457, section 803);

b. 10 USC 173;

c. 10 USC 2113;

d. 10 USC 5153;

e. 22 USC 2386;

f. 33 USC 569a.

4. Is the definition of "consultant services" in Bulletin 78-11 adequate for your identification and reporting of all such services?

Enclosure 3 contains the original DoD comments provided OMB which still apply.

5. What changes, if any, would you suggest in Bulletin 78-11?

Enclosure 3 contains the original DoD comments provided OMB which still apply.

6. Do you submit a Standard Form 50 to the Office of Personnel Management for all appointed experts and consultants? If not, why not?

Yes.

7. Do you consider a contract for consultant services as defined in Bulletin 78-11, but paid for with research and development funds, as subject to the requirements of the bulletin?

Yes.

a. Do you report such contracts to the Federal Procurement Data Center?

Yes.

8. Is your agency subject to the requirements of Chapter 304 of the Federal Personnel Manual? If not, why not?

Yes.

10. Chapter 304 of the Federal Personnel Manual explains that experts may perform operating functions within an agency but consultants can only provide advice. How many experts and consultants does your agency currently employ?

2148.

a. How many of those experts are currently performing an operational function within your agency?

Unable to determine in the timeframe requested.

b. How many of those experts are only used to provide advice?

Unable to determine in the timeframe requested.

c. How many of your agency's consultants perform operating functions?

None.

11. Are your appointed experts and con-

sultants counted against your personnel ceiling limitations? Why?

Yes. In accordance with FPM Letter 298-2 (enclosure 4). Specifically, see Appendix 2, page 12, Section IV, "Employment Ceiling Data."

12. Do you use the authority contained in USC 3109 to contract for consultant services? Please explain the circumstances.

Yes. This authority, as implemented by the annual DoD appropriation Acts, is used to contract for expert and consultant services when the guidelines of Bulletin 78-11 are met. We have been guided by essentially similar criteria set forth in the DAR since the enactment of PL 89-554 (5 USC 3109). These contracts and contracts for nonpersonal services are awarded under the provisions of the Armed Services Procurement Act of 1947 which governs all Department of Defense purchasing.

[From Policy Review—Winter, 1979]

IN AND OUT AT HEW: DOING WELL BY DOING GOOD THROUGH CONSULTING

(By Donald Lambro)

To the unknowing eye the gathering of 142 professionals strolling about the comfortable Orcas Island resort looked and acted much like any other business group out on an all-expense-paid weekend where work and pleasure are painlessly blended in just the right proportions. The spacious and well-appointed suites overlooking the breathtaking waters of Washington state's fabulously scenic San Juan Islands, the shrimp and prime rib dinners, the yacht trips around the islands—all reflected that special attention to details and lavish extras which IBM or General Motors might provide for their top brass on a similar "business" weekend in the grandeur of the northwest.

Surely no one would have guessed that this was a gathering of well-paid consultants and federal and state bureaucrats who had been summoned together to grapple with the problems of the poor—who seemed a million light years away from this pristine locale which had once been the magnificent estate of a wealthy shipping magnate. Nor would anyone have suspected that the entire weekend's tab was being picked up by the United States Department of Health, Education and Welfare, courtesy of the American taxpayer.

The occasion for the conference was to discuss the results of the government's experiments on the poor in Seattle and Denver where low-income familes have been provided with a guaranteed minimum income for the past five years. The experiment, involving nearly 5,000 familes, is in the words of one prominent consultant "the biggest social experiment in the history of the human race." And indeed it is. Conceivably the biggest welfare program in the history of the nation hangs in the balance, not to mention many millions of dollars in future revenue for the consulting firms that have been nurturing and feeding the guaranteed income concept for the past decade and more.

But, for the consultant companies that attended the Orcas Island conference last May on the Seattle and Denver Income Maintenance Experiments (SIME/DIME), along with the HEW and Labor Department representatives, more than just money was involved. For many of those who were there, SIME/DIME is more than just an experiment. It is a cause.

Most Americans have never heard of SIME/DIME and would be surprised to hear that the federal government was providing a basic guaranteed annual income to the poor. Wasn't this Richard Nixon's ill-fated Family Assistance Plan (FAP) which had died ignominiously in the Congress? Wasn't this, furthermore, the very proposal Gerald Ford had adamantly rejected in his campaign to retain the Presidency? And, finally, wasn't this the type of costly proposal which Jimmy Carter had told HEW Secretary Joseph Califano the nation could not afford?

And yet, here it was, being kept alive administration after administration, like some comatose patient who has been declared clinically dead, but whose life support functions are being artificially sustained by machine. A very different kind of machine is keeping this proposal alive, however, one that is peopled by a shadowy network of liberal planners, economists, sociologists, data analysts, and thinkers. Most of them at one time or another can be found working in the type of consulting firms represented at Orcas Island or somewhere within the federal bureaucracy. And most of them through the years have moved with ease through a "revolving door" system that takes them from consulting into government and back again.

But, to understand the enormous influence which major consulting firms have over government policy, it is absolutely necessary to understand how pervasive government's use of consulting has become.

THE SILENT "INDUSTRY"

Though not widely perceived beyond the banks of the Potomac, government consulting in Washington has multiplied into a $2 billion-a-year growth industry in which major corporations like Rand, Brookings, SRI International (formerly Stanford Research Institute), Mathematica, Inc., and the Urban Institute, among others, have grown rich and powerful. And, by becoming increasingly dependent upon them, government has been able to get around maximum personnel ceilings simply by farming out more and more of its work, research, evaluation, and, in many cases, even program administration. For all its importance as an experimental project, SIME/DIME is being fully administered, not by HEW, but by SRI and Mathematica. The National Institutes of Health farms out much of its administrative work to consulting firms. So do many other agencies.

There are no accurate figures on the number of consulting firms doing business with the federal government. One partial survey found that 64 departments and agencies were paying consultants nearly $2 billion a year under some 34,000 contracts. Last year, the government placed some 18,000 consultants on its payroll, but this represents only the tip of an unseen iceberg. It is estimated that if consulting firms and their employees were factored in, in addition to state and local employees whose salaries are paid by the national government, the federal government's true employee level would be approximately three to four million more than the nearly three million now officially given. Incredible as it may seem, the federal government has only the vaguest idea of how many workers in this country are paid by federal funds. According to Spencer Rich (writing in The Washington Post, July 18, 1978, p. A1), a good estimate would be that from three to four million persons are paid by the federal government through consulting contracts, research grants and payments made for the wages of state and local government employees. Secretary Joseph Califano of HEW recently testified to the Senate Appropriations Committee that his Department pays the salaries of 880,217 persons who work for private think tanks, universities and state and local governments. This is in addition to the 144,256 "regular" HEW employees. The Department of Defense estimates that it pays the salaries of an additional 2,050,000 people through consulting contracts and the like. This figure does not include 2,049,000 military personnel who are also federal employees.

Yet, the growth in government consulting remains in part a mystery because of the widespread unanimity both in and out of government that a great deal of their work is of negligible value. In its fiscal 1978 report on HEW's appropriations bill, the Senate Appropriations Committee confessed it was "unaware of any instance where a consultant's recommendation has produced a significant program improvement."

The Committee stated:

An analysis of the itemized contracts let during fiscal years 1976 and 1977 indicated that many of these contracts may have been inappropriate in the context of (a) agency missions and priorities; (b) previous contracts performed for the same purpose; and (c) duplicative contracts being let simultaneously within other parts of the Department and Federal Government.

Nonetheless, HEW's consultng costs, like those of virtually every other federal agency, continue to climb. In fiscal 1977 HEW's consulting bill was at least $94 million. By 1978 it had grown to $194 million. (It was probably higher since much work that was in reality "consulting" was not listed as such.) At the end of 1978 Congress limited HEW to a tightened budget of no more than $194 million for consulting services.

"They are like parasites who feed off the government," one committee investigator said. "They keep coming back year after year."

It is not surprising, therefore, that so many consultants have earned the notorious nickname "Beltway Bandits," a title which accurately characterizes both the annual haul of tax dollars that fill their corporate saddle bags as well as their office hideouts—the beltway encircling greater Washington from where many of them conduct their business.

"They have become," said one former HEW administrator, "like another branch of government, an unseen branch, advising bureaucrats, developing policies, propelling programs through the machinery of government. But what is most disturbing is the network they have formed among themselves, both inside as well as outside of government."

Another former HEW administrator, John Svahn, who headed the Social and Rehabilitation Service, found this network to be particularly pervasive within the field of social welfare policy. "You see the same individuals dealing with the same programs on literally a revolving door basis," he said. "And it's true that there has been a sort of interlocking directorate among them. The same people tend to stay within a penumbra of social policy, whether they are in government or the private sector—except the people who are awarding the contracts one day are picking them up the next."

TWO PRIME EXAMPLES

Perhaps two of the most influential consulting firms in Washington in the field of social welfare are the Urban Institute and Mathematica, Inc.

Sparked by his then-special assistant, Joseph Califano, President Lyndon Johnson pushed for the creation of the Urban Institute over ten years ago, believing that the need existed for a liberal think tank in Washington to research and analyze domestic programs and proposals. With the help of several million dollars in federal seed money, the Institute was founded and is today one of the major contractors with Departments such as Housing and Urban Development, HEW, and Labor. This year HEW has given the Institute nearly $3 million in contracts.

With a payroll of almost $7 million a year, the Institute provides work for 300 researchers, data analysts and others whose work brings in $11 million annually in revenue. If the Institute is not exactly an extension of the federal bureaucracy, it might as well be considered so because more than 86 percent of its income comes from 22 federal departments and agencies. The balance is derived from state and local governments, foundations and private corporations.

Besides its prolific studies, the Institute is equally admired in Washington's upper circles for its elegant, catered dinners where government policymakers, administrators, members of Congress, academics and fellow consultants gather to hear speakers and exchange views on everything from housing allowance experiments to microanalytic simulation.

A guest of the Institute described one of its recent "welfare symposia" affairs this way: "Cocktails began at 6:30 p.m. There were bars everywhere. This was followed by a buffet served by tuxedoed waiters, most or all of them Spanish-speaking. The menu included boeuf bourguignon, watercress salad, eclairs. The silver was Reed and Barton."

Mathematica, Inc., was established in 1958 by a group of Princeton professors who occasionally did some data analysis for the government and found that consulting for the government was much more lucrative than teaching at Princeton. Last year the firm and its several subsidiaries in Washington and Princeton, New Jersey, earned $23 million—80 percent of it from the federal government.

Armed with a staff of 600 employees, Mathematica's annual report told shareholders that the firm has "opened new business potential in information processing for government agencies."

Both the Institute and Mathematica have played a significant though little-known role in the shaping of welfare policy and welfare reform proposals over the past decade. Their influence is derived in large measure from their development of a highly sophisticated data model used a project costs of everything from food stamps to welfare reform to a guaranteed annual income.

Called the Transfer Income Model, or TRIM, the model was initially developed by a group of Urban Institute economists under a $1 million government contract. Many of these key economists, including Jodie Allen who is now a special assistant for welfare reform to Labor Secretary Ray Marshall, were hired away from the Institute by Mathematica and took the TRIM model with them. With the support of additional government financing, primarily from HEW and the Office of Economic Opportunity, both firms improved the TRIM model (Mathematica renamed theirs MATH) and began selling its data to any federal agency needing reliable cost estimates on income transfer programs. Thus, TRIM and its successors have been used to estimate, and in many ways shape, virtually every major welfare proposal for the past ten years. HEW, Labor, the Internal Revenue Service, HUD, the Congressional Research Service are just some of the agencies which have used its data.

"There was enormous power being wielded here by these two consulting firms," one congressional investigator said. "The decisions that Nixon made on FAP and Ford on his income supplement proposal, plus other actions by the Congress on food stamp reform and social welfare were by and large based on the figures derived from TRIM."

Said another congressional staffer who has followed the battle over welfare reform closely, "In every battle over a controversial proposal the side that usually wins is the side with the best information, the most convincing statistics. Right now consulting groups like the Urban Institute and Mathematica have control of the best data available."

Svahn agrees that those who control to a substantial degree the input of information control the decision-making process of government. "You can't argue with a computer," he says. "But the models are not totally objective because they are based on certain biased assumptions." These assumptions have been made by people in and out of government who are champions of the guaranteed annual income concept.

REVOLVING DOOR POLITICS

Even the most cursory review of the last ten years of welfare reform proposals finds the same names cropping up again and again, crisscrossing both government and consulting fields as if they were one and the same—frequently occupying key positions of authority and influence. Virtually all of them represent one common point of view—a club within a club.

William Morrill, HEW's assistant secretary for Planning and Evaluation between 1973 and 1976, whose office contracted for much of the research that contributed to the development of FAP, is now a senior fellow at Mathematica.

Michael Barth, HEW's deputy assistant secretary for Income Security Policy, was one of the chief architects of the guaranteed annual income proposal. He worked under Morrill as an economist in HEW during which time he wrote *Toward An Effective Income Support System* which resurrected the FAP proposal Nixon had originally turned down. Barth's book was published by the University of Wisconsin's Institute for Research on Poverty which has done considerable consulting work for the government.

John Palmer, who supervised Barth in HEW's Office of Policy Evaluation and who with George C. Carcagno co-authored the book on FAP, is now at Brookings. Carcagno is a senior vice president with Mathematica.

Henry Aaron held Morrill's old job as HEW's assistant secretary for Planning and Evaluation and has worked for several major consulting firms, including the Urban Institute, Brookings and Rand. He recently announced his decision to return to the Brookings Institution.

Jodie T. Allen served as chief of research and policy coordination for the Family Assistance Plan in HEW from 1969 to 1970, later becoming senior vice president at Mathematica from 1974 to 1977. She is now Labor Secretary Ray Marshall's special assistant for welfare reform.

Richard Nathan served as a deputy undersecretary for welfare reform under HEW Secretary Elliot Richardson and was a major force behind FAP. He has returned to Brookings.

Susan Woolsey, Morrill's top assistant at HEW, is now associate director for Human Resources at the Office of Management and Budget, a position Morrill once held.

Elsewhere, one finds numerous examples of revolving door practices through which consultants become government policymakers and vice versa.

Raymond Struyk, for example, a former Urban Institute official, is now a deputy assistant secretary in HUD's Office of Research and Demonstration which last year did $3.1 million worth of business with his former organization.

Carolyn Merck, a Food and Nutrition Service specialist in the Department of Agriculture who worked on food stamp reform using data provided under a $660,709 contract to Mathematica, left her government post to take a job with Mathematica.

Ernest Stromsdorfer, a former deputy assistant secretary of Labor who was in charge of "research and evaluation," is now with Apt Associates, a consulting firm in Cambridge, Massachusetts, which is a major government contractor.

All of this raises substantial questions about inherent conflicts as well as about the ability of top government officials to make fair and dispassionate decisions and judgments on tough and highly controversial issues. Much of the available evidence points too often to an almost incestuous relationship between two spheres of influences: government and consulting firms. How can we expect officials within the Departments of Labor and HEW to examine the results of major social experiments and deliver to us an unprejudiced evaluation based solely on the facts? On the contrary, it appears that in the long, painful struggle over welfare reform an overwhelmingly biased point of view has survived within the bureaucracy to keep the concept of a guaranteed annual income alive.

Moreover, how can we trust the conclusions of experiments like SIME/DIME when the consulting firms performing the work are peopled and run by individuals who once had a profound interest in their success as public servants? If social "experiments" administered by consultants under government contracts are worthy of their name, then they should be truly experiments and nothing more, for strict scientific procedure requires that the outcome of any social experiment must not be tinkered with or prejudiced in any way. Yet, there is reason to doubt that this is the case with the negative income tax entitlement project as well as with the manpower provisions of the program.

In an interview with Jodie Allen, during which she went to great lengths to demonstrate her total uninvolvement with her former firm, she made a remark about her present task in the Department of Labor that I think revealed a great deal about the outcome of the jobs component of the welfare reform program.

Ms. Allen said, "I want to make it work. I want to see it succeed." One cannot blame her for such enthusiasm, but neither can one help wondering how such an "experiment" can be truly impartial and unprejudiced with one of its chief administrators actively working in its behalf.

Four months after he took office, Jimmy Carter issued a memorandum to the heads of his executive departments and agencies saying, "There has been and continues to be evidence that some consulting services, including experts and advisors, are being used excessively, unnecessarily, and improperly."

Among many areas of abuse, Mr. Carter cited "Revolving door abuses whereby former government employees may be improperly favored for individual or contracted consulting arrangements."

Earlier this year a Washington Post investigation found that top officials of the Appalachian Regional Commission had received fat consulting contracts when they left the antipoverty agency, considering them nothing more than a thinly disguised form of severance pay. Harry Teter Jr., who resigned in July of 1978 as executive director of the agency, was given $35,000 for a six-month review of his years at the commission. Other top officials who resigned or retired received similar consulting contracts, in one case as high as $75,000.

At the same time, an HEW investigation discovered that friends and relatives of officials at the National Institute on Drug Abuse had obtained millions of dollars in consulting contracts. HEW Inspector General Thomas D. Morris said there was "a substantial appearance of impropriety," and HEW Secretary Joseph Califano stated that he was "deeply disturbed with the loose management practices and evidences of cronyism" his investigators had uncovered.

All of this reddened the faces and raised the eyebrows of several congressional committees that have quietly begun investigations into Washington's largely hidden world of consulting contractors. Shocked by the $200 million HEW wanted to spend on consultants in fiscal 1979, the Senate Appropriations Committee's Labor-HEW subcommittee has begun probing the Department's consulting contract awards. Simultaneously, the Committee's special investigative unit has been conducting probes of its own. The still-secret investigation will culminate in Senate hearings early next year.

Yet despite this activity, little of substance has been done within the administration to end the apparent conflicts and revolving

abuses over which Mr. Carter has expressed clear and deep concern.

"It's a very cozy group over there," said one former HEW official of his old alma mater. "When you look at the assistant secretaries, the deputy assistant secretaries, the same crowd is still there, many of them since Johnson, doing the planning and policy analysis, pushing their causes in little increments. Most of them came out of the consulting industry in this town and know that they can return to it anytime they want. And they maintain their relationships with their former firms. It's a very cozy relationship."

The consulting industry is so large and "invisible" that a new industry if forming just to keep track of how many consultant contracts are awarded by our Government. One firm, in particular, Washington Representative Services, Inc., has been following the trends in consultant contracts for the last 4 years. They have concluded that the number of consultant contracts has actually increased in each of the last 3 years despite OMB's assurances to us that there was an 11-percent reduction in consultant contracts.

This firm has provided my subcommittee with more accurate information on the number and use of consultants than the agencies themselves have been able or willing to provide.

For example, this firm listed the following consultant contracts awarded by DOD:

Date/amount, title, and awardee:

September 26, 1978, $148,508, quantitative procedure for personnel position identity definition; General Research Corporation.

April 14, 1978, $31,670, creation of central concept/theme for general safety program; Thomas Buffington Associates.

September 28, 1978, $219,212, group-paced training for behavioral science specialist course; Applied Science Associates.

September 30, 1977, $61,596, Management Study of the Defense Property Marketing Program; Don Sowle Associates.

December 22, 1977, $141,166, Human Factors' Research; Dunlap & Associate.

September 11, 1978, $74,826, Technical Support to Research on Human Factors in System Design; University of Dayton.

August 15, 1978, $145,573, Study of Air Force Management of Interim Contract Support; Boeing Aerospace.

September 27, 1978, $448,180, Headquarters, Army Information Management Study; Arthur Young & Co.

March 14, 1978, $203,676, $581,377, Presentation of Navy Sponsored Defense Procurement Training Courses; Starling Institute.

September 30 1978, $1,332,527, Development of Job-Oriented Basic Skills Curricula; Northrup Services, Inc.

Mr. PRYOR. Perhaps one of the most blatant examples of excessive and costly use of consultants by DOD can be found in the area of implementation of the Civil Service Reform Act, which became Public Law 95–454, on October 13, 1978. Among other things the act provided for the creation of the Senior Executive Service, the merit pay system, and the new performance appraisal systems.

The Navy Department, apparently anxious to implement the Senior Executive Service (SES) section of the act before the July 14, 1979, starting date, issued, in November 1978, without any competition five individual contracts for $70,000 each for study proposals on training and implementation of the act. Each contractor prepared two separate studies, one on SES and one on merit pay and performance appraisal. One of the five contractors, Coopers & Lybrand, was selected and awarded in April 1979, a contract for approximately $1 million for training and implementation of the SES section. The contractor then subcontracted out to another firm the bulk of the training work for approximately 400 employees at Navy. Just last week, Navy was scheduled to award another contract for approximately $9 million to the same firm to complete the training and implementation of the merit pay and performance appraisal sections of the Civil Service Reform Act.

There was no competitive bidding on these contracts, Mr. President.

When questioned about the amount of funds being spent by the Navy, a Navy official commented that he did not consider $10,000,000 to be much money compared to their $45 billion research and development budget—"The money was available."

The administration, while testifying before the Governmental Affairs Committee last year, said they felt that most, if not all, agencies had developed in-house capabilities to complete training and implementation of the Civil Service Reform Act.

The Congressional Budget Office estimated, based on information supplied by the administration, that the first year implementation of the act would be less than $14 million.

Although I hope that all agencies are not finding it easier to contract out for training and implementation of the Civil Service Reform Act, rather then to develop the system in-house, I must report that the Navy Department is apparently not alone. The Small Business Administration has also contracted with Coopers & Lybrand, the same firm which Navy contracted with to do the same work. Why can't these jobs be performed by civil servants?

I have already written to Director Campbell, of the Office of Personnel Management, asking that he report back to me the activities of all agencies and departments with regard to implementation of the Civil Service Reform Act.

In 1978 the Department of Defense awarded a $169,000 contract to one of the largest consultant firms in this country—Booz, Allen, and Hamilton. The purpose of this study was to tell DOD how they should be organized to administer the millions of contracts they award each year. DOD was so disappointed in the results of the study that they refused to release the Booz, Allen report for several months until they did their own study in-house. Before this contract was completed, it was modified to exceed $200,000—this money came out of DOD's operations and maintenance funds. The results of the in-house study were considerably different from the Booz, Allen recommendations. By now the Booz, Allen report is probably sitting on some book shelf over at the Pentagon and the taxpayer is out $200,000.

My amendment will hopefully eliminate a large number of costly, excessive and possibly abusive consultant arrangements which I have found to exist within DOD. This amendment will also put DOD and other Federal agencies on notice that the Congress intends to further scrutinize such wasteful expenditures. I urge my colleagues to support my amendment.

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

Mr. PRYOR. I am proud to yield to the distinguished Senator from Washington.

Mr. MAGNUSON. Mr. President, I compliment the Senator from Arkansas on the fine work he has done on oversight of consultants. It has long been an evil in the Government. We took them on in the HEW appropriation and we found just hundreds of private contracts—some of them were "sweetheart contracts," under the table, and some of them without consulting other people, and a continuation of one consulting firm after another, whether they had done the job or not. We took, I think $60 million out of the HEW appropriation, and I am sure that the Defense Department is filled with the same evil.

I heartily support the Senator's amendment, and I hope the Senate will agree to it.

Mr. PRYOR. I appreciate the statement of the Senator from Washington. The Senator has certainly been a pioneer in this field of trying to establish where we are and where we are going in the area of private consultants. I appreciate the fact that the Senator is a cosponsor of this amendment.

Mr. STENNIS. Mr. President, if the Senator will yield to me, I would like to state that we have looked into this matter with considerable care and find that he has done good work on it. This will be a saving if we can sustain it in conference, and we will certainly try. I recommend, along with the Senator from North Dakota, that the Senate adopt this amendment.

Mr. YOUNG. I agree with the Senator from Mississippi.

The PRESIDING OFFICER. Is all remaining time yielded back?

Mr. STENNIS. All remaining time is yielded back.

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

The amendment (UP No. 792) was agreed to.

Mr. PRYOR. I move to reconsider the vote by which the amendment was agreed to.

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

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 793

(Purpose: To increase Army ammunition procurement $4.2 million to expand facilities at the Long Horn Army Ammunition Plant)

Mr. TOWER. Mr. President, I have an amendment at the desk and I ask that the clerk report it.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an unprinted amendment numbered 793.

Mr. TOWER. 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 18, line 11, strike "$1,229,900,000" and insert in lieu thereof "$1,234,100,000".

Mr. TOWER. Mr. President, this amendment is in response to an Army request of $4.2 million to provide a permanent facility at Longhorn Army ammunition plant in Texas, as a replacement for the small, temporary facility at Naval Ordnance Station, Indianhead, Md., for the purpose of producing the SLUFAE.

I have discussed this with the manager of the bill and find that they are prepared to accept it.

Mr. STENNIS. Yes, Mr. President.

Mr. YOUNG. I am fully in accord. It is a good amendment

Mr. STENNIS. Mr. President, there is a relatively small amount involved here for the importance of this matter. We have looked into it and are glad to recommend that the Senate accept the Senator's amendment.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. STENNIS. I yield back the remainder of my time.

The PRESIDING OFFICER. All remaining time being yielded back, the question is on agreeing to the amendment of the Senator from Texas.

The amendment (UP No. 793) was agreed to.

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

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

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, if the Chair will indulge me just a minute, please.

Mr. PRYOR. Mr. President, I would say to the Senator that I think that both of my amendments have been adopted.

Mr. STENNIS. Yes, that is correct. The Chair has ruled that they were adopted.

Mr. PRYOR. I appreciate very much the cooperation of the distinguished chairman.

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

The PRESIDING OFFICER. The Chair will inquire, on whose time?

Mr. PRYOR. I withdraw my request, Mr. President.

Mr. STENNIS. Mr. President, may we have the attention of the Senate? The Senator from New Jersey has an important matter to dispose of.

Mr. BRADLEY. Mr. President, in the report on page 19, it refers to the base realinement plan of March 29. The last sentence of that paragraph says that the committee recommends reduction of $5 million from DOD base operating expenses and costs and encourages the Department to proceed in a deliberate manner with the announced base realinement decisions.

Mr. President, the Fort Dix matter was part of that realinement decision of March 29. It has subsequently been removed from realinement status. I would like the chairman to confirm that the reduction of $5 million in operation and maintenance cost does not apply to Fort Dix and Fort Dix will not suffer that loss.

Mr. STENNIS. Mr. President, this matter has been checked out by our staff. The language in the report to which the Senator from New Jersey refers reflects a $5 million reduction to encourage the Department of Defense to move expeditiously on its announced base realinement decisions in the interest of saving defense dollars. The reduction does not apply, however, to the phasedown of Fort Dix, in New Jersey, since that decision has recently been changed by the Secretary of Defense. It is a clear-cut situation and there is no doubt about the facts.

Mr. President, we have other matters here.

Mr. BRADLEY. I thank the chairman.

AMENDMENT NO. 574

(Purpose: To consolidate undergraduate helicopter pilot training)

Mr. HEFLIN. Mr. President, I call up my amendment which is at the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Alabama (Mr. HEFLIN) for himself and Mr. STEWART, proposes an amendment numbered 574.

Mr. STENNIS. Mr. President, may we hear the Senator from Alabama?

The PRESIDING OFFICER. The Senate will be in order.

Mr. HEFLIN. 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 2, line 11, strike out "$9,719,853,000" and insert in lieu thereof "$9,721,453,000".

On page 2, line 20, strike out "$6,863,834,000" and insert in lieu thereof "$6,856,234,000".

On page 3, line 3, strike out "$2,074,757,000" and insert in lieu thereof "$2,074,157,000".

On page 7, line 10, strike out "$10,031,355,000" and insert in lieu thereof "$10,049,355,000".

On page 7, line 21, strike out "$13,352,224,000" and insert in lieu thereof "$13,340,924,000".

On page 15, line 18, strike out "$1,000,437,000" and insert in lieu thereof "$1,001,137,000".

On page 58, strike out lines 3 through 6. Renumber sections 759 through 762 as sections 758 through 761, respectively.

The PRESIDING OFFICER. The Chair must advise that the amendment amends two areas of the bill that have already been amended. Therefore, for the amendment to be in order it requires unanimous consent.

Mr. HEFLIN. Mr. President, I ask unanimous consent.

The PRESIDING OFFICER. Is there objection?

Mr. STENNIS. Mr. President, reserving the right to object, as I understand the situation, I do not object. Let us hear the Senator from Alabama.

The PRESIDING OFFICER. Is there objection? The Chair hears none. Without objection, the Senator may proceed.

Mr. HEFLIN. Mr. President, I appreciate the granting of the unanimous consent request. Being a freshman and knowing that a matter has come before the Senate before, I felt it encumbent upon me to look into the history of the matter pertaining to the undergraduate helicopter training program, which has been debated in this legislative Chamber on previous occasions.

I found in regard to its legislative history, that the origin of the idea of consolidated undergraduate helicopter training lies with the legislative branch and not with the executive branch.

In 1965, the GAO, which is an arm of the legislature, proposed the elimination of costly fixed wing training for helicopter pilots.

Then in 1970, the House Appropriations Committee asked the Air Force and the Navy, in cooperation with the Secretary of Defense to consider having the Army train all Department of Defense helicopter pilots.

Then the DOD started studying this. The Defense Audit Service studied this. The Department of Defense on numerous occasions came forward and recommended this change to bring about consolidated helicopter training.

After the Department of Defense said, "We feel it will produce quality pilots for the Navy and the Marine Corps, and we feel it will save a tremendous amount of money." They then brought the GAO into it.

The estimated savings have varied over the years from at least $63 million to around $200 million. Of course, the figures have varied from time to time because of different programs being evaluated and different assumptions being made. At one time it was suggested that a base be closed. Therefore, figures were different then.

The Department of Defense in the last few years has come to the conclusion that it would not be wise to close any bases, but that to consolidate the helicopter training would be a sound move. The Air Force and the Army have been training toegther at Fort Rucker since aobut 1970. Since then, we find, that there has been an effort to bring about the consolidation of the Navy helicopter training program with the Army and Air Force at Fort Rucker.

The round figures, and the figures reverified as recently as just a couple of weeks ago, show that the Department of Defense claim that consolidation will save $100 million.

The GAO studied this proposed consolidation, I believe in 1977, and concluded that the Department of Defense figures were accurate at that time, when it was thought it would be about $100 million.

More recently, the matter of consolidation came before a Senate committee on June 28 of this year, at which time a great number of figures were brought in by people in the Navy, apparently supplied by the Navy Training and Educational Command at Pensacola. Witnesses came forth with figures saying there would not be that much savings. The GAO was represented at that hear-

ing, and heard all of the arguments and obtained all the figures. After that, the GAO came forth with a report in the latter part of September of this year.

GAO at that time said in effect, "We have not made an independent audit. We took the figures that the Navy supplied as to what the cost avoidance would be, and we took the figures by which the Army costs would be increased. We say the Army figures, at least, are valid."

Those figures at that time showed $63.3 million.

The GAO—I think this is important—said in the September 1979 report, "You, Department of Defense, have not considered all the savings. You can save an additional $29 million because of this consolidation in regard to unfunded retirement benefits because 1,500 military spaces will be saved," and this did not even consider the 250 civilian spaces that would be saved.

After that, Congressman CHAPPELL, of Florida—who, of course, has a parochial interest as I have a parochial interest in regard to this—although I have asked all Members of the Senate to look at this on its merits, said he wanted to have some more figures. So the Navy went back to the Pensacola-based CNET, which is Naval Education and Training Command, and they said, "Give us some more figures."

They came up with some more figures all right, and you are going to hear some new figures today, some new analysis in regard to this that was not considered by GAO in their September 1979 study.

What did CNET do with those figures? Those figures were submitted to the Navy Comptroller and they were submitted to the DOD Comptroller. And the DOD, after studying the new data and after having informal discussions with the GAO, released a letter on November 7 in which Harold Brown, the Secretary of Defense, said that even after these new figures are considered and all of these other assertions that we have heard about, the new approaches, we are still convinced that it will save $100 million.

(Mr. JOHNSTON assumed the chair.)

Mr. HEFLIN. We are going to hear a lot about these new figures, but I want the Senate to realize that DOD's Comptroller and the Navy Comptroller have studied these figures and say that they are convinced still, as of 2 weeks ago, that consolidation will still save $100 million. In the form of a letter, I was notified by Graham Claytor, former Secretary of the Navy, who strongly supports this—he is now Deputy Secretary of the Department of Defense—that they are convinced that it will save $100 million.

So, when you hear the new figures, I think you have to realize that those have been studied and analyzed. When those new figures were authorized to be released, the DOD Comptroller said, "You should release them with a caveat, that they are understated and, in effect, erroneous."

So when you hear a lot about new figures, I hope you will bear this in mind.

The Department of Defense has been trying for a long while to save this money. Deputy Secretary of Defense Graham Claytor, in a letter to me dated September 26, 1979, said in part:

> As Secretary of the Navy, I personally visited both Fort Rucker and Whiting Field to observe the training in the two programs. I came away convinced that the quality of training in the consolidated program will be better than the Navy and Marine students now get in the separate Navy program. Experienced Marine Corps helicopter pilots have also reviewed the two programs and have testified both two years ago and again this year the Army program is superior.
>
> I was convinced as Secretary of the Navy and even more convinced as Deputy Secretary of Defense that the training needs of the Navy and Marine Corps student pilots will be fully met in the consolidated program. Moreover, the consolidated program will be less expensive than the two separate programs. It will take advantage of economies of scale and the lower cost of contract services. We estimate that consolidation will save about $100 million over the next five years, as well as over 1,500 military and 250 civilian manpower spaces.

I think we ought to have to consider not just the dollars, but the fact of what savings of military manpower spaces will mean. These spaces can be made available for other urgent needs in the military. That, in my judgment, is an argument that I think people should not forget.

Secretary Claytor concluded:

> Putting it all together, we have here a proposal that will better provide training at substantially lower cost and the training needs of each service will be fully met.

Mr. President, I think most of us know that there is now a separate training program at Whiting Field near Pensacola, which trains Navy, Marine Corps, and Coast Guard students in fixed-wing aircraft and in helicopters, but its graduates are only helicopter qualified. Under the DOD proposal, the helicopter training would be consolidated into a single helicopter program conducted by the Army at Fort Rucker. This program would consist of a common core curriculum, which would also preserve service-unique segments so that the Navy, Marine Corps, and Coast Guard pilots would be fully trained in those types of missions that are unique to those services such as overwater and carrier operations.

Existing service-unique, follow-on training after the basic undergraduate pilot training program would be continued essentially as it is now so that when the pilots graduate the basic course, they would then go on to additional advance training by each service.

Mr. President, as I mentioned, the best estimates by the Department of Defense continue to indicate that the consolidation program will save the American taxpayers approximately $100 million over the next 5-year period. Over the years as this issue has been studied and restudied the savings estimate has fluctuated within a relatively narrow range. As data is refined and as new assumptions come into play the amount of savings of course varies. Every study, however, has always concluded that there would be a substantial savings to the American taxpayer.

The only question is just how much savings would be realized. Estimates have run from as low as $63 million to as high as $200 million. The Department of Defense sticks by its estimate, which has been verified by the Defense Audit Service, of $100 million. The General Accounting Office on two separate occasions has examined the DOD estimates and has essentially concurred in their findings. In a letter dated September 26, 1979 addressed to the senior Senator from Alabama, the Honorable DONALD STEWART, the GAO stated:

> We believe that the Secretary of Defense's proposal to consolidate UHPT should result in significant savings. Based on the assumptions under the May 1979 Army/Navy joint memorandum of understanding to implement consolidation, the estimated savings should exceed $63.3 million over the next 5 years. The advantages and disadvantages of consolidation have been aired in studies, in audits, and in hearings before members of the Congress. We believe that the preponderance of the evidence favors consolidating UHPT.

Thus, Mr. President, the independent audit arm of this Congress has in effect, verified once again the DOD estimates of a considerable amount of savings to the American taxpayer if this consolidation move is allowed to proceed as planned.

The latest GAO study requires some explanation. The study was not actually a totally independent study of their own, but was an examination of the figures and procedures submitted by the Navy and the Army. The Navy submitted estimated cost avoidance to consolidate UHPT. The Army gave its figures and breakdown as to the estimated incremental cost to train Navy pilots under UHPT. A comparison of these figures show at least $63.3 million in savings.

GAO asserts that DOD is not considering all of the savings and suggested that there would be an additional savings of $29 million over a 5-year period for unfunded retirement costs and veterans benefits because of the saved military spaces—the 250 civilian spaces not included.

In addition to this, GAO obtained admissions from the Navy that its estimates of cost avoidance were too low and thus GAO makes the clear statement that amount of savings would exceed the $63.3 million shown in this report.

One thousand five hundred military spaces at $10,000 a year amounts to $15 million per year and over a 5-year period, amounts to $75 million.

This issue is now in the 5th year of study. Each time it comes before Congress, Congressmen with parochial interests try to point out differences in the analysis and approach. Each time the Department of Defense goes back and restudies it and has its Defense Audit Service study it. Then GAO studies it. Over the period of time, while figures may vary, the calculated savings may vary, but they come up to figures of between $90 and $140 million.

A failure to pay attention to the DOD is to say the following:

First. The DOD is not competent to calculate a savings move.

Second. The GAO is incompetent. If so, then an investigation of GAO ought to be made.

Before a Member votes against this amendment, I think he ought to have a reasonable answer to this question: Why does DOD, after two different Presiden-

tial administrations and after 5 years of study, still insist on this consolidation? Clearly it is because it is in the best interests of the Nation and the services concerned, not just a matter of favoring one State or the other.

Again, let me emphasize that nobody can now place an exact dollar amount because of the uncertainties of predicting what will happen in the future. Let me also emphasize that no responsible study has ever varied from the conclusion that the consolidation will achieve substantial savings and for want of a better estimate I think we can assume that the savings will be in the range of $100 million over the next 5 years. This is well documented and substantiated.

Mr. President, I am a strong supporter of our men and women who serve in our Armed Forces. I believe that we must support our military personnel in every way possible. The facts are that the quality of training will actually be improved by the consolidation program. Just as Secretary Claytor has stated, the services will be providing better training at a substantially lower cost.

Mr. President, as I stated, it is well documented that the quality of training will actually improve after the consolidation takes place. The consolidated program, as compared to the current Navy program will actually provide Navy and Marine Corps students with more flying hours, 195 for the new program against 191 for the existing program. Moreover, the consolidated program will provide these pilots almost twice as many helicopter flying hours, since under the existing Navy program about half the flying hours are provided in fixed wing aircraft. In addition, because of the unique way the Army trains at Fort Rucker, each student will have more total cockpit hours because the Army doubles up student time in its helicopters and its simulators so that the student will actually have 440 hours cockpit time as opposed to 191 hours under the current Navy program. The training facilities at Fort Rucker also provide 50 hours of training in a much higher quality helicopter simulator for instrument flight training and for simulating flying techniques which would be too dangerous to perform in the actual aircraft itself in flight.

The consolidated program protects each service's requirements for giving its students service unique training. Of the 195 hours provided for under the consolidated programs, 50 hours will be set aside for Navy and Marine Corps service unique training which will be conducted by Navy and Marine Corps instructors.

After graduation from the undergraduate program each service will provide the same follow-on mission specific and aircraft specific training as they now provide. One perceived disadvantage to the program which is always drawn out by the opponents of this consolidation effort is that Navy and Marine Corps student pilots will get insufficient SRA oriented training. What I mean by that is insufficient instrument flying, carrier takeoffs and landings, and flight over water.

Actually, Mr. President, the core curriculum of the consolidated program will provide training which is pertinent to helicopter pilots in any environment. But, as mentioned, parent service instructors will check the progress of their students. The 50 flying hours in service unique segments of the curriculum, which is approximately one-fourth of the course, will be used for the type of training the parent service believes its students need. Navy and Marine Corps students may, if their services elect, receive additional instrument training. They can receive carrier landing and other maritime training at Pensacola which is only 1 hour away by helicopter from Fort Rucker so that more than sufficient time is set aside for these service unique missions. The maritime segment can be scheduled to coincide with required cross-country training flights to conserve time and fuel.

I might add, Mr. President, that the current Navy program—and I think this is important—of training helicopter pilots includes less than 2 hours of carrier and over water flight time.

Under the proposed program, we would have 50 hours of service unique training, which would allow the Marine Corps and the Navy to have anything they want to do in regard to maritime flight training, sea training, carrier training, or any other type of training.

Fifty hours is set aside for the Navy to select, under this program, how they want Navy and Marine helicopter pilots to be trained. If they want 50 hours of over-the-sea flying, flying over destroyers, or landing on aircraft carriers, or the equivalent of aircraft carriers, they have got the right to do so.

Moreover, often when the U.S.S. *Lexington*, presently based at Pensacola, is unavailable for these maritime training missions, on a great number of instances, and that is the only carrier they have, unless they go to Jacksonville, which is several hundred miles away, in order to land on a carrier, that portion of the flight training is waived from the existing Navy program anyway. Thus, there will be absolutely no degradation in the special training needs of these Navy and Marine Corps pilots and, in fact, time is available for additional over water and carrier operations if the services deem it necessary.

I also point out that Fort Rucker is only about 75 miles away from the Gulf of Mexico.

Another argument which is sometimes postulated by the opponents of consolidation is that Navy and Marine Corps students trained at Fort Rucker will lack esprit de corps and identification with their parent services. Mr. President, in my judgment, this argument is spurious at best. It is not well taken. As a former marine I know that the espirt de corps of the Marine Corps is important and I certainly would not advocate any program which would damage or destroy the spirit of the Corps. Along these lines I would like to call my colleagues' attention to testimony of Col. Walter Ledbetter, a Marine aviator who has commanded five different Marine aviation squadrons, four of those helicopter squadrons. Colonel Ledbetter testified before the Senate Armed Services Committee this past June. Colonel Ledbetter in his testimony stated in part:

> People have talked about the esprit de corps and how it would hurt your feelings to be trained by the Army. All Marine Corps Artillery Officers are now trained by the Army. All Marine Corps Tanker Officers are now trained by the Army, and I would defy you to go to a Marine Corps Artillery Officer and tell him he is not a good Marine. He would punch you out. They are very proud of themselves, and they go to the classes with the direction, you are a Marine, you had better come out first, and they work at it. When we send people to Rucker, we are going to send them with the same charge; you go down there, learn, and come out first, and they are going to come out Marines and they are going to come out first.

I might add that Marine military police personnel are also trained by the Army at the Army MP School at Fort McClellan, Ala.

Colonel Ledbetter had some other interesting things to say in his testimony and I would just like to read brief excerpts from it at this point. Colonel Ledbetter stated:

> I have made three trips to Fort Rucker and to Pensacola to compare the training. I was in charge of aviation studies and analysis in headquarters, Marine Corps under General Miller. The training given at Fort Rucker is far superior to the training given at Pensacola. I will give you some examples. Over water flight is one of the things which has been the hangup here. The over water syllabus at Pensacola is less than 2 hours out of a 192 hour syllabus. The proposed 195–50 syllabus we would get at Fort Rucker with 50 hours of service training would give us more over water training if we wanted it. We can get anything in the 50 hours we desire. The 195–50 syllabus at Fort Rucker gives us far more tactical training, more instrument training, far more night training. It is superior in every way.
>
> Mr. Chairman, if there were no cost savings, I would want to go to Fort Rucker. My only interest is getting the best trained helicopter pilots, because I am closer to leading them into combat than anyone in this room, by virtue of my low rank, and I want to go with the best trained man, and I can get him out of Fort Rucker now.

Mr. President, in addition to that, I ask unanimous consent to have printed in the RECORD at this time a letter addressed to me from the U.S. Marine Corps, the Deputy Chief of Staff for Aviation, Gen. W. J. White.

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

DEPARTMENT OF THE NAVY,
HEADQUARTERS U.S. MARINE CORPS,
Washington, D.C., November 8, 1979

Hon. HOWELL HEFLIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HEFLIN: In response to your request for my position on the proposed consolidation of undergraduate helicopter pilot training, the following position statement both summarizes the Marine Corps position and sets forth my own thoughts on the issue.

The Marine Corps fully supports consolidated undergraduate helicopter pilot training at Fort Rucker. As Deputy Chief of Staff for Aviation, I believe that the provisions of the May 1979 Army/Navy Joint Memorandum of Understanding will provide the Marine Corps with a competently trained helicopter pilot. The consolidated training syllabus, when coupled with the provision for follow-on fixed-wing training

for those officers in a career status, will satisfy future Marine Corps mission requirements.

I trust you will find the above statement responsive to your inquiry.

Sincerely,

W. J. WHITE,
Lieutenant General, U.S. Marine Corps, Deputy Chief of Staff for Aviation.

Mr. HEFLIN. Mr. President, I will read a portion of what he says in this letter:

The Marine Corps fully supports consolidated undergraduate helicopter pilot training at Fort Rucker. As Deputy Chief of Staff for Aviation, I believe that the provisions of the May 1979 Army/Navy Joint Memorandum of Understanding will provide the Marine Corps with a competently trained helicopter pilot.

Mr. President, I want Senators to look at that language. He does not just say that the Marine Corps supports this move.

He uses the language "the Marine Corps fully supports."

He also states here that this is his position. He starts off by saying this:

In response to your requests for my position on the proposed consolidation of undergraduate helicopter pilot training, the following position statement both summarizes the Marine Corps position and sets forth my own thoughts on the issue.

This is the man in charge of the Marine Corps aviation training.

Mr. President, I also have a letter addressed to me from the Commandant of the Marine Corps in which he uses the language that they "fully support" the consolidation program.

The idea has been expressed that this is an idea of DOD and it is being forced on people. I merely want to show by these examples the choice of language used when these marines say that they fully support it.

The chief of Marine Corps aviation says he fully supports it. It is the position of the Marine Corps and his personal position.

Mr. President, the opponents of consolidation sometimes offer other arguments against consolidation. For example, they argue that the consolidated program will consume more fuel than the program as it is currently structured. There is no doubt but that if you give a man 195 hours of training in helicopter operations, whereas he is now getting only 100 hours of helicopter operations, it is going to require some extra fuel. However, the GAO has determined that consolidating the pilot training would cause an increase in fuel use but only by about 3 million gallons over the 5-year period from fiscal years 1980–84. The Department of Defense officials believe that the additional hours will greatly enhance the effectiveness of training in rotary wing flight skills and thus prove cost effective.

Moreover, opponents have questioned the validity of the fuel price figures used in preparing the service's cost estimates. The GAO has found the cost of fuel increase is only $124,000, that even if we double or triple the prices used in making the savings estimates, this would decrease the savings only by $248,000 to $372,000 during the 5-year period. Thus, the fuel cost factor is really negligible when compared with the total estimated savings of $100 million. As the GAO states in its letter to Senator STEWART dated September 26, 1979,

Neither the increased fuel use nor the effects of future fuel price increases should materially affect the overall estimated savings from consolidated UHPT.

Mr. President, I also called the attention of the Senate to the fact that at this time, in the Navy, there is an inability to train its helicopter pilots. The GAO states that since fiscal year 1975, the Navy has trained 400 fewer helicopter pilots than programed because of shortage of instructor pilots and aircraft.

In his letter Gen. Robert H. Barrow, Commandant of the Marine corps, says:

The Marine Corps fully supports the proposal to consolidate helicopter training at Fort Rucker. The fiscal savings accruing to the Department of Defense appear significant. The proposed syllabus under the consolidation program will satisfy Marine Corps helicopter pilot training requirements and is expected to provide a well trained basic helicopter pilot. This opinion is based primarily on the increased number of helicopter and simulator flight hours received under the consolidated training program. The provision for follow-on fixed-wing training at the career decision point satisfies the remaining Marine Corps objection to the consolidation proposal.

Mr. President, I ask unanimous consent to have the letter printed in the RECORD.

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

DEPARTMENT OF THE NAVY,
HEADQUARTERS U.S. MARINE CORPS,
Washington, D.C., September 5, 1979.

Hon. DONALD W. STEWART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEWART: This is in reply to your letter of August 17 to Secretary Claytor regarding the proposed consolidation of undergraduate helicopter pilot training. I have been requested to provide, directly to you, the Marine Corps' position concerning this proposal.

The Marine Corps fully supports the proposal to consolidate helicopter training at Fort Rucker. The fiscal savings accruing to the Department of Defense appear significant. The proposed syllabus under the consolidation program will satisfy Marine Corps helicopter pilot training requirements and is expected to provide a well trained basic helicopter pilot. This opinion is based primarily on the increased number of helicopter and simulator flight hours received under the consolidated training program. The provision for follow-on fixed-wing training at the career decision point satisfies the remaining Marine Corps objection to the consolidation proposal.

The preceding supportive statements for consolidating undergraduate helicopter training do not mean the Marine Corps has been dissatisfied with the helicopter pilot trained by the Navy. Time and time again the Navy trained helicopter pilots have demonstrated their competence; however, the annual/continuing nature of the helicopter consolidation proposal, with its attendant adverse impact on financial support, appears to be having a debilitating effect upon the training capability of the Navy. Any further postponement of a decision regarding consolidation can only result in additional derogation of the training environment. In the event that consolidation is not approved, the Marine Corps would be pleased to remain with the Navy assuming budget restoration of training assets now held in abeyance awaiting a consolidation decision.

I trust you find the above responsive to your inquiry.

Sincerely,

ROBERT H. BARROW,
General, U.S. Marine Corps,
Commandant of the Marine Corps.

Mr. HEFLIN. Mr. President, I also ask unanimous consent to have the following items printed in the RECORD: A letter dated September 26, 1979, addressed to me from the Honorable W. Graham Claytor, Deputy Secretary of Defense; a letter dated September 26, 1979, addressed to Hon. DONALD STEWART, U.S. Senate, from the Comptroller General of the United States; a letter dated September 26, 1979, addressed to Hon. Harold Brown, Secretary of Defense, from H. L. Krieger, Director of Federal Personnel and Compensation Division, General Accounting Office, Washington, D.C., and a letter dated November 7, 1979, from Senator BARRY GOLDWATER.

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

THE DEPUTY SECRETARY OF DEFENSE,
Washington, D.C., September 26, 1979.

Hon. HOWELL HEFLIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HEFLIN: I am writing to provide you with a summary of the advantages, both in terms of effectiveness and economy, of the consolidation of all Defense undergraduate helicopter pilot training (UHPT) into a single program under the Army at Fort Rucker, Alabama, as proposed by the Department of Defense. The consolidated program, in which all flight training will be in helicopters, will replace the separate programs now operated by the Navy at Whiting Field near Pensacola, in which part of the training is in fixed-wing aircraft.

As Secretary of the Navy, I personally visited both Fort Rucker and Whiting Field to observe the training in the two programs. I came away convinced that the quality of training in the consolidated program will be better than the training Navy and Marine students now get in the separate Navy program. Experienced Marine Corps helicopter pilots have also reviewed the two programs and have testified both two years ago and again this year that the Army program is superior. I particularly call your attention to the testimony of Col. Walter Ledbetter, USMC, before the Senate Armed Services Committee on June 28, 1979 (copy attached). Their views are backed up by some specific advantages of the consolidated program for Navy and Marine Corps students:

It will provide more total flying hours than the Navy program (195 instead of 191).

Navy and Marine Corps students will get almost twice as many helicopter flying hours (195 instead of 100).

The modern helicopter simulators at Fort Rucker provide much better instrument training than the less capable cockpit procedures trainers used by the Navy.

I am satisfied that it will take several years and substantial additional expenditures to modernize the facilities at Pensacola so as to enable the quality of the training there even to approach that now available at Ft. Rucker.

One of my major criteria for the consolidated program is that it must meet the particular training needs of each of the four Services. I am satisfied that it will. The consolidated course will be in two parts: a common core curriculum teaching skills needed

by all military helicopter pilots, and a final segment for training in skills which are peculiar to each Service. This latter course segment will be designed by the parent Service and taught by parent Service instructors. This Service-unique segment for Navy and Marine students was designed and approved by the Navy and Marine Corps and will be composed of 50 flying hours and 10 simulator hours, or about one-quarter of the total course. Advanced training will be given, as it is now, by each Service after graduation from UHPT.

Given these facts, I was convinced as Secretary of the Navy and even more convinced as Deputy Secretary of Defense that the training needs of Navy and Marine Corps student pilots will be fully met in the consolidated program. Moreover, the consolidated program will be less expensive than the two separate programs. It will take advantage of economies of scale and the lower costs of contract services. We estimate that consolidation will save about $100 million over the next five years, as well as over 1,500 military and 250 civilian manpower spaces. The General Accounting Office reviewed the calculation of savings two years ago and agreed that they were valid and even understated. The Defense Audit Service, in an independent audit, has also recently verified the savings estimate (copy attached). I understand that GAO has also very recently completed another review of the savings calculation. Although we do not yet have access to the findings of this latest review, we are confident that they will again confirm that the consolidation will achieve significant savings.

Putting it all together, we have here a proposal that will provide better training at substantially lower cost. The training needs of each Service will be fully met. It is not often that we are confronted with a proposal that combines improved military effectiveness with economy in the way that this one does. I know that we can count on your support on this issue in the Congress, and I urge you to help actively in the effort to get it approved. I want to add that this is not a first step toward an effort to consolidate fixed wing flight training. Secretary Brown and I are unalterably opposed to this for a variety of reasons, and we have made this clear on a number of occasions.

Sincerely,

W. GRAHAM CLAYTOR.

LETTER OF SEPTEMBER 26, 1979

Secretary CLAYTOR. Mr. Chairman, Colonel Ledbetter, whom I mentioned before, who has been commanding officer of five different squadrons, is a graduate from Pensacola and a helicopter pilot. He does have some views about this on the basis of his experience. I would like him to have that opportunity.

Senator NUNN. Colonel, do you want to address this?

Colonel LEDBETTER. As the Secretary said, I have been in command of five different squadrons, four of them helicopter squadrons. I have commanded a helicopter aircraft group. I am fixed and rotary wing qualified, and qualified in every rotary wing aircraft inventoried in the Marine Corps and in a number of the fixed wing aircraft I am qualified.

I am in total disagreement with Mr. Mealy. I have made three trips to Fort Rucker and to Pensacola to compare the training. I was in charge of aviation studies and analysis in Headquarters, Marine Corps, under General Miller. I was sent down to Rucker and to Pensacola to compare the training in 1977. I went with four other Marine Colonels. One was strictly a fixed wing pilot. The other four of us were both rotary and fixed wing qualified. Two were commanding officers of air groups. One worked at program analysis at the second level. We all five concurred that the training at Fort Rucker was far superior to the training we get in Pensacola. I just went down to Pensacola, Corpus Christi, and Fort Rucker in March to look again. I still agree with what I wrote in 1977. The training given at Fort Rucker is far superior to the training given at Pensacola.

I will give you some examples. Over-water flight is one of the things which has been a hang-up here. The over-water syllabus at Pensacola is less than two hours out of a 192-hour syllabus. The proposed 195-50 syllabus we would get at Fort Rucker with 50 hours of service-peculiar training would give us more over-water training if we wanted it. We can get anything in that 50 hours we desire. The 195-50 syllabus at Fort Rucker gives us far more tactical training, far more instrument training, far more night training. It is superior in every way. There is no need to start flying, to learn to fly a helicopter by learning to fly a fixed wing. It is like learning to drive a car and learning to ride a bicycle. They are different. They fly differently.

Some of the instrument time is transferrable, but not nearly all of it is. If I had my way, I would train all helicopter pilots to fly helicopters, and then at a career decision point I would take some who decided and transfer them to fixed wing aircrafts. I have flown instruments in both aircrafts. It is much more difficult to fly instruments in a helicopter in turbulence than it is to fly a fixed wing aircraft. I have a lot of experience in both of them. I am extremely impressed with what they train at Fort Rucker. They teach virtually no tactics now at Pensacola, and a great emphasis on tactics at Fort Rucker.

Fort Rucker only teaches rotary wing training. The Navy's primary emphasis is on fixed wing training. Therefore, they do not give us a very good helicopter program. Now, when I went through, the Marine Corps, before it looked, has always been satisfied with our product, but it is like eating peanut butter. When I was a little boy I ate peanut butter and the grease floated to the top and I was satisfied with it, but as soon as they gave me Peter Pan Peanut Butter, I wasn't satisfied with the old kind any more. I went down and looked at the new kind, and I would rather go to Fort Rucker, and any Marine helicopter pilot you talk to would rather go to Fort Rucker.

Senator NUNN. Senator Chiles, Mr. Mealy has testified here that fixed wing has some definite advantages, and if the costs were equal, in other words, if there were no cost savings, he thinks it would be better to keep it in Pensacola, because the Navy has unique or better training there. Colonel Ledbetter has testified—he didn't hear all of it, but basically he testified that he thinks the training at Fort Rucker is far superior. I assume, Colonel, that even if cost savings were zero, you would be in favor of the consolidation. Is that right?

Colonel LEDBETTER. Mr. Chairman, if there were no cost savings, I would want to go to Fort Rucker. My only interest is getting the best trained helicopter pilots, because I am closer to leading them into combat than anyone in this room, by virtue of my low rank, and I want to go with the best trained man, and I can get him out of Fort Rucker now.

Senator NUNN. Suppose at Pensacola they had the assets that had been requested by the Navy. Would that affect the analysis?

Colonel LEDBETTER. The assets which have been requested are the computer with the four simulator cockpits. It is in a warehouse there. The four cockpits would not be sufficient to give the same amount of simulator time to the Navy pilots who were in operation at Pensacola, as the six computers with 24 cockpits can give in Fort Rucker. We would have to have more computers and more simulators in order to get the 50 hours that are going to be given at Fort Rucker, and it is very desirous we have that much simulation.

You can simulate in that cockpit far more things than you can ever do in an airplane. I was flying in March at Fort Rucker and they gave me an engine flame-out and a tail rotary failure and nearly scared me to death. I couldn't have survived it in an airplane, but I got to practice it in Fort Rucker, and we can practice every emergency that can be given in an airplane plus all of the instrument flying that you need. It is a fantastic facility, and a very well thought out and designed training program.

I will make one other comment. The first time I went to Fort Rucker to look was in 1976, and I went with an extreme bias against the Army, thinking that the Marine Corps program was always going to be better and always had been better and always would be better, and it was hard on me to go down and look at a thing that well organized, and it hurt my feelings.

(General laughter.)

Colonel LEDBETTER. Since then, I have been fighting to get a better program for what we have, wherever it is, and I think the more helicopter flight planning you get, the better helicopter pilot you are, and one other thing. The 195-50 syllabus does not give just 195 hours. The Army has a unique thing we should have adopted a long time ago. Every time an instructor gets in that airplane, he takes two students with him, and one student flies and the other sits in the jumpseat observing, so when he finishes they don't do it in the T-55, but once they get to the Huey they do. They can get 340 hours in the air either observing or flying, and every time he gets in that simulator, two students get in there, and they either fly or observe, so that 50 hours of flight time in the simulator, they end up with 100 hours, so they end up flight school in 39 weeks with 440 hours of either direct flight time or simulated flight time.

There is no way we can do that in the Navy, because 92 hours are in a fixed wing aircraft, and you can't get any more people in it. Even if we doubled up with the Hughie time, the most we could get out of a flight school is something like 252 hours, and it takes longer in the Navy than it does in the Army. The Army does it in their schedule time. We are running now a little over a year. There is a lot of difference between 440 hours in 39 weeks and 192 hours in 52 weeks. We have a cram course that jams that into his head, and a lot of air sense. It is a beautiful setup and a darn good program, and I would like to see us get into it.

Senator NUNN. Are you saying if Senator Chiles and I ride in a helicopter, we ought to ask for an Army pilot?

Colonel LEDBETTER. No, sir. I think I am one of the best helicopter pilots in the world, and so are most of the Marines that we have, because we take them when they are finishing the program and run them through our advanced program. I had a training squadron in New River and we got students from both sides in 1968, and after a four-month program, and we had them, I couldn't tell the difference between those two. In those days the Army didn't have a very good instrument program. They didn't have the simulators. They do now, so when we got them from the Army in 1968, they knew more about tactics, they knew less about instrument flying. When we got them from Pensacola, they knew nothing about tactics and a lot more about instrument flying. We had to devise a different program in the advanced squadron to bring them both equal, but after a four-month period they were both equal.

One other thing to comment on. People have talked about the esprit de corps and how it would hurt your feelings to be trained by the Army. All Marine Corps artillery officers are now trained by the Army. All Marine

Corps tanker officers are now trained by the Army, and I would defy you to go to a Marine Corps artillery officer and tell him he is not a good Marine. He would punch you out.

(General laughter.)

Colonel LEDBETTER. The same thing. They are very proud of themselves, and they go to the classes with the direction, you are a Marine, you had better come out to first, and they work at it. When we send people to Rucker, we are going to send them with the same charge: you go down there, learn, and come out first, and they are going to come out Marines and they are going to come out first.

COMPTROLLER GENERAL OF THE UNITED STATES,
Washington, D.C., September 26, 1979.

Hon. DONALD W. STEWART,
U.S. Senate.

DEAR SENATOR STEWART: In accordance with your written request, dated September 25, 1979, we are providing you the information developed during our recent review of the proposed consolidation of undergraduate helicopter pilot training at Fort Rucker, Alabama.

PROPOSED CONSOLIDATION

There are now two UHPT programs:

An Army program at Fort Rucker, Alabama, which trains Army and Air Force students and which uses an all rotary-wing syllabus.

A Navy program at Whiting Field near Pensacola, Florida, which trains Navy, Marine Corps, and Coast Guard students and which uses a combination fixed-wing/rotary-wing syllabus.

DOD proposes to consolidate these two programs into an all rotary-wing program at Fort Rucker, Alabama. This training would consist of a common core curriculum supplemented by service-unique segments. Existing service-unique follow-on training for UHPT graduates would remain essentially the same.

DOD forecasts approximately $100 million in savings over the next 5 years and believes a consolidated program will offer training as good as or better than that Navy's students now receive.

The proposal is necessarily predicated on future events and involves variables associated with the assumptions chosen. Therefore, we must emphasize that we are dealing with estimates and that true economies depend upon actual operation of a consolidated program. What we have done in our review is to test the validity of the cost estimates and related savings.

Our findings on issues related to this proposal are discussed below.

COST COMPARISONS/SAVINGS

Cost comparisons have consistently shown that consolidation of training facilities for helicopter pilots can reduce training costs and result in significant savings. DOD's official position is that the difference between Navy cost avoidance of $233.5 million and increased Army costs of $135.8 million—$97.7 million—constitutes forecasted savings over a 5-year period. These figures are based on the Secretary's April 1977 study adjusted to reflect Defense Audit Service findings on March 1978 and subsequent program implementation slippages. GAO, which had recommended consolidation as early as May 1974, reviewed the Secretary's 1977 study and reported in May 1977 that forecasted savings appeared conservative.

In this current effort to test the validity of forecasted savings, we reviewed the services' most recent cost estimates, which were prepared under assumptions in the May 1979 Army/Navy joint memorandum of understanding to implement consolidation.[1] These estimates show total costs and related savings for fiscal years 1980–84 as follows:

	Unaudited (millions)
Navy's estimated cost avoidance to give up UHPT	$266.6
Army's estimated incremental cost to train Navy requirements	203.3
Savings	63.3

We found that increases were necessary in both estimates. The required increase in the Army's incremental cost estimate is about $17 million, of which $12 million is due to changing its fiscal year 1979 dollar base to a fiscal year 1980 dollar base. The increase to the Navy's cost avoidance estimate cannot be accurately determined at this time on the basis of data provided by the Navy. Officials from the Department of the Navy agree that its estimate needs revision and are preparing a revised estimate. Nonetheless, the overall Navy adjustments needed should exceed the $17 million adjustment made to the Army's estimate. Thus, the amount of savings should exceed the $63.3 million shown above.[2]

OTHER CONSIDERATIONS THAT COULD AFFECT SAVINGS

During the debate over savings from consolidation, questions have arisen about the impact of certain other factors on forecasted savings. We assessed the impact of some of the more important of these on forecasted savings, and our conclusions are as follows.

FUEL CONSUMPTION AND PRICES

Consolidating UHPT would cause an increase in fuel use but only by about 3 million gallons over the 5-year period from fiscal years 1980 through 1984. Increased fuel consumption under a consolidated program is primarily due to additional flying time for Navy's students in advanced rotary-wing aircraft. They are expected to get about 145 syllabus hours instead of some 65 hours they now receive. DOD officials believe the additional hours will greatly enhance the effectiveness of training in rotary-wing flight skills and thus prove cost effective.

In June 1979 hearings before the Senate Subcommittee on Manpower and Personnel, Committee on Armed Services, the Chairman questioned the validity of fuel price figures used in the services' cost estimates. The DOD-approved prices for costing purposes, as used in the estimates, are about $0.45/gallon for jet propulsion fuel and about $0.63/gallon for aviation gas. The rate of fuel price increases over the next 5 years is of course open to speculation. However, a doubling or tripling of the above prices at the beginning of fiscal year 1980 would decrease savings by $0.2 million or $0.4 million, respectively, during the 5-year period. (See enc. I for further details on fuel use and costs.)

Neither the increased fuel use nor the effects of future fuel price increases should materially affect the overall estimated savings from consolidating UHPT. Moreover, the Secretary's proposal does not consider alternatives that could conserve DOD's use of fuel, alternatives which deserve attention regardless of UHPT consolidation. These include, for example, reducing actual flight time through more simulated training exercises; increased flight time in more fuel-cost-effective aircraft, with a proportionate reduction in the less fuel-cost-effective aircraft, and/or cutting back on mission-specific follow-on training.

RETIREMENT COSTS AND VETERANS' BENEFITS

UHPT consolidation will also allow DOD to reduce both military and civilian manpower. Forecasted savings, therefore, will increase due to reduced retirement costs and veterans' benefits. We did not estimate the amount of savings based on the projected manpower reductions under the May 1979 implementation plan. In May 1977, however, GAO reported that the Secretary's proposal did not recognize these savings and estimated that the present value of the unfunded retirement costs for military spaces alone was $29 million over the 5-year period under analysis. Savings due to reduced future retirement costs and veterans' benefits are both legitimate and significant and should be included in total savings.

ADDITIONAL FACTORS

Two other factors will affect projected savings:

DOD, in realigning its activities, must help alleviate the economic and social impact of realignment on the affected region. In May 1977, DOD's Office of Economic Adjustment assessed the economic impact of realignment on the Pensacola area and concluded that the region had strong economic growth and adjustment potential. It estimated costs associated with the economic impact of consolidation at approximately $2.6 million. These costs will reduce forecasted savings.

DOD now has 36 rotary-wing TH-57 aircraft committed to primary helicopter pilot training for Navy students. A consolidated program will free these assets for sale or use elsewhere in the Government. Since they are unique to Navy's UHPT, DOD plans to sell the aircraft. Sale to the public will increase forecasted savings.

TRAINING WITHIN THE SERVICES' UNIQUE ENVIRONMENTS

The syllabus approved by the Secretary in June 1977 will provide Navy students with training for the Navy-unique environment. It consists of a common core of 145 flight hours and 40 hours of simulator time for all DOD students, plus an additional 50 hours of flight time and 10 hours of simulator time for Navy's students. This "unique" portion of the syllabus, taught by Navy instructors, is designed to provide students with the knowledge, skills, and techniques necessary to operate a helicopter in the Navy's environment. Navy officials, including those responsible for flight training, believe that this syllabus will produce quality pilots. For example, the Secretary of the Navy, testifying in June 1979 before the Senate Subcommittee on Manpower and Personnel, Committee on Armed Services, stated that a consolidated program would provide significantly more effective helicopter pilot training to Navy's students.

SURGE POTENTIAL OF THE ONE-SITE TRAINING PROGRAM

Fort Rucker, DOD's proposed site for consolidated training, appears adequate to accommodate anticipated pilot training loads over the next 5 years. Estimated annual output capacity at the site is, peacetime, between 2400 and 2600 pilots and, mobilization, about 4500 pilots. Projected service requirement for helicopter pilots in fiscal year 1984, including foreign students, is 2482. DOD's need for pilots, which is subject to review and amendment during annual planning, programing, and budgeting cycles, would be affected by an emergency situation such as war. Should such a situation arise and require more pilots over a sustained period than any one site can handle, expansion of some training functions to other locations

[1] The Secretary has not yet approved the plan; but the services have projected a significant increase in pilot needs, thus driving up projected cost estimates.

[2] As of the date of this report, the adjustments to the Navy's cost data had not been completed. We continue to believe that the net effect of the adjustments should result in net 5-year savings from UHPT consolidation of more than $63.3 million.

would be necessary, as was the case during the Vietnam surge.

OTHER ISSUES

In reviewing Army's cost estimate we determined whether costs associated with other factors were included, as appropriate, to support consolidated training and found that:

Existing flying facilities will be used for consolidated training, so that no funds are required for opening additional facilities.

Additional helicopters required will not be procured but obtained through use of existing DOD assets. Army's cost estimate included $1.5 million for returning to flyable status 40 rotary-wing primary trainers in storage at the Military Aircraft Storage and Disposition Center, Davis-Monthan Air Force Base, Arizona. We visited Davis-Monthan; examined the aircraft and inventory records; and found, as the Army claimed, that the helicopters have not been cannibalized and can be brought back to a flyable status within the estimated cost range.

Existing facilities, both on and off base, appear capable of supporting projected increases in personnel; therefore, no new construction is planned. In April 1979, Navy officials examined facilities at Fort Rucker and surrounding communities and concluded that housing and support facilities were adequate to handle additional requirements and would not degrade quality of life for Navy personnel. Army officials consider it unlikely that consolidation will displace a significant number of military personnel living on base.

CONCLUSIONS AND RECOMMENDATIONS

We believe that the Secretary of Defense's proposal to consolidate UHPT should result in significant savings. Based on the assumptions under the May 1979 Army/Navy joint memorandum of understanding to implement consolidation, the estimated savings should exceed $63.3 million over the next 5 years. The advantages and disadvantages of consolidation have been aired in studies, in audits, and in hearings before members of the Congress. We believe that the preponderance of the evidence favors consolidating UHPT.

Estimated savings depend upon assumptions used and timing of implementation and could vary. True economies cannot be precisely determined without actually operating a consolidated program. To verify the forecasted savings and to facilitate proper management of implementation, we recommend that the Secretary of Defense: establish a mechanism that accounts for the costs, tracks the milestones for implementation, and records the savings associated with consolidation; and report back to the Congress at appropriate intervals concerning the progress of implementation, related costs, and savings.

SCOPE OF REVIEW

To obtain the information, we reviewed Army and Navy cost estimates, as well as estimates of related savings from consolidation; and we analyzed documentation relating training within the services' unique environments. We also observed and inspected facilities and equipment the Army has identified for use in support of consolidated training.

In addition, we discussed the issues with key officials from the Office of the Secretary of Defense, the Department of the Army, and the Department of the Navy.

Sincerely yours,

RUSSELL B. STAATS,
Comptroller General of the United States.

Enclosure.

POSSIBLE EFFECT OF INCREASED FUEL CONSUMPTION AND PRICES ON ESTIMATED SAVINGS FROM CONSOLIDATION

	Gallons required (fiscal years 1980–84)		
	Aviation gas	Jet propulsion fuel	Total
Gallons consumed under consolidation	9, 867, 252	127, 211, 098	137, 078, 35
Cost per gallon	$0. 63	$0. 45	
Total	$6, 216, 368	$57, 244, 994	$63, 461, 362
Gallons consumed if UHPT is not consolidated	16, 641, 797	117, 450, 738	134, 092, 535
Cost per gallon	$0. 63	$0. 45	
Total	$10, 484, 332	$52, 852, 832	$63, 337, 164
Difference in gallons consumed	(6, 774, 545)	9, 760, 360	2, 985, 815
Cost per gallon	$0. 63	$0. 45	
Total	($4, 267, 963)	$4, 392, 162	[1] $124, 199
Cost per gallon (doubled)			$248, 379
Cost per gallon (tripled)			$372, 598

[1] Comparison is based on fuel consumption for the total DOD UHPT program. A similar comparison, i.e., fuel consumption for Navy's separate program with the incremental fuel consumption for Army to train Navy's helicopter pilots, would yield the same differential in gallons consumed and costs. This difference in fuel use and cost has been considered in the current cost estimates.

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., September 26, 1979.

Hon. HAROLD BROWN,
Secretary of Defense.

DEAR MR. SECRETARY: As you know, the General Accounting Office has been asked to review your proposal to consolidate undergraduate helicopter pilot training at Fort Rucker, Alabama, and consideration of your proposal is still before Congress. We are enclosing a copy of our report to Senator Stewart on your proposal. This report contains recommendations to you on page 6, if consolidation occurs.

In addition to the recommendations, we believe several other matters deserve your immediate attention:

On pages 2 and 3, we discuss savings possible if undergraduate helicopter pilot training (UHPT) is consolidated. However, Defense has not finalized its review of the services' cost estimates and related savings. Because this is important to congressional discussion on consolidation, we suggest that Defense, as expeditiously as possible, finalize its review of the services' cost estimates and related savings.

On page 3, we discuss the impact of increased fuel consumption under consolidation. Fuel conservation is an important matter; and fuel-saving measures should be of concern to all the services, regardless of UHPT consolidation. We, therefore, suggest that Defense, in its continuing review of the UHPT, identify measures that could save fuel.

A matter not addressed in this report, but related to consolidation, is the Department of the Navy's shortfall in numbers of helicopter pilots it trained in recent years and its ability to meet its pilot needs in future years. Since fiscal year 1975, the Navy has trained 400 fewer helicopter pilots than programed because of a shortage of instructor pilots and aircraft. Defense should immediately assess whether the Navy, using its resources, can meet its pilot training needs in the near future. If not, Defense should inform the Congress of this fact so that it can be a part of the current discussion over consolidation.

If consolidation of undergraduate helicopter pilot training does not materialize, the Navy's ability to meet its pilot training loads (for both the Marine Corps and the Navy) becomes more important, especially in view of the Navy's proposed increases in pilot training loads over the next few years and the lead time needed by the Navy to obtain the aircraft and other capability (e.g., aircraft maintenance) to support an increased training load. Under these circumstances, Defense must seriously examine alternatives to reduce the potential shortfalls. One alternative could be to assign certain Marine Corps or Navy training loads to the Army, which appears to have the capacity, including the necessary aircraft to assume this additional load. This action could also make available resources to help the Navy reduce some of its fixed wing training shortfalls which have existed during the same period.

Sincerely yours,

H. L. KRIEGER,
Director.

Mr. HEFLIN. Mr. President, I also have a letter dated October 5, 1979, addressed to Hon. DONALD STEWART, U.S. Senate, from Harold Brown, the Secretary of Defense. This is after all the new figures and everything else. He says:

The Department of Defense continues to estimate 5-year savings of some $100 million or more.

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

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

SECRETARY OF DEFENSE,
Washington, D.C., October 5, 1979.

Hon. DONALD W. STEWART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEWART: You have asked for my views on the consolidation of Defense Undergraduate Helicopter Pilot Training (UHPT) in an all-helicopter program at Fort Rucker, Alabama, as proposed in the President's Budget for 1980. The House has now voted against this consolidation. Nevertheless, I continue to support this proposal strongly.

It is clear to me that this proposed consolidation would provide a markedly more effective UHPT program than Navy and Marine Corps students now enjoy. And the proposal would provide for more economical UHPT than the Navy now is able to conduct. The Department of Defense continues to estimate five-year savings of some $100 million or more.

I understand that some senators have voiced fears that this might be a first step toward eventual consolidation of Air Force and Navy fixed-wing fighter/attack pilot training. I can assure you that these fears are groundless. This fixed-wing training involves consideration such as air space utilization which make consolidation impractical.

I deem it very important that UHPT consolidation be implemented without further delay. I strongly urge that the Congress support this proposal which promises significant improvements in training effectiveness and economy. I appreciate your active backing of our proposal.

Sincerely,

HAROLD BROWN.

Mr. HEFLIN. Mr. President, in regard to these new figures and statistics that came out of the Pensacola based CNET, I have a memorandum addressed to the Assistant Secretary of the Navy from John R. Quetsch, the principal Deputy

Assistant Secretary of Defense, in regard to these figures being released.

It seems that Representative CHAPPELL, of Ocala, Fla., heard about these figures and wanted them. The DOD comptroller says in this memorandum authorizing release:

We have no objection to your releasing the Navy data to Mr. Stout.

Mr. Stout was the administrative aide to Representative CHAPPELL. I continue reading:

However, we feel the observations in Attachment B to your memorandum should be clarified for Mr. Stout, namely, that the data provided in CNET understates Navy costs to produce helicopter pilots without consolidation; that Navy, at considerable delay in planned Navy pilot output, both jet and helicopter, would have to seek authorization and appropriations to procure additional aircraft in order to do the job in-house; and that consolidation will overcome a continuing 15–20 percent shortfall in Navy pilot production.

The letter is dated October 17, 1979, and I ask unanimous consent to have it printed in the RECORD.

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

OCTOBER 17, 1979.

Memorandum for Assistant Secretary of the Navy (FM).

Subject: Undergraduate helicopter pilot training.

This is in response to your memorandum of September 18, 1979, enclosing costing data for Mr. Ed Stout relative to consolidation of undergraduate helicopter pilot training.

We have no objection to your releasing the Navy data to Mr. Stout. However, we feel the observations in Attachment B to your memorandum should be clarified for Mr. Stout, namely, that the data provided by CNET understates Navy costs to produce helicopter pilots without consolidation; that Navy, at considerable delay in planned Navy pilot output, both jet and helicopter, would have to seek authorization and appropriations to procure additional aircraft in order to do the job in-house; and that consolidation will overcome a continuing 15–20% shortfall in Navy pilot production.

Therefore, it is recommended that in releasing the data you provide a cover letter which clearly points out these deficiencies in the CNET costing package.

JOHN R. QUETSCH,
Principal Deputy Assistant Secretary of Defense (Comptroller).

Mr. HEFLIN. Mr. President, I would like to call the Senate's attention to a letter dated September 26, 1979, from the General Accounting Office to the Secretary of Defense. The letter to the Secretary states that a matter not addressed in the report of September 26, 1979, to Senator STEWART but one which is of importance deals with the Navy's shortfall in the numbers of helicopter pilots. I would like to just quote from the GAO letter.

A matter not addressed in the report [the report to Senator Stewart] but related to consolidation, is the Department of the Navy's shortfall in numbers of helicopter pilots it trained in recent years and its ability to meet its pilot needs in future years. Since fiscal year 1975, the Navy has trained 400 fewer helicopter pilots than programed because of shortage of instructor pilots and aircraft. Defense should immediately assess whether the Navy, using its resources, can meet its pilot training needs in the near future. If not, Defense should inform the Congress of this fact so that it can be made part of the current discussion over consolidation.

If consolidation of undergraduate helicopter pilot training does not materialize, the Navy's ability to meet its pilot training loads (for both the Marine Corps and the Navy) becomes more important, especially in view of the Navy's proposed increases in pilot training loads over the next few years and the lead time needed by the Navy to obtain the aircraft and other capability (e.g., aircraft maintenance) to support an increased training load. Under these circumstances, Defense must seriously examine alternatives to reduce the potential shortfalls. One alternative could be to assign certain Marine Corps or Navy training loads to the Army, which appears to have the capacity, including the necessary aircraft to assume this additional load. This action could also make available resources to help the Navy reduce some of its fixed wing training shortfalls which have existed during the same period.

Mr. President, what I think the GAO is saying to the Navy in this letter is that because of shortfalls in previous years in its pilot training and because of anticipated increases in future years, the Navy simply is not going to be able to train all of its pilots at Whiting Field anyway and, consolidation or no consolidation, will probably have to consider training some Marine Corps and Navy pilots at the helicopter school at Fort Rucker anyway. This is going to be necessary not just to train Navy and Marine Corps helicopter pilots, but also to make aircraft and other resources available to train the numbers of jet pilots Navy needs. To my knowledge, Secretary Brown has not replied to this letter to the GAO, but I would certainly be interested in hearing the Department's plan of meeting the Navy pilot shortfall if consolidation is not permitted.

Mr. President, there are other arguments that are offered from time to time as to why consolidation should not go forward. It is argued, for example, that the airplane which the Army would bring out of storage to use to train the Navy pilots have been cannibalized and would be readily available. This has been refuted by the Army and, in fact, the GAO sent its investigators to examine the Army helicopters in storage and found, as the Army claimed, that the helicopters have not been cannibalized and can be brought back to a flyable status within the estimated cost range. This is documented in the letter to Senator STEWART mentioned above which will be put in the RECORD at the appropriate time.

Mr. President, the opponents of consolidation today will probably make an impassioned plea that based on new data, new cost estimates or new funding information, the estimated savings will be much lower than heretofore mentioned or even may turn into increased costs if consolidation is approved. This argument is spurious at best for a number of reasons. First, it should be noted that a very thorough hearing of this issue was had before Senator NUNN's subcommittee of the Armed Services Committee on June 28, 1979. The position of a number of rank and file and retired Naval officers and Marine officers who oppose consolidation was made imminently clear at that hearing. All sorts of "new figures" were brought up at that meeting to show that consolidation would not save money or that it might in fact cost money.

The GAO had representatives at that hearing who heard the testimony and who obtained copies of all the figures put forth by these representatives. The GAO then took this testimony and these figures and studied these figures thoroughly. These so-called new figures then were considered by the GAO when it issued its statement of September 26, 1979, which concluded that the savings would exceed $63 million and indeed would be even greater if the $29 million for unfunded retirement benefits were taken into account.

Moreover, after that hearing, it was concluded that the Navy cost estimates were understated in certain respects and the GAO auditors sought revised and more valid estimates from the Navy. Interested Congressmen also requested that the Navy prepare revised data. In September, the Naval Education and Training Command often called CNET, which has its headquarters at Pensacola, Fla., sent its revised estimates to the Navy Comptroller. These estimates were reviewed by the Navy Comptroller and forwarded to the DOD Comptroller for further review with a request that the new figures be released to Congressman CHAPPELL of Florida.

The review by the DOD was not complete prior to the time the GAO issued its September 26, 1979, report. Nevertheless, by October 2, 1979, the Secretary of Defense, and his Comptroller, and the Navy Comptroller, had concluded that the revised data furnished by the Navy Training Command were in substantial error in that they continued to understate the Navy cost in retaining the pilot training program at Pensacola and thus, still substantially understated the savings from consolidating pilot training at Fort Rucker. Moreover, these raw estimates did not contain adequate caution about related Navy pilot training shortfalls and about the need to obtain for the Navy authorization in funding to procure additional training aircraft to support pilot training retained by the Navy.

On October 17, 1979, a memorandum was prepared by the Comptroller of the Department of Defense authorizing the release of the "new figures" provided the following warnings were made.

We have no objection to your releasing the Navy data to Mr. Stout (Administrative aid) to Florida Congressman Chappell. However, we feel the observations in attachment B to your memorandum should be clarified for Mr. Stout. Namely, that the data provided by CNET understates Navy cost to produce helicopter pilots without consolidation; that Navy, at considerable delay in planned Navy pilot output, both jet and helicopter, would have to seek authorization and appropriations to procure additional aircraft in order to do the job in-house; and that consolidation will overcome a continuing 15–20% shortfall in Navy pilot production.

Therefore, it is recommended that in releasing the data you provide a cover letter which clearly points out these deficiencies in the CNET costing package.

Mr. President, if those opposed to consolidation argue that new and revised data is available, I say to you that such data has already been examined by those competent in such matters and has been found to be the same old understated data that the Navy Training Command which is headquartered in Pensacola, Fla., has used for years in order to resist this consolidation effort even though the Navy and the DOD supports it. Thus, I caution my colleagues not to be misled by this erroneous information which most certainly will be discussed here today.

In closing, Mr. President, I would just like to summarize by saying that this Congress should take every opportunity to save taxpayers' dollars that is presented to it if the savings do not cause a sacrifice in the required mission capability of our armed services. I think the record is clear that, in fact, the savings will result in an enhanced military posture since it is uncontroverted that the pilot training program as it now exists in Fort Rucker turns out better trained and better qualified helicopter pilots than the current program at Whiting Field.

Thus, we can save money while at the same time upgrading the training program and I think it is imperative that we take this action. As Colonel Ledbetter stated in his testimony, even if there were no savings, the consolidation is a good idea because of the enhanced training capability. When the $100 million or whatever the final figure proves to be, is thrown into the equation it seems inconceivable to me that this Congress can refuse to act and act decisively to effect this consolidation.

Mr. President, I urge every Member of this body to support my amendment which will allow the Department of Defense to get on with this long anticipated and long needed consolidation program.

Mr. President, I ask unanimous consent to have printed in the RECORD other material in connection with this matter.

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

U.S. SENATE,
Washington, D.C., November 6, 1979.

DEAR COLLEAGUE: On Thursday, November 8, the Senate will consider an amendment to the Defense Appropriation bill which would allow the Department of Defense to consolidate all of its undergraduate helicopter pilot training at Fort Rucker, Alabama. As you know, I have been advocating this move for a number of years since, in my judgment, it makes absolutely no sense for the Defense Department to be training helicopter pilots at two separate locations when the training can be accomplished at less expense and more effectively at one location. Air Force helicopter pilots have been trained by the Army at Fort Rucker for a number of years, and the consolidated program has proven to be most satisfactory. I am sure that once consolidation occurs, the Navy, too, will be quite satisfied with the quality of the training at Fort Rucker.

The Department of Defense, the Defense Audit Service, and the General Accounting Office have all studied and re-studied this proposed consolidation over the years and the consensus is that the move will save the American taxpayers millions of dollars. If we can obtain better training at a lower cost, it would be unconscionable for this Congress not to approve this action. I call upon you to support the amendment to the Defense Appropriation bill which will be considered Thursday so that we can get on with the business of giving the American taxpayer his money's worth for his defense dollar.

The facts speak for themselves, and if parochial interests are put aside, I think you will see that this is the right move at the right time.

Sincerely yours,

BARRY GOLDWATER.

ASSISTANT SECRETARY OF THE NAVY,
Washington, D.C., October 17, 1979.

Memorandum for Congressman Chappell.
Subj: Undergraduate helicopter pilot training.

The attached data is provided in response to a request from Mr. Ed Stout of your staff for a recomputation of Navy cost data associated with the Undergraduate Helicopter Pilot Training Consolidation issue.

Identical information is being provided to Congressman Edwards in response to a request from his staff for five year cost data associated with Navy retention of Undergraduate Helicopter Pilot Training.

Attachment A is the data provided by the Navy Training Command to the Navy Secretariat. Attachment B addresses specific areas requiring clarification and identifies costs which have been understated by the training command. These comments clearly reveal that a decision for Navy to retain the helicopter pilot training function would require immediate action to seek authorization and appropriations to procure additional aircraft and simulators in order to produce the pilot output desired in FY 81 and beyond. In addition, since such equipment is not currently available the FY 80 desired helicopter pilot output cannot be achieved.

G. A. PEAPPLES.

DEPARTMENT OF THE NAVY,
Washington, D.C., September 5, 1979.

Hon. DONALD W. STEWART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEWART: This is in reply to your letter of August 17 to Secretary Claytor regarding the proposed consolidation of undergraduate helicopter pilot training. I have been requested to provide, directly to you, the Marine Corps' position concerning this proposal.

The Marine Corps fully supports the proposal to consolidate helicopter training at Fort Rucker. The fiscal savings accruing to the Department of Defense appear significant. The proposed syllabus under the consolidation program will satisfy Marine Corps helicopter pilot training requirements and is expected to provide a well trained basic helicopter pilot. This opinion is based primarily on the increased number of helicopter and simulator flight hours received under the consolidated training program. The provision for follow-on fixed-wing training at the career decision point satisfies the remaining Marine Corps objection to the consolidation proposal.

The preceding supportive statements for consolidating undergraduate helicopter training do not mean the Marine Corps has been dissatisfied with the helicopter pilot trained by the Navy. Time and time again the Navy-trained helicopter pilots have demonstrated their competence; however, the annual/continuing nature of the helicopter consolidation proposal, with its attendant adverse impact on financial support, appears to be having a debilitating effect upon the training capability of the Navy. Any further postponement of a decision regarding consolidation can only result in additional derogation of the training environment. In the event that consolidation is not approved, the Marine Corps would be pleased to remain with the Navy assuming budget restoration of training assets now held in abeyance awaiting a consolidation decision.

I trust you find the above responsive to your inquiry.

Sincerely,

ROBERT H. BARROW,
General, U.S. Marine Corps,
Commandant of the Marine Corps.

Mr. HEFLIN. Mr. President, at this time I yield to my colleague, Senator STEWART.

Mr. STEWART. Mr. President, I support this amendment. There are few other issues that I have encountered in my brief tenure in this body that have been so well studied, that will provide substantial savings to the taxpayer, and most importantly, will contribute to the defense readiness of our Nation.

The consolidation of basic training for helicopter pilots from Whiting Field, Fla., to Fort Rucker, Ala., has been studied four times and has been shown to save at least $63.3 million and probably more than $100 million. Consolidation also provides better pilot training.

The proposal to consolidate basic training for helicopter pilots has been around for a long time. It was first studied in 1965, and it has been a part of the President's budget recommendations for 4 years. It has been studied by the Defense Department, it has been studied by the independent Defense Audit Service, and it has been studied, twice, by the GAO.

The General Accounting Office has recently released its most recent review of the consolidation proposal and the conclusion is clear. The GAO states:

> We believe that the Secretary of Defense's proposal to consolidate undergraduate helicopter pilot training should result in significant savings . . . the estimated savings should exceed $63.3 million over the next five years. The advantages and disadvantages of consolidation have been aired in studies, in audits, and in hearings before members of Congress. We believe that the preponderance of evidence favors consolidating UHPT.

The GAO went over every aspect of past studies. The GAO investigated the various charges against consolidation—that fuel costs wiped out the savings, that Fort Rucker could not handle the surge of new students, et cetera—and the GAO concludes that the basic finding remains unchanged: consolidation saves a substantial amount of money and the quality of training is maintained, even improved.

What do I mean when I talk about quality of training? First, the consolidated training program will offer more flying hours for pilots, and almost twice as many helicopter flying hours. The student pilots will also get more high quality helicopter simulator experience. Many have charged that Navy students will suffer because they will be training with Army and Air Force students, which already have consolidated training. The assumption is that the Navy pilots will be denied service-unique training. But nothing could be further from the truth.

Again I quote from the GAO:

The syllabus approved by the Secretary in June 1977 will provide Navy students with training for the Navy-unique environment. It consists of a common core of 145 flight hours and 40 hours of simulator time for all DOD students, plus an additional 50 hours of flight time and 10 hours of simulator time for Navy's students. This "unique" portion of the syllabus, taught by Navy instructors, is designed to provide students with the knowledge, skills and techniques necessary to operate a helicopter in the Navy's environment. Navy officials, including those responsible for flight training, believe that this syllabus will produce quality pilots.

What about fuel costs? Would that wipe out the savings from consolidation? It is true that fuel costs will go up somewhat because Navy students will get more flying time in a helicopter. They will get 145 hours compared to some 65 hours they get now. And indeed that is what these young pilots are being trained for—to fly helicopters. However, even if we double or triple the costs of fuel above current costs, the savings of consolidation would only be decreased by $0.2 to $0.4 million, over the 5-year period. Again I quote from the GAO:

Neither the increased fuel use or the effects of future fuel price increases should materially affect the overall estimated savings from consolidating UHPT.

All along, I have been referring to this recent GAO study and using it to prove the merits of consolidation. In light of my support for this amendment, some of my colleagues might imagine that I asked for this study or that my colleague from Alabama requested the GAO investigation. But we did not. This GAO study was prompted by a request from the House, specifically a Florida Congressman. The report from the GAO reveals its true objectivity and thoroughness as the audit arm of the Congress. I am happy to make this report available to my colleagues, and I ask unanimous consent to have it printed in the RECORD following my remarks.

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

(See exhibit 1.)

Mr. STEWART. Mr. President, some people may say that a saving of $63 million or more is not that much. But in a time of fiscal constraint, when we need to make the best use of our defense dollar, I just do not see how the Senate can ignore this cost savings. More importantly, I know that my colleagues are concerned about our defense posture, the need to build up our strategic and conventional forces. But do Senators know what $63.3 million could do in that effort?

Want to beef up NATO? Here is what $63.3 million could do: 45 XM-I tanks, our newest most sophisticated tank which is desperately needed in Europe; or 28 ground launched cruise missiles—still in development promising a precision attack missile of great tactical use in the European theater.

Want to beef up our Navy? Here is what helicopter consolidation will provide for: 86 Harpoon missiles—our most sophisticated and valuable ship to ship weapon. One of the bright spots in recent developments; or 118 Phoenix missiles. The Phoenix is the world's best air to air missile system. Together with its computer system, nothing can match its multiple target performance.

We need to improve our strategic forces. $63.3 million too small to help out? Not so. Here is how: 28 submarine launched cruise missiles or 50 air launched cruise missiles.

The ALCM is in active development and will be a significant addition to our strategic forces in the near future. The SLCM may be needed at a later point. The B-1 bomber was canceled by President Carter in large part because of the promise of the ALCM. $63.3 million would purchase about 50 of these weapons—each of which can strike a target deep in the heart of the U.S.S.R. with more accuracy than our current generation of ICBM's.

Mr. President, we need this kind of force modernization. It costs money. Helicopter training consolidation will probably save around $100 million. How can we pass up a chance to make a substantial savings and at the same time improve the quality of our pilot training? This is the question I leave with my colleagues.

I reserve the balance of my time.

Mr. President, I have some letters I have received that I believe would add to the support of what my colleague has stated. I ask unanimous consent to have them printed in the RECORD.

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

OFFICE OF THE SECRETARY OF DEFENSE,
Washington, D.C., November 6, 1979.

Hon. DONALD W. STEWART,
U.S. Senate,
Washington, D.C.

DEAR SENATOR STEWART: This is in response to your letter of October 15, 1979 to Secretary Brown concerning the recent General Accounting Office letter report on the proposed consolidation of undergraduate helicopter pilot training (UHPT). You asked in your letter for comments on the GAO report and specifically for an evaluation of the Navy's pilot training shortfall and possible measures to cope with it.

The Department agrees with GAO that UHPT consolidation will result in significant savings.

With regard to the Navy shortfall, I am enclosing a table which compares programmed Navy and Marine Corps undergraduate helicopter pilot production with actual production for Fiscal Years 1975 through 1979. As the table shows, actual production has consistently fallen short of programmed production. In addition, the Navy now estimates that there will be a short-fall of at least 39 Navy and 43 Marine Corps UHPT graduates in Fiscal Year 1980.

If UHPT is not consolidated, the Navy will continue to use T-28 aircraft in the fixed wing portion of the UHPT syllabus until sufficient numbers of the more modern T-34C aircraft can be authorized, funded and procured. Given the maintenance problems associated with the aging fleet of T-28 aircraft, it is unlikely that programmed levels of Navy and Marine Corps UHPT graduates could be obtained in the near term. If UHPT is consolidated, this shortfall in UHPT graduates can be avoided in FY 1981 and subsequent years.

It is clear that the most efficient and effective way to eliminate short-falls in Navy and Marine Corps helicopter pilot graduates is to approve UHPT consolidation, as proposed by the Department of Defense. The consolidated program can train all of the programmed Navy and Marine Corps students, whereas the separate Navy program can do so only with the expenditure of approximately $58 million to buy new T-34C aircraft. The results of failing to approve UHPT consolidation would be threefold: greater cost, less effective helicopter pilot training for Navy and Marine Corps students, and continuing shortfalls in graduating Navy and Marine Corps helicopter pilots.

For the reasons discussed above, I consider it very important that the Congress approve UHPT consolidation. I appreciate the support that you have given to this proposal, and I hope that we can count on your continued support.

Sincerely,

W. GRAHAM CLAYTOR, Jr.,
Deputy,
DEPARTMENT OF THE NAVY

UNDERGRADUATE HELICOPTER PILOT TRAINING RATES (PTR), PRESIDENT'S BUDGET VERSUS PERFORMANCE, FISCAL YEARS 1975-79

	Fiscal years—					
	1975	1976	19TQ	1977	1978	1979
HELICOPTER PILOTS						
Navy:						
President's budget	230	225	50	188	195	215
Graduated	177	205	55	144	139	116
Difference	−53	−20	+5	−44	−56	−99
Percent difference	−23	−9	+10	−25	−29	−46
Marine Corps:						
President's budget	224	212	53	235	267	305
Graduated	199	206	45	231	260	177
Difference	−25	−6	−8	−4	−7	−128
Percent difference	−11	−3	−15	−2	−3	−42

Source: Department of the Navy training reports, "Graduated" are actual.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., September 26, 1979.

Hon. DONALD W. STEWART,
U.S. Senate.

DEAR SENATOR STEWART: In accordance with your written request, dated September 25, 1979, we are providing you the information developed during our recent review of the proposed consolidation of undergraduate helicopter pilot training at Fort Rucker, Alabama.

PROPOSED CONSOLIDATION

There are now two UHPT programs:

An Army program at Fort Rucker, Alabama, which trains Army and Air Force students and which uses an all rotary-wing syllabus.

A Navy program at Whiting Field near Pensacola, Florida, which trains Navy, Marine Corps, and Coast Guard students and which uses a combination fixed-wing/rotary-wing syllabus.

DOD proposes to consolidate these two programs into an all rotary-wing program at Fort Rucker, Alabama. This training would consist of a common core curriculum supplemented by service-unique segments. Existing service-unique follow-on training for UHPT graduates would remain essentially the same.

DOD forecasts approximately $100 million in savings over the next 5 years and believes a consolidated program will offer training as good as or better than Navy's students now receive.

The proposal is necessarily predicated on future events and involves variables associated with the assumptions chosen. Therefore, we must emphasize that we are dealing with estimates and that true economies depend upon actual operation or a consolidated program. What we have done in our review is to test the validity of the cost estimates and related savings.

Our findings on issues related to this proposal are discussed below.

POSSIBLE EFFECT OF INCREASED FUEL CONSUMPTION AND PRICES ON ESTIMATED SAVINGS FROM CONSOLIDATION

	Gallons required (fiscal years 1980–84)		
	Aviation gas	Jet propulsion fuel	Total
Gallons consumed under consolidation	9, 867, 252	127, 211, 098	137, 078, 350
Cost per gallon	$0. 63	$0. 45	
Total	$6, 216, 368	$57, 244, 994	$63, 461, 362
Gallons consumed if UHPT is not consolidated	16, 641, 797	117, 450, 738	134, 092, 535
Cost per gallon	$0. 63	$0. 45	
Total	$10, 484, 332	$52, 852, 832	$63, 337, 164
Difference in gallons consumed	(6, 774, 545)	9, 760, 360	2, 985, 815
Cost per gallon	$0. 63	$0. 45	
Total	($4, 267, 963)	$4, 392, 162	[1] $124, 199
Cost per gallon (doubled)			$248, 379
Cost per gallon (tripled)			$372, 598

[1] Comparison is based on fuel consumption for the total DOD UHPT program. A similar comparison, i.e., fuel consumption for Navy's separate program with the incremental fuel consumption for Army to train Navy's helicopter pilots, would yield the same differential in gallons consumed and costs. This difference in fuel use and cost has been considered in the current cost estimates.

COST COMPARISONS/SAVINGS

Cost comparisons have consistently shown that consolidation of training facilities for helicopter pilots can reduce training costs and result in significant savings. DOD's official position is that the difference between Navy cost avoidance of $233.5 million and increased Army costs of $135.8 million—$97.7 million—constitutes forecasted savings over a 5-year period. These figures are based on the Secretary's April 1977 study adjusted to reflect Defense Audit Service findings of March 1978 and subsequent program implementation slippages. GAO, which had recommended consolidation as early as May 1974, reviewed the Secretary's 1977 study and reported in May 1977 that forecasted savings appeared conservative.

In this current effort to test the validity of forecasted savings, we reviewed the services' most recent cost estimates, which were prepared under assumptions in the May 1979 Army/Navy joint memorandum of understanding to implement consolidation.[1] These estimates show total costs and related savings for fiscal years 1980–84 as follows:

[Unaudited—in millions]

Navy's estimated cost avoidance to give up UHPT	$266. 6
Army's estimated incremental cost to train Navy's requirements	203. 3
Savings	63. 3

We found that increases were necessary in both estimates. The required increase in the Army's incremental cost estimate is about $17 million, of which $12 million is due to changing its fiscal year 1979 dollar base to a fiscal year 1980 dollar base. The increase to the Navy's cost avoidance estimate cannot be accurately determined at this time on the basis of data provided by the Navy. Officials from the Department of the Navy agree that its estimate needs revision and are preparing a revised estimate. Nonetheless, the overall Navy adjustments needed should exceed the $17 million adjustment made to the Army's estimate. Thus, the amount of savings should exceed the $63.3 million shown above.[2]

Other considerations that could affect savings:

During the debate over savings from consolidation, questions have arisen about the impact of certain other factors on forecasted savings. We assessed the impact of some of the more important of these on forecasted savings, and our conclusions are as follows:

FUEL CONSUMPTION AND PRICES

Consolidating UHPT would cause an increase in fuel use but only by about 3 million gallons over the 5-year period from fiscal years 1980 through 1984. Increased fuel consumption under a consolidated program is primarily due to additional flying time for Navy's students in advanced rotary-wing aircraft. They are expected to get about 145 syllabus hours instead of some 65 hours they now receive. DOD officials believe the additional hours will greatly enhance the effectiveness of training in rotary-wing flight skills and thus prove cost effective.

In June 1979 hearings before the Senate Subcommittee on Manpower and Personnel, Committee on Armed Services, the Chairman questioned the validity of fuel price figures used in the services' cost estimates. The DOD-approved prices for costing purposes, as used in the estimates, are about $0.45/gallon for jet propulsion fuel and about $0.63/gallon for aviation gas. The rate of fuel price increases over the next 5 years is of course open to speculation. However, a doubling or tripling of the above prices at the beginning of fiscal year 1980 would decrease savings by $0.2 million or $0.4 million, respectively, during the 5-year period. (See enc. I for further details on fuel use and costs.)

Neither the increased fuel use nor the effects of future fuel price increases should materially affect the overall estimated savings from consolidating UHPT. Moreover, the Secretary's proposal does not consider alternatives that could conserve DOD's use of fuel, alternatives which deserve attention regardless of UHPT consolidation. These include, for example, reducing actual flight time through more simulated training exercises; increasing flight time in more fuel-cost-effective aircraft, with a proportionate reduction in the less fuel-cost-effective aircraft, and/or cutting back on mission-specific follow-on training.

RETIREMENT COSTS AND VETERANS' BENEFITS

UHPT consolidation will also allow DOD to reduce both military and civilian manpower. Forecasted savings, therefore, will increase due to reduced retirement costs and veterans' benefits. We did not estimate the amount of savings based on the projected manpower reductions under the May 1979 implementation plan. In May 1977, however, GAO reported that the Secretary's proposal did not recognize these savings and estimated that the present value of the unfunded retirement costs for military spaces alone was $29 million over the 5-year period under analysis. Savings due to reduced future retirement costs and veterans' benefits are both legitimate and significant and should be included in total savings.

ADDITIONAL FACTORS

Two other factors will affect projected savings:

DOD, in realigning its activities, must help alleviate the economic and social impact of realignment on the affected region. In May 1977, DOD's Office of Economic Adjustment assessed the economic impact of realignment on the Pensacola area and concluded that the region had strong economic growth and adjustment potential. It estimated costs associated with the economic impact of consolidation at approximately $2.6 million. These costs will reduce forecasted savings.

DOD now has 36 rotary-wing TH-57 aircraft committed to primary helicopter pilot training for Navy students. A consolidated program will free these assets for sale or use elsewhere in the Government. Since they are unique to Navy's UHPT, DOD plans to sell the aircraft. Sale to the public will increase forecasted savings.

TRAINING WITHIN THE SERVICES' UNIQUE ENVIRONMENTS

The syllabus approved by the Secretary in June 1977 will provide Navy students with training for the Navy-unique environment. It consists of a common core of 145 flight hours and 40 hours of simulator time for all DOD students, plus an additional 50 hours of flight time and 10 hours of simulator time for Navy's students. This "unique" portion of the syllabus, taught by Navy instructors, is designed to provide students with the knowledge, skills, and techniques necessary to operate a helicopter in the Navy's environment. Navy officials, including those responsible for flight training, believe that this syllabus will produce quality pilots. For example, the Secretary of the Navy, testifying in June 1979 before the Senate Subcommittee on Manpower and Personnel, Committee on Armed Services, stated that a consolidated program would provide significantly more effective helicopter pilot training to Navy's students.

SURGE POTENTIAL OF THE ONE-SITE TRAINING PROGRAM

Fort Rucker, DOD's proposed site for consolidated training, appears adequate to accommodate anticipated pilot training loads over the next 5 years. Estimated annual output capacity at the site is, peacetime, between 2400 and 2600 pilots and, mobilization, about 4500 pilots. Projected service requirement for helicopter pilots in fiscal year 1984, including foreign students, is 2482. DOD's need for pilots, which is subject to review and amendment during annual planning, programing, and budgeting cycles, would be affected by an emergency situation such as war. Should such a situation arise and require more pilots over a sustained period than any one site can handle, expansion of some training functions to other locations would be necessary, as was the case during the Vietnam surge.

OTHER ISSUES

In reviewing Army's cost estimate we determined whether costs associated with other factors were included, as appropriate, to support consolidated training and found that:

Existing flying facilities will be used for consolidated training, so that no funds are required for opening additional facilities.

Additional helicopters required will not be procured but obtained through use of existing DOD assets. Army's cost estimate included $1.5 million for returning to flyable status 40 rotary-wing primary trainers in storage at the Military Aircraft Storage and Disposition Center, Davis-Monthan Air Force Base, Arizona. We visited Davis-Monthan; examined the aircraft and inventory records; and found, as the Army claimed, that the helicopters have not been cannibalized and can be brought back to a flyable status within the estimated cost range.

Existing facilities, both on and off base, appear capable of supporting projected increases in personnel; therefore, no new construction is planned. In April 1979, Navy officials examined facilities at Fort Rucker and

[1] The Secretary has not yet approved the plan; but the services have projected a significant increase in pilot needs, thus driving up projected cost estimates.

[2] As of the date of this report, the adjustments to the Navy's cost data had not been completed. We continue to believe that the net effect of the adjustments should result in net 5-year savings from UHPT consolidation of more than $63.3 million.

surrounding communities and concluded that housing and support facilities were adequate to handle additional requirements and would not degrade quality of life for Navy personnel. Army officials consider it unlikely that consolidation will displace a significant number of military personnel living on base.

CONCLUSIONS AND RECOMMENDATIONS

We believe that the Secretary of Defense's proposal to consolidate UHPT should result in significant savings. Based on the assumptions under the May 1979 Army/Navy joint memorandum of understanding to implement consolidation, the estimated savings should exceed $63.3 million over the next 5 years. The advantages and disadvantages of consolidation have been aired in studies, in audits, and in hearings before members of the Congress. We believe that the preponderance of the evidence favors consolidating UHPT.

Estimated savings depend upon assumptions used and timing of implementation and could vary. True economies cannot be precisely determined without actually operating a consolidated program. To verify the forecasted savings and to facilitate proper management of implementation, we recommend that the Secretary of Defense—

Establish a mechanism that accounts for the costs, tracks the milestones for implementation, and records the savings associated with consolidation; and

Report back to the Congress at appropriate intervals concerning the progress of implementation, related costs, and savings.

SCOPE OF REVIEW

To obtain the information, we reviewed Army and Navy cost estimates, as well as estimates of related savings from consolidation; and we analyzed documentation relating training within the services' unique environments. We also observed and inspected facilities and equipment the Army has identified for use in support of consolidated training. In addition, we discussed the issues with key officials from the Office of the Secretary of Defense, the Department of the Army, and the Department of the Navy.

Sincerely yours.

ELMER B. STAATS,
Comptroller General of the United States.

EXHIBIT 1

U.S. GENERAL ACCOUNTING OFFICE,
Washington, D.C., September 26, 1979.

Hon. HAROLD BROWN,
The Secretary of Defense.

DEAR MR. SECRETARY: As you know, the General Accounting Office has been asked to review your proposal to consolidate undergraduate helicopter pilot training at Fort Rucker, Alabama, and consideration of your proposal is still before Congress. We are enclosing a copy of our report to Senator Stewart on your proposal. This report contains recommendations to you on page 6, if consolidation occurs.

In addition to the recommendations, we believe several other matters deserve your more immediate attention:

On pages 2 and 3, we discuss savings possible if undergraduate helicopter pilot training (UHPT) is consolidated. However, Defense has not finalized its review of the services' cost estimates and related savings. Because this is important to congressional discussion on consolidation, we suggest that Defense, as expeditiously as possible, finalize, its review of the services' cost estimates and related savings.

On page 3, we discuss the impact of increased fuel consumption under consolidation. Fuel conservation is an important matter; and fuel-saving measures should be of concern to all the services, regardless of UHPT consolidation. We, therefore, suggest that Defense, in its continuing review of the UHPT, identify measures that could save fuel.

A matter not addressed in this report, but related to consolidation, is the Department of the Navy's shortfall in numbers of helicopter pilots it trained in recent years and its ability to meet its pilot needs in future years. Since fiscal year 1975, the Navy has trained 400 fewer helicopter pilots than programed because of a shortage of instructor pilots and aircraft. Defense should immediately assess whether the Navy, using its resources, can meet its pilot training needs in the near future. If not, Defense should inform the Congress of this fact so that it can be a part of the current discussion over consolidation.

If consolidation of undergraduate helicopter pilot training does not materialize, the Navy's ability to meet its pilot training loads (for both the Marine Corps and the Navy) becomes more important, especially in view of the Navy's proposed increases in pilot training loads over the next few years and the lead time needed by the Navy to obtain the aircraft and other capability (e.g., aircraft maintenance) to support an increased training load. Under these circumstances, Defense must seriously examine alternatives to reduce the potential shortfalls. One alternative could be to assign certain Marine Corps or Navy training loads to the Army, which appears to have the capacity, including the necessary aircraft to assume this additional load. This action could also make available resources to help the Navy reduce some of its fixed-wing training shortfalls which have existed during the same period.

Sincerely yours,

H. L. KRIEGER,
Director.

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

Mr. STEWART. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, it is not often that the Pentagon comes to Congress and pleads to be allowed to save tax dollars. That is what is happening in this amendment. They want to save money. How often does the Pentagon do that? I cannot remember the last time they did—certainly not this year. In fact it is rare that any Government agency makes such a request. Therefore, in a time of budget austerity, when Congress is struggling to find areas to reduce Federal expenditures, we have a special obligation to pinpoint and put into effect the savings recommended by the executive department agencies.

The Secretary of Defense has written to Congress about one such situation—where $100 million in tax dollars could be saved or transferred to higher priority defense needs. The subject is undergraduate helicopter consolidation. The Secretary of Defense has told Congress:

It is clear to me that this proposed consolidation would provide a markedly more effective program than Navy and Marine Corps students now enjoy. The Department of Defense continues to estimate five year savings of some $100 million or more.

The Deputy Secretary of Defense, Graham Claytor, has told us specifically what the advantages of consolidation would be to the taxpayers and to our military effectiveness. Consolidation will:

Provide more total flying hours than the current Navy program;

Navy and Marine Corps students will get almost twice as many helicopter flying hours under consolidation as compared to before, 195 compared to 100; and

More sophisticated helicopter simulators at Fort Rucker will give better instrument training than the less capable cockpit procedure trainers used by the Navy.

What we have here, Mr. President, is a clear-cut issue. Do we want to provide better training, more capable pilots? Do we want to increase the military capability of this Nation? Do we want to be more efficient, more effective in our military programs? Do we want to increase preparedness and readiness? Do we want to field forces more prepared to do the job? If the answer is "Yes" to the above questions, and I certainly think it must be yes to those questions, then it automatically follows that helicopter consolidation should be supported.

Make no mistake about this, Mr. President, the twin elements of this vote are economy and national defense. A vote for helicopter consolidation is an economy vote which will result in increased defense preparedness. A vote against consolidation is a vote for bigger budgets, inflation, big spending, big government, inefficient Government programs, and a less effective military force.

If our helicopter pilots have to go off to some far place in the world on an emergency mission of mercy or rescue, then, Mr. President, I want to know that they received the best possible training in preparation for that mission. I want to know that this country did not turn its back on improving that training or look the other way when requests were made to upgrade facilities. Yet just this could happen if we do not consolidate training at Fort Rucker.

Listen to the Marines on this subject. Colonel Ledbetter of the U.S. Marine Corps testified before the Armed Services Committee recently. The colonel, who has commanded five different squadrons of aircraft including four helicopter squadrons, went down to Fort Rucker to investigate firsthand what the Army program was all about. He took with him four other Marine colonels who have long histories of association with aviation. They all came back agreeing that the Army program is superior to the Marine and Navy program. Here is what he said:

The over-water syllabus at Pensacola is less than two hours out of a 192 hour syllabus. The proposed 195 hour syllabus we would get at Fort Rucker with 50 hours of service peculiar training would give us more over-water training if we wanted it. . . . The 195 hour syllabus at Fort Rucker gives us far more tactical training, far more instrument training, far more night training. It is superior in every way.

Think of that Mr. President; the Marines concluded that the training at Fort Rucker was "superior in every way." And at the same time it will save $100 million over 5 years. What more can we ask for? A better program and a better price. This is what productivity and Government efficiency are all about.

Here is the final test of the worth of this issue. Colonel Ledbetter pointedly told the Armed Services Committee:

My only interest is getting the best trained helicopter pilots, because I am closer to leading them into combat than anyone in this room . . . and I want to go with the best trained man, and I can get him out of Fort Rucker now.

Are we going to give Colonel Ledbetter the best trained men for his next mis-

sion? Or will we settle for second best, for a less capable trained force, for fewer hours of training on less sophisticated equipment?

No one in the Chamber will be flying our pilots off into combat in the years ahead. But Marine commanders will be. And they have asked for the best. Consolidation will give them that additional advantage.

Do not vote for a second-rate military. Do not retard our military effectiveness. Do not say no to the requests for more capability. Do not vote to restrict the combat skills of our helicopter pilots.

Mr. President, I urge the Senate to vote for a stronger national defense at a lower price. I support the amendment by my good friends from Alabama, Senator STEWART and Senator HEFLIN.

Mr. STEWART. Mr. President, I have only one remaining thing to say before my colleague speaks the final time. I am aware of what his activities might be.

I understand from studying this issue, not only from the standpoint of my State but also from the standpoint of what it can do for our defense posture and what it can do for savings in the inflationary times that we are faced with here in this country today and the months ahead, what it will give us the capability to do in the defense area. I will not leave this issue and do not intend to fail to address myself to this issue in the future. I intend to seek other means or other possible methods of achieving the end that we are attempting to achieve with this amendment.

I do not draw on the considerable time in this body that would enable me to make that statement in perhaps the immediate future, but I do intend to study ways and means.

I understand that there are other necessities that will have to take place in order to make the training at Pensacola continue.

I feel very strongly about this issue. I fully intend to seek to address what I feel is a problem that we should address on the merits, and that is why I am standing here today on the merits of this amendment. I fully intend to continue to work toward this problem if not in this session, I say to the chairman and to my worthy colleagues from Florida, perhaps on down the road if I have that opportunity, and I am sure I will.

Mr. CHILES. Mr. President, as you might expect, I was prepared to make numerous remarks, and I think other people who were on this side of the issue, the position I was holding forth, and who would have been against the amendment, would have made some remarks, and in deference to colleagues who are trying to catch planes, I will just put my remarks in the RECORD at a later time and urge my colleagues to do the same.

Mr. STONE. Mr. President, I associate myself with the remarks of my senior colleague from Florida. In deference to the time constraints of our colleagues, I will put my remarks in the RECORD.

Mr. BENTSEN. Mr. President, I rise in opposition to the amendment offered by my distinguished colleague from Alabama.

The Senator's proposal to consolidate the undergraduate helicopter pilot training program at Fort Rucker, Ala., was originally forecast this year by the Department of Defense to save approximately $100 million over the next 5 years. As a man who spent 16 years in private industry, I am well aware that cutting waste and holding down costs is essential. I believe that American people expect and should receive the most cost-effective handling of their tax dollars, especially in the area of national defense.

However, I question the Defense Department's allegation that they can save $100 million over 5 years without the closure of a single base. I also have some reservations about the General Accounting Office study which indicates an apparent savings of $63.3 million. This analysis contains a variety of errors which significantly inflated the purported savings:

For example, the report lists a cost to the Navy of $10.9 million for foreign student training. Since this amount is reimbursable under law by foreign governments, it should not be charged against the Navy. The GAO report also charges five T-34C's to the Navy for the purpose of training these same foreign students. This is also reimbursable.

As I am sure many of you know, the Army uses civilian contract labor for the maintenance of its aircraft. The Navy has used its own military personnel. Civilian contract maintenance is cheaper in the short run because the Army does not have to bear the costs of the families of the military labor as does the Navy. The GAO reports charges the Navy with $11 million in maintenance costs for the H-1 and H-57 helicopters, and says that consolidation would bring $1 million in savings. However, since the Secretary of Defense has instructed the Navy to make the transition to contract maintenance if it retains the helicopter training program, the $1 million savings exists if training is consolidated or not. The GAO is, in effect, costing the past instead of the future.

The GAO reports that if the Navy continues to train its pilots at Whiting Field in Florida, it would have to replace some of its old fixed-wing aircraft at a cost of $63 million. The generally accepted procedure for costing capital investments such as this aircraft purchase is to amortize over a period of 15 years. The GAO charges the procurement of this aircraft over a 5-year period, which is an unfair and unusual apportionment for a capital asset of $63 million.

After we have subtracted out the false savings from consolidation that the GAO has reported, the actual savings amounts to $20.8 million over 5 years.

Mr. President, it is obvious that the analysis conducted by the General Accounting Office is inadequate. The GAO does realize the problems with its initial report, and is currently taking another look at the consolidation issue. The House soundly rejected consolidation by a margin of 2 to 1, reversing their 3-year position. Likewise, I feel that it is inappropriate for this body to make a decision to consolidate undergraduate helicopter training based on inaccurate information, and I urge my colleagues to defeat the amendment.

CONSOLIDATION OF NAVY UNDERGRADUATE HELICOPTER TRAINING

● Mr. DOLE. Mr. President, for several years the Department of Defense has proposed consolidating the Navy's undergraduate helicopter pilot training program with the Army program conducted for Army and Air Force undergraduate helicopter students at Fort Rucker, Ala. In each of these years, the uniformed officers of the Navy with responsibility for such training have opposed such a consolidation. The Congress, principally out of concern that the unique requirements of the Navy helicopter pilots will not be adequately met by the consolidated training program, has rejected this consolidation of undergraduate helicopter pilot training.

Annually the Department of Defense presses for consolidation with the promise of large savings. The Navy has, in past years, contended that the savings were illusory and were generated through comparison of cost computed under incompatible Army and Navy accounting systems. For years the Navy reclamas had fallen on "deaf ears" at the Department of Defense. The Navy costs to continue this training had been audited, including every possible factor (for example, cost of new helicopters); the Army audits had been superficial at best.

Annually the Congress has analyzed this transfer and has rejected it as detrimental to the armed services. In addition to restrictions on transfer of flight training functions contained in the Defense Reorganization Act, the joint House/Senate conference report on the fiscal year 1976 appropriations bill stated:

> The conferees are in agreement that the Department of Defense should not initiate any action to proceed with consolidation of the services' pilot training programs without approval of the appropriations committees of Congress.

In 1978 the House Appropriations Committee again rejected the DOD proposal and restored UHPT to the Navy. Only during an evasive floor move was the provision deleted from the House version of the appropriations bill. The Senate, however, felt strongly enough about the issue to insist in conference that this training remain with the Navy.

DOD IGNORES CONGRESSIONAL DIRECTION

Mr. President, once again, the Department of Defense has come back in fiscal year 1980, ignoring congressional direction, and recommended deletion of all funds, personnel, and aircraft from the Navy budget. Again, the Navy has been ordered to consolidate under the Army's program. These actions have so seriously disrupted Navy pilot training that the Navy will be unable to meet minimum Navy needs for trained pilots next year—just as they were unable to meet minimum needs this year.

HOUSE ACTION IN FISCAL YEAR 1980

This year, an amendment to consolidate undergraduate helicopter pilot training as proposed by DOD was defeated on the House floor by a vote of

244 to 131. The House bill contains funds reversing the consolidation proposal assumed in the budget request. The committee has concurred with all the House adjustments, rejecting the consolidation proposal, and has included the general provision in the House bill which prohibits consolidation or realinement of advanced or undergraduate helicopter pilot training squadrons of the Navy. Mr. President, clearly, the House has once again firmly stated its position against consolidation.

In light of the House action this year, and in view of the Senate position rejecting consolidation in the past, the Senate Armed Services Committee has stated that further consideration of this issue is unwarranted. The committee strongly believes that the Department of Defense and the Navy should now direct their efforts toward implementing the Navy's undergraduate helicopter pilot training program, including construction of the simulator building to house the aircraft simulator for which funds have already been appropriated.

THE NEED FOR STABILITY IN HELICOPTER TRAINING

Mr. President, it is abundantly clear that the Congress, over a period of several years, has made it very clear that consolidation of undergraduate helicopter pilot training is not in the best interest of our helicopter pilot training quality and effectiveness.

The Senator from Kansas believes this issue should be laid to rest once and for all. No system, no matter how well structured or managed, can withstand such fundamental disruptions without catastrophic results. Unless Congress reasserts its authority, Navy pilot training and the national defense will be impaired.

Mr. President, I urge the rejection of any amendment that would consolidate undergraduate helicopter pilot training.●

Mr. HEFLIN. Mr. President, in the last 4 or 5 days I have been doing a tremendous amount of talking with Senators. I doubt that my colleagues have had an individual from Alabama talk to them about an issue as much as has occurred during the last several days.

I might also say that my distinguished colleagues from Florida have been doing the same thing.

I have been in contact with Members of the House of Representatives, especially the Congressman where Fort Rucker is located.

I realize that for 3 years the House of Representatives by nearly a 2-to-1 vote carried the consolidated helicopter issue but unfortunately this year, because of certain factors unknown to me, the House of Representatives did not go along and voted otherwise.

I have also today been in contact with the Department of Defense and, have obtained the advice of senior Defense Department officials. There is one thing that I have learned to do since being in the Senate and that is to count noses.

Under the circumstances and under the advice of the DOD I think that I should state that we wish to delay this battle for another year and because of this I will reluctantly at this time withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

The bill is open to further amendment.

Mr. STENNIS. May I say this: I certainly appreciate the efforts and the work of the Senator from Alabama who has been diligent, unyielding, going the last mile, in performing that duty, and I thank the other Senators who have worked on this matter, too.

We have the Senator from Missouri who has an amendment here, and we think that is the only amendment pending.

The Senator from North Dakota and I will ask for a rollcall vote on passage of the bill, and I understand the Senator from Missouri wishes a rollcall vote on his amendment, is that correct, Senator?

Mr. EAGLETON. That is right, Senator STENNIS.

Mr. STENNIS. So there will be only two rollcall votes left, one on passage and one on Senator EAGLETON's amendment.

We expect to yield back some of our time anyway. We have no controlled time, yes.

UP AMENDMENT NO. 794

(Purpose: To delete funding earmarked for the Navy's ocean surveillance ship construction program)

Mr. EAGLETON. Mr. President, I send to the desk an unprinted amendment and request its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Missouri (Mr. EAGLETON) proposes an unprinted amendment numbered 794.

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

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

The amendment is as follows:

On page 21, line 16, and continuing to line 17, strike "for the T-AGOS SURTASS ship program, $104,000,000;".

Mr. EAGLETON. Mr. President, Senator JACKSON will be on the floor shortly to speak in opposition to this amendment, he has been notified that I am taking up the amendment and I will try to make my remarks reasonably brief.

Mr. President, I would like to ask my colleagues to imagine themselves in the hypothetical position of a man out to buy a new automobile. I would like them to further imagine an automobile dealer who comes up with the following proposition:

"Now Senator," the salesman says, "I've got a plan that's going to save you some money. The Belchfire Motor Company, from whom I buy my cars, is developing a new car that will get 60 miles per gallon. We don't know if it's going to work yet, but if it does we may be able to deliver one to you by 1982. But in the meantime, Senator, I would like to sell you the four tires that will fit this new Belchfire, if we ever build it. You shouldn't pass them up, Senator, because they are good steel-belted radial tires, and if you buy them now you will save the cost of inflation in the price of these tires between now and 1982. Then, if we do sell you a car three years from now, you can slap these tires right on and drive away."

Mr. President, if that salesman offered his proposition to all 99 of my colleagues today, I am sure he would not sell a single tire. We would quickly see that there was no sense to the deal. And yet, incredibly, the Senate today is preparing to spend more than $100 million on a very similar deal in connection with a new Navy surveillance system.

The ocean surveillance ship program, as envisioned by the Navy, calls for construction of 12 ocean-going tugs. When the system becomes operational, each tug will pull a boom, trailing the Navy's new surveillance towed array system (SURTASS). The SURTASS, which now is under development, will detect submarines and other undersea activities in areas which present surveillance techniques cannot reach.

The Navy requested the first 3 ships of its planned 12-ship SURTASS program in fiscal year 1979 at a cost of $98 million. The Navy forecast that five more ships would be funded in fiscal year 1980, and the final four in fiscal year 1981. However, Congress reduced the fiscal year 1979 budget to $69 million, for two ships instead of three. While the House had voted to appropriate the $98 million authorized, the Senate Appropriations Committee argued that the buy should proceed at a slower pace until the Navy provided more justification for the total number of ships required.

In its report to Congress, the conferees also agreed that because of "continuing problems in the technical and operational evaluation of the mission electronics equipment for the SURTASS," the funds recommended for mission electronics for the two ships may not be obligated until the Navy has certified to Congress that a new technical and operational evaluation of the equipment has been successfully completed.

That certification has not been received. Nevertheless, the bill before us today contains funding for three additional ships. I am offering an amendment to delete the $104 million earmarked for these ships. I am doing so not because they are defective ships, nor because I am anti-SURTASS. Rather, I offer my amendment in recognition of the fact that as of now, SURTASS has some serious developmental problems. These problems may well be solved in the months and years ahead, but until they are it makes no sense to buy ships to tow SURTASS.

The Navy's current production plan for this program does not call for the construction of the ships included in this request until at least fiscal year 1981. With construction of the first two ships held up pending additional testing and construction of the second three not scheduled to commence prior to 1981, there is really no program to fund. Not surprisingly it is the Navy position that funding is necessary this year in order to keep program costs down. Their argument—like the argument of the auto salesman with the disembodied tires—is

that providing funding this fiscal year ultimately will save tax dollars by getting a jump on inflation. I challenge this position.

After studying the House report as well as the several GAO studies that are published relating to this matter, I conclude that significant questions still exist concerning the necessity of this program. Although I cannot get into specifics of program shortcomings because of their classified nature, the House action speaks for their magnitude.

Mr. President, I assert that there are no savings to accrue to anyone if this system ultimately fails to prove itself as expected. I support maintaining a strong military deterrent as a means of protecting our national interest, but in this era of fiscal austerity, I oppose, more than ever, gambling with tax dollars. The ocean surveillance ship program is a clear example of a developmental effort that has not proven itself worthy of production funding. I support continued funding for research and development of this system but I do not support immediate production funding as a hedge against inflation. Let me point out that we are not considering $30 billion for the MX program this year in hopes of saving the taxpayers a few dollars in the long-run.

If my amendment becomes law, it will not threaten the SURTASS program, nor will it slow the program down. At the very worst, we could find ourselves in possession of operational SURTASS electronics before we can build all 12 tugboats. However, since the Navy already has many other ships which could tow the SURTASS array, the electronics could be put into service before the tug fleet was finished. And at the very best, my amendment could save us from spending hundreds of millions of dollars on a fleet of tugboats we might not ever need.

Mr. President, one final remark: This item we are debating was stricken from the House appropriations bill. The House committee has never been considered to be anything less than hardnosed. There are, in fact, several hardnosed people who serve on the committee. This is one item they overwhelmingly agreed could well be deferred, and that the 100-odd million dollars in this year's bill could well be saved.

If the House Appropriations Committee, considering its hardnosed membership, came to the conclusion that these tugboats were not ready for production, I fail to see why the Senate should not be similarly hardnosed with respect to this matter.

I reserve the balance of my time.

Mr. STENNIS. Mr. President, I will direct the attention of the Senate to the facts on this matter. The Senator from Washington has followed this matter all the way through, and he is expected in the Chamber shortly and will want to address the Senate on it.

May I say to the Senator from Missouri that we contemplate that we can yield back some of our time.

Mr. EAGLETON. Yes.

Mr. STENNIS. Mr. President, perhaps we will not use any more time here than the Senator from Missouri has used already. I say that for the information of other Members.

The Senator from West Virginia may wish to use some time.

Mr. RANDOLPH. No.

Mr. STENNIS. Mr. President, this pertains to the detection of enemy submarines, which is a very important and urgent part of submarine warfare. It is a field where we have a superiority over the Russians in that our submarines are quieter; and, in addition, we are trying to develop these instruments so we will have another advantage in what I call detectability.

We know that in the last few years there has been a growth in importance of the knowledge we can have of deployments and general locations as to Soviet submarines. They are increasing in number. If we are going to effectively neutralize the threat this brings us, we have to move in this field.

There were five of these small ships in the budget for fiscal year 1980. The program was reduced some by the authorizing committees. We authorized three of those. I think it is true that when the House Appropriations Committee passed on this matter, the authorization bill had not been completed.

But, anyway, we approved the three and then brought them forward to the Appropriations Committee, which approved the three.

I have a letter here from the Chief of Naval Operations to the chairman of the Appropriations Committee, dated November 2, which emphasizes the importance of the ships and relates to the development here, time-wise, and urges the approval of these three ships that are in this bill.

The main thing is that it complements our existing facilities that the Navy has toward the detection of enemy submarines, and in that way completes a modern part of that detection system.

I see Senator from Washington (Mr. JACKSON) is here. The Senator from Missouri (Mr. EAGLETON) has made a presentation of his matter and I have stated several facts.

I would be glad to yield to the Senator from Washington, say, 10 minutes.

Mr. JACKSON. Five minutes.

Mr. STENNIS. Five minutes. All right.

Mr. JACKSON. Mr. President, I thank the distinguished Senator from Mississippi.

These three ships that have been discussed here and the two ships authorized last year, Mr. President, are part of a long-term program to exploit advances in U.S. acoustic technology as part of this country's overall antisubmarine program.

These ships and the towed arrays they will carry—known as SURTASS, will make a dramatic contribution to our ability to keep track of enemy submarines in war and peace. Without getting into any classified information, let me make a few points about the T-AGOS/SURTASS system.

First, it has a range of detection and sensitivity unmatched by any other mobile ASW system in the free world.

Second, it will provide the United States with long-range surveillance capabilities in areas of the world far from our shores.

Third, SURTASS has been designed optimally for the submarine threat to the United States and its forces over the next decade or so.

And, fourth, T-AGOS/SURTASS will greatly enhance the ability of the United States to defend its naval forces, its vital sea lines of communication, and the critical resupply lines to our allies.

Earlier this year, Mr. President, both the Select Committee on Intelligence and the Armed Services Committee recommended that the procurement of the T-AGOS ships be delayed without prejudice because of then existing problems in the SURTASS electronics. Since that time the Navy has made tremendous strides in the development of this system. I am pleased to report that recently completed tests in three periods of rigorous sea trials have shown that the system now meets or exceeds all test criteria. These positive results demonstrate that the thorough program review conducted last year did, in fact, identify and correct those deficiencies discovered in earlier tests of the system.

There was never any problem with the T-AGOS ship design. The delay called for had to do only with the sophisticated electronics which are to be installed on these ships. The dramatic improvement in this program over the last year has caused the Select Committee on Intelligence and the Armed Services Committee to reexamine their earlier recommendations to delay procurement. Based on their reexaminations, both committees have reversed their earlier positions and now support procurement in fiscal year 1980 of three of these ships, together with a go-ahead for procurement of the two T-AGOS/SURTASS ships authorized in fiscal year 1979. Admiral Hayward, the Chief of Naval Operations, as the chairman of the committee, the distinguished Senator from Mississippi noted earlier, has reiterated that funds for these units will not be placed on contract until notice is given the Congress that the technical evaluation and operational evaluation of the full system have been successfully completed. These evaluations should be completed by next March to allow for contract award next summer. Contracting for a multiyear procurement, if these three ships are appropriated this year, will permit an efficient, cost-effective, procurement program which would most likely not be possible if the appropriation is delayed.

Mr. President, these ships and the surveillance system they will carry are necessary if the United States is to maintain its ASW advantage over the Soviet Union. They are necessary for the United States to be able to protect its interests in critical ocean areas such as the North Atlantic, the Caribbean, the Western Pacific, and the Indian Ocean/Persian Gulf. The sophisticated technology has demonstrated its effectiveness in rigorous tests monitored by both the Navy and the GAO.

Therefore, Mr. President, I strongly recommend that this amendment be rejected.

Finally, Mr. President, let me say that

the one area in which the United States has been able to maintain a very strong position vis-a-vis the Soviet Union has been in connection with our antisubmarine warfare capability. We need this capability in peacetime as well as in time of conflict. It is absolutely essential if the United States is to continue to have a credible strategic deterrent at sea and also to meet its tactical naval requirements, that we maintain our ability to keep track of enemy submarines.

Mr. President, there has been much in the paper lately about new developments on the part of the Soviets. They have a new submarine, from what we have read in the newspapers. It poses a real problem. Thus, antisubmarine warfare is an area, Mr. President, where we can ill afford to slip behind, and I strongly recommend that we proceed with the T-AGOS/SURTASS appropriation as approved by the committee. This step is in the highest interest of our national security.

Mr. MAGNUSON. Will the Senator yield?

Mr. JACKSON. I yield to my senior colleague.

Mr. MAGNUSON. Mr. President, I associate myself with the remarks of the distinguished junior Senator from Washington. It seems to me that in the antisubmarine warfare field this is an important group in our whole antisubmarine warfare projects. To delay this matter will just cost more. The delay is not on the ships, as the Senator pointed out, but on the equipment, which has now been cleared up by the military, and it has a high priority in the Department of the Navy.

Mr. STENNIS. Mr. President, the committee is behind these ships. They are small ships, costing only about $35 million apiece.

I will take a few more minutes, Mr. President.

One point that has not been brought out is that the ships will require 12 months longer to construct because of the electronics. Ship construction should start as soon as the testing provides assurance that the system will perform adequately. Of course, to do that, fiscal 1980 funds are needed. It will be determined later whether or not this program should go beyond these three ships.

The Senator from North Dakota has authorized me to speak for him to approve the ships. We are ready to yield back the time whenever the Senator is ready.

Mr. EAGLETON. Mr. President, I will take 1 minute and then we will be ready to vote. I always listen with deep interest when my colleagues speak, especially colleagues of such great knowledge as Senators MAGNUSON and JACKSON, as well as Chairman STENNIS.

Senator JACKSON interjected the Russian submarine threat. I can just picture the Russian defense planners sitting in the Kremlin tonight, Mr. President, quaking in their boots at the thought that we are about to build three tugboats that we may not need. That is what is at issue in this amendment, Mr. President, $104 million for three possibly needless tugboats that will probably be produced somewhere on the west coast of the United States. That is purely and simply what the amendment is about.

So the Kremlin boys are sitting over there tonight saying, "This is going to be a test of American strength. If the Senate of the United States decides to spend $104 million to produce three unneeded tugboats, we have lost the cold war. America has us."

Poppycock.

This is just another example of a military boondoggle. That is what it is. It is so odoriferous in its nonnecessity that the House Defense Appropriations Subcommittee wrote it right out of the bill. But now the Senate is going to enhance our tugboat fleet in the name of national defense to the tune of $104 million.

If it were not so much money, Mr. President, it would be amusing. This is a time of fiscal austerity. How many Members of this Senate run around, both on this floor and back in their home States, talking about fiscal austerity, tightening the belt, squeezing the excess out of the budget, doing away with things we do not need or can postpone? Here is $104 million of not only money we can postpone but money we should not have contemplated spending this year in the first place. I yield back the remainder of my time, Mr. President.

Mr. STENNIS. I yield back the remainder of my time, Mr. President.

Mr. EAGLETON. Mr. President, I ask for the yeas and nays.

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

The question is on agreeing to the amendment of the Senator from Missouri. The yeas and nays have been ordered and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. BAUCUS), the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Nevada (Mr. CANNON), the Senator from Arizona (Mr. DECONCINI), the Senator from New Hampshire (Mr. DURKIN), the Senator from Ohio (Mr. GLENN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Ohio (Mr. METZENBAUM), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Illinois (Mr. STEVENSON), the Senator from Georgia (Mr. TALMADGE), the Senator from Florida (Mr. CHILES), the Senator from Georgia (Mr. NUNN), and the Senator from Florida (Mr. STONE) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Utah (Mr. HATCH), the Senator from California (Mr. HAYAKAWA), the Senator from North Carolina (Mr. HELMS), the Senator from New York (Mr. JAVITS), the Senator from Iowa (Mr. JEPSEN), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

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

The PRESIDING OFFICER (Mr. BOREN). Are there any Senators in the Chamber desiring to vote who have not yet voted?

The result was announced—yeas 11, nays 65, as follows:

[Rollcall Vote No. 400 Leg.]

YEAS—11

Bayh	Levin	Riegle
Eagleton	McGovern	Tsongas
Hatfield	Nelson	Weicker
Leahy	Proxmire	

NAYS—65

Bellmon	Gravel	Pell
Bentsen	Hart	Percy
Boren	Heflin	Pressler
Boschwitz	Heinz	Pryor
Bradley	Hollings	Randolph
Burdick	Huddleston	Roth
Byrd,	Humphrey	Sarbanes
Harry F., Jr.	Inouye	Sasser
Byrd, Robert C.	Jackson	Schmitt
Chafee	Johnston	Schweiker
Church	Kassebaum	Simpson
Cochran	Laxalt	Stafford
Cohen	Long	Stennis
Cranston	Lugar	Stevens
Culver	Magnuson	Stewart
Danforth	Mathias	Thurmond
Dole	Matsunaga	Tower
Domenici	McClure	Wallop
Durenberger	Melcher	Warner
Exon	Morgan	Williams
Ford	Moynihan	Young
Garn	Muskie	Zorinsky

NOT VOTING—24

Armstrong	Durkin	Kennedy
Baker	Glenn	Metzenbaum
Baucus	Goldwater	Nunn
Biden	Hatch	Packwood
Bumpers	Hayakawa	Ribicoff
Cannon	Helms	Stevenson
Chiles	Javits	Stone
DeConcini	Jepsen	Talmadge

So Mr. EAGLETON's amendment (UP No. 794) was rejected.

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

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

The motion to lay on the table was agreed to.

Mr. McCLURE. Mr. President, I want to call to the attention of the Senate, an issue raised in the draft report of the Defense Subcommittee. Recently, the Army announced a change in its policy of relying on the private sector for the production of military items to the extent that such items were available at reasonable prices. Under their new policy, Government-owned contractor operated plants will compete for commercial work against private firms. GOCO plants which were constructed and equipped with Government funds and are able to exclude capital costs from the computation of competitive bids have an obviously unfair advantage over firms whose capital costs were financed through private sources rather than by the taxpayer.

I wish to state my concurrence with the Senators on the Appropriations Subcommittee on Defense who have asked the Army to defer this policy until Congress reviews this issue.

Mr. HOLLINGS. Mr. President, many of the ships in the Navy's oiler inventory have started to reach retirement age. The cost of rebuilding that inventory to (not to mention wartime) requirements continues to increase. As a result of these

realities, over the last several years the Navy has investigated several alternatives to the building of new oilers. (VLCC) (225,000 and 400,000 DWT) and tankers (40,000–50,000 DWT) have been investigated. These investigations have addressed both lease and purchase options for modifying and using these commercial platforms as station ships, shuttle ships and mobile POL depot ships.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from E. R. Zumwalt, Jr., with its attachment.

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

AMERICAN MEDICAL BUILDINGS,
Milwaukee, Wis., November 1, 1979.

Hon. ERNEST F. HOLLINGS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HOLLINGS: The October 29 issue of Time, page 30 (extract attached), describes accurately the situation which both you and I know exists with regard to the inadequate replacement of naval vessels.

I was particularly struck by the highlighting of the oiler shortage. In this regard, I am simply unable to understand why the Congress does not take the bit in its teeth and require by appropriate language, that one or more high speed super tankers be leased in order to demonstrate capability of the Merchant Marine to overcome the navy's oiler shortage.

All best wishes.

Sincerely,

E. R. ZUMWALT, Jr.

Attachment.

VERY LARGE CRUISE CARRIERS

NAVAL FORCES

In no area has the U.S.S.R. been catching up faster than at sea. Just two decades ago, the Red fleet was primarily a coastal defense force, rarely venturing far from its home shores. Today, its 1,769 vessels constitute a full-fledged blue-water navy. Meanwhile, the U.S. Navy has been steadily declining, from 955 ships two decades ago to 458 today. This is roughly half the number of ships the Navy had before the attack on Pearl Harbor in 1941. Complains a high Navy official: "We've been underinvesting for 15 years. Shipbuilding has been dismal." Because of its 13 mammoth aircraft carriers and the high technology crammed into its other surface ships and submarines, the U.S. Navy still commands the seas. For how long, is another matter. There are indications that the Soviets may be building their first large-deck aircraft carrier and are already well along with the construction of a 30,000-ton nuclear battle cruiser.

Just to keep the U.S. fleet at its present size would require construction of 17 new vessels annually. Yet the fiscal 1980 budget authorizes only 14 new ships. This includes a $2 billion aircraft carrier, six guided-missile frigates and two nuclear attack submarines. The admirals would like an extra $2 billion to $2.5 billion for shipbuilding in 1980. This would buy two more attack submarines, one more destroyer armed with the devastatingly accurate AEGIS guided-missile weapons system, a landing ship for the Marines and two oilers. The oiler shortage typifies the Navy's plight. While at least 21 oilers are needed to keep the fleet steaming, only 16 are available and ten of these were commissioned before the end of World War II. Mines are also scarce, and torpedo stockpiles are so low that there are not even enough to arm all U.S. attack subs for two patrols.

AMPHIBIOUS FORCES

Sending in the Marines has traditionally been one of the nation's most effective means of intervening in distant lands. There is concern now, however, over whether the Leathernecks could really reach the beaches. Declares Nunn: "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." With only 63 amphibious ships, the Marines are suffering from a severe shortage of vessels for such operations and probably could not land more than one division at a time.

The fiscal 1980 budget earmarks $41 million for start-up costs for the first $300 million LSD–41, a 15,774-ton amphibious vessel that could carry about 340 Marines. But senior officers would like a commitment of $1.2 billion for four of the new LSDs. The Marines also want 336 British-designed, vertical-takeoff Harrier attack planes (cost: $5.7 billion), plus 33 heavylift and attack helicopters ($400 million for the first year's production). Bringing Marine Corps ammunition stockpiles up to a level that could sustain combat operations would cost an extra $1.5 billion; improving battlefield command systems would run $400 million.

So hard up for cash is the corps that it is reluctantly planning to shrink itself. Through attrition, it will drop to 179,000 by mid-1980, a reduction of 10,000. Says a senior Marine officer: "We are reducing manpower to pay our bills. There is no sense in having a force like the Marine Corps if it does not have the means to go to war."

RESUPPLY CAPABILITIES

According to General Jones, "In any large operation or full-blown conflict short of a nuclear exchange, lift becomes a very critical factor." He feels that the Pentagon's ability to resupply troops rapidly on the battlefield is "one of the areas in which we run into limitations early." Though the Air Force would have sufficient planes to rush troops overseas, including requisitioned commercial airliners, it would not have enough to take along their arms and equipment.

The Air Force wants more transport aircraft, but has not yet decided how many. Also needed are additional tankers for airborne refueling of transport and combat planes. In fiscal 1980 the Air Force will be buying four KC–10 tankers, a version of the McDonnell Douglas DC–10 jetliner, at a total cost of $200 million.

Mr. NELSON. Mr. President, H.R. 5359 appropriates $131.7 billion in total budget authority for the Department of Defense. In addition, the Congress will have to appropriate a supplementary $2.9 billion in the spring, to pay for the fiscal year 1980 pay raise for military and civilian personnel in the Defense Department. The total funds which we expect to appropriate for fiscal year 1980, then, total $134.6 billion in total budget authority.

These totals exceed those for fiscal year 1979 by $13.7 billion, an increase of 11.3 percent. Discounting inflation, total budget authority will increase by 3 percent, or $3.6 billion in real dollars.

Mr. President, in my judgment, a real increase of 1½ percent, or $1.8 billion, in the defense budget is appropriate as a necessary step forward in improving our conventional weapons strength. I therefore support a 1½ percent real growth in defense expenditures rather than a 3-percent increase. We should then decide next year on the percent increase that is indicated under the circumstances at that time.

In my judgment, the proposed $3.6 billion real dollar increase should be halved. There is wasteful and unnecessary spending in the defense budget that ought to be eliminated. For example, H.R. 5359 appropriates over $2 billion for yet another vulnerable large-deck aircraft carrier.

The Defense Department is the only Federal agency allowed any real growth in an otherwise austere fiscal year 1980 budget. At a time when inflation is our most critical national problem, and when every Federal dollar must be carefully accounted for, we in Congress must take a hard look at Pentagon spending and judge whether it is consistent with our national goals.

The Nation's long-term stability, productivity, and security would be better served by limiting the real dollar increase to $1.8 billion rather than $3.6 billion.

Because H.R. 5359 mandates a 3 percent real increase in the defense budget, I shall vote no.

KC-135 REENGINE PROGRAM

● Mr. DOLE. Mr. President. I was pleased to note that the Armed Services Committees of both the House and the Senate have recommended adding $15 million of the fiscal year 1980 budget in the procurement account for the KC–135 reengine program. I was particularly pleased to note that the Armed Services Committees and the Senate Appropriations Defense Subcommittee agreed that the technical risks were low and that reengining the KC–135 did not require more research and development, thus recommending full funding in the procurement account at the authorized level.

KC–135

Mr. President, the KC–135 first entered the Air Force inventory in 1957. By 1966, 820 units had been delivered. From 1957 to the late 1960's, it was assigned almost exclusively to strategic bomber support. However, as a result of changing defense requirements, its role has been broadened to include diverse support roles, such as reconnaissance, airlift, weather monitoring, tests, and command post operations. Today, approximately 700 aircraft are still in service throughout the world.

THE KC–135: CRITICAL TO OUR AIR DEFENSE

Mr. President, the KC–135 tanker aircraft originally was designed and built to enable the U.S. nuclear bomb force to strike important military targets located deep within the Soviet Union from stateside bases. The flexibility afforded other U.S. defense systems through air refueling resulted in an expansion of the tanker's role. For example, tactical fighter aircraft are tasked to support nonnuclear confrontations on a worldwide basis as dictated by U.S. foreign policy. In addition, extensive training is required to maintain our tactical forces in a high state of readiness.

The KC–135 tanker enables us to base and train the majority of those forces in the United States, thereby minimizing the impact upon our balance of payments while assuring rapid deployment in response to worldwide conventional war contingencies.

As another example, the KC–135 air refueling support enables cargo aircraft to provide logistics support for U.S. ground, naval, and air forces operating outside the continental United States. In

addition, U.S. foreign policy and treaty agreements demand the support of our allies during their local, limited conventional confrontations. Because of air refueling, this support is not subject to arbitrary denial of enroute staging bases by foreign countries hostile to the United States and our allies. A side benefit of air refueling capability is the nonmilitary application of cargo aircraft in transporting relief units and materials in response to natural disasters.

Stateside basing of the strategic bomber force, a major portion of our tactical fighter force, and much of our airlift support aircraft lessens the cost of maintaining a posture of readiness. Having the capability to move tactical air forces in response to conventional war contingencies rather than attempting to cover all potentially volatile areas greatly reduces the number of weapons systems required. This reduction, in turn, cuts the amount of support equipment and personnel required to operate the systems. Fewer personnel drastically reduces the initial and recurring training costs. Fewer fuel-consuming aircraft and support vehicles also mean less fuel and lower operating costs.

REENGINING THE KC-135

Mr. President, during the two decades of operational service the KC-135 has remained basically in the same configuration as originally delivered. It has the originally installed J-57 engines which do not take advantage of modern engine technology. These older technology engines are costly to maintain. Their use provides marginal takeoff performance at heavy weight, restricts airfields available for use because of the long takeoff runway requirements, and results in inefficient fuel usage and noise which exceeds EPA noise standards. Let me stress, however, Mr. President, that the airframe has the capability, with normal structural maintenance, to remain viable for several more decades. Incorporation of modern engines will result in dollar savings in the form of less fuel consumed and decreased operation and maintenance costs. Furthermore, reengining can increase the KC-135 effectiveness, reduce noise levels and improve survivability and safety.

R. & D. VERSUS PROCUREMENT

Mr. President, as I noted previously, the House and Senate Armed Services Committees authorized funding for 1980 production based on the fact that reengining presents a low technical risk. Mr. President, I believe, as do the various congressional committees, that a continued lengthy R. & D. program for reengining of the KC-135 is unnecessary. I believe the time has come when we must move ahead on the production phase of the reengining program. In view of the overwhelming evidence that points to the need for a higher priority on the procurement phase, I urge the Secretary of Defense to act accordingly.●

The PRESIDING OFFICER. Are there further amendments to the bill?

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

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. STENNIS. Mr. President, I ask for the yeas and nays on final passage of the bill.

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

The yeas and nays were ordered.

The PRESIDING OFFICER. Do Senators yield back their time? Is all time yielded back?

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Mississippi yield me 1 minute?

Mr. STENNIS. Of course.

Mr. ROBERT C. BYRD. Mr. President, may we have order?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, I thank the Chair and I thank all Senators.

Mr. President, the conference report on the Interior appropriation bill has been adopted by the House, has been sent here, and we could take that up. I would like to dispose of it this evening. It has the money in it for the fuel assistance for the low income.

I would like to get it up and, if nobody will ask for a rollcall vote on it, we can take it up and voice vote it.

Nobody asks for a rollcall vote?

Mr. BENTSEN. Mr. President, I want to make some comments against it, but I will defer on the rollcall vote.

Mr. ROBERT C. BYRD. The Senator will not ask for a rollcall vote.

All right, this will then be the last rollcall vote.

I thank all Senators.

The PRESIDING OFFICER. Has all time been yielded back?

Mr. STENNIS. We yield back our time.

The PRESIDING OFFICER. All time has been yielded back.

The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Montana (Mr. BAUCUS), the Senator from Delaware (Mr. BIDEN), the Senator from Arkansas (Mr. BUMPERS), the Senator from Nevada (Mr. CANNON), the Senator from Florida (Mr. CHILES), the Senator from Arizona (Mr. DECONCINI), the Senator from New Hampshire (Mr. DURKIN), the Senator from Ohio (Mr. GLENN), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Ohio (Mr. METZENBAUM), the Senator from Georgia (Mr. NUNN), the Senator from Rhode Island (Mr. PELL), the Senator from Connecticut (Mr. RIBICOFF), the Senator from Illinois (Mr. STEVENSON), the Senator from Florida (Mr. STONE), and the Senator from Georgia (Mr. TALMADGE) are necessarily absent.

I further announce that, if present and voting, the Senator from Nevada (Mr. CANNON), the Senator from Arizona (Mr. DECONCINI), the Senator from Georgia (Mr. NUNN), the Senator from Rhode Island (Mr. PELL), and the Senator from Connecticut (Mr. RIBICOFF) would each vote "yea."

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG) the Senator from Tennessee (Mr. BAKER), the Senator from Arizona (Mr. GOLDWATER), the Senator from Utah (Mr. HATCH), the Senator from California (Mr. HAYAKAWA), the Senator from North Carolina (Mr. HELMS), the Senator from New York (Mr. JAVITS), the Senator from Iowa (Mr. JEPSEN), and the Senator from Oregon (Mr. PACKWOOD) are necessarily absent.

I further announce that, if present and voting, the Senator from New York (Mr. JAVITS) and the Senator from Utah (Mr. HATCH) would each vote "yea."

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

The result was announced—yeas 72, nays 3, as follows:

[Rollcall Vote No. 401 Leg.]

YEAS—72

Bayh	Hart	Pressler
Bellmon	Heflin	Pryor
Bentsen	Heinz	Randolph
Boren	Hollings	Riegle
Boschwitz	Huddleston	Roth
Bradley	Humphrey	Sarbanes
Burdick	Inouye	Sasser
Byrd,	Jackson	Schmitt
Harry F., Jr.	Johnston	Schweiker
Byrd, Robert C.	Kassebaum	Simpson
Chafee	Laxalt	Stafford
Church	Leahy	Stennis
Cochran	Levin	Stevens
Cohen	Long	Stewart
Cranston	Lugar	Thurmond
Culver	Magnuson	Tower
Danforth	Mathias	Tsongas
Dole	Matsunaga	Wallop
Domenici	McClure	Warner
Durenberger	McGovern	Weicker
Eagleton	Melcher	Williams
Exon	Morgan	Young
Ford	Moynihan	Zorinsky
Garn	Muskie	
Gravel	Percy	

NAYS—3

Hatfield	Nelson	Proxmire

NOT VOTING—25

Armstrong	Glenn	Nunn
Baker	Goldwater	Packwood
Baucus	Hatch	Pell
Biden	Hayakawa	Ribicoff
Bumpers	Helms	Stevenson
Cannon	Javits	Stone
Chiles	Jepsen	Talmadge
DeConcini	Kennedy	
Durkin	Metzenbaum	

So the bill (H.R. 5359) was passed.

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

Mr. ROBERT C. BYRD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STENNIS. Mr. President, I have a request regarding conferees.

Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives on the disagreeing votes of the two Houses thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to and the Presiding Officer (Mr. Boren) appointed Mr. STENNIS, Mr. MAGNUSON, Mr. PROXMIRE, Mr. INOUYE, Mr. HOLLINGS, Mr. EAGLETON, Mr. CHILES, Mr. BAYH, Mr. YOUNG, Mr. STEVENS, Mr. SCHWEIKER, Mr. BELLMON, Mr. WEICKER, and Mr. GARN conferees on the part of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I would like to extend the gratitude of the

Senate to the leadership and the members of the Appropriations Committee for the work they have done in presenting and managing this legislation.

This is probably one of the largest and most complex pieces of legislation we will consider this session. There are over 3,000 line items covered by this bill. Together, these items amount to what probably is the largest appropriation figure this Senate has ever approved.

But the subject of this bill is our security, and our security is not a matter on which we should rush consideration or cut corners.

The committee gave careful attention to selected key areas which most affect our defense preparedness. The development of the MX is funded. An increased personnel recruiting program is supported. New muscle is given to the Navy, and the conventional forces in all of the services are strengthened.

The committee also emphasizes that our defense system must be energy independent. The committee calls on the Department of Defense to convert the power producing facilities on our military bases to coal. And the committee urges the Department to pursue more aggressively a synfuels program for our military facilities.

As a nation, we must apply our defense funding selectively and carefully, focusing on those programs which meet real needs and which will counter the trend toward strategic imbalance. The committee has been faithful to this standard.

We also must have a modern defense structure that responds to the concerns of this Senate, as expressed in the authorizing legislation, and that fulfills our obligations to our allies. The committee has been faithful to these standards, for this bill increases our defense expenditures overall by the 3 percent real growth for fiscal year 1980.

And we must have a defense budget that is as lean as possible, that responds to the Nation's concern with inflation. The committee has been faithful to this standard as well.

On behalf of myself and the Senate, I wish to extend our gratitude to the chairman of the Defense Subcommittee, Senator STENNIS, and the ranking minority member of the committee, Senator YOUNG.

They have addressed the needs of the Nation in a full and decisive way.

Mr. STEVENS. Mr. President, as usual, Senators STENNIS and YOUNG have managed us through yet another Defense appropriations bill without major problems.

When one stops to consider the number of items in this bill, it becomes clear that the efficiency with which this legislation has passed the Senate is an honest reflection on the persuasive skills of the managers involved.

Let me also express sincere appreciation to the members on our side of the aisle for their assistance in assuring expeditious consideration of this Defense bill. Without a time agreement, we would have surely had to be in session tomorrow, Saturday.

I also want to personally thank the managers of the bill for their able support of my amendment relative to the MX missile basing mode.

It is my hope that this bill will move in us the positive direction necessary to insure the continued defense of our Nation and the free world.

Mr. ROBERT C. BYRD. Mr. President, I now yield to Mr. SARBANES.

JOE DANZANSKY

Mr. SARBANES. Mr. President, like many Marylanders and other citizens in the National Capital area whose lives were touched in innumerable ways by Joe Danzansky, I was shocked and deeply saddened to learn last night of his sudden death. Maryland could not count Joe Danzansky among its citizens, for he was born, raised, and lived his entire life in the city of Washington, but his devotion to his native city enriched not only the lives of his fellow Washingtonians but the life of the entire metropolitan area and the lives of all its citizens.

Joe Danzansky was a private citizen, a lawyer and a businessman, with an extraordinary commitment to the general welfare of the community in which he lived and which he loved. His genuine warmth in his relationship with each individual and his deep concern for the less fortunate were constantly reflected in his actions.

Joe Danzansky was a man whose public spirit, intelligence and integrity and, not incidentally, formidable energies led him to participate in nearly every aspect of the city's life. Neither his dedication nor his great good humor will soon be forgotten. His accomplishments in making Washington and the Nation a better place to live will remain his memorial.

Mr. President, I ask that the excellent Washington Post editorial commenting on Joe Danzansky's life and the article reviewing his extraordinary career be printed in the RECORD.

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

JOSEPH BAER DANZANSKY

The title was never official, but Joseph B. Danzansky was a Washington City Father if we've ever known one. Even in the last hours before his death yesterday at the age of 65, Mr. Danzansky was doing what he loved best—promoting his native city as if it were his firstborn. On this occasion it was as a leader in the development of Pennsylvania Avenue, at a meeting he began with his characteristic exuberance; but in the many days and years before this meeting, it was as a civic cheerleader and financial big-heart in every corner of the community.

New arrivals to this city may not realize the significance, years back, of Mr. Danzansky's all-embracing love for the city and its people. But it still holds special meaning for those whose lives were once made very uncomfortable—financially, racially, socially—in a segregated town. His tall frame and broad grin stood out at countless civic gatherings—from basements to board rooms, from sports events to—yes—civic disorders, leaning forward to understand and then to assist.

In business as in community service, Mr. Danzansky went to extra lengths to include all people. His extraordinary success as a businessman not only was good for the economic health of the city, but demonstrated the strength of a concerned partnership of local business interests and the people they serve. This philosophy, coupled with the worthy causes to which he gave time and money, was instrumental in breaking down racial barriers and introducing two "Washingtons" to each other. So it was that the Metropolitan Washington Board of Trade began to be transformed from a tight, white club of frightened businessmen headed for suburbia into a group starting to reach out and rebuild after the disorders of the 1960s.

Baseball. Banking. The United Way. Giant. WETA. The Jewish Community. Every District commissioner and the two elected mayors. The list of causes and activities and awards is vast. Working for Washington, committing himself to its prosperity, solidarity and general welfare—that was what Joe Danzansky was all about all the time. He can't be replaced.

JOSEPH B. DANZANSKY DIES AT AGE 65

(By J. Y. Smith)

Joseph B. Danzansky, a leading member of Washington's business establishment and a notably effective supporter of consumerism, civil rights and related causes in the city, died at his home here yesterday following an apparent heart attack. He was 65.

Although he had been hospitalized earlier this year for treatment of cancer, Mr. Danzansky remained active until the end of his life. He presided yesterday morning at a meeting of the Pennsylvania Avenue Development Corp., of which he was chairman, and later had lunch at a popular downtown restaurant.

Mr. Danzansky was a successful lawyer in Washington. One of his principal clients was Giant Food Inc., and he was elected to Giant's board in 1949. In 1964, he gave up his law practice to become president of Giant, which was all but immobilized at that time by disputes in the family that owned it. He remained president until 1977 and then served as chairman of the board. In 1978, he resigned to become chairman of the board of the National Bank of Washington, the third largest in the city.

While pursuing his career in business, Mr. Danzansky was coming to the fore as a civic leader and there were few aspects of life here that failed to gain his attention. He was chairman of the United Way Campaign. He was president of the Metropolitan Washington Board of Trade in 1971 and again in 1976—the only person ever to hold the post twice.

He tried to keep major league baseball in Washington and, after it was gone, he tried to bring it back. He served on various committees for the city government. He was a chairman of the Mayor's Economic Development Committee and thus played a role in efforts to revive the neighborhoods that were burned and pillaged in the rioting that followed the assassination of the Rev. Dr. Martin Luther King Jr. on April 4, 1968.

Mr. Danzansky's response to the riots was a message that he was to repeat on numerous occasions in the ensuing years. It was this: If the business community is to continue to prosper, it must meet the legitimate needs of all its customers, the poor as well as the rich.

He had an immediate occasion to put his formula to the test. For in the spring of 1968, the Poor People's Campaign descended on Washington and camped on the Mall. News of the event, which was organized by the Southern Christian Leadership Conference, Dr. King's group, caused considerable disquiet among Washington businessmen.

Mr. Danzansky addressed a meeting at the Board of Trade. With an unabashed patriotism that was characteristic of him, he told his listeners that the poor people had a right to petition their government and that the best thing that Washington could do was show that that right would be respected. He urged his listeners to contribute to the wel-

fare of the protesters while they were encamped here.

As the president of Giant, he set an exemple by contributing large quantities of his company's food. Other businessmen did likewise.

D.C. Del. Walter E. Fauntroy one of the organizers of the Poor People's Campaign, recalls that Mr. Danzansky "not only stood by us in our effort to conduct a meaningful and nonviolent campaign, but also through his good offices assisted us tremendously in seeing to it that the persons who came were adequately fed . . . Joe never wavered in his commitment to the cause of the poor and his efforts to bring the whole episode to a peaceful conclusion."

Fauntroy said last night that Mr. Danzansky's performance in those days were testimony to his "faith, courage and compassion in the business community."

The Poor People's campaign was a turning point, Fauntroy said, toward improved relations between the Board of Trade and "the activist community." An official of the Board of Trade credited Mr. Danzansky with "shaping the social conscience of the private sector in Washington in the spring of 1968."

Among other causes, Mr. Danzansky espoused that of consumerism. In an address at the Smithsonian Institution in March 1975, he chided business for resisting consumer advocates.

He listed five responses businesses typically gave to consumerism, the first of which was to "deny everything." The fifth, he said, was a decision on the part of business managers to "do something about the problems.

"After repeated frustration, the awakening comes and business reappraises its entrenched viewpoint," he said. "It realizes that service to the consumer is its first obligation if it is to grow and prosper. It realizes that the best way to cope with the problems is to look at the allegations seriously, give responsible consumer spokesmen a fair hearing, and make a serious effort to do something constructive to correct any shortcomings."

In June 1977, he addresed a dinner which was sponsored by the Washington Urban League in honor of the memory of Whitney M. Young Jr. He called for "coalitions between the city and its suburbs, between blacks and whites, between business, consumers and labor, between labor and government and voluntary organizations."

The city, he said, had been shaken by the riots of 1968. "Our world is very different now," he said. "We are somewhat sadder, but hopefully somewhat wiser. An enormous unfinished agenda remains before us, even if we acknowledge the considerable distance we have already come."

On hearing of Mr. Danzansky's death, Mayor Marion Barry said the city had suffered a loss that "is well-nigh irreplaceable. Joe Danzansky has been involved in every facet of this city's life—economic, social, cultural, civic, and has been the driving force behind so many, many positive things that have happened in our city."

Esther Peterson, a former White House consumer aide who later worked for Giant, said, "I think of this man's incredible courage when consumerism was a dirty word. I think he changed a lot of American industry by his courage."

Robert R. Linowes, a former president of the Board of Trade, said Mr. Danzansky was "the kind of person who took great pride in the O Street Market situation. He had a great feeling for that kind of thing and was part of wanting to help and work in the city."

Last month, Giant opened a new market at 7th and P Streets NW., across from the old O Street Market in the heart of the Shaw neighborhood. It is one of the first major new businesses in the area, one of the hardest hit by the 1968 riots.

Joseph Baer Danzansky was born in Washington on May 16, 1914. He graduated from old Central High School and earned his undergraduate and law degrees at George Washington University. He was admitted to the bar in 1936. In 1941, he formed a partnership with Raymond R. Dickey. He remained a partner of Danzansky & Dickey until 1964, when he became president of Giant.

Mr. Danzansky was a member of the boards of the Hebrew Academy of Washington, the Hebrew Home of Greater Washington and the Adas Israel Congregation. He was a member of the executive committee of the United Jewish Appeal and an assistant treasurer of the Greater Washington Jewish Community Foundation. He also was a member of the National Press Club and Woodmont Country Club. He was a Mason and a member of the Almas Temple.

Survivors include his wife, the former Ethel E. Gelfand, of the home in Washington; two sons, Stephen I., of Washington, and Richard F., of Miami Beach, and four grandchildren.

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

Mr. ROBERT C. BYRD. I yield

Mr. EAGLETON. Mr. President, I wish to join in the sentiments of my colleague from Maryland with respect to the death of Mr. Danzansky. No finer gentleman ever lived on this earth than Joe Danzansky.

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

Mr. ROBERT C. BYRD. I yield to Mr. MAGNUSON.

Mr. MAGNUSON. Mr. President, I join with the Senator from Maryland in his tribute to Joe Danzansky. He was my neighbor. We lived in the same apartment house for many, many years, and I am going to miss him terribly. He not only was a great civic servant but he was a great friend.

Mr. SARBANES. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, I yield to Mr. RANDOLPH.

VETERANS DAY 1979: AN HISTORICAL PERSPECTIVE—SENATOR CRANSTON AIDS VETERANS

Mr. RANDOLPH. Mr. President, on the occasion of this upcoming Veterans Day, it is most appropriate that we remember and honor those men and women who gave their lives and those who gave their time and energy in service to our Nation in the Armed Forces. Many have made enormous personal sacrifices and many have suffered injuries that will disable them for the rest of their lives. All these brave men and women deserve our utmost respect and admiration for their devotion to this country in its time of need.

This is also an excellent opportunity, Mr. President, to take note of the activities that have been carried out to defend and protect the rights and needs of those men and women we are honoring.

The many veterans' service organizations across the country, large and small, have been of tremendous assistance to veterans and their survivors. Through their national and local representatives, these fine organizations, representing millions of veterans, provide assistance each year in thousands of veterans' claims before the Veterans' Administration. These well-trained, diligent service officers provide information about benefits to which their veteran "clients" may be entitled, assist them in applying for those benefits, and provide expert representation before adjudication panels and boards. Thousands of other members of these organizations volunteer their time in VA hospitals, nursing homes, and clinics to provide a very personal kind of help to sick and injured veterans. The members, officers, and employees of these groups give generously of their time and energy to help all veterans in many other ways—far too numerous to mention but always as a reflection of deep, strong concern for those who served and sacrificed and their survivors. As we prepare to commemorate Veterans Day, let us remember the great debt of gratitude we in the Congress and in our Republic at large owe to our great veterans organizations.

The Senate Committees on Veterans' Affairs in the Senate and the House of Representatives have worked together closely over the years to assure that veterans and their dependents receive the benefits to which they are entitled, to make numerous improvements in existing programs, and to authorize new ones to meet the needs and concerns of those to whom our country owes such a special debt.

Mr. President, my good friend and able colleague, ALAN CRANSTON, has been a leader in these efforts since coming to the Senate in 1969. I recall that in January of that year he became the chairman of the then Labor and Public Welfare Committee's Subcommittee on Veterans' Affairs—a position which I had previously had the privilege of holding—as his first major responsibility in the Senate. And I remember most clearly when, at the beginning of the 92d Congress, in 1971, jurisdiction over veterans' affairs was assigned to a new full committee, and Senator CRANSTON and I were appointed as among its charter members. Alan immediately was designated as chairman of the Subcommittee on Health and Hospitals where I served with him for five years. He became chairman of the full Committee on Veterans' Affairs in 1977.

During this entire period, I have worked side-by-side with ALAN CRANSTON on every major initiative in the veterans' area. Chairman CRANSTON has either sponsored or performed a major role in developing and enacting every significant piece of veterans legislation since 1969. He has been the principal author of most of this legislation. He has been the initiator of every piece of legislation—and the programs and laws are numerous—enacted since 1969 to deal with the special problems faced by Vietnam-era veterans.

Mr. President, ALAN CRANSTON's record of serving our Nation's veterans of all wars and all periods of service speaks for itself.

However, Mr. President, some seem to feel that Congress has shirked its responsibility to provide adequate programs to meet the needs of our Vietnam-era veterans. I think it would be well, on this the eve of Veterans' Day, to examine Congress' record on this score. Thus, Mr. President, I bring to my colleagues' attention the following synopsis of veterans' initiatives which have been enacted under the leadership and

guidance of Senator ALAN CRANSTON since 1969 to help Vietnam-era veterans. Although much remains to be done—and we will and can do more—we should not lose sight of all that has been accomplished and how the programs that have been implemented are working.

Mr. President, I ask unanimous consent to print in the RECORD a synopsis of congressional initiatives taken under Senator CRANSTON's leadership during the last 10 years to provide needed services for Vietnam-era veterans.

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

SYNOPSIS OF CONGRESSIONAL INITIATIVES UNDER SENATOR ALAN CRANSTON'S LEADERSHIP TO HELP VIETNAM-ERA VETERANS, 1969–79

THE 91ST CONGRESS (1969–1970)

Beginning in 1969, Senator Cranston chaired an extensive Congressional investigation into the adequacy of VA medical care for veterans wounded in Vietnam to explore the special problems confronting the VA in caring for veterans of the Vietnam conflict. These hearings led to dramatic improvements in VA hospital staffing, facilities, and services. Since 1970, six new VA hospitals have been built; the staff-patient ratio has been increased from 157 FTEEs to 100 patients in 1974 to more than 200 FTEEs to each 100 patients; the health-care staff has been increased by 50,000 since 1970; the number of outpatient clinics has been increased from 209 to 219 in the last 5 years; and special pay for physicians and dentists was authorized in 1975 to improve the retention and recruitment of these health-care professionals.

During the 91st Congress, Senator Cranston chaired a series of hearings on the unemployment and overall readjustment problems of returning Vietnam veterans leading to his introduction in 1971 of the first readjustment counseling legislation (S. 2091).

In 1970, Cranston authored the Veterans' Education and Training Amendments Act of 1970 (Public Law 91–219). This legislation included provisions to:

(1) Increase rates of GI Bill benefits by 34.6 percent. During the first year after this rate increase took effect, there was a 56-percent increase in GI Bill participation.

(2) Establish a program of "Special Assistance for the Educationally Disadvantaged" under which veterans without high school diplomas or in need of refresher or remedial courses could—without charge to entitlement—use GI Bill benefits for pursuit of appropriate programs of education. Since this program was established, more than 407,000 veterans have received benefits under it.

(3) Establish a program for tutorial assistance under the GI Bill. Almost 200,000 veterans have used tutorial assistance—receiving $17.7 million in benefits—through this program.

(4) Establish the "Predischarge Education Program" to provide an opportunity for service personnel to pursue high school, remedial, or refresher courses—without charge to entitlement—while on active duty. More than 304,000 Vietnam-era personnel participated in this program.

(5) Provide for a greatly expanded "Veterans Outreach Service Program" designed to search out recently discharged veterans, to advise them of benefits, and to assist them in obtaining them. Since enactment of this expanded authority, the VA has communicated with over 6.2 million Vietnam-era veterans shortly after release from service, established 72 "one-stop" USVAC centers to provide complete benefit information and assistance to veterans, conducted job interviewing classes for those needing guidance in order to obtain meaningful employment, and provided veterans in rural areas with service by use of mobile vans.

In 1970, Cranston supported an increase of rates of service-connected compensation (which raised the rate of compensation for "total disability" by 12.5 percent) (Public Law 91–376). Since that time, seven additional rate increases have been approved by Congress. As of September 1979, more than 537,000 Vietnam-era veterans were receiving VA compensation—6 percent of the total number of veterans of the era. Since 1969, the basic rate for a "total disability" has increased by 102 percent.

In 1970, Senator Cranston authored the Veterans' Housing Act of 1970 (Public Law 91–506) which provided for VA loan guaranties for veterans who wish to purchase mobile homes. From the inception of the mobile home loan program, the VA has guaranteed 33,684 loans. It is estimated that over 60 percent of these loans—totalling almost $396 million—were made to Vietnam-era veterans.

92ND CONGRESS (1971–1972)

On June 17, 1971, Senator Cranston introduced S. 2091, the proposed "Veterans' Employment and Readjustment Act of 1971". This measure included provisions for an employment preference for disabled and Vietnam-era veterans under Federal contracts, an affirmative action program within the Federal government for employment of disabled and Vietnam-era veterans, improved job counseling and placement initiatives under chapter 41 of title 38, a job training program allowance disregard provisions, and a program of readjustment medical counseling for veterans of the Vietnam era. Although no action was taken on S. 2091, provisions derived from the measure were incorporated into other legislation and were subsequently enacted into law in the Vietnam Era Veterans' Readjustment Assistance Act of 1972, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, and the Veterans' Health Care Amendments of 1979 (Public Laws 92–540, 93–508, and 96–22, respectively).

In 1971, Cranston helped develop provisions in the Emergency Employment Act of 1971 (Public Law 92–54) to require that veterans who served in the Indochina area be given special consideration in filling Public Employment Program (PEP) jobs. Under this authority, these veterans constituted 13 percent of all participants.

In 1972, Cranston authored the Veterans' Cost-of-Instruction (VCI) Program Legislation as part of the Education Act Amendments of 1972 (Public Law 92–318). This authority was designed to provide incentives and supporting funds for colleges and universities to recruit veterans and to establish special programs and services necessary to assist GI Bill veteran-students in readjusting to an academic environment and to reach out to surrounding communities to get more veterans back to school under the GI Bill, with special emphasis on educationally disadvantaged veterans. To date, more than $170 million has been appropriated under this authority and 1,237 institutions have received VCI awards.

Cranston cosponsored legislation, the Veterans' Compensation and Relief Act of 1972 (Public Law 92–328), which included provisions to provide an annual clothing allowance for service-connected disabled veterans whose prosthetic devices or wheelchairs tend to tear or wear out their clothing. Since Vietnam-era veterans suffered the loss of lower extremities at a rate of 300 percent higher than World War II veterans, this is a valuable means of assistance to these veterans.

In the same year, Cranston introduced S. 2108, the proposed "Veterans Drug and Alcohol Treatment and Rehabilitation Act of 1972." This measure was designed to provide for a fully-funded, comprehensive drug and alcohol treatment and rehabilitation program for addicted veterans, including a wide range of vocational and educational counseling and rehabilitation services and job placement assistance for addicted veterans. It also provided authority for the VA to furnish counseling to any Vietnam-era veteran who requested such counseling so as to assist such veteran to readjust to civilian life after discharge from the armed services and required the Administrator of Veterans' Affairs and the Secretary of Defense to take appropriate action to advise all eligible veterans of this program. This measure was passed by the Senate but was not acted upon by the House.

In 1972, Cranston joined with Senator Hartke to author the Vietnam Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92–540). This legislation included provisions to:

(1) Increase GI Bill benefits by 25.7 percent and increase assistance rates for VA apprenticeship and OJT programs by 48 percent. During the first year after this rate increase took effect, there was a 25-percent increase in the GI Bill participation rate.

(2) Provide for advance payment of GI Bill benefits at the start of a school term (Cranston authored).

(3) Establish the VA work-study program for veterans attending school under the GI Bill (Cranston authored). An average of 50,000 GI Bill students have benefited annually from participation in this program receiving about $20 million each year in assistance.

(4) Set up the VA Education Loan Program as a means of supplementary assistance. Since its inception, 65,761 loans have been made under this authority, totalling $63.9 million.

(5) Revise chapter 451 of title 38 setting forth the basic veterans employment responsibilities of the Department of Labor as administered by the Veterans Employment Service, stressing the needs of recently separated veterans.

(6) Add a new chapter 42 to title 38 to require Federal contractors to give emphasis to employment of Vietnam-era and disabled veterans and provide for mandatory listing of job openings with local employment service offices and priority in referrals to disabled and Vietnam-era veterans. This requirement has led to the employment of more than 540,000 disabled and Vietnam-era veterans.

93RD CONGRESS (1973–1974)

In 1973, Cranston introduced again his drug and alcohol bill, S. 284, the proposed "Veterans' Drug and Alcohol Treatment and Rehabilitation Act of 1973". This measure was very similar to S. 2108 in the 92nd Congress; it was also passed by the Senate but was not acted upon by the House.

In 1973, Senator Cranston cosponsored S. Con. Res. 51, to express the gratitude of the Congress to the Vietnam veteran for his efforts to make it possible for our Nation to observe Veterans' Day, 1973, in peace, and to commend the Vietnam veteran for his valor, courage, loyalty, and devotion to duty as an American serviceman.

In 1973, Senator Cranston wrote provisions in the Comprehensive Employment and Training Act of 1973 (CETA) (Public Law 93–203), based on provisions he authored in the Emergency Employment Act of 1971, to require CETA prime sponsors to give special consideration to certain unemployed veterans in filling public service employment jobs. Almost 2 million Vietnam-era veterans have been served by CETA programs since 1973.

In 1974, Cranston cosponsored legislation ultimately enacted as Public Law 93–337 to extend the delimiting period under the current GI Bill from eight years to ten years. It is estimated that this extension has benefited 2 million veterans at a cost of about $3 billion.

In 1974, Cranston authored provisions in the Emergency Jobs and Unemployment Assistance Act of 1974 (Public Law 93–567)

to provide for the conduct, by the Secretary of Labor, of a special outreach and public information program to promote maximum effort to produce job and job training opportunities for Vietnam-era veterans. The Department of Labor has expended a total of $62 million under this authority and has conducted a wide variety of initiatives, including the Disabled Veterans Outreach Project (DVOP), which has been responsible for placing more than 30,000 veterans in jobs; and contracts with the Blinded Veterans Association to provide outreach counseling and job placement for the visually impaired veteran, the Flower of the Dragon to design a guide for community-based organizations on how to apply and qualify for CETA funds, and the National Council of Churches to provide training and employment counseling for incarcerated veterans.

In 1974, Cranston coauthored with Senator Hartke the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (enacted as Public Law 93–508 over the veto of the President). This measure includes provisions to:

(1) Increase rates of GI Bill benefits by 25.7 percent. During the first year after this rate increase took effect, there was a 25-percent increase in GI Bill participation.

(2) Add an additional 9 months of GI Bill entitlement (restricted to undergraduate study) for a total of 45 months of maximum entitlement to be earned by a veteran (Cranston authored).

(3) Authorize refresher training under the GI Bill.

(4) Establish the Veteran Representative on Campus (Vet-Rep) Program. Under this program more than 1,327 Vet-Reps were assigned to 3,320 colleges across the Nation to assist veterans in obtaining GI Bill benefits (Cranston authored).

(5) Require the Secretary of Labor to establish definitive standards for determining compliance with the employment assistance programs mandated by chapter 41.

(6) Strengthen chapter 42 to require federal contractors to take affirmative action to employ Vietnam-era and disabled veterans (Cranston authored).

(7) Establish the authority for Veterans' Readjustment Appointments (VRA) under which certain disabled and Vietnam-era veterans could receive non-competitive appointments (up to a GS–5) in the Federal civil service. Since its inception, more than 125,000 veterans have been employed under VRA appointments throughout the Federal government (Cranston authored).

(8) Extend the protections of veterans' reemployment rights to persons who prior to military service had been employed by State or local governments and otherwise improve the veterans reemployment rights program.

In 1974, Cranston authored the Disabled Veterans' and Servicemen's Automobile and Adaptive Equipment Amendments of 1974 (Public Law 93–538) to liberalize eligibility requirements for Vietnam-era service-connected disabled veterans to receive automobile assistance grants, to increase the grant by 17.8 percent, to add the provision of adaptive equipment to this benefit as well as driver training in the use of the adaptive equipment, to require the promulgation of quality and safety standards for adaptive equipment, and specifically to authorize research relating to improvements in such adaptive equipment.

94TH CONGRESS (1975–1976)

In 1975, Cranston introduced the "Veterans' Cost-of-Instruction (VCI) Extension Act of 1975" (S. 2651) to extend for three years the authority for the VCI program, require increased emphasis on educationally disadvantaged veterans, and provide for offsetting the impact of the May 31, 1976, GI Bill delimiting date in the formula for determining which colleges were eligible for and the size of their grants. The provisions of S. 2651 were incorporated into S. 2657 which was enacted as Public Law 94–482 with this provision.

In 1976, Cranston cosponsored the Veterans' Education and Employment Assistance Act of 1976 (Public Law 94–502). This legislation provided an 8.0-percent increase in GI Bill benefits and contained provisions to (1) repeal the restriction on graduate study during the last nine months of a veteran's entitlement (Cranston authored); (2) increase the maximum amount of a VA education loan; and (3) establish a Deputy Assistant Secretary of Labor for Veterans' Employment to be the principal advisor to the Secretary on veterans' employment issues.

In 1976, Senator Cranston authored S. 2908, the proposed "Veterans' Omnibus Health Care Act of 1976", which included as title II provisions relating to the provision of comprehensive treatment and rehabilitation program for veterans suffering from alcohol or drug addiction which were similar to the provisions of S. 2108 and S. 284. The bill also included authority to establish a new program to provide initial readjustment professional counseling for veterans discharged since the beginning of the Vietnam era. Although these provisions were approved by the Senate, the legislation as signed into law (Public Law 94–581) did not include these latter provisions.

In 1976, Cranston authored provisions in the Emergency Jobs Programs Extension Act of 1976 (Public Law 94–444) to require CETA prime sponsors to make arrangements for maximum use of VA/OJT and apprenticeship programs.

95TH CONGRESS (1977–78)

In 1977, Cranston authored the GI Bill Improvement Act of 1977 (Public Law 95–202). This measure included provisions to:

(1) Increase by 6.6 percent the rates of GI Bill benefits.

(2) Extend the delimiting period during which a veteran or eligible spouse may use GI Bill benefits when the veteran has a mental or physical disability which prevents initiating or completing a course of study. More than 2,700 veterans have received extensions of their delimiting periods as a result of this provision.

(3) Extend for two additional years the period of time a veteran is able to receive direct education loans when enrolled full time at the time the delimiting period expires. More than 1,400 veterans have received $1.5 million in assistance under this authority.

(4) Require more extensive VA educational and vocational counseling and outreach services.

(5) Provide for a Federal-State matching program of accelerated tuition assistance for veterans enrolled in high-cost institutions of higher learning. To date, Louisiana has enacted legislation to establish a mechanism for participating in this program.

(6) Require the VA to conduct a study into the extent to which Vietnam-era veterans use GI Bill entitlements, complete programs of education under the GI Bill, and achieve job satisfaction and readjustment.

In 1977, Cranston authored provisions in the Youth Employment and Demonstration Projects Act of 1977 (Public Law 95–93) to:

(1) Provide for increased participation in public service employment programs by disabled and Vietnam-era veterans under 35 years of age through the development by prime sponsors of local goals for such veterans.

(2) Provide for representation on local, State, and national employment planning councils by representatives of veterans organizations.

In 1977, Cranston coauthored with Senator Gary Hart an amendment, approved by the Senate, to the Public Works Employment Act to require special consideration for disabled veterans and Vietnam-era veterans in hiring to carry out public works projects. As enacted, Public Law 95–28 directs the Secretary of Commerce, in consultation with the Secretary of Labor, and consistent with existing collective bargaining agreements and practices, to promulgate regulations to assure special consideration to the employment of disabled veterans.

In 1977, Cranston authored an amendment to the Tax Reduction and Simplification Act of 1977 to include, as target categories in the new jobs tax credit, Vietnam-era and disabled veterans participating in VA vocational rehabilitation programs. This provision was passed by the Senate; however, as enacted Public Law 95–30 restricted credit only to disabled veterans.

In 1978, Senator Cranston authored an amendment to legislation enacted as Public Law 95–336 to provide that institutions participating in the VCI program do not lose eligibility as a result of declining veteran enrollments.

In 1978, Senator Cranston authored the Veterans' Housing Benefits Act of 1978 (Public Law 95–476). This legislation included provisions to:

(1) Increase from $25,000 to $30,000 the maximum amount of grants for specially adapted housing to assist severely disabled veterans. Because of the proportionately greater number of Vietnam-era veterans who have suffered the severe disability requirement for eligibilty for specially adapted housing, this increase is particularly beneficial to veterans of that era.

(2) Extend entitlements to VA home, condominium, and mobile home loan guaranties and loans to additional Vietnam-era veterans by reducing from 181 days to 90 days the length-of-service requirement.

In 1978, Cranston authored the VA Programs Extension Act of 1978 (Public Law 95–520). This measure included provisions to:

(1) Extend for 3 years (until September 30, 1981) the VRA appointments authority and expand the VRA program by removing all limitations based on the date of the veteran's discharge, raising the maximum civil service service grade appointment from GS–5 to GS–7, and making any service-connected disabled veterans rated at 10% or more eligible for an appointment regardless of years of education completed.

(2) Give service-connected disabled veterans the right to file with the Veterans Employment Service in the Department of Labor a complaint that he or she has been discriminated against because of handicap by a Federal contractor.

In 1978, Cranston authored provisions relating to veterans employment in the Comprehensive Employment and Training Act Amendments of 1978 (Public Law 95–524) to:

(1) Require that, with respect to public service jobs, prime sponsors give special consideration to disabled and Vietnam-era veterans (with special emphasis on Vietnam theatre veterans) and provide special focus on developing jobs using skills acquired in military service.

(2) Require the Secretary to take appropriate steps to provide for increased participation of disabled and Vietnam-era veterans (with special emphasis on theatre veterans) in all CETA job and job training opportunities.

(3) Promote maximum arrangements by CETA prime sponsors for utilization of apprenticeship and other OJT opportunities available under the GI Bill.

(4) Require the Secretary of Labor to coordinate with the Administrator of Veterans' Affairs in carrying out all of the Department's responsibilities with respect to veterans under CETA.

(5) Add veterans' organization representatives as permanent members of local, State, and national planning councils. As of October 1, 1979, 365 prime sponsors had veterans representatives serving on their planning councils.

(6) Include as a special Federal responsibility of the Secretary the conduct of the veterans' outreach and public information program enacted by Public Law 94–567.

In 1978, Senator Cranston coauthored with Senators Nelson and Moynihan provisions in the Revenue Act of 1978 (Public Law 95–600) to authorize the Targeted Jobs Tax Credit program designed to promote increased employment of seven "target groups" including low-income Vietnam-era veterans under 35 years of age and disabled veterans participating in vocational rehabilitation programs. The program was implemented in May 1979, and, as of July 31, 1979, 3152 Vietnam-era veterans have been certified as eligible for the credit and 880 have been employed.

Throughout 1977 and 1978, Cranston led the fight in the Senate to retain veterans preference in civil service jobs. As part of the Civil Service Reform Act of 1978 (Public Law 95–454), he authored provisions to strengthen civil service job protections for service-connected disabled veterans and establish a new authority for excepted appointments for seriously service-connected-disabled veterans.

96TH CONGRESS (1979–1980)

In 1979, Senator Cranston authored S. 870, the proposed "GI Bill Amendments Act of 1979" which was reported by the Committee on September 7 and is pending on the Senate calendar. Provisions in this measure would, if enacted:

(1) Extend, effective January 1, 1980, until December 31, 1982, the period of time in which those Vietnam-era veterans whose delimiting periods have expired or will expire before 1983 may use GI Bill benefits for the pursuit of on-job or apprenticeship training or, in the case of those veterans who do not have a high school diploma, for the pursuit of secondary education or vocational objective courses.

(2) Provide that, solely for the purposes of determining eligibility for an extension of the delimiting period as a result of a disability, an alcohol or drug dependence or abuse disability from which the veteran has recovered shall not be considered to be the result of the veteran's willful misconduct.

In 1979, Cranston chaired hearings on the issues related to incarcerated veterans to explore the difficulties faced by imprisoned veterans in obtaining benefits to which they are entitled.

Cranston coauthored with Senator Hart S. 330, the proposed "Veterans' Administration Adjudication Procedure and Judicial Review Act", a measure that would amend title 38 to permit a veteran whose claim for VA benefits is denied by the agency to appeal such a decision to a federal court, a right that is precluded by present law. The legislation would also amend title 38 to permit a claimant before the VA to pay an attorney a reasonable fee for legal representation and would codify the procedures applicable in VA administrative proceedings adjudicating claims for benefits. This legislation, which was passed by the Senate on September 17, is widely supported by groups of Vietnam-era veterans on the ground that the statutory bar to judicial review of VA claims decisions, which dates from 1933, should be removed because it is an anachronistic, outdated discrimination against veterans.

Senator Cranston authored and led the fight for passage of the Veterans' Health Care Amendments of 1979, signed into law as Public Law 96–22 on June 13, 1979. This measure contains a number of important new VA health-care programs—several of which Senator Cranston has been advocating since 1971. Most directly targeted to Vietnam-era veterans is the readjustment counseling program, under which the VA is finally authorized to provide readjustment counseling for those Vietnam-era veterans who have not made a successful transition from their military service to civilian life. The agency is establishing 85 store-front facilities across the country, staffed by outreach teams that will go into the community to locate and assist Vietnam-era veterans. The emphasis of the program will be on peer counseling in a nonformal setting so as to encourage the participation of those veterans distrustful of normal VA and other governmental efforts. It is estimated that 1,970,000 Vietnam-era veterans will participate in this program in the first two years.

Three other improvements in VA's health-care programs enacted in Public Law 96–22 will also benefit Vietnam-era veterans: new authority for the VA to enter into contracts with half-way houses and other community facilities for the treatment of veterans suffering from alcohol and drug abuse dependencies; authority for the VA to provide preventive health care services for veterans with service-connected disabilities rated at 50 percent or greater and veterans receiving care for service-connected disabilities; and extension of dental care benefits to all veterans with 100-percent service-connected disabilities and to those who were prisoners of war for at least 6 months.

In 1979, Cranston authored legislation (H.R. 2282 as passed by the Senate) to provide for an 11.1-percent increase in rates of VA service-connected compensation. The House of Representatives had originally approved an 8.3-percent increase and has now passed a 9.9-percent increase.

During the First Session of the 96th Congress, Senator Cranston has sponsored two amendments to Senate-passed bills (H.R. 2282 and H.R. 3892) to direct the Secretary of Health, Education, and Welfare to conduct an epidemiological study to determine if there may be long-term health effects in humans from exposure to dioxin, the toxic substance found in Agent Orange. The amendment was deleted from H.R. 2282 by the House of Representatives on October 30, 1979, but is pending before the House in H.R. 3892, the proposed "Veterans' Administration Health Resources and Programs Extension Act of 1979".

Mr. MATSUNAGA. Mr. President, I wish to join the senior Senator from West Virginia, Mr. RANDOLPH, in commending the chairman of the Veterans' Affairs Committee, the distinguished senior Senator from California, Mr. CRANSTON, for the tremendous amount of work that the Veterans' Affairs Committee has accomplished in the short time that the senior Senator from California has been its chairman. He has taken aggressive leadership to institute new programs and to improve existing programs in behalf of veterans of all wars. I congratulate him for the manner in which he has handled the calendar of the committee. I am proud to serve as a member of the Veterans' Affairs Committee under his chairmanship.

Mr. CRANSTON. Mr. President, I thank the Senator from Hawaii very much for his very generous remarks and for his very fine work on the Veterans' Committee. He, too, is a very, very effective worker for the needs of veterans of all wars, and I thank him for his work on the committee, for the opportunity to work with him, and for what he does in his own right.

Mr. MATSUNAGA. I thank the chairman.

Mr. CRANSTON. Mr. President, I also thank the Senator from West Virginia (Mr. RANDOLPH) for his very fine statement about the work of the Senate Veterans' Affairs Committee, and I thank him for his very generous remarks about my own work in behalf of the veterans of our country.

I want to say that no one has been more for the veterans of our country than Senator RANDOLPH of West Virginia. He is a valued and effective member of the Veterans' Affairs Committee, and he himself has rendered great service over many, many years.

NAVAL PETROLEUM AND OIL SHALE RESERVES AUTHORIZATION ACT, 1980—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. HART, I submit a report of the committee of conference on H.R. 3354 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3354) to authorize appropriations for fiscal year 1980 for conservation, exploration, development, and use of naval petroleum reserves and naval oil shale reserves, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

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

(The conference report is printed in the House proceedings of the RECORD of November 8, 1979.)

● Mr. HART. Mr. President, when the Congress passed the Department of Energy Organization Act, jurisdiction over the naval petroleum and oil shale reserves was transferred to the new Department of Energy. The legislation that created the Department of Energy required that there be annual authorization of the appropriations necessary to explore, develop, operate, and maintain these reserves. The conference report now before the Senate is that annual authorization bill which provides the necessary authority to operate the naval petroleum reserves for fiscal year 1980.

I would call my colleagues' attention to two points in this bill. First, the total authorization to operate and maintain the reserves during fiscal year 1980 is less than $100 million. Receipts from the sale of crude oil which will be produced by these reserves is expected to total nearly $1 billion for fiscal year 1980. Second, the only significant issue to be resolved by the conferees involved the continued management of the reserves by naval officers. The House bill included a requirement for 16 naval officers to be assigned to the reserves in fiscal year 1980. The Senate amendment deleted this requirement. The compromise agreed to by the conferees retains the requirement for naval officers to continue to be assigned to key management positions within the reserves and directs that the Director of the Office of Naval Petroleum and Oil Shale Reserves shall continue to be a Navy captain.

The conferees were in agreement that: First, Navy management in the past has been outstanding; second, that the naval petroleum reserves, originally set aside for national defense purposes, should continue to be managed with primary consideration to national defense needs; and third, that, therefore, continued Navy management is appropriate.

Mr. President, these naval petroleum reserves are the only Federal oilfields in existence. My colleagues might be interested in some very interesting testimony concerning the cost to produce crude oil from these reserves. Based on Department of Energy figures, if the total investment to date is divided by the total crude oil production to date, the cost per barrel of crude oil at the Elks Hill Reserve at the wellhead is about $3. That same oil is being sold competitively for an average of $17 per barrel. A comparable calculation for the Teapot Dome Reserve indicates a cost of about $8 per barrel for crude oil that is now being sold competitively at $22 per barrel.

Mr. President, I would urge my colleagues to support this conference report and would be pleased to respond to any questions.●

Mr. THURMOND. Mr. President, I rise in support of the conference report on the fiscal year 1980 Naval Petroleum Reserves Authorization Act.

The report provides for funding authority to operate the Nation's naval petroleum and oil shale reserves at a cost of less than $100 million annually. These reserves are expected to produce approximately $1 billion in receipts during fiscal year 1980.

Mr. President, the conference did not accept the Senate position that this authority be a continuing one. Based upon information available at the conference, it is my opinion the House position on this point was sound, and I am pleased the Senate receded.

Mr. President, I urge prompt and favorable action on this conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. THURMOND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

MILITARY CONSTRUCTION AUTHORIZATION, 1980—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, I submit a report of the committee of conference on S. 1319 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 1319) to authorize certain construction at military installations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

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

(The conference report is printed in the House proceedings of the RECORD of November 8, 1979.)

● Mr. HART. Mr. President, the matter before the Senate is the conference report on S. 1319, the fiscal year 1980 military construction authorization bill.

The Department of Defense requested new authorization for military construction for fiscal year 1980 and supplemental authority for fiscal year 1979 in the total amount of $3,925,836,000. This request provided for the construction of new facilities for the Active and Reserve Military Forces and for the operation and maintenance of the military's inventory of family housing.

As passed by the Senate, S. 1319 provided for $3,730,556,000 in new authorization. The bill as amended by the House provided $3,843,449,000 for new construction. The conference committee agreed to new authority in the amount of $3,838,846,000, which is approximately $87 million less than the administration's request.

The bill that was finally agreed to adequately accommodates the highest priority construction needs of the military services. I invite my colleagues' attention to the printed conference report for details which I do not intend to get into, unless there are questions.

As has been our effort in recent years, we have continued to attempt through this bill to encourage energy conservation practices in the Defense Department. Last year this bill contained a provision requiring that 25 percent of all new facilities that were put under design were to include solar system analyses. Based on testimony, it appears that the Department of Defense will play a major role in accelerating the widespread use of solar systems. The fruits of this solar provision are expected in the fiscal year 1981 construction program, since projects that are now under design will be requested for construction in the fiscal year 1981 program. This year we have expanded that solar provision to require the Defense Department to look at the solar option on every project where there is the potential to save fossil fuel derived energy.

There is a second provision in this bill to which I would invite my colleagues' attention. I have reference to section 807 which permits military installations to use mass transit vehicles within the installation on a reimbursable basis. We envision that at many installations which are near major metropolitan areas, this provision will not only save energy, but it will significantly reduce air pollution.

Mr. President, as I said at the outset, this bill provides for the most serious capital needs of the military services. I urge support of the conference report and would be pleased to answer questions, if there are any.●

Mr. THURMOND. Mr. President, I rise in support of the military authorization bill conference report on S. 1319.

The conference has agreed to an authority for $3.8 billion in new construction for the 1980 fiscal year. This is slightly below the administration request, this difference mainly attributable to the Senate's insistence that our NATO allies share in more of the costs of joint facilities in Europe.

Mr. President, it should also be noted that the Senate increased the Reserve military construction allotment by $20 million, and this position was agreed to by the House.

Unfortunately the Reserve and Guard have a backlog of military construction projects totaling over $700 million. The Senate's action in addressing this issue should encourage the administration to propose more Guard and Reserve projects next year.

Mr. President, overall this conference report addresses our highest priority projects. I urge the Senate to approve this report promptly.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

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

The motion to lay on the table was agreed to.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS, 1980—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of myself I submit a report of the committee of conference on H.R. 4930, the Interior appropriations bill, and I ask for its immediate consideration, after which I ask that Mr. HUDDLESTON then be recognized.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4930) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

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

(The conference report is printed in the House proceedings of the RECORD of November 8, 1979.)

Mr. ROBERT C. BYRD. Mr. President, I would like to take a few moments to highlight a few of the many very important provisions contained in the conference report on the Interior appropriations bill, H.R. 4930. Agreement of the conferees was reached late yesterday. The House adopted the conference report earlier today by a vote of 271 to 46, and I want the Senate to adopt the conference report this afternoon and send it to the President this evening. As winter nears it is essential that the low-income assistance program contained in

this bill be implemented as soon as possible.

The conferees labored long and hard to forge a low-income energy assistance program which offers substantial help to Americans who are being forced to the wall by skyrocketing heating fuel costs. This $1.35 billion program is designed to reach recipients in time to help them meet the crunch of fuel bills this winter.

The report contains $150 million for distribution by the Community Services Administration for crisis intervention. This money is in addition to the $250 million already appropriated for this purpose under the continuing resolution. Pipelines are primed for this money and it can be distributed immediately.

The conference report contains $400 million for a special one-time payments to recipients of supplemental security income. This element of the legislation contained a time constraint since the administration had told the conferees that in order to get these checks out by the first week of January, we needed to provide them with distribution formula by November 9. So, thanks to the efforts of the conferees and staff, we have met this deadline.

Finally, the bill appropriates $800 for distribution to the States for payments to recipients of aid to families with dependent children or for block grants for plans which must be approved by HEW. An option is given to States to submit plans which have already been approved by the CSA. Over 49 States already had to have their plans approved by CSA under the crisis intervention program.

The legislative journey of this substantial program began with a $1.2 billion Javits amendment to the Interior appropriations bill. The House then passed and sent to the Senate an urgent supplemental appropriating $1.35 billion. It was the conviction of the Senate leadership and of the Senate conferees that, since the Interior appropriations bill was already in conference, it offered the most expeditious vehicle for rapid enactment of the program.

The Senate is moving ahead on other fronts on low-income energy assistance. The Labor and Human Resources Committee has a bill on the calendar, S. 1724, which would authorize $3 billion in fiscal year 1981 and $4 billion in fiscal year 1982. The Finance Committee, in a demonstration of the depth of the Senate's commitment to easing the sting of high fuel costs, has allocated half the revenues which would be raised by its version of the windfall profit tax to low- and moderate-income assistance. As reported by committee, $69 billion is set aside over the next 10 years for this critical need. The Interior appropriations conference report provides that funding for the low-income fuel assistance program come from the windfall profit revenue, when this measure is enacted.

Last night the Senate overwhelmingly approved legislation to accelerate development of our domestic energy resources. As a part of this package, the Senate endorsed a $20 billion program to get this county moving into the commercial production of synthetic fuels from coal.

As part of the Interior appropriation bill, the Senate previously voted to commit $20 billion to the production of alternative fuels by appropriating that sum to a special energy security reserve to be established in the Treasury. This measure, which I authored as an amendment to the Interior appropriations bill, will allow funds to be readily transferred to the Synthetic Fuels Corporation once that entity is established. Of the total. $2.2 billion will be available immediately for site feasibility studies of potential synthetic fuel plants and for purchase agreements and price supports for alternate fuel production. Once Congress has finally approved the authorization legislation, these funds will be available for the program of financial incentives which was incorporated into the energy production bill. This action represents a real commitment to achieving energy independence through use of our abundant and secure energy resources.

The administration responded to numerous requests to submit a budget amendment providing for the construction of two solvent refined coal plants. I am pleased to say that the conferees adopted the levels agreed to by the Senate for these projects—a total of $54 million for SRC II, and a total of $47 million for SRC I for operating and construction costs in fiscal year 1980.

The need for both solid and liquid substitutes for crude oil and refined products is great. The SRC processes will produce both. The liquid fuel (SRC II) can be used as boiler fuel, heating oil, and in modified form, as a substitute for gasoline. SRC I produces a solid fuel suitable for boiler fuel and heavy oil uses.

I am pleased that the conference report embodies the Senate language on this important matter.

Mr. President, these are some of the many important elements in the conference report. This is legislation which merits strong support and speedy action.

Mr. HUDDLESTON. Mr. President, first I want to thank the distinguished majority leader, the chairman of the subcommittee, who handled this legislation, for the tremendous job he did and the assistance he gave in shepherding this legislation through the subcommittee, the full committee, and the floor of the Senate and the conference committee. His leadership was vital to the success of this bill. Certainly the distinguished ranking member, the Senator from Alaska (Mr. STEVENS), also deserves commendation. Probably more than anybody in this body he knows about every detail of this particular legislation. His assistance was certainly invaluable in producing the product we have presented to the Senate at this time.

Mr. President, the conference agreement we bring to the floor today on the Interior and related agencies appropriations bill represents the culmination of months of hearings and markup sessions. The agreement itself consumed 4 days of long conference negotiations with the House managers. This year, as never before, the committee was confronted with difficult and complex issues, and these issues required intense negotiations to resolve. I believe this agreement is the best that could be achieved under these difficult circumstances.

Total funding in this final bill is a record $30.3 billion—nearly $18 billion over the fiscal 1979 level. Despite determined efforts of the committee and the conferees, the final total is nearly $273 million over the budget, and it is $733.2 million over the amount approved by the Senate. Because we have included multibillion dollar allowances for alternative fuels production and emergency fuel assistance, it is also more than $20 billion over the appropriation approved by the House when it passed the bill last July. It should be noted, however, that the Senate considered more than $21.6 billion in budget requests not considered by the House.

Mr. President, I ask unanimous consent that a comparative tabulation of the fiscal 1979 appropriations and the budget, House, Senate, and conference committee allowances for fiscal year 1980 be printed in the RECORD at this point.

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

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—FISCAL YEAR 1980

[Fiscal years]

	New budget authority					Conference compared with—			
	Enacted, 1979	Estimates, 1980	House, 1980	Senate, 1980	Conference, 1980	Enacted, 1979	Estimate, 1980	House bill	Senate bill
TITLE I—DEPARTMENT OF THE INTERIOR									
LAND AND WATER RESOURCES									
Bureau of Land Management									
Management of lands and resources	$342,756,000	$296,231,000	$295,361,000	$295,836,000	$301,896,000	−$40,860,000	+$5,665,000	+$6,535,000	+$6,060,000
Acquisition, construction, and maintenance	19,011,000	16,343,000	16,343,000	16,343,000	16,343,000	−2,668,000			
Payments in lieu of taxes	105,000,000	108,000,000	108,000,000	108,000,000	108,000,000	+3,000,000			

	New budget authority					Conference compared with—			
	Enacted, 1979	Estimates, 1980	House, 1980	Senate, 1980	Conference, 1980	Enacted, 1979	Estimate, 1980	House bill	Senate bill
Oregon and California grant lands (indefinite, appropriation of receipts)	$55,000,000	$55,000,000	$55,000,000	$55,000,000	$55,000,000				
Range improvements (indefinite, appropriation of receipts)	8,665,000	10,900,000	10,900,000	10,900,000	10,900,000	+$2,235,000			
Recreation development and operation of recreation facilities (indefinite, special fund)	300,000	300,000	300,000	300,000	300,000				
Service charges, deposits, and forfeitures (indefinite, special fund)	13,750,000	13,750,000	13,750,000	13,750,000	13,750,000				
Miscellaneous trust funds (indefinite)	100,000	100,000	100,000	100,000	100,000				
Total, Bureau of Land Management	544,582,000	500,624,000	499,754,000	500,229,000	506,289,000	−38,293,000	+$5,665,000	+$6,535,000	+$6,060,000
Office of Water Research and Technology									
Salaries and expenses	28,357,000	30,739,000	30,977,000	30,522,000	30,781,000	+2,424,000	+42,000	−196,000	+259,000
Total, Land and Water Resources	572,939,000	531,363,000	530,731,000	530,751,000	537,070,000	−35,869,000	+5,707,000	+6,339,000	+6,319,000
FISH AND WILDLIFE AND PARKS									
Heritage Conservation and Recreation Service									
Salaries and expenses	15,174,000	14,954,000	15,656,000	15,289,000	15,351,000	+177,000	+397,000	−305,000	+62,000
Urban park and recreation fund	20,000,000	150,000,000	125,000,000	125,000,000	125,000,000	+105,000,000	−25,000,000		
Land and Water Conservation Fund (indefinite)	737,025,000	598,000,000	447,059,000	554,547,000	509,194,000	−227,831,000	−88,806,000	+62,135,000	−45,353,000
Pinelands National Reserve		12,000,000	12,000,000				−12,000,000	−12,000,000	
Historic preservation fund	60,000,000	45,000,000	50,000,000	67,500,000	55,000,000	−5,000,000	+10,000,000	+5,000,000	−12,500,000
Total, Heritage Conservation and Recreation Service	832,199,000	819,954,000	649,715,000	762,336,000	704,545,000	−127,654,000	−115,409,000	+54,830,000	−57,791,000
U.S. Fish and Wildlife Service									
Resource management	200,439,000	208,055,000	207,055,000	205,421,000	206,641,000	+6,202,000	−1,414,000	−414,000	+1,220,000
Construction and anadromous fish	97,856,000	47,574,000	56,327,000	56,945,000	58,757,000	−39,099,000	+11,183,000	+2,430,000	+1,812,000
Migratory bird conservation account (definite, repayable advance)	10,000,000	10,000,000	15,000,000	8,400,000	15,000,000	+5,000,000	+5,000,000		+6,600,000
Development and operation of recreation facilities (indefinite, special fund)	150,000	200,000	200,000	200,000	200,000	+50,000			
Total, U.S. Fish and Wildlife Service	308,445,000	265,829,000	278,582,000	270,966,000	280,598,000	−27,847,000	+14,769,000	+2,016,000	+9,632,000
National Park Service									
Operation of the national park service	387,806,000	394,177,000	383,512,000	380,244,000	382,775,000	−5,031,000	−11,402,000	−737,000	+2,531,000
Construction	118,488,000	87,718,000	97,144,000	119,938,000	112,154,000	−6,334,000	+24,436,000	+15,010,000	−7,784,000
Appropriation to liquidate contract authority					(15,500,000)	(+15,550,000)	(+15,500,000)	(+15,500,000)	(+15,500,000)
Rescission of an appropriation to liquidate contract authority				(−5,552,000)	(−5,552,000)	(−5,552,000)	(−5,552,000)	(−5,552,000)	
Planning, development, and operation of recreation facilities (indefinite, special fund)	15,478,000	28,465,000	15,781,000	16,217,000	16,217,000	+739,000	−12,248,000	+436,000	
John F. Kennedy Center for the Performing Arts	4,055,000	4,287,000	3,875,000	4,030,000	4,030,000	−25,000	−257,000	+155,000	
Total, National Park Service	525,827,000	514,647,000	500,312,000	520,429,000	515,176,000	−10,651,000	+529,000	+14,864,000	−5,253,000
Total, Fish and Wildlife and Parks	1,666,471,000	1,600,430,000	1,428,609,000	1,553,731,000	1,500,319,000	−166,152,000	−100,111,000	+71,710,000	−53,412,000
ENERGY AND MINERALS									
Geological Survey									
Surveys, investigations, and research	418,606,000	459,321,000	448,290,000	450,805,000	452,055,000	+33,449,000	−7,266,000	+3,765,000	+1,250,000
Exploration of national petroleum reserve in Alaska	231,048,000	4,427,000	145,927,000	175,627,000	175,627,000	−55,421,000	+171,200,000	+29,700,000	
Total, Geological Survey	649,654,000	463,748,000	594,217,000	626,432,000	627,682,000	−21,972,000	+163,934,000	+33,465,000	+1,250,000
Bureau of Mines									
Mines and minerals	148,507,000	135,194,000	134,883,000	131,603,000	132,753,000	−15,754,000	−2,441,000	−2,130,000	+1,150,000
Helium fund (permanent contract authority)		(47,500,000)					(−47,500,000)		
Total, Bureau of Mines	148,507,000	135,194,000	134,883,000	131,603,000	132,753,000	−15,754,000	−2,441,000	−2,130,000	+1,150,000

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—FISCAL YEAR 1980—Continued

[Fiscal years]

	New budget authority					Conference compared with—			
	Enacted, 1979	Estimates, 1980	House, 1980	Senate, 1980	Conference, 1980	Enacted, 1979	Estimate, 1980	House bill	Senate bill
ENERGY AND MINERALS									
Geological Survey—Cont'd.									
Office of Surface Mining Reclamation and Enforcement									
Regulation and technology	$53,944,000	$81,320,000	$85,520,000	$82,625,000	$84,687,000	+$30,743,000	+$3,367,000	−$833,000	+$2,062,000
Abandoned mine reclamation fund (definite, trust fund)	61,451,000	113,916,000	111,416,000	94,916,000	94,916,000	+33,465,000	−19,000,000	−16,500,000	
Total, Office of Surface Mining Reclamation and Enforcement	115,395,000	195,236,000	196,936,000	177,541,000	179,603,000	+64,208,000	−15,633,000	−17,333,000	+2,062,000
Total, Energy and Minerals	913,556,000	794,178,000	926,036,000	935,576,000	940,038,000	+26,482,000	+145,860,000	+14,002,000	+4,462,000
INDIAN AFFAIRS									
Bureau of Indian Affairs									
Operation of Indian programs	792,052,000	792,020,000	792,753,000	770,835,000	789,051,000	−3,001,000	−2,969,000	−3,702,000	+18,216,000
Construction	126,554,000	67,721,000	83,395,000	66,874,000	89,374,000	−37,180,000	+21,653,000	+5,979,000	+22,500,000
Road construction	79,253,000	58,379,000	60,379,000	46,479,000	66,479,000	−12,774,000	+8,100,000	+6,100,000	+20,000,000
Alaska native fund	30,000,000	30,000,000	30,000,000	30,000,000	30,000,000				
Trust funds (definite)	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000				
Trust funds (indefinite)	23,000,000	23,000,000	23,000,000	23,000,000	23,000,000				
Eastern Indian land claims fund	3,500,000					−3,500,000			
Salt River Pima-Maricopa settlement			3,917,000	3,917,000	3,917,000	+3,917,000	+3,917,000		
Total, Bureau of Indian Affairs	1,057,359,000	974,120,000	996,444,000	944,105,000	1,004,821,000	−52,538,000	+30,701,000	+8,377,000	+60,716,000
TERRITORIAL AFFAIRS									
Office of Territorial Affairs									
Administration of territories	55,410,000	46,804,000	84,161,000	63,061,000	86,661,000	+31,251,000	+39,857,000	+2,500,000	+23,600,000
Trust Territory of the Pacific Islands	114,706,000	99,010,000	112,760,000	105,799,000	113,785,000	−921,000	+14,775,000	+1,025,000	+7,986,000
Micronesian claims fund, Trust Territory of the Pacific Islands	12,600,000					−12,600,000			
Total, Office of Territorial Affairs	182,716,000	145,814,000	196,921,000	168,860,000	200,446,000	+17,730,000	+54,632,000	+3,525,000	+31,586,000
SECRETARIAL OFFICES									
Office of the Solicitor									
Salaries and expenses	15,085,000	15,860,000	15,500,000	15,741,000	15,741,000	+656,000	−119,000	+241,000	
Office of the Secretary									
Departmental Management	43,100,000	48,761,000	45,760,000	45,144,000	49,344,000	+6,244,000	+583,000	+3,584,000	+4,200,000
Construction management			9,400,000					−9,400,000	
Salaries and expenses (special foreign currency program)	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000				
Total, Office of the Secretary	44,100,000	49,761,000	56,160,000	46,144,000	50,344,000	+6,244,000	+583,000	−5,816,000	+4,200,000
Total, Secretarial Offices	59,185,000	65,621,000	71,660,000	61,885,000	66,085,000	+6,900,000	+464,000	−5,575,000	+4,200,000
Total, title I, new budget (obligational) authority, Department of the Interior	4,452,226,000	4,111,526,000	4,150,401,000	4,194,908,000	4,248,779,000	−204,447,000	+137,253,000	+98,378,000	+53,871,000
Consisting of:									
Appropriations	4,456,226,000	4,111,526,000	4,150,401,000	4,194,908,000	4,248,779,000	−203,447,000	+137,253,000	+98,378,000	53,871,000
Definite appropriations	3,598,758,000	3,381,811,000	3,584,311,000	3,520,894,000	3,620,118,000	+21,360,000	+238,307,000	+35,807,000	+99,224,000
Indefinite appropriations	853,468,000	729,715,000	566,090,000	674,014,000	628,661,000	−224,807,000	−101,054,000	+62,571,000	−45,353,000
Permanent contract authority									
Appropriation to liquidate contract authority					(15,500,000)	(+15,500,000)	(+15,500,000)	(+15,500,000)	(+15,500,000)
TITLE II—RELATED AGENCIES									
DEPARTMENT OF AGRICULTURE									
Forest Service									
Forest resources management:									
Forest research	110,947,000	105,064,000	109,490,000	105,414,000	108,795,000	−2,152,000	+3,731,000	−695,000	+3,381,000
State and private forestry	80,611,000	37,938,000	65,964,000	73,518,000	72,879,000	−7,732,000	+34,941,000	+6,915,000	−639,000
National forest system	815,308,000	752,137,000	847,151,000	796,824,000	825,532,000	+10,224,000	+73,395,000	−21,619,000	+28,708,000
Total, Forest management, protection and utilization	1,006,866,000	895,139,000	1,022,605,000	975,756,000	1,007,206,000	+340,000	+112,067,000	−15,399,000	+31,450,000

	New budget authority					Conference compared with—			
	Enacted, 1979	Estimates, 1980	House, 1980	Senate, 1980	Conference, 1980	Enacted, 1979	Estimate, 1980	House bill	Senate bill
Construction and land acquisition	$430,010,000	$337,438,000	$425,823,000	$409,458,000	$423,412,000	−$6,598,000	+$85,974,000	−$2,411,000	+$13,954,000
Youth conservation corps	60,000,000		27,400,000	54,000,000	54,000,000	−6,000,000	+54,000,000	+26,600,000	
Forest roads	243,466,000					−243,466,000			
Forest roads and trails	231,392,000					−231,392,000			
Timber Salvage Sales	3,000,000					−3,000,000			
Acquisition of lands for national forests:									
Special acts (special fund, indefinite)	385,000	325,000	325,000	325,000	325,000	−60,000			
Acquisition of lands to complete land exchanges (special fund, indefinite)	239,000	155,000	155,000	155,000	155,000	−84,000			
Rangelands improvements (special fund, indefinite)	5,400,000	5,900,000	5,900,000	5,900,000	5,900,000	+500,000			
Assistance to States for tree improvement	1,522,000					−1,522,000			
Construction and operation of recreation facilities (indefinite, special fund)	3,459,000	3,850,000	3,850,000	3,850,000	3,850,000	+391,000			
Rights of way (indefinite)	100,000					−100,000			
Total, Forest Service	1,985,839,000	1,242,807,000	1,486,058,000	1,449,444,000	1,494,848,000	−490,991,000	+252,041,000	+8,790,000	+45,404,000
DEPARTMENT OF ENERGY									
Alternative fuels production		20,000,000,000	1,500,000,000	19,500,000,000	20,000,000,000	+20,000,000,000		+18,500,000,000	+500,000,000
By transfer				(1,500,000,000)					(−1,500,000,000)
Fossil energy research and development	659,112,000	714,092,000	699,377,000	798,302,000	746,627,000	+87,515,000	+32,535,000	+47,250,000	−51,675,000
Fossil energy construction	99,709,000	140,050,000	71,250,000	105,250,000	103,250,000	+3,541,000	−36,800,000	+32,000,000	−2,000,000
Energy production, demonstration, and distribution	171,763,000	146,299,000	125,971,000	106,971,000	111,221,000	−60,542,000	−35,078,000	−14,750,000	+4,250,000
Energy conservation	632,138,000	641,195,000	566,052,000	692,502,000	628,702,000	−3,436,000	−12,493,000	+62,650,000	−63,800,000
Reappropriation		200,000,000	197,500,000	120,000,000	158,750,000	+158,750,000	−41,250,000	−38,750,000	+38,750,000
Economic Regulatory Administration	99,233,000	183,263,000	125,697,000	154,264,000	152,879,000	+53,646,000	−30,384,000	+27,182,000	−1,385,000
Strategic petroleum reserve	3,007,071,000	8,391,000	8,391,000			−3,007,071,000	−8,391,000	−8,391,000	
Energy Information Administration	65,644,000	88,657,000	87,273,000	87,273,000	87,273,000	+21,629,000	−1,384,000		
Total, Department of Energy	4,734,670,000	22,121,947,000	3,381,511,000	21,564,562,000	21,988,702,000	+17,254,032,000	−133,245,000	+18,607,191,000	+424,140,000
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE									
Health Services Administration									
Indian health services	492,193,000	535,116,000	541,449,000	536,580,000	538,874,000	+46,681,000	+3,758,000	−2,575,000	+2,294,000
Indian health facilities	76,960,000	50,240,000	74,302,000	26,062,000	74,302,000	−2,658,000	+24,062,000		+48,240,000
Total, Indian health	569,153,000	585,356,000	615,751,000	562,642,000	613,176,000	+44,023,000	+27,280,000	−2,575,000	+50,534,000
Office of Education									
Indian education	71,735,000	76,875,000	75,875,000	75,900,000	75,900,000	+4,165,000	−975,000	+25,000	
Office of the Assistant Secretary for Education									
Institute of Museum Services	7,852,000	10,900,000	10,900,000	10,900,000	10,900,000	+3,048,000			
Total, Department of Health, Education, and Welfare	648,740,000	673,131,000	702,526,000	649,442,000	699,976,000	+51,236,000	+26,845,000	−2,550,000	+50,534,000
NAVAJO AND HOPI INDIAN RELOCATION COMMISSION									
Salaries and expenses	8,752,000	950,000	950,000	950,000	950,000	−7,802,000			
SMITHSONIAN INSTITUTION									
Salaries and expenses	98,202,000	104,740,000	103,498,000	102,710,000	103,781,000	+5,579,000	−959,000	+283,000	+1,071,000
Museum programs and related research (special foreign currency program)	3,700,000	7,700,000	3,700,000	4,700,000	4,200,000	+500,000	−3,500,000	+500,000	−500,000
Science Information Exchange	2,063,000					−2,063,000			
Construction and improvements, National Zoological Park	3,900,000	6,550,000	6,500,000	6,000,000	6,250,000	+2,350,000	−300,000	−250,000	+250,000
Restoration and renovation of buildings	2,100,000	4,900,000	5,250,000	5,150,000	5,250,000	+3,150,000	+350,000		+100,000
Construction	575,000	21,100,000	20,600,000	10,850,000	20,600,000	+20,025,000	−500,000		+9,750,000
Subtotal	110,540,000	144,990,000	139,548,000	129,410,000	140,081,000	−29,541,000	−4,909,000	+533,000	+10,671,000
Salaries and expenses:									
National Gallery of Art	19,041,000	22,577,000	22,311,000	21,978,000	22,241,000	+3,200,000	−336,000	−70,000	+263,000
Woodrow Wilson International Center for Scholars	1,588,000	1,648,000	1,611,000	2,611,000	1,611,000	+23,000	−37,000		−1,000,000
Total, Smithsonian Institution	131,169,000	169,215,000	163,470,000	153,999,000	163,933,000	+32,764,000	−5,282,000	+463,000	+9,934,000

COMPARATIVE STATEMENT OF NEW BUDGET AUTHORITY—FISCAL YEAR 1980—Continued

[Fiscal years]

	New budget authority					Conference compared with—			
	Enacted, 1979	Estimates, 1980	House, 1980	Senate, 1980	Conference, 1980	Enacted, 1979	Estimate, 1980	House bill	Senate bill
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES									
National Endowment for the Arts									
Salaries and expenses	$102,310,000	$97,000,000	$97,000,000	$97,000,000	$97,000,000	−$5,310,000			
Administrative expenses	9,775,000	10,500,000	12,000,000	12,000,000	12,000,000	+2,225,000	+$1,500,000		
Subtotal	112,085,000	107,500,000	109,000,000	109,000,000	109,000,000	−3,085,000	+1,500,000		
Matching grants (indefinite)	37,500,000	46,900,000	45,400,000	45,400,000	45,400,000	+7,900,000	−1,500,000		
Total, National Endowment for the Arts	149,855,000	154,400,000	154,400,000	154,400,000	154,400,000	+4,815,000			
National Endowment for the Humanities									
Salaries and expenses	98,485,000	100,300,000	100,300,000	98,900,000	100,300,000	+1,815,000			+$1,400,000
Administrative expenses	10,246,000	10,800,000	11,400,000	10,500,000	11,400,000	+1,154,000	+600,000		+900,000
Subtotal	108,731,000	111,100,000	111,700,000	109,400,000	111,700,000	+2,969,000	+600,000		+2,300,000
Matching grants (indefinite)	36,500,000	39,000,000	38,400,000	38,400,000	38,400,000	+1,900,000	−600,000		
Total, National Endowment for the Humanities	145,231,000	150,100,000	150,100,000	147,800,000	150,100,000	+4,869,000			+2,300,000
Total, National Foundation on the Arts and the Humanities	294,816,000	304,500,000	304,500,000	302,200,000	304,500,000	+9,684,000			+2,300,000
COMMISSION OF FINE ARTS									
Salaries and expenses	263,000	271,000	268,000	268,000	268,000	+5,000	−3,000		
ADVISORY COUNCIL ON PRESERVATION									
Salaries and expenses	1,204,000	1,672,000	1,350,000	1,460,000	1,350,000	+146,000	−322,000		−110,000
NATIONAL CAPITAL PLANNING COMMISSION									
Salaries and expenses	2,019,000	2,193,000	1,975,000	1,975,000	1,975,000	−44,000	−218,000		
FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION									
Salaries and expenses	20,000	10,000	40,000	40,000	40,000	+20,000	+30,000		
JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA									
Salaries and expenses	594,000					−594,000			
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION									
Salaries and expenses	1,659,000	1,856,000	1,811,000	1,856,000	1,856,000	+197,000		+$45,000	
Land acquisition and development fund (borrowing authority)	33,000,000	17,000,000	17,000,000	17,000,000	17,000,000	−16,000,000			
Public development	30,255,000	20,110,000	20,110,000	20,110,000	20,110,000	−10,145,000			
Total, Pennsylvania Avenue Development Corporation	64,914,000	38,966,000	38,921,000	38,966,000	38,966,000	−25,948,000		+45,000	
FEDERAL INSPECTOR FOR THE ALASKA GAS PIPELINE									
Permitting and enforcement		14,850,000		13,433,000	10,600,000	+10,600,000	−4,250,000	+10,600,000	−2,833,000
COMMUNITY SERVICES ADMINISTRATION									
Community services program		1,350,000,000		1,200,000,000	1,350,000,000	+1,350,000,000		+1,350,000,000	+150,000,000
Total, title II, new budget (obligational) authority, related agencies	7,873,000,000	25,920,512,000	6,081,569,000	25,376,739,000	26,056,108,000	+18,183,108,000	+135,596,000	+19,974,539,000	+679,369,000
Consisting of:									
Appropriations	7,840,000,000	25,703,512,000	5,867,069,000	25,239,739,000	25,880,358,000	+18,040,358,000	+176,846,000	+20,013,289,000	+640,619,000
Definite appropriations	7,756,417,000	25,607,382,000	5,773,039,000	25,145,709,000	25,786,328,000	+18,029,911,000	+178,946,000	+20,013,289,000	+640,619,000
Indefinite appropriations	83,583,000	96,130,000	94,030,000	94,030,000	94,030,000	+10,447,000	−2,100,000		
Reappropriation		200,000,000	197,500,000	120,000,000	158,750,000	+158,750,000	−41,250,000	−38,750,000	+38,750,000
Borrowing authority	33,000,000	17,000,000	17,000,000	17,000,000	17,000,000	−16,000,000			
By transfer				(1,500,000,000)					(−1,500,000,000)

	New budget authority					Conference compared with—			
	Enacted, 1979	Estimates, 1980	House, 1980	Senate, 1980	Conference, 1980	Enacted, 1979	Estimate, 1980	House bill	Senate bill
RECAPITULATION									
Total, new budget (obligational) authority, all titles	$12,325,226,000	$30,032,038,000	$10,231,970,000	$29,571,647,000	$30,304,887,000	+$17,979,661,000	+$272,849,000	+$20,072,917,000	+$733,240,000
Consisting of:									
Appropriations	12,292,226,000	29,815,038,000	10,017,470,000	29,434,647,000	30,129,137,000	+17,836,911,000	+314,099,000	+20,111,667,000	+694,490,000
Definite appropriations	(11,355,175,000)	(28,989,193,000)	(9,357,350,000)	(28,666,603,000)	(29,406,446,000)	(+18,051,271,000)	(+417,253,000)	(+20,049,096,000)	(+739,843,000)
Indefinite appropriations	(937,051,000)	(825,845,000.	(660,120,000)	(768,044,000)	(722,691,000)	(−214,360,000)	(−103,154,000)	(+62,571,000)	(−45,353,000)
Reappropriation		200,000,000	197,500,000	120,000,000	158,750,000	+158,750,000	−41,250,000	−38,750,000	+38,750,000
Borrowing authority	33,000,000	17,000,000	17,000,000	17,000,000	17,000,000	−16,000,000			
Permanent contract authority									
By transfer				(1,500,000,000)					(−1,500,000,000)
Appropriation to liquidate contract authority					(15,500,000)	(+15,500,000)	(+15,500,000)	(+15,500,000.	(+15,500,000)
TITLE I—DEPARTMENT OF THE INTERIOR									
Bureau of Land Management	544,582,000	500,624,000	499,754,000	500,229,000	506,289,000	−38,293,000	+5,665,000	+6,535,000	+6,060,000
Office of Water Research and Technology	28,357,000	30,739,000	30,977,000	30,522,000	30,781,000	+2,424,000	+42,000	−196,000	+259,000
Heritage Conservation and Recreation Service	832,199,000	819,954,000	649,715,000	762,336,000	704,545,000	−127,654,000	−115,409,000	+54,830,000	−57,791,000
United States Fish and Wildlife Service	308,445,000	265,829,000	278,582,000	270,966,000	280,598,000	−27,847,000	+14,769,000	+2,016,000	+9,632,000
National Park Service	525,827,000	514,647,000	500,312,000	520,429,000	515,176,000	−10,651,000	+529,000	+14,864,000	−5,253,000
Geological Survey	649,654,000	463,748,000	594,217,000	626,432,000	627,682,000	−21,972,000	+163,934,000	+33,465,000	+1,250,000
Bureau of Mines	148,507,000	135,194,000	134,883,000	131,603,000	132,753,000	−15,754,000	−2,441,000	−2,130,000	+1,150,000
Office of Surface Mining Reclamation and Enforcement	115,395,000	195,236,000	196,936,000	177,541,000	179,603,000	+64,208,000	−15,633,000	−17,333,000	+2,062,000
Bureau of Indian Affairs	1,057,359,000	974,120,000	996,444,000	944,105,000	1,004,821,000	−52,538,000	+30,701,000	+8,377,000	+60,716,000
Territorial Affairs	182,716,000	145,814,000	196,921,000	168,860,000	200,446,000	+17,730,000	+54,632,000	+3,525,000	+31,586,000
Office of the Solicitor	15,085,000	15,860,000	15,500,000	15,741,000	15,741,000	+656,000	−119,000	+241,000	
Office of the Secretary	44,100,000	49,761,000	56,160,000	46,144,000	50,344,000	+6,244,000	+583,000	−5,816,000	+4,200,000
Total, Title I—Department of the Interior	4,452,226,000	4,111,526,000	4,150,410,000	4,194,908,000	4,248,779,000	−203,447,000	+137,253,000	+98,378,000	+53,871,000
TITLE II—RELATED AGENCIES									
Forest Service	1,985,839,000	1,242,807,000	1,486,058,000	1,449,444,000	1,494,848,000	−490,991,000	+252,041,000	+8,790,000	+45,404,000
Department of Energy	4,734,670,000	22,121,947,000	3,381,511,000	21,564,562,000	21,988,702,000	+17,254,032,000	−133,245,000	+18,607,191,000	+424,140,000
Indian Health	569,153,000	585,356,000	615,751,000	562,642,000	613,176,000	+44,023,000	+27,820,000	−2,575,000	+50,534,000
Indian Education	71,735,000	76,875,000	75,875,000	75,900,000	75,900,000	+4,165,000	−975,000	+25,000	
Institute of Museum Services	7,852,000	10,900,000	10,900,000	10,900,000	10,900,000	+3,048,000			
Navajo and Hopi Indian Relocation Commission	8,752,000	950,000	950,000	950,000	950,000	−7,802,000			
Smithsonian	110,540,000	144,990,000	139,548,000	129,410,000	140,081,000	+29,541,000	−4,909,000	+533,000	+10,671,000
National Gallery of Art	19,041,000	22,577,000	22,311,000	21,978,000	22,241,000	+3,200,000	−336,000	−70,000	+263,000
Woodrow Wilson International Center for Scholars	1,588,000	1,648,000	1,611,000	2,611,000	1,611,000	+23,000	−37,000		−1,000,000
National Endowment for the Arts	149,585,000	154,400,000	154,400,000	154,400,000	154,400,000	+4,815,000			
National Endowment for the Humanities	145,231,000	150,100,000	150,100,000	147,800,000	150,100,000	+4,869,000			+2,300,000
Commission of Fine Arts	263,000	271,000	268,000	268,000	268,000	+5,000	−3,000		
Advisory Council on Historic Preservation	1,204,000	1,672,000	1,350,000	1,460,000	1,350,000	+146,000	−322,000		−110,000
National Capital Planning Commission	2,019,000	2,193,000	1,975,000	1,975,000	1,975,000	−44,000	−218,000		
Franklin Delano Roosevelt Memorial Commission	20,000	10,000	40,000	40,000	40,000	+20,000	+30,000		
Joint Federal-State Land Use Planning Commission for Alaska	594,000					−594,000			
Pennsylvania Avenue Development Corporation	64,914,000	38,966,000	38,921,000	38,966,000	38,966,000	−25,948,000		+45,000	
Federal Inspector for the Alaska Gas Pipeline		14,850,000		13,433,000	10,600,000	+10,600,000	−4,250,000	+10,600,000	−2,833,000
Community Services Administration		1,350,000,000		1,200,000,000	1,350,000,000	+1,350,000,000		+1,350,000,000	+150,000,000
Total, Title II—Related Agencies	7,873,000,000	25,920,512,000	6,081,569,000	25,376,739,000	26,056,108,000	+18,183,108,000	+135,596,000	+19,974,539,000	+679,369,000
Grand total	12,325,226,000	30,032,038,000	10,231,970,000	29,571,647,000	30,304,887,000	+17,979,661,000	+272,849,000	+20,072,917,000	+733,240,000

ALTERNATIVE FUELS PRODUCTION

Mr. HUDDLESTON. Mr. President, a great deal has happened since we began working on this appropriation bill last January. Following the Iranian revolution, the Nation experienced severe shortages of petroleum fuels that served to underscore and dramatize our growing dependence on foreign oil. We began looking with more urgency toward the development of alternative fuels, and the Appropriations Committee was ready to move quickly when the President sent us a $20 billion appropriation request to implement a program to stimulate commercial production of synthetic fuels and other alterntives.

Because of the need to move quickly, the committee again found itself in the position of recommending significant funding well in advance of authorizing legislation. And yet the committee did not want to foreclose any legislative options with its own funding decisions. As a result, we included in the Senate-passed bill $20 billion for alternative fuels production and $1 billion for conservation and solar program incentives only with certain conditions. The bulk of the funds was placed in an energy security reserve requiring subsequent appropriation action by the Congress to make them available. However, $2.2 billion was made immediately available to launch interim programs pending final congressional action on an energy production program authorization.

As a result of conference negotiations the total allowance for energy production, conservation, and solar incentives was held to $20 billion, with $1 billion still intact for the solar and conservation phase. Some perfecting language was added to the Senate alternative fuels proposal, but no significant changes were made in the basic program which the Senate has approved. The alternative fuels agreement is detailed at some length in the conference report which is printed in the CONGRESSIONAL RECORD, November 8, 1979, p. 31553.

Unfortunately, the House conferees opposed the Senate proposal to transfer $1.5 billion from the strategic petroleum reserve to help finance alternative fuels incentives, and this provision was dropped from the bill.

EMERGENCY FUEL ASSISTANCE

Energy supply disruptions have also sent petroleum product prices soaring,

Mr. President, and this is another critical development that required quick action on this appropriation bill. Although normally funded under the Labor-Health, Education, and Welfare appropriation, the Senate added $1.2 billion for emergency fuel assistance to the Interior appropriations bill as a matter of expediency. Lengthy conference negotiations resulted in a drastically revised proposal, including the provision of $1.35 billion for this program. Essentially, the conferees adopted most of the provisions of the House-passed urgent supplemental for emergency fuel assistance. Some revisions in the House-passed distribution formula and its application to the total funding involved have developed what we think is a more equitable allocation of this low-income assistance for heating costs this winter. Although concentrating this assistance in the Northern States where it is most desperately needed, the final distribution formula also recognizes the needs of Southern States which also are confronted with unmanageable increases in energy costs.

The provisions for emergency fuel assistance also are detailed at length in the conference report, and I will be happy to answer any questions on additional details that might arise as we take up the conference report.

FISCAL RESTRAINTS

After discussing these multibillion-dollar energy related programs, Mr. President, it might seem incongruous to shift to a discussion of spending restraints. However, while dealing with pressing energy program needs the committee has not lost sight of the underlying need to control, wherever possible, the growth in Federal spending. Accordingly, as we discussed when we took up this bill for Senate passage earlier, every effort has been made to pare down ongoing Federal program spending. As a result, although the conference agreement is above the President's budget request, we have been able to hold regular program spending well below fiscal 1979 levels. I am happy to note that the conferees agreed to Senate initiatives to reduce Federal land acquisition and construction appropriations wherever it could be demonstrated that prior year funding was still available or where there was weak justification for budget requests. The comparative table that has been printed in the RECORD will show that significant reductions have been made in budget requests for heritage conservation and recreation service and in the regular programs of the Department of Energy not causing any unwanted program disruptions. Many other program reductions have been offset by increases that reflect congressional priorities.

CONFERENCE AGREEMENTS SUMMARY

At the same time, the conferees could not neglect the needs of American Indians and the territories. The conference agreement resulted in substantial increases for the Bureau of Indian Affairs and the Indian Health Service as well as territorial affairs. There was also agreement that public lands and resources managed under programs funded in this bill also could not be neglected. Grazing management increases under the Bureau of Land Management and forestry and range programs under the U.S. Forest Service accounted for large budget increases and for substantial increases over the original Senate allowance.

Mr. President, the Senate was successful in retaining most of the significant amendments during our lengthy conference negotiations. However, it is impossible to hold every single proposal in the give and take of conference negotiations. As a result, some items that were important to the Senate were dropped or reduced. State recreation assistance under the Land and Water Conservation Fund, for example, was reduced by $60 million even though the Senate conferees strongly supported the full budget estimate approved by the Senate. The final allowance of $300 million, however, is adequate in this period of fiscal restraint and represents a $100 million increase over the House allowance.

The Senate retained almost all of its major energy initiatives, although one item of particular importance—the $55 million increase for magnetohydrodynamics—failed to survive in final negotiations. Another important Senate increase—$120 million for energy impact assistance—was sharply reduced to a $50 million level despite strong support from the Senate conferees.

Mr. President, there were 112 amendments in conference, and most of these amendments contained dozens of individual items of disagreement within them. As I have noted, conference negotiations consumed 4 long days, and there were few of these myriad items of disagreement that were not covered in detail. Unfortunately, time does not permit me to discuss all these conference agreements but I shall be happy to answer any questions that may be raised.

One final note, Mr. President. The conferees agreed to a level of $5 million for university coal research laboratories and stated that this funding is not to be used to establish a system of university coal laboratories as authorized by the Surface Mining Control and Reclamation Act. The intent of the conferees was that these funds should be provided for coal research rather than for construction of laboratories at universities and for establishment of teaching bureaucracies as authorized by the act. The conferees have agreed that this funding will be provided to universities with existing laboratories capable of conducting coal research. The impact of the conferees decision, then, is simply to direct this funding entirely to coal research. Universities which are capable of conducting coal research will continue to be eligible for funding under this program.

In closing, Mr. President, I wish to commend the conferees of both the House and the Senate on an extremely difficult job well done. In many cases, acceptable agreements were extremely difficult to achieve. But at no time was any breakdown in the spirit of cooperation evidenced on either side. I would like to extend a special commendation to the chairman of the conference committee, the Honorable SIDNEY R. YATES. It was largely because of his untiring efforts and dedication that a constructive conference agreement could be reached even within 4 days.

Mr. President, I yield at this time to the Senator from Alaska for any comments or observations he may care to make on the bill.

Mr. STEVENS. Mr. President, I am happy to join with the manager of the Interior appropriations bill in recommending the conference report to the Members of the Senate. The conferees met in morning and afternoon sessions for 4 days to reach final agreement. Every amendment was thoroughly discussed and I believe the final product will well serve the Nation in the areas of land and resource management and energy programing not just for the current fiscal year, but for many years to come as a result of initiatives taken in this bill.

As we just completed the conference late yesterday, I realize that many Members have not had the opportunity to fully review the bill. We need to approve the conference report expeditiously in order to provide fuel assistance payments in a timely manner. The administration has informed us that even if we finish the bill today, the fuel assistance payments for SSI recipients will not be available until January. Delay on our part would mean that the checks would not go out until February, or halfway through the winter months.

While the $30 billion bill before us is by far the largest ever reported by the Interior Appropriations Subcommittee it should be noted that $20 billion of this amount is for the energy security reserve and will be obligated over the coming decade. Although we are over the budget estimates by $225 million, if the funds for alternative fuels production are subtracted from the total, we are $2 billion under the amount appropriated for fiscal 1979. This is a significant action on the part of the Congress and should serve as proof of the ability of the House and Senate to restrain Federal expenditures while continuing vital, proven programs and undertaking required new efforts.

The manager of the bill has included in his statement a comprehensive explanation of the conference agreement so I will not go into further detail at this time. I would hope that the Members of the Senate will approve this agreement without delay.

Mr. President, to clarify the conferees' intent, I do have a few questions to ask the Senator from Kentucky (Mr. HUDDLESTON), about fuel assistance provisions. First, the conference directs that there be no duplication of payment from any funds contained in this program. I understand some States will be unable to determine overlap and dual eligibility due to the short time available for determining eligibility. What is the intent here?

Mr. HUDDLESTON. The conferees recognize that some legitimate duplication may exist in relation to payments under individual elements of this program. The wording of the conference report should be understood solely as a strong directive to States to minimize the possibility of duplicate payments in the basic de-

sign of their program and to establish procedures to assure that a person does not receive duplicate payments under a single element of the approved program. While duplicate payments are to be avoided where possible this language should not be interpreted to prohibit separate payments to existing recipients of income assistance programs even though some households which legitimately participate in more than one such program may receive more than one energy assistance payment.

Mr. STEVENS. I thank the Senator.

Conference language also provides that the block grant can be used only to provide assistance to households with income below 125 percent of the poverty level and that it may be used to make payments to those already participating in other income assisted programs such as AFDC and FS. I am told some AFDC and FS recipients may have income over 125 percent of poverty. The identification of these few families would require a complex and costly eligibility determination process.

Mr. HUDDLESTON. The conference recognized that a small number of current recipients of income assistance programs may have gross income in excess of the 125 percent of the poverty level. It is intended that such individuals or families be eligible for services under this program.

Mr. STEVENS. As worded, the appropriation language requires that, in State programs, priority be given "to those households experiencing significant increases in heating fuel costs." Such wording would appear to prohibit both uniform payments within a State and automatic payments to individuals eligible for other needs tested programs. Would the Senator clarify that, please?

Mr. HUDDLESTON. The requirements concerning priority for state payments are not intended to prohibit a State from selecting a plan that would provide uniform payments to individuals or households based on their eligibility for current needs tested programs.

Mr. STEVENS. Finally, Mr. President, the conference report envisions that a State may elect to allot all or a portion of its block grant to the plan approved under the current CSA crisis intervention program. It is not clear whether HEW or CSA will have responsibility for the supervision and audit of this program. If HEW is required to assume this responsibility, would it result in unnecessary duplication of existing CSA responsibilities?

Mr. HUDDLESTON. I believe the conference recognized that some States may elect to increase their CSA program under the block grant authority. Where this happens, it is our intent that CSA supervise and audit all elements of the crisis intervention program as it relates to both regular and block grant funds with assistance from HEW as necessary.

Mr. BURDICK. Mr. President, I also would like to say a few words about the fuel assistance program. As one of the conferees who worked extensively on this portion of the bill, I am glad to say that I am pleased with the final product. It is a good, workable program that targets money where it is most needed and provides the flexibility I felt was necessary to insure that the money gets out to the States as quickly as possible.

There is one section in the statement of the managers I would like to clarify. The report includes language I requested to make sure that adequate provisions are made for Native Americans in the block grant section of the program.

As many Senators know, several States in which there are Indian reservations or lands either do not or cannot administer Federal money on the reservations. Serious jurisdictional problems have arisen both in the administration and in the auditing of such funds.

The language in the report was included to make sure that both HEW and CSA take these jurisdictional problems into account when administering the block grants for those States that do not administer Federal money for Indian groups. In these cases, the Indians' governing agencies should receive their share of block grant funds directly from the appropriate Federal agency, HEW with technical assistance from the BIA, or CSA. Furthermore, that agency, rather than the affected State, should be responsible for monitoring and auditing these funds.

I would like to ask the manager of the conference report whether that was the intent and his understanding of the way Indian funds are to be distributed.

Mr. HUDDLESTON. Yes, the Senator is entirely correct. The intent of the conferees was that the Indians would be served, and served by the mechanism available to them, and we expect that will be done.

Mr. BURDICK. I thank the Senator.

Mr. MUSKIE. Mr. President, the Senate now is considering the conference report on H.R. 4930, the Interior and related agencies appropriation bill which appropriates fiscal year 1980 funds for energy, natural resources, and environment, and several other program areas. I want to take the opportunity to comment on the budgetary implications of this bill.

The conference report on the bill provides $30.3 billion in new budget authority and $6.4 billion in fiscal 1980 outlays. The conference report, therefore, is about $700 million in budget authority and $200 million in outlays above the Senate-passed bill.

While I remain concerned about the Appropriations Committee's ability to live within its total allocation, this bill is well within the applicable functional totals of the conference agreement on the second budget resolution. In addition, the spending in H.R. 4930 clearly was contemplated in the second budget resolution. In particular, I am referring to the new synthetic fuels program and the low-income assistance program, which are of critical importance to our Nation.

Mr. BENTSEN. Mr. President, when the Senate first considered this legislation, I was proud to vote in support of my colleague from New York's amendment to provide an additional $1.35 billion in energy assistance for America's poor. I was proud to do it because I am painfully aware of what the rising cost of energy has done to the poor, forcing upon them choices between one necessity or the other.

However, the energy assistance program that is provided by the conference report is not a program for all of America's poor, it is a program for a select few, a program biased in a way that startles even the veterans of many regional confrontations.

We have before us a formula that distributes energy aid according to two proxies for need. The bill provides that one-third of the assistance will be distributed according to the increases over the last year in home heating energy expenditures. I want to point out that we discovered, during Finance Committee consideration of a similar program, that the numbers for making such a distribution are simply not available. Not from the Department of Energy, not from HEW, but the conference committee has decided that the data for such a distribution can be made available through several proxies: heating degree days, the relative efficiencies of various fuels, and the relative costs of those fuels. But the fact remains that we are pretending to allocate money on a need basis, when we simply do not have the data to back that claim up.

The other proxy on which the conference report bases the distribution of assistance is heating degree days. The fact is that degree days also do not correlate with need. While the State of Washington is well above average in heating degree days, and I suppose will rank even better in heating degree days squared, it ranks dead last among the States in residential energy expenditures. Additionally, although the State of North Dakota ranks second among the States in heating degree days, the people of North Dakota spend well below the national average for energy.

Perhaps the most damning aspect of the bias in this bill relates to the extreme variations between the States. While the residents of the State of Florida spend over $550 per year on their energy needs, the poor in Florida will receive $1 in assistance. The residents of the State of Alaska, although they do bear substantially higher energy costs, will receive $1,000 in aid. They will receive 1,000 percent more, even though their bills are only 60 percent more than those in Florida.

Thus, I think it should be obvious to the Senate that the use of proxies in distributing this aid is clearly ineffective. They present an obvious bias to the North and Northeast, presumably because of the recent increases in the price of home heating oil. But I want to assure my colleagues that energy prices have skyrocketed nationwide, that these increases are not limited to any one region or area of the country.

According to the Consumer Price Index, over the 10-year period ending in July 1979, fuel oil prices have risen 407 percent. In the same period, natural gas prices rose 387 percent. The Consumer Price Index also prepares an index of re-

tail prices for fuels and utilities. That index shows that fuels in the Twin Cities area, which cost $100 in April of 1978, now cost $242. The same combination of fuels cost $217 in the Pittsburgh area. But in Houston, the same fuel mix costs $271. The pattern of rising energy prices has been nationwide, and often the cruelest, most exorbitant increases have been in my own State, where much of that energy is produced.

The program that has been agreed to by the conferees is purposely biased to direct the aid to those areas where it may or may not be needed most. It directs aid, based on inefficient and ineffective proxies—creating a distribution that varies assistance from $1 in Florida to $1,000 in Alaska. The plan that has been reported is directing this aid to a limited few of the poor in the North and Northeast, at the direct expense of the poor in Texas. The poor in my State—like those elsewhere—also face the hard choice of paying their utility bills or grocery bills.

I do not seek, nor do I promote, conflict between the different regions of our country. But I must insist that the people of Texas are treated fairly and equitably in this program. As it now stands, they are not, I will vote therefore, to oppose this unfair program.

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

Mr. ROBERT C. BYRD. I yield.

Mr. MAGNUSON. Mr. President, as chairman of the Appropriations Committee, I compliment the Senator from West Virginia and all the other members of the conference committee on a very, very difficult job.

I further suggest that by the passage of this conference report we are moving one step forward to completing our appropriation bills. With the passage tonight of the defense bill, on which I hope the conference will complete its work very quickly, and the conference report on the Interior bill, we are going to get three more appropriations bills done hopefully by next week, and we probably will be able to come somewhere near meeting the deadline of the November 20 continuing resolution.

It was a most difficult job, was it not—a most difficult job?

Mr. ROBERT C. BYRD. Yes, and Mr. HUDDLESTON, who was acting chairman, and Mr. STEVENS, the ranking minority member, really carried the load.

Mr. MAGNUSON. And the House was a little bit more adamant than they normally are, and normally they are very adamant.

Mr. ROBERT C. BYRD. They carried the burden in the heat of the day.

Mr. HUDDLESTON. And the night.

Mr. MAGNUSON. I compliment them on getting it done.

Mr. ROBERT C. BYRD. Mr. President, I thank our distinguished chairman of the Appropriations Committee. He, as always, is very courteous and very thoughtful of the members of the committee and their efforts.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

The PRESIDING OFFICER. The clerk will report the amendments in disagreement.

The legislative clerk read as follows:

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 1 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$301,896,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 3 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: ": *Provided further*, That the Secretary of the Interior and Secretary of Agriculture shall (a) review Federal agricultural financial assistance programs to determine to what extent such programs provide opportunities to assist livestock operators adversely affected by reductions in grazing allotments on public rangelands, as defined in the section 3 of the Public Rangelands Improvement Act of 1978 (43 U.S.C. 1902); and (b) submit the results of this review to the Committees on Appropriations of the House of Representatives and the Senate within ninety days of the effective date of this Act, together with details on available programs, opportunities for more effective use of such programs, additional budget requirements needed to augment such programs, and any legislation needed to improve opportunities for assistance: *Provided further*, That the Secretary of the Interior shall develop criteria for extending, on a case-by-case basis, the period allowed for phased livestock reductions on public rangelands administered through the Bureau of Land Management up to five years. Such criteria shall take into account available agricultural assistance programs, the magnitude of projected livestock reductions, alternative pasturage available, and ability of such public rangelands to sustain such phasing in of livestock reductions without damage to rangeland productivity: *Provided further*, That an appeal of any reductions in grazing allotments on public rangelands must be taken within 30 days after receipt of a final grazing allotment decision or 90 days after the effective date of this Act in the case of reductions ordered during 1979, whichever occurs later. Reductions of up to 10 percent in grazing allotments shall become effective when so designated by the Secretary of the Interior. Upon appeal any proposed reduction in excess of 10 percent shall be suspended pending final action on the appeal, which shall be completed within 2 years after the appeal is filed.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 17 to the aforesaid bill, and concur therein with an amendment as follows:

Restore the matter stricken by said amendment, amended to read as follows: ": *Provided further*, That the $12,500,000 available to the Forest Service in fiscal year 1979 for acquisition of the Kahle and Jennings properties may be used to acquire the Jennings property and other properties in the Tahoe Basin of California and Nevada without regard to the matching requirements and zoning restrictions included in the 1979 appropriations Act.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 24 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$58,757,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 30 to the aforesaid bill, and concur therein with an amendment as follows:

Strike out the matter stricken by said amendment, and insert: ": *Provided further*, That the Park Service shall not enter into future concessionaire contracts, including renewals, that do not include a termination for cause clause that provides for possible extinguishment of possessory interests excluding depreciated book value of concessionaire investments without compensation.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 37 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$452,055,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 38 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$39,027,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 40 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: "*Provided*, That the Secretary of the Interior shall review the rates being charged to the residents of Barrow for natural gas to determine if a proceeding should be instituted to revise such rates."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 48 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "including a $5,000,000 interest free loan to the Confederated Tribes of the Warm Springs Reservation of Oregon to be repaid to the Revolving Fund for Loans established in the Bureau of Indian Affairs at the end of a 20 year period after the effective date of this Act, $89,374,000."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 49 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$66,479,000."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 50 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: ": *Provided*, That no part of any appropriations to the Bureau of Indian Affairs shall be available to continue academic and residential programs of the Chilocco and Seneca boarding schools, Oklahoma, beyond June 15, 1980.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 51 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$86,661,000".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 52 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$82,589,000."

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 53 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$113,785,000", and of

the amount appropriated under this head in P.L. 95-355, $1,400,000 shall be for an ex gratia payment to the people of Bikini Atoll".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 56 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "including not less than $9,000,000 for an Office of Construction Management, $49,344,000.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 58 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: "Sec. 108. No appropriations made in this title shall be available for implementation of any decision with regard to any lease, administrative transfer, or withdrawal not now existing of lands and waters comprising Wild Horse Reservoir, Nevada, or any lands immediately adjacent thereto: *Provided*, That this limitation is not applicable to water necessary for current or future irrigation practices.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 59 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: "Sec. 109. No appropriations made in this title shall be available for the identification of lands not now so identified or acquisition (by withdrawal transfer or purchase) of lands for or associated with the Unique Wildlife Ecosystem Program as now defined by the United States Fish and Wildlife Service not authorized by law under an existing program.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 67 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$401,242,000.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 74 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: "Alternative Fuels Production.".

In order to expedite the domestic development and production of alternative fuels and to reduce dependence on foreign supplies of energy resources by establishing such domestic production at maximum levels at the earliest time practicable, there is hereby established in the Treasury of the United States a special fund to be designated the "Energy Security Reserve", to which is appropriated $19,000,000,000, to remain available until expended: *Provided*, That these funds shall be available for obligation only to stimulate domestic commercial production of alternative fuels and only to the extent provided in advance in appropriations Acts: Provided further, That of these funds $1,500,000,000 shall be available immediately to the Secretary of Energy to carry out the provisions of the Federal Nonnuclear Energy Research and Development Act of 1974, as amended (42 U.S.C. 5901, et seq.), to remain available until expended, for the purchase or production by way of purchase commitments or price guarantees of alternative fuels: *Provided further*, That the Secretary shall immediately begin the contract process for purchases of, or commitments to purchase, or to resell alternative fuels to the extent of appropriations provided herein: Provided further, That of these funds an additional $708,000,000 shall be available immediately to the Secretary of Energy, to remain available until expended, to support preliminary alternative fuels commercialization activities under the Federal Nonnuclear Energy Research and Development Act of 1974, as amended, of which (1) not to exceed $100,000,000 shall be available for project development feasibility studies, such individual awards not to exceed $4,000,000: *Provided*, That the Secretary may require repayment of such funds where studies determine that such project proposals have economic or technical feasibility; (2) not to exceed $100,000,000 shall be available for cooperative agreements with non-Federal entities, such individual agreements not to exceed $25,000,000 to support commercial scale development of alternative fuels facilities; (3) not to exceed $500,000,000 shall be available for a reserve to cover any defaults from loan guarantees issued to finance the construction of alternative fuels production facilities as authorized by the Federal Nonnuclear Energy Research and Development Act of 1974, as amended: *Provided*, That the indebtedness guaranteed or committed to be guaranteed under this appropriation shall not exceed aggregate of $1,500,000,000; and (4) not to exceed $8,000,000 shall be available for program management.

This Act shall be deemed to satisfy the requirements for congressional action pursuant to sections 7(c) and 19 of said Act with respect to any purchase commitment, price guarantee, or loan guarantee for which funds appropriated hereby are utilized or obligated.

For the purposes of this appropriation the term "alternative fuels" means gaseous, liquid, or solid fuels and chemical feedstocks derived from coal, shale, tar sands, lignite, peat, biomass, solid waste, unconventional natural gas, and other minerals or organic materials other than crude oil or any derivative thereof.

Within ninety days following enactment of this Act, the Secretary of Energy in his sole discretion shall issue a solicitation for applications which shall include criteria for project development feasibility studies described in this account.

Loan guarantees for oil shale facilities issued under this appropriation may be used to finance construction of full-sized commercial facilities without regard to the proviso in section 19(b)(1) of said Act requiring the prior demonstration of a modular facility.

In any case in which the Government, under the provisions of this appropriation, accepts delivery of and does not resell any alternative fuels, such fuels shall be used by an appropriate Federal agency. Such Federal agency shall pay into the reserve the market price, as determined by the Secretary, for such fuels from sums appropriated to such Federal agency for the purchase of fuels. The Secretary shall pay the contractor, from sums appropriated herein, the contract price for such fuels.

All amounts received by the Secretary under this appropriation, including fees, any other monies, property, or assets derived by the Secretary from operations under this appropriation shall be deposited in the reserve.

All payments for obligations and appropriate expenses (including reimbursements to other Government accounts), pursuant to operations of the Secretary under this appropriation shall be paid from the reserve subject to appropriations.

For the establishment in the Treasury of the United States of a special fund to be designated the "Solar and Conservation Reserve", $1,000,000,000 to remain available until expended: Provided, That these funds shall be available for obligation only to stimulate solar energy and conservation: Provided further, That the withdrawal of said funds shall be subject to the passage of authorizing legislation and only to the extent provided in advance in appropriations Acts.

Beginning six months after the date of enactment of this Act, and every six months thereafter, the Secretary is required to submit to the Congress a written report detailing the activities carried out pursuant to this appropriation.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 91 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: ": *Provided*, That none of the funds appropriated under this Act to the Indian Health Service shall be available for the lease of permanent structures without advance provisions therefor in appropriations Act.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 94 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the sum proposed by said amendment, insert: "$103,781,000.".

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 107 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: "Federal inspector for the Alaska gas pipeline.".

PERMITTING AND ENFORCEMENT

For necessary expenses of the Federal Inspector for the Alaska Gas Pipeline, $10,600,000, of which $3,600,000 shall remain available until expended.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 108 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: "Community Services Administration.".

COMMUNITY SERVICES PROGRAM

For an additional amount for "Community services program", $1,350,000,000: Provided, That of this amount $1,200,000,000 shall be transferred by allocation to the Secretary of Health, Education, and Welfare for payment of energy grants and allowances and related administrative costs: *Provided further*, That energy allowances shall not be considered as income or resources under any other public or publicly assisted income tested program, but shall be taken into consideration in determining eligibility for energy crisis assistance: *Provided further*, That the States shall, in awarding funds, give priority to those households experiencing significant increases in heating fuel costs over the levels of the previous year: *Provided further*, That States shall, in establishing such priority, provide for determining the extent to which increases in rents are caused by increases in heating fuel costs and consider such portions of increases in rents to be increases in heating costs: *Provided further*, That proof of income eligibility shall be required of all applicants: Provided further, That an annual audit shall be made awards to applicants shall be made after June 30, 1980: *Provided further*, That $400,000,000 shall be paid as a special one-time energy allowance to recipients of Supplemental Security Income distributed among the States according to the following formula: (1) 33⅓ per centum based on the number of heating degree days squared times the number of households below 125 per centum of poverty; 33⅓ per centum based on the difference in home heating energy expenditures between 1978 and 1979; (3) 33⅓

per centum based on the number of Supplemental Security Income recipients (other than those receiving no more than $25 because of their presence in a Medicaid institution) in each State relative to the national total: *Provided further*, That no Supplemental Security Income recipient shall receive more than $250 from the funds provided for Supplemental Security Income recipients: *Provided further*, That the remainder of any funds that would have been allotted to any State for Supplemental Security Income recipients if no maximum payment limitation had been in existence shall be allocated based on the State determination previously made in regard to funds provided for special energy allowances to recipients of Aid to Families with Dependent Children (AFDC) or block grants to States: *Provided further*, That $942,600,000 shall be distributed among the States according to the following formula: (1) 50 per centum based on the number of heating degree days squared times the number of households below 125 per centum of poverty; (2) 50 per centum on the difference in home heating energy expenditures between 1978 and 1979: *Provided further*, That, in the State Funding Plan, the Governor shall provide assistance for those who pay fuel bills indirectly as well as directly: *Provided further*, That from revenues received from any windfall profit taxes imposed by Federal law on producers of domestic crude oil, there shall be reimbursed to the general fund of the Treasury an amount equivalent to the amount of funds appropriated to carry out the purposes of this paragraph: *Provided further*, That for the purposes of this paragraph, the term "States" shall include the "insular areas" of the United States.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 109 to the aforesaid bill, and concur therein with an amendment as follows:

In lieu of the matter proposed by said amendment, insert: "None of the funds appropriated under this Act shall be available to implement any amendment to, or provision of, the regulation under section 4(a) of the Emergency Petroleum Allocation Act of 1973 providing for an increase or decrease in any month beginning after the date of the enactment of this Act in the ratio of the number of entitlements issued any firm with respect to any imported refined petroleum product to the number of barrels of such product imported by such firm in such month above the ratio in effect on April 30, 1979 unless the President has transmitted such amendment or provision to the Congress as an "energy action" under Section 551 of the Energy Policy and Conservation Act (Public Law 94–163) and neither House of Congress has disapproved (or both Houses have approved) such request in accordance with the procedures specified in such section 551 of such Act.".

Mr. HUDDLESTON. Mr. President, I ask unanimous consent that the Senate concur en bloc in the amendments of the House to the amendments of the Senate numbered 1, 3, 17, 24, 30, 37, 38, 40, 48, 49, 50, 51, 52, 53, 56, 58, 59, 67, 74, 91, 94, 107, 108, and 109.

The PRESIDING OFFICER. Without objection, the motion is agreed to.

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1979—CONFERENCE REPORT

Mr. CRANSTON. Mr. President, I submit a report of the committee of conference on S. 239 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 239) to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

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

(The conference report will be printed in the proceedings of the House of Representatives.)

Mr. CRANSTON. Mr. President, the conference report on S. 239 which is at the desk represents, I believe, a reasonable and equitable resolution of the differences between the measures passed by each body. Numerous Senate provisions were retained in the conference report and in those instances where both bodies dealt with an issue, compromises were reached to accommodate the views of both the House and Senate conferees.

Mr. President, I urge my colleagues to approve unanimously the conference report on S. 239 to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such act to facilitate the improvement of programs carried out thereunder, and for other purposes.

Mr. President, this legislation has been more than 2 years in the making. The programs it directly affects are Volunteers in Service to America (VISTA), the University Year for ACTION program (UYA), and the ACTION Agency's special and demonstration programs. It also affects the ACTION Agency's ability to administer the Older American Volunteer Programs—the Retired Senior Volunteer Program (RSVP), the Foster Grandparent Program, and the Senior Companion Program—appropriations for the programmatic aspects of which were reauthorized through fiscal year 1981 as part of the Comprehensive Older Americans Act Amendments of 1978, Public Law 95–478.

Mr. President, let me summarize for my colleagues the history of the ACTION Agency and the background of this legislation.

HISTORY OF THE ACTION AGENCY

The ACTION Agency came into being on July 1, 1971, the result of Reorganization Plan No. 1 of 1971 which was intended to consolidate into a single agency a number of voluntary action programs operating throughout the executive branch of the Federal Government. Those programs were:

VISTA—Volunteers in Service to America—previously administered by the then Office of Economic Opportunity, a full-time, full-year domestic volunteer program established in 1964 to strengthen and supplement efforts to eliminate poverty;

The Peace Corps, a full-time, 2-year international volunteer program established in 1961 to assist underdeveloped nations through the use of American volunteers;

The National Student Volunteer Program, previously administered by the Office of Economic Opportunity, a domestic program to encourage and assist student volunteer programs dealing with the problems of the poor;

The Foster Grandparents program, initiated in 1965 in the Office of Economic Opportunity and then transferred to the Administration on Aging in the Department of Health, Education, and Welfare, a domestic program to provide half-time opportunities for low-income older Americans to assist needy children;

The retired senior volunteer program—RSVP—also previously administered by the Administration on Aging, a domestic program to enable retired persons to perform part-time voluntary services in their communities;

The service corps of retired executives and active corps of executives—SCORE and ACE—previously administered by the Small Business Administration and under the terms of the 1971 Reorganization Plan, to be jointly administered by the Small Business Administration and the ACTION Agency, a domestic program providing assistance to small business people utilizing the part-time expertise of retired and active individuals with business experience. By Executive Order No. 11871, SCORE and ACE were transferred back to sole sponsorship of the Small Business Administration in July of 1975, and, pursuant to Public Law 95–510, appropriations for these programs were reauthorized under the Small Business Act effective October 1, 1979, through fiscal year 1979. Legislation (S. 918) to reauthorize those programs through fiscal year 1982 is currently pending in conference.

Shortly after the Agency's creation, the university year for ACTION program (UYA) program was developed as a demonstration service-learning effort. Modeled after the VISTA program, the UYA student volunteers serve a 1-year, full-time term of service on antipoverty projects, and generally receive academic credit from universities for their work. The ACTION Agency provides grants to the universities to carry out the program. UYA received its first statutory recognition, as did the ACTION Agency, in the Domestic Volunteer Service Act of 1973 (Public Law 93–113).

The enactment of Public Law 93–113 provided for another major new program in the ACTION Agency—the Senior Companion program. Modeled after the Foster Grandparent program, Senior Companions are low-income Older Volunteers who work 20 hours per week with needy persons other than children, but particularly with other older Americans.

The authorizations of appropriations in the Domestic Volunteer Service Act of 1973 were extended for the first time in 1975 with the enactment of Public Law 94–135, the Older Americans Act Amendments of 1975, which continued for 3 fiscal years the authorizations of appropriations for the title II Older American Volunteer programs, and in 1976 by the

enactment of Public Law 94–293, the Domestic Volunteer Service Act Amendments of 1976, which continued for 2 fiscal years—through fiscal year 1979—the authorizations of appropriations for the remaining titles of the original act. The authorizations for the title II Older American Volunteer programs were extended through fiscal year 1981 by the Comprehensive Older Americans Act Amendments of 1978, Public Law 95–478.

On May 16, 1979, by Executive Order No. 12137 the Peace Corps was designated as an autonomous agency within the ACTION agency.

BACKGROUND OF S. 239

As chairman of the Senate Subcommittee on Child and Human Development of the Committee on Labor and Human Resources—which has legislative and oversight responsibility for the ACTION agency's domestic volunteer programs, I introduced on January 25 of this year the legislation (S. 239) to extend the authorization of appropriations for certain of those programs through fiscal year 1981. Joining me as cosponsors were the chairman of the Labor and Human Resources Committee (Mr. WILLIAMS) who has long been a strong advocate of the Agency's programs, and the Senator from Michigan (Mr. RIEGLE) a most dedicated member of the subcommittee.

On February 8 and March 9, the subcommittee held hearings on S. 239 and on the administration's bill, S. 374. S. 239 as modified by the subcommittee was favorably reported to the full committee on March 28, and by the Labor and Human Resources Committee to the full Senate on April 11, 1979. The bill was approved by the Senate on June 20, 1979, by a rollcall vote of 75 to 16.

Mr. President, the Senate had passed legislation similar to S. 239—S. 2617—during the last Congress, but the House of Representatives did not act on that measure before adjournment, so the programs other than those for which the authorizations of appropriations were extended last year in Public Law 95–478 continued to be funded under a continuing resolution.

One factor delaying House consideration of S. 2617 last Congress was reticence on the part of many House Members about creating within the ACTION Agency a new categorical program involving volunteers who would work on problems in urban neighborhoods—a categorical program proposed as part of the Carter administration's urban policy submitted on April 13, 1978. This year both the House and Senate resolved the question of how best to provide authority to the urban proposals by adding specific references in the Agency's discretionary authority in part C of title I of the act in order to encourage the Agency to conduct special or demonstration programs along the lines of the urban volunteer activities initially proposed to be carried out, under a new categorical program—a proposed new part D of title I—by S. 239 as introduced and in the companion House bill, H.R. 2859 as reported from the House Education and Labor Committee.

With the thorny question of a new categorical urban volunteer program authority resolved by both Houses, the House and Senate conferees on November 1, 1979, were able to reach agreement on the differences between S. 239 as passed by the Senate on June 20, and the version of the bill as passed by the House on October 10.

SUMMARY OF MAJOR PROVISIONS OF S. 239 CONFERENCE REPORT

Mr. President, the conference report makes the following amendments to the Domestic Volunteer Service Act of 1973:

First, provides a 3-year extension of the authorization (section 15) of appropriations, through fiscal year 1981, for title I (including authority for the VISTA program, the UYA program, and the ACTION Agency's demonstration program (part C) authority.

Second, modifies the career development plan provision for low-income VISTA volunteers to permit the initial plan to be made available within 30 days after, rather than prior to, assignment and to make such a plan available to any other full-time, 1-year title I volunteer upon request (section 2).

Third, modifies the Governor's approval for VISTA projects by requiring the Governor to state in writing reasons for disapproving a project or a VISTA volunteer serving in the State or requesting that a project be removed from the State (section 2).

Fourth, modifies the terms of payment for VISTA volunteer stipends—end-of-service readjustment allowances—to make them consistent with provisions in the Peace Corps Act for making allocations during service from the stipends being accumulated for each Peace Corps volunteer (section 3).

Fifth, modifies the VISTA grant and contract authority in existing section 108 to place limitations and reqiurements on national and regional VISTA grants so as to hold the fiscal year 1980 program level supported through such grants at current volunteer service year levels (in no event using more than $5.8 million in fiscal year 1980 to support such volunteers), to require competitive awarding of such grants and contracts to require a specifically identified poverty focus, and lower from 20 percent to 16 percent the limitation in existing section 108 on obligation of title I, part A (VISTA), funds for grants and contracts authorized by existing section 402(12) (section 4).

Sixth, modifies the requirement in existing section 112 that UYA volunteers be enrolled for a 12-month period of service, to allow such volunteers to serve for a period of service of not less than the duration of an academic year, but providing that those who enroll for less than 1 year are ineligible to receive the end-of-service stipend that volunteers enrolled for a period of 1 year or more accrue at the current rate of $75 per month (section 5).

Seventh, amends part C of title I to add these additional examples of authorized demonstration programs: Financial and consumer counseling for low- and fixed-income persons; a program called "Helping Hand" to reduce the necessity of institutionalization and ameliorate residential isolation of older, handicapped, and other similarly isolated persons; and a program to provide technical and management assistance to distressed communities (section 7).

Eighth, provides authority to provide support for short-term, part-time volunteers who are enrolled for periods of service of not less than 20 hours per week for not less than 26 consecutive weeks (section 7); requires that full-time title I VISTA-like volunteers assigned under the Agency's discretionary authority (part C) be treated like VISTA volunteers for the purposes of Governor's approval, provision of support, and requirements to take an oath; and permits the Director to provide stipends—up to amounts paid part A VISTA volunteers—to full-time, full-year volunteers enrolled under programs such as the national youth service demonstration program.

Ninth, adds "State or local" elections to the prohibitions in existing section 403 against the use of funds appropriated under the act to influence Federal elections and provides a limitation on the use of funds appropriated to carry out the act for any activity for the purpose of influencing the passage or defeat of legislation or proposals by initiative petition except where a legislative body, committee thereof, or a member requests any employee of or volunteer assigned to a program to draft, review or testify with respect to any measure or in connection with an authorization or appropriations measure directly affecting the operation of the program (section 8).

Tenth, clarifies the status of low-income VISTA volunteers, including a provision to insure that those volunteers whose prior AFDC or medicaid eligibilities are protected by the income disregard provisions in existing section 404 (g) are not required to register with a work incentive program—WIN—sponsor and clarifies the income disregard provisions to limit their application to volunteer payments with a value of less than the Federal or State minimum wage, whichever is the higher (section 9).

Eleventh, requires the Director to take appropriate steps to encourage employers to take into account experience in volunteer work in the consideration of applicants for employment (section 10).

Twelfth, extends existing section 415, deeming volunteers to be Federal employees for certain purposes, to provide that part-time volunteers enrolled for periods of service of not less than 20 hours per week for at least 26 consecutive weeks may be deemed to be Federal employees for purposes of the Hatch Act, Internal Revenue Code, Social Security Act, Federal Tort Claims Act, and Federal Employees Compensation Act; make full-time and part-time volunteers Federal employees for the purposes of waiving collection of erroneous payments as is provided currently for Peace Corps volunteers; makes the Federal Tort Claims Act the sole available remedy of an individual claiming medical malpractice as a result of actions by a volunteer serving in a health care capacity (section 11).

Thirteenth, expands the nondiscrimination provisions in existing section 417 to include appropriate coverage for all ACTION Agency volunteer applicants and volunteers under nondiscrimination policies of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and title VI of the Civil Rights Act of 1964; and requires the Director to develop appropriate remedies to enforce the provisions (section 12).

Fourteenth, expands provisions on guidelines in existing section 420 to include a modification of the congressional review provisions of section 431 of the General Education Provisions Act so as to require, on specified timetables, the publication of regulations in the Federal Register and submission of proposed regulations to the Senate Committee on Labor and Human Resources and the House Committee on Education and Labor, but not providing for any congressional or committee veto provisions (section 13).

Fifteenth, includes provisions to encourage the reduction of paperwork (section 14).

Sixteenth, provides for process for review of project renewals by State or local government executive authorities and requires the Director to take into account any objection submitted by these executive authorities (section 15).

Seventeenth, requires submission of a report to Congress on rural needs and the Agency's plans for addressing those needs (section 16).

Eighteenth, deletes provisions in current law restricting the payment of VISTA volunteer stipend increases by conditioning the payment of stipend increases on specific appropriations provisions in order to protect the level of volunteers in the VISTA program (section 17).

DISCUSSION

Mr. President, for the benefit of my colleagues, I would like to highlight some of the most important provisions of the conference report and provide some background information in these areas.

RESTRICTIONS ON NATIONAL GRANT PROGRAM

As I indicated earlier, the conference report includes the Senate provisions limiting the amount of funds that can be used by the Agency for VISTA grants or contracts along with a restriction contained in the House amendment to reduce the percentage of funds available for this purpose from 20 percent in existing law to 16 percent of the title I, part A, obligations. The conference report also contains the provisions in the Senate bill requiring that such grants or contracts be awarded only on a competitive basis and specify the poverty problems upon which they are focused.

These modifications address concerns raised in a House Appropriations Committee staff report about the ACTION Agency's practice of administering the VISTA program through grants to organizations involved in multi-State or regional antipoverty efforts, rather than through the national or State ACTION Agency offices which is the more traditional method of administering VISTA projects. The conference agreement on this issue acknowledges the value of the grant programs, but limits the Agency's ability to administer programs through this mechanism in order to assure greater monitoring and accountability with respect to volunteer activities under the direction of such grantees.

Mr. President, it is important to point out that the requirement for competitive awarding of such grants is not intended to preclude the ACTION Agency from providing technical assistance to potential grantees that request such assistance in the preparation of applications. Often grass roots organizations with significant links to the poverty community hold the best potential for successfully operating these programs. If they request assistance from the Agency in preparing the necessary paperwork to become an eligible applicant, then by all means the Agency should lend that assistance to them or other potential applicants whenever it is requested.

The Director of the ACTION Agency, in a November 1, 1979, letter to the chairmen of the authorizing committees, analyzing the differences between S. 239 as passed by the Senate and the House companion bill, H.R. 2859, suggested that the requirement for competitive awarding of grants might impede the ability of the ACTION Agency to serve the poor "by putting the emphasis on excellence in application writing rather than the needs of the poor." This certainly should not be the effect of this requirement. What we are addressing here is the need to provide for as many qualified applicants as possible the opportunity to become involved in the VISTA grant program effort.

I ask unanimous consent that the full text of the referenced ACTION agency November 1, 1979, letter be printed at the conclusion of my remarks following the joint statement and the Cordon rule.

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

(See exhibit 1.)

ENROLLMENT IN UNIVERSITY YEAR FOR ACTION PROGRAMS

Mr. CRANSTON. Mr. President, as I noted earlier, the conference report amends existing law to permit UYA volunteers to be enrolled for an academic year, rather than a calendar year as required in existing law, but prohibits the payment of stipends if they enroll for less than 12 months of UYA services. In amplification of this provision in the conference report, the joint explanatory statement stresses that the conferees feel that the practice of enrolling students for a full-year commitment with the expectation that they will resign after 9 months should be discontinued and that any UYA contract or grant should provide that, except in extraordinary circumstances, academic credit should be reduced for those students who make a full-year commitment, receive stipends in connection therewith, and then resign early. Mr. President, the strong feeling of the conferees on this point stems from the view that the primary purpose of this program should be service to the client community, not the benefits to the student volunteer. Communities are led to expect the help of a UYA volunteer for a period of 1 year. It is unfair to those communities for the agency or the university grantee to create that expectation, knowing full well that the volunteer intends to resign months earlier.

The intent of this provision is to give the UYA grantees two options: First, the UYA grantee can operate a 9-month program, but it cannot offer volunteer participants in such a program the $75 monthly stipend available for volunteers who serve in programs of at least a full year's duration; or second, it can operate a full-year program and provide its student volunteers the stipend, but its grant or contract should include provisions requiring a proportionate reduction in the credit available to students who enroll for the full-year program but who leave before their commitment is realized. The intent of such a provision would be to discourage students from leaving the program early to take paying summer jobs, since to do so would mean that such student would at some point have to spend time taking additional courses to make up for the lost credits.

Mr. President, I intend to monitor carefully compliance with these new provisions, and, if the record shows that the ACTION Agency or its UYA grantees are failing to live up to the spirit of the new provisions, I will take steps to deal with the matter legislatively.

DEMONSTRATION PROGRAMS UNDER PART C OF TITLE I

Mr. President, as I have also indicated, one of the issues which delayed enactment of the predecessor of this legislation during the last Congress was the continuing controversy over the establishment of a new categorical "urban volunteer" program. The Senate bill we approved last June did not contain such a categorical program, but rather added to the existing part C demonstration program authority examples of specific programs that the agency could carry out along the lines of some of the activities that would have been authorized by the proposed part D in S. 239 as introduced. The House amendment took the same approach but added as another example of a demonstration program a program of technical and management assistance to distressed communities. This example, along with a program of assistance to victims of domestic violence, which had been included in the Senate bill but not the House amendment, was included in the conference report.

Another program initially proposed as part of the urban package and included in H.R. 2859 as reported was to be known as the "Good Neighbor Fund," but it was agreed that since the Agency is currently undertaking a similar effort to provide seed money for neighborhood betterment projects, known as the "minigrant" program, it was unnecessary to make specific reference to such activities. However, Mr. President, as I pointed out at the outset, it must be stressed that it is the intention of the conferees that any new urban-type pro-

grams developed pursuant to the provisions in the conference report and any expansion of the "minigrant" program must be along the lines of the urban volunteer activities initially proposed to be carried out under a new categorical program under the new part D that would have been added to title I by S. 239 as introduced and by H.R. 2859 as reported from the House Education and Labor Committee—a categorical program authority, as I have indicated, that was dropped from both bills.

The following are examples of requirements that would apply to the ACTION Agency's initiation of urban-type volunteer activities under the part C authority:

First, in the development and implementation of the program: Consultation between the Directors of the ACTION agency and the Community Services Administration; consultation with the mayor or other chief executive authority of an urban area that the program would serve.

Second, in the selection of the grantee: An application process must be established; public announcement and efforts must be made to notify potential eligibles, including all community action agencies; special consideration must be given to organizations in the area to be served which have demonstrated their effectiveness in serving the client community, and CAA's must be given a presumptive role unless there is strong justification for concluding that another agency in the area would be superior.

Third, program emphasis must be directed toward problems with poverty.

Fourth, administrative expenses may not exceed 15 percent of the amount available for carrying out the program.

Fifth, volunteers serving in the new programs would serve under the same terms, conditions, and restrictions, and would receive and accrue the same allowances and stipends and be subject to the same limitations as volunteers of similar character serving in other programs under the act.

Sixth, regarding any "seed money" activities: Consultation with the mayor or other chief executive authority; limits on the amounts of grants.

POLITICAL ACTIVITIES

Mr. President, both the Senate and House measures contained amendments to the provisions of section 403 of the act. Under section 403(a) of existing law, no part of any funds appropriated to carry out the act, nor any program administered by the ACTION agency, may be used to finance, directly, or indirectly, any activity designed to influence the outcome of any election to Federal office, or any voter registration activity. The Senate bill added "State or local" elections to this prohibition. The conference agreement contains this provision from the Senate bill.

Both the Senate and House measures added provisions aimed at prohibiting activities designed to influence legislation. The Senate bill added such a provision to section 403(a). The House amendment amended section 403(b) to prohibit such activities with respect to both legislative and regulatory bodies and initiative petition activities. The Senate amendment, however, included express exceptions to these prohibitions: First, where a full-time volunteer is requested to make representations by a legislative body, committee or a member thereof, or second, with respect to a part-time volunteer while not serving under the act.

Mr. President, the conference agreement includes a provision which amends section 403(b) to prohibit the use of funds appropriated under the act for activities designed to influence the passage or defeat of legislation or proposals by initiative petition except where a request is made to an employee or volunteer of a program by a legislative body, committee, or member thereof or in connection with an authorization or appropriation measure directly affecting the activities of the program.

Mr. President, the exceptions are intended to identify what both Houses meant by the antilobbying provisions. The latter exception would permit, for example, an older American volunteer program or volunteer to communicate with State or local legislative bodies concerning the appropriation of funds for the operation of such a program or of all similar programs within the State. This exemption is of particular importance for older American volunteer programs because of the requirement under the act that they obtain a "local share." It would also permit volunteers or programs to communicate with legislative bodies with respect to measures which affect the existence or basic structure or operation of a program, and not be limited solely to the ACTION agency-funded portion of the program. A program would also be able to communicate its views on the overall ACTION agency program of which it is a part and not be limited solely to its own participation in the program.

The Senate did not accept the extension of antilobbying provisions to rulemaking or regulatory bodies since public participation is often included as a requirement in the statutory authority for such agencies. Regulations are often published by regulatory bodies solely for the purpose of soliciting input from individuals and groups who might be affected by the proposed regulations. As a policy matter, we felt it would be unwise to close off these legitimate communications.

I believe the provisions of the conference agreement represent a reasonable compromise between the concerns of the proponents of these amendments and the legitimate needs of programs and volunteers to communicate with members of legislative bodies.

INCOME-DISREGARD PROVISIONS

Mr. President, as noted earlier, the conference report contains a provision limiting the application of the income-disregard provisions of existing law to situations where the value of the payments made to a volunteer are less than the Federal minimum wage or, if higher, the minimum wage of the State where a volunteer is serving.

This provision was added to the predecessor Senate bill developed during the 95th Congress—S. 2617—as a floor amendment by the Senator from Kansas Mr. DOLE). He was concerned about the extent of the coverage of the income-disregard provisions in existing law. The present section 404(g) provisions protect Government payments or benefits received by volunteers before their service in ACTION agency programs from being reduced or eliminated by virtue of that service. For instance, older American volunteers do not have their social security benefits reduced because of their participation in either the foster grandparent or senior companion programs.

Senator DOLE was concerned that volunteers who may be receiving payments under ACTION Agency programs that equalled or exceeded the minimum wage might also be receiving other kinds of benefits from other Government programs. He felt that the income disregard provisions needed to be cut off at some point, and that the level of the minimum wage was a reasonable cut-off point. In order to address his concern, we included a provision in the Senate bill to limit the application of the income disregard provision in existing law to payments to volunteers the value of which, when reflecting hours worked by a given volunteer, is less than the minimum wage.

The provision in the conference report is more flexible than the Senate bill provision in that it makes allowance for the higher living costs in States such as Hawaii and Alaska by including as a yardstick the State minimum wage, if higher than the Federal minimum wage, as the limit on application of the income-disregard provision.

NONDISCRIMINATION PROVISIONS AS THEY APPLY TO THE PEACE CORPS

The conference report contains the antidiscrimination provisions in the Senate bill with respect to all volunteer applicants and volunteers, both those serving in the United States and overseas.

Mr. President, I wish to point out that the inclusion in the Senate legislation of the Peace Corps in the provision's prohibitions came long before issuance of the President's Executive Order No. 12137 of May 16, 1979, which designated the Peace Corps as an autonomous agency within the ACTION Agency and delegated to the Peace Corps Director the authorities under the Peace Corps Act which had previously been delegated to the Director of the ACTION Agency. The inclusion of Peace Corps volunteer service in this provision of the Domestic Volunteer Service Act is in no way meant to be inconsistent with the Executive order. In view of the Executive order—which has been expressly sanctioned by the Congress on several occasions—it seems to me necessary and appropriate that the ACTION Agency Director delegate to the Peace Corps Director the authority to administer this provision as it applies to Peace Corps volunteer service, subject to the condition that the regulations pertaining to VISTA and Peace Corps volunteer service be coordinated in order to assure that the treatment for Peace Corps volunteer applicants and volunteers is not inconsistent with the treatment, for this purpose, of domestic volunteer applicants and volunteers.

Such a delegation would, of course, carry with it the responsibility for the Peace Corps Director, in preparing the Peace Corps' regulations, to carry out the specific consultations required by section 417(c)(2). In order to reflect more clearly its present status, the Peace Corps may deem it appropriate to seek the enactment of language in the Peace Corps Act identical to that of the present provision. If such language were later enacted, I would, of course, have no objection to striking the reference to Peace Corps volunteer service from section 417 of the Domestic Volunteer Service Act, as provided for in the conference report.

EARMARKING OF TITLE I FUNDS

Mr. President, section 15 of the conference report earmarks the appropriation of funds under title I. With respect to the service-learning programs authorized by part B of title I, the conference report includes earmarking to assure that after $28 million of a title I appropriation is made available for VISTA during both fiscal years 1980 and 1981, not less than $2.3 million and $1.6 million for each of these years, respectively, must be made available from title I appropriations to carry out the university year for ACTION program, and not less than $500,000 in each such year must be made available for operation of other service-learning programs. The intent here is to guarantee sufficient funding to enable VISTA to support and do so adequately at least the same number of volunteers supported during fiscal year 1979—approximately 4.000—to provide sufficient funding so that the ACTION agency can meet its commitments to current recipients of UYA grants and to provide the same amount of money as is now expended during both those fiscal years for the Agency's technical assistance service-learning efforts, formerly known as the National Student Volunteer program—NSVP—and recently renamed the National Center for Service Learning.

In addition, the conference report provides that not less than 50 percent of the funds appropriated for part C of title I—the Agency's special and demonstration program authority—in each of fiscal years 1980 and 1981 in excess of $2.5 million but not more than $10 million, shall be used to carry out the fixed-income counseling and "Helping Hand" programs.

OTHER SENATE PROVISIONS

Mr. President, I want to make reference to two provisions of the Senate-passed bill which are not included in the conference report. First, the Senate-passed bill contained a nongermane amendment which I had proposed in order to provide authority to the Commissioner of Rehabilitation Services in the Department of Health, Education, and Welfare (section 17) to continue funding, until December 13, 1980, from funds appropriated under section 100 (b)(2) of the Rehabilitation Act of 1973 (Public Law 93-112), entities conducting projects under section 130 of that public law prior to the enactment of the Rehabilitation, Comprehensive Services, and Developmental Disabilities Act of 1978 (Public Law 95-602). However, because we were unable to complete action on this measure prior to the close of the 1979 fiscal year, this provision became moot.

The second provision in the Senate-passed bill was contained in a separate title II which was offered as a floor amendment by the Senator from Minnesota (Mr. DURENBERGER). This provision would have established a Commission on Volunteerism to study the appropriate roles for persons of all ages and all socioeconomic levels in volunteering in our Nation. I welcomed this initiative because I felt that such a Commission could serve a constructive purpose in helping us to consider, in a careful manner, what more could be done to promote volunteerism. I offered a floor amendment, which was accepted, to require a focus, in the course of the study, on a comprehensive approach to youth participation in volunteering. However, both the House and Senate conferees became aware of the concern from interested groups about the establishment of such a Commission and a strong desire on their part to have input into the direction and composition of such a Commission.

During the conference, Mr. President, the House conferees expressed their desire to hold hearings on this subject so that all of these views could be taken into account. The Senate-sponsor of this provision also has indicated his willingness to follow this approach.

CONCLUSION

Mr. President, this legislation contains important new provisions to enable the ACTION agency to carry out more effectively its responsibilities to the people and the communities its programs are designed to serve, to the hundreds of thousands of individuals who give so selflessly of their time and energies in making those programs work, and to the potential volunteers in America who have the resources to contribute so much to the betterment of our society. The authorizations of appropriations it contains will pave the way for an appropriations measure that, I hope, will enable these programs to reach the goals set out for them by the administration and the Congress. I urge my colleagues to give their full support to the conference report on S. 239.

Mr. President, I want to express my appreciation to the members of my staff, Fran Butler, Susanne Martinez, Mary Lopatto, Joanne Harrison, and Jon Steinberg, and Judy Waggner, Carole Ansheles, and Bill Gaul of the staff of the House Education and Labor Committee as well as the Senate and House legislative counsels, Blair Crownover and John Cimko, for their assistance on this conference report.

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

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 239) to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The House amendment to the text of the bill struck out all of the Senate bill after the enacting clause and inserted a substitute text.

The Senate recedes from its disagreement to the amendment of the House with an amendment which is a substitute for the Senate bill and the House amendment. The provisions of the Senate bill, the House amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

CAREER DEVELOPMENT PLAN FOR VISTA VOLUNTEERS

Time when provided

Both the Senate bill and the House amendment provide that the post-service career development plan required by existing law for all low-income VISTA volunteers be provided within 30 days after the volunteer's assignment, rather than, as at present, prior to such assignment.

The conference agreement includes this provision.

Provision to other volunteers

The Senate bill requires the Director to offer and provide, upon request, such a career development plan to any other VISTA volunteer enrolled in a program under title I for a period of full-time service of one year or more.

The House amendment does not contain a comparable provision.

The House recedes.

ASSIGNMENT OF VISTA VOLUNTEERS AND TERMINATION AND RENEWAL OF PROJECTS

The Senate bill adds the following requirements to the provision in existing law regarding the disapproval by a Governor or other chief executive officer of a State of the assignment of VISTA volunteers: (1) that such a disapproval of a proposed project by the chief executive officer must be made in writing within 45 days after submission of notice to him, supported by a statement of reasons for the disapproval, and (2) that the Director shall terminate an ongoing project or program, or the assignment of a particular volunteer, not later than 30 days after a request to do so is made, in writing supported by a statement of reasons, by the chief executive officer, or at such later date as is agreed upon by the Director and the official.

The House amendment provides for disapproval of VISTA projects and termination of volunteers at the request of local officials, and adds a new section prohibiting the Director from renewing any contract or grant to carry out any project under the Act if the chief executive officer of the State involved does not concur in such renewal, and providing that if any mayor or other local authority objects to a renewal the Director take this objection into account in deciding whether to renew the project.

The conference agreement includes the Senate provision relating to assignment of VISTA volunteers and a new section 424 relating to all programs carried out under the Act which provides that if the executive authority of any local or State government submits to the Director, not later than 30 days before the expiration of any contract or grant, a statement objecting to the renewal of such contract or grant, the Director shall review such statement and take it into account in determining whether to renew such contract or grant and shall

submit to such executive authority a written statement of reasons regarding the Director's determination with specific reference to any objection so submitted.

VISTA VOLUNTEER STIPENDS

Both the Senate bill and the House amendment provide that accrued stipends may be payable during the period of a volunteer's service, in accordance with regulations prescribed by the Director.

The conference agreement includes this provision.

VISTA GRANTS AND CONTRACTS

The House amendment reduces from 20 percent to 15 percent the limitation in existing law on obligation of title I, part A (VISTA), funds for grants and contracts under section 402(12).

The Senate bill provides for a ceiling of $5,800,000 for fiscal year 1980 for such purpose and that in no case shall funds obligated in fiscal year 1980 support a greater number of volunteer service years than during fiscal year 1979. In addition, the Senate bill requires that the recipients of any new VISTA project administered through such a grant or contract be selected through a competitive process which shall include (1) public announcement and (2) a requirement that each applicant and any resultant grant or contract clearly identify the poverty problems on which the project will focus.

The conference agreement includes both provisions, but raises the percentage in the House amendment from 15 percent to 16 percent to be consistent with the effects of the restrictions in the Senate bill.

SERVICE IN UNIVERSITY YEAR FOR ACTION PROGRAMS

The House amendment provides that volunteers serving in University Year for ACTION (UYA) programs may be enrolled for periods of service of not less than the duration of an academic year, rather than the existing law requirement of a full year.

The Senate bill does not contain a comparable provision.

The Senate recedes with an amendment providing that volunteers so enrolled for less than 12 months may not receive stipends under section 105(a)(1). The conferees believe that the practice of enrolling students for a full-year commitment with the expectation that they will resign after nine months should be discontinued and that any

* * * * *

The House recedes with an amendment adding programs to provide technical and management assistance to distressed communities. It is the intention of the conferees that the conditions set forth in the new part D which would have been added to title I by S. 239 as introduced and by H.R. 2859 as reported be applied to the carrying out of any urban volunteer activities that would have been authorized by that new part.

Recruitment, selection, and training of special volunteers

The Senate bill restates and clarifies the authority in existing law for the Director to provide for the recruitment, selection, and training of volunteers for programs authorized by title I, part C.

The House amendment does not contain a comparable provision.

The Houses recedes.

Support for and conditions of service of part-time, short-term volunteers

Both the Senate bill and the House amendment authorize the Director to provide support for part-time, short-term volunteers and clarify the status of full-time title I, part C, volunteers. The Senate bill, but not the House amendment, provides that full-time volunteers enrolled for periods of 1 year or more shall be subject to the provisions of section 103(d) relating to veto by the Chief Executive officer of a State.

The House recedes.

Report on programs established

The Senate bill requires a report to the appropriate committees of Congress, not later than 18 months after funds are first made available after the date of enactment of this legislation, on the programs, activities, grants, and contracts made, and the specific arrangements for the evaluations of such programs, activities, grants, and contracts.

The House amendment does not contain a comparable provision.

The House recedes.

POLITICAL ACTIVITIES

State and local elections

The Senate bill adds a prohibition on the use of funds to finance, directly or indirectly, any activity designed to influence the outcome of any election to "State or local", as well as (at present) Federal, office.

The House amendment does not contain a comparable provision.

The House recedes with a technical amendment.

Lobbying

The Senate bill amends section 403(a) to add to the prohibitions there a prohibition on the use of ACTION Agency funds or programs for the purpose of financing any activity designed to influence a member of a State or local legislative body on any legislative or appropriation measure, with the proviso that this shall not prevent communication with or provision of information to any such member by a part-time volunteer when not serving as a volunteer or, at the request of such member, committee, or legislative body, by any full-time volunteer.

The House amendment amends section 403(b) to (1) provide that programs assisted under the Act may not be carried out "in any manner for the purpose of providing assistance for" any of the activities prohibited in section 403(b) rather than the provision in existing law which prohibits the carrying out of those activities "in a manner supporting or resulting in the identification of such programs" with the prohibited activities, and (2) add a prohibition on programs furnishing any assistance in connection with partisan or non-partisan attempts to influence the passage or defeat of any Federal, State, or local legislation, referenda or other ballot initiatives, or any rulemaking or regulatory action.

The conference agreement provides that no funds appropriated to carry out this Act shall be used by any program for activities for the purpose of influencing the passage or defeat of legislation or proposals by initiative petition, and clarifies that this anti-lobbying provision does not preclude (1) communications where a legislative body, a committee of a legislative body, or a member of a legislative body requests any volunteer in, or employee of, such a program to draft, review, or testify regarding measures or to make representations to such legislative body, committee, or member, or (2) in connection with an authorization or appropriation measure directly affecting the activities of the program. It is the intention of the conferees that "measure directly affecting the activities of the program" not be interpreted to be limited solely to a measure affecting the ACTION-Agency-funded portion of a particular program's activities, but rather be interpreted to mean any measure affecting the existence or basic structure or operation of the program.

RECEIPT OF ASSISTANCE OR SERVICES UNDER OTHER FEDERAL PROGRAMS

Clarification of status of low-income VISTA volunteers

Both the Senate bill and the House amendment provide that full-time volunteers under title I otherwise entitled to receive assistance under Federal Government programs before their enrollment shall not be denied assistance because of a failure to seek or accept employment or training during periods of volunteer service.

The conference agreement contains this provision.

Effective date

The House amendment establishes an effective date of October 1, 1979 for the provision.

The Senate bill does not contain a comparable provision.

The House recedes.

Limitation on income-disregard provisions

The Senate bill adds an exception to the income-disregard provisions in existing law to limit the application of that provision to volunteer payments with a value of less than the Federal minimum wage.

The House amendment does not contain a comparable provision.

The House recedes with an amendment providing that the income-disregard provisions shall continue to apply as long as the Director determines that the value of such payments does not exceed the State's minimum wage if higher than the Federal.

VOLUNTEER EXPERIENCE

Both the Senate bill and the House amendment provide for the Director, in consultation with the heads of other departments and agencies, to take appropriate steps to encourage employers to take into account experience in volunteer work in the consideration of applicants for employment and in preparing employment application forms. The Senate bill, but not the House amendment, specifically includes consultation with the Director of the Office of Personnel Management and the Secretaries of Labor, Commerce, and the Treasury.

The House recedes.

REGIONAL DISTRIBUTION

The Senate bill provides that benefits and services under the Act be distributed equitably among the various regions of the country in addition to the requirement in existing law for equitable distribution between residents of rural and urban areas.

The House amendment does not contain a comparable provision.

The Senate recedes.

APPLICATION OF OTHER FEDERAL LAWS

Volunteers covered

The House amendment provides that, in addition to the full-time volunteers presently deemed to be Federal employees for the purposes of the Hatch Act, the Internal Revenue Code of 1954, title II of the Social Security Act, the Federal Tort Claims Act, and the Federal Employees' Compensation Act, all other full-time volunteers who serve 8 weeks and part-time volunteers enrolled for at least 20 hours per week for 26 or more consecutive weeks shall also be deemed Federal employees as the Director determines appropriate for the purposes of these Acts.

The Senate bill provides for the same coverage but does not limit coverage of full-time volunteers in terms of the length of their service.

The House recedes.

Levels of compensation

Both the Senate bill and the House amendment provide that, for the purpose of treating volunteers as Federal employees for the purposes of the Federal Employee's

Compensation Act, the annual rate of pay for a full-time volunteeer shall be deemed to be the entry salary for a GS–7 employee.

The Senate bill provides that the annual rate of pay for a part-time volunteer shall be deemed to be the entry salary for a GS–7 or an appropriate portion thereof as determined by the Director. The House amendment provides that the annual rate of pay for a part-time volunteer shall be deemed to be the entry salary for a GS–2.

The House recedes.

Application of Federal Tort Claims Act

Both the Senate bill and the House amendment, with technical differences, add a new provision to the Act to make the Federal Tort Claims Act the sole available remedy of an individual claiming medical malpractice as a result of actions by a volunteer serving in a health-care capacity. The House amendment, but not the Senate bill, applies the new provision to only full-time volunteers.

The House recedes.

NONDISCRIMINATION PROVISIONS

Both the Senate bill and the House amendment expand the various nondiscrimination provisions in existing law to cover volunteer applicants and volunteers serving in ACTION Agency programs under title I of the Act, and provide for a remedy process. The Senate bill, but not the House amendment, extends coverage to all volunteer applicants and volunteers serving in ACTION Agency programs. The Senate bill requires the Director, in preparing the handicapped discrimination regulations, to consult with the Rehabilitation Act title V Interagency Coordinating Council, whereas the House amendment specifies such consultation with the Secretary of Health, Education, and Welfare.

The House recedes.

LEGISLATIVE VETO AND REPORTING REQUIREMENTS

The House amendment adds a provision including the requirements of section 431 of the General Education Provisions Act (20 U.S.C. 1232), relating to the Congressional review and veto of regulations, with two differences: (1) section 420(a)(1) adds that any regulation, as defined, prescribed by the Director shall not have the standing of a Federal statute and (2) section 431(f) of the General Education Provisions Act is not included.

The Senate bill does not have a comparable provision.

The Senate recedes with a substitute amendment requiring the publication in the Federal Register of regulations prescribed under the Domestic Volunteer Service Act of 1973, submission of such proposed regulations to the Education and Labor Committee of the House of Representatives and the Labor and Human Resources Committee of the Senate, delaying the effective date of regulations until 30 days after publication in the Federal Register (and final regulations until 45 days after submitted to such Committees) unless the Director waives such requirement on the basis of a determination (and so notifies the Committees) that such delay would cause substantial hardship for the intended beneficiaries of a program, requiring the Director to submit to those Committees, not later than 60 days after the date of the enactment of any part of any Act affecting the administration of any program under the Domestic Volunteer Service Act of 1973, a timetable for promulgation of all regulations implementing such former Act or part of such Act which timetable shall provide that all final regulations be prescribed within 180 days after submission of the schedule, unless the Director determines that, due to circumstances unforeseen at the time of submission of such a schedule, the schedule submitted cannot be met, and providing that, under such circumstances, the Director need not comply with the original schedule but rather shall submit a notice of such determination, including a statement of reasons, to the Committees along with a new schedule which shall be considered as the schedule originally submitted, thereby beginning anew the submission-of-schedule process.

REDUCTION OF PAPERWORK

Both the Senate bill and the House amendment provide for the Director to take such action as may be necessary to reduce paperwork under the Act. The House amendment, but not the Senate bill, makes references to chapter 35 of title 44, United States Code, relating to coordination of Federal reporting services.

The House recedes. It is the expectation of the conferees that the Director will adhere to the provisions of 44 U.S.C. 3501 *et seq.*, relating to the coordination of Federal reporting services, in carrying out this provision.

AUTHORIZATION OF APPROPRIATIONS

Title I

The Senate bill authorizes the appropriation of such sums as may be necessary under section 501 for title I programs for fiscal years 1979, 1980, and 1981.

The House amendment authorizes the appropriation for this purpose of $42,413,000 for fiscal year 1980 and such sums as may be necessary for fiscal year 1981.

The House recedes.

Poverty earmark in title I

The Senate bill strikes out $29,600,000 and inserts in lieu thereof 80 percent as the minimum amount of appropriated funds to be expended on title I programs designed to eliminate poverty and poverty-related problems.

The House amendment does not contain a comparable provision.

The Senate recedes.

VISTA earmark

The Senate bill strikes out a provision referring to a minimum amount of funds ($22,300,000) to be expended on programs authorized under part A of title I and strikes out the requirement that funds appropriated in excess of $37,600,000 be allocated so as to provide for a commensurate increase in the funds available for part A.

The House amendment does not contain a comparable provision.

The Senate recedes.

Earmark of title I, part B, funds

The Senate bill (1) allows up to 13 percent of the first $4,000,000 in title I, part B, appropriations to be used for programs other than UYA, rather than not more than 10 percent of the first $6,700,000 as in present law, and (2) notwithstanding that limitation, allows for one-third of the first $1,000,000 appropriated for part B programs to be used for continuation of programs, other than UYA, of demonstrated effectiveness.

The House amendment eliminates the existing 10-percent limitation and provides (1) that not less than $873,000 (the amount of the Administration fiscal year 1980 budget request) shall be available for the operation of service-learning programs under section 114 for each of fiscal years 1980 and 1981 and (2) that not less than $3,200,000 shall be available for UYA programs for fiscal year 1980 and not less than $2,200,000 for fiscal year 1981.

The conference agreement provides that (1) up to 22 percent of part B appropriations may be used for programs other than UYA and (2) of the funds appropriated for each of fiscal years 1980 and 1981 for carrying out title I not less than $28,000,000 shall first be available for the purpose of carrying out part A of the title, and, of the funds appropriated in excess of $28,000,000, not less than $2,300,000 and $1,600,000 in the two fiscal years, respectively, shall be available for the operation of UYA in each such year, and not less than $500,000 in each such year shall be available for the operation of other service-learning programs.

Earmark of title I, part C, funds

The Senate bill requires that not less than 50 percent of title I, part C, funds exceeding the fiscal year 1979 level of appropriations shall be used to carry out the fixed-income counseling and "Helping Hand" programs.

The House amendment does not contain a comparable provision.

The House recedes with a substitute amendment providing that not less than 50 percent of the funds appropriated for title I, part C, in fiscal years 1980 and 1981 in excess of $2,500,000 but not more than $10,000,000 shall be used to carry out the fixed-income counseling and "Helping Hand" programs.

Title III

The Senate bill authorizes the appropriation of such sums as may be necessary for fiscal year 1979 for title III programs now reauthorized in the Small Business Act as a result of P.L. 95–510.

The House amendment does not contain a comparable provision.

The Senate recedes.

Title IV

The Senate bill authorizes the appropriation of such sums as may be necessary for title IV—Program Administration—for fiscal years 1979 and 1980. The House amendment authorizes such appropriations for fiscal years 1980 and 1981.

The conference agreement authorizes the appropriation of such sums as may be necessary for title IV for fiscal years 1979, 1980, and 1981.

REPORT ON RURAL PROGRAMMING

Both the Senate bill and the House amendment provide for the Director of the ACTION Agency to report to Congressional Committees on special needs and circumstances to be addressed in designing programs under the Act in rural areas. The House amendment, but not the Senate bill, specifies that the report be submitted only to the authorizing Committees and spells out the content of the report in more detail.

The conference agreement incorporates the Senate provision with the House description of the report contents.

STIPEND INCREASES FOR FULL-TIME VOLUNTEERS

Both the Senate bill and the House amendment amend section 5(b) of Public Law 94–130 (the 1975 Peace Corps Act Amendments) by striking out the last sentence thereof in order to permit appropriations for the increase in the stipend for full-time volunteers to $75 per month, as authorized in that law, without specifically providing for the increase in any appropriations Act.

The conference agreement contains this provision.

REHABILITATION AMENDMENTS

The Senate bill authorizes the Commissioner of Rehabilitation Services to continue funding until December 31, 1980, from funds appropriated under section 100(b)(2) of the Rehabilitation Act of 1973 (P.L. 93–112). This amendment addresses a situation which arose when the statutory authorities under which such entities were receiving grants were struck by certain provisions of the Rehabilitation, Comprehensive Services, and Developmental Disabilities Act of 1978 (P.L. 95–602).

The House amendment does not contain a comparable provision.

The Senate recedes.

LIMITATION ON CONTRACTS AND PAYMENTS

The House amendment provides that the Director may enter into contracts or make payments under the Act only to the extent or in such amounts as are provided in appropriations Acts.

The Senate bill does not contain a comparable provision.

The House recedes.

COMMISSION ON VOLUNTEERISM

The Senate bill authorizes the establishment of a Commission on Volunteerism.

The House amendment does not contain a comparable provision.

The Senate recedes.

TITLE OF THE BILL

The House recedes from its amendment to the title of the bill.

EXHIBIT 1

ACTION,
Washington, D.C., November 1, 1979.

Hon. HARRISON A. WILLIAMS,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: Attached is a report analyzing the differences between S. 239 and H.R. 2859, of which are entitled the "Domestic Volunteer Service Act Amendments of 1979." The report is divided into two sections—one devoted to provisions which we consider to be of major importance, and the other containing less significant provisions. Within each section, the comments basically follow the order of H.R. 2859. The report also indicates which of the provisions we believe will best serve the needs of our programs.

I hope it will be useful to you and the other conferees as you consider these two bills.

The Office of Management and Budget has advised that there is no objection to submission of this report from the standpoint of the Administration's program.

Sincerely,

SAM BROWN,
Director.

NOVEMBER 1, 1979.

REPORT TO CONFEREES ON DIFFERENCES BETWEEN S. 239 AND H.R. 2859

MAJOR DIFFERENCES

1. Mayor's Veto. The House Bill authorizes mayors and other local officials to veto VISTA projects in their jurisdictions, and to require the withdrawal of volunteers upon request. The Senate bill contains no similar provision. This provision would make it possible for a county to deprive a smaller jurisdiction (such as a city or town in the county) of a program it wanted to have. It would also make virtually impossible programs dealing with migrant needs where volunteers move with the migrants. It would impose tremendous administrative burdens everywhere, particularly in sparsely populated areas where a few volunteers provide services over a wide area. We favor deletion of this requirement.

2. VISTA Grants. The House bill limits the amounts available for VISTA grants to 15 percent of the VISTA appropriation. The present limit is 20 percent. The Senate is $5,800,000 in fiscal year 1980. We favor the Senate provision.

The Senate bill also requires that all new grants be made pursuant to a competitive process, after public announcement of the criteria and process of selection. The competitive process is appropriate for national, or multi-regional grants, but should not be applicable to local or regional grants. These smaller grants are frequently made to grass roots organizations which are serving a significant poverty population, but are not expert grant application writers. They need the technical assistance of ACTION state and regional staff in the preparation of the application. Under a competitive system, the agency cannot give such assistance. The competitive process, in such cases, impedes the ability of ACTION to serve the poor by putting the emphasis on excellence in application writing rather than the needs of the poor.

3. Service-Learning Programs. The House bill eliminates the requirement that 90 percent of the funds appropriated for Service Learning Programs be allocated to UYA, and earmarks funds for UYA in the authorization of appropriations section. The Senate bill increases the percentage available to non-UYA programs to 13 percent and lowers the amount to which it applies to $4,000,000. One third of the first $1,000,000 may be used for non-UYA projects. The House bill also rewrites and clarifies Section 114(c), relating to non-UYA projects.

We prefer the approach contained in the House bill. The Senate provision links two essentially unrelated programs and, we believe, contains a serious ambiguity which makes it difficult to determine how much may be used for non-UYA projects. The changes made in this section are related to the earmarkings of authorizations, and should be read in conjunction with our comments on authorizations.

4. Urban Programs. Both the Senate and House bills clarify the agency's authority to conduct the programs proposed as a separately authorized Urban Volunteer Program under the general authority of Part C of Title I of the Act—Special Volunteer programs.

We believe the House version is preferable. The Senate bill earmarks 50% of all new funds appropriated for Part C of Title I for two new programs—Fixed Income Consumer Counselling and "Helping Hand," a program of deinstitutionalization for older persons, handicapped persons, and others. We oppose this provision which would seriously impair the agency's ability to conduct demonstration programs in program areas unrelated to the Urban program, since each dollar proposed for a demonstration project would have to be matched by a dollar for the two specified programs. As with Service Learning Programs, we believe that earmarking of funds should not be embedded in general programmatic description. If the Congress decides to earmark a part of the funds available for Part C for these programs, the earmarking should be in the authorization of appropriations, contained in Section 501.

Additionally, the House version specifically mentions all four of the proposed Urban programs—Technical and Management Assistance, and small seed-money grants to neighborhood organizations, as well as Fixed Income Consumer Counselling and "Helping Hand." While we believe sufficient authority exists for all these programs in existing legislation, we believe the language contained in the House bill would be helpful.

SENATE BILL

Section 107 of S. 239 amends Section 403(a) of the Domestic Volunteer Service Act of 1973 (the Act) in two ways:

1. It would add a prohibition on the use of federal funds to finance activities which are designed to influence the outcome of state and local elections to the present ban on the use of funds to influence federal elections. This provision repeats a prohibition which is already contained in Section 403(b), and is unnecessary.

2. It adds a provision, based on 18 U.S.C. § 1913, which would prohibit the use of federal funds for activities designed to influence, directly or indirectly, a member of a State or local legislative body on any legislative or appropriations measure either before or after the introduction of a bill or resolution. The provision contains two exceptions:

a. It does not apply to part-time volunteers when not actually serving. This exception is meaningless, since the prohibition on "use of federal funds" clearly would not apply to what part-time volunteers do when not serving.

b. It does not apply to communications of full-time volunteers at the request of a member, committee or legislative body. A serious problem with this exemption is that it does not deal with communications from staff members, who are often requested to appear and testify.

HOUSE BILL

The House amendment (Section 8 of H.R. 2859) is placed in Section 403(b). Since Section 403(b) deals with restrictions on the use of federal funds at all levels of governments, it seems a more logical placement than Section 403(a), which, as presently written, deals only with federal elections.

The language of the House amendment changes the language of the prohibition on use of federal funds from "in a manner supporting or resulting in the identification of such programs with" [the prohibited activities] to "in any manner for the purpose of providing assistance to" [the prohibited activities].

This change makes the prohibition more specific, and will make it easier to enforce. We recommend its adoption.

The House bill also expands the list of prohibited activities to include a "partisan or nonpartisan attempt to influence any legislative action of the Congress, any State legislative, any local council or similar body, or in connection with any referendum, initiative, constitutional amendment or similar procedure, or any other such activity which is prohibited by law, or by a published rule of any such legislative body."

While the House bill, unlike the Senate bill, does not contain specific exemptions, it is clear that Rep. Biaggi's substitute for the original amendment by Rep. Kramer was intended to recognize that some types of contact with legislators are not "lobbying" within the meaning of the prohibition.

Among the examples given by Biaggi of permissible activities were:

1. Testimony by witnesses before legislative bodies and

2. Requests by project officials or volunteers to legislatures for the appropriation of matching funds.

Congressman Simon added the example of a senior citizen group or church group which has an ACTION project or volunteers going to the State legislature or to Congress or the City Council for necessary legislation as a permissible activity.

Rep. Simon summarized the intent of the provision as prohibiting "what is now in the regulations of the ACTION organization . . ."

The provision ultimately adopted should deal only with state and local activities. Use of federal funds to influence Congress are already prohibited by 18 U.S.C. § 1913. An additional prohibition in different language would cast doubt on well-established procedures presently being followed by the agency in its relationships with Congress.

In addition, the exceptions contained in the Senate bill should be redrafted to make clear that the prohibition does not apply to:

1. Communication with legislators or provision of information by any person at the request of a member, committee or legislative body.

2. Requests to legislative bodies, in accordance with the rules of such bodies, for legislation or the appropriation of funds relating to the programs authorized by the Act.

Both these exceptions are consistent with the intent of the House bill. They authorize activities which are clearly proper, and which are, in some instances, vital to the success of the volunteer programs. For instance, projects in all 50 states receive state or local appropriations to help meet legally required

savings in the out-of-pocket expenses that traditional health plans require.

The survey urges individual government workers to study thoroughly the various plans and their own personal medical care needs before finally selecting one. This was particularly important, the magazine said, if an individual or family is expecting unusual expenses, such as bills for dental or psychiatric care, that one plan might cover and another with the same premium might not.

Such insurance choices are relevant at the moment for federal and D.C. government workers, the magazine said, because the workers have their annual opportunity to switch insurance plans between next Monday and Dec. 7.

The magazine said that the vast differences between plans could easly be illustrated by comparing their highly ranked GEHA plan for a family of four with the lowly ranked Blue Cross-Blue Shield high option plan.

The study showed that in an average year the GEHA plan would cost about $680, including $235 in premiums and about $445 in unreimbursed expenses. The Blue Cross plan for about the same coverage will cost $1,040 in an average year, about $360 more than the GEHA plan.

While the Blue Cross plan would reimburse a greater proportion of a patient's bills, the premiums will be more than $450 higher.

"Over a 20-year period you will probably save over $5,000 by selecting GEHA," the magazine said. "Of course everyone would not have this much, and some families would actually come out ahead under the Blue Cross high option plan. But other families, the luckiest ones, would come out even more than $5,000 ahead under GEHA."

Washington Consumers' checkbook is published by the nonprofit Washington Center for the Study of Services, a group that previously has produced surveys of a variety of often-used consumer services.

Mr. DURENBERGER. Mr. President, briefly, my proposal is an attempt to apply the principles of competitive markets to our system for providing health care coverage. The theory of competitive markets is, of course, the basis of the American economy. The market approach is an effective alternative to greater Federal regulation and control of our health care system.

While Government regulation is becoming the norm for health care, there are areas in the country which have turned to the competitive-incentive model as a more appropriate means for the delivery of health care services. The Twin Cities of Minnesota is one area where competition is working. I have included with the bill an article describing the Minnesota experience. I would also like to call my colleagues' attention to an article which appeared in the Washington Post describing how the smart consumer can make an intelligent choice in choosing health insurance.

CONCERN FOR THE HOSTAGES IN IRAN

Mr. JEPSEN. Mr. President, I wish to echo the sentiments and comments of my distinguished colleague from Alaska (Mr. STEVENS) in regard to his request that all America should pray for the safety of those Americans being held hostage by some in Iran.

I also add that I hope we all pray for the President, and all those that govern and rule, that they may be given not only the wisdom, but the patience and the good fortune to do the things that need to be done, the way they ought to be done, in order that we might again have all our Americans safe at home with us.

MEALS ON WHEELS

Mr. JEPSEN. Mr. President, I ask unanimous consent to have printed in the RECORD 'Self-Help Gets a Swift Kick," published in the Washington Star on October 28, 1979.

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

SELF-HELP GETS A SWIFT KICK

(By Michael Balzano)

"Resolved . . . that in recognition of the selfless service performed, the president is hereby authorized and requested to issue a proclamation designating the week of September 16 through 22, 1979, as 'National Meals-on-Wheels Week' . . ." With these words, the Congress prepared to celebrate the 25th anniversary of a typically American phenomenon.

But only a few weeks earlier HEW's Administration on Aging (AOA) unveiled draft regulations for a new federal home-delivered meals program; if left unchanged, these regulations threaten to drive Meals-on-Wheels right off the road.

Some birthday present! By any standard, these thousands of neighborhood programs constitute the very model of what has always been valued most in this country; tens of thousands of volunteers identifying a genuine community need, amassing private resources, and meeting that need—with a minimum of bureaucratic fuss and a maximum of effective service.

Every day for 25 years now, and often twice a day, these local, private, non-profit programs deliver hot meals (and often essential ties with the outside world) to the home bound. Most of them are old—but they need not be 60 years of age or older. Many pay some or all of the cost of the meals; others pay none. Local churches and charities make up the deficit. The programs are tailored to virtually individual situations—and apparently they work.

In 1972, responding to no less worthy a need but quite a different one, Congress amended Title VII of the Older Americans Act to authorize a so-called congregate nutrition program. These programs serve a hot meal to senior citizens (60 and over) five days a week in a group—congregate—setting. There is no means test or charge for the meals, voluntary contributions are accepted. Last year these congregate centers served some 500,000 meals a day at an annual cost to the taxpayers of more than $300 million.

So, for about six years now, there have been two nationwide networks providing meals to the elderly, each with a legitimate, different, and apparently complementary purpose; voluntary meals-on-wheels programs serving the homebound, and federal Title VII programs serving the physically mobile. The one was a citizens' effort, locally designed, flexible, and privately supported; the other, necessarily encumbered by federal regulation ranging from the nutritional content of the meals to equal opportunity requirements for the hired staff. The one represented no appreciable drain on the U.S. Treasury, the other a considerable one.

In 1978, Congress began debating the creation of a national, federally funded, home-delivered meals program. It was principally concerned with the nutrition needs of the homebound elderly and saw in meals-on-wheels a logical vehicle for getting the job done.

The legislation was supported by both the National Association of Title VII Project Directors, representing existing federal grantees, and by the National Associations of Meals Programs (NAMP), representing a number of meals-on-wheels programs. But the two groups disagreed on how the funds should be channeled. The Title VII directors argued that their network of congregate centers should operate the federal meals-on-wheels services—with the private programs participating only under the authority of Title VII grantees, not as direct recipients of federal grants.

NAMP's case, in contrast, was that the local voluntary programs were already in place, had a proven track record, needed money to meet a growing demand with which charitable contributions were not keeping pace, and ought to be eligible to receive federal grants. They should remain reasonably autonomous, free of burdensome federal regulations, and serve as conduits—draining off almost nothing in overhead—for federal aid to those who need it. What NAMP had in mind was a partnership, not absorption.

Another sort of concern was expressed by local programs that did not themselves want federal funds but feared the impact of a new federal meals-on-wheels program growing out of the Title VII centers. They assumed—quite rightly as it turned out—that the two different services would operate under the same guidelines—that meals would be free and that their own "pay if and what you can" principle would not be able to withstand that competition.

As passed by Congress on October 18, 1978, the meals-on-wheels bill was incorporated into amendments to the Older Americans Act that greatly expanded social services for the elderly. Still, NAMP had solid grounds for believing that it was the intent of Congress to expand meal service to the homebound by using local voluntary meals-on-wheels programs as the main vehicle. Many members of the Senate and House authorizing committees said it was, including the chairmen, Senator Thomas Eagleton and Representative John Brademas: "In awarding funds, first consideration must be given to organizations like Meals on Wheels . . ." (Letter to The Washington Star, July 21, 1978).

Moreover, Congress provided two separate authorizations, one for the existing congregate programs and another for home-delivered meals. This was taken as a signal of congressional intent that meals-on-wheels programs would be eligible for direct grants from the area agencies and not subsumed under the authority of Title VII projects. Finally NAMP was assured by the commissioner on aging that the regulations would specifically protect the local voluntary programs from being forced out of business by Title VII competition.

On July 31, 1979, the draft regulations finally appeared in The Federal Register. The key provision states: "The area agency may only award funds for home delivered meals to a service provider that also provides congregate meals." This flatly rules out all but a handful of the voluntary meals-on-wheels programs from eligibility for direct federal grants—since, by definition, it is not their purpose to serve congregate meals. It also eliminates the possibility of funding any home-delivered meals services in areas where no congregate meal center exists.

So much for congressional intent and signals, and so much for the commissioner's assurances!

A NARROW READING

Now, assuming some rationality in the universe and honorable intentions all around, the question has to be, Why? Why these provisions in the regulations? In a July 12, 1979 letter to NAMP, the commissioner on aging justified them as mandated in the statute itself. He cited a clause that says, with respect to nutrition services:

OTHER DIFFERENCES

1. Carter Planning Services. We recommend that the proposal that career planning services be made available to all volunteers on request, rather than to low income volunteers, as is presently required be dropped from Section 101 of S. 239. Providing such services would place an additional financial burden on the VISTA program, and would divert career planning services from low-income volunteers, who need them most.

2. Governor's veto provisions of S. 239. The requirement that governors provide reasons for their vetoes of VISTA projects, contained in Section 101 of S. 239 will provide a legislative basis for what has, in practice, usually occurred. We do not, however, support the extension of the Governor's veto power to VISTA-type projects funded under Part C of Title I of the Act, as would be required by Section 105. Full-time volunteers in programs under Part C have, in the past, been utilized in demonstration activities such as VETREACH and the Program of Local Service. The proposed legislation would present difficult problems of interpretation and unnecessarily restrict the agency's ability to experiment with new program applications.

3. Service Learning Programs. We support the proposal contained in Section 5 of H.R. 2859 to permit enrollment of UYA volunteers for an academic year rather than a full calendar year. We also support the revisions to Section 114 of the Act contained in Section 5. These revisions more accurately describe the intended scope of activities carried out under this section, formerly known as the National Student Volunteer Program and Youth Challenge, and now grouped together as the National Center for Service Learning.

4. Amendment to the Section 404(g) income disregard provision. This amendment would make ineligible for the income disregard provisions of Section 404(a) (relating to eligibility for public assistance benefits) any volunteer whose allowances exceed the minimum wage, after taking into account the number of hours the volunteer serves. Volunteers are paid allowances, based on their need to live at the level of the people they serve. Allowances average $317 per month, far below the minimum wage. In some high cost of living areas, notably Alaska and Hawaii, it is possible that allowances may exceed the minimum wage for a 40 hour week. The cost of living which is the basis for volunteer allowances, is unrelated to minimum wage legislation.

Since volunteers must be "available for service without regard to regular working hours" it is possible that they would not be affected by this provision. However, the provision would have to be administered on an individual basis, week by week, using a system of computation entirely different for that used for all other volunteers. This would place a severe administrative burden on volunteers and sponsors. Since the penalty is severe (loss of eligibility for public assistance), we could not in good conscience ask low-income individuals to serve in areas where their allowances might, on some occasions, exceed the minimum wage without warning them of the possibility that they might lose their public assistance benefits. The result of the provision would undoubtedly be that there would be few, if any, low income volunteers serving in Alaska and perhaps in Hawaii.

We believe that all volunteers should be treated equally. This provision would introduce a serious inequity for low income people living in high cost of living areas. We recommend that the conferees delete it.

5. Volunteer employment status (workers compensation, Tort Claims, Hatch Act, etc.) S. 239 extends eligibility for these employment coverages under section 415(b) of the Act to all full-time volunteers who are enrolled for a period of service of at least 8 weeks. Usually, the applicability of benefits and restrictions of the type authorized by section 415(b) is determined by whether an employer-employee relationship exists, and not on the length of time the relationship is expected to continue. Special government employees (consultants and experts) are covered by provisions of this type even if they work only a single day. We prefer the language of S. 239, which would treat all full-time volunteers equally for the purposes of these coverages.

H.R. 2859 provides Workers Compensation at the GS-2 level for part-time volunteers serving at least 20 hours per week for at least 26 weeks. S. 239 provides coverage for such volunteers at an "appropriate portion" of the GS-7 level, as determined by the Director. We prefer the H.R. 2859 provision, which provides a specific rate of compensation which can be determined without controversy.

6. Medical Malpractice Coverage. The purpose of this provision is to fill a gap left by the Federal Tort Claims Act. H.R. 2859 provides coverage for full-time volunteers only. S. 239 covers all volunteers under Title I. We believe that coverage is appropriate for full-time volunteers only.

7. Volunteer Civil Rights. H.R. 2859 extends protection under section 717 of the Civil Rights Act of 1974, the Rehabilitation Act, and the Age Discrimination Act of 1975 to volunteers under the Domestic Volunteer Service Act of 1973. S. 239 contains similar provisions, but also extends coverage to volunteers under the Peace Corps Act.

We have no objection in principle to extending these coverages to Peace Corps volunteers. We defer to the judgment of the conferees on the question of whether placement of such coverage in the Domestic Volunteer Service Act is appropriate.

8. Reduction of Paperwork. There is a minor difference in wording between the House and Senate bill. The substantive intent of both provisions appears to be the same.

9. Business Volunteer Program Authorization. This provision of S. 239 applies only to FY 1979, and is no longer necessary.

10. Technical and Conforming Amendments. We prefer the provisions of H.R. 2859, but note that the reference to "Part D of Title I" and Title III in section 17(3) should be deleted to conform it to the balance of the Act.

11. Report relating to Rural Programs. While the provisions in the two bills differ in wording, we believe they are substantially the same.

12. Limit on payment authority. The intent of Section 20 of H.R. 2859, entitled "Limitation on Payment Authority" is apparently to prohibit the obligation or payment of funds in advance of appropriations. It simply restates in different language existing provisions of law (31 U.S.C. § 627, 31 U.S.C. § 665 and 41 U.S.C. 11), which clearly prohibit such obligations and expenditures. Where there are government-wide statutes governing obligations of funds, we believe it is unwise to add additional language in statutes affecting individual agencies. We recommend that this provision not be included in the final version of the bill.

Mr. CRANSTON. Mr. President, so that it mav be able to read and to be useful to the public, I ask unanimous consent that the Cordon rule to be printed in the RECORD appear in the same size type as the type face used for the body of the RECORD and that its printing be delayed to a later day if necessary for it to be set in type appropriately.

Mr. EAGLETON addressed the Chair.

The PRESIDING OFFICER. Will the Senator from Missouri withhold?

Is there objection to the request of the Senator from California?

Mr. STEVENS. Mr. President, reserving the right to object, and I do not think I shall object, what was the effect of the request of the Senator from California?

The PRESIDING OFFICER. That a Cordon rule showing changes in existing law be printed in the RECORD in full-sized type.

Mr. STEVENS. I appreciate the explanation. I have no objection.

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

The Cordon rule material follows:

APPENDIX

CHANGES IN EXISTING LAW (PUBLIC LAW 93-113, AS AMENDED) MADE BY S. 239 AS AGREED TO IN CONFERENCE

For the information of the Members of Congress, changes in existing law (Public Law 93-113, as amended) made by the conference report on S. 239 are shown as follows (existing law proposed to be omitted is enclosed in brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

DOMESTIC VOLUNTEER SERVICE ACT OF 1973, AS AMENDED

Public Law 93-113, 93rd Congress, S. 1148, October 1, 1973

An act to provide for the operation of programs by the ACTION Agency, to establish certain new such programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act, with the following table of contents, may be cited as the "Domestic Volunteer Service Act of 1973":

TABLE OF CONTENTS

TITLE I—NATIONAL VOLUNTEER ANTI-POVERTY PROGRAMS

PART A—VOLUNTEERS IN SERVICE TO AMERICA

Sec. 101. Statement of purpose.
Sec. 102. Authority to operate VISTA program.
Sec. 103. Assignment of volunteers.
Sec. 104. Terms and periods of service.
Sec. 105. Support services.
Sec. 106. Participation of beneficiaries.
Sec. 107. Participation of older persons.
Sec. 108. Limitations.

PART B—SERVICE-LEARNING PROGRAMS

Sec. 111. Statement of purpose.
Sec. 112. Authority to operate University Year for ACTION program.
Sec. 113. Special conditions.
Sec. 114. Special service-learning programs.

PART C—SPECIAL VOLUNTEER PROGRAMS

Sec. 121. Statement of purpose.
Sec. 122. Authority to establish and operate programs.
Sec. 123. Technical and financial assistance for improvement of volunteer programs.

TITLE II—NATIONAL OLDER AMERICAN VOLUNTEER PROGRAMS

PART A—RETIRED SENIOR VOLUNTEER PROGRAM

Sec. 201. Grants and contracts for volunteer service projects.

PART B—FOSTER GRANDPARENT PROGRAM AND OLDER AMERICAN COMMUNITY SERVICE PROGRAMS

Sec. 211. Grants and contracts for volunteer service projects.
Sec. 212. Conditions of grants and contracts.

PART C—GENERAL PROVISIONS

Sec. 221. Coordination with other Federal programs.
Sec. 222. Payments.
Sec. 223. Minority group participation.

[TITLE III—NATIONAL VOLUNTEER PROGRAMS TO ASSIST SMALL BUSINESSES AND PROMOTE VOLUNTEER SERVICE BY PERSONS WITH BUSINESS EXPERIENCE

[Sec. 301. Statement of purpose.
[Sec. 302. Authority to establish, coordinate, and operate programs.]

TITLE IV—ADMINISTRATION AND COORDINATION

Sec. 401. Establishment of agency.
Sec. 402. Authority of the Director.
Sec. 403. Political activities.
Sec. 404. Special limitations.
Sec. 405. National Voluntary Service Advisory Council.
Sec. 406. Labor standards.
Sec. 407. Reports.
Sec. 408. Joint funding.
Sec. 409. Prohibition of Federal control.
Sec. 410. Coordination with other programs.
Sec. 411. Prohibition.
Sec. 412. Notice and hearing procedures for suspension and termination of financial assistance.
Sec. 413. [Deleted pursuant to Public Law 94-293.]
Sec. 414. Distribution of benefits between rural and urban areas.
Sec. 415. Application of Federal law.
Sec. 416. Evaluation.
Sec. 417. Nondiscrimination.
Sec. 418. Eligibility for other benefits.
Sec. 419. Legal expenses.
Sec. 420. [Guidelines] *Requirements for prescribing regulations.*
Sec. 421. Definitions.
Sec. 422. Audit.
Sec. 423. Reduction of paperwork.
Sec. 424. Review of project renewals.

TITLE V—AUTHORIZATION OF APPROPRIATIONS

Sec. 501. National volunteer antipoverty programs.
Sec. 502. National older Americans volunteer programs.
[Sec. 503. National volunteer programs to assist small businesses and promote volunteer service by persons with business experience.]
Sec. 504. Administration and coordination.
Sec. 505. Availability of appropriations.

TITLE VI—AMENDMENTS TO OTHER LAWS AND REPEALERS

Sec. 601. Supersedence of Reorganization Plan No. 1 of July 1, 1971.
Sec. 602. Creditable service for civil service retirement.
Sec. 603. Repeal of title VIII of the Economic Opportunity Act.
Sec. 604. Repeal of title VI of the Older Americans Act.

TITLE I—NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

PART A—VOLUNTEERS IN SERVICE TO AMERICA

STATEMENT OF PURPOSE

SEC. 101. This part provides for the Volunteers in Service to America (VISTA) program of full-time volunteer service, together with appropriate powers and responsibilities designed to assist in the development and coordination of such program. The purpose of this part is to strengthen and supplement efforts to eliminate poverty and poverty-related human, social, and environmental problems in the United States by encouraging and enabling persons from all walks of life and all age groups, including elderly and retired Americans, to perform meaningful and constructive volunteer service in agencies, institutions, and situations where the application of human talent and dedication may assist in the solution of poverty and poverty-related problems and secure and exploit opportunities for self-advancement by persons afflicted with such problems.

AUTHORITY TO OPERATE VISTA PROGRAM

SEC. 102. The Director may recruit, select, and train persons to serve in full-time volunteer programs consistent with the provisions and to carry out the purpose of this part.

ASSIGNMENT OF VOLUNTEERS

SEC. 103. (a) The Director, upon request of Federal, State, or local agencies, or private nonprofit organizations, may assign such volunteers to work in the several States in appropriate projects and programs—

(1) in meeting the health, education, welfare, or related needs of Indians living on reservations or Federal trust lands, of migratory and seasonal farmworkers and their families, and of residents of the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, or the Virgin Islands;

(2) in the care and rehabilitation of mentally ill, developmentally disabled, and other handicapped individuals, especially those with severe handicaps, under the supervision of nonprofit institutions or facilities; and

(3) in connection with programs or activities authorized, supported, or of a character eligible for assistance under this Act or the Economic Opportunity Act of 1964, as amended (42 U.S.C. chapter 34) in furtherance of the purpose of this title.

(b) The Director, wherever feasible and appropriate, shall assign low-income community volunteers to serve in their home communities in teams with nationally recruited specialist volunteers. [Prior to] *Not later than 30 days after* the assignment of any such community volunteer, the Director shall insure that each such volunteer is provided an individual plan designed to provide an opportunity for job advancement or for transition to a situation leading to gainful employment. One hundred and twenty days prior to the completion of such community volunteer's term of service, the Director shall insure that such plan is updated and reviewed with the volunteer. *The Director shall offer to provide each volunteer enrolled for a period of full-time service of not less than one year under this title, and, upon the request of such volunteer, provide such volunteer with an individual and updated plan as described in the preceding two sentences.*

(c) Except as provided in subsection (d), the assignment of volunteers under this section shall be on such terms and conditions (including restrictions on political activities that appropriately recognize the special status of volunteers living among the persons or groups served by programs to which they have been assigned) as the Director may determine, including work assignments in their own or nearby communities.

(d) Volunteers under this part shall not be assigned to duties or work *in a program or project* in any State unless such program *or project* has been submitted to the Governor or other chief executive officer of the State concerned, and [has not been disapproved by him within forty-five days of such submission. The assignment of a volunteer shall be terminated by the Director when so requested by the Governor or chief executive officer of the State concerned] *such Governor or other chief executive officer has not, within 45 days of the date of such submission, notified the Director in writing, supported by a statement of reasons, that such Governor or other chief executive officer disapproves such program or project. In the event of a timely request in writing, supported by a statement of reasons, by the Governor or other chief executive officer of the State concerned, the Director shall terminate a program or project or the assignment of a volunteer to a program or project not later than 30 days after the date such request is received by the Director, or at such later date as is agreed upon by the Director and such Governor or other chief executive officer.*

TERMS AND PERIODS OF SERVICE

SEC. 104. (a) Volunteers serving under this part shall be required to make a full-time personal commitment to combating poverty and poverty-related human, social, and environmental problems. To the maximum extent practicable, this shall include a commitment to live among and at the economic level of the people served, and to remain available for service without regard to regular working hours, at all times during their periods of service, except for authorized periods of leave.

(b) Volunteers serving under this part may be enrolled for periods of service not exceeding two years, but for not less than one-year periods of service, except that volunteers serving under this part may be enrolled for periods of service of less than one year when the Director determines, on an individual basis, that a period of service of less than one year is necessary to meet a critical scarce-skill need. Volunteers serving under this part may be reenrolled for periods of service totaling not more than two years. No volunteer shall serve for more than a total of five years under this part.

(c) Volunteers under this part shall, upon enrollment, take the oath of office as prescribed in section 5(j) of the Peace Corps Act as amended (22 U.S.C. 2504(j)), except that persons legally residing within a State but who are not citizens or nationals of the United States, may serve under this part without taking or subscribing to such oath, if the Director determines that the service of such persons will further the interests of the United States. Such persons shall take such alternative oath or affirmation as the Director shall deem appropriate.

(d) The Director shall establish a procedure, including notice and opportunity to be heard, for volunteers under this part to present and obtain resolution of grievances and to present their views in connection with the terms and conditions of their service. The Director shall promptly provide to each volunteer in service on the date of enactment of this Act, and to each such volunteer beginning service thereafter, information regarding such procedure and the terms and conditions of their service.

SUPPORT SERVICE

SEC. 105. (a)(1) The Director may provide a stipend to volunteers, while they are in training and during their assignments, enrolled for periods of service of not less than one year under this part, except that the Director may, on an individual basis, make an exception to provide a stipend to a volunteer enrolled under this part for an extended period of service not totaling one year. Such stipend shall not exceed $75 per month during the volunteer's service, except that the Director may provide a stipend not to exceed $75 per month in the case of persons who have served for at least one year and who in accordance with standards established in regulations which the Director shall prescribe, have been designated volunteer leaders on the basis of experience and special skills and a demonstrated leadership among volunteers.

(2) Stipends shall be payable only upon completion of a period of service, except that [in extraordinary] *under such* circumstances *as* the Director [may from time to time advance all or a portion of] *shall determine, in accordance with regulations which the Director shall prescribe,* the accrued stipend [to], *or any part of the accrued stipend, may be paid to the volunteer,* or, [or] on behalf of [a volunteer] *the volunteer, to members of the volunteer's family or others during the period of the volunteer's*

service. In the event of the death of a volunteer during service, the amount of any unpaid stipend shall be paid in accordance with the provisions of section 5582 of title 5, United States Code.

(b) The Director shall also provide volunteers such living travel (including travel to and from place of training), and leave allowances, and such housing, supplies, equipment, subsistence, clothing, health and dental care, transportation, supervision, technical assistance and such other support as he deems necessary and appropriate to carry out the purpose and provisions of this part, and shall insure that each such volunteer has available such allowances and support as will enable the volunteer to carry out the purpose and provisions of this part and to effectively perform the work to which such volunteer is assigned.

PARTICIPATION OF BENEFICIARIES

SEC. 106. To the maximum extent practicable, the people of the communities to be served by volunteers under this title shall participate in planning, developing, and implementing programs thereunder, and the Director, after consultation with sponsoring agencies (including volunteers assigned to them) and the people served by such agencies, shall take all necessary steps to establish in regulations he shall prescribe, a continuing mechanism for the meaningful participation of such program beneficiaries.

PARTICIPATION OF OLDER PERSONS

SEC. 107. In carrying out this part and part C of this title, the Director shall take necessary steps, including the development of special projects, where appropriate, to encourage the fullest participation of older persons and older persons membership groups as volunteers and participant agencies in the various programs and activities authorized under such parts and because of the high proportion of older persons within the poverty group, shall encourage the development of a variety of volunteer services to older persons, including special projects, to assure that such persons are served in proportion to their need.

LIMITATIONS

SEC. 108. *(a)* Of funds appropriated for the purpose of this part under section 501, not more than [20] *16* per centum for the fiscal year ending September 30, 1977, and for each fiscal year thereafter, may be obligated for the direct cost of supporting volunteers in programs or projects carried out pursuant to grants and contracts made under section 402(12). *During the fiscal year ending September 30, 1980—*

(1) in no event may in excess of $5,800,000 be used pursuant to grants and contracts under this part for the direct cost of supporting such volunteers; and

(2) funds obligated pursuant to such grants and contracts for such cost may be used to support no greater number of years of volunteer service than the number of such years supported during the fiscal year ending September 30, 1979, pursuant to grants and contracts for such cost.

(b) No funds shall be obligated under this part pursuant to grants or contracts made after the date of the enactment of the Domestic Volunteer Service Act Amendments of 1979 for new projects for the direct cost of supporting volunteers unless the recipient of each such grant or contract has been selected through a competitive process which includes—

(1) public announcements of the availability of funds for such grants or contracts, general criteria for the selection of new recipients, and a description of the application process and the application review process; and

(2) a requirement that each applicant for any such grant or contract identify, with sufficient particularity to assure that the assignments of volunteers under such grants and contracts will carry out the purpose of this part, the particular poverty or poverty-related human, social, or environmental problems on which the grant or contract will focus, and any such grant or contract shall specifically so identify such problems.

PART B—SERVICE-LEARNING PROGRAMS

STATEMENT OF PURPOSE

SEC. 111. This part provides for the University Year for ACTION (UYA) program of full-time volunteer service by students enrolled in institutions of higher education, together with appropriate powers and responsibilities designed to assist in the development and coordination of such programs. The purpose of this part is to strengthen and supplement efforts to eliminate poverty and poverty-related human, social, and environmental problems by enabling students at such cooperating institutions to perform meaningful and constructive volunteer service in connection with the satisfaction of such students' course work during their periods of service while attending such institutions, in agencies, institutions, and situations where the application of human talent and dedication may assist in the solution of poverty and poverty-related problems and secure and exploit opportunities for self-advancement by persons afflicted with such problems. Its purpose further is to encourage other students and faculty members to engage, on a part-time, self-supporting basis, in such volunteer service and work along with volunteers serving under this part; and to promote participation by such institutions in meeting the needs of the poor in the surrounding community through expansion of service-learning programs and otherwise. Its purpose further is to provide for a program of part-time or short-term service-learning by secondary and post-secondary school students to strengthen and supplement efforts to eliminate poverty and poverty-related human, social, and environmental problems.

AUTHORITY TO OPERATE UNIVERSITY YEAR FOR ACTION PROGRAM

SEC. 112. Except as otherwise provided in this part, the Director is authorized to conduct or make grants and contracts for, or both, programs to carry out the purposes of this part in accordance with the authorities and subject to the restrictions in the provisions of part A of this title, except for the provisions of sections 103(d) and 104(d), and except that the Director may, in accordance with regulations he shall prescribe, determine to reduce or eliminate the stipend for volunteers serving under this part on the basis of the value of benefits provided such volunteers by the institution in question (including the reduction or waiver of tuition).

SPECIAL CONDITIONS

SEC. 113. (a) Volunteers serving under this part shall be enrolled for periods of service as provided for in subsection (b) of section 104, [and] *except that volunteers serving in the University Year for ACTION program may be enrolled for periods of service of not less than the duration of an academic year, but volunteers enrolled for less than 12 months shall not receive stipends under section 105(a)(1). Volunteers serving under this part* may receive academic credit for such service in accordance with the regulations of the sponsoring institution of higher education.

(b) Grants to and contracts with institutions to administer programs under this part shall provide the prospective student volunteers shall participate substantially in the planning of such programs and that such institutions shall make available to the poor in the surrounding community all available facilities, including human resources, of such institutions in order to assist in meeting the needs of such poor persons.

(c)(1) In making grants or contracts for the administration of UYA programs under this part, the Director shall insure that financial assistance under this Act to programs carried out pursuant to section 112 of this part shall not exceed 90 per centum of the total cost (including planning costs) of such program during the first year and such amounts less than 90 per centum as the Director, in consultation with the institution, may determine for not more than four additional years, including years in which support was received under title VIII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2991–2994d). Each such grant or contract shall stipulate that the institution will make every effort to (A) assume an increasing proportion of the cost of continuing a program carrying out the purpose of this part while the institution receives support under this part; (B) waive or otherwise reduce tuition for participants in such program, where such waiver is not prohibited by law; (C) utilize students and faculty at such institution to carry out, on a self-supporting basis, appropriate planning for such programs; and (D) maintain similar service-learning programs after such institution no longer receives support under this part.

(2) The Director shall take necessary steps to monitor the extent of compliance by such institutions with commitments entered into under paragraph (1) of this subsection and shall advise the Secretary of Health, Education, and Welfare of the extent of each such institution's compliance.

SPECIAL SERVICE-LEARNING PROGRAMS

SEC. 114. (a) Of the funds appropriated for the operation of programs under this part, up to [10] *22* per centum may be used, notwithstanding any other provision of this part, to encourage and enable students in secondary, secondary vocational, and post-secondary schools to participate in service-learning programs on an in- or out-of-school basis in assignments of a character and on such terms and conditions as described in subsections (a) and (c) of section 103. In any fiscal year in which the funds appropriated for the purposes of the University Year for ACTION program under section 112 exceed [$6,700,000] *$4,000,000*, the limitation provided in the preceding sentence shall not apply with respect to that portion of such appropriation which exceeds [$6,700,000] *$4,000,000*.

(b) Persons serving as volunteers under this section shall not be deemed to be Federal employees for any purposes.

(c) The Director may provide volunteers serving under this section a living allowance and only such other support or allowance as he determines, pursuant to regulations which he shall prescribe, are required because of unusual or special circumstances affecting the program.

PART C—SPECIAL VOLUNTEER PROGRAMS

STATEMENT OF PURPOSE

SEC. 121. This part provides for special emphasis and demonstration volunteer programs, together with appropriate powers and responsibilities designed to assist in the development and coordination of such programs. The purpose of this part is to strengthen and supplement efforts to meet a broad range of human, social, and environmental needs, particularly those related to poverty, by encouraging and enabling persons from all walks of life and from all age

groups to perform meaningful and constructive volunteer service in agencies, institutions, and situations where the application of human talent and dedication may help to meet such needs.

AUTHORITY TO ESTABLISH AND OPERATE PROGRAMS

SEC. 122. (a) (*1*) The Director is authorized to conduct or make grants or contracts, or both, for special volunteer programs *in urban and rural areas* or demonstration programs (such as but not limited to a program to provide alternatives to the incarceration of youthful offenders; a program to promote educational opportunities for veterans; [and] a program to provide community-based peer group outreach and counseling for drug abusers, *a program of assistance to victims of domestic violence, a program to provide technical and management assistance to distressed comunities, a program designed to provide personal and group financial counseling to low-income and fixed-income individuals (utilizing volunteers with specialized or technical expertise), and a Helping Hand program*) designed to stimulate and initiate improved methods of providing volunteer services, to encourage wider volunteer participation on a full-time, part-time, or short-term basis to further the purpose of this part, and to identify particular segments of the poverty community which could benefit from volunteer and other anti-poverty efforts. *In carrying out programs authorized by this part, the Director is authorized to provide for the recruitment, selection, and training of volunteers.*

(2) *For purposes of this subsection, the term "Helping Hand" program means a program utilizing person-to-person services to reduce the necessity for institutionalization (in hospitals, mental institutions, nursing homes, other extended-care settings, and other facilities) and to ameliorate residential isolation (through senior centers, half-way house facilities, and other residential settings) of older persons, handicapped persons, and other affected persons, stressing interactions between persons from various age groups, particularly young and old, and carried out in coordination with the appropriate State system for the protection and advocacy of the rights of persons with developmental disabilities established pursuant to section 113 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6012).*

(b) Except as provided in subsection (c) of this section, assignment of volunteers under this section shall be on such terms and conditions as the Director shall determine, pursuant to regulations which he shall prescribe.

(c) (*1*) The Director, in accordance with regulations [he] *which the Director* shall prescribe, may provide to [persons serving as full-time] volunteers [in a program of at least one year's duration] *enrolled for periods of part-time service of not less than 20 hours per week for not less than 26 consecutive weeks* under this part such allowances, *support,* and [stipends, to the extent and in amounts not in excess of those authorized to be provided under part A of this title, as he determines] *services as are described in section 105(b) and as the Director determines* are necessary to carry out the purpose of this [part. The Director is authorized to undertake and support volunteer service programs, and to recruit, select, and train volunteers to carry out the purpose of] *part, and shall apply the provisions of sections 104(c) and 105(b) to the service of volunteers enrolled for full-time service under* this part.

(2) *The Director, in accordance with regulations which the Director shall prescribe with respect to volunteers enrolled for periods of full-time service of not less than one year under this part—*

(A) may provide to such volunteers such stipeds, in total amounts not in excess of stipends provided under section 105(a) to volunteers serving under part A of this title, as the Director determines are necessary to carry out the purposes of this part; and

(B) to the extent that the terms and conditions of the service of such volunteers are of similar character to the terms and conditions of the service of volunteers enrolled under part A of this title, shall apply to the service of such volunteers enrolled under this part the provisions of sections 103(b) relating to low-income community volunteers, 103(d), 104(d), and 105(a) to the extent such provisions are applied to the service of volunteers enrolled under such part A.

TECHNICAL AND FINANCIAL ASSISTANCE FOR IMPROVEMENT OF VOLUNTEER PROGRAMS

SEC. 123. The Director may provide technical and financial assistance to Federal agencies, State and local governments and agencies, and private nonprofit organizations, which utilize or desire to utilize volunteers in connection with carrying out the purpose of this part. Such assistance may be used to facilitate and improve (1) methods of recruiting, training, or utilizing volunteers, or (2) the administration of volunteer programs. In providing such technical and financial assistance, the Director shall utilize, to the maximum extent feasible, existing programs, and shall seek to avoid duplication of existing programs in the public or private sectors.

TITLE II—NATIONAL OLDER AMERICAN VOLUNTEER PROGRAMS

PART A—RETIRED SENIOR VOLUNTEER PROGRAM

GRANTS AND CONTRACTS FOR VOLUNTEER SERVICE PROJECTS

SEC. 201. (a) In order to help retired persons to avail themselves of opportunities for volunteer service in their community, the Director is authorized to make grants to State agencies (established or designated pursuant to section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024(a)(1))) or grants to or contracts with other public and nonprofit private agencies and organizations to pay part or all of the costs for the development or operation, or both, of volunteer service programs under this section, if he determines, in accordance with regulations he shall prescribe, that—

(1) volunteers will not be reimbursed for other than transportation, meals, and other out-of-pocket expenses incident to the provision of services under this part;

(2) only individuals aged sixty or over will be enrolled as volunteers to provide services under this part (except for administrative purposes), and such services will be performed in the community where such individuals reside or in nearby communities either (A) on publicly owned and operated facilities or projects, or (B) on local projects sponsored by private nonprofit organizations (other than political parties), other than projects involving the construction, operation, or maintenance of so much of any facility used or to be used for sectarian instruction or as a place for religious worship;

(3) the program includes such short-term training as may be necessary to make the most effective use of the skills and talents of participating volunteers and individuals, and provide for the payment of the reasonable expenses of such volunteers while undergoing such training; and

(4) the program is being established and will be carried out with the advice of persons competent in the field of service involved, and of persons with interest in and knowledge of the needs of older persons.

(b) In no event shall the required proportion of the local contribution (including in-kind contributions) for a grant or contract made under this section be more than 10 per centum in the first year of assistance under this section, 20 per centum in the second such year, 30 per centum in the third such year, 40 per centum in the fourth such year, and 50 per centum in any subsequent such years: *Provided, however,* That the Director may make exceptions in cases of demonstrated need, determined (in accordance with regulations which the Director shall prescribe) on the basis of the financial capability of a particular recipient of assistance under this section, to permit a lesser local contribution proportion established by the Director in generally applicable regulations.

(c) The Director shall not award any grant or contract under this part for a project in any State to any agency or organization unless, if such State has a State agency established or designated pursuant to section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024(a)(1)), such agency itself is the recipient of the award or such agency has been afforded at least sixty days in which to review the project application and make recommendations thereon.

PART B.—FOSTER GRANDPARENT PROGRAM AND OLDER AMERICAN COMMUNITY SERVICE PROGRAMS

GRANTS AND CONTRACTS FOR VOLUNTEER SERVICE PROJECTS

SEC. 211. (a) The Director is authorized to make grants to or contracts with public and nonprofit private agencies and organizations to pay part or all of the cost of development and operation of projects (including direct payments to individuals serving under this part) designed for the purpose of providing opportunities for low-income persons aged sixty or over to provide supportive person-to-person services in health, education, welfare, and related settings to children having exceptional needs, including services by individuals serving as "foster grandparents" to children receiving care in hospitals, homes for dependent and neglected children, or other establishments providing care for children with special needs. The Director may approve assistance in excess of 90 per centum of the costs of the development and operation of such projects only if he determines, in accordance with regulations he shall prescribe establishing objective criteria, that such action is required in furtherance of the purpose of this section. Provision for such assistance shall be effective as of September 19, 1972. In the case of any project with respect to which, prior to such date, a grant or contract has been made under section 611(a) of the Older Americans Act of 1965, as amended (42 U.S.C. 3044b) or with respect to any project under the Foster Grandparent program in effect prior to September 17, 1969, contributions in cash or in kind from the Bureau of Indian Affairs, Department of the Interior, toward the cost of the project may be counted as part of the cost thereof which is met from non-Federal sources.

(b) The Director is also authorized to make grants or contracts to carry out the purpose described in subsection (a) of this section in the case of persons (other than children) having exceptional needs, including services by individuals serving as "senior health aides" to work with persons receiving home health care, nursing care, or meals on wheels or other nutritional services, and as "senior companions" to persons having developmental disabilities or other special needs for companionship.

(c) (1) Any public or private nonprofit agency or organization responsible for providing person-to-person services to a child in a project carried out under subsection (a) of this section shall have the exclusive authority to determine, pursuant to the provisions of paragraph (2) of this subsection—

(A) which children may receive supportive person-to-person services under such project; and

(B) the period of time during which such

services shall be continued in the case of each individual child.

(2) In the event that such an agency or organization determines that it is in the best interests of a mentally retarded child receiving, and of a particular foster grandparent providing, services in such a project, such relationship may be continued after the child reaches the chronological age of 21: *Provided*, That such child was receiving such services prior to attaining the chronological age of 21.

(3) Any determination made by a public or nonprofit private agency or organization under paragraphs (1) and (2) of this subsection shall be made through mutual agreement by all parties involved with respect to the provision of services to the child involved.

(d) For the purposes of this section, the terms "child" and "children" mean any individual or individuals who are less than 21 years of age.

CONDITIONS OF GRANTS AND CONTRACTS

SEC. 212. (a)(1) In carrying out this part, the Director shall insure that individuals receiving assistance in any project are older persons of low income who are no longer in the regular work force.

(2) The Director shall not award a grant or contract under this part which involves a project proposed to be carried out throughout the State or over an area more comprehensive than one community unless—

(A) the State agency established or designated under section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024(a)(1)) is the applicant for such grant or contract or, if not, such agency has been afforded a reasonable opportunity to apply for and receive such award and to administer or supervise the administration of the project; and

(B) in cases in which such agency is not the grantee or contractor (including cases to which clause (A) applies but in which such agency has not availed itself of the opportunity to apply for and receive such award), the application contains or is supported by satisfactory assurances that the project has been developed, and will to the extent appropriate be conducted, in consultation with, or with the participation of, such agency.

(3) The Director shall not award a grant or contract under this part which involves a project proposed to be undertaken entirely in a community served by a community action agency unless—

(A) such agency is the applicant for such grant or contract or, if not, such agency has been afforded a reasonable opportunity to apply for and receive such award and to administer or supervise the administration of the project;

(B) in cases in which such agency is not the grantee or contractor (including cases to which clause (A) applies but in which such agency has not availed itself of the opportunity to apply for and receive such award), the application contains or is supported by satisfactory assurances that the project has been developed, and will to the extent appropriate be conducted in consultation with, or with the participation of such agency; and

(C) if such State has a State agency established or designated pursuant to section 304(a)(1) of the Older Americans Act of 1965, as amended (42 U.S.C. 3024(a)(1)), such agency has been afforded at least forty-five days in which to review the project application and make recommendations thereon.

(b) The term "community action agency" as used in this section means a community action agency as defined in title II of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2781–2837).

PART C—GENERAL PROVISIONS

COORDINATION WITH OTHER FEDERAL PROGRAMS

SEC. 221. In carrying out this title, the Director shall consult with the [Office of Economic Opportunity] *Community Services Administration*, the Departments of Labor and Health, Education, and Welfare, and any other Federal agencies administering relevant programs with a view to achieving optimal coordination with such other programs, and shall promote the coordination of projects under this title with other public or private programs or projects carried out at State and local levels. Such Federal agencies shall cooperate with the Director in disseminating information about the availability of assistance under this title and in promoting the identification and interest of low-income and other older persons whose services may be utilized in projects under this title.

PAYMENTS

SEC. 222. Payments under this title pursuant to a grant or contract may be made (after necessary adjustments, in the case of grants, on account of previously made overpayments or underpayments) in advance or by way of reimbursement, in such installments and on such conditions, as the Director may determine.

MINORITY GROUP PARTICIPATION

SEC. 223. The Director shall take appropriate steps to insure that special efforts are made to recruit, select, and assign qualified individuals sixty years and older from minority groups to serve as volunteers under this title.

TITLE IV—ADMINISTRATION AND COORDINATION

ESTABLISHMENT OF AGENCY

SEC. 401. There is hereby established in the executive branch of the Government an agency to be known as the ACTION Agency. Such Agency shall be headed by a Director who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level III of the Executive Schedule under section 5314 of title 5, United States Code. There shall also be in such agency a Deputy Director who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level IV of the Executive Schedule under section 5315 of title 5, United States Code. The Deputy Director shall perform such functions as the Director shall from time to time prescribe, and shall act as Director of the ACTION Agency during the absence or disability of the Director. There shall also be in such agency two Associate Directors who shall be appointed by the President by and with the advice and consent of the Senate, and shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code. One such Associate Director shall be designated "Associate Director for Domestic and Anti-Poverty Operations" and shall carry out operational responsibility for all programs authorized under this Act, and the other such Associate Diretcor shall be designated "Associate Director for International Operations" and shall carry out operational responsibility for all programs authorized under the Peace Corps Act (22 U.S.C. 2501 et seq.). There shall also be in such agency no more than two Assistant Directors appointed by the President by and with the advice and consent of the Senate, who shall be compensated at the rate provided for level V of the Executive Schedule under section 5316 of title 5, United States Code. Each such Assistant Director shall perform such staff and support functions for such Associate Directors as the Director shall from time to time prescribe. There shall also be in such agency one Deputy Associate Director, under the Associate Director for Domestic and Anti-Poverty Operations, primarily responsible for programs carried out under parts A and B of title I of this Act and one Deputy Associate Director, under the Associate Director for Domestic and Anti-Poverty Operations, primarily responsible for programs carried out under title II of this Act, each of whom shall be appointed by the Director.

AUTHORITY OF THE DIRECTOR

SEC. 402. In addition to the authority conferred upon him by other sections of this Act, the Director is authorized to—

(1) appoint in accordance with the Civil Service laws such personnel as may be necessary to enable the ACTION Agency to carry out its functions, and, except as otherwise provided herein, fix the compensation of such personnel in accordance with chapter 51 of title 5, United States Code;

(2)(A) employ experts and consultants or organizations thereof as authorized by section 3109 of title 5, United States Code, except that no individual may be employed under the authority of this subsection for more than one hundred days in any fiscal year; (B) compensate individuals so employed at rates not in excess of the daily equivalent of the rate payable to a GS–18 employee under section 5332 of such title, including traveltime; (C) allow such individuals, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) as authorized by section 5703 of such title for persons in the Government service employed intermittently, while so employed; and (D) annually renew contracts for such employment under this clause;

(3) with the approval of the President, arrange with and reimburse the heads of other Federal agencies for the performance of any of the provisions of this Act and, as necessary or appropriate, delegate any of his functions under this Act and authorize the redelegation thereof subject to provisions to assure the maximum possible liaison between the ACTION Agency and such other agencies at all operating levels, which shall include the furnishing of complete operational information by such other agencies to the ACTION Agency and the furnishing of such information by the ACTION Agency to such other agencies;

(4) with their consent, utilize the services and facilities of Federal agencies without reimbursement, and, with the consent of any State or a poliitcal subdivision of a State, accept and utilize the services and facilities of the agencies of such State or subdivisions without reimbursement;

(5) accept in the name of the ACTION Agency, and employ or dispose of in furtherance of the purposes of this Act, or of any title thereof, any money or property, real, personal, or mixed, tangible or intangible, received by gift, devise, bequest, or otherwise;

(6) accept voluntary and uncompensated services;

(7) allocate and expend, or transfer to other Federal agencies for expenditure, funds made available under this Act as he deems necessary to carry out the provisions hereof, including (without regard to the provisions of section 4774(d) of title 10, United States Code), expenditure for construction, repairs, and capital improvements;

(8) disseminate, without regard to the provisions of section 3204 of title 39, United States Code, data and information, in such form as he shall deem appropriate to public agencies, private organizations, and the general public;

(9) adopt an official seal, which shall be judicially noticed;

(10) collect or compromise all obligations to or held by him and all legal or equitable

rights accruing to him in connection with the payment of obligations in accordance with Federal Claims Collection Act of 1966 (31 U.S.C. 951–53);

(11) expend funds made available for purposes of this Act as follows: (A) for printing and binding, in accordance with applicable law and regulations; and (B) without regard to any other law or regulation, for rent of buildings and space in buildings and for repair, alteration, and improvement of buildings and space in buildings rented by him; but the Director shall not utilize the authority contained in this subclause (B)—

(i) except when necessary to obtain an item, service, or facility, which is required in the proper administration of this Act, and which otherwise could not be obtained, or could not be obtained in the quantity or quality needed, or at the time, in the form, or under the conditions in which, it is needed, and

(ii) prior to having given written notification to the Administrator of General Services (if the exercise of such authority would affect an activity which otherwise would be under the jurisdiction of the General Services Administration) of his intention to exercise such authority, the item, service, or facility with respect to which such authority is proposed to be exercised, and the reasons and justifications for the exercise of such authority;

(12) notwithstanding any other provision of law, make grants to or contracts with Federal or other public departments or agencies and private nonprofit organizations for the assignment or referral of volunteers under this Act.

(except as provided in section 108) which may provide that the agency or organization shall pay all or a part of the costs of the program;

(13) provide or arrange for educational and vocational counseling of volunteers and recent former volunteers under this Act to (A) encourage them to use in the national interest the skills and experience which they have derived from their training and service, particularly working in combating poverty as members of the helping professions, and (B) promote the development, and the placement therein of such volunteers, of appropriate opportunities for the use of such skills and experience;

(14) establish such policies, standards, criteria, and procedures, prescribe such rules and regulations, enter into such contracts and agreements with public agencies and private organization and persons, and make such payments (in lump sum or installments, and in advance or by way of reimbursement, and in the case of grants otherwise authorized under this Act, with necessary adjustments on account of overpayments and underpayments) as are necessary or appropriate to carry out the provisions of this Act; and

(15) generally perform such functions and take such steps, consistent with the purposes and provisions of this Act, as he deems necessary or appropriate to carry out the provisions of this Act.

POLITICAL ACTIVITIES

SEC. 403. (a) No part of any funds appropriated to carry out this Act, or any program administered by the ACTION Agency, shall be used to finance, directly or indirectly, any activity designed to influence the outcome of any election to Federal office, *or the outcome of any election to any State or local public office*, or any voter registration activity, or to pay the salary of any officer or employee of the ACTION Agency, who, in his official capacity as such an officer or employee, engages in any such activity. As used in this section, the term "election" (*when referring to an election for Federal office*) has the same meaning given such term by section 301(a) of the Federal Election Campaign Act of 1971 (Public Law 92–225), and the term "Federal office" has the same meaning given such term by section 301(c) of such Act.

(b) (*1*) Programs assisted under this Act shall not be carried on in a manner involving the use of funds, the provision of services, or the employment or assignment of personnel in a manner supporting or resulting in the identification of such programs with [(1)] (*A*) any partisan or nonpartisan political activity or any other political activity associated with a candidate, or contending faction or group, in an election for public or party office, [(2)] (*B*) any activity to provide voters or prospective voters with transportation to the polls or similar assistance in connection with any such election, or [(3)] (*C*) any voter registration activity.

(2) *No funds appropriated to carry out this Act shall be used by any program assisted under this Act in any activity for the purpose of influencing the passage or defeat of legislation or proposals by initiative petition, except—*

(*A*) *in any case in which a legislative body, a committee of a legislative body, or a member of a legislative body requests any volunteer in, or employee of, such a program to draft, review, or testify regarding measures or to make representations to such legislative body, committee, or member; or*

(*B*) *in connection with an authorization or appropriations measure directly affecting the operation of the program.*

(C) The Director, after consultation with the [Civil Service Commission] *Office of Personnel Management*, shall issue rules and regulations to provide for the enforcement of this section, which shall include provisions for summary suspension of assistance for no more than thirty days until notice and an opportunity to be heard can be provided or other action necessary to permit enforcement on an emergency basis.

SPECIAL LIMITATIONS

SEC. 404. (a) The Director shall prescribe regulations and shall carry out the provisions of this Act so as to assure that the service of volunteers assigned, referred, or serving pursuant to grants, contracts, or agreements made under this Act is limited to activities which would not otherwise be performed by employed workers and which will not supplant the hiring of or result in the displacement of employed workers, or impair existing contracts for service.

(b) All support, including transportation provided to volunteers under this Act, shall be furnished at the lowest possible costs consistent with the effective operation of volunteer programs.

(c) No agency or organization to which volunteers are assigned hereunder, or which operates or supervises any volunteer program hereunder, shall request or receive any compensation for services of volunteers supervised by such agency or organization.

(d) No funds authorized to be appropriated herein shall be directly or indirectly utilized to finance labor or anti-labor organizations or related activity.

(e) Persons serving as volunteers under this Act shall provide such information concerning their qualifications, including their ability to perform their assigned tasks, and their integrity, as the Director shall prescribe and shall be subject to such procedures for selection and approval as the Director determines are necessary to carry out the purposes of this Act. The Director may establish such special procedures for the recruitment, selection, training, and assignment of low-income residents of the area to be served by a program under this Act who wish to become volunteers as he determines will further the purposes of this Act.

(f) Notwithstanding any other provision of law and except as provided in the second sentence of this subsection, the Director shall assign or delegate any substantial responsibility for carrying out programs under this Act only to persons appointed or employed pursuant to clauses (1) and (2) of section 402, and persons assigned or delegated such substantial responsibilities on the effective date of this Act and who are receiving compensation in accordance with provisions of law other than the applicable provisions of title 5, United States Code, on such date shall, by operation of law on such date, be assigned a grade level pursuant to such latter provisions so as to fix the compensation of such persons under such authority at no less than their compensation rate on the day preceding such date. The Director may personally make exceptions to the requirements set forth in the first sentence of this subsection for persons he finds will be assigned to carrying out functions under the Peace Corps Act (22 U.S.C. 2501 et seq.) within six months after the effective date of this Act.

(g) (1) Notwithstanding any other provision of law except as may be provided expressly in limitation of this subsection, payments to volunteers under this Act shall not in any way reduce or eliminate the level of or eligibility for assistance or services any such volunteers may be receiving under any governmental program, *except that this paragraph shall not apply in the case of such payments when the Director determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater.*

(2) *Notwithstanding any other provision of law, a person enrolled for full-time service as a volunteer under title I of this Act who was otherwise entitled to receive assistance or services under any governmental program prior to such volunteer's enrollment shall not be denied such assistance or services because of such volunteer's failure or refusal to register for, seek, or accept employment or training during the period of such service.*

NATIONAL VOLUNTARY SERVICE ADVISORY COUNCIL

SEC. 405. (a) There is hereby established in the ACTION Agency a National Voluntary Service Advisory Council (hereinafter referred to as the "Council") to be composed of not more than twenty-five members appointed, not later than ninety days after the date of the enactment of this Act, by and serving at the pleasure of the President. Such members shall be representative of public and private organizations, groups, and individuals interested in serving and benefited by programs carried out under this Act and the Peace Corps Act (22 U.S.C. 2501 et seq.). The President shall designate a temporary chairperson from such members and shall call the initial meeting of the Council within thirty days after appointment of such Council. Members of the Council shall designate a permanent chairperson from such members and shall meet at the call of such chairperson, but not less than four times in each year. Members of the Council, other than those regularly employed by the Federal Government, while attending meetings of such Council shall receive compensation and travel expenses as provided in section 402(2) of this Act with respect to experts and consultants. The Director and Deputy Director of the ACTION Agency shall be ex officio members of the Council.

(b) The Council shall—

(1) advise the Director with respect to policy matters arising in the administration of this Act and the Peace Corps Act (22 U.S.C. 2501 et seq.); and

(2) upon the request of the Director, review the effectiveness and the operation of programs under this Act and the Peace Corps Act and make recommendations (including such proposals for changes in such Acts as the Council deems appropriate) concerning (A) the improvement of such programs, (B) the elimination of duplication of effort, and (C) the coordination of such programs with other Federal programs designed to assist the beneficiaries of such Acts.

(c) Not later than January 1 of each calendar year beginning with the calendar year 1975, the Council shall make an annual report of findings and recommendations to the resident for transmittal by the resident to the Congress together with his comments and recommendations.

(d) In the event that a National Advisory Council to the ACTION Agency is established by administrative action after January 1, 1976, the provisions of subsections (a), (b), and (c) of this section shall apply to any such Council.

LABOR STANDARDS

SEC. 406. All laborers and mechanics employed by contractors or subcontractors in the construction, alteration or repair, including painting and decorating of projects, buildings and works which are federally assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Number 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and in section 2 of the Act of June 1, 1934, as amended (48 Stat. 948, ch. 492, as amended; 40 U.S.C. 276c).

REPORTS

SEC. 407. Not later than one hundred and twenty days after the end of each fiscal year, the Director shall prepare and submit to the resident for transmittal by the President to the Congress a full and complete report on the activities of the ACTION Agency during such year.

JOINT FUNDING

SEC. 408. Pursuant to regulations prescribed by the President, and to the extent consistent with the other provisions of this Act, where funds are provided for a single project by more than one Federal agency to an agency or organization assisted under this Act, the Federal agency principally involved may be designated to act for all in administering the funds provided, and, notwithstanding any other provision of law, in such cases, a single non-Federal share requirement may be established according to the proportion of funds advanced by each agency. When the principal agency involved is the ACTION Agency, it may waive any grant or contract requirement (as defined by such regulations) under or pursuant to any law other than this Act, which requirement is inconsistent with the similar requirements under or pursuant to this Act.

PROHIBITION OF FEDERAL CONTROL

SEC. 409. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any education institution or school system.

COORDINATION WITH OTHER PROGRAMS

SEC. 410. The Director shall take necessary steps to coordinate volunteer programs authorized under this Act with one another, with community action programs, and with other related Federal, State, and local programs. The Director shall also consult with the heads of other Federal, State, and local agencies responsible for programs related to the purposes of this Act with a view to encouraging greater use of volunteer services in those programs and establishing in connection with them systematic procedures for the recruitment, referral, or necessary preservice orientation or training of volunteers serving pursuant to this Act. *The Director, in consultation with the Director of the Office of Personnel Management and the Secretaries of Labor, Commerce, and the Treasury and officials of other appropriate departments and agencies, shall take all appropriate steps to encourage State and local governments, charitable and service organizations, and private employers (1) to take into account experience in volunteer work in the consideration of applicants for employment; and (2) to make provisions for the listing and description of volunteer work on all employment application forms.*

PROHIBITION

SEC. 411. In order to assure that existing Federal agencies are used to the fullest extent possible in carrying out the purposes of this Act, no funds appropriated to carry out this Act shall be used to establish any new department or office when the intended function is being performed by an existing department or office.

NOTICE AND HEARING PROCEDURES FOR SUSPENSION AND TERMINATION OF FINANCIAL ASSISTANCE

SEC. 412. The Director is authorized, in accordance with the provisions of this section, to suspend further payments or to terminate payments under any contract or grant providing assistance under this Act, whenever he determines there is a material failure to comply with the applicable terms and conditions of any such grant or contract. The Director shall prescribe procedures to insure that—

(1) assistance under this Act shall not be suspended for failure to comply with applicable terms and conditions, except in emergency situations for thirty days, nor shall an application for refunding under this Act be denied, unless the recipient has been given reasonable notice and opportunity to show cause why such action should not be taken; and

(2) assistance under this Act shall not be terminated for failure to comply with applicable terms and conditions unless the recipient has been afforded reasonable notice and opportunity for a full and fair hearing.

DISTRIBUTION OF BENEFITS BETWEEN RURAL AND URBAN AREAS

SEC. 414. The Director shall adopt appropriate administrative measures to assure that the benefits of and services under this Act will be distributed equitably between residents of rural and urban areas.

APPLICATION OF FEDERAL LAW

SEC. 415. (a) Except as provided in subsections (b), (c), (d), and (e) of this section, volunteers under this Act shall not be deemed Federal employees and shall not be subject to the provisions of laws relating to Federal officers and employees and Federal employment.

(b) Individuals enrolled [in programs, under title I of this Act for periods of service of at least one year] *as volunteers for periods of full-time service, or, as the Director deems appropriate in accordance with regulations, for periods of part-time service of not less than 20 hours per week for not less than 26 consecutive weeks, under title I of this Act* shall, with respect to such service or training, (1) for the purposes of subchapter III of chapter 73 of title 5, United States Code, be deemed persons employed in the executive branch of the Federal Government, (2) for the purposes of the Internal Revenue Code of 1954 (26 U.S.C. 1 et seq.) and title II of the Social Security Act (42 U.S.C. 401 et seq.), be deemed employees of the United States, and any service performed by an individual as a volunteer (including training) shall be deemed to be performed in the employ of the United States, (3) for the purposes of the Federal Tort Claims provisions of title 28, United States Code, be deemed employees of the United States, [and] (4) for the purposes of subchapter I of chapter 81 of title 5, United States Code (relative to compensation to Federal employees for work injuries), shall be deemed civil employees of the United States within the meaning of the term "employee" as defined in section 8101 of title 5, United States Code, and the provisions of that subchapter shall apply except as follows: (A) in computing compensation benefits for disability or death, [the monthly pay of a volunteer shall be deemed that received under the entrance salary for a grade GS-7 employee,] *the annual rate of pay of a volunteer enrolled for a period of full-time service under such title I shall be deemed to be that received under the entrance salary for a grade GS-7 employee, and the annual rate of pay of a volunteer enrolled for a period of part-time service under such title I shall be deemed to be such entry salary or an appropriate portion thereof as determined by the Director,* and subsection (a) and (b) of section 8113 of title 5, United States Code, shall apply, and (B) compensation for disability shall not begin to accrue until the day following the date on which the injured volunteer is [terminated.] *terminated, and (5) be deemed employees of the United States for the purposes of section 5584 of title 5, United States Code (and stipends and allowances paid under this Act shall be considered as pay for such purposes).*

(c) Any period of service of a volunteer enrolled in a program for a period of service of at last one year under part A of title I of this Act, and any period of full-time service of a volunteer enrolled in a program for a period of service of at least one year under part B or C of title I of this Act, shall be credited in connection with subsequent employment in the same manner as a like period of civilian employment by the United States Government—

(1) for the purposes of section 852(a)(1) of the Foreign Service Act of 1946, as amended (22 U.S.C. 1092(a)(1)), and every other Act establishing a retirement system for civilian employees of any United States Government agency; and

(2) except as otherwise determined by the President, for the purposes of determining seniority, reduction in force, and layoff rights, leave entitlement, and other rights and privileges based upon length of service under the laws administered by the [Civil Service Commission] *Office of Personnel Management,* the Foreign Service Act of 1946, and every other Act establishing or governing terms and conditions of service of civilian employees of the United States Government: *Provided,* That service of a volunteer shall not be credited toward completion of any service requirement for career appointment.

(d) Volunteers serving in programs for periods of service of at least one year under part A of title I of this Act, and volunteers serving for such periods under title VIII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2991-2994d), including those whose service was completed under such Act, who the Director determines, in accordance with regulations he shall prescribe, have successfully completed their periods of service, shall be eligible for appointment in the competitive service in the same manner as Peace Corps volunteers as prescribed in Executive Order Number 11103 (April 10, 1963).

(e) Notwithstanding any other provision

of law, all references in any other law to persons serving as volunteers under title VIII of the Economic Opportunity Act of 1964, as amended, shall be deemed to be references to persons serving as full-time volunteers in a program of at least one year's duration under part A, B, or C of title I of this Act.

(f)(1) The remedy—

(A) against the United States provided by sections 1346(b) and 2672 of title 28, United States Code, or

(B) through proceedings for compensation or other benefits from the United States as provided by any other law, where the availability of such benefits precludes a remedy under section 1346(b) or 2672 of such title 28, for damages for personal injury, including death, allegedly arising from malpractice or negligence of a physician, dentist, podiatrist, optometrist, nurse, physician assistant, expanded-function dental auxiliary, pharmacist, or paramedical (for example, medical and dental technicians, nursing assistants, and therapists) or other supporting personnel in furnishing medical care or treatment while in the exercise of such person's duties as a volunteer enrolled under title I of this Act shall be exclusive of any other civil action or proceeding by reason of the same subject matter against such person (or such person's estate) whose action or omission gave rise to such claim.

(2) The Attorney General of the United States shall defend any civil action or proceeding brought in any court against any person referred to in paragraph (1) of this, subsection (or such person's estate) for any such damage or injury. Any such person against whom such civil action or proceeding is brought shall deliver, within such time after date of service or knowledge of service as determined by the Attorney General, all process served upon such person or an attested true copy thereof to such person's immediate supervisor or to whomever is designated by the Director to receive such papers, and such person shall promptly furnish copies of the pleading and process therein to the United States attorney for the district embracing the place wherein the proceeding is brought and to the Attorney General.

(3) Upon a certification by the Attorney General that the defendant was acting in the scope of such person's volunteer assignment at the time of the incident out of which the suit arose, any such civil action or proceeding commenced in a State court shall be removed without bond at any time before trial by the Attorney General to the district court of the United States of the district and division embracing the place wherein it is pending and the proceeding deemed a tort action brought against the United States under the provisions of title 28, United States Code, and all references thereto. After removal the United States shall have available all defenses to which it would have been entitled if the action had originally been commenced against the United States. Should a district court of the United States determine on a hearing on a motion to remand held before a trial on the merits that the volunteer whose act or omission gave rise to the suit was not acting within the scope of such person's volunteer assignment, the case shall be remanded to the State court.

(4) The Attorney General may compromise or settle any claim asserted in such civil action or proceeding in the manner provided in section 2677 of title 28, United States Code, and with the same effect.

EVALUATION

SEC. 416. (a) The Director shall periodically measure and evaluate the impact of all programs authorized by this Act, their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services. Evaluations shall be conducted by persons not immediately involved in the administration of the program or project evaluated.

(b) The Director shall develop and publish general standards for evaluation of program and project effectiveness in achieving the objectives of this Act. Reports submitted pursuant to section 407 shall describe the actions taken as a result of evaluations carried out under this section.

(c) In carrying out evaluations under this title, the Director shall whenever possible, arrange to obtain the opinions of program and project participants about the strengths and weaknesses of such programs and projects.

(d) The Director shall publish summaries of the results of evaluations of program and project impact and effectiveness no later than sixty days after the completion thereof.

(e) The Director shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with Federal funds shall become the property of the United States.

(f) The Director is authorized to use such sums as are required, but not to exceed 1 per centum of the funds appropriated under this Act, to conduct program and project evaluations (directly, or by grants or contracts) as required by this Act. In the case of allotments from such an appropriation, the amount available for such allotments (and the amount deemed appropriate therefor) shall be reduced accordingly.

NONDISCRIMINATION

SEC. 417. (a) The Director shall not provide financial assistance for any program under this Act unless the grant, contract, or agreement with respect to such program specifically provides that no person with responsibilities in the operation of such program will discriminate with respect to any such program because of race, creed, belief, color, national origin, sex, age, *handicap*, or political affiliation. *For purposes of this subsection, and for purposes of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and the Age Discrimination Act of 1975 (Public Law 94–135, title III; 42 U.S.C. 6101 et seq.), any program, project, or activity to which volunteers are assigned under this Act shall be deemed to be receiving Federal financial assistance.*

(b) No person in the United States shall on the ground of sex be excluded from participation in, be denied the benefits of, be subjected to discrimination under, or be denied employment in connection with, any program or activity receiving assistance under this Act. The Director shall enforce the provisions of the preceding sentence in accordance with section 602 of the Civil Rights Act of 1964 (42 U.S.C. 2000d–1). Section 603 of such Act shall apply with respect to any action taken by the Director to enforce such sentence. This section shall not be construed as affecting any other legal remedy that a person may have if that person is excluded from participation in, denied the benefits of, subjected to discrimination under, or denied employment in connection with any program or activity receiving assistance under this Act.

(c)(1) The Director shall apply the nondiscrimination policies and authorities set forth in section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–16), title V of the Rehabilitation Act of 1973 (29 U.S.C. 791 et seq.), and in the Age Discrimination Act of 1975 (Public Law 94–135, title III; 42 U.S.C. 6101 et seq.) to applicants for enrollment for service as volunteers, and to volunteers serving, under this Act and the Peace Corps Act (22 U.S.C. 2501 et seq.). Any remedies available to individuals under such laws, other than the right of appeal to the Civil Service Commission authorized by section 717 of the Civil Rights Act of 1964, and transferred to the Equal Employment Opportunity Commission by Reorganization Plan Number 1 of 1978, shall be available to such applicants or volunteers.

(2) Not later than 90 days after the date of the enactment of the Domestic Volunteer Service Act Amendments of 1979, the Director, after consultation with the Equal Employment Opportunity Commission with regard to the application of the policies set forth in section 717 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–16) and with the Interagency Coordinating Council, established by section 507 of the Rehabilitation Act of 1973 (29 U.S.C. 797), and the Interagency Committee on Handicapped Employees, established by section 501(a) of the Rehabilitation Act of 1973 (29 U.S.C. 791(a)), with regard to the application of the policies set forth in title V of the Rehabilitation Act of 1973 (29 U.S.C. 791 et seq.), and, not later than 90 days after the Secretary of Health, Education, and Welfare or the Secretary of Health and Human Resources, as the case may be, publishes final general regulations to carry out the Age Discrimination Act of 1975 (Public Law 94–135, title III; 42 U.S.C. 6101 et seq.), and after consultation with the Secretary with regard to the application of the policies set forth in such Act, shall prescribe regulations establishing the procedures for the application of such policies and the provision of such remedies so as to promote the enrollment and service of persons as volunteers without regard to the discriminatory factors described in such laws.

ELIGIBILITY FOR OTHER BENEFITS

SEC. 418. Notwithstanding any other provision of law, no payment for supportive services or reimbursement of out-of-pocket expenses made to persons serving pursuant to [titles] *title* II [and III] of this Act shall be subject to any tax or charge or be treated as wages or compensation for the purposes of unemployment, temporary disability, retirement, public assistance, or similar benefit payments, or minimum wage laws. This section shall become effective with respect to all payments made after the effective date of this Act.

LEGAL EXPENSES

SEC. 419. Notwithstanding any other provision of law and pursuant to regulations which the Director shall prescribe, counsel may be employed and counsel fees, court costs, bail, and other expenses incidental to the defense of volunteers may be paid in judicial or administrative proceedings to which full-time volunteers (or part-time volunteers when such proceeding arises directly out of the performance of activities pursuant to this Act or section 8(b)(1) of the Small Business Act, as amended (15 U.S.C. 637(b)(1))), serving under this Act have been made parties.

[GUIDELINES

[SEC. 420. All rules, regulations, guidelines, instructions, and application forms published or promulgated pursuant to this Act shall be published in the Federal Register at least thirty days prior to their effective date.]

Requirements for prescribing regulations

SEC. 420. (a) For purposes of this section—

(1) the term "regulation" means any rule, regulation, guideline, interpretation, order, or requirement of general applicability prescribed by the Director pursuant to this Act; and

(2) the term "Committees" means the Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(b) Regulations prescribed by the Director or by any other officer of the ACTION Agency,

in connection with, or affecting, the administration of any program carried out under this Act shall contain, immediately following each substantive provision of such regulations, citations to the particular section or sections of statutory law or other legal authority upon which such provision is based.

(c)(1) Except as provided in paragraph (2)(B) of this subsection, no proposed regulation prescribed pursuant to this Act for the administration of any program carried out under this Act may take effect until 30 calendar days after it is published in the Federal Register.

(2)(A) During the 30-day period before the date upon which such regulation is to be effective, the Director shall, in accordance with the provisions of section 553 of title 5, United States Code, offer any interested party an opportunity to make comment upon, and take exception to, such regulation and shall reconsider any such regulation upon which comment is made or to which exception is taken.

(B) If the Director determines that the 30-day requirement in paragraph (1) of this subsection would cause undue delay in the implementation of a regulation, thereby causing substantial hardship for the intended beneficiaries of any program carried out under this Act, the Director may waive the application of such requirement and shall immediately submit a notice of such determination and waiver, including a statement of the reasons therefor, to the Committees.

(d) Concurrently with the publication in the Federal Register of any final regulation, a copy of such final regulation shall be transmitted to the Speaker of the House of Representatives and the President of the Senate. Except as is provided in the following sentence, no such final regulation may take effect until 45 calendar days after such transmission. If the Director determines that such 45-day requirement would cause undue delay in the implementation of the regulation, thereby causing substantial hardship for the intended beneficiaries of any program carried out under this Act, the Director may waive the application of such requirement and shall promptly submit a notice of such determination and waiver, including a statement of the reasons therefor, to the Committees.

(e) Not later than 60 days after the date of the enactment of any Act affecting the administration of any program carried out under this Act, the Director shall submit to the Committees a schedule in accordance with which the Director has planned to prescribe final regulations implementing such Act or part of such Act. Such schedule shall provide that all such final regulations shall be prescribed not later than 180 days after the submission of such schedule. Except as is provided in the following sentence, all such final regulations shall be prescribed in accordance with such schedule. If the Director determines that, due to circumstances unforeseen at the time of the submission of any such schedule, the schedule submitted pursuant to this subsection cannot be met, the Director shall submit a notice of such determination, including a statement of the reasons therefor, to the Committees and shall submit a new schedule which shall then be considered, for the purposes of this subsection, as the schedule originally submitted in connection with the enactment of the Act involved.

DEFINITIONS

SEC. 421. For the purposes of this Act—

(1) the term "Director" means the Director of the ACTION agency;

(2) the terms "United States" and "States" mean the several States, the District of Columbia, the Virgin Islands, Puerto Rico, Guam, and American Samoa and, for the purposes of title II of this Act, the Trust Territory of the Pacific Islands;

(3) the term "nonprofit" as applied to any agency, institution, or organization means an agency, institution, or organization which is, or is owned and operated by, one or more corporations or associations no part of the net earnings of which inures, or may lawfully insure, to the benefit of any private shareholder or individual; and

(4) the term "poor" or "low-income" persons, individuals, or volunteers means such individuals whose incomes fall at or below the poverty line as set forth in section 625 of the Economic Opportunity Act of 1964, as amended by Public Law 92-424 (42 U.S.C. 2971d): *Provided*, That in determining who is "poor" or "low-income", the Director shall take into consideration existing poverty guidelines as appropriate to local situations.

AUDIT

SEC. 422. (a) Each recipient of Federal grants, subgrants, contracts, subcontracts, or loans entered into under this Act other than by formal advertising, and which are otherwise authorized by this Act, shall keep such records as the Director shall prescribe, including records which fully disclose the amount and disposition by such recipient of the proceeds of such assistance, the total cost of the project or undertaking in connection with which such assistance is given or used, the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall, until the expiration of three years after completion of the project or undertaking referred to in subsection (a) of this section, have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients which in the opinion of the Director or the Comptroller General may be related or pertinent to the grants, contracts, subcontracts, subgrants, or loans referred to in subsection (a).

REDUCTION OF PAPERWORK

Sec. 423. In order to reduce unnecessary, duplicative, or disruptive demands for information, the Director, in consultation with other appropriate agencies and organizations, shall continually review and evaluate all requests for information made under this Act and take such action as may be necessary to reduce the paperwork required under this Act. The Director shall request only such information as the Director deems essential to carry out the purposes and provisions of this Act.

REVIEW OF PROJECT RENEWALS

Sec. 424. If the executive authority of any State or local government submits to the Director, not later than 30 days before the expiration of any contract or grant to carry out any project under this Act, a statement which objects to the renewal of such contract or grant, then the Director shall (1) review such statement and take it into account in determining whether to renew such contract or grant; and (2) submit to such executive authority a written statement of reasons regarding the Director's determination with respect to such renewal and specifically with respect to any objection so submitted.

TITLE V—AUTHORIZATION OF APPROPRIATIONS

NATIONAL VOLUNTEER ANTIPOVERTY PROGRAMS

SEC. 501. (a) There are authorized to be appropriated $37,600,000 for the fiscal year ending June 30, 1974, and such sums as may be necessary each for the fiscal years ending June 30, 1975, June 30, 1976, September 30, 1977, [and] September 30, 1978, *September 30, 1979, September 30, 1980, and September 30, 1981*, for the purpose of carrying out title I of this Act. In each such year of the sums appropriated pursuant to this [title] *section for the purpose of carrying out title I of this Act* not less than $29,600,000 shall be expended on programs designed to eliminate poverty and poverty-related human, social, and environmental problems.

Of this amount not less than $22,300,000 shall be expended on programs authorized under part A of title I in each such fiscal year.

(b) Any sums authorized to be appropriated for title I of this Act in excess of $37,600,000 shall be reflected in a commensurate increase in the sums to be made available for Part A of such title.

(c)(1) Of the funds appropriated for each of the fiscal years 1980 and 1981 for the purpose of carrying out title I of this Act, (A) not less than $28,000,000 shall first be available for carrying out the VISTA program under part A of such title, and (B) of the funds appropriated for each such fiscal year for the purpose of carrying out such title which are in excess of $28,000,000 (i) not less than $2,300,000 for fiscal year 1980 and not less than $1,600,000 for fiscal year 1981 shall be available for carrying out the University Year for ACTION program under part B of such title, and (ii) not less than $500,000 for each fiscal year shall be available for carrying out service-learning programs under section 114.

(2) Of the funds appropriated for each of the fiscal years 1980 and 1981 for the purpose of carrying out part C of title I of this Act which are in excess of $2,500,000 but not in excess of $10,000,000, not less than 50 per centum in each such fiscal year shall be available for carrying out the fixed-income counseling and Helping Hand programs under section 122.

NATIONAL OLDER AMERICANS VOLUNTEER PROGRAMS

SEC. 502. (a) There are authorized to be appropriated $17,500,000 for the fiscal year ending June 30, 1974, $20,000,000 each for the fiscal year ending June 30, 1975, and for the fiscal year ending June 30, 1976, respectively, $6,000,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $22,000,000 for each of the fiscal year ending September 30, 1977, and September 30, 1978, to be used for the purpose of carrying out programs under part A of title II of this Act.

(b)(1) There are authorized to be appropriated $32,500,000 for the fiscal year ending June 30, 1974, $40,000,000 each for the fiscal years ending June 30, 1975, and June 30, 1976, respectively, $10,750,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $43,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978, for the purpose of carrying out programs under part B of such title of which (A) $26,500,000 for the fiscal year ending June 30, 1974, and $32,000,000 each for the fiscal years ending June 30, 1975, and June 30, 1976, respectively, $8,750,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $35,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978, shall be available for such years for grants or contracts under subsection (a) of section 211, and (B) $6,000,000 for the fiscal year ending June 30, 1974, and $8,000,000 each for the fiscal years ending June 30, 1975, and June 30, 1976, respectively, $2,000,000 for the period beginning July 1, 1976, and ending September 30, 1976, and $8,000,000 for each of the fiscal years ending September 30, 1977, and September 30, 1978, shall be available for such years for grants or contracts under subsection (b) of such section.

(2) If the sums authorized to be appro-

priated under paragraph (1) of this subsection are not appropriated and made available in full for each such fiscal year, then such sums as are appropriated and made available for each such fiscal year shall be allocated so that—

(A) any amounts appropriated not in excess of a sum which when added to carryover balances otherwise available for obligation under subsection (a) of section 211 equal $25,000,000 shall be used for grants or contracts under such subsection; and

(B) any amounts appropriated in excess of a sum which when added to carryover balances otherwise available for obligation under subsection (a) of section 211 equals $31,000,000 for the fiscal year ending June 30, 1974, and $33,000,000 each for the fiscal years ending June 30, 1975, and June 30, 1976, respectively shall be used for grants or contracts for such fiscal years under such subsection.

ADMINISTRATION AND COORDINATION

SEC. 504. There are authorized to be appropriated each for the fiscal years ending June 30, 1974, June 30, 1975, June 30, 1976, September 30, 1977, [and] September 30, 1978, *September 30, 1979, September 30, 1980, and September 30, 1981,* respectively, such sums as may be necessary for the administration of this Act as authorized in title IV of such Act.

AVAILABILITY OF APPROPRIATIONS

SEC. 505. Notwithstanding any other provision of law, unless enacted in express and specific limitation of the provisions of this section, funds appropriated for any fiscal year to carry out any program under this Act or any predecessor authority shall remain available, in accordance with the provisions of this Act, for obligation and expenditure until expended.

TITLE VI—AMENDMENTS TO OTHER LAWS AND REPEALERS

SUPERSEDENCE OF REORGANIZATION PLAN NUMBER 1 OF JULY 1, 1971

SEC. 601. (a) Sections 1, 2(a), 3, and 4 of Reorganization Plan Number 1 of 1971 (July 1, 1971) are hereby superseded.

(b) The personnel, property, records, and unexpected balances of appropriations, allocations, and other funds employed, used, held, available, or to be made available in connection with the functions transferred to the Director of the ACTION Agency by sections 2(a) and 4 of such reorganization plan are hereby transferred to the ACTION Agency established by section 401. All grants, contracts, and other agreements awarded or entered into under the authority of such reorganization plan will be recognized under comparable provisions of this Act so that there is no disruption of ongoing activities for which there is continuing authority.

(c) All official actions taken by the Director of the ACTION Agency, his designee, or any other person under the authority of such reorganization plan which are in force on the effective date of this Act and for which there is continuing authority under the provisions of this Act, and the length of the period of service of volunteers serving or undergoing training under title VIII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2991–2994d) on the effective date of this Act, shall continue in full force and effect until modified, superseded, or revoked by the Director.

(d) All references to ACTION, or the Director of ACTION in any statute, reorganization plan, Executive order, regulation, or other official document or proceeding shall, on and after the effective date of this Act, be deemed to refer to the ACTION Agency established by section 401 and the Director thereof.

(e) No suit, action or other proceeding, and no cause of action, by or against the agency known as ACTION created by such reorganization plan, or any action by any officer thereof acting in his official capacity, shall abate by reason of enactment of this Act.

(f) Persons appointed by the President, by and with the advice and consent of the Senate, to positions requiring such advice and consent under such reorganization plan may continue to serve in the same capacity in the ACTION Agency without the necessity of an additional appointment by the President or further such advice and consent by the Senate.

CREDITABLE SERVICE FOR CIVIL SERVICE RETIREMENT

SEC. 602. Section 8332(b)(7) of title 5, United States Code (relating to creditable service to civil service retirement), is amended by inserting a comma and "or a period of service of a full-time volunteer enrolled in a program of at least one year's duration under part A, B, or C of title I of the Domestic Volunteer Service Act of 1973 (— U.S.C.—)" after "Economic Opportunity Act of 1964".

REPEAL OF TITLE VIII OF THE ECONOMIC OPPORTUNITY ACT

SEC. 603. Title VIII of the Economic Opportunity Act of 1964, as amended (42 U.S.C. 2991–2994d), is hereby repealed.

REPEAL OF TITLE VI OF THE OLDER AMERICANS ACT

SEC. 604. (a) Title VI of the Older Americans Act of 1965, as amended (42 U.S.C. 3044–3044e), is hereby repealed.

(b) Section 908 of the Older Americans Comprehensive Services Amendments Act of 1973 (Public Law 93–29) is amended by striking out "1973," and "1974," and inserting in lieu thereof "1974," and "1975,", respectively.

Approved October 1, 1973.

SECTION 5 OF PUBLIC LAW 94–130

An act to amend further the Peace Corps Act, and for other purposes

* * * * *

SEC. 5. (a) Section 105(a)(1) of the Domestic Volunteer Service Act of 1973 (42 U.S.C 4955(a)(1)) is amended by striking out "$50" and inserting in lieu thereof "$75".

(b) There are authorized to be appropriated, in addition to the sums authorized to be appropriated pursuant to section 501 of such Act, such additional sums as may be necessary to carry out the amendments made by subsection (a) of this section. [Such amendments are to be effective for each fiscal year only to such extent and for such amounts as are specifically provided for such purpose in such appropriation Acts.]

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. CRANSTON. I move to reconsider the vote by which the conference report was agree to.

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

The motion to lay on the table was agreed to.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business of not to exceed 20 minutes, with Senators permitted to speak up to 5 minutes each therein.

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

WELFARE REFORM IN REVERSE

Mr. THURMOND. Mr. President, much reform is needed in the Nation's welfare system. We need to tighten the eligibility requirements and eliminate fraud and abuse.

A recent editorial in the Greenville News in Greenville, S.C., brings up the issue of welfare reform and points out that the administration's proposals will do nothing to help solve the problem. The editorial states that the proposals will not encourage the incentive of the recipients to get off the welfare program and will probably increase the Federal Government's role in the system.

Mr. President, in order to share this fine article with my colleagues, I ask unanimous consent that the editorial appear in the RECORD.

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

WELFARE REFORM IN REVERSE

Few people would argue the need to reform the nation's welfare system. It is a mess, open to fraud, waste and abuse.

But the Carter administration is going about welfare reform in the wrong way. The president's proposal, which is now before Congress, likely will lead to higher welfare bills, will reduce the incentive recipients have to get off the welfare rolls and will do nothing to lessen the risk of fraud and abuse.

It also will increase the federal role in welfare; and that, given the magnitude of the welfare system, will further erode the federal system prescribed by the Constitution.

The primary feature of the administration plan is the establishment of a national minimum welfare benefit equal to 65 percent of the official poverty level. It is now set by the Census Bureau at $7,160 for a family of four. The minimum welfare benefit would be $4,654.

Critics of the proposal contend it will lead to the establishment of a guaranteed income. There is little difference between a minimum welfare benefit and a guaranteed income. It is, in fact, when taken with other welfare benefits, such as food stamps and the earned income tax credit, little more than a scheme for redistributing the nation's wealth.

One of the most troubling aspects of the proposal is that it will do nothing to encourage welfare recipients to seek work which will get them off the welfare rolls or, at least, reduce their dependence on welfare.

The proposal has a work requirement, but the requirement is so watered down a welfare recipient would be permitted to refuse a job for several reasons, one of which is that the job doesn't pay very much.

The heavy hand of organized labor can be seen clearly in the provision which will allow a welfare recipient to refuse a job which becomes available because of a strike, lockout or other labor dispute.

The plan also would allow a welfare recipient to earn up to $500 per month and still be considered unemployed.

Carter's proposal also does not take into consideration cost of living differences between states. A welfare family in South Carolina would get the same benefit as a recipient in New York City, where the cost of living is much higher.

By enacting a minimum national benefit, Congress necessarily would increase federal control of the welfare system, which now is primarily the responsibility of the states. Such federal control would put yet another nail into the coffin of the system of government the Founding Fathers sought to establish. They feared a strong central government and tried to limit its powers.

There is also in Congress an alternative welfare proposal which would not drastically increase federal power. That legislation would provide for a system of block grants to the states. The states would be able to tailor their welfare programs to the needs of

their own welfare recipients, experiment with new programs and establish work requirements which could cut welfare costs without hurting those who really need government aid.

This proposal—and not Carter's—should be adopted.

UNITED NEGRO COLLEGE FUND

Mr. THURMOND. Mr. President, since 1943, the United Negro College Fund has provided support for private colleges throughout the country. This fine organization has distributed about $2 million during its history and has enabled countless young men and women to receive an education they might not have otherwise been able to afford.

Twenty-seven colleges participated in the original appeal for the UNCF. Today the fund provides money and services to over 41 members. These institutions are private, fully accredited predominately black colleges and universities.

Recently, the Washington Inter-Alumni Council of the United Negro College Fund held ceremonies recognizing some of its members for their exemplary work for education. I was pleased to learn that a staff member of mine, Mrs. Thomasina Francis, was honored at this event for her dedicated efforts and distinguished service to her alma mater (Vorhees College), the alumni council, her church, and her community. Mrs. Francis is a fine, competent member of my staff, and I am proud of her achievements with the UNCF.

SOVIET CONSTRUCTION OF NEW PIER IN CUBA

Mr. THURMOND. Mr. President, the Soviet military buildup of an operating base in Cuba continues with hardly a whimper from the administration.

The latest discovery of a new pier under construction at Cienfuegos indicates that the Soviets are establishing in Cuba facilities which will enable them to build an influence in Central and Latin America.

Mr. President, I ask unanimous consent that an article entitled "Soviet Construction of Pier at Cuban Base is Reported" which appeared in the October 31, 1979 issue of the Washington Post newspaper be printed in the RECORD at the conclusion of my remarks.

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

SOVIET CONSTRUCTION OF PIER AT CUBAN BASE IS REPORTED

(By John M. Goshko)

U.S. intelligence has determined that the Soviet Union is building a new pier at the Cienfuegos naval base in Cuba, but Carter administration officials said last night they do not know whether the facility could be used for offensive purposes such as servicing Soviet nuclear submarines.

The officials stressed that, at this point, there are no grounds for regarding the pier construction with the same concern triggered by the discovery in August of a Soviet combat brigade in Cuba.

In fact, the officials added, there is no evidence to suggest that the construction violates the understandings reached by the two superpowers in settlement of the 1962 Cuban missile crisis. Those agreements are supposed to bar the Soviets from introducing offensive weapons onto the islands.

They said the construction, which was detected by increased U.S. surveillance of Cuba in the wake of the furor over the Soviet brigade, is being watched closely and has been reported to key members of Congress dealing with security affairs. They added that Secretary of State Cyrus R. Vance also discussed the matter in general terms at a meeting Monday with Hispanic-American community leaders.

However, despite the cautious tone taken by the officials, fallout from the controversy over the Soviet brigade—coupled with a companion dispute about Cuba as a potential base for servicing Soviet subs and warships—seems certain to unlease new questions about Soviet military activities in Cuba.

That was underscored last night by Sen. Richard B. Stone (D-Fla.), who revealed the presence of the Soviet brigade last summer at a time administration officials were insisting they had no evidence to support such charges.

In a telephone interview, Stone, who has been briefed on the matter, said the construction is of "major proportions" and has been under way for several months. The senator added that he had more information but could not reveal it because it was clasisfied and went beyond the facts that emerged yesterday.

But Stone, who repeatedly has raised questions about Soviet submarine visits to Cuba, said the matter raises questions "of concern about whether the Soviets are attempting to build a major submarine base in Cuba."

He continued: "It is time to get this situation clarified, both in terms of clearing up ambiguities about the extent to which facilities in Cuba can be used by Soviet warships, including those with nuclear armaments, and in terms of making clear we will not tolerate a major base there operated by the Soviets or their Cuban allies."

The U.S.-Soviet understandings about Cuba, which have never been made fully public, have been a subject of controversy over the years in regard to naval matters.

In 1970, after concern developed that the Russians were building a submarine base at Cienfuegos Bay, President Nixon announced that port calls in Cuba by Soviet submarines and ships would not violate the agreements, but the servicing of such vessels "either in or from Cuba would be a violation."

The pier whose construction has now been detected is in addition to another recently built at Cienfuegos Bay under Soviet supervision Although it apparently was ready for use when Soviet ships were deployed in the Caribbean last spring, the Russian vessels did not visit Cuba.

That is believed to have been the result of U.S. press reports calling attention to the possibility that a violation of the 1962 agreements and the 1970 Nixon interpretation of the accords might occur. The Carter administration is understood to have warned the Soviets at the time that a visit by the Soviet ships to Cienfuegos could be considered a provocation in this country and lead to strained relations.

However, there has been continued speculation about whether Soviet ships and subs will continue to avoid going into Cienfuegos Bay. As a result, revelation that a second Soviet pier is under construction seems guaranteed to regenerate debate about what the Soviets are up to at the Cuban facility.

According to administration sources, the new construction also involves several large buildings or sheds, and some sources said that this seems like a lot of construction to handle the two Soviet subs known to be at the Cienfuegos base.

One of these vessels, they said, is an overage submarine used by the Cubans for training purposes. They said the other, manned by a Soviet crew is a diesel-powered attack submarine armed with conventional torpedoes but no missiles.

THE LONG ROAD TO PEACE AND UNITY

Mr. MATSUNAGA. Mr. President, the senior Senator from West Virginia, my good friend JENNINGS RANDOLPH, is known, among his colleagues and the citizens of the great State that he has served so outstandingly in the House of Representatives and the Senate for 34 years, as a man of superior vision. He has had such an outstanding record that his length of service, surpassed by only a handful of Members serving in Congress, has been greatly overshadowed, and rightly so, by his deeds.

My distinguished colleague has long been a strong and effective advocate of programs to improve public facilities, transportation systems, and the environment. As a member of the Senate Committee on Environment and Public Works since 1958, and as its chairman since 1966 he has been intimately involved with the legislative leadership in the areas of air and water pollution control, solid waste disposal, highways, and water resources development.

Throughout his remarkable career, the distinguished senior Senator from West Virginia has shown concern for the people of his State and the Nation; whether through his work on improving the Nation's highway system—about which he is acknowledged as the Senate's foremost expert, advocacy of air and water pollution programs, or his concern for a peaceful society that can nurture the best in all of us.

Senator RANDOLPH and I have both harbored an American dream that goes back to the time of our first President; a dream that he has pursued since he first introduced a bill in 1945, while serving in the House, to create a Department of Peace, and which I, also, have pursued vigorously by introducing subsequent legislation.

The dream of a national entity to actively pursue the course of peace has now been brought closer than ever to reality with passage into law, in the 95th Congress, of a Commission to Study Proposals for a National Academy of Peace and Conflict Resolution, and the recent appropriation of $500,000 for the operation of the Commission; legislation which in great measure was due to his leadership, and of which I was pleased to have been a principal introducer.

Mr. President, in order to advance the distinguished Senator's idea of peace, with which I strongly concur, and in order to better understand the meaning of peace, which is so fragile a concept that it is often perverted as an excuse for conflict, I request unanimous consent to insert in the RECORD his remarks at the Second International Peace and Human Rights Conference at Campobello Island, Saturday, August 25, 1979, as follows:

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

THE LONG ROAD TO PEACE AND UNITY

Please accept our appreciation for the hospitality and understanding with which I have been received at Campobello. It is a privilege to participate in this Second Armand Hammer International Conference.

I agree with the theme selected by the Foundation for the International Institute of Human Rights. "Peace and Human Rights—Human Rights and Peace" is not the cryptic title favored by headline writers, but it accurately describes our conviction that the right to peace is one of the fundamental human rights. It affirms your Oslo declaration that fundamental human rights and peace are indivisible.

You have not given up on humanity. You expect the future to be good. Being practical you know that the future we envision will not just happen, but must be made to happen. By our presence here, each of us has declared a responsibility in the making of that future that goes beyond our profession or our political ideology.

It was in this restful setting that President Franklin D. Roosevelt found personal peace. Here also our natioanl leader sought that strength to summon all people in a crusade for world peace. In the autumn of 1939, in a famous fireside chat, he warned, and I quote:

"When peace has been broken anywhere, the peace of all countries is in danger."

Never in all history has humanity had so compelling an opportunity to exercise a choice in what its future should be. And never before has it been confronted with a choice between such drastic extremes. Scientific knowledge and the ability to apply that knowledge in positive ways have been increased at an ever faster rate, particularly over the past half-century. It is difficult for the mind to grasp the enormous development that has taken place.

The critical question of our time is will humanity use this expanding knowledge, and the ability to apply it, as a tool or as a weapon. Will these things result in a better, more livable world, or in the suicide of civilization? I am convinced that the answer to this question is being formulated by those of us who live today—and that no individual can escape a personal responsibility for his contribution to that answer.

It is this generation of industry and government officials, of thinkers and philosophers, of opinion-makers and thought-leaders, who must make the crucial decisions which lead to what the late Walter Lippman called the "Unity of Mankind."

We know, of course, that the idea of a universal society at peace is an ancient one among civilized men and women. In fact, we may define a civilized man as one who is converted to the belief that there are universal standards of law, of right, and of justice—which all men, and women, when they are rational, are bound to acknowledge.

For some 25 centuries it has been regarded as heresay against civilization to believe that a political frontier is a moral boundary, and that right and wrong are different on one side of it than on the other. And that sovereignty of government is absolute and that governments are bound by no common obligations superior to their own will.

We know that throughout history nations and their rulers have acted as if their own will were the whole of the law. Humanity has always been separated into many states and tribes, frequency at war with one another. Yet civilized men have never ceased to feel that patriotism is not enough, unless it is founded on universal principles, and pursues ends that can be made universally acceptable to rational men.

Great alliances of the past have always been founded primarily on military conquest, on geographical and economic divisions enforced by mighty armies and ethnic populations.

Alfred Lord Tennyson in 1842 wrote these prophetic words in Locksley Hall:

"Till the war drum throbbed no longer,
And the battle flags were furled
In the Parliament of man,
The Federation of the world."

Yet, in the middle of this century—within the space of a few months coincident with the atomic destruction of Hiroshima—our generation created the United Nations and issued the Universal Declaration of Human Rights. For the first time, a world organization and a humane ideology were established on the basis of political unity and a comity of ideals.

Ten years ago, another major moment of world awareness occurred that has served to bring peoples of this planet together. It was on July 19, 1969, when television flashed around the world the first portrait of our Earth—described as a big, blue marble nestled in the black void of space. I believe that this spectacular view of our beautiful, yet fragile Earth is the genesis of many of our recent international compacts on environment, trade, agriculture and human exchange.

Over the years I have served in Congress, as a Representative and as a Senator, I have been sponsor and cosponsor of legislation to create a U.S. Department of Peace, and a Secretary of Peace at the cabinet level in the Executive branch.

During the 79th Congress in 1945, while a member of the House of Representatives, I introduced House Resolution 3628, to create a Department of Peace, and I testified before the U.S. House Committee on Foreign Affairs on behalf of the bill. I said then that if America does not take the leadership in keeping peoples of the earth together in peace, "utter chaos is certain to result."

In recent years, I have supported the establishment of a National Academy of Peace. During the almost 35 years I have served, I have been grateful that similar legislation has been introduced by other members of Congress. Prior to 1977, there was a total of 140 bills introduced to create a Peace Academy or an executive department of peace. Despite many days of hearings and thousands of words of testimony by world authorities on mediation and conflict resolution, debates and conferences with educators and humanitarians, the Congress took no final action on our legislation to create a National Academy of Peace.

The breakthrough came on June 17, 1977, when the Senate agreed on S. 469—which I introduced with Senator Mark Hatfield of Oregon—to a compromise establishing a nine-member commission to study proposals for establishing a national academy for peace and conflict resolution. The objective of such an entity of our government would be primarily educational, to provide training and research in non-violent techniques for achieving just and peaceful relations within domestic communities and among nations. Students throughout the world would be invited to participate.

The study commission was authorized under Public Law 95-561 and authorized to spend $500,000 in its year-long search for concrete proposals to bring back to the Congress. Late last month, the funds were appropriated in House-Senate conference to become available after October 1. The House has selected its three representatives: Rep. Dan Glickman, Rep. John Ashbrook and Dr. William Lincoln. Senator Warren Magnuson, president pro-tem of the Senate, has named Senator Spark Matsunaga, former Rep. John Dellenback and Mr. John P. Dunfey to the commission. President Carter has not yet named his three.

As a citizen of the United States, I am understandably proud of our leadership role in science and technology. I am aware, too, that we have been a leader in the world in the development of the most destructive weapons. It is my hope that as Americans we can lead the world in creating a school for peace, for finding a basis of understanding among all countries.

Basically, our mission for peace is to discourage belligerents and to prevent them, and when necessary to oppose them, if they try to impose their system of government and their way of life on the whole world.

Wendell Willkie on his return from an around-the-world trip in 1940, on a mission for President Roosevelt, was to write in his book, ONE WORLD, these words:

"Winning the war is not enough . . . To win the peace, three things seem to be necessary: first, we must plan for peace on a global basis; second, the world must be free, economically and politically, for nations and for men that peace may exist in it; third, America must play an active, constructive part in freeing it and in keeping its peace."

Someday, perhaps, the entire world and all its people will come together in one global civilization. But if that happens, it will not be because someone of the many social systems now prevailing has been accepted by, or has been imposed on, humankind everywhere.

A global civilization would recognize as universal certain of the elementary principles of human justice and human rights of man and human responsibilities. But it might not resemble in its structure, or in its methods, or even in its daily working procedures, social orders that are now in existence.

In this generation, and in the next, and for as long a time forward, the world will not be one world under any single ideology. It will not be one communist world. It will not be one capitalist world, or one socialist world. And, it will not be one totalitarian world or one democratic world. It WILL BE one world that contains parts of these systems.

If it is to be a world that is substantially at peace, it must be a world which is united but not uniform. It must be a world of diversity in which the differences are recognized and are accepted and understood. We are not gods. We are only men and women. And therefore, we cannot make one world in our own image.

Our struggle for peace and human dignity has traveled a long road. But we have seen, in recent months, that centuries-old conflicts can be substantially ameliorated by the rational and understanding people of good will, and the Holy Spirit.

Those who seek universal peace and human rights hold in their hands the hope of the world, the fate of civilization; and the shame and disgrace will be ours if in our eyes the light of high resolve is dimmed, if we trail in the dust the golden hopes of humanity.

In his speech at the Israeli Knesset, on November 20, 1977, President Sadat of Egypt held aloft those golden hopes with these words:

"Introduce to the entire world the image of the new man in this era so that he might set an example of the man of our age, the man of peace everywhere. Ring the bells for your sons. Tell them that we are upon a new beginning, a new life, a life of love, prosperity, freedom and peace.

"Amidst the ruins of what man has built, among the remains of the victims of mankind, there emerges neither victor or vanquished. The vanquished remains always a man—God's most sublime creation . . ."

And he added:

"When the bells of peace ring, there will be no hands to beat the drums of war."

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 MESSAGE REFERRED

As in executive session, the Presiding Officer laid before the Senate a message from the President of the United States submitting the nomination of Donald R. Toussaint, of Virginia, to be Ambassador Extraordinary and Plenipotentiary of the United States to the Democratic Socialist Republic of Sri Lanka, and to serve concurrently without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States to the Republic of Maldives; which was referred to the Committee on Foreign Relations.

REPORT ON ADMINISTRATION OF THE NATIONAL SICKLE CELL ANEMIA, COOLEY'S ANEMIA, TAY-SACHS, AND GENETIC DISEASES—MESSAGE FROM THE PRESIDENT—PM 132

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 1106 of the Public Health Service Act, I am transmitting to Congress the Third Annual Report for 1978 on the Administration of the National Sickle Cell Anemia, Cooley's Anemia, Tay-Sachs, and Genetic Disease Act.

This report has been prepared by the Health Services Administration and submitted to me as required by law. The Report describes further progress made towards implementation of a Genetic Services Program.

JIMMY CARTER.

THE WHITE HOUSE, *November 9, 1979.*

SPECIAL CENTRAL AMERICAN AND CARIBBEAN SECURITY ASSISTANCE ACT OF 1979—MESSAGE FROM THE PRESIDENT— PM 133

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

Many of our neighbors in Central America and the Caribbean are in crisis—crisis marked by economic problems, terrorism, and popular frustration. The resolution of these problems in ways that will preserve the independence and security of these countries, while expanding democracy and supporting human rights, is very much in the national interest of the United States.

Prompt and effective U.S. assistance is vital.

—Nicaragua's economy has been crushed by bitter and prolonged strife. We have been asked to help, and we are doing so. But more is needed to restore public confidence, private initiatives, and popular well-being.

—The Governments in El Salvador and Honduras have pledged democracy and moderation. These and other Central American countries are embarked on accelerated development efforts of direct benefit to the poor. Assistance in these efforts is essential in creating the conditions under which democratic institutions can grow and thrive.

—The countries of the Eastern Caribbean are young and struggling democraries. They need help now for nation-building and for economic development.

I am therefore today proposing action to expand our support for development and security in Central America and the Caribbean. This will augment our existing development and security assistance programs in these regions, which in turn complement the contributions of several other governments and international agencies.

I have directed that, subject to normal congressional notification procedures, funds be reprogrammed for use in Central America and the Caribbean. These include:

—$5 million from the fiscal year 1980 Economic Support Funds for development projects in Central American countries other than Nicaragua.

—$10 million from fiscal year 1979 and fiscal year 1980 development assistance funds for public works and high employment impact projects in the Caribbean. These projects are an important part of our fiscal year 1979–80 contributions of $66.9 million budgeted for the Caribbean Development Group, chaired by the World Bank.

We are also reprogramming Food for Peace funds to increase food assistance in the area, especially in Nicaragua. We will also likely be reprogramming $5 to $10 million in Foreign Military Sales credits and International Military Education and Training funds for the Caribbean, and similar amounts for such programs in Central America. We are still working out the final details of these proposed reprogrammings and will fully inform the appropriate congressional committees of our proposed actions.

Reprogramming, however, is not enough. The enclosed bill would provide $80 million in flexible Economic Support funding, $75 million to assist in the reconstruction of the Nicaraguan economy and $5 million for early-impact development projects in other Central American countries.

I strongly urge rapid congressional action on this bill.

Such action will demonstrate that the United States can be relied upon to support democratic aspirations, the rebuilding of broken economies, and the security of our friends in this nearby region. Our additional funds for Central American development should substantially augment existing programs. Furthermore, we hope that other nations and international institutions will increase their efforts to accelerate the social and economic development of Central America.

With your help we can make clear where we stand.

JIMMY CARTER.

THE WHITE HOUSE, *November 9, 1979.*

PRESIDENTIAL APPROVALS

A message from the President of the United States reported that on November 8, 1979, he had approved and signed the following joint resolution:

S.J. Res. 117. Joint resolution to provide for a temporary extension of certain Federal Housing Administration authorities, and for other purposes.

A message from the President of the United States reported that on today, November 9, 1979, he had approved and signed the following act:

S. 428. An act to authorize appropriations for fiscal year 1980 for procurement of aircraft, missiles, naval vessels, tracked combat vehicles, torpedoes, and other weapons and for research, development, test, and evaluation for the Armed Forces, to prescribe the authorized personnel strength for each active duty component and the Selected Reserve of each Reserve component of the Armed Forces and for civilian personnel of the Department of Defense, to authorize the military training student loads, to authorize appropriations for fiscal year 1980 for civil defense, and for other purposes.

MESSAGES FROM THE HOUSE

At 11:32 a.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the amendment of the House to the bill (S. 1160) to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and for other purposes.

The message also announced that the House recedes from its amendments to the bill (S. 1728) to designate the U.S. Federal Courthouse Building located at 655 East Durango, San Antonio, Tex., as the "John H. Wood, Jr., Federal Courthouse."

The message further announced that the House failed to agree to House Resolution 428, to disapprove reorganization plan No. 3 transmitted by the President on September 25, 1979.

The message also announced that, pursuant to the provisions of House Resolution 478, the bill (S. 1871) to extend the existing antitrust exemption for oil companies that participate in the agreement on an international energy program, together with all accompanying papers, is hereby returned to the Senate.

The message further announced that the House agrees to the amendment of the Senate to the bill (H.R. 4955) to authorize additional appropriations for migration and refugee assistance for the fiscal years 1980 and 1981 and to authorize humanitarian assistance for the victims of the famine in Cambodia, with an amendment in which its requests the concurrence of the Senate.

The message also announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1037) to establish an actuarially sound basis for financing retirement benefits for police officers, firefighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits.

The message further announced that the House has passed the following bills and joint resolution, in which it requests the concurrence of the Senate:

H.R. 3398. An act to amend the Food and Agriculture Act of 1977 relating to increases in the target prices for the 1979 crop of wheat, corn, and other commodities under certain circumstances, and for other purposes;

H.R. 4167. An act to amend section 201 of the Agricultural Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 per centum of the parity price thereof;

H.R. 5651. An act to establish by law the position of Chief of the Capitol Police, and for other purposes;

H.J. Res. 68. Joint resolution to authorize the President to issue a proclamation designating the week beginning on November 18, 1979, as "National Family Week".

ENROLLED BILL SIGNED

At 3:36 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the Speaker has signed the following enrolled bill:

S. 1160. An act to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and for other purposes.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

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

H.R. 4904. An act to amend the Social Security Act to reform the program of aid to families with dependent children, to make improvements in the standards for eligibility and benefits in the program of supplemental security income, and to provide for the improved administration of both programs, to make related amendments to the Internal Revenue Code of 1954, and for other purposes.

At 4:50 p.m., a message from the House of Representatives delivered by Mr. Gregory, announced that the House agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 4930) making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1980, and for other purposes; that the House recedes from its disagreement to the amendments of the Senate numbered 15, 25, 31, 34, 47, 54, 73, 82, 87, 89, 90, 110, and 111 to the bill, and concurs therein; and that the House recedes from its disagreement to the amendments of the Senate numbered 1, 3, 17, 24, 30, 37, 38, 40, 48, 49, 50, 51, 52, 53, 56, 58, 59, 67, 74, 91, 94, 107, 108, and 109 to the bill, and concurs therein each with an amendment in which it requests the concurrence of the Senate.

The message also announced that the House agrees to the amendment of the Senate to the bill (H.R. 4986) to amend the Federal Reserve Act to authorize the automatic transfer of funds, to authorize negotiable order-of-withdrawal accounts at depository institutions, to authorize federally chartered savings and loan associations to establish remove service units, and to authorize federally insured credit unions to maintain share draft accounts, and for other purposes, with an amendment; that the House insists upon its amendment to the amendment of the Senate to the bill, requests a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. REUSS, Mr. ST GERMAIN, Mr. ANNUNZIO, Mr. BARNARD, Mr. STANTON, and Mr. WYLIE were appointed as managers of the conference on the part of the House.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 3398. An act to amend the Food and Agriculture Act of 1977 relating to increases in the target prices for the 1979 crop of wheat, corn, and other commodities under certain circumstances, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

H.R. 4904. An act to amend the Social Security Act to reform the program of aid to families with dependent children, to make improvements in the standards for eligibility and benefits in the program of supplemental security income, and to provide for the improved administration of both programs, to make related amendments to the Internal Revenue Code of 1954, and for other purposes; to the Committee on Finance.

H.R. 5651. An act to establish by law the position of Chief of the Capitol Police, and for other purposes; to the Committee on Rules and Administration.

HOUSE BILL PLACED ON THE CALENDAR

The following bill was read twice by its title and placed on the Calendar:

H.R. 4167. An act to amend section 201 of the Agricultural Act of 1949, as amended, to extend until September 30, 1981, the requirement that the price of milk be supported at not less than 80 per centum of the parity price thereof.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, November 9, 1979, he presented to the President of the United States the following enrolled bill:

S. 1160. An act to authorize appropriations for the Federal Fire Prevention and Control Act of 1974, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-2455. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Impediments to Reducing the Costs of Weapon Systems," November 8, 1979; to the Committee on Armed Services.

EC-2456. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "How to Burn Coal Efficiently and Economically, and Meet Air Pollution Requirements—The Fluidized-Bed Combustion Process," November 8, 1979; to the Committee on Energy and Natural Resources.

EC-2457. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Contracting for Computer Software Development—Serious Problems Require Management Attention to Avoid Wasting Additional Millions," November 9, 1979; to the Committee on Governmental Affairs.

EC-2458. A communication from the Administrator, Small Business Administration, transmitting, pursuant to law, the 1978 annual report on the activities and accomplishments of the Small Business Administration; to the Select Committee on Small Business.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-488. A resolution adopted by the National Association of Civilian Conservation Corps Alumni, relating to the historic Civilian Conservation Corps; referred to the Committee on Labor and Human Resources.

POM-489. A resolution adopted by the National Association of Civilian Conservation Corps Alumni, proposing that the last day in the calendar year be known as "National Civilian Conservation Day"; referred to the Committee on the Judiciary.

POM-490. A resolution adopted by the National Association of Civil Conservation Corps Alumni, commending Senator Henry M. Jackson, Chairman of the Committee on Energy and National Resources; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

DOMESTIC VOLUNTEER SERVICE ACT AMENDMENTS OF 1979—CONFERENCE REPORT

Mr. CRANSTON, from the committee of conference, submitted a report on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 239) to authorize appropriations for programs under the Domestic Volunteer Service Act of 1973, to amend such Act to facilitate the improvement of programs carried out thereunder, and for other purposes (Rept. No. 96-412).

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. PELL:

S. 1994. A bill for the relief of William J. Games; to the Committee on Finance.

By Mr. ROTH:

S. 1995. A bill to provide for the establishment of a national cemetery on the Delmarva Peninsula; to the Committee on Veterans' Affairs.

By Mr. MELCHER:

S. 1996. A bill to authorize the recovery of wood residues in the national forests for

use as fuel, for conversion to use as petrochemical substitutes or wood products, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. HART:

S. 1997. A bill to expand the White River National Forest in Colorado; to the Committee on Energy and Natural Resources.

By Mr. CRANSTON:

S. 1998. A bill to provide for the United States to hold in trust for the Tule River Indian Tribe certain public domain lands formerly removed from the Tule River Indian Reservation; to the Select Committee on Indian Affairs.

By Mr. EAGLETON:

S. 1999. A bill to allow the Interest Rate Modification Act of 1979, passed by the Council of the District of Columbia, to take effect immediately to the Committee on Governmental Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ROTH:

S. 1995. A bill to provide for the establishment of a national cemetery on the Delmarva Peninsula; to the Committee on Veterans' Affairs.

● Mr. ROTH. Mr. President, on Monday our Nation will pay tribute to the deserving men and women who have served in our Armed Forces by celebrating Veterans Day. With this day of recognition approaching, I believe it is most fitting and I am pleased to be introducing legislation to provide for the establishment of a national cemetery on the Delmarva Peninsula. My distinguished colleague from Delaware, Senator BIDEN, and the distinguished Senator from Virginia, Senator WARNER, join me in this endeavor.

I am aware there are over 79,000 veterans in Delaware and thousands more on the Eastern Shore of Maryland and Virginia. Mr. President, these veterans have served the United States with honor when duty called. They deserve to be buried in a national cemetery, close to where their loved ones and friends live. The families and friends who survive these patriotic veterans should not have to travel long distances to the gravesites. Yet there is no national cemetery in the State of Delaware, and the ones in the adjoining States of Maryland, Pennsylvania, or New Jersey are closed. The closest one is Arlington National Cemetery in Virginia. However, Arlington is already overcrowded, and most veterans cannot be buried there. This is all the more reason a centrally located cemetery should be established on the Delmarva Peninsula.

A fitting answer to the lack of a national cemetery in Delaware and to the lack of burial space in the cemeteries in Virginia, Maryland, Pennsylvania, and New Jersey is to establish a national cemetery on the Delmarva Peninsula. This would make it possible for veterans from all five States to be buried close to their homes.

I feel it is most fitting to recognize the outstanding service of veterans of Delaware, Virginia, and Maryland by introducing this bill establishing a national cemetery on the Delmarva Peninsula.

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

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

S. 1995

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of Veterans' Affairs is authorized and directed to (1) establish a national cemetery on the Delmarva Peninsula, (2) acquire by donation, purchase, condemnation, or otherwise, such lands in the State of Delaware, Maryland, or Virginia, as may be required for the establishment of such cemetery. In determining the location of such cemetery, the Administrator of Veterans' Affairs shall take into consideration such factors as the Administrator determines will best serve the needs of veterans and their families in the State of Delaware, Maryland, and Virginia and adjacent States.

SEC. 2. The national cemetery established under authority of this Act shall become part of the National Cemetery System and shall be administered in accordance with the provisions of chapter 24 of the title 38, United States Code.

SEC. 3. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. MELCHER:

S. 1996. A bill to authorize the recovery of wood residues in the national forests for use as fuel, for conversion to use as petrochemical substitutes or wood products, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

FOREST SERVICE RECOVERY

Mr. MELCHER. Mr. President, I have introduced a bill, S. 1966, which is intended to see if, through certain incentives, purchasers of public timber can be convinced that it is economical at times to go back after a timber sale and collect the slash remaining on the ground and deliver it to collection points for energy purposes.

At present, slash is collected at the point of a timber harvest and it is burned. It could be argued that this is just as wasteful as the burning of stack gases in the oil refineries of certain nations.

While the Forest Service, the Tennessee Valley Authority, and millions of homeowners see significant opportunities for the use of wood for energy, until waste wood is concentrated at central collection points so that it can be marketed in an orderly way, potential customers will not be able to rely on a steady source of supply.

In the West there are millions of acres of dead and dying trees now standing on land that should be reforested. The Forest Service is trying very hard to market this dead timber but there are limits to how much of it the marketplace can take for lumber and chips.

However, if we were to begin to look at this dead timber as a potential energy source, harvesting and subsequent reforestation should and could proceed far more rapidly.

Under this amendment, timber purchasers would be provided with financial incentives to bring out the slash that is now wasted, and bring it to central collection points where it could be sorted and marketed. Receipts from these sales would revert to the Treasury.

In the National Forest Management Act of 1976, the Congress made provision for the Forest Service to sell slash under certain circumstances to paper companies and other kinds of firms that could use this material. That program has been successful.

Since the collection of waste wood for energy is somewhat farther afield from the normal operations of timber purchasers, it was felt that a small program of direct incentives funded directly for 5 years would allow us to determine whether wood collection and marketing centers would be effective. The measure I have introduced provides that the residue removal incentives shall be treated as "moneys received" so there will be no diminution of local government shares in forest revenues.

The value of this program would be greater than simply providing waste wood for energy. It would assist in fire prevention and wildlife habitat improvement; assist in timber stand improvement; and improve the esthetic qualities of harvested areas; and reforestation could become a reality more expeditiously.

The authorization for this program would be $50 million a year for 5 years, beginning in fiscal 1981, assuring that the benefits of the program will be assessed before its extension beyond that period.

Because of its energy potentialities, I expect to hold hearings and ask the Environment, Conservation and Forestry Subcommittee of the Agriculture Committee to act on this measure promptly.

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

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

S. 1996

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

SECTION 1. (a) In order to promote full use of National Forest System wood and wood residues, the Secretary of Agriculture is authorized to establish a program using "residue removal incentives" to pay timber purchasers for their costs in the removal and processing of wood residues from timber sales areas, to points of prospective use as fuel, or conversion to use as industrial hydrocarbons, alcohol, petrochemical substitutes, or wood products. The term wood residues includes, but is not limited to, logging slash, down timber material, and standing live, or dead trees which do not meet utilization standards because of size, species, merchantable volume, or economic selection criteria. Residues should be collected from a site so as to avoid soil depletion or erosion; and further, full consideration should be given to the protection of wildlife habitat with respect to the removal of standing live or dead trees. Point of use is to be determined in accordance with appropriate timber appraisal and sale procedures and may include, but not be limited to, industrial or commercial enterprises, or commercial, or government-owned wood concentration and distribution centers. The form and method of removal and processing is to be prescribed by the Secretary in accordance with appropriate appraisal and sale procedures. The Secretary in making sales shall place a reasonable value on residue and is authorized to require the purchasers of National Forest timber sales to process and

remove wood residues to points of prospective use. However, except in cases of wood residue removal for fire prevention, site preparation for regeneration, wildlife habitat improvement, or other land management purposes, the Secretary may not make such requirements in instances where it would be more expensive to remove wood residue than the value such residue would provide as fuel or other merchantable wood products. The amount of the wood residue handled under the "residue removal incentive" authorized by this section shall be limited to that portion of the estimated cost of this work covered by the value of the timber in excess of other designated charges. The residue removal incentive is to be applied as a credit against the amount payable for timber. Except for that volume of wood designated for free use disposal, wood residues will be sold for not less than the appraised value when a market for such material exists. The residue removal incentives and revenues from the sale of such residues shall be considered as "moneys received", within the meaning of the sixth paragraph under the heading "FOREST SERVICE" in the Act of May 23, 1908, as amended, section 13 of the Act of March 1, 1911, as amended (35 Stat. 260, 36 Stat. 963, as amended; 16 U.S.C. 500).

(b) In addition to the moneys provided under subsection (a), there is hereby authorized to be appropriated annually such sums not in excess of $50,000,000, beginning October 1, 1981, and each fiscal year thereafter until the fiscal year ending September 30, 1986, as Congress determines necessary for the purposes of this section. Moneys appropriated under this subsection are to be available until expended to cover the cost to the United States for removal of wood residues from National Forest System lands to points of use for energy or wood products. Receipts from the sale of National Forest System wood residues shall be returned to the United States Treasury. Activities which may be carried out under this subsection include, but are not limited to, removal of wood residues from (1) active timber sales where the timber value is insufficient to provide residue removal incentives for the removal of all appropriate residues, (2) closed and active timber sales where no residue removal credit was established, (3) reforestation and timber stand improvement areas, (4) fire control clearings, (5) areas of fire prevention cleanup of accumulated wood residues, and (6) other accumulations of wood residues. In addition, funds appropriated under this subsection may be used for (1) operation of National Forest System wood residue demonstration areas, (2) establishment of fuel wood concentration and distribution centers, and (3) construction of access roads needed to facilitate wood residue removal. The Secretary is authorized to cooperate with the State, county and other governmental entities by making payments to such entities which cooperate in the operation of those activities listed in subsection (b).

(c) The Secretary is authorized to make available wood and its wastes and residues from the National Forest System for use in research, field tests, and demonstrations (authorized under sections 2041 and 2052 of this title).

(d) The Secretary is authorized to promulgate such regulations as he deems necessary to carry out the provisions of this section.

By Mr. HART:

S. 1997. A bill to expand the White River National Forest in Colorado; to the Committee on Energy and Natural Resources.

WHITE RIVER NATIONAL FOREST EXPANSION

● Mr. HART. Mr. President, I am introducing today a bill to expand the White River National Forest in Colorado to include two areas of about 69,000 acres.

The bill would add to the national forest 2,416 acres in Pitkin County and 66,665 acres in Eagle County. These lands are a mixture of public lands managed by the Bureau of Land Management, private lands, and Forest Service lands. The major effect of this addition would be to transfer 19,181 acres of BLM land to the Forest Service. This bill would not acquire any private lands. The bill will have no effect on private lands, except neighboring lands would be managed by the Forest Service and not by the BLM.

In the 95th Congress, former Senator Floyd Haskell introduced a bill, S. 2101, to expand the White River National Forest. This bill would have added to the national forest the same Pitkin County addition included in the bill I am introducing today. After the Senate unanimously passed the bill, the House amended it to include an area similar to the Eagle County addition in the bill I am introducing today. Due to the lack of time, the Senate was unable to consider the House's amended version of S. 2101.

Early this year, Representative JAMES P. JOHNSON of Colorado reintroduced the bill, in the form approved by the House last year. The House Interior Committee recently approved the bill, after making a minor change in the Eagle County addition. The bill I am introducing today is the same as that approved by the Interior Committee.

The Pitkin County addition in the bill would extend the southern boundary of the national forest to include approximately 2,416 acres north and east of Aspen, Colo. Of this amount, 367 acres are already managed by the Forest Service, 1,260 acres are BLM lands, and 789 acres are private lands owned by the Nature Conservatory who will hold it until the Forest Service can acquire it. The Senate has already once approved this expansion, which is identical to that included in last year's Senate bill.

My bill would also extend the northern boundary of the national forest to include 66,665 acres located north and west of Minturn, Colo. Of this land, approximately 17,921 acres are public lands administered by the Bureau of Land Management, 47,644 acres are private, and 2,100 are managed by the Forest Service. This addition includes the beautiful Meadow Mountain Ranch which the Forest Service acquired this year for $5.5 million under the Land and Water Conservation Fund.

The people of these areas originally proposed these expansions of the national forest. The Eagle County expansion, the larger of the two, was suggested by a broad-based public committee working with the county government. The county board of commissioners and the town councils of Vail, Minturn, and Avon endorsed the expansion.

My inquiries have convinced me of the soundness of these proposed expansions. They would transfer to the Forest Service public lands of national forest equality. The expansions also would provide for a uniform administration by one Federal agency of currently intermingled BLM and Forest Service land. It would eliminate duplication of travel and management services. It would facilitate public contact with the land managers, since users of the public lands would have to work with only one Federal agency; and it would reduce the costs for public land management.

With the current ownership pattern, it is not uncommon for a grazing permittee with a single problem to have to negotiate it with both a Forest Service official in Eagle and a BLM official in Glenwood Springs—communities separated some 40 miles. Conversely, officials of two agencies must travel to the same area to carry on the same business at the same time——wasting time, effort, and money.

This bill does not affect the validity or term of any existing withdrawal, right-of-way, mineral lease, or easement of license involving the lands within the proposed new forest boundary. The bill would continue existing BLM grazing permits for 1 year; the Forest Service would then issue new grazing permits upon request.

In conclusion, this bill would consolidate management functions, eliminating unnecessary duplication. It would allow the Forest Service to work more closely with State and local officials and the public to manage and protect these public lands.●

By Mr. CRANSTON:

S. 1998. A bill to provide for the United States to hold in trust for the Tule River Indian Tribe certain public domain lands formerly removed from the Tule River Indian Reservation; to the Select Committee on Indian Affairs.

● Mr. CRANSTON. Mr. President, I am today introducing a bill to declare as a part of the Tule River Reservation in California lands which once were within the reservation boundaries. These lands were removed from the reservatiton under a complex series of Presidential and congressional actions, often in conflict with one another. My bill is identical with H.R. 4124, introduced by Representative WILLIAM M. THOMAS of California earlier this year. The history of this reservation is a 100-year long tale of administrative indecision, delay, and error in setting the reservation boundaries.

The Tule River Reservation was first created by Executive order of President Ulysses S. Grant in 1873. In October of the same year, President Grant doubled its size. Then, 4 years later, President Rutherford B. Hayes reduced the reservation to its original size.

Between 1888 and 1892, 1,440 acres of land belonging to the reservation were surveyed as outside its borders. Most of this land was then sold by the Federal Government to the surveyors themselves and to their business associates. This group then resold the land at great profit to private timber interests.

In 1910, the error was uncovered, but no corrective action was immediately undertaken.

In 1927, President Coolidge issued an Executive order to correct the erroneous boundary survey. He placed the land at issue within the reservation boundary. This action, however, did not remove from private ownership the land erroneously patented following the 1884 survey.

By this time, nearly all the acreage under discussion—with the exception of sparse stands of virgin redwood—had been clearcut. About 133 million board feet of timber had been removed.

Despite President Coolidge's order, the non-Indian timbering interests continued to strip most of the land of its remaining trees.

Faced with the inconsistency between the reservation boundary reestablished by President Coolidge's Executive order and the private ownership of land within that boundary by timbering interests as a consequence of the erroneous 1884 survey, the Government had two ways to rectify the situation, as an Interior Department investigator pointed out at the time.

The Government could either repurchase for the Indians the land it had erroneously patented, or it could recognize the erroneous boundary established by the 1884 survey, excluding the privately owned land.

Congress in 1928 passed legislation excluding the privately owned lands patented under the 1884 survey from the reservation. This action removed from the reservation as recognized by President Coolidge about 1,300 of the 1,440 acres within the disputed area.

In 1934, the Interior Department investigated the boundary dispute and concluded that the Indian land had been erroneously patented resulting in the loss of the trees to the Tule River Indians.

Mr. President, 1,200 acres of the original 1,440 acres excluded from the reservation by the 1884 survey is now in the public domain. It is held by the U.S. Forest Service as part of the Sequoia National Forest. My bill would transfer into trust status for the benefit of the Indians of the Tule River Reservation those 1,200 acres. Three additional parcels of land, totaling 240 acres, are also in the public domain, including 160 acres held by the Boy Scouts of America. My understanding is that the tribe does not seek any interest in these additional 240 acres—which were obtained in good faith by their present owners. The status of this acreage would not be affected by my bill.

Moreover, by resolution the tribe had indicated it has no desire to disturb any of the virgin redwood trees which remain from all the timberage which was once theirs, and is now gone.

The return of these 1,200 acres to the use and benefit of the people of the Tule River Reservation will restore to that reservation the only major resource it has ever had. Without its timberland, this reservation is extremely impoverished. Less than 200 acres are suitable for agriculture. The rest is rough and rocky, but could be partly usable for grazing were extensive irrigation facilities installed.

Time and the reforestation efforts of the Forest Service have restored harvestable timber to the 1,200 acres. Using sustained yield principles, the people of this reservation can establish for the first time a viable, self-sustaining economic base which will enable them not only to benefit from the timberland, but also to make more productive the reservation which they now have.

My legislation also makes provision for the maintenance of existing right-of-way, and for the Secretary of Agriculture to establish such right-of-way as he considers necessary to provide access to the Forest Service land east of the land which this bill will once again place within the reservation boundary.

Mr. President, this bill will redress a long-standing injustice. I urge its early adoption.

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

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

S. 1998

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That all right, title, and interest in lands owned by the United States and administered by the United States Forest Service, as described in section 2, which were removed from the Tule River Indian Reservation pursuant to the Act of May 17, 1928 (45 Stat. 600–601) are declared to be held in trust by the United States for the Tule River Indian Tribe and to be part of the Tule River Indian Reservation.

SEC. 2. The lands referred to in section 1 are the following:

MOUNT DIABLO MERIDIAN, CALIFORNIA TOWNSHIP 21 SOUTH, RANGE 31 EAST

Section 16:

That portion lying south of the hydrographic divide between the South Fork of the Middle Fork of the Tule River and the South Fork of the Tule River and westerly of a northerly prolongation of the eastern boundary of the Tule River Indian Reservation.

Section 17:

That portion lying south of the hydrographic divide between the South Fork of the Middle Fork of the Tule River and the South Fork of the Tule River.

Section 18:

That portion of the northeast quarter northeast quarter lying south of the hydrographic divide between the South Fork of the Middle Fork of the Tule River and the South Fork of the Tule River.

South half northeast quarter.
Southeast quarter northwest quarter.
East half southeast quarter.
Section 20:
North half north half.
South half northeast quarter.
Southeast quarter northwest quarter.
Section 21:
Northwest quarter northwest quarter.
Section 28:
Tract 48.

SEC. 3. (a) Nothing in this Act shall deprive any person of any valid existing right-of-way, lease, permit, or other right or interest which such person may have in any of the lands described in section 2.

(b) The transfer under the first section of this Act shall be subject to such right-of-way through lands in section 16 as the Secretary of Agriculture considers necessary to provide access to United States Forest Service lands located east of section 16. Such right-of-way shall be located and used in such manner as the Secretary of Agriculture determines to be appropriate.

SEC. 4. The Secretary of the Interior shall promptly cause to be published in the Federal Register a description of the lands transferred pursuant to this Act and a description of the boundaries of the Tule River Indian Reservation, as modified by the transfer made pursuant to this Act.●

By Mr. EAGLETON:

S. 1999. A bill to allow the Interest Rate Modification Act of 1979, passed by the Council of the District of Columbia, to take effect immediately; to the Committee on Governmental Affairs.

● Mr. EAGLETON. Mr. President, this Tuesday, November 6, headlines across the front page of the Washington Post announced that the Federal National Mortgage Association (Fannie Mae) had cut off mortgage money in the District of Columbia. On Wednesday, November 7, headlines announced that the Federal Home Loan Mortgage Corporation (Freddy Mac) had followed suit. By yesterday, November 8, financing for home mortgage loans in the District of Columbia had virtually come to a stop.

Today, I am introducing legislation designed to remedy this serious situation. I would hope my colleagues would lend their support for speedy approval of this measure.

By way of necessary background: Under the District of Columbia Self-Government and Governmental Reorganization Act, better known as the Home Rule Act, the District of Columbia can enact permanent legislation, which becomes law only after a period of congressional review passes—30 legislative days—and both Houses have not passed a concurrent resolution of disapproval. However, the Home Rule Act also recognizes that in exceptional situations, the District government must be permitted to act rapidly and have legislation take effect immediately with no congressional layover. Therefore, the law provides that two-thirds of the District Council can pass "emergency legislation" which takes effect without congressional review and stays in effect for 90 days. The Home Rule Act is silent on whether the emergency legislation may be renewed. The District government, however, has repeatedly renewed emergency legislation, a practice which led indirectly to the current lending crisis. Fannie Mae and Freddy Mac indicate that before they reenter the Washington market, they need permanent legislation raising the usury ceiling in the District to 15 percent.

On Tuesday, the District City Council took action to do that, and my bill would make that law effective immediately by waiving the normal congressional review period required under the Home Rule Act. This waiver of the congressional review period is identical to the legislation already introduced by Representatives DELLUMS, FAUNTROY, BARNES, and MCKINNEY in the House and Senator MATHIAS in this body.

However, my bill also seeks to remedy the indirect cause of the current crisis—justifiable uncertainty and confusion about the scope of the District's authority

to pass "emergency" legislation. On October 19, 1979, a District of Columbia Superior Court judge struck down the repeated renewal—10 times—of emergency legislation on the subject of condominium conversions, as exceeding the District's proper authority under the emergency provision. In light of that decision, Fannie Mae and Freddy Mac feared that the legality of recent loan agreements in the city—loans made under a 15 percent usury ceiling passed twice as emergency legislation—would be challenged. Consequently they pulled out of the Washington market.

My legislation would provide a badly needed amendment to the Home Rule Act to clarify the provision under which the District can pass emergency legislation.

The seriousness of the Fannie Mae and Freddy Mac action can be seen by the impact the two major lenders exert on the Washington market. Together they provide the single largest source of home mortgage money in the city, about 11 percent. Both institutions operate in what is commonly called the "secondary market," meaning that Fannie Mae and Freddy Mac purchase from local savings and loan associations and mortgage banking firms loan agreements which the local firms make with individual borrowers. The money the local firms receive from these sales then provides the local firms with additional mortgage funds. During the first 9 months of this year, Fannie Mae purchased 370 conventional home mortgages in the District with a value of $18.4 million, while during the same period, Freddy Mac bought about $66 million worth of mortgages from the city's 16 savings and loan associations. The total was $84.4 million.

However, when Fannie Mae and Freddy Mac refuse to purchase loans, as they now have, savings and loan associations and mortgage banking firms, by losing the major purchasers of their loans, must also refuse to extend home financing. As of this morning, every major savings and loan association and mortgage banker in the District had severely curtailed its lending activity.

Obviously, the financial community and the real estate industry suffers immediately, but the most severe repercussion falls directly on the individual homeowner: The person who already purchased a home but now finds he cannot go to settlement; the person who just moved to Washington hoping to buy a home but who learns that financing has "dried up," and the person who took a job in Texas and must sell here to buy there. The seriousness of the situation cannot be overemphasized.

With interest rates at record highs, the Nation as a whole already faces major disruptions in the normal flow of home construction, home renovation, home purchasing, and home sales. The District, faced with high interest rates plus the virtual end of the secondary mortgage market, faces complete paralysis of its real estate market.

Surely, high interest rates are part of the painful medicine needed to counter inflation, and that burden must be shouldered by every citizen. But there is a major difference between a slowdown in the real estate market and a shutdown, and if it the distinct possibility of a shutdown that brings the District to the Congress for relief.

Parenthetically, I must point out, though, that with the interest rates climbing faster than ever, even the relief I propose today for the District may prove insufficient. The District of Columbia has asked us to quickly approve permanent legislation that sets the usury rate in the District at 15 percent. In my mind, there is a strong argument for following the lead of many States, including my home State of Missouri, and either abolishing interest ceilings altogether or floating the ceiling by tying it to the prime rate. However, I must emphasize, that the waiver of the home rule review procedure provided in this bill should not set a precedent. The Home Rule Act foresaw emergencies arising in the District and gave the District legislative authority to deal with them. The interest rate crisis should not have occurred, nor would it have been brought to the attention of the Congress, if the emergency section of the Home Rule Act had consistently been implemented solely for emergencies.

For that reason, I find it difficult to review the sequence of events without concluding that some basic change in the emergency provision of the Home Rule Act is needed.

I am advised that the District considered that and decided to pursue another course. Today we are here to support the course the District chose to follow and imulement the 15 percent usury ceiling as quickly as posibsle. If the normal congressional review period were required, the Interest Rate Modification Act of 1979 would be subject to a review period extending for 30 legislative days. Since weekends, holidays, and recesses by both Houses do not count as legislative days, the practical effect of the layover period is a congressional review period of approximately 90 calendar days. The situation in the mortgage markets is simply too serious to require that the District wait until mid-December or early January at the earliest before the 15 percent usury ceiling becomes permanent.

The Constitution mandates that Congress exercise ultimate authority over the District of Columbia. For nearly 200 years, that constitutional requirement translated into direct congressional rule over the District. In 1973, in a change of historic proportions, Congress passed the Home Rule Act establishing a city government headed by an elected mayor and city council. However, the Congress chose to carry out its constitutional mandate by retaining the power to review District legislation before it became law. To compensate for this, the legislation included the emergency provision, thereby recognizing that there could be situations where delay would seriously jeopardize achievement of the legislative objectives.

We all recognize the unique burden the provision for congressional review places on the District. However, the burden was not imposed unthinkingly. Congress wanted to take a major step toward self-government for the District, but, given its constitutional mandate, was not ready to reach full and complete home rule. The statutory requirement for a congressional layover period before District legislation could take effect represented the chosen middle course.

In 1978, 5 years after home rule began, Congress received recommendations for changes in the law from the Presidential Task Force on the District of Columbia. The task fore report included several significant suggestions concerning the operation of legislation for the District, including the conclusion that the period of congressional layover was injecting uncertainty and imprecision into the operations of the District government.

In Public Law 95-526, Congress considered the task force's recommended changes and reduced the layover period to 30 days when either House could be in session, thus reducing the effective layover period. Congress took this action prompted by the recognition that the "unpredictability (of the review process) has forced the District to enact an inordinate amount of temporary 'emergency' legislation" (S. Rept. No. 95-1291, p. 2).

Acknowledging that the task force recommended 60 calendar days, Congress approved the committee's conclusions that "30 calendar days, excluding weekends, holidays and recesses or adjournments over 3 days, will allow sufficient time for Congress to act on a disapproving resolution, if one were introduced." (S. Rept. 95-1291, p. 3). Obviously, Congress considered Public Law 95-526 a solution to the District's reliance on emergency legislation.

Regrettably, passage of this legislation did not change the situation. Despite informal expressions of concern by the House and Senate committees, the Council's resort to the device of emergency legislation has increased. In the past year, 69 percent of the legislation passed by the District was adopted by the emergency route. Emergency legislation has become the rule, rather than the exception. It is hard to avoid the conclusion that the District government has used the emergency route in order to circumvent the congressional review process. Perhaps the provision also gives the District government a way of resolving controversial issues otherwise resistent to legislative solutions, since opposition groups may accept "temporary legislation" where they would not agree on a permanent solution. Either way, it is clear that the current provision of the Home Rule Act dealing with emergencies has proven too attractive an alternative to the regular legislative process.

My legislation would change this. It would accommodate the legitimate needs of the District to move rapidly in an emergency without waiting for congressional review, while ensuring that emergency legislation will not stay in effect indefinitely, or become a regular alternative to the ordinary legislative process.

This can be done by limiting the use of emergency legislation to a specific time period. The present law establishes a time period—90 days—but it fails to

limit that period, thus allowing repetitive enactments of the 90-day period. My bill also sets a time period—180 days—but I limit the duration of the emergency legislation to that one, and only to that one period. I chose the 180-day period for two reasons: First, it gives the District more than sufficient time to consider permanent legislation based on the emergency situation and to send that permanent legislation to Congress for review, and second, it provides sufficient time for an emergency not requiring permanent legislation to be solved or resolved.

What the 180-day time period fails to do, however, is take into consideration congressional adjournment sine die. If permanent legislation based on an emergency measure is submitted to Congress and fails to become law because an adjournment sine die halts the running of the 30 legislative days, it is conceivable that the 180-day emergency period may also lapse, thus leaving the District with neither emergency nor permanent legislation to cover the time between the adjournment, the return of Congress, and the running of another 30 legislative days. Therefore, in fairness to the District, I do feel we should "stop the clock" if Congress adjourns sine die. My bill provides for this contingency by allowing emergency legislation in effect during sine die to remain in effect beyond the running of the 180-day period until Congress reconvenes and until the running of the new 30 legislative days review period.

There have been other suggestions as to how the emergency section should be tightened. Some have suggested one 90-day, nonrenewable period; others have recommended defining "emergency;" still others suggest placing Congress directly into the emergency process by requiring congressional approval within a layover period. Given the complexity of the Home Rule Act, however, a simple, straightforward solution to an obvious problem seems the best course to follow.

There have also been suggestions that the use of emergency powers by the District government will be resolved in the courts when the D.C. Court of Appeals issues its decision on the condominium conversion case. The problem of interest rate modification and the crisis caused, by the District's repeated use of emergency legislation, however, confronts us today, and the court's decision could be months in coming. Further, the court of appeals' decision, even if it upholds Judge Revercomb's Superior Court decision will be distinguished on narrow grounds, and what we need here is a general, all-encompassing legislative clarification of how the District government is to use its emergency legislative authority. Judge Revercomb, himself, on page 12 of his decision, speaks of the court's reluctance to interfere in the province of the legislature. It is the mandate of Congress to legislate, and in this case, it is our duty.

Finally, some will argue that it is imperative to raise the interest ceiling immediately, and that considering an amendment to the emergency provision of the Home Rule Act complicates the task and risks delay. I certainly agree. But delay is not inevitable if we confront the emergency issue squarely and try to solve the problem. The record of overreliance on the emergency provision is clear beyond question. It should also be clear that my proposal will substantially improve the situation, protecting the District's legitimate needs and the integrity of the legislative process.

Having worked with the District government since its creation, I know how committed the District's high-ranking officials are to making this experiment in self-government succeed. The fact that the emergency section of the Home Rule Act has been used in place of the procedure for permanent legislation may be as much the fault of the drafters of the Home Rule Act, the Congress, as it is those whose job it is to implement the act, the District government. We have here the opportunity to correct this problem, and I urge my colleagues to act quickly on this legislation. Mr. President, I ask unanimous consent that the legislation I am introducing be printed in the RECORD.

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

S. 1999

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act shall not apply to the Interest Rate Modification Act of 1979 (District of Columbia Act 3-119) passed by the Council of the District of Columbia on November 6, 1979, and signed by the Mayor of the District of Columbia on November 6, 1979, and such District of Columbia act shall become law on the date of the enactment of this Act, notwithstanding section 404(e) of the District of Columbia Self-Government and Governmental Reorganization Act and any provision to the contrary in such District of Columbia Act.

SEC. 2(a) Subsection (b) of section 412 of the District of Columbia Self-Government and Governmental Reorganization Act is amended by deleting "ninety days" and inserting in lieu thereof "one hundred and eighty days".

(b) Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act is amended by adding at the end thereof the following new subsection:

"(d) Except as provided in this subsection, in any case in which an act is passed pursuant to subsection (a) of this section on the basis of an emergency, such act shall terminate on the date of termination provided in such act, or upon the expiration of the one hundred and eighty day period following the date of its passage, whichever first occurs. In any case in which the Council, during such one hundred and eighty day period, passes and transmits to the Speaker of the House of Representatives and the President of the Senate an act under the regular order for the same purpose and covering and limited to the same subject matter as that contained in such emergency act, and the last session of such Congress adjourns sine die before the expiration of such thirty day period, provided in section 602(c)(1) of this Act for the consideration by Congress of such act of Council, the act of Council shall be deemed to have been retransmitted to the Speaker of the House of Representatives and the President of the Senate on the first day of the succeeding Congress and such thirty day period provided for under section 602(c)(1) of this Act shall commence on the day after such first day. In no case shall any act be passed by the Council as an emergency act if such act is for the same purpose and covers the same subject matter as any prior act passed by the Council on the basis of an emergency.".●

ADDITIONAL COSPONSORS

S. 92

At the request of Mr. THURMOND, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of S. 92, a bill to amend title 5 of the United States Code to permit present and former civilian employees of the Government to receive civil service annuity credit for retirement purposes for periods of military service to the United States as was covered by social security, regardless of eligibility for social security benefits.

S. 101

At the request of Mr. HATCH, the Senator from Michigan (Mr. RIEGEL) was added as a cosponsor of S. 101, the Religious Freedom in the Workplace Act of 1979.

S. 446

At the request of Mr. WILLIAMS, the Senator from Hawaii (Mr. INOUYE), the Senator from Maine (Mr. COHEN), and the Senator from Iowa (Mr. CULVER) was added as a cosponsor of S. 446, the Equal Employment Opportunity for Handicapped Individuals Act of 1979.

S. 1203

At the request of Mr. BAYH, the Senator from Nebraska (Mr. ZORINSKY) was added as a cosponsor of S. 1203, a bill to amend the Social Security Act regarding disability benefits for the terminally ill.

S. 2287

At the request of Mr. GOLDWATER, the Senator from Hawaii (Mr. INOUYE) was added as a consponsor of S. 1287, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 or older.

S. 1858

At the request of Mr. BAYH, the Senator from Hawaii (Mr. INOUYE) was added as a cosponsor of S. 1858, the National Guard Tort Claims Act of 1979.

S. 1874

At the request of Mr. BAYH, the Senator from California (Mr. CRANSTON), the Senator from South Carolina (Mr. THURMOND), the Senator from Kentucky (Mr. FORD), the Senator from North Dakota (Mr. YOUNG), the Senator from Vermont (Mr. STAFFORD), the Senator from New Hampshire (Mr. HUMPHREY), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Tennessee (Mr. SASSER), the Senator from New Hampshire (Mr. DURKIN), the Senator from Oklahoma (Mr. BOREN), the Senator from Indiana (Mr. LUGAR), the Senator from South Carolina (Mr. HOLLINGS), and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 1874, a bill to amend the act incorporating the American Legion so as to redefine eligibility for membership.

SENATE CONCURRENT RESOLUTION 46

At the request of Mr. HELMS, the Senator from Alaska (Mr. GRAVEL) was added as a cosponsor of Senate Concurrent Resolution 46, expressing the sense

of the Congress that the $1 bill should remain in circulation and the $1 coin should be produced in such volume as demand warrants.

SENATE RESOLUTION 277

At the request of Mr. JAVITS, the Senator from Tennessee (Mr. BAKER) was added as a cosponsor of Senate Resolution 277, a resolution relating to the commitment to ease the human suffering in Cambodia.

SENATE CONCURRENT RESOLUTION 48—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO ACCEPTANCE OF A STATUE FROM THE STATE OF WASHINGTON

Mr. MAGNUSON (for himself and Mr. JACKSON) submitted the following concurrent resolution, which was referred to the Committee on Rules and Administration:

S. CON. RES. 48

Resolved by the Senate (the House of Representatives concurring), That the statue of Mother Joseph of the Sisters of Providence, presented by the State of Washington for the National Statuary Hall collection in accordance with the provisions of section 1814 of the Revised Statutes (40 U.S.C. 187), is accepted in the name of the United States, and the thanks of the Congress are tendered to the State of Washington for the contribution of the statue of one of its most eminent personages, illustrious for her distinguished humanitarian services.

SEC. 2. The State of Washington is authorized to place temporarily in the rotunda of the Capitol the statue of Mother Joseph of the Sisters of Providence referred to in the first section of this concurrent resolution, and to hold ceremonies on May 1, 1980, in the rotunda on that occasion. The Architect of the Capitol is authorized to make the necessary arrangements therefor.

SEC. 3. (a) The proceedings in the rotunda of the Capitol at the presentation by the State of Washington of the statue of Mother Joseph of the Sisters of Providence for the National Statuary Hall collection, together with appropriate illustrations and other pertinent matter, shall be printed as a Senate document. The copy for such document shall be prepared under the direction of the Joint Committee on Printing.

(b) There shall be printed five thousand additional copies of such document which shall be bound in such style as the Joint Committee on Printing shall direct, of which one hundred and three copies shall be for the use of the Senate and eighteen hundred and ninety-seven copies shall be for the use of the Members of the Senate from the State of Washington, and four hundred and forty-three copies shall be for the use of the House of Representatives, and two thousand five hundred and fifty-seven copies shall be for the use of the Members of the House of Representatives from the State of Washington.

SEC. 4. The Secretary of the Senate shall transmit a copy of this concurrent resolution to the Governor of Washington.

● Mr. MAGNUSON. Mr. President, on behalf of my colleague, Mr. JACKSON, and our State delegation, I am submitting a Senate concurrent resolution that provides for the formal acceptance of the second statue of the State of Washington in the National Statuary Hall collection on May 1, 1980.

Twenty-five years ago I had the honor of introducing similar legislation, on behalf of our State, for the acceptance of a statue of Marcus Whitman, a pioneer missionary in the Pacific Northwest.

Today, this resolution authorizes the Congress to accept a statue of Mother Joseph of the Sisters of Providence, a truly remarkable individual who spent 46 years building a better life for all the citizens of the Pacific Northwest. By the time of her death in 1902, Mother Joseph had established no less than 11 hospitals, 7 academies, 5 Indian schools, and 2 orphanages. She established those facilities in what are now the States of Washington, Oregon, Idaho, Montana, and the Province of British Columbia.

Mother Joseph and her Sisters of Providence are credited as among the first to care for orphans, the first to care for the aged, the first to care for the mentally ill, and the first to establish a hospital in the Pacific Northwest.

She was a remarkable and dedicated citizen. Her efforts to build a better life for all who lived in the Pacific Northwest then, is a legacy everyone out home continues to enjoy. The addition of Mother Joseph of the Sisters of Providence to that small group of illustrious Americans who are in the National Statuary Hall collection is indeed merited and I feel honored to be able to play a part in bringing that about.

Mr. President, I ask unanimous consent that a brief article, entitled "The Legacy of Mother Joseph," be printed in the RECORD.

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

THE LEGACY OF MOTHER JOSEPH

THE PIONEER BUILDER

In December 1856 Mother Joseph and four Sisters of Providence arrived at Fort Vancouver in the Washington Territory after an arduous trip from their home in Montreal, Canada. Within two years this group of women had established the first hospital in the Northwest and one of the first schools.

During the next 46 years, Mother Joseph was responsible for the establishment of numerous hospitals, schools, orphanages, homes for the aged, shelters for the mentally ill and Indian schools. And she established the Sisters of Providence Corporation—one of the oldest corporations registered in what is now the State of Washington.

Throughout her lifetime in the West, Mother Joseph served as architect, construction supervisor and fund raiser for projects she instigated. Though most of her original structures are gone, many of these institutions are still in existence, continuing to provide the service Mother Joseph envisioned more than a century ago. And the spirit of Mother Joseph lives on, too, in the Sisters of Providence institutions that today extend from Anchorage, Alaska south to Burbank, California and east to Great Falls, Montana.

How did one person accomplish so much?

BEGINNINGS

Mother Joseph was born Esther Pariseau on April 16, 1823 in St. Elzear, a town near Montreal. She entered the newly-formed Sisters of Providence in Montreal at 20 years of age. Her carriage-maker father made a prophetic remark upon her entry: "I bring to you my daughter, Esther, who wishes to dedicate herself to the religious life. She can read, write, figure accurately, sew, cook, spin and do all manner of housework. She can even do carpenting, handling a hammer and a saw as well as her father. She can also plan for others and she succeeds in anything she undertakes. I assure you, Madam, she will make a good superior some day."

That challenge came early as the Sisters of Providence responded to the pleas for help that were coming form the new frontier settlements in the western United States. Mother Joseph was chosen to lead the group to the Washington Territory in 1856.

After completing the treacherous journey from Montreal, the Sisters were greeted with an ambiguous welcome to their new land.

Bishop A. M. A. Blanchet of Nisqually, who had requested that the Sisters come, was away in Europe. Meanwhile, his orders for the construction of a convent and schoolhouse had been countermanded by the Vicar-General, Abbe J. B. Brouillet, who believed the Sisters would be better situated in Olympia. Since mail exchanges took place only twice a year, this difference in opinion could not have been resolved before the Sisters appeared.

Fortunately, Mother Joseph did not see herself as helpless. Within days she had turned an airless 10' by 16' room into a dormitory-refectory-community room, a corner of which also served as a temporary classroom.

By February 1857 the young Sisters inherited their first convent, an old fur storage building abandoned by the Hudson Bay Company, and later used as a barn. Mother Joseph designed a chapel, built the altar herself, and fashioned a tabernacle out of an old candle box. It was a beginning.

From this home base the Sisters began visiting the sick. They also cared for Indian children displaced by the Yakima Indian wars. By spring of the first year, preparations had been completed for a school. The first student arrived early: 3-year-old Emily Lake, an orphan. Soon a tiny boy was also placed at the doorstep, and by June Mother Joseph had built six small cabins surrounded by a white picket fence.

Within this complex, known as "the Providence enclosure," the Sisters housed their two orphans, two boarding students, ten day-students and three elderly townspeople.

But the need for a hospital in Vancouver was critical. So Mother Joseph began work on her first health care facility—a cabin large enough for four beds, four tables and four chairs. In 1858 it became Saint Joseph Hospital, the first hospital in the Northwest, and the first of some two dozen health care centers Mother Joseph would design in her 46 years of service in the Northwest.

BEGGING TOURS

From the 1850's through the 1890's Mother Joseph designed hospitals, orphanages, and schools throughout an area that today encompasses Washington, Northern Oregon, Idaho, Montana and British Columbia.

Known primarily as a builder and artist, some of her most demanding work was raising funds to complete her buildings. Finding the people of Vancouver generally had modest incomes or were poor, Mother Joseph began "begging tours" to the mining camps of Idaho, the Blue Mountains of Eastern Washington, Montana's Alder Gulch and the Cariboo Mines of Western Canada.

Each tour usually lasted several months and involved considerable hardship. The weather was cold, the accommodations nonexistent, highway robberies frequent, and certainly it was not easy to face the scrutiny of hard-living strangers.

But, according to the annals of Providence Academy, "nothing could daunt the spirit of Mother Joseph when there was a question of gaining even slender funds for the lifting of the burdensome debt beneath which her foundation in Vancouver seemed about to fail."

Usually Mother Joseph was able to collect from $2,000 to $5,000 on a typical mining tour. This compared with $18 or $20 which she could collect from a small town or hamlet.

So committed was she to the survival of her fledgling hospitals, schools and orphanages that the pioneer Sister paid scant attention to her own well-being.

"Finally, (after) the trying ordeal of 18 days in the saddle, extremely fatigued from the difficult days of travel, the long absence from home, camping under the heavens, on river banks, and in sagebrush, we weary travelers reached the province of the Holy Angels, October 15, 1866," she writes matter-of-factly about a journey that also included a hungry wolf pack, a major tent fire, an angry grizzly and a party of Indians in war paint.

THE WORKS OF MOTHER JOSEPH

From 1856 to 1873, while she worked on other facilities, Mother Joseph planned and built her "home" for the Sisters' various medical, spiritual and educational ministries in Vancouver. The finished product—the House of Providence, later Providence Academy—was three stories high, covered two acres of ground and at the time was considered to be the biggest brick building in the Washington Territory. Today, it has been declared a historic monument in the "National Register of Historic Places."

Mother Joseph was an exceptional woman and a gifted resource, whom the Mother House in Montreal was determined to use wisely and whom many Northwest manipulators would have liked to exploit. In her early years in Vancouver, Bishop Francis Blanchet of Oregon had approached Mother Joseph to build a hospital in Portland. Then, when a wealthy and powerful businessman offered the Sisters a fine site, plus a good house, the use of his physician, and funds to cover part of the construction, there was much local pressure to accept this "deal."

Mother Joseph did much praying and soul-searching as she postponed her commitment. The truth was that she could see through the motivation of Ben Holladay, a controversial tycoon, who had created a small civil war with his decision to develop the east side of Portland, where his own interests were consolidated. A hospital in Holladay's territory would embellish holdings, but undercut the health needs of a population heavily concentrated on the west side of the city. Furthermore, the canny Sister had reservations about a patron whose reputation was tarnished by questionable relationships and shady politics.

Trusting her own instincts, Mother Joseph bided her time and soon enough the Society of St. Vincent de Paul, a lay group, came forward with $1,000 and an alternative piece of land, close to Portland's center. Mother Joseph designed plans for this first St. Vincent Hospital, which opened on July 18, 1875. She also carved the wood statue of its patron saint which adorned the entrance.

By 1892, when St. Vincent Hospital needed a new building, Mother Joseph had designed hospitals, orphanages and schools in Seattle, Walla Walla, Spokane, New Westminister, Olympia, Port Townsend, Yakima and Colfax.

Even with far-flung projects, the "Old Mother," as she was now called, remained a stickler for detail. During the building of Sacred Heart Hospital in Spokane, Mother Joseph insisted on living with another Sister in a rough shack next to the site so that she could oversee the construction. At this point she was 63 years old, but still climbing to inspect rafters or bouncing on planks to test their supports. Once, when she found an improperly laid chimney, she pointed out the flaw to workers who made the mistake of ignoring her. The next day they found the chimney neatly re-bricked the right way.

After her death in January 1902, the Portland Oregonian expressed the public's gratitude to this woman by stressing what the Northwest had gained: "She was adept in nearly all the arts and trades. And was also skilled in wax works, the most delicate embroidery; but her genius found its strongest expression in architecture * * *. From the date of foundation of the Washington Province of Sisterhood [The Sisters of Providence], Mother Joseph established no less than eleven hospitals, seven academies, five Indian schools and two orphanages."

For 46 years—from 1856 when she landed in Vancouver, Washington, to 1902—Mother Joseph responded to the pleas of both Catholics and non-Catholics to establish schools and health care facilities throughout the Northwest.

During her lifetime Mother Joseph served as architect, construction supervisor and fund raiser for the projects she instigated. She was responsible for establishing the following:

1856: Providence Academy, Vancouver, WA.
1858: St. Joseph Hospital, Vancouver, WA.
1863: St. Joseph School, Steilacoom, WA.
1864: St. Vincent Academy, Walla Walla, WA.
1864: Holy Family Hospital, St. Ignatius, MT.
1868: Our Lady of Seven Dolors Indian School, Tulalip, WA.
1873: Sacred Heart Indian School, Colville, WA.
1873: St. Patrick Hospital, Missoula, MT.
1874: St. James Residence, Vancouver, WA.
1875: St. Joseph Academy, Yakima, WA.
1875: St. Vincent Hospital, Portland, OR.
1876: Our Lady of the Sacred Heart School, Cowlitz, WA.
1877: Providence Hospital, Seattle, WA.
1880: St. Mary Hospital, Walla Walla, WA.
1880: St. Mary Hospital, Astoria, OR.
1881: St. Michael School, Olympia, WA.
1881: St. Martin School, Frenchtown, MT.
1885: Sacred Heart Academy, Missoula, MT.
1886: Sacred Heart Hospital, Spokane, WA.
1886: St. Clare Hospital, Fort Benton, MT.
1886: St. Joseph Academy, Sprague, WA.
1887: St. Peter Hospital, Olympia, WA.
1890: St. John Hospital, Port Townsend, WA.
1890: St. Eugene Indian School, Kootenay, B.C., Canada.
1891: St. Elizabeth Hospital, Yakima, WA.
1891: Providence Hospital, Wallace, ID.
1892: Columbus Hospital, Great Falls, MT.
1893: St. Ignatius Hospital, Colfax, WA.
1900: St. Genevieve Orphanage, New Westminister, B.C., Canada.

Mother Joseph died in 1902. One of her final counsels to her Sisters was to go to California and establish a needed hospital in Oakland. Mother Joseph's vision helped the Sisters of Providence to found Oakland's Providence Hospital that same year.

Though most of the original structures are gone, many of these institutions are still in existence, continuing to provide the service Mother Joseph envisioned over a century ago.

Northwest history sources credit Mother Joseph and her Sisters as among the first to care for orphans, the first to care for the aged, the first to care for the mentally ill, the first to establish a hospital.

In 1953 the American Institute of Architects declared Mother Joseph "The First Architect of the Pacific Northwest." Because she was among the first to appreciate the use of Douglas Fir for both carving and building, she was recognized as "the first white artisan to work with wood in the Pacific Northwest" by the West Coast Lumbermen's Association.

After her death from a brain tumor in January 1902, her close friend, Mother Mary Antoinette, honored Mother Joseph in a letter to the community: "She had the characteristics of genius: incessant works, immense sacrifices, great undertakings; and she never counted the cost to self. She exercised an extraordinary influence on the Church in the West."●

AMENDMENTS SUBMITTED FOR PRINTING

SALT II TREATY—EX. Y, 96-1

AMENDMENT NO. 585

(Ordered to be printed and to lie on the table.)

Mr. HATCH submitted an amendment intended to be proposed by him to the resolution of ratification of the Treaty Between the United States of America and the Union of Soviet Socialist Republics on the Limitation of Strategic Arms, done at Vienna on June 18, 1979 (Ex. Y, 96-1).

HOME ENERGY ASSISTANCE ACT—S. 1724

AMENDMENT NO. 586

(Ordered to be printed and to lie on the table.)

Mr. BOSCHWITZ (for himself and Mr. MUSKIE) submitted an amendment intended to be proposed by them, jointly, to S. 1724, a bill to authorize the Secretary of Health, Education, and Welfare to make grants to States in order to provide assistance to households which cannot meet the high cost of fuel, and for other purposes.

● Mr. BOSCHWITZ. Mr. President, on behalf of Senator MUSKIE and myself, I am submitting an amendment to S. 1724, the Home Energy Assistance Act, which will insure that the funds are targeted to the areas where they are needed most.

S. 1724 as reported by the Labor and Human Resources Committee, allocates half the money based on total energy expenditures by State and half the money based on heating needs times low-income households by State. This formula should be improved to better reflect the Senate's intent.

During floor debate in both the Senate and the House when the fiscal year 1980 program was approved, the primary emphasis was placed on the need for legislation to deal with the crisis caused by rising heating costs. The formula approved by the Interior appropriations conferees reflects this intent. The formula in S. 1724 does not. The next step is to make sure that the funding in future years is consistent with the approach adopted for the fiscal year 1980 program.

This amendment would do that. It places a much greater emphasis on the heating requirements of States, while still providing warmer States with an adequate share of the funds available.

The formula proposed is somewhat different than the one accepted by the Interior conferees. We decided to use the same data base as both the Senate Fi-

nance and Labor and Human Resources Committees have used in their respective fuel assistance programs. We understand there are problems with the data on heating expenditures mainly incorporated in the Interior bill formula, because they are derived from 1970 census data, which are hopelessly out of date, particularly when dealing with energy statistics. Because of this, the formula we propose uses data that is currently available and reliable.

Unless the formula in S. 1724 is changed, we will face a situation next year where many States will receive less money in fiscal year 1981 than they are in fiscal year 1980. The only way to remedy this would be to dramatically increase the total amount of funds available for the program. This amendment will enable us to achieve greater cost savings in the future, and avoid any severe dislocations in funding amongst States from year to year.

The need for this legislation is great. Heating costs are rising rapidly, and we cannot reasonably expect them to abate in the next year or so. At the same time, we must carefully consider the budgetary aspect of new legislation. S. 1724 is a reasonable approach, as it provides funds in the form of grants to States, rather than creating new entitlements. However, we need to target the funds to those areas where they are most needed to retain program accountability and spending restraint.

This amendment is essential to put the main thrust of the legislation back where Congress intends; that is, providing assistance for home heating requirements.

Mr. President, I ask unanimous consent that a table comparing the State allocations under S. 1724 as reported, and the State allocations under this proposed amendment, be printed in the RECORD along with a factsheet and the text of the amendment.

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

On page 22, line 23, strike out "one-half" and insert in lieu thereof "one-quarter".

On page 23, line 4, strike out "one-half" and insert in lieu thereof "three-quarters".

On page 23, line 5, insert "squared" after the word "State".

State-by-State comparison of effect of allocation formulas under S. 1724 and amendment

[Percentage of total funds]

State	S. 1724	Amendment
Alabama	1.40	.86
Alaska	.27	.61
Arizona	.76	.42
Arkansas	1.00	.70
California	5.96	3.73
Colorado	1.25	1.81
Connecticut	1.80	1.81
Delaware	.26	.21
Dist. of Col.	.31	.28
Florida	2.04	.92
Georgia	1.73	1.06
Hawaii	.10	.05
Idaho	.51	.69
Illinois	5.90	6.39
Indiana	2.83	2.91
Iowa	1.64	2.10
Kansas	1.06	.98
Kentucky	1.66	1.55
Louisiana	1.12	.55
Maine	.91	1.34
Maryland	1.61	1.36
Massachusetts	3.65	3.94
Michigan	4.91	6.20
Minnesota	2.65	4.35
Mississippi	.93	.54
Missouri	2.59	2.60
Montana	.47	.81
Nebraska	.85	1.04
Nevada	.26	.22
New Hampshire	.59	.79
New Jersey	3.80	3.57
New Mexico	.56	.59
New York	11.13	12.16
North Carolina	2.38	1.67
North Dakota	.43	.84
Ohio	5.51	5.80
Oklahoma	1.20	.88
Oregon	1.00	1.09
Pennsylvania	6.65	7.31
Rhode Island	.61	.65
South Carolina	1.07	.63
South Dakota	.46	.72
Tennessee	1.81	1.47
Texas	4.00	2.08
Utah	.58	.81
Vermont	.38	.58
Virginia	2.06	1.66
Washington	1.47	1.75
West Virginia	.95	.99
Wisconsin	2.74	3.62
Wyoming	.20	.33
	100.00	100.00

NOTE: Data furnished by Congressional Research Service.

FACT SHEET ON AMENDMENT TO CHANGE STATE ALLOCATION FORMULA UNDER S. 1724, THE HOME ENERGY ASSISTANCE ACT

Purpose of amendment:

The amendment would change the formula allocating funds for low-income energy assistance among States in order to better target the funds to States with the greatest need for such assistance.

Description of the formula in the bill as reported:

Under S. 1724, as reported, the formula for allocating funds among States for low-income energy assistance would be: 50 percent based on the aggregate residential energy expenditures in a State, and 50 percent based on the number of heating degree days in a State multiplied by the number of households in a State with incomes equal to or less than the lower living standard developed by the Bureau of Labor Statistics (BLS).

Description of the amendment:

The amendment would change the allocation formula among the States to the following: 25 percent based on the aggregate residential energy expenditures in a State, and 75 percent based on the number of heating degree days in a State squared multiplied by number of households in a State with incomes equal to or less than the BLS lower living standard.

Cost effects:

None. The amendment would not change the cost of the bill; it would only change the allocation of the authorized funds among the States.

Effect of amendment:

The amendment would provide a higher allocation for 29 states—generally those with the greatest need for assistance because they have the coldest weather. The preceding table shows the percentage of funds for low-income energy assistance that would be allocated to each State under S. 1724 compared with the allocation under the amendment.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON GOVERNMENTAL EFFICIENCY AND THE DISTRICT OF COLUMBIA

Mr. EAGLETON. Mr. President, on Wednesday, November 14, the Subcommittee on Governmental Efficiency and the District of Columbia will hold a hearing on legislation to waive the congressional review period on the Interest Modification Act of 1979, passed by the District of Columbia Council, and to clarify the District's use of "emergency" legislation under the Home Rule Act. The hearing will take place in 6226 Dirksen Senate Office Building at 1 p.m. Any questions about the hearing should be directed to Ira Shapiro or Peggy Crenshaw cf the subcommittee staff at 224-4161.

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

● Mr. SASSER. Mr. President, the Subcommittee on Intergovernmental Relations of the Governmental Affairs Committee will be holding hearings over the next several months on intergovernmental policies that can be taken to ease the economic and social dislocation of the pending energy crisis.

The first field hearing will assess the impact of past and future gasoline shortages on small business, especially the tourist industry. This hearing is scheduled to be held on November 17 at 9:15 a.m. in the Knoxville, Tenn., Civic Coliseum Ballroom. Anyone wishing additional information should call Lucinda Dennis, chief clerk of the subcommittee at 224-4718.●

SUBCOMMITTEE ON ANTITRUST, MONOPOLY AND BUSINESS RIGHTS

● Mr. METZENBAUM. Mr. President, the Subcommittee on Antitrust, Monopoly and Business Rights has scheduled hearings on the Family Farm Antitrust Act of 1979, to be chaired by Senator BAYH on November 20, 1979, at 11 a.m. in room 6226, Dirksen Senate Office Building.

Any persons wishing to submit written statements for the hearing record should send them to Joe Allen, suite 102-B, Russell Senate Office Building, Washington, D.C. 20510.●

ADDITIONAL STATEMENTS

SALT II

● Mr. INOUYE. Mr. President, now is the time for looking to the future, a time for reflection and a time for making choices which may affect us all the days of our lives.

Robert Frost evokes the spirit of the moment in the last five lines of his poem, "The Road Not Taken."

I shall be telling this with a sigh
Somewhere ages and ages hence:
Two roads diverged in a wood, and I—
I took the one less travelled by.
And that has made all the difference.

In a few weeks we will be standing at that fork in the road, wondering which way we should go now, which road, we wonder, will bring security, peace, and stability?

Our Nation has witnessed a number of such critical junctures, some leading to

war and others to peace, some to prosperity and some to ecomonic decline, some to progress and some to decay. There is bound to be disagreement about some of the choices that have been made, but on balance I think we can count ourselves blessed.

Our Nation this year is again faced with a significant choice as to the path it wishes to pursue in the future. I am referring, of course, to the question of whether or not to approve the Strategic Arms Limitation Agreement known as SALT II.

The weapons the SALT II agreement attempts to regulate are so fearsome as to be almost impossible to connect with the realities of everyday life.

Can we really appreciate that in the few minutes I shall spend with you on this floor, massive missiles could rise from the Soviet Union or its submarines and destroy our land with fire and upheaval rivaling that which created them millions of years ago.

The enormity of the destructive power we and the Soviets can deliver at the push of a few buttons staggers the imagination. The bombs which leveled Hiroshima and Nagasaki had a yield of about 13 kilotons which means the equivalent of 13,000 tons of TNT.

Today, our smallest strategic warhead, on the Poseidon missile, is three times more powerful, and the missile carries ten such warheads. Missiles on both sides have warheads with explosive power equal to several millions of tons of TNT. The largest, which is in the Soviet arsenal, can carry in its nose cone the equivalent of some 20 million tons of TNT. If you were to load that much TNT into railroad box cars, the train would stretch across the mainland United States from the Atlantic to the Pacific.

As another way of picturing the devastating force we are talking about, it has been estimated that all of the conventional bombs dropped in World War II had an explosive power of only 2 million tons of TNT. This is the yield of one or two ordinary nuclear bombs today, and the United States and the Soviet Union each have thousands of such bombs in their stockpiles.

Hardly able to comprehend these forces and feeling helpless to do anything about them, one natural reaction is to ignore them and to turn our attention to our everyday problems: How to conserve energy as gas prices go to a dollar or more a gallon if it is available at all; how to make do on incomes which a few short years ago would have assured a comfortable living; and how to cope with a world which seems to become ever more complex and frustrating.

Another natural reaction is to minimize the problems, which can and has led to monstrous and dangerous delusions.

One is that a nuclear war would be just like a conventional one, only a little bigger. Thus, we hear people talk about winning an all-out nuclear war. But once such a war got started, who would surrender? Who would be left to accept the white flag? How would the message be communicated? In the midst of the resulting devastation and contamination, how could you tell who was the victor and who the vanquished? As Nikita Khrushchev once said, "The survivors would envy the dead."

Equally dangerous is the idea that there can be such a thing as a "limited" nuclear war. This is like believing that you will not have an explosion if you throw a match into a pool of gasoline. President Brezhnev has said that even a single nuclear bomb dropped by either of the superpowers would result in general nuclear war. Can anyone seriously doubt if a nuclear bomb landed anywhere in our country that we could do anything but respond to the fullest extent?

A further dangerous delusion is that just as with conventional wars, recovery would be possible and that nations could dig themselves out of the rubble. But after a nuclear war, even the rubble is poisoned and deadly.

If the nuclear arms race continues unchecked, we face either economic strangulation as more and more of our national wealth is spent on instruments of destruction on a cataclysmic war which at worst will leave the world a charred cinder and at best undo the achievements of a millennium, returning us to the middle ages.

These are not pleasant images, but if we and the generations that follow us are to enjoy continued peace and prosperity, we must make a deep and abiding commitment to arms control.

National security policy, nuclear weapons, strategic theory and arms control too often seem to be the domain of the physicists, engineers, and uniformed experts. Too often, the debates revolve around elaborate calculations of throw-weight, circular error probable, hard target kill-ratio, and equivalent megatonnage. I think we have made the central issue too complicated. We have reduced the debate to dehumanized technicalities and statistics. What we should be doing is putting the issue in human terms and making ourselves aware of the horror and anguish associated with war. If we do this and apply basic commonsense, we will find the SALT agreement involves some very fundamental and familiar concepts which we can all understand.

Stepping back from the 90-page SALT II agreement with its detailed provisions, precise and technical definitions, and painstakingly drafted language, one can see several such fundamental concepts.

The first is equality. As the Secretary of Defense and the Chairman of the Joint Chiefs of Staff have testified before the Congress, the strategic nuclear forces of the United States and the Soviet Union are essentially equivalent.

They may lead in some categories of nuclear weapons, and we may lead in others. But, overall, rough equality prevails, SALT formalizes and enhances that equivalence by placing equal overall ceilings on the nuclear arsenals of both countries.

It is the policy of the United States that we will maintain essential equivalence with the Soviet Union either at lower levels through SALT, or at ever and ever higher levels through an arms race. Equality at current levels, and in the future at reduced levels through SALT is less expensive, less dangerous, and considerably saner than equality at continually escalating levels projected indefinitely into the future.

A second key concept is deterrence. Today, neither the United States nor the Soviet Union could launch a nuclear first strike against the other and escape devastating destruction in retaliation. The sure knowledge of such retaliation deters the first strike.

The new SALT agreement strengthens deterrence by capping the overall arsenals of both, while guaranteeing that both can preserve those nuclear weapons needed to deter the other from attacking first. From the United States point of view, SALT limits the size and capabilities of the Soviet strategic forces, and protects those defense programs we have chosen to maintain our deterrent.

A third fundamental is stability. The current nuclear balance is stable. Deterrence exists, and neither country can reasonably expect to alter the balance to its favor. SALT enhances stability by closing off major aspects of the technological arms race, which—left uncontrolled—could lead one side or the other to develop new threatening capabilities.

Specifically, the SALT agreement limits both countries to only one new type of land-based intercontinental ballistic missile. It caps the number of warheads that can be place on a given missile. It bans certain new weapons systems which could destabilize the balance, such as long-range ballistic missiles on surface ships, heavy mobile and land-based intercontinental ballistic missiles, and heavy air-to-surface ballistic missiles.

A fourth fundamental has to do with verification and as a member and the first chairman of the Senate Select Committee on Intelligence, this is an issue to which I have given special attention.

The select committee's mandate—to evaluate periodically the performance of our national reconnaissance systems—makes it uniquely qualified to review and evaluate U.S. monitoring capability. It is the only committee with both complete access to all highly sensitive intelligence information and daily contact with all the collection agencies.

Over 2 years ago, at the request of the Senate Foreign Relations Committee, the Select Committee on Intelligence undertook an independent study of this country's monitoring capability under the provisions of the SALT II treaty. Under my direction, as chairman, the committee staff immediately began a detailed and continuing study to determine whether and to what degree provisions of the treaty could be monitored by the United States.

As a matter of underlying philosophy, we considered it critical that our reconnaissance systems be able to supply detailed and timely information about Soviet activities subject to the terms of the treaty and that the methods of collecting such information be sufficiently sophisticated to give the United States early warning of potential danger.

Because of the very sensitive nature of the methods and procedures used in gathering intelligence information, I am not authorized to discuss with you in this discussion how we achieve verification of Soviet compliance with treaty provisions.

However, speaking only for myself, I can say with full confidence that we have the physical means to seriously and effectively consider strategic weapons control agreements with the Soviets. In other words, we have the capability to achieve acceptable verification. In addition, policymakers can receive the timely and detailed information necessary to plan for deterring or responding to possible hostile enemy action.

The arms race between the two great superpowers continues, each side determined to deny the other a decisive advantage and devoting vast resources, the best minds, and the latest technology to the effort. The tragic irony is that as each side increases its forces, the delicate nuclear balance becomes more unstable and the chance of war increases.

There is no miraculous diplomatic cure that can halt this process immediately and for all time. But there is a sane and practical alternative to the situation we see today. In Frost's terms, it is a road "less traveled by" and leads to strategic arms control through mutual agreement. That is the one I intend to travel. I hope you will join me and that "somewhere ages and ages hence" you will be able to say "that has made all the difference."●

JOSEPH B. DANZANSKY

● Mr. MATHIAS. Mr. President, it is a double burden to inform the Senate of the death of a man who was both a personal friend and an associate in many public causes. I feel a private loss, but I also can estimate the public loss of the presence and services of a remarkable man who was dedicated to the best interests of the entire national capital area. The death yesterday of Joseph Baer Danzansky deprives the Washington community of a leader of impressive dimensions.

My own contacts with Joe Danzansky have been many and varied. When he led the Metropolitan Board of Trade, we necessarily met often on projects that came before the District Committee. His commitment to the community was obvious, but the accuracy of his observation and the value of his recommendations was remarkable. We all owe him a great deal and I acknowledge my debt at this time of farewell.

I submit the following editorial from today's Washington Post for the RECORD:

JOSEPH BAER DANZANSKY

The title was never official, but Joseph B. Danzansky was a Washington City Father if we've ever known one. Even in the last hours before his death yesterday at the age of 65, Mr. Danzansky was doing what he loved best—promoting his native city as if it were his firstborn. On this occasion it was as a leader in the development of Pennsylvania Avenue, at a meeting he began with his characteristic exuberance; but in the many days and years before this meeting, it was as a civil cheerleader and financial big-heart in every corner of the community.

New arrivals to this city may not realize the significance, years back, of Mr. Danzansky's all-embracing love for the city and its people. But it still holds special meaning for those whose lives were once made very uncomfortable—financially, racially, socially—in a segregated town. His tall frame and broad grin stood out at countless civic gatherings—from basements to board rooms, from sports events to—yes—civic disorders, leaning forward to understand and then to assist.

In business as in community service, Mr. Danzansky went to extra lengths to include all people. His extraordinary success as a businessman not only was good for the economic health of the city, but demonstrated the strength of a concerned partnership of local business interests and the people they serve. This philosophy, coupled with the worthy causes to which he gave time and money, was instrumental in breaking down racial barriers and introducing two "Washingtons" to each other. So it was that the Metropolitan Washington Board of Trade began to be transformed from a tight, white club of frightened businessmen headed for suburbia into a group starting to reach out and rebuild after the disorders of the 1960s.

Baseball. Banking. The United Way. Giant. WETA. The Jewish Community. Every District commissioner and the two elected mayors. The list of causes and activities and awards is vast. Working for Washington, committing himself to its prosperity, solidarity and general welfare—that was what Joe Danzansky was all about all the time. He can't be replaced.●

JOE DANZANSKY

● Mr. METZENBAUM. Mr. President, yesterday the Washington area and in fact, the Nation, suffered a tremendous loss with the death of Joseph B. Danzansky. For many years it had been my extreme honor to know and to work with Joe on many projects.

In a society where too many times we hear the phrase "business is business," Joe Danzansky was a shining example of what a businessman should be. He put people first and foremost, whether it was in his business or in his civic endeavors. He was a pioneer in consumerism, showing the way for many other firms in an area that was strongly resisted by many companies dealing with the public.

In an address at the Smithsonian Institution, quoted in today's Washington Post, Joe chided businessmen for resisting consumer advocates and said:

After repeated frustration, the awakening comes and business reappraises its entrenched viewpoint. It realizes that service to the consumer is its first obligation if it is to grow and prosper. It realizes that the best way to cope with the problems is to look at the allegations seriously, give responsible consumer spokesmen a fair hearing, and make a serious effort to do something constructive to correct any shortcomings.

He followed a policy of brotherhood and humanitarianism in all facets of his life. His life was an example of courage for all of us to follow. He stood up against the tides of racism that plagued our cities in the volatile sixties and emerged as a champion and a friend of the disadvantaged.

His personal courage was exemplified in the fact that he remained active in his pursuit of progress for his beloved city even though his health was waning. It was a measure of his dedication that only hours before his untimely death he had presided at a meeting of the Pennsylvania Ave. Development Corp. which is spearheading the redevelopment of one of the city's potentially great areas.

He brought Washington area people together in countless ways, especially after the trauma suffered in the riots of 1968. He helped stem the flight of frightened businessmen from the community and urged all peoples to work together for the good of his beloved city.

No finer tribute to Joe and his family could be found than in the closing words of today's editorial in the Washington Post.

The list of causes and activities and awards is vast. Working for Washington, committing himself to its prosperity, solidarity and general welfare—that was what Joe Danzansky was all about all the time. He can't be replaced.

Mr. President, I offer my heartfelt condolences to Joe's lovely wife, Ethel, his two sons and his grandchildren. Their loss is also our loss. And I ask that the editorial "Joseph Baer Danzansky" in today's Washington Post be printed in the RECORD.

The editorial follows:

JOSEPH BAER DANZANSKY

The title was never official, but Joseph B. Danzansky was a Washington City Father if we've ever known one. Even in the last hours before his death yesterday at the age of 65, Mr. Danzansky was doing what he loved best—promoting his native city as if it were his firstborn. On this occasion it was as a leader in the development of Pennsylvania Avenue, at a meeting he began with his characteristic exuberance; but in the many days and years before this meeting, it was as a civic cheerleader and financial big-heart in every corner of the community.

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LIFE IN CONTEMPORARY CHINA

● Mr. LUGAR. Mr. President, American contact with China has not diminished the desire of the American people to find out more about this ancient country and its people. To the contrary, all aspects of Chinese life are the subject of fascination and speculation.

Mr. President, I have come across an interesting and informative article on life in contemporary China by David Finkelstein. I submit the following which appeared in the September 10 issue of the New Yorker, to be printed in full in the RECORD.

The article follows:

WHEN THE SNOW THAWS

Over the centuries, China has often been the subject of Western fantasy. In their own way, a number of scholars, journalists, and other travellers have perpetuated this tradition in recent years, rushing to rediscover the country after its long period of isolation. Some of these visitors, justifiably impressed by the Communists' achievements in eliminating the exploitative aspects of pre-1949 mandarin society, propagated the view that the revolution, after its initial successes, had continued to "serve the people," and that China was "the wave of the future"—a compelling alternative to the disorder and materialism of contemporary Western society.

Human rights were not at issue, they argued, because such Western concepts were inapplicable to China. In the past year, however, the Chinese have begun to speak for themselves, and they are conveying quite a different picture. In the view of many of its own people, China is a backward and repressive nation. "China is Asia's Gulag Archipelago," an elderly Chinese scholar said to me shortly after I had arrived in China last spring. "I was in Germany right after the Second World War, and I saw the horrors of Buchenwald and other concentration camps. In a way—in its destruction of the human spirit these past two decades—China has been even worse."

Paradoxically, the utopia is now America. The traditional Chinese sense of moral superiority has given way, it seems, to an equally unhealthy lack of self-esteem. "Compared to you, we Chinese are really stupid," a train conductor said to me, bemoaning the "fact" that Americans learned faster from books than Chinese did. Americans visiting China no longer need defensively recite the strengths of their society; rather, they find themselves in the curious position of having to point out that America, too, has faults.

Obviously, the time is right for visiting China. Yet, despite the country's sudden new wave of cordiality, the average traveller, who must join a package-tour group to get there, remains very much isolated from the people. Most visitors—who fly from place to place (air travel costs foreigners two to three times the amount that Chinese pay), eat in special dining rooms, and are escorted to scenic or historic sites in Japanese-made minibuses—find that their contact is limited primarily to China's tourist personnel. But even visitors fortunate enough, as I was, to avoid group tours generally travel by plane or by train in luxury compartments and are also isolated from any substantial contact with what the Chinese call "the masses."

As the Ford Foundation's China specialist—and a Chinese interpreter under contract to the State Department—I had first visited the country in 1975, but that trip had yielded little in the way of information about ordinary Chinese citizens. Visits to Potemkin-village communes, model factories, and new housing developments—hardly tourist attractions in other countries—were orchestrated and meaningless, and were accompanied by a barrage of official propaganda about the success of the socialist revolution, the sanctity of the principle of "self-reliance," and the evil influence of everything foreign. Today, travelling in China can be strikingy different. Provided that their Chinese is adequate, travellers who manage to sidestep the government travel agency can set out on their own—by "hard class" train, boat, and bus—to profit from China's new openness and the almost insatiable desire of the Chinese for conversation.

Except for some foreigners studying in China, few visitors have had the opportunity or the inclination to travel in this way, so when an Australian friend and I received a personal invitation from a diplomat in Peking—one of the few ways individual travellers can enter the country—we decided to undertake such a trip. The journey, lasting nearly two months, covering seven thousand miles, and passing through a number of areas only recently opened to foreign travellers, took us from Canton, in the south, to Peking and Tianjin (Tientsin), in the northeast, and then southwest through Sichuan (Szechwan) to the remote province of Yunnan, east down the Yangtse River to Shanghai, and, finally, to the scenic southern city of Guilin (Kweilin).

The trip began in Hong Kong, where the business community is full of optimistic talk about China's development plans and the major role that the Crown Colony is likely to play in the "four modernizations"—of industry, agriculture, science and technology, and the military. Estimates of the amount that China will have to borrow by 1985 to achieve "mechanization" have ranged from, in American terms, six hundred billion dollars to the more recent figure of twenty billion dollars. The country's foreign-debt obligations are currently a modest eleven per cent of its export earnings, but they could balloon considerably beyond twenty per cent—a figure that the financial community considers prudent—if foreign-exchange earnings do not keep pace with China's borrowing. The problems are obvious: if China is to realize its goals, it will have to develop capital, technical and managerial skills, and export markets. "In terms of financing as well as of human rights, 1979 and 1980 will be crucial years for China," one of Hong Kong's most prominent international bankers said to me.

Though the rail line from Hong Kong now goes straight through to Canton, most trains still stop at the border, and passengers, almost as if replaying Mao's Long March, have to trudge across the Lowu Bridge on foot, many of them carrying their own luggage. A number of those entering China are so-called Overseas Chinese and, in China's status-laden lexicon, the even lowlier Hong Kong and Macao brethren. Returning to see relatives, they sag under the weight of color TV sets and other modern appliances incongruously dangling from traditional bamboo shoulder poles. The Chinese, hungering for consumer goods after years of deprivation, try to make the most of visits from family outside. The visitors bring in food as well. A woman in Canton told me, "Most of the quality eggs and pork produced in Guangdong [Kwangtung] Province are exported to Hong Kong for foreign currency, so I can't easily get them here. Fortunately, my cousins who live there bring some back for me."

In Chinese railway stations, there is an upstairs-downstairs distinction. The area upstairs is generally reserved for "foreign guests" and Chinese dignitaries. The rooms—large and impersonal—are furnished with little more than oversize linen-covered armchairs and ubiquitous spittoons. Foreigners wait in comfortable seclusion in these reception halls until guides come to escort them to specially segregated compartments on their trains. On the Chinese side of the border, I asked a teen-age waitress in the station for directions to the ticket window. Surprised that my companion and I hadn't bought our tickets in Hong Kong, she offered to take us to a China Travel Service office just down the hall. When we refused, she did not insist—as she undoubtedly would have a year ago—but willingly directed us to the ticket office used by the masses, downstairs. There the ticket for the ninety-minute ride to Canton cost the equivalent of four dollars and fifty cents. If we had bought our tickets through the China Travel Service's Hong Kong office, the trip would have cost twenty-seven dollars—six times as much.

In contrast to the staid upstairs, the downstairs section was chaotic. Throngs of Chinese, some with what seemed to be all their earthly belongings—including terrified bound-up chickens and quacking ducks—filled the area. Scurrying around the station were mothers with infants strapped to their backs or clutched nursing at the breast; fathers with infants in their arms; grandmothers and grandfathers holding babbling youngsters by the hand. Even little children no more than five years old, their legs wobbling under the weight, uncomplainingly carried infant brothers or sisters on their backs, occasionally pausing to reach around and console with a gentle pat those who were crying. (China discourages early marriage—before twenty-eight for men and twenty-five for women—and propagandizes through wall graffiti and posters everywhere that "one child is best, two is the most." In addition, birth-control pills and condoms free for the taking are available in clearly marked boxes sitting on drugstore counters. Even though the condoms are generally considered to be of poor quality, birth-control pamphlets given to young couples recommend that, for reasons of economy, they be washed and reused. The effect of these efforts on population growth isn't obvious—China is children. At least seventeen million babies are born each year.) Above the general clatter rose the unappetizing sounds and sights of people coughing, constantly hawking, and spitting and blowing their noses on the floor. Heedless of pervasive propaganda designed to discourage unhygienic behavior, parents also held undiapered babies spread-eagle in their arms to allow them to urinate on the floor through split-seam pants. China remains a terribly poor peasant society, and little distinction is made between the floor of a station or a restaurant and the earth.

Fortunately, because foreigners in downstairs China are still rare and Chinese travellers stop their customary elbowing and shoving to stare—and even to offer assistance—we had no trouble making our way to the proper train. As we neared Canton, the countryside looked lovely and fertile, but by the time we reached the station rain had begun to fall, and the city itself seemed dismal and dreary. We spent the better part of the day sloshing around Sha Mian Island, in the Pearl River—a narrow, tree-lined strip of land about half a mile long, which is connected to the city's crowded southwestern section by two small bridges. The island—formerly the site of the French and British concessions—still has something of the air of a European village. Sha Mian's once magnificent mansions have been converted into schools and administrative offices, and have deteriorated over the years, but even in decay they retain a certain elegance. Guides never fail to mention to tourists that before "liberation," in 1949, Chinese were excluded from the island and from other concession and legation areas in China. The guides apparently see no irony in the fact that the masses are now excluded by their own government from a number of choice spots (in hotels, restaurants, trains) reserved for foreigners.

Before catching the evening train to

Peking, we had dinner at Bei Yuan, or the North Garden, one of Canton's fancier restaurants. I had eaten at Bei Yuan during my 1975 trip, but at that time I had been restricted to a separate guest room, where I had eaten a lonely meal while the inescapable Travel Service escort, refusing my invitation to share the dinner, looked on indifferently. This time, after only the slightest resistance on the part of the restaurant management, my Australian friend and I were ushered into the main room, where we ate in the company of the masses. The bill, for China, was on the high side—about eight dollars for soup and three dishes. Even though a number of American food critics have praised the fare at Bei Yuan, we were unimpressed; a dish of fresh shrimp, for instance, came overladen with monosodium glutamate. Unfortunately, most visitors never get beyond the few restaurants specially selected for tourists, some of which are now so booked up that foreign residents in the country have difficulty getting reservations. If language were not a barrier, foreigners willing to forgo such amenities as white tablecloths and ignore the bones, scraps of food, and other litter cluttering the floors of the more popular eating places could sample superb cuisine—and local color—in countless restaurants throughout the country. Prices in such places range from half a dollar to three dollars and fifty cents a person—about a sixth of what tourists usually pay in the dining rooms and restaurants set aside for them.

On the Canton-to-Peking line, the "hard bed" reservations—second class, in classless Chinese society—had been sold out three days in advance. At forty-five dollars for a one-way ticket, it was the best buy. One alternative to hard bed was to travel "hard seat," or third class, which would have meant sitting upright on straight-backed wooden benches for thirty-four hours packed together with about a hundred and twenty other people, but that seemed to be overdoing the quest for contact, even at the bargain price of twenty dollars. Later, we did travel hard seat for fourteen painful hours through Sichuan, from Chengdu (Chengtu) to Chongqing (Chungking), on a rail line completed by forced labor in the early nineteen-fifties. For the trip to Peking, however—fourteen hundred miles—we decided to travel "soft bed." (On short runs, "soft seat" is the first-class alternative.) The price was eighty dollars, and we were isolated from the masses—we were in a compartment with four fairly comfortable bunks—but we rationalized our choice with the reflection that it was only for one leg of the journey, and at least it was preferable to the plane.

The trip north by train is time-consuming, but there is no better way for visitors to grasp the fact that eighty per cent of China's population is rural (though eighty-eight per cent of the land is not cultivated). The train passes through Hunan, with its rugged, terraced hills and lush green paddy fields, through the provinces of Hubei (Hupeh) and Henan (Honan), and finally enters Hebei (Hopei)—a wheat-producing region that is drier and more severe-looking than the provinces to the south. The train crawled by countless clusters of primitive mud-brick huts, their roofs—some tiled, some thatched—steaming in the early-morning drizzle and their chimneys emitting wisps of smoke. Eighty per cent of the people in China—the total population is nearing a billion—spend all their working energy simply growing the food that the country needs in order to survive. Rarely has such virtue emerged from such necessity; the variety and the ingenuity of Chinese cooking are products not of abundance but of milennial scarcity. Though many basic foodstuffs are either rationed or simply not available, the dining car on the train offered a selection of about seventy Chinese dishes and an equal number of Western ones. (Such is the pro-American mania in China today that as we were pondering our choices for one meal the waiter asked, "Isn't American food tastier than Chinese food?") Even in rural China, however, there were signs of an increasing urbanity: at Hankou (Hankow), five huge bags of orange plastic hair curlers were sitting on a station platform. It seems that "cold perm" and wavy hair styles have been catching on throughout the country since 1977, soon after the Gang of Four—Jiang Qing, Wang Hongwen, Yao Wenyuan, and Zhang Qunqiao—were overthrown.

In Peking, Western culture is flourishing these days. Mao Zedong had hoped in his lifetime to transform China from a backward and bureaucratic society victimized by a century of imperialism into a new, egalitarian state, a unique Chinese Communist culture, and in 1949 he began to eradicate "decadent" Western influences. The movement to destroy every vestige of "bourgeois" culture, including movies and music, reached its xenophobic peak, however, only during the Cultural Revolution, which lasted from 1966 until the overthrow of the Gang of Four. Right up till then, Chinese university students, when their foreign roommates played Beethoven and other Western composers, would invariably parrot the Party line by criticizing the recordings as "awful bourgeois music." Now, if they're lucky enough to be in work units that have access to TV, young Chinese sit listening and watching as the Boston Symphony and other orchestras play to audiences of élite Shanghai and Peking bureaucrats. (Music lovers who attend such events pay—if they are not among the favored few—the black-market price of up to eight dollars, or a little less than the average weekly wage, for a ticket that originally cost twenty-five cents.) The Chinese also get a daily radio dose of selections from, say, "Swan Lake" and "The Sound of Music," along with narrations of the plots, as well as a perplexingly diverse assortment of old country-and-Western hits—including one, in this family-oriented country, that has the refrain "I don't need no man." Other forms of entertainment, too, are much in evidence. Movie houses running old foreign films—a recent one was Olivier's "Hamlet"—are packed night and day. University students who in their philosophy classes hotly debate the pros and cons of Chairman Mao surreptitiously devour Erica Jong's novels and any others they can lay their hands on—often to the embarrassment of their language teachers from abroad, who never thought they would be interpreting such works in this puritanical stronghold. And people everywhere are learning the waltz and the foxtrot.

Beyond their passion for Western entertainment, the Chinese are also rediscovering their own culture. As an admirer and sometime translator of one of China's greatest modern authors, Lao She, whose "Rickshaw Boy" was a best-seller in America in the nineteen-forties, I paid a visit to his widow, Mme. Hu Jie-Qing, now seventy-four. In October of 1966, when the Red Guards unleashed by Mao at the onset of the Cultural Revolution were conducting an orgy of beatings, torture, and murder, Lao She committed suicide. Mme. Hu, a teacher of Chinese literature and a painter of some renown, escaped unharmed—she told me she had been protected by Premier Zhou Enlai and his supporters, who were far more sympathetic than Mao to intellectuals and were aghast at Red Guard excesses. Mme. Hu lives in a small, pleasant house near the center of Peking. After tea at her home and a fine dinner at a nearby restaurant, I accompanied her to the opening-night performance of a revival of her late husband's play "The Teahouse." Written in the nineteen-fifties and last staged in 1962, when it was becoming increasingly unfashionable to be an intellectual—teahouses were often frequented by intellectuals—the slice-of-life drama spans the fifty-year transition from the last decade of Manchu rule to the eve of the Communist victory. Not all of Lao She's work survived the Cultural Revolution. The only extant Chinese copy of one manuscript was destroyed during that period, and a new Chinese version is now, paradoxically, being reconstructed from its English translation.

Despite all the excitement surrounding the current cultural upsurge, not everyone in Peking is happy with the course of events. As recent police crackdowns have so painfully shown—freedom-of-speech demonstrators dragged off to jail and Chinese taken away from international dances for questioning, presumably to discourage too intimate a relationship with foreigners—the Chinese political pendulum swings both ways. Even before the arrests began, signs of reaction were evident in newspaper editorials and radio commentaries "We want no part of capitalist democracy," a typical editorial insisted. "We want to combine democracy with the dictatorship of the proletariat." In recent months, a number of American lawyers have been invited to China to advise Chinese officials on matters relating to foreign investment in joint business ventures, and when they remark that this attitude bodes ill for the future the response from their hosts is merely a polite nod. Obviously, the struggle among the leadership over the latest "correct line" is far from resolved.

At the other end of the spectrum are those who think things haven't gone far enough. One young artist, whose works seemed suspiciously derivative of van Gogh in some cases and of American abstractionists in others but who insisted they were inspired only by his many years in labor camps, complained that he and fellow-artists elsewhere in China were still not allowed to exhibit their paintings openly (though one Sunday he did put some of his paintings up on "democracy wall," the scene of much of the past year's ferment) and were constantly harassed by the secret police. When asked what he intended to do about the situation, he replied glibly, aping the serious dissidents in the Soviet Union, "I'll send my paintings abroad, get arrested, and hope the international community will take up my case." Victims of the Anti-Rightists Campaign, in the late nineteen-fifties, and of the subsequent Cultural Revolution generally express themselves in a more Chinese way, however—most notably by pasting laboriously written posters on walls in Peking and in virtually every other city in the land. These posters include lurid accounts of torture and sexual abuse during the late sixties, demands for the punishment of individuals considered responsible—they are often named—and pleas for the redress of injustices involving, for example, workers who have lost jobs or possessions, and elderly people forced to become beggars. (Some of the commentary is in a lighter vein. A drawing of Chairman Mao's huge mausoleum was pasted on "democracy wall" one morning with the caption "The Rest of Us Have Housing Problems.") Still, the wall posters may not suggest the true extent of people's dismay; random conversations I had gave me the impression that almost everyone has a horrifying personal tale to tell.

My Australian friend and I visited a prominent eighty-year-old doctor whose home and belongings had been summarily confiscated in 1966 despite his years of service to the state. He and his son's family of six had then been forced to move into three unimaginably squalid, cramped, and ill-heated rooms with ceilings of paper, and with no running water and no toilet—a far cry from the model housing project for workers (which itself was pretty basic) that I had been shown on my previous visit. "No place for a house-party," he said, with a wry grin, as he took us down a muddy lane that led to his quarters. "They say the several medical books I

wrote will soon be rehabilitated and my belongings returned, yet that seldom happens.

In some instances, the government has offered reimbursements, but it has given only a tiny fraction of the value of the confiscated goods. In any case, my home, just across the street, is occupied and will never be returned. Population pressures are just too great." Expressing contempt for the government propaganda that blamed the Gang of Four for the sad state of present-day China, the doctor continued, "The current leaders are trying to change things now, but they're the ones who brought it all on. Changing the situation will be very hard and very slow. As the proverb goes, 'when the snow thaws, the road is muddy.'" The problem is compounded by the fact that although the leadership and the people want a change, middle-level bureaucrats aren't moving. "These cadres have been stung so many times they're afraid to take a position now. And in any event a change might jeopardize their own interests," the doctor continued. Quoting another proverb, he said, "The ends are hot, but the middle is cold."

The next evening, we had dinner at the home of a middle-aged couple, both of whom are fairly high-level members of the Communist Party. "Though we were innocent of any crime, we both spent four years in prison," the wife said, almost nonchalantly. I had heard elsewhere that their son, who had publicly denounced them, had recently committed suicide. Indeed, I heard rumors throughout my journey—rumors being a major source of information in China, with its controlled press—to the effect that there have been a number of suicides lately among young Chinese; many of them are reported to be bewildered by the dramatic political turnabout and overwhelmed by feelings of guilt and despair. In view of these circumstances, a number of student-age Chinese are known to be looking for an opportunity to leave the country, and that perhaps explains why, the evening after an official announcement last winter that Chinese could marry foreigners, a group of young Chinese women at Peking University took the highly unusual step of hanging out in front of a men's dormitory where several foreign students lived. Moreover, those Chinese who were recruited for the universities from the ranks of "workers, peasants, and soldiers" under a now discredited program fostered by Mao must also find the current situation unsettling. Brought up to believe that they would be the vanguard in the triumph of ideology over "decadent" culture, they are now being shunted aside, in the interests of modernization, to make room for those with expertise.

One day, on a short side trip to Tianjin, a port city about sixty miles southeast of Peking, I asked a young friend how so many children could have been induced to denounce their parents. "Easy," he replied. "They were made to believe that their lives would have been a lot more comfortable if their parents had been better people—of a different class—before liberation. So out of frustration they blamed their parents for all their troubles." Another friend in Tianjin complained, "I've been buffeted by this system for so long now—one movement after another since the early fifties—that my mind is no longer functioning properly. I doubt if I'll ever again be capable of thinking clearly." While there is little question that large numbers of Chinese have been numbed by years of propaganda, there is also evidence that some people have maintained a clearheaded view of events. "Thirty years ago, most students were enthusiastic about the Communists," one man said. "But now, after being told for so long that socialism is superior, these same people look around and see nothing at all to indicate its superiority. No wonder young people today are cynical. No wonder some are suggesting that even the Guomindang [Kuomintang] might have been better. One thing is certain—they want a change."

Walking one day in the drab rural outskirts of Peking, I knocked at the door of a small cottage to ask directions. An elderly, almost toothless man answered, and he invited me in for what turned out to be a two-hour conversation. A scientist who had returned from America after the Second World War with a Ph.D. in mathematics, he had hoped to serve the Communist cause by helping to rebuild China. Instead, after a decade of work, he was labelled a rightist and sentenced to twenty years at hard labor, from which he had only recently been released. "Since I was considered a 'big rightist,' I haven't yet got my rehabilitation certificate, as some 'small rightists' have," he told me. "My 'crimes' were twofold: praising American science, and stressing how important academic freedom is to scientific inquiry. Now these 'crimes' seem to be the correct line." He chuckled, and added, "Though who knows for how long?"

If more people had stood firm, as he had, I asked, would the same thing have happened?

"It wouldn't have mattered," he replied. "Millions did stand firm, but we were still broken." He paused to reflect, and then, referring to the brief period in 1957 when Mao solicited criticism of the Party from the intellectual élite, went on, "But if we hadn't done what we did then, there would be no liberalization now. The Hundred Flowers Movement led inexorably to the Cultural Revolution and to the present reaction against that madness."

Didn't that provide some consolation?

"No," he said listlessly. "It's too late for us. Two generations have been lost—my children, too, have suffered. Because of my 'crimes,' they were denied an education. One is a bus driver, and the other works in a factory."

As I was leaving, I noticed that my host had a portrait of Mao hanging on the wall, and I asked him why.

"My wife still thinks it's the safest thing to do," he said. "If I had my way, I'd tear that picture to shreds."

We were able to get hard-bed reservations for the nineteen-hour trip from Peking to the historic city of Xian (Sian). Our introduction to hard-bed travel proved to be something of a shock. The car was crammed to capacity—a rolling dormitory with twenty rows of two-foot-wide wooden slabs, stacked in tiers of three along one wall, for beds. Parents travelling with their children often save money by squeezing two and three to a bunk. But the lack of creature comforts is partly compensated for by a spirit of camaraderie that develops after several hours of this close communal confinement. "We Chinese are very warm people and enjoy expressing our warmth," a middle-aged woman told me. "These past few years, we've been frustrated, because we haven't been permitted to express ourselves—even within our own families." The Chinese masses remain highly political, yet to some extent the ascendance of Deng Xiaoping, with his emphasis on "modernization," has liberated them from the ideological constraints that were so evident until recently. People now seem spontaneous and free of affectations in their social relationships—appealing qualities that one hopes won't be supplanted by Western concepts of "sophistication" as the country modernizes or, if the modernization program fails, by the sour misanthropy prevalent in the Soviet Union.

On the train to Xian, the day's radio fare—broadcast over loudspeakers in each car—was mercifully lacking in the monotonous ideological propaganda that in past years was unavoidable. After the playing of the popular anthem "The East Is Red" and fifteen minutes of "news"—reports on agricultural production, accounts of meetings between high-ranking figures—the bulk of the programming consisted of traditional Chinese comedy (often a bantering dialogue between a comic and a straight man), music from other parts of Asia and from the West, and talks that were virtually elementary-school lessons describing life in other countries. To the average Chinese, whose life for the most part is confined to the area around his village, the assumptions in some of these programs must seem incongruous.

A program on the Philippines, for instance, began, "When you go to Manila, you will want to visit . . ." Still, many Chinese do appear to be starved for knowledge about other parts of the world. It often happened that on trains or in public parks I was surrounded by large numbers of people and, in response to their questions, spent hours at a time describing conditions in Taiwan and elsewhere or discussing the political and economic situation in America. Once, in arguing that Nixon was the American equivalent of the Gang of Four, because he had tried to subvert the Constitution, I mentioned his earlier enmity to the Chinese Communists. "That's strange," one young man said. "Our government told us that Nixon was always a staunch supporter."

Most of our fellow-passengers on the Xian train were travelling on work-related errands that allowed them to enjoy the otherwise unaffordable perquisites of sightseeing en route and eating in good restaurants. (Pedicab drivers throughout China usually ask riders whether their organization is paying or whether they are paying their own way, and unabashedly charge higher fares to those on expense accounts.) And most of the passengers were men. "Travelling in China is arduous, and women are not up to it" was the standard explanation, even though it was contradicted by the reality of the rural landscape, where women regularly haul heavy carts along rutted lanes, like beasts of burden. One of the few female passengers travelling on business—she was returning from a construction site—was accompanied by her four-year-old son. She maintained that she would have preferred to stay home if a male colleague had been available for the job.

As an accompaniment to the new emphasis on modernization, women are now being permitted—indeed, encouraged by billboard and other advertising—to put aside the short haircuts and drab garments of Cultural Revolution days for more stylish hairdos and for feminine, colorful clothes of a style fashionable in the West around 1950. (Paradoxically, they are also being warned, through magazine cartoons and articles, against what is apparently an increasingly common practice of choosing husbands on the basis of their access to consumer goods.) Chinese of both sexes seem delighted with this campaign to prettify women, though whether it signals a retreat from the past few years' emphasis on male-female equality is anyone's guess.

The bunk across from me was occupied by a young man travelling with his five-year-old daughter. On these long trips, as in almost every social setting in China, children are the center of everyone's attention. Yet for the most part they seem much less obtrusive and unmanageable than their Western cousins—perhaps because of their early exposure to socialization in nurseries, kindergartens, and a generally communal environment. Foreign tourists have marvelled at the apparent mood of contentment they observe on visits to model Chinese kindergartens, but not all Chinese parents are so unstinting in their praise. "For children raised at home, usually by their grandparents, our nursery-school system is really quite cruel," the father told me. "Such children start attending nursery school at about the age of two—in contrast to infants who are consigned to nurseries

when they reach eight weeks—and they are admitted only one at a time, because they usually cry constantly for the first several weeks. Many kindergartens are staffed by untrained people who encourage the children to sleep most of the time, and that means that it's almost impossible to get them to sleep at night." Judging from the number of school-age youngsters who spend their days not in class but pulling loads through city streets or engaged in other types of menial labor, there also seems to be some degree of dissatisfaction with China's system of universal primary education. "Many parents refuse to send their children to school because they know that after graduation the kids are generally assigned to jobs far away from home," one mother explained. "These parents know it's wrong to put their children to work when they're so young, but they know that at least that way the family will never be separated. It's not easy to overcome this way of thinking, but eventually they'll be converted." It is also possible, of course, that this situation may prompt the government to revise its job-assignment policy so as to minimize the disruptive effects on families.

After nineteen hours seated in a hard-bed car, I was all too happy to spend several days sightseeing in Xian on foot, straphanging on packed city buses or walking—anything, as long as it wasn't sitting. The city, a section of whose ancient walls still stands, is situated in an area adjacent to the Yellow River, where Chinese civilization had its origins. Despite a population of about two million, Xian, like many cities in China's interior, creates the impression of being little more than a rural town. Its outskirts merge imperceptibly with the surrounding countryside, and its numerous open-air markets differ little from the descriptions of such places centuries ago: razor-wielding barbers indiscriminately shave the heads of all their customers; the occasional blind beggar beseeches alms: a village strong man demonstrates *qi gong* (martial-arts strength attributed to special breathing techniques) by pulverizing rocks in his palms; and street musicians play ancient instruments for the odd handout.

Increasing numbers of tourist groups are being attracted to Xian by an archeological excavation that is under way at the recently discovered two-thousand-year-old tomb of Qin Shi Huang, the first emperor of a unified China. Specialists at the site apologize to visitors for the makeshift nature of the temporary exhibit (one simply walks precariously around the edge of the dig area), but no future display of fully unearthed figures will be able to match the awesome visual impact of countless clay warriors in the process of emerging, as if alive, from centuries of entombment.

During an afternoon at the site, I struck up a conversation with a young Chinese woman, and, as so often happened, the talk turned to politics. But this woman, instead of blaming the Gang of Four for all the country's ills, as so many others had, was surprisingly thoughtful. "You're right in questioning how, when there were over twenty members of the Politburo and three hundred members of the Central Committee, just four people could create such havoc in the country," she said in response to a question. "I've been asking myself the same thing. You're also right in suggesting that our newspapers are pure propaganda. Though things are somewhat better these days, the papers are not telling us the facts now, any more than they did in the past." Then, with a note of anxiety, she added, "If I should be overheard saying these things I might well be arrested."

Clearly, though many Chinese are abandoning caution in what seems to be an urgent effort to make their grievances known, in the hope that the situation will continue to improve and that China will become a more open society, many are still fearfully conscious of their vulnerability in a totalitarian state. One middle-aged man said to me, at the conclusion of a long and candid discussion in a local bar, "The only reason I'm talking to you this way is that I'm from another district, and no one in this place knows me. In a minute, I'm going to get on my bicycle and get the hell out of here." The depressing fact is that the masses, while sometimes refreshingly defiant, are in general easily intimidated by the slightest show of authority—even that of officious, if well-meaning bus conductors who order Chinese passengers to relinquish their seats to embarrassed foreigners.

The hotel where foreigners stay in Xian is an enormous, drab structure that was constructed in the late nineteen-fifties by the Russians, and it has the unimaginativeness and built-in decay common to Soviet socialist architecture. By no means a major issue in the over-all scheme of things, China's hotel situation nonetheless reflects important aspects of the country's problems. Outside Peking, the best hotels—which are still far below international standards—are the ones that were built in the early nineteen-hundreds by French and other foreign interests. Next in order of discomfort are the Russian monstrosities, and last come those built by the Chinese themselves. Most of the Chinese-built hotels are only about three years old, but they were so shabbily constructed and have been so poorly maintained that the rooms look at least ten times their age. But even these are far superior to the hotels used by the Chinese masses, where a cot for the night, with few other amenities, can be had for as little as thirty-five cents. After inspecting a few of those facilities, I wasn't at all unhappy about being restricted to the more expensive quarters—sixteen dollars a night for double occupancy—that are provided for foreigners. If China hopes to attract increasing numbers of tourists in order to earn convertible currency, the first step, as everyone seems to recognize, is to invite foreign interests to build the hotels required. But the logistical difficulties of importing entire hotels, item by item, and the further problems of management and maintenance suggest that the return on such an investment would be limited, and, despite earlier optimism, international hotel corporations now seem to be waking up to that fact. To date, the only people who have actually committed themselves to building hotels in China are a few Overseas Chinese, among them one Hong Kong multimillionaire who owns a substantial share of lucrative gambling establishments in Macao.

Even after my exposure to the minimal standards of hard-bed travel on the trip to Xian, I was unprepared for the twenty-hour hard-bed ride on the train from Xian to Chengdu. Having left Shanghai over thirty hours earlier, the train looked as woebegone and weary as its many passengers. Bunks are rarely vacant on these overnight trips, and mine had obviously been occupied the night before. As a spoiled foreigner, I asked for clean sheets, but the ones I was given were almost as tattered and gray as those they replaced. This shouldn't have been a surprise, for in rural areas laundry is done in irrigation ditches and polluted rivers, and even in the cities most clothes are washed in cold water—and by Chinese standards soap is expensive everywhere. The air was stagnant, and the car was clouded with layers of cigarette smoke. There is a high incidence of cancer and heart disease in China, yet most Chinese men, and even many teen-age boys, smoke heavily. In fact, the closest thing to tipping in restaurants in China—which is the world's largest producer and consumer of tobacco—is the practice of offering cigarettes to waiters (but not waitresses, for few women smoke, at least in public). The government has imposed a heavy tax on tobacco, and until very recently it has done little to inform the public about the dangers of smoking. Less remiss where the links are less clear, the authorities have evidently thought it expedient, in view of the shortage of meat in China, to give wide publicity to an American doctor's theory that the high consumption of meat increases the risk of cancer. There has been some progress on the no-smoking front, however: not long ago, C.A.A.C., the national airline stopped handing out cigarettes to passengers on flights, and just last month the government, disturbed about the increase in smoking among teenagers and the rising rate of lung cancer, announced plans for an anti-smoking campaign.

On the train to Chengdu, a number of fellow-passengers kept me engaged in animated conversation. A young bureaucrat, boldly mouthing slogans of the day about socialist legality, became evasive and noncommittal when I argued that China could no longer afford to be contemptuous of Western concepts of legal process and that Party dominance over the legal apparatus was incompatible with the administration of justice. To my surprise, a young soldier who had been staring out the window and had seemed not to be listening suddenly turned toward me and interrupted the conversation. With undisguised disgust for his bureaucratic comrade, and alluding to the fact that since 1957 China has trained virtually no legal professionals, he blurted out, "China needs lawyers badly—to defend people when they are prosecuted, and generally to protect our freedom." A third man added, "America is a democracy. The problem with China is that it's a dictatorship—but a couple of years ago I couldn't openly have said that."

The train moved through Shaanxi (Shensi) and into Sichuan. The unfolding panorama of the Jialing River winding its way through the mountainous countryside presented a perfect example of what Chinese landscape painters have for centuries striven to capture—jagged peaks veiled in clouds, terraces of green unripened wheat, brilliant-yellow patches of flowering rapeseed, clusters of bamboo, and the pink blossoms of apricot trees.

In Chengdu, which is Sichuan's capital and one of its major cities, the back streets, even more than those of Xian, convey the flavor of old China. Endless rows of dilapidated and dingy wooden dwellings, untouched by thirty years of "socialist construction," teem with gleeful runny-nosed youngsters. A huge exhibition hall in the center of town, guarded by a mammoth statue of Chairman Mao, is one of the few buildings that look relatively well kept, but it was erected only recently, to replace the fourteenth-century Imperial City, which was destroyed in the turmoil of the Cultural Revolution. Some of the fiercest fighting during those turbulent years took place in Sichuan, which, as the richest and most intensively cultivated agricultural province in China, has been a prized object of contention ever since the period of the Three Kingdoms, in the third century A.D. "Sichuan has historically been known as "the heavenly country,' " said a man sitting next to me on a bus that was heading for the hermitage of the Tang Dynasty poet Du Fu. "But for ten years it was hell. Peasants were set against workers and workers against intellectuals. At one point, the factories were closed, and even agricultural production and distribution broke down."

For the moment, at least, things appear far more harmonious—so much so that in the crowded park by the Guanxian River, famous for its ninety-odd varieties of bamboo, hundreds of people on their day off were taking advantage of the less repressive climate by dancing. Enthusiastic couples—

men and women, men and men, women and women—were learning the foxtrot to a scratchy recording of "Old Black Joe," which reverberated at fluctuating speeds over loudspeakers that once ceaselessly spouted propaganda.

Though the "public security" authorities in Peking had denied us permission to travel to Kunming, their counterparts in Chengdu readily granted it. "They had to approve—we had already bought the tickets," a young Travel Service staff member explained, in a curious instance of the tail wagging the dog. Yunnan was one of the last provinces to come under Chinese influence (The Ming Dynasty took control from the region's Mongol rulers in the thirteen-eighties), and its capital, Kunming, lacks the atmosphere of vitality characteristics of most Chinese cities. What is more surprising is that the surrounding area, mountainous and sparsely populated, has little of the Southeast Asian flavor one might expect in a remote province bordering on Burma, Laos, and Vietnam—as Yunnan does—where "national minorities," though they are not much in evidence, make up almost a third of the population.

Much more visible was the aftermath of China's recent involvement in Vietnam. The Kunming hospital was filled with wounded Chinese soldiers, and those who could get about were being invited to patronize some of the local restaurants—Yunnan is not noted for the abundance or the quality of its food, and most of Kunming's restaurants are inferior—by signs saying "We welcome returning heroes." Camouflaged military trucks were on the roads, and artillery pieces and small tanks sat atop flatcars along railway sidings. Though many Chinese, obviously having been taken in by newspaper propaganda, assumed that China had victoriously achieved all its goals in Vietnam, some of the better-educated were dubious. According to rumor, the Vietnamese had not sent up as many of their best divisions as had been expected, and so the Chinese had not annihilated as many of these as they had hoped to. A relatively high-level Party member told me, in a moment of alcohol-induced candor, "China's foreign policy in Southeast Asia is not based on an abundance of expertise in that area, and that's one of the reasons we've found ourselves in some embarrassing situations in the past few years—our support of Cambodia, for instance. I personally was worried about the risk of Soviet intervention in the Vietnam action." Then, suggesting that his hawkish colleagues had a more cynical view, he added, "But what the hell. The People's Liberation Army was forgetting how to fight, and the men needed some practice."

Kunming's major attraction is its Buddhist-Taoist temples, which are filled with magnificent old carvings depicting the strange and colorful characters of Chinese popular religion, and which are currently being restored. Some might think that the restoration of these temples signifies a revival of traditional religion, but the more likely explanation is that it is related to the recent opening of the city to foreign tourist groups. Although a number of elderly people were praying to the gods, and although incense was on sale in Kunming and elsewhere, ostensibly for religious use (it can also be used as a much-needed fly and mosquito repellent), younger groups seemed to prefer sitting in the teahouses of the temple courtyards chatting and playing cards.

In a conversation with one such group, I was asked what restrictions the American government placed on citizens who wanted to travel abroad. Amazed by my reply that there were none at all, one person said, "That's democracy. Maybe we'll get to that point in twenty or thirty years."

"Nonsense," said another. "We'd see how they live and never come back."

"We'd have to come back," a third said. "Not speaking the language, we'd never be able to get jobs there."

A few days later, Yunnan was far behind, and my friend and I were on board the East Is Red No. 35, a ferryboat sailing through the dramatic Yangtse River Gorges on a twelve-hundred-mile journey from Chongqing to Shanghai. Boats in China avoid the elitist stigma of first class by offering only accommodations designated "second class" through "fifth class"—the former consisting of two-berth cabins, the latter being mere catch-as-catch-can arrangements on the decks and in the gangways, and the intermediate classes having anywhere from four to thirty bunks to a cabin. As was true on the trains, it was not just money that determined who could buy a superior berth; apart from foreigners, only Chinese above a certain level in Party or state organizations have that privilege.

Several years ago, when Sichuan was still closed to foreign tourists and when it was official policy to exaggerate the country's progress, a few privileged Westerners, such as the former American Foreign Service officer John Service and his wife, Caroline, were invited to make this trip—one that his parents, who were missionairies, had made decades before under much more Spartan circumstances. Some of these visitors, including Mrs. Service, subsequently wrote articles for China's foreign-language propaganda journals which suggested that under the Communist regime China had modernized its river transportation. The fact is that manpower is still the major means of propulsion on the Yangtse: most boats are rowed or sailed down the river and then have to be hauled upstream by ropes harnessed to teams of men who creep along the banks, as they have for centuries, struggling against the swift current. This shouldn't come as a surprise, for on land the major forms of conveyance, apart from the bicycle, are still the wheelbarrow and a variety of rickshawlike carts. The peasants use these to carry sick and elderly relatives from one place to another, and also to transport the produce of their private plots to sell, at bargainable prices, in the thriving "free markets" of the dusty towns along the shore. They do the latter, of course, only by ignoring their responsibilities to the commune—an increasingly serious problem for the country, judging from a recent spate of newspaper criticism.

Overcoming my fear of having to interpret heavily accented rural Sichuanese, I struck up a conversation with an old peasant, whose wife walked painfully behind him on tiny, crippled feet, which had been bound when she was a child, as was the custom in pre-"liberation" days. "Things got better after Chairman Mao took over" was his laconic and somewhat dated response to my question about conditions in his village, but when I asked for information about recent events relating to the Gang of Four he grew wary and said only, "We peasants don't know much about that."

A serious question now facing China is the degree to which modernization and an increased emphasis on consumer goods in the cities is likely to exacerbate the already considerable economic disparity between people in urban areas and the peasantry. "The peasants don't generally have access to publications like *Culture & Life*, where they would see articles on the latest fashions, so that shouldn't be a problem"—this was the rather naïve view of a young man who had been reading that magazine. "But, in any case, the government will just have to raise food prices to increase peasant income," he went on, "and it will also have to improve the standard of rural education."

On the ferryboat, as happens all day long everywhere in China, loudspeakers were blaring to their captive audience. Each morning's radio program included a roll call of Party stalwarts who had fallen victim to the Cultural Revolution and were now being ceremoniously—though posthumously—rehabilitated. The broadcast of the eulogy of each victim was followed by a recitation of the names of well-known Party and government figures who had sent wreaths of commemoration. But, as was also the case elsewhere, no one seemed to pay much heed to the constant din. The passengers preferred to talk with the two foreigners in their midst. One Sichuanese woman in her early twenties, blaming the Cultural Revolution for depriving her of a college education, particularly wanted to unburden herself. "The newspapers lied to us," she told me. "We never read them. We were all 'sent down' to the countryside. Sure, we learned something about the peasants' tough life, but essentially it was a waste of time for all concerned, including the peasants, who didn't want us there. If you had connections, you bought your way out or got doctor friends to say you were sick. Now that's over, but the government still hasn't been able to find jobs for many of my friends, and it is once again talking about sending unemployed kids down to the countryside as a solution to the problem. My parents and their friends have been through so much these past thirty years—one denunciation after another—that they're too scared to be of any use. But the kids are different. Though the situation has improved a bit recently, many of them still feel that with things so bad they couldn't care less what happens to them. Even death is no threat. And, being cynical, they're thinking only of how they themselves can get ahead. Maybe that's not the best way for youth to be, but that's the way it is."

It was a surprise to find, after being exposed to many such outpourings in the course of the journey, that few people in Shanghai were prepared to speak openly. Shanghai, which is often thought to be at once the most bourgeois and the most radical city in China, actually seemed the most subdued, notwithstanding the widely reported demonstrations around the time of the Boston Symphony's visit. "The lid is still on tight here, as tight as it was under the Gang of Four," said a twenty-year-old man eating noodles, with two friends, in a shop on Nanjiing (Nanking) Road, one of the busiest streets in this overcrowded city.

One of his companions added, "We Shanghainese are an outspoken lot, and the authorities are afraid that if they relax the restrictions here things will get out of hand. So in Shanghai, in contrast to Peking and other places, dancing is not permitted, and colorful clothes and long hair are frowned upon."

And the other friend said, with a note of bitterness in his voice, "They say preoccupation with these things would interfere with our commitment to the four modernizations, but nothing could be further from the truth."

In at least one respect, however, Shanghai is irrepressible: young couples are out in force every evening along the bund, draped over the wall beside the Huangpu River. Necking and petting through heavy, padded garments, they ignore passing groups of men who eye them voyeuristically. At five in the morning, the scene is quite different. The young lovers have been replaced by thousands upon thousands of older men and women practicing the serene form of Chinese boxing called Taiji Chuan, exercising in unison to an incongruous musical accompaniment over the ever-present loadspeakers. And on another part of the pavement a few muscular young men work, under the scrutiny of an old master, on the more spectacular, though not necessarily more effective, leaps and sweeps of Shaolin boxing.

As I sat watching all this activity one morning, a young man sat down next to me and began talking in halting English—so that passersby would not understand, he explained. Though he was born in 1950, the year after "liberation," he was a devout Christian. "I study the Bible at home every day, in English and Chinese," he told me. His parents had managed to escape to Europe many years before, and his wife, an Overseas Chinese, had been able to take their young son to America. "But I'm stuck here for good," he said, with the air of one resigned to his fate.

I mentioned the rumor that the Tianjin Cathedral had recently reopened, but he was not impressed.

"No churches have opened in Shanghai," he said. "And, if they did, it still wouldn't be safe to go. Despite the Constitution, religious freedom in China is a joke."

Toward the end of our journey, we returned to Canton, where hordes of foreign businessmen were flocking in for the semi-annual trade fair, which had just begun. Newspapers and broadcasts were proclaiming the fair's success and attributing it to the correctness of China's new line. Not everyone found things to his liking, though. More than four hundred of the several thousand visitors arrived to discover that, despite confirmed reservations, no hotel rooms were available.

"Who's responsible here? Who's in charge?" demanded one exhausted and irate American who had just flown in from New York with his wife, and who was planning to spend the night in the hotel lobby before flying home the next day. "No one," the desk clerk said, with the placidity of an unyielding bureaucrat. At that point, an Overseas Chinese businessman based in Hong Kong, who has had countless such experiences in his dealings with China over the past few years, commented, "The system just doesn't work here. The country's a mess."

The last leg of our trip took us to Guilin, a tourist-invaded town in the southern province of Guangxi Zhuang (Kwangsi Chuang). The area is noted for its extraordinary landscapes—towering, weirdly shaped rock formation jutting out of the wide plains through which flow the green, still fairly clear waters of the River Li. Except for a number of small fishing boats, the river traffic seems to consist primarily of tourist barges, which are dragged downstream fifty miles or so by tuglike tenders for the benefit of sightseers. In racially class-conscious China, non-Chinese foreign guests pay twenty-five dollars for the six-hour trip to Yangshuo. Overseas Chinese, and the even more shabbily received Hong Kong and Macao breathren, are in this instance lumped together in lesser luxury, and pay slightly less than half that amount. The Chinese masses, the worst-treated people in China, travel under much more crowded and austere circumstances, at a cost of about two dollars and fifty cents. It took four visits to the ramshackle offices of the city's Revolutionary Committee—and some mock histrionics on my part about the apparently still prevailing influence of the Gang of Four—before the authorities would permit me to go down the river with the Chinese.

On the boat, I talked with a newly married couple—the husband a computer specialist, the wife a doctor—enjoying a one-week honeymoon trip. The wife asked me, "Having travelled extensively around the country, what do you consider China's biggest problem to be?"

The easiest, and not necessarily the wrong, response would have been simply "Its population, its poverty, and its unfulfilled promises." But another response seemed more appropriate at the time. However appealing the government's new line compared to the old, I replied, China remains a dictatorship, where most people are trained not to question but to repeat the Party line. The government wants to modernize the country but is still unwilling to let people think creatively and express themselves freely. Despite much publicity to the contrary, little that is fundamental to the system has changed, I continued, and there is really nothing to prevent past abuses from recurring—perhaps with Stalinist vengeance, if those in power attempt to suppress the increasingly widespread discontent and resentment.

"Many of us would agree with your assessment wholeheartedly," the husband told me, with a note of optimism. "China's salvation lies with the younger generation. If their minds can be opened—and to that end interaction with the West is important—our society, too, might become a more open one."

—DAVID FINKELSTEIN.●

SALT II—AMERICAN PUBLIC OPINION TURNS AGAINST THE TREATY

● Mr. GARN. Mr. President, I would like to take this opportunity to examine briefly recent findings of national opinion polls with respect to the proposed SALT II treaty. The principal conclusions of these surveys are these: The American people are increasingly skeptical of the merits of SALT II, and this administration lacks the votes in the Senate to pass the treaty. In fact, a majority of the American people now oppose the treaty and regard it as detrimental to American national security interests.

The Carter administration has spent more than $1 million in its attempt to sell SALT II to the American public. In addition, there is an ongoing effort to create the impression of a new surge of support for the treaty in the Senate. A closer look at the situation, however, leads one to conclude that the administration's efforts have proven to be of doubtful effect, and that there is good reason to believe that there is insufficient sentiment in the Senate to support SALT II ratification.

The findings of an ABC-Harris poll, conducted between September 26 and October 1, 1979, are particularly telling. Fifty-eight percent of those partcipating in the survey believe that "although nuclear arms control is desirable, the SALT II treaty which President Carter negotiated does not adequately protect U.S. security." Only 26 percent of the respondents disagreed with this statement. Fifty-three percent of the population believe that "if SALT is approved, Russia will have nuclear superiority by the middle 1980's," while 32 percent disagreed. Nor have the SALT-sellers been able to convince the American people that the treaty can or should be viewed independently of world affairs. Despite President Carter's reassurances with respect to the Soviet combat troops in Cuba, 65 percent of those participating agreed with the statement "unless the Russians agree to withdraw their combat troops from Cuba, then the U.S. Senate should refuse to ratify the SALT II treaty."

An ABC-Harris poll reported on October 23, 1979, indicated that only 33 percent of the respondents rated President Carter's efforts at securing a SALT II arms agreement as positive; 60 percent—nearly twice as many, considered those efforts a negative factor in the President's job performance, 11 percent more than 1 month previously.

The conclusions of a recently conducted Gallup poll offers supporting evidence that the trend in public opinion is in opposition to this treaty. Public support for SALT II seems to be diminishing as people become more aware of the serious inequities and verification flaws contained in the accord. When asked the question, "everything considered, would you like to see the U.S. Senate ratify this proposed treaty, or not?" those supporting ratification declined from 27 percent in March of this year to 24 percent in October. On the other hand, the percentage of those opposed to ratification rose dramatically from 9 percent in March to 26 percent in October. These are significant findings, and they contradict assertions to the contrary that this treaty enjoys the overwhelming support of the American people.

The American people recognize that all is not well in the world, that American interests are being subject to increasing attack and that there is a direct relationship between the extent of that attack and the decline in American military power. Senate approval of this seriously flawed SALT II treaty would tell the world that we are unwilling to take the steps necessary to reverse these trends. The American people will not accept this, nor should they.

It is interesting, therefore, to take note of the findings of a Scripps League Newspaper survey conducted during the last 2 weeks of October. According to this survey, 30 Senators now oppose SALT II—only 4 short of the 34 necessary to defeat the treaty, and an increase of 12 since the last survey was conducted in May 1979. Of these 30 Senators, 13 are solidly opposed to the treaty while 17 are leaning against ratification. Presently, 27 Senators are in favor of the treaty—16 offering solid support and 11 leaning in the direction of ratification. Obviously, the debate is far from over, and these figures could be challenged in both directions. But it is clear that any declaration to the effect that Senate support for this treaty is nearly sufficient to insure ratification is both premature and unfounded.

Mr. President, I request that the following Scripps League Newspapers release for Friday, November 2, be printed in the RECORD, and I commend the attention of my colleagues to the results of those public opinion polls I have cited in my statement.

THIRTY SENATORS OPPOSE SALT II

(By Lee Roderick)

WASHINGTON.—Thirty senators currently are opposed to the strategic arms limitation treaty (SALT II) with the Soviet Union—just four less than the 34 needed to kill it, according to a new survey by Scripps League Newspapers.

The 30 include 12 senators who were undecided on the issue when a Scripps League survey on SALT II was taken in May. Four of the 12 said their position "was affected by the disclosure of Soviet combat troops in Cuba."

Among the 30 senators are 13 who reported they are solidly against the treaty and 17 others who are "leaning" against it.

Twenty-seven senators told Scripps League

they are on the other side of the issue, with 16 favoring the treaty outright and 11 "leaning" in favor. Another 43 senators are undecided (37) or uncommitted (6).

With two-thirds of the Senate needed for ratification—67 votes if all 100 members participate—the outcome of SALT II rests with these 43 senators.

The survey was conducted during the last two weeks of October while the Senate Foreign Relations Committee was "marking up" the treaty bill before sending it on to the full Senate. Major amendments that might have changed the minds of some opposition senators had all been defeated by the Committee as it neared the end of its work.

The full Senate is expected to begin debating SALT II around Thanksgiving, with the Senate leadership pushing for a final vote before the end of the year.

The earlier Scripps League survey in May came on the eve of the treaty signing in Vienna by President Carter and Soviet Communist Party Chief Leonid Brezhnev.

Since then, the Carter administration has intensified its so-called "SALT-Selling" campaign aimed at gaining Senate support for the treaty. But opposition forces likewise have stepped up their efforts, which survey results indicate have been more effective.

In May, 18 senators said they were against or leaning against the treaty, compared to 30 today. Twenty-four senators were on the other side of the issue in May, compared with 27 today—a pickup of only three publicly committed senators in five months.

However, the 24 Senators inclined toward the treaty in May included only two solidly favoring it, with the other 22 leaning in favor. Of the 27 now inclined toward it, 16 solidly favor it.

Twelve of the 16 Senators solidly favoring SALT II are Democrats; 10 of the 13 Senators solidly against it are Republicans. The 43 who are undecided or uncommitted include 30 Democrats and 13 Republicans.

Most of those opposed to the treaty believe it is too favorable to the Soviet Union. However, at least three senators say they oppose it because it will escalate rather than reduce the arms race.

One such senator, a Republican, told Scripps League he opposed using SALT II as a "pretext" for raising the defense budget by a talked-about 5 percent. Another said he was troubled both by a possible increase in the defense budget and by the Carter administration's decision to go forward with the MX mobile missile, planned for deployment in Utah and Nevada to shore up the nation's land-based strategic nuclear missile system.

Other senators opposed to the treaty repeatedly expressed concern over three treaty provisions—those allowing the Soviets to not count the Backfire bomber under SALT II's weapon ceiling; to give the Soviets 308 "heavy" SS-18 missiles to no missile of comparable power for the U.S.; and to allow the Soviets to possibly thwart verification by encoding missile test data.

On the other side of the issue, one senator who recently made up his mind to vote for SALT "barring any unexpected developments" said the verification issue was the key.

The senator, Vermont Republican Robert Stafford, who has also made his position public, explained that "My months of study of all available evidence . . . has convinced me that the SALT II treaty can be verified." He added that "we will be better off as a nation with a SALT treaty than without it."

Athough the Foreign Relations Committee defeated major amendments to SALT II, votes were as close as 8 to 7—surprising treaty supporters and foes alike. Key foes of the treaty believe the close votes by the Committee—which is perceived as more pro-SALT II than the Senate as a whole—indicate the amendments may yet be approved by a full Senate vote when they are reintroduced on the floor.

At any rate, the Scripps League survey indicates that, like the two Panama Canal treaties of last year, the outcome of SALT II is likely to be a cliffhanger to the end.●

EUROPEAN ATTITUDES TOWARD SALT

● Mr. HATCH. Mr. President, as we grow closer to the floor debate on the SALT II treaty we see an increasing amount of information concerning the attitudes of Europeans toward the treaty.

During the first week of August, I had the opportunity to visit with over 100 military, government, intellectual and defense planners of Europe. One of the men with whom I had planned to visit was Pierre M. Gallois. Unfortunately, our schedules could not be arranged to coincide with my short visit to France.

Mr. Gallois is a retired air force general and one of the leading defense thinkers in Europe today. He has written extensively on arms control and strategic programs. Because we were unable to get together he agreed to provide me with a short piece on how he, as a European, views the SALT II Treaty. I have found it both interesting and enlightening. I think that my colleagues will find it equally interesting.

Mr. President, I ask that the short paper mentioned previously be printed in the RECORD.

The paper follows:

SALT SEEN FROM EUROPE

Being a Frenchman, it is not an easy task to address myself to a bilateral negotiation such as SALT.

If American-Russian discussions and agreements are of concern for us, in Europe, it is because we belong to the same community, we adhere to the same ethic, we abide by the same principles of freedom, we intend to organize, direct and impose in the same way a society of free people, we are ready to fight to preserve the same ideals.

If SALT is of great importance for us, nonparticipating nations, it is because the dominant role of United States is of such a magnitude that any damage suffered by your country is felt as a danger for the whole community of free nations.

This is why, after ten years of bilateral talks and the two main agreements of 1972 and 1979, we ask ourselves the following five questions:

1. Has the first agreement reached its official aim and checked the strategic arms race?

2. Has such an agreement been profitable to the interests of the United States?

3. Is the second agreement, the agreement of June 1979, of such a nature that it will correct the obvious deficiencies of the first one?

4. More generally, is it possible to conduct such vital negotiations between two nations as different as United States and Soviet Union? Are impartial strategic agreements feasible between an open society on one side and a tightly closed one on the other side?

5. Are the agreements of 1972 and 1979 favoring the cause of the allies of the United States? Are they improving their security and, if necessary, are they, now, in a better posture for their defense?

To all these questions, for us in Europe, the answer is no.

1. The Moscow agreement of May 1972 has not checked the strategic arms race.

On the Russian side, seven new types of ICBM or SLBM were announced after May 1972 (the SS. 16, 17, 18, 19 for the Russian silos and the SSN. 17 and 18 for the Russian submarines). Every five days, a new ICBM, more powerful, more accurate, with mirved warheads, were installed in Russian silos. During the same period, new nuclear submarines were built and launched at sea, some carrying missiles with a greater range and having a MIRV capability. Not made public during the preliminary talks, a new bomber, the "Backfire", was disclosed. During these three years of negotiations and during the years following the May 1972 agreement, the Soviets managed to multiply at least by two the number of targets they would be capable to attack at intercontinental range.

Impressed by such a rapid deployment of new weapons, the Americans, on their side, augmented their armament effort. With three new, more accurate, warheads in silo every day, the development of a new type submarine, firing more missiles at greater distances, with the project to modernize some of their ICBM inventory by a new missile, capable to survive a surprise attack, with the development of the cruise missile panoply, the United States increased their first intercontinental salvo from some 4,500 warheads to close to 10,000 today.

This is why, for us, in Europe, SALT I by no means is an agreement limiting strategic weapons. On the contrary, SALT I has stimulated the arms race instead of slowing it.

But we were surprised and upset by the wide margin of numerical superiority in launchers and potential throw-weight capability which were granted to the Soviets. We knew that they were behind as far as the number of warheads they could launch simultaneously, but we know also that, based on such a temporary inferiority, SALT I has opened the road for a marked Russian numerical superiority. Ambassador Dobrynin was right when he said candidly: ". . . We were elated at the result of SALT I. It gave us strategic advantage in central systems necessary to offset your Forward Based Systems, and it reserved for us the right to match you with regard to warheads in the future." [1]

2. Has such an agreement been profitable to the interests of the United States?

To be sure, after SALT II the U.S. territory was not in danger. As before SALT I, America is still a country having the privilege of nuclear immunity. Some 80 per cent of American strategic warheads may be in permanent or semi-permanent mobility and in such a way that their simultaneous destruction is not feasible. Whatever the size of their ballistic inventory, the Russians could not now attack the land of America without taking the risk of incredible destructions.

Being a strong advocate of a policy of minimum deterrence, but for a medium size nation protecting only herself and without any foreign responsibilities, I can't deny the value of the formidable U.S. potential of destruction, before SALT I as well as after.

But the real value of such a potential destruction is specific to American territory and American vital interests at home. Outside the U.S. territory, the freedom of action of Washington depends—for world public opinion—upon a certain military superiority. This is a legacy of the past, when the nations having more troops and more armaments, were generally the winners. The nuclear age has distorted such a concept, but the change is not perceived by the public opinion and should America accept a position of numerical inferiority in modern armaments, her foreign policy would be penalized, her alliances shaken and her military guaranties questioned.

This is why SALT I appeared to many of us, in Europe, as the proof of a new U.S. policy of retreat to "fortress America". And

Footnotes at end of article.

if SALT I was not profitable to American allies, it certainly was not favoring the U.S. interests in the world.

3. What about the second agreement, the agreement of June 1979?

To some of us, in Europe, the bilateral talks which began after May 1972 were directed in the wrong direction and the resulting June 1979 agreement seems to us a bad agreement and for the following reasons:

The June 1979 treaty legitimizes a Russian potential superiority. They are granted a numerical superiority as far as static launchers, as well as mobile ones are concerned and they keep a throw-weight advantage over the U.S.

It gives the Russian the monopoly of heavy launchers such as 308 SS. 18 with the capability to launch 10 warheads each. All military static installations of the U.S. will be under the threat of these 3,080 accurate warheads. This is important because of the two different strategies of the two countries, as seen later.

It is based on a wrong approach, the approach of so-called "parity", or even "essential equivalence", an expression which has several meanings. To some of us, in Europe, "parity" or "essential equivalence", cannot be adapted to two so different strategies as those of the U.S. on one side and the USSR on the other side.

4. A main question is the following: are impartial and equitable strategic agreements feasible between an open society and a closed one such as USSR? To us the answer is no.

The answer is no, first because of the disparity which characterizes the two countries.

Obviously one cannot imagine a democracy preparing an atomic aggression against another country. One cannot think of America taking the initiative of planning and launching a surprise atomic attack against Russia. In every circumstances, irrespective of Russian behaviour, negotiation will always be preferred according to the will of American public opinion and American concepts of foreign policy. Russian politicians and generals are also talking of defense. Hence, at least a non-war status would be guaranteed. But as each side is counting with double dealing of the other side, the two arsenals are steadily growing.

But, up to now, in a different way. As said previously, almost 80 per cent of US strategic warheads may be in permanent or semi-permanent mobility, when, on the Russian side, less than 20 per cent have the same sort of mobility. The US fear a surprise attack and their main problem is to insure the survival of their strategic forces. As far as they are concerned, the Soviets know that such an attack against their territory is highly unlikely.

The two strategies are so different that it seems to us that a sort of parity cannot be achieved. For example, the 308 heavy SS. 18 are imposing upon the US a mobile MX force of some 200 missiles to preserve the third leg of the American strategic triad, mobility being opposed to a static inventory.

The political and social system of the two countries are also asymmetrical. In America millions of dollars have been spent by the Administration to persuade the American people that such an agreement is necessary. Enormous pressures have been exercised to influence the Senate and obtain ratification. After having "sold" the treaty to the American people, the U.S. Administration is obliged to repeat what Mr. Gromyko said: "It is impossible to resume the negotiation. It would be the end of negotiation, the end, no matter what amendments would be made."[2] Judged from Europe, the emotional arguments used by US officials to obtain the approval of the nation are of little validity.

For example:

"Rejection of this treaty . . . would harm our nation's security and it would be a massive blow to world peace"[3] said Mr. Carter.

World peace, or rather a non-war status between America and USSR is not dependent upon the treaty. Russian constraints and the assured survival of American strategic forces are the actual causes of a non-war status. World peace is an expression, not a reality. Since "detente" supposedly replaced "cold war", Czechoslovakia has been invaded, combats have taken place in the Middle East, in the Indian peninsula, in Angola, in Ethiopia, Somalia, Yemen and South East Asia. Russia has made it very clear that it will go on supporting "wars of liberation" and keeping its hegemony over Eastern Europe intact. SALT I as well as SALT II are completely aside from these wars. With or without SALT II, there will be no such as world peace.

During the same address, Mr. Carter said also that "if the Pact was not ratified, other nations, such as Pakistan, India, Taiwan, South Korea, South Africa, Argentina, Brazil would be more likely to develop nuclear weapons."

It is the contrary which corresponds to the reality. It is because the treaty degrades the US global influence that these nations are likely to go nuclear. It is the policy of Mr. Carter vis-a-vis Pakistan, Taiwan, South Korea and South America which is making nuclear weapons necessary for these countries, to consider only those which consider that they are in danger.

To say that "without SALT II we would end up with thousands more strategic nuclear warheads on both sides"[4] is a non provable argument. With some 3,000 warheads on their SS. 18, the Soviets will have enough weapons to paralyse the 1,000 silos of US Minuteman. Already more than 3,000 other warheads are fully sufficient to destroy all the other fixed targets critical for American defense. Thus the Russian arsenal may not grow beyond SALT II bounds. And concerning the US one, it is an American choice to carry on the so-called race or to adopt a strategy of sufficiency." The current Administration, which has cancelled the B-1 bomber, been so indecisive on the MX, and limited other "strategic options," has shown no signs that it would accelerate its strategic arms production in the absence of SALT II.

In a speech delivered at Brussels, on May 16 of this year, Mr. Harold Brown said in substance that 'the future cohesion of the NATO alliance would be endangered if the Senate failed to ratify the strategic arms limitation treaty."[5]

Once again, the contrary is true. It is a position of potential superiority of the Soviet Union which is endangering the cohesion of NATO. NATO nations know that SALT II is not concerned with the weapons which are capable to destroy West Europe such as the "Backfire" and the SS. 20. And what is more, they are informed by the U.S. press that one result of the bilateral talks is a new U.S. proposal submitted to the next NATO ministerial Council to withdraw more U.S. atomic warheads and to dismantle "forward based systems", as if Washington was obeying a Russian request made during the bargaining of SALT II.[6]

Finally, in the field of verification, is not an open society in a very bad situation compared to the advantages given to the Soviets by their closed society system?

In Europe, we are not so sure that, according to Mr. Carter, "the SALT II agreement be made verifiable."[7]

It was said also of SALT I and the fact is that, in many respects, American verification of compliance with the provisions of the Interim Agreement of May 1972 was not as efficient as it was supposed to be.

For instance, tested at shorter distance before the Moscow summit of May 1972, the SS. N 8 missile was discovered later as having a much greater range. There was a similar misjudgement concerning the SS. 19 which had the characteristics of a heavy ICBM while replacing SS. 11 missiles in a silo of limited dimensions. Lately it has been claimed that the yield of the SS. 18 is not 1.5 megatons, but 600 kilotons. If this is indeed true, a logical conclusion is that the accuracy of SS. 18 is greater than expected. This is not necessarily a comforting discovery.

And it is difficult to admit that existing "technical means of verification" could control the storage of many ICBM's, cold launched in the open without being put in silos, or distinguish a bomber having an inflight refuelling capability from a shorter radius of action aircraft, or control the number of nuclear warheads put in reserve, or be informed of the number of existing cruise missiles, should Russia decide to develop also such a weapon, etc. In an open society such as the American society, the press will inform the foreign world of all the accomplishments of the US military establishment. No parallel can be drawn between a country where "Pravda" is giving the governmental point of view and a country where the "Washington Post" is giving its own point of view.

5. Last question: are the agreements of 1972 and 1979 favoring the cause of the allies of the United States?

We remark that along the strategic talks between America and the Soviet Union, American nuclear commitments in Europe have been progressively reduced. Now, as it was said previously, we are informed that the forward based systems may be dismantled, atomic mines withdrawn, the number of tactical nuclear weapons reduced . . . During the same period the Russian nuclear arsenal threatening Europe has been steadily augmented: more than a thousand SS. 4, SS. 5 and SS. 20, 1,200 bombers TU 16 and TU 22, tomorrow several hundreds TU 26 and a growing stock of nuclear warheads.

US policy planners have failed to take into account that we are, in Europe, far more exposed to a surprise attack than the US territory. The military posture which has been imposed upon European NATO countries is such that it invites a preemptive attack on our conventional forces. The state of the ballistic art is such now that the accuracy of Russian missiles allows a dramatic reduction of yields of their weapons and, having the initiative of military operations and, consequently the benefit of surprise, Warsaw Pact forces may disarm European NATO countries through atomic strikes of a surgical precision, almost without significant collateral damage. To neutralize such a threat mobile atomic forces would be necessary. On the contrary, European NATO nations are told to increase their conventional contribution, that is the type of forces that are more vulnerable to the present and future Soviet ballistic nuclear invenory.

This is why we think that, far from endangering the future cohesion of NATO, the rejection of SALT II would comfort America Allies in Western Europe.

To summarize these views, let us say that the SALT negotiations seem to us a dangerous affair for the Western world. The position of America has been weakened, the relations between America and her allies have been made loose and, what is more, many in Europe are convinced that during these talks, Russian negotiators have succeeded in convincing their American counterparts that disconnection and even disengagement from Europe is the safest solution for the United States.

FOOTNOTES

[1] Admiral Elmo R. Zumwalt—"On Watch"—pages 486–487.

[2] Craig Whitney—International Herald Tribune—26 June 1979.

[3] Meeting with American Retail Federation—See New York Times of May 11, 1979.

[4] President Carter speech to American Newspaper Publishers Association of April 25, 1979.

[5] See "A SALT defeat cited as peril to NATO"—International Herald Tribune of May 17, 1979.

[6] Walter Pincus—"U.S. urges NATO to extend range of nuclear arms"—International Herald Tribune of June 13, 1979.

[7] President Carter's address to Newspaper Publishers Association.●

SERIOUS DECLINE IN U.S. COKE PRODUCTION CAPACITY

Mr. HEINZ. Mr. President, the growing erosion of American coke production capacity threatens to worsen our trade deficit, increase our reliance on foreign oil, and weaken our steel industry. A study just released by the Industrial Economic Research Institute at Fordham University documents the extent of the problem. At my request, the summary and conclusion of this study were printed in the RECORD on November 6, 1979. Several sections of the body of this study provide valuable additional information.

The chapter on current and projected cokemaking capacity describes the organization of our present facilities, the age and deterioration of the equipment, and the strenuous efforts that have been made to bring coke ovens into compliance with environmental requirements. It also furnishes long-term projections of the decline in our coke production capacity.

Present law fails to recognize the value of coke ovens as an alternative energy source, producing a by-product medium-BTU gas used as a substitute for petroleum and natural gas. I intend to offer an amendment to the windfall profits tax cut (H.R. 3919) that would make coke ovens eligible for the alternative energy property investment tax credit. This amendment will not only correct an anomaly in present law, but will also provide an incentive toward revitalizing decaying coke production facilities and halting the decline in production capacity.

Mr. President, I ask that the second chapter of the forementioned study be printed in the RECORD.

The study follows:

SECTION 2: CURRENT AND PROJECTED U.S. COKEMAKING CAPACITY

The annual capacity of the U.S. metallurgical coke industry has declined by approximately 10 million tons over the last six years, and scheduled abandonments of capacity during the next six years already exceed planned capacity increases by more than 5.0 million additional tons. This erosion of the industry's capacity to produce metallurgical coke was ascertained by a survey and analysis of every coke-oven battery in the United States and a review of individual-company plans to maintain, augment, and abandon the capacity in existence as of July 31, 1979. As of that date, 199 by-product batteries with 11,413 ovens were in existence at the 59 plants that comprise the industry's furnace and merchant segments. Approximately 10 percent of these oven-coke facilities were out of service for rebuilding and repair, leaving 179 batteries with 10,270 ovens in operation, their potential maximum annual coke capacity amounting to 57.1 million tons.

The division of this capacity between the industry's furnace and merchant segments is presented in Table 7, which also indicates the extent of ongoing activity to rebuild and repair existing facilities. The 52.7 million tons of furnace-plant capacity in operation at 46 plant locations represented 92.4 percent of the industry-wide total, with the balance (4.3 million tons or 7.6 percent) accounted for by the industry's 13 merchant plants.

TABLE 7.—POTENTIAL MAXIMUM ANNUAL CAPACITY OF OVEN-COKE PLANTS IN THE UNITED STATES ON JULY 31, 1979

	Batteries	Ovens	Capacity (net tons)
In existence:			
At furnace plants	169	10,076	58,526,655
At merchant plants	30	1,337	4,850,850
Total	199	11,413	63,377,505
Out of service:[1]			
At furnace plants	(18)	(1,026)	(5,792,550)
At merchant plants	(2)	(117)	(507,715)
Total	(20)	(1,143)	(6,300,265)
In operation:			
At furnace plants	151	9,050	52,734,105
At merchant plants	28	1,220	4,343,135
Total	179	10,270	57,077,240

[1] Batteries and ovens down for rebuilding and repair.

Productive Capability of U.S. Over-Coke Plants:

The distinction between capacity "in existence" vs. that "in operation" is extremely important to any consideration of the coke industry's ability to produce coke at a given point in time. Because it excludes facilities that are off line for rebuilding and repair, capacity in operation is employed in this analysis to gauge the industry's potential maximum productive capability. Capacity in existence, on the other hand, is employed to assess historical and future capacity trends, as well as the geographic and age distribution of in-place cokemaking facilities, including those temporarily out of service.

Effect of Rebuilding and Repair on Capacity:

As a general rule, between 5 percent and 10 percent of the oven-coke capacity in existence is continuously down for rebuilding and repair, given the continuous nature of the cokemaking process and the resultant steady wear and tear on the industry's plant and equipment. Rebuilding a coke-oven battery sometimes involves the replacement of flues and walls, and in other instances, complete rebuilds are performed by tearing the battery down to its foundations and reconstructing it from the pad up. Likewise, oven repairs can be limited or may involve extensive hardware replacement. In any event, the process of rebuilding and repair is a continuing one, increasing and decreasing capacity in operation over time as some oven batteries are renovated and brought back on stream and others are withdrawn from service. The reinstatement of facilities that were off-line in 1978, for example, contributed to increased production levels during the first half of this year. Also instrumental were improved rates of operation on new oven batteries, including those recently installed by Lone Star Steel, Inland Steel, and U.S. Steel at its works in Fairfield, Alabama.

Although ovens undergoing renovation cannot produce coke, they are considered to represent capacity in existence, which increases and decreases primarily in response to the installation of new oven batteries and the abandonment of others. Additional influences that may change both capacity in existence and that in operation on a year-to-year basis include the following:

"Ongoing changes in the condition and efficiency of ovens as a result of their advancing age and the effects of unavoidable wear and tear.

"Increases in coking times in order to reduce emissions and thereby conform with environmental regulations.

"Additional constraints on productivity imposed by other measures to reduce oven emissions, such as stage charging and door-seal cleaning, which extend the time between charges and reduce the time available for coking.

"Shifts in the grades of coke produced, with foundry coke requiring a longer coking cycle than its blast-furnace counterpart.

"Changes in the mix of coking coals charged, their quality affecting coal-to-coke yields and oven throughput.

"Increases in the output of existing oven batteries from such modifications as the installation of equipment for coal pre-heating and pipeline charging.

"Reductions in flue temperatures and oven throughput because of deteriorating refractory conditions."

Actual Productive Capability on July 31, 1979:

It must be stressed that capacity in operation represents the coke industry's potential maximum rather than actual productive capability. Seldom, if ever, will a coke plant sustain at 100 percent operating rate over an extended period of time, given the recurring need to shut down individual ovens to perform maintenance and minor repairs, which frequently requires that adjacent ovens be removed from service. In recent years, pollution-control requirements have increased the frequency and extent of oven maintenance and have also induced a number of output-reducing modifications in coking practice (See Section 4, pages 131–132). As a consequence, the optimum annual operating rate attainable by active coke plants throughout the industry currently approximates 92 percent of their aggregate capacity. On this basis, the 57.1 million tons of industry-wide capacity in operation on July 31, 1979 translates into an actual productive capability of 52.5 million annual tons.

TABLE 8.—ESTIMATED DECLINE IN ACTUAL PRODUCTIVE CAPABILITY OF OVEN-COKE PLANTS IN THE UNITED STATES: 1973 VERSUS 1979[1]

[In millions of net tons]

	1973	1979	Change: Tons	Change: Percent
Capacity in existence	75.0	63.4	11.6	15.5
Capacity in operation	67.5	57.1	10.4	15.4
Actual productive capability	63.5	52.5	11.0	17.3

[1] Comparison of estimated average levels for 1973 and levels on July 31, 1979, as determined by Fordham University survey

In 1973, the year of record steel production in the United States, the coke industry produced 63.5 million tons of oven coke, which was generally considered to represent the limits of its productive capability.[1] Capacity in operation in 1973 is estimated to have averaged approximately 67.5 million tons and capacity in existence, about 75.0 million tons, compared to the previously cited levels of 57.1 million and 63.4 million tons prevailing on July 31, 1979. This means that a minimum of 10 million tons of actual productive capability and, in turn, capacity have been lost over the last six years.

Analysis of U.S. Oven-Coke Capacity in Existence:

Tables 9 and 10 distribute the potential

[1] Eugene T. Sheridan, *Supply and Demand for United States Coking Coals and Metallurgical Coke*, Bureau of Mines, 1976, p. 18.

maximium annual capacity in existence at the nation's 59 oven-coke plants according to their geographic location and the relative age of their 199 oven batteries. Paralleling the geographic distribution of production set forth in Section 1, Table 9 indicates that Pennsylvania, Indiana, and Ohio account for the largest shares of total in-place capacity. In Table 10, this capacity is divided into its furnace and merchant-plant components for purposes of analyzing the age of existing ovens. This division is essential because of major differences in the cokemaking process and maintenance procedures employed by plants producing blast-furnace vs. foundry coke, differences with a direct bearing on the life spans of their respective coke-oven batteries.

TABLE 9.—GEOGRAPHIC DISTRIBUTION OF U.S. OVEN-COKE CAPACITY IN EXISTENCE

States	Plants	Batteries	Ovens	Capacity in existence [1]	Percent of total
Alabama	7	25	1,215	5,713,710	9.02
California, Colorado, Utah	3	14	710	3,609,120	5.70
Connecticut, Maryland, Massachusetts, New Jersey, New York	4	18	1,074	5,498,360	8.68
Illinois	4	7	326	1,992,900	3.14
Indiana	6	25	1,076	10,944,525	17.27
Kentucky, Missouri, Tennessee, Texas	5	10	415	2,309,720	3.64
Michigan	3	8	508	3,681,025	5.81
Minnesota, Wisconsin	1	2	100	179,945	.28
Ohio	12	35	1,878	9,502,775	14.99
Pennsylvania	12	46	2,962	16,184,465	25.54
West Virginia	2	9	519	3,760,960	5.93
Total	59	199	11,413	63,377,505	100.00

[1] Net tons of potential maximum annual capacity in existence on July 31, 1979, as determined by Fordham University survey.

TABLE 10.—AGE DISTRIBUTION OF U.S. OVEN-COKE CAPACITY IN EXISTENCE

Age in years [1]	Batteries	Ovens	Capacity in existence [2]	Percent of total
Furnace plants:				
0 to 5	24	1,437	13,261,545	22.66
5 to 10	7	526	5,167,670	8.83
10 to 15	6	330	1,746,160	2.98
15 to 20	20	1,225	6,325,450	10.81
20 to 25	40	2,383	11,848,265	20.24
25 to 30	37	2,216	10,798,160	18.45
30 to 35	17	1,071	5,592,530	9,56
35 to 40	12	650	3,008,695	5.14
Over 40	6	238	778,180	1.33
Total	169	10,076	58,526,655	100.00
Merchant plants:				
0 to 5	4	242	993,530	20.48
5 to 10	2	95	462,820	9.54
10 to 15	4	201	912,500	18.81
15 to 20	1	60	240,170	4.95
20 to 25	0	0	0	0
25 to 30	7	298	1,044,995	21.54
30 to 35	1	47	94,900	1.96
35 to 40	3	100	283,240	5.84
Over 40	8	294	818,695	16.88
Total	30	1,337	4,850,850	100.00

[1] Age dates from 1st entry into operation or from last date of rebuilding.

[2] Net tons of potential maximum annual capacity in existence on July 31, 1979, as determined by Fordham University survey.

The combination of coals used to produce foundry coke results in a much lower volatility in the charge, which generally ranges from 22 percent to 25 percent volatile matter, as opposed to 29 percent to 33 percent for blast-furnace coke. A typical foundry-coke charge consists of 15 percent anthracite, 35 percent low-volatile coal of 16 percent to 17 percent volatility, and 50 percent medium-volatile coal of 27 percent to 28 percent volatility. Such a charge makes it easier to control pushing emissions than the changes of higher volatility used in producing blast-furnace coke.

As previously discussed, blast-furnace coke varies in particle size, averaging about two inches, and is usually produced on a 16- to 18-hour cycle, which can be reduced to 13 hours in plants with pre-heating devices. Foundry coke, on the other hand, has one dimension of about nine inches and is produced on a much longer cycle, ranging from 27 to 30 hours; oven temperatures are much lower than those needed for blast-furnace coke, approximately 1800° F. vs. 200° F. With the longer time cycle and lower temperatures, foundry coke is manufactured with less oven wear and tear, and consequently, the ovens remain in acceptable working condition over a greater number of years. In many foundry-coke plants, ongoing maintenance prevents the need for major repairs and rebuilds, comparable to those needed on oven batteries producing blast-furnace coke.

The age distribution of existing oven batteries is a key consideration in evaluating the coke industry's current condition and its ability to sustain itself as a continuing and viable source of coke supply. The generally accepted standard is that 25 to 30 years represents the normal, effective life span of a coke-oven battery. As ovens advance beyond this age level, they tend to incur serious maintenance problems from leaking doors and seals, as well as from overall structural deterioration. The wear and tear incurred over years of operation often results in environmental-control problems, technically and economically incapable of satisfactory solution to meet established legal guidelines. Ultimately, operating efficiency and coke quality are adversely affected, and so too the efficiency of blast furnace required to operate on marginal coke. As Table 10 reveals, coke-oven obsolescence is an acute problem in both the furnace and merchant segments of the coke industry.

Age of Coke Ovens at Furnace Plants:

As of July 31, 1979, more than one-third of the capacity in place at the coke industry's furnace plants was 25 or more years old; and an additional one-fifth of capacity was between 20 and 25 years old, which has serious negative implications for the industry's ability to sustain its production of blast-furnace coke in the years ahead.

The impact of capital-spending programs undertaken to install new oven batteries and rehabilitate existing facilities is indicated by the fact that 31.5 percent of furnace-plant capacity is 10 years old or less. Reflecting recent modernization efforts, furnace plants have installed 22.7 percent of their existing capacity in the last five years, and on July 31, 1979, an additional 9.2 percent of their capacity (5.4 million tons) was out of service and undergoing rehabilitation. The greatest concentration of equipment being reworked was 25 to 30 years old, although many oven batteries in this critical age category cannot be upgraded to meet pending environmental regulations and have been earmarked for abandonment. Significantly, despite the extent of current modernization activity and scheduled new-facility installations, furnace plants will incur a net loss of 2.5 million tons of capacity between July 31, 1979 and the end of this year and will lose additional capacity in the years ahead.

Age of Coke Ovens at Merchant Plants:

The age distribution of capacity in existence at merchant plants is indicative of the operating and maintenance practices they employ in producing foundary coke. Compared to their furnace-plant counterparts, they use a greater proportion of aged equipment and generally have a much smaller percentage of their in-place capacity down for rebuilding and repairs. Given the preference of merchant producers to rehabilitate batteries on an oven-by-oven basis, as opposed to performing pad-up rebuilds, only 3.1 percent of their existing capacity was not of service on July 31, 1979. As of that date, however, 46.2 percent of their capacity was 25 or more years old, and 16.9 percent was over 40 years old. In part, this incidence of aged capacity stems from the practice of avoiding costly major rebuilds, which would have lowered the age composition of their oven population, but it derives from the fact that merchant-plant ovens are subjected to less wear and tear, which permits them to remain in operation longer than those at furnace plants.

Despite notable differences, furnace and merchant producers share the problem of being heavily dependent on old plant and equipment. On an industrywide basis, 35.3 percent of existing oven-coke capacity (22.4 million tons) is 25 or more years old. The industry's investment capability and spending for new coke ovens have been restricted by a long-term lack of profitability, and although capacity modernization and replacement have been actively pursued (approximately 20 million tons of existing capacity has been installed in the last 10 years), inflation and mounting pollution-control costs have contributed to a steady erosion of the industry's productive capability that is due to continue, given the excess of scheduled capacity abandonments over new-facility installations.

Future reductions in U.S. oven-coke capacity:

Information on the potential maximum annual capacity in existence at U.S. coke-making plants was last reported to the Bureau of Mines in 1960, and official Government capacity statistics based on reported data have not been available since that time. In 1976, a Bureau publication analyzing coke supply and demand estimated that the potential maximum capacity in existence on December 31, 1975, totaled 74.3 million tons. By July 31, 1979, existing capacity had declined 10.9 million tons from this year-end

1975 level. As previously discussed, this was ascertained by surveying each of the Nation's coke plants, their aggregate in-place capacity amounting to 63.4 million tons. In addition to the capacity survey, an analysis was made of individual-company plans to install new oven-coke batteries and to repair, rebuild, modify, and abandon existing batteries. In this manner, it was determined that capacity in existence is now scheduled to decline by an additional 5.3 million tons through December 31, 1985, to an annual total of 58.1 million tons.

Table 11 sets forth long-term historical trends in the potential maximum annual capacity in existence during 1950–1979, and table 12 details future annual changes in this capacity through December 31, 1985, indicating the outlook for both furnace and merchant producers. Notably, while the oven-coke capacity in existence at merchant plants is scheduled to increase slightly by year-end 1985, furnace-plant capacity is due to decline by 5.6 million tons over the same period. On an industrywide basis, the trend of capacity reduction is scheduled to evolve as follows:

TABLE 11.—LONG-TERM TRENDS IN THE POTENTIAL MAXIMUM ANNUAL CAPACITY OF COKEMAKING PLANTS IN EXISTENCE IN THE UNITED STATES

[In thousands of net tons]

Dec. 31	Oven coke	Beehive coke	Dec. 31	Oven coke	Beehive coke
1950	72, 488	11, 572	1957	80, 299	5, 503
1951	74, 228	13, 859	1958	82, 498	5, 020
1952	76, 428	12, 005	1959	81, 448	4, 369
1953	78, 258	10, 073	1960	78, 877	4, 616
1954	78, 596	8, 078	1975	74, 266	NA
1955	79, 676	6, 785	1979	63, 378	NA
1956	79, 965	5, 766			

As of July 31, 1979.

Source: Data for 1950–60 from U.S. Department of the Interior, Bureau of Mines (series discontinued after 1960); oven-coke capacity on Dec. 31, 1975, from previously cited Bureau of Mines study by E. T. Sheridan; 1979 capacity determined by Fordham University survey.

TABLE 12.—U.S. OVEN-COKE CAPACITY IN EXISTENCE: CURRENT AND PROJECTED THROUGH 1985

[Annual capacities in net tons]

Dec. 31	At furnace plants			At merchant plants			Total		
	Batteries	Ovens	Capacity in existence [1]	Batteries	Ovens	Capacity in existence [2]	Batteries	Ovens	Capacity in existence [2]
Current [1]	169	10, 076	58, 526, 655	30	1, 337	4, 850, 850	199	11, 413	63, 377, 505
1979	163	9, 615	56, 024, 580	31	1, 409	5, 210, 740	194	11, 024	61, 235, 320
1980	162	9, 581	55, 886, 245	31	1, 409	5, 210, 740	193	10, 990	61, 096, 985
1981	156	9, 320	55, 520, 880	30	1, 384	5, 159, 640	186	10, 704	60, 680, 520
1982	144	8, 661	43, 413, 735	30	1, 384	1, 559, 640	174	10, 045	58, 573, 375
1983	140	8, 410	53, 825, 820	30	1, 384	5, 159, 640	170	9, 794	59, 985, 460
1984	136	8, 206	53, 052, 020	30	1, 384	5, 159, 640	166	9, 590	58, 211, 660
1985	135	8, 161	52, 896, 895	30	1, 384	5, 159, 640	165	9, 545	58, 056, 535

[1] July 31, 1979.

[2] Potential maximum annual capacity of oven-coke batteries in existence, whether active or out of operation for repair, rebuilding, or other purposes; capacity in operation is generally 5 to 10 percent lower than that in existence and represents a more meaningful measure of productive capability. Projected changes in capacity are based on current individual-company plans to install new oven-coke batteries and to repair, rebuild, modify, and abandon existing batteries; they do not account for the impact on capacity to be exerted by increasing facility age and continuing wear and tear over the period considered.

Date	Batteries	Ovens	Capacity in existence [1]
July 31, 1979	199	11, 413	63. 4
Dec. 31, 1979	194	11, 024	61. 2
Dec. 31, 1982	174	10, 045	58. 6
Dec. 31, 1985	165	9, 545	58. 1

[1] Millions of net tons of potential maximum annual capacity in existence.

Based on the current status and timing of individual-company plans to expand and/or abandon capacity over the period through 1985, 90 percent of the previously cited industry-wide capacity loss of 5.3 million tons will occur by year-end 1982, occasioned in significant measure by planned facility abandonments in response to environmental-control deadlines (See discussion below). Over the period July 31, 1979 through December 31, 1985, the industry will lose 34 coke-oven batteries and 1,868 ovens. The remaining oven population of 9,545 will include a greater proportion of taller ovens, and accordingly, the projected 16.4 percent decline in the number of ovens will reduce capacity by 8.4 percent to the aforementioned level of 58.1 million tons.

By December 31, 1985, compared to the status of its in-place capacity 10 years earlier, the industry will have lost 66 coke-oven batteries and 3,779 ovens, having a combined annual capacity of 16.2 million tons. The end result will be to seriously impair its ability to satisfy the nation's requirements for metallurgical coke.

Future Reductions in Productive Coke Capability:

It must be reemphasized that the future capacity reductions just set forth represent scheduled changes in the potential maximum annual capacity in existence at U.S. oven-coke plants. These changes are based on survey findings as to the status of existing capacity and individual-company plans to alter that capacity as of July 31, 1979. In a number of instances, plans to rehabilitate existing facilities remained indefinite as of that date, so that the rate of oven abandonments may ultimately be modified, and so too the rate of capacity decline. It must also be recognized that the scheduled changes in capacity presented above do not account for the continuing impact of increasing facility age and additional wear and tear over the period considered, and in this respect, they tend to overstate the likely future levels of existing capacity, which primarily will determine the coke industry's future productive capability.

With allowances for facilities scheduled to be rebuilt and repaired, as well as maintenance and environmental constraints on the remaining capacity in operation, it is estimated that the industry's actual productive capability will decline to a 1985 level of approximately 47.0 million tons. This is regarded as the highest level of coke production likely to be attained, given the qualifications on existing capacity stated above. In effect, the ability of the nations coke producers to supply their product will decline from a current annual level of 52.5 million tons to 47.0 million tons by year-end 1985, which points to a continuation and eventual worsening of the current coke-supply deficit.

TABLE 13.—COMPONENTS OF U.S. COKE DEMAND: ACTUAL 1978 AND ALTERNATIVE FORECASTS FOR 1985

[In millions of tons]

	1978	1985 [1]		
		2 percent	1 percent	Zero
Raw-steel output:				
BOF	83. 5	102. 6	95. 8	89. 3
Electric	32. 2	47. 2	44. 1	41. 1
Open-hearth	21. 3	7. 6	7. 0	6. 6
Total	137. 0	157. 4	146. 9	137. 0
Pig-iron input:				
BOF	69. 0	85. 2	79. 5	74. 1
Electric	. 9	1. 4	1. 3	1. 2
Open-Hearth	13. 4	4. 8	4. 4	4. 2
Subtotal	83. 3	91. 4	85. 2	79. 5
Ingot molds	3. 3	3. 5	3. 2	3. 0
Foundries	1. 1	. 7	. 7	. 6
Total	87. 7	95. 6	89. 1	83. 1
Coke consumption:				
Blast furnace	51. 3	53. 5	49. 9	46. 5
Foundry and other	5. 3	5. 6	5. 2	4. 8
Total	56. 6	59. 1	55. 1	51. 3

[1] Alternative forecasts based on indicated annual growth rates for total raw-steel output over the 1978–85 period.

Future Supply Capability and Demand Requirements:

Table 13 sets forth the major components of U.S. coke demand in 1978, when consump-

tion totaled 56.6 million tons, and presents alternative demand forecasts for 1985, based on annual growth rates for raw-steel output of zero, 1 percent, and 2 percent. A recent U.S. Department of Commerce study of the emerging situation in the steel industry concluded that the nation's steel market will grow at about 2 percent annually in the 1980's and that the requirements for domestic raw-steel output in 1985 will total 155.6 million tons, which conforms closely to the 2 percent growth alternative in Table 13.[2] Embodied in this growth alternative, which is considered the most probable of those analyzed, are slower rates of population and economic growth, as well as a continuing downward trend of per capita steel consumption as a percent of GNP (steel intensity), due largely to automotive market developments.

In developing the alternative coke-demand forecasts for 1985 presented in Table 13, the following determining influences were taken into account: (1) steel-company plans to alter the mix of steelmaking processes, with greater emphasis to be placed on the BOF and electric-furnace methods and significant, additional reductions in prospect for the once-dominant open-hearth furnace; (2) the furnace-charge composition employed in each steelmaking process and the furnace yields attained, which govern the relationships between pig-iron input and raw-steel output; (3) the increasing application of continuous casting and the corresponding decline in ingot-mold consumption per ton of raw steel produced; (4) the secular decline in foundry pig-iron requirements; and (5) the secular decline in the blast-furnace coke rate and coke consumption trends outside the blast furnace in foundaries and other end-use markets.

Implicit in the demand forecast in Table 13 are a number of shifts in steel technology and improvements in the coke-using efficiency of blast-furnace plants, the most significant of which can be quantified as follows:

"Electric-furnace steelmaking, which employs only minor quantities of pig iron and generates little coke demand, will increase at an average annual rate nearly twice that for the iron-based BOF process.

"Despite the growing emphasis on the electric furnace, the BOF will remain the leading raw-steel producer by a wide margin; the share of total output accounted for by the BOF will increase from 60.9 percent in 1978 to 65.2 percent in 1985, and over the same period, the electric-furnace share will trend upward from 23.5 percent to 30.0 percent; open-hearth participation will decline from 15.6 percent to 4.8 percent.

"Reflecting increased continuous-casting activity, the use of pig iron to cast ingot molds will fail to keep pace with raw-steel production. The quantity of raw-steel continuously cast is forecast to increase from 20.8 million tons in 1978 to 30.0 million tons in 1985.

"Additional advances in blast-furnace technology and their impact on reducing coke consumption will occasion future reductions in the coke rate from a level of 0.585 in 1978 to 0.560 in 1985."

Notably, under each of the growth alternatives analyzed, the coke industry's 1985 supply capability of 47.0 million tons will be inadequate to meet demand requirements. Given a 2 percent annual growth in raw-steel output over the 1978–1985 period, U.S. coke demand in 1985 will total 59.1 million tons, resulting in a 12.1-million-ton shortfall in domestic supply. Under the less-likely 1 percent growth alternative, demand would exceed domestic supply by 8.1 million tons, and even if steel output pursues a course of zero growth, which is considered an extremely remote possibility, domestic supply will fall short of demand requirements by 4.3 million tons. The zero-growth example in Table 13 is provided solely for demonstration purposes to indicate the critical nature of recent and pending reductions in coke-oven capacity and their impact on the coke industry's ability to serve as a viable source of adequate supply.

The shortfalls in domestic coke supply projected for 1985 raise the prospect of significant future limitations in the nation's steel-producing capability. Although some foreign coke will be available to partially offset any domestic supply deficit, Section 3 indicates that most overseas coke producers will not be able to supply the United States at times of active steel-industry demand within their own borders. Accordingly, under the most probable 2 percent growth alternative, assuming an active world steel market, the total coke-supply deficit will exceed 10 million tons and will occasion a much larger curtailment of steel output.

By 1985, given a forecast coke rate of 0.560, an approximate 10-million-ton shortfall in coke for blast-furnace use will reduce total pig-iron production by 17.9 million tons, resulting in a 17-million-ton decline in the availability of iron for steelmaking. Based on the mix of steelmaking processes to be employed, it will take about 0.58 tons of pig iron to produce a ton of steel, so that raw-steel production will be reduced by 29.3 million tons, representing the equivalent of some 21.5 million tons of finished steel-mill products.

Impact of Environmental Regulations on Capacity:

In the foregoing analysis, environmental regulations have been cited as a major cause of the serious decline in the U.S. coke industry's productive capability. Their direct, negative impact on industry output has resulted from their role in: (1) accelerating the abandonment of existing coke-oven capacity, (2) reducing the throughput of ovens that remain in operation, and (3) retarding the installation of new oven batteries, either by edict or by substantially increasing their capital cost.

Environmental regulations affecting the coke industry have been promulgated by federal, state, and local governments, their number and severity increasing throughout the current decade. The formal beginnings of the nationwide drive to combat pollution date back to 1970, when the Clean Air Act was passed. Under its provisions state governments were required to develop plans with specific proposals to reduce air and water pollution. Known as State Implementation Plans (SIP), they were to be submitted by 1972, their main objective being to limit the amount of suspended particular matter in the air to 75 micrograms per cubic meter. Initially, it was hoped that this degree of air quality would be achieved by July 1, 1975, but unfortunately, the goal was never achieved.

Congress amended the Clean Air Act on August 7, 1977, extending the effective date for the aforementioned air-quality level to 1982. This date applies to the nation as a whole, whereas individual companies were given until August 7, 1979 to achieve compliance, with fines to be imposed on those not meeting the deadline. By July 1, 1979, new SIP's were to be filed by the individual states for approval by the Federal Environmental Protection Agency (EPA).

As of December 31, 1982, EPA will require that any company in violation of environmental regulations shut down its non-compliant facilities. This EPA ruling has prompted coke companies to enter into so-called consent decrees with the government, indicating their plans for the facilities in question. An example of this is the consent decree agreed to between U.S. Steel Corporation and the Department of Environmental Resources of the Commonwealth of Pennsylvania. Filed on May 22, 1979, the 82-page document and its 112 pages of appendices specify measures to be taken and compliance dates to be met for the control of air and water pollution resulting from operations at the Corporation's Clairton, National, Duquesne, Edgar Thomson, Irvin, Homestead, Vandergrift, and Johnstown plants. With respect to the Clairton Works, the nation's largest cokemaking plant, dates are specified for the installation of devices needed to control emissions on several coke-oven batteries, and abandonment dates are set for a number of other batteries.

In order to implement established air-quality objectives, Congress has divided the United States into two distinct geographic categories. Areas with less than 75 micrograms of suspended particulate matter per cubic meter are in the attainment group, and those exceeding 75 micrograms are in the non-attainment group.

Attainment areas may be further subdivided into three classes. The first class, as described in Section 160 of the Clean Air Act, includes national parks, national wilderness areas, national monuments, national seashores, and other national or regional recreation sites of scenic or historical value. Beyond this designation, the states have the power to determine whether the remainder of the attainment areas within their borders and outside of Class 1 shall be classified as Class 1, 2, or 3. If an area is designated as Class 1, it joins those areas so specified by Congress. In these regions, a minimum of additional air pollution is allowed over that existing at the time of their classification. The annual average can be increased by only five micrograms per cubic meter.

Classes 2 and 3 allow for larger increments of particulate matter. In Class 2, particulate matter can be increased by 19 micrograms per cubic meter over and above the prevailing level at the time of classification. Such an increase is permitted only if the new total is less than 75 micrograms. By contrast, Class 3 allows for a greater increase in particulate matter; namely, 37 micrograms per cubic meter over and above that originally measured, however, this is only permitted if the total does not exceed 75 micrograms per cubic meter. In both classes, additional industrial equipment must employ the best available control technology (BACT).

Coke companies installing new facilities in a non-attainment area must go beyond BACT in their planning. In this instance, they must look to other technologies to achieve the lowest achievable emissions rate (LAER) from their facilities. This objective often involves a transfer of technology between industries and may even initiate a worldwide search for control techniques.

In addition to the technology required, there are three further conditions that must be met before facilities can be installed in a non-attainment area.

"1. The company installing the facilities has to bring or agree to bring all of its facilities in that state into compliance, whether these are located in an attainment or non-attainment area.

"2. It must provide trade-offs against new sources of pollution; that is, pollution must be diminished in either its plants or other non-company plants in the non-attainment area by the amount that the new facility would create.

"3. It must demonstrate continuing progress in the reduction of particulate matter toward the attainment of 75 micrograms per cubic meter."

The aforementioned conditions are applicable to both additional and replacement capacity. For example, if a coke oven is torn

[2] Robert K. Sharkey, *et al.*, "Long Term Trends in U.S. Steel Consumption: Implications for Domestic Capacity," *Industrial Economics Review*, Office of Industrial Economics, Office of the Chief Economist, U.S. Department of Commerce, Vol. 1, May 1979.

down to its foundations and rebuilt, it is considered a new source of pollution, even if its capacity remains the same, and it must be made to conform to the LAER terms. Under these circumstances, the replacement of existing capacity or the addition of new capacity in a non-attainment area has become more and more difficult and expensive.

The problems for coke producers posed by environmental regulations become apparent by reviewing the current status of their coke-making facilities and their plans for modernization, replacement, and the installation of new oven batteries. Such a review is provided in the remainder of this section. It is presented on an individual-company basis and evaluates the facilities at each of their plants. In turn, the presentation covers the coke industry's furnace-plant segment, followed by companies classified as merchant producers. Information on individual coke-producing plants was obtained from interviews with appropriate personnel from the companies involved.●

SENATOR PELL COMMENDED

● Mr. CHURCH. Mr. President, recently Ruth Dean of the Washington Star published an excellent article about my good friend and colleague from Rhode Island, CLAIBORNE PELL.

For as long as I can remember, Senator PELL has been a leader in supporting the arts in the country, and I am especially pleased that this article gives him the recognition that he so richly deserves. Because the article conveys such an accurate portrayal of our distinguished colleague from Rhode Island, I request that it be printed in tonight's RECORD.

The article follows:

SENATOR PELL CARRIES ON HIS BATTLE FOR CULTURE

(By Ruth Dean)

In the world of politics, comments made and impressions given in the heat of battle are usually passed off afterwards with a "no hard feelings" smile and a handshake.

Sen. Claiborne Pell, D-R.I., has waited two years to say the same to Ronald S. Berman, the former Nixon-appointed chairman of the National Endowment for the Humanities with whom he was embroiled in an headline-making, 18-month confrontation.

The time lapse is not surprising, considering the acrimony that characterized the 1976 hearings Pell chaired as head of the authorizing subcommittee for the endowment in the Senate. The lengthy confrontation disintegrated into a tangle of conflicting personalities, politics and rhetoric over elitism and academic freedom, and assumptions in the conservative press that Pell was engaged in a personal vendetta. Berman lost out in the end, and the present chairman, Joseph D. Duffey, a former Democrat activist, was eventually appointed and confirmed as his successor.

What is surprising is that Pell—a proud and stubborn man, but sensitive to the human condition—would after all this time offer what amounts to public regrets to Berman. It is, to be sure, a carefully considered statement, which in effect says Pell "was right" in principle, but there should be no impression that he personally disliked Berman.

"I have no personal dislike—in fact I have high regard for Dr. Berman," he said several times in an interview. "There's not a single personal feeling of distaste or opposition that I have toward him. It's just that we had differing views. I have a very real personal regard for him."

Pell broached the subject early in the interview, on the eve of markup of 1980 reauthorization legislation for the arts and humanities endowments. The man who fathered the 1966 legislation bringing the national endowments into being was saying how annoyed he gets with critics who think the Democrats are politicizing the arts for their own partisan advantages. Espousal of arts funding was hardly the way to the voters' hearts in the early 1960's, he recalled. "Arts were not respectable . . . People didn't want their children to be artists.

"If I'd been interested in my political betterment, I would never have gone into the arts, because I got more political hassle and drawback when I started out, than benefit from it. As far as the humanities go, I would have been much better off if I'd never engaged in that argument with Dr. Berman. I lost a large number of supporters and friends who thought I was wrong. I think I was right, but I felt I was right as a minority, and I prevailed."

Pell added, "There was nothing personal against Dr. Berman. It's just that we had differing views. His view, I think, was that the humanities should be run more from Washington, with the humanities councils being co-opting bodies. My view was that the humanities should spring more from the grass roots and that they should be part of the warp and woof of the state government.

"It was a difference in philosophic viewpoint. But from the viewpoint of my political position, I lost rather than gained. I may have won my battle, but I incurred, as I said a loss of support. And, measured in financial terms too, I can think of people who supported me before who didn't afterwards."

Berman, who now teaches at the University of California at San Diego, was pleased to hear about Pell's public statement that he entertained no personal animosity toward him. The senator had expressed the same sentiments to him privately after the hearings, Berman revealed, "but rarely does one get the pleasure, even at several years' distance, of being vindicated." He said the need for an apology might have been avoided if his and the senator's differences of opinion on endowment policy had been kept separate from the issue of his re-appointment.

Pell, whom Rhode Island voters returned to the Senate last year for a third term, is one of the senior body's most influential members. As chairman of the Rules Committee, second highest ranking member of the Foreign Relations Committee, chairman of the subcommittee on education, arts and humanities—membership on 12 committees in all—Pell commands a position of power and influence enjoyed by few of his colleagues. He keeps this balancing act together, as a Pell staffer describes it, through "a tremendous ability to keep track of things, and sort of let themselves work out."

A CLEARER OVERFLOW

Pell confesses he doesn't have as much time to give to the arts and humanities as he once did, but feels the distance that separates him from them by more pressing duties gives him a clearer overview of how they're faring and in what their future direction should be.

Last summer his subcommittee held a reauthorization hearing on the endowments and the Institute of Museum Services. He stubbornly persists in his original opinion that the institute belongs in the Smithsonian, and not in the new Department of Education where it now is, but has allowed a two-year extension to work that out. What, if any, changes will be reflected in the markup session this week, he would not reveal because the subcommittee is still working out some issues.

The June hearings reflected Pell's concern with secrecy of the grants panels in both endowments, and his oft-stated desire to broaden the base of the state humanities committees—an issue that was hotly contested by state chairmen. He still is concerned about "the possibility of venality occurring," of a panelist seeking a job with an institution that has received an endowment grant. "This is what we would want to be careful of," he said.

For the interview, Pell chose what his staff calls "the little office"—a misnomer, because the office located just off the Senate floor is rather large. However, the memorabilia of 18 years' public service gives it a crowded look. Covering one wall are photos taken of the senator with presidents, popes and other political supernumeraries. On an opposite wall, over a sofa, hangs a Thomas Sully portrait of Pell's great-great-grand-uncle, George M. Dallas, vice president of the United States under James Polk.

Would Pell be supporting the expected candidacy of the late president's brother and his friend and colleague, Sen. Edward (Ted) Kennedy?

Pell is the "only sitting senator now, except for Teddy," he said, who supported Robert Kennedy's candidacy "even before he was assassinated." But as for Teddy, he said, "this time I'm staying neutral for the time being. Carter has been very good to our part of the country, and that's the viewpoint of our state."

In years past, the Pell family (their four children are now grown and embarked upon their own lives and careers) frequently were seen on the tennis courts with the Kennedys. They also shared their enthusiasm for sailing. But "with increasing seniority and responsibilities, I've simply less time now," said the senator. "That's why I gave up sailing 10 years ago, and tennis I really almost gave up four months ago. I've taken up running again because it takes less time, just a half hour a day. I've done it ever since I was 15; I guess I was one of the original joggers." His bad leg has kept him even from that. So he amended that boast with, "But I shouldn't say I do it, because I haven't done it in three months."

This last remark is typical of his passion for preciseness, which runs like a thread through his conversation and punctuates his hearing-room interrogations. Hapless is the person who marshals his facts poorly, or throws him a catch-phrase not to his liking. He positively loathes the term, "politization of the arts" because he thinks the definition usually assigned it is "incorrect."

Behind this precision lies a real concern for people and a driving desire to solve their problems in such diverse areas as high-speed rail travel, the protection of the seabeds of the world from weaponry emplacement, SALT II and making a college education possible for everybody, to name a few of his legislative claims to fame.

Has he kept count of how many laws he has helped enact to make life a little easier for people? "No," he said with a smile. "That's why I enjoy this job, because that's what makes it fun."●

CONSIDERING ACTION IN THE IRANIAN CRISIS

● Mr. DOLE. Mr. President, yesterday the Senator from Kansas expressed his continued concern, and the concern of the people of his State, and the entire Nation as to the very serious situation in Iran. Ever since terrorists loyal to the Ayatollah Khomeini invaded the U.S. Embassy and held 61 American diplomatic personnel as hostage to their political demands, our concern has been limited in its expression by the delicate and dangerous state of the negotiations in Teheran.

Our paramount and specific concern must be the lives of Americans. But this needless crisis crystalizes a deeper con-

cern many of us have felt for months about the direction of our Iranian policy. I am referring to the priorities we have set in the past that bring us to the present concern about our stands on individual liberties, respect for international law, our national energy security policy and to our overall geopolitical position throughout the world. These priorities have contributed to the situation in Iran, where the nexus of these concerns now tragically come together, and where 61 American citizens are being held hostage in precarious circumstances.

Our policy of accommodation with the Ayatollah is now seen to have been full of empty promises, now patently dashed. This morning's New York Times ran an excellent editorial which, while it still stresses the calm and restraint we must exercise during this fragile standoff, decries the clouded vision that prompted Khomeini and his followers to take this ill-considered action. Mr. President, I request that the editorial be printed in full in the RECORD at the conclusion of my remarks.

RESOLVING AMERICAN WILL

I have been in daily contact with the Executive Department, monitoring insofar as we are able the extremely delicate situation in Teheran. The position our people in Iran face is difficult in the extreme. The position in which our Government finds itself in its attempts to deal with this crisis appears to be deteriorating. The Senator from Kansas would like to emphasize his belief that the protection of lives and safety of the individual Americans held hostage must remain the foremost concern of the U.S. Government. It must be the first priority of the administration and of all of us to safeguard our people, and to do everything possible to secure their release. I support the steps already taken in this regard. Whatever measures we take must reflect caution and prudence.

The editorial follows:

THE STAKES IN IRAN

There have been good reasons for responsible Americans to hold their tongues about the outrage in Iran this week. No one, plainly, has a really good plan to assure the rescue of the 60 hostages and other vulnerable Americans in that disintegrating society. John Connally was quick to cast blame; he seems to believe it is sinful only to appease a *foreign* crown. But given the widespread frustration of Americans, the wonder is that so many political figures have understood the predicament of the President—and of the hostages—and taken care not to goad the nation into frenzied action.

The off-stage whispering, however, seems to dwell on two extreme responses: get rid of the Shah or call out the cavalry. They deserve some ventilation before glib conclusions gain public favor.

Whatever one's view of the Shah, he was admitted to the United States, rightly or wrongly, because he was sick and powerless. Iran's student warriors may not know that, but Ayatollah Khomeini does. He knows that Washington tried to appease him by discouraging the Shah from settling here in the first place. The Ayatollah also knows that the Carter Administration gave him military aid to crush various rebels and encourage American business to help rebuild his economy. If all that was not enough to preserve an elementary diplomatic civility, it can only be because the Ayatollah needed this contest of will. The suspicion grows that to salvage his power in the streets of Teheran, he found it necessary to reopen a unifying battle against the Shah and America. No shameful ransom will dissolve such calculated hostility.

Some may think the Shah is not worth the risk to 60 American lives. But if they do not see dishonor in trading him, they need at least to recognize that paying blackmail to a government that kidnaps diplomats can only invite further humiliations, and not only by Iran. Above all they need to understand that bargaining away the rights of immunity and sanctuary that have been violated at the Teheran embassy would destroy the rules that even warring nations normally observe to protect human life and communication the world over. That cause far transcends the Shah.

So why not send the troops and get it over with? It may come to that if the hostages are harmed. But Teheran is not Entebbe airport; a huge force would be needed to seize the hostages and protect their evacuation. The casualties would be great, especially among those being saved. And hundreds of other Americans in Iran would suffer the vengeance of the mob.

Moreover, a temporary invasion could well rescue the Ayatollah from the collapse his policies have brought near. As Steven Erlanger wrote in The New Republic *before* the embassy was seized, the embattled priest has managed to excommunicate nearly all of the forces of the middle class, the left and the military that united to topple the Shah—leaving only the priests and the formidable but incoherent mass of the poor. "And they are hardly enough to preserve anything but a prolonged anarchy." That is why Khomeini has been inventing plots and American devils.

Delay, then, is a prudent course if it can be used to obtain the release of the captives without revivifying the Ayatollah's gasping regime. But that delay and those efforts should not be allowed to confuse the other interests that the United States is determined to protect. The Iranian authorities should have been on clearer notice all week that they will be deemed responsible for the fate of all Americans in their country. And the world needs to understand that American and other emissaries will discuss, but not bargain for, the release of the hostages.

If the Palestine Liberation Organization, for example, wants to improve its reputation among Americans by arranging an evacuation, that is one thing. But if the P.L.O. were to replace the Ayatollah as ransom collector by demanding official recognition in exchange for its help, that is quite another matter.

Even this much speculation can cause damage in such a volatile situation. But this episode promises to trigger a heated debate about America's standing in the world. The nation's purpose ought to be clear even before it knows whether its tactics were right.●

CARRYOVER BASIS REPEAL

● Mr. CULVER. Mr. President, we have now had more than 2 years of experience in trying to fashion a fair and efficient implementation of the so-called carryover basis. I believe that the record demonstrates that this attempt has failed and that future experiments with carryover are similarly doomed. I am convinced that outright repeal of this provision is the only responsible course of action.

Senators will recall that the carryover basis was initiated by the Tax Reform Act of 1976 as part of a "package" including estate tax changes. Among the changes were reforms, much needed and long overdue, to change then-existing estate tax exemptions to account for more than 30 years of inflation on farmland values and to allow farms to be assessed on a "current use" standard. These changes were essential to the preservation of the family farm in this country and farmers from all across Iowa had contacted me to let me know how important it was to enact them.

But while the estate tax improvements have been a stride forward, the attempt to place carryover in effect has been an administrative nightmare. Whatever the theoretical arguments in favor of the carryover basis, in actual practice it has been intolerably complicated, often unfair and counterproductive to the 1976 changes in estate tax law. I have received hundreds of letters from Iowans detailing the enormous technical difficulties created by regulations written by the Department of the Treasury to implement carryover.

In attempting to determine the original cost of property, particularly farm property, estate planners and administrators have been forced to spend hours and even days searching county land records and sketchy family farm financial records in what is often a fruitless attempt to determine when property was acquired and at what price.

A Cedar Rapids lawyer tells me he is lucky to come up with even a "guestimate" of what land cost when it was originally acquired by a farm family.

Because these burdensome requirements and a new tax occur precisely at the most difficult and personally trying time for a farm family, they unnecessarily aggravate the problems of attempting to keep the land within the family.

We ought to be encouraging the continuation of the family farm, not discouraging it. And we ought to make our tax laws as simple, reasonable, and fair as possible in order to earn respect and voluntary compliance. American farmers have enough concerns in these difficult and inflationary times without having to worry about mind-boggling paperwork and the future of the land they and their parents have worked so hard to make profitable for their children and grandchildren.

The farmers of Iowa say carryover basis threatens their very existence. The accountants, lawyers, and executors of Iowa say carryover basis is unworkable. I must agree.

Last year I supported the moratorium on carryover basis which delayed its implementation until the end of this year. After careful study, I have concluded that I cannot support the continued application of carryover basis taxation. I have asked that I be added as a cosponsor of S. 1163, a bill to repeal carryover basis, and I am committed to working for passage of legislation repealing the section of the 1976 Tax Reform Act which created carryover basis.●

IN HONOR OF VETERANS DAY

● Mr. DOLE. Mr. President, on Sunday we will witness memorial services throughout the country to honor our veterans who so nobly served in the

Armed Forces of our country, so that our winters of wars could melt into a new and lasting spring of peace and hope for all people. On every Veterans Day we reflect on the past and celebrate the hopes and promises of the future. We are reminded that no one abhores war more than those who have had to fight, and that none have a greater right to insist that our country pursue policies which prevent war and preserve peace than those who have taken up their country's arms. This day, therefore, reinforces our belief in maintaining a strong military capability to retain our defense strength to preserve that precious state of conditions called peace.

NEED MORE THAN CEREMONIES

While Veterans Day is a just and appropriate tribute, we must not limit ourselves to this day, designated to honor our brave men and women who fought to preserve our Nation, our way of government and our freedoms. Today and every day we must pause to reflect upon our veterans; to meet our responsibilities and obligations justly deserved by these men.

While our first duty to this country's war veterans is to insure that there will be no more war veterans, we must do more. These men who have sustained our Nation through its perilous hours are the recipients of veterans' benefits which have evolved through history, and which increasingly can and should represent our concern for them. Therefore, it is essential that we maintain and improve the various programs and services afforded to our veterans. It is crucial to reverse the present trend we are witnessing, with continuous cuts in veterans' programs, to demonstrate our gratitude and care to these most deserving men for their brave and selfless service to our country.

MEDICAL AND HEALTH CARE SERVICES

Mr. President, of most crucial concern and importance is the drastic cuts that have occurred in the field of medical and health care. Last year, the administration's budget cutting resulted in drastic cuts in medical personnel, equipment and facilities, resulting in a drastic deterioration in the quality of medical care in our VA medical facilities. And the trend seems to be continuing. The Congress appropriated funds last year to provide for the greatly needed beds and personnel for the efficient operation of our VA hospitals.

However, the administration did not use these funds for this purpose, and, consequently 3,132 beds were cut and 1,500 personnel were cut. Outpatient clinics are understaffed and underfunded, and the overall staff/patient ratio is well below that of private hospitals. We must not let this trend continue. It is a justified obligation and responsibility. We must remember that a man who performed special service to his country deserves special treatment from that country.

EMPLOYMENT OPPORTUNITIES

Additionally, our veterans have been and are being denied adequate employment opportunities. This is especially crucial for the Vietnam veteran. For this group of people, unemployment and underemployment have reached high rates. The latest census bureau figures showed in a single year, 1 million Vietnam veterans were unable to find jobs that kept them employed all year round. Many failed to earn an adequate wage. Unemployment among minority veterans remains unacceptably high at 14.1 percent in order to allow them to participate fully in American society on their own terms, they need and deserve better access and availability to a wide range of job opportunities.

EDUCATIONAL BENEFITS

Mr. President, we must also continue our efforts to liberalize GI educational benefits, to make it easier for men and women who have served honorably in our armed services to reap the benefits of American life. Our veterans face increased costs of education and decreased available funds. For the third consecutive year, the President's budget did not include 1 cent for a cost-of-living increase for our Vietnam veterans availing themselves of the GI bill. Preference in public employment at all levels and special consideration of veterans applicants by private employers are essential to insure that veterans, recently released from military service, have an opportunity to earn a livelihood for themselves and their families. All of these programs must be systematically and frequently reviewed to insure that benefits and services to veterans, their dependents and survivors are adequate in view of ever-increasing social and economic circumstances.

So let us this Sunday remember the service our veterans gave to this Nation. It is their day. A day to pay tribute to those who have accepted the ultimate responsibility for the well-being of our Nation. Let us show our gratitude and respect this day with memorials and speeches. But even further, let us show our thanks in the days and years to come by demonstrating our individual consideration and respect to these men, and on a larger scale by insuring the efficient and adequate maintenance of programs, benefits and services our veterans justly deserve.●

THE KU KLUX KLAN

● Mr. BOREN. Mr. President. It is with increasing concern that I have read reports coming from around the country of accelerated activity by the Ku Klux Klan. Violence and tragedy have already been associated with activities of the Klan in North Carolina.

I am particularly disturbed by reports of attempts to recruit young people in our schools for membership in this organization. Even in my home State of Oklahoma which has always prided itself upon its frontier spirit of equal opportunity for every person, there have been reports of membership drives by this notorious organization.

The people of our Nation should not be fooled about the real nature of this organization. It tries to cloak its real purposes behind a few aims which are stated for public consumption. However, its fundamental purpose remains the spreading of racial and religious hatred and prejudice. Organizations like the Klan should be repudiated and rejected by every right thinking American citizen.

Our Declaration of Independence and our Constitution recognize the God-given right of religious freedom. To try to stir up hatred and mistrust of others based upon religious belief is against the fundamental principles of Americanism.

Likewise, we recognize that the same God created all peoples of all races. Every person has human dignity. Our Nation needs harmony and unity as never before. Instead of encouraging prejudice and ill feeling between Americans, our task and goal must be to build mutual understanding and respect between all of our people of all races.

The Ku Klux Klan has no legitimate place in Oklahoma or anywhere else in America.

Mr. President, I especially call upon our young people to reject those like the Ku Klux Klan who preach hatred and disunity. The spirit of community needs to be rebuilt in our Nation. Our Nation needs to be constantly moved forward to reach the goal of allowing all persons of every race and religion to reach their full potential.

I am confident that the young people in Oklahoma and all across this country will reject the wreckers and join the builders.●

THE UNITED STATES MARINE CORPS

● Mr. DOLE. Mr. President, tomorrow, November 10, marks the 204th anniversary of a proud, elite organization—the United States Marine Corps.

The numerous deeds of this elite American fighting force has been indelibly recorded in the annals of American history * * * "From the Halls of Montezuma to the Shores of Tripoli." And, as their hymn so proudly hails, "We have fought in many a strife for life and never lost our nerve."

A SALUTE TO THE MARINES

Mr. President, I would like to take this opportunity to salute our Marines wherever they may be; past, present, and future by inserting in the RECORD an article from "Fortitudine," the newsletter of the Marine Corps historical program. It tells about a proud American who many thought was a Marine, but never was.

This is not to suggest association with John Wayne caused the Marines any problem. To the contrary, the Marines used this American hero as an unofficial recruiter. Probably, in the corps' existence no one individual caused more people to enlist in the Marines than John.

The Marine Corps League, a national, congressionally chartered, organization of all Marines, recognized this in 1971 and named him the recipient of their coveted "Iron Mike Award."

To pay tribute to John Wayne is to pay tribute to the Marine Corps. To pay tribute to the Marine Corps is a tribute to our great Nation.

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

The article follows:

JOHN WAYNE: THE MARINE WHO NEVER WAS

(By Lawrence H. Suid)

The epitaph could well have read: "Marion Morrison: Graduate of Annapolis, 1929; Hero of Tarawa; Commandant of the Marine Corps."

His oldest son, Michael, once observed: "I think he would have been a success at anything he did. He would have been an outstanding lawyer if he had been a lawyer. He would have been an outstanding politician if he had chosen to have been. He would have been an outstanding anything because he has that drive. He has a particular personality. He has charisma. It is just something that differentiates people. He has it."

Instead of going to Annapolis, as he briefly considered doing, Marion Morrison went to the University of Southern California on a football scholarship. And instead of becoming a Marine hero in World War II he became John Wayne, a hero for all Americans.

While the Duke rose to stardom as the quintessential cowboy hero, his military roles probably have had a more significant impact on several generations of American males. Wayne, of course, performed his heroics in movies rather than on fields of combat. Nevertheless, for much of today's populace, the illusion of the visual media tightly intertwines with the reality of life. The Alamo and the Old West no longer remain to be fought over, but young men can still join the Marines.

When filming "The Outsider," the story of Ira Hayes, at Camp Pendleton, the director asked a group of 10 young Marines why they had enlisted. Five said because of watching John Wayne in his war movies. On an "Owen Marshall" television episode, a Vietnam deserter explained why he thought war had been right before he joined the military: "I was eighteen and war was something John Wayne fought or we watched on our new color TV."

Perhaps the best description of Wayne's influence through his military roles comes from two Vietnam veterans. Ron Kovic, in "I Was Born on the Fourth of July," recalled watching "Sands of Iwo Jima." "The Marine Corps hymn was playing in the background as we sat glued to our seats, humming the hymn together and watching Sergeant Stryker, played by John Wayne, charge up the hill and get killed just before he reached the top. And then they showed the men raising the flag on Iwo Jima with the Marines' hymn still playing. . . . I loved the song so much, and every time I heard it I would think of John Wayne and the brave men who raised the flag on Iwo Jima that day. I would think of them and cry. Like Mickey Mantle and the fabulous New York Yankees, John Wayne in 'Sands of Iwo Jima' became one of my heroes."

Later, Kovic couldn't wait to run down and meet the Marine recruiters at his high school assembly: "And as I shook their hands and stared up into their eyes, I couldn't help but feel I was shaking hands with John Wayne and Audie Murphy." Likewise, Philip Caputo, in his "Rumor of War," remembered that even before he talked to the Marine recruiters, "I saw myself charging up some distant beachhead, like John Wayne in 'Sands of Iwo Jima,' and then coming home a suntanned warrior with medals on my chest. The recruiters started giving me the usual sales pitch, but I hardly needed to be persuaded."

Ironically, of all the war movies in which the Duke represented the American fighting man, he portrayed a Marine only in "Sands of Iwo Jima" and "Flying Leathernecks." Moreover, Marines themselves seem divided in their loyalties between "Sands of Iwo Jima" and the film version of Leon Uris's classic Marine novel, Battle Cry. Many consider the latter movie to better portray their actual wartime experiences in the Corps from boot camp through combat.

Nevertheless, Wayne's Sergeant Stryker—not any of the stars of "Battle Cry," James Whitmore, Tab Hunter, or Aldo Ray—remains for most Americans the symbolic Marine, "the rugged top sergeant who bullies and beats his men into a fighting unit." (Newsweek). According to another reviewer Wayne was "especially honest and convincing for he manages to dominate a screen play which is crowded with exciting, sweeping battle scenes." (New York Times). Wayne himself felt his Academy Award nomination for his performance was "worthy of the honor. I know the Marines and all the American Armed Forces were quite proud of my portrayal of Stryker."

John Wayne always remained acutely aware of his image as a military man and its use to young men as a role model. He refused the offer to portray Patton on the screen because he did not want to be seen slapping an American soldier. Instead, he said he tried "to portray an officer . . . or a noncommissioned officer or a man in the service, in a manner that benefits the service and also gives a proper break for the man to react in a human manner."

The results of Wayne's portrayals did not always help those who sought to imitate his actions. One exasperated old sergeant was once reported to have told some careless troops: "There are two ways to do anything—the right way and the John Wayne way." And, his influence was not limited to impressionistic young recruits. Based on his military experiences in Vietnam, Josiah Bunting, author of the Vietnam novel The Lionheads, observed: "There is no question that the officers in Vietnam, combat infantry officers, especially in the grade of lieutenant colonel, which was the rank in Vietnam [were influenced by] this whole aura of machissmo. . . . The influence of John Waynism, if you want to call it that, on these people was terribly profound."

What did John Wayne possess which created this "profound" influence? The Duke himself thought it had its basis in his characterizations which always appealed to the same emotions: "You can call it primitive instinct or you can call it folklore. It has no nuance. It's straight emotions. basic emotions. They laugh hardy and hate lustily. There is a similarity in that. I wouldn't call it primitive as much as I would call it man's basic fight for survival." In response to critics who suggest that these portrayals primarily appeal to adolescents, Wayne answered that he hoped his attraction is "to the more carefree times in a person's life rather than to his reasoning adulthood. I'd just like to be an image that reminds someone of joy rather than the problems of the world."

Even when his political views brought down criticism in the late 1960s, his popularity and influence continued and even grew until he had become a living legend. His bouts with cancer demonstrated that the Duke's courage and strength did not exist only in the illusionary world of the motion picture screen. In the end, however, Wayne probably insured his place in American culture and society because he came to personify patriotism and love for one's country. In "The Alamo," he sermonized: "Republic! I like the sound of the word. It means people can live free, talk free. . . . Republic is one of those words which make me tight in the throat." To him, and to millions his image influenced, Republic was a word which makes a heart feel warm, something worth fighting for, dying for. In the end, Wayne's courage during his final illness did show how much his movie-made heroism had become one with his own character and suggested that he might well have become a Marine hero in life instead of in fiction.●

THE NATIONAL FARM-CITY COUNCIL

● Mr. HEFLIN. Mr. President, the National Farm-City Council was formed 25 years ago, with the purpose of bringing about "better understanding between rural and urban segments of society." Over the years the council has expanded its program and widened its purpose to help solve new problems between the country and the city.

The members of the National Farm-City Council are organizations and individuals prominent in the agribusiness complex. Representing nearly 150 organizations, the council members are leaders of agriculture, business, industry, education, communications and youth groups. Although the council maintains no staff or home office, it has enjoyed the service of Kiwanis International as "coordinating agency". Kiwanis furnishes a headquarters address, support for volunteer operating committees, a periodic newsletter and as one of the participating organizations in the council, it encourages the full cooperation of local clubs. There are State committees in nearly all of the 50 States. The State of Alabama, for instance, has been a strong supporter of the council's program from the very start.

The National Farm-City Council had its inception under the leadership of members of the Foundation for American Agriculture plus other leaders in the agribusiness complex. The Farm-City Committee in Alabama was organized in 1955 by the commodities director of the Alabama Farm Bureau Federation. The State farm bureau has continued to house the committee and provide staff time since that time.

County and local committees in Alabama are typical of the manner in which the activities are supported not only in the United States but also in many other countries of the free world.

Alabama's committee encourages year-round activities in the 67 counties, all aimed at achieving the goal of better rural-urban understanding.

The annual focal point of farm-city activities is the National Farm-City Week, which is always the 7 days immediately prior to and including Thanksgiving Day.

For the past 5 years, the committee has kicked off the State's farm-city observance with an Agricultural Appreciation Day. This statewide event honors leading farmers in 11 commodities and supports the great interdependence between agriculture and other segments of our economic system. Since the farmer and the businessman must work together, the participants also honor an outstanding businessman in Alabama for his achievements in the free enterprise system.

As many as 3,000 farmers, agribusinessmen, legislators, and business leaders attend Agricultural Appreciation Day, which features a special aspect of the farm and city relationship each year. This year, the event features the Alabama State docks in Mobile from which State products are transported to all parts of the globe.

With active farm-city committees in

every Alabama county, farm-city activities reach more than 5 million people. Many of these county committees have been recognized for their achievements by the National Farm-City Council.

Let me take this opportunity to commend the National Farm-City Council, and especially the Alabama Farm-City Committee, for their activities and wish them continued success in their endeavors to show that the farm and the city are truly partners in economic progress.●

EQUAL EMPLOYMENT FOR THE HANDICAPPED

● Mr. CULVER. Mr. President, I urge my colleagues to support the Equal Employment Opportunity for the Handicapped Act of 1979 now awaiting Senate action. This legislation closes a costly and intolerable gap in our existing law. By amending title VII of the Civil Rights Act to include persons with handicapped conditions, we will firmly establish the rights of disabled workers to be treated fairly in the labor setting. That extension, Mr. President, should be approved for several reasons.

Handicapped persons have long been excluded from employment on the myths that their attendance, job stability, and performance records are lower than those of other workers; that their hiring will lead to higher insurance rates; and that the expense of needed physical accommodations will be excessive. Such fears have contributed to the needles unemployment and underemployment of millions of skilled, competent individuals whose disabilities in no way impede their ability to work.

On the contrary, experience has shown that the handicapped perform as well as or better than their fellow workers. Their employment has a minimal impact, if any, on insurance rates. And studies document that reasonable alterations in work sites, equipment, and job assignments to accommodate disabled workers do not impose significant hardships on the employer's business. Nonetheless, unwarranted attitudinal barriers to employment of the handicapped remain. This legislation would make those barriers unlawful.

Second, the Equal Employment Opportunity for the Handicapped Act will substantially reduce the costs imposed by continued discrimination against disabled workers. According to the committee report on this bill, the Federal Government will spend an estimated $40 billion to support this Nation's handicapped population in 1980. State, local, and private support will add approximately $60 billion to that sum. By expanding the job opportunities for handicapped employees, we not only reduce this country's welfare burdens—we add to its economic wealth and productivity by enabling disabled individuals to become fully contributing citizens.

Finally, Mr. President by insuring that workers can no longer be discriminated against because of handicapping conditions, this legislation enhances the quality of life for all Americans. Like many, I am concerned that handicapped men and women have the chance to become an integrated—not segregated—part of society. When we allow ability to replace disability as the key to social, educational, vocational, and recreational opportunities, we grow as a people and a Nation. As a cosponsor of this legislation, I urge my colleagues to support passage of the Equal Employment Opportunity for Handicapped Individuals Act.●

WHY TAXFLATION DISTORTS FISCAL POLICY

● Mr. DOLE. Mr. President, many analyses of the Federal budget, such as those made by the Congressional Budget Office, employ the concept of a full employment surplus to gage how restrictive fiscal policy is. The full employment surplus is supposed to show how large a budget surplus would be generated by existing policies if the economy were growing at 3 percent each year. That is how fast the forecasters believe the economy can grow in real terms. The CBO sees a growing full employment surplus as indicating a tight fiscal policy. The theory is that any deficit run when there is some slack in the economy is not inflationary. Unless there would be a deficit at full employment, according to the analysis, there is still room for a more expansionary fiscal policy.

Lately the full employment surplus has been rising, which CBO interprets as the result of tight fiscal policy. Given the fact that we have been running deficits in a period of recovery, and are suffering record-high inflation, there seems to be a contradiction here. We should at least have learned from the stagflation of the 1970's that deficits often cause merely inflationary growth, not growth in real terms. But the contradiction becomes clearer when we look at the reasons why the full employment surplus is growing.

The fundamental reason is taxflation, or the bracket creep, that taxpayers experience when their income keeps pace with inflation. Because of our progressive income tax structure, taxes always rise faster than income. When income gains are the result of inflation—and therefore illusory—the effective tax rate on real income rises even more sharply. This rise in tax rates means a revenue windfall to the Federal Government. It is this windfall in tax revenues that accounts for the growth of the full employment surplus. In other words, it is the effect of rampant inflation on tax revenues that allows some analysts to regard fiscal policy as tight. Taken to its logical—or illogical—extreme, this approach would mean that the higher inflation is, the tighter fiscal policy is—assuming the Government does not radically increase Federal spending.

Mr. President, this is an absurd result, and it is another example of how taxflation distorts our economic judgments. With the revenue windfall from taxflation, the Government would need to cut spending or pass a tax increase in order to demonstrate its commitment to fiscal restraint.

Congress deserves no credit for cutting the deficit by allowing the imposition of a hidden tax. We must set our priorities openly and honestly, both in tax policy and in spending philosophy. We must realize that where we cut taxes, and where we spend, can make all the difference between a stagnant economy and a growing one. We can no longer rely on the outmoded assumption that every form of spending merely takes up some of the slack in the economy. Our experience dramatically proves otherwise.

To begin to understand where we are and where we ought to go, we must end taxflation. The Tax Equalization Act, S. 12, would do that by adjusting the income tax according to the annual rise in the Consumer Price Index. Tax rates will correspond to real income, and taxpayers will know what to expect at tax time. There is no other equitable way of ending taxflation, and taxflation must be stopped if we are to move toward a responsible and clearly understandable fiscal policy. We need to look at the size of government as well as the size of the deficit. The Tax Equalization Act would help do that, and I urge my colleagues to consider that fact.●

CONGRESSIONAL LEADERS FROM THE GREAT PLAINS

● Mr. YOUNG. Mr. President, the Northern Great Plains, and I have particular reference to North and South Dakota, have produced some outstanding Members of Congress.

Mr. Philip A. Grant, Jr., associate professor of history at Pace University, prepared an excellent article on some outstanding Members of Congress from North and South Dakota. I ask to print in the RECORD as a part of my remarks, the following article by Mr. Grant which appeared in the recent issue of the North Dakota State Historical Society publication.

The article follows:

CONGRESSIONAL LEADERS FROM THE GREAT PLAINS—1921–1932

(By Philip A. Grant, Jr.)

On April 11, 1921 the 67th Congress was called to order. Between the opening ceremonies on this day and the formal adjournment for the First Session of the 72nd Congress on July 16, 1932, the nation was destined to experience one of the most exciting periods in its entire history. Roughly coinciding with the Administrations of Warren G. Harding, Calvin Coolidge, and Herbert C. Hoover, these 11 years were extremely eventful ones for the United States Senate and House of Representatives. Among the principal domestic issues considered by Congress were farm relief, flood control, veteran's pensions, prohibition enforcement, and unemployment. Also, Congress would be preoccupied with such vexing international questions as foreign trade, World War I debt payments, and participation in the Permanent Court of International Justice (World Court).

During the 1921–1932 period several gentlemen from the northern Great Plains were serving in the House and Senate. These individuals, like their colleagues from other regions throughout the nation, would have

the responsibility of approving or rejecting the bills and resolutions pending before their respective bodies. Most of these congressmen chaired standing committees and were identified with significant legislation.

Among the congressmen from the northern Great Plains were Representatives James A. Sinclair and Thomas Hall of North Dakota and William Williamson of South Dakota. Sinclair, Hall, and Williamson were destined to spend an aggregate total of 65 years in state and national government.

Having served his political apprenticeship in the North Dakota Legislature, Sinclair represented one of the nation's most spacious congressional districts. Assigned to the Committee on Flood Control, he became a specialist on the problems plaguing the waterways of the Mississippi and Missouri Valleys. In 1927 and 1928 Sinclair was one of the congressmen most instrumental in the passage of the Mississippi River Flood Control Act, a landmark statute designed to affirm the commitment of the federal government in preventing and controlling natural disasters in a strategically located region of the United States.

Prior to being elected to Congress, Hall had completed ten years as North Dakota's Secretary of State. Inasmuch as Hall was the spokesman for one of the country's most thoroughly agrarian constituencies, it was quite appropriate that he secured membership on the Committee on Agriculture. Although a Republican, he felt that the Coolidge Administration was generally insensitive to the needs of the American farmer. Accordingly, he staunchly supported the controversial Farm Relief (McNary-Haugen) Bills of 1927 and 1928, both of which were vetoed by the President. In 1929, shortly after the inauguration of President Hoover, Hall played a prominent role in the deliberations culminating in the Agricultural Marketing Act.

A former State's Attorney and Circuit Judge in South Dakota, Williamson was Chairman of the Committee on Expenditures in the Executive Departments, 1927–1931. Vitally concerned with the question of government reorganization, he believed that Congress should constantly be exploring possibilities for improving the operations of the various departments and bureaus. Williamson's foremost legislative contribution was the 1930 law consolidating the numerous agencies having jurisdiction over veteran's affairs, while his most severe disappointment occurred in 1932 when he failed to persuade his colleagues of the urgency of streamlining the structure of the government and drastically reducing its personnel.

Three other accomplished political figures from the northern Great Plains were also serving in Congress during the Harding-Coolidge-Hoover era. They were Representative Charles A. Christopherson of South Dakota and Senators Gerald P. Nye and Lynn J. Frazier of North Dakota.

Christopherson was a former Speaker of the South Dakota House of Representatives. An attorney by profession, he became the ranking Republican on the Committee on the Judiciary. Primarily interested in bankruptcy and law enforcement questions, he was to wield substantial influence over the enactment of two well-known statutes, the Federal Bankruptcy Act of 1926 and the Prohibition Enforcement Act of 1929. Moreover, Christopherson was deeply involved in the committee hearings and floor debates over the Federal Anti-Injunction (Norris-LaGuardia) Act, a measure which sharply limited the powers of the judiciary in labor-management disputes.

Nye had never held public office prior to being sworn in to his first of four terms in the Senate in 1925. He was Chairman of the Committee on Public Lands and Surveys, 1927–1933, and the Special Committee to Investigate Campaign Expenditures, 1930–1932. While presiding over the Public Lands and Surveys Committee, Nye was to conclude the longstanding and complex probe of the infamous Teapot Dome Scandal. As chairman of the special committee, he compiled voluminous evidence of campaign irregularities in highly publicized senatorial elections in Nebraska and Pennsylvania. Nye became so appalled by the documentation of widespread campaign abuses in the 1930 congressional contest that in late 1931 he introduced a bill to impose stringent restrictions on federal election expenditures. Fiercely independent in his political orientation, the North Dakota senator was to oppose nearly all the domestic and foreign policies of the Hoover Administration. Furthermore, he was distinctly critical of many of the President's appointments to high judicial posts and regulatory boards and commissions, voting against the confirmation of six of Hoover's principal nominees.

Having spent three terms as Governor of North Dakota, Frazier was to take his oath as a member of the Senate in 1923. Frazier was Chairman of the Committee on Indian Affairs between 1927 and 1933. Acknowledged as a leader of the bipartisan farm bloc that emerged in the early 1920's, he consistently supported legislation to improve the welfare of American agriculture. Also a strong advocate of public power, Frazier voted to override presidential vetoes of Muscle Shoals Bills in 1928 and 1931. After the outbreak of the Great Depression in the autumn of 1929, Frazier attracted nationwide attention by his outspoken efforts in behalf of bills to relieve agricultural indebtedness and assist unemployed or impoverished World War I veterans.

The two most illustrious public servants from the Northern Great Plains during the 1921–1932 period were Senators Porter J. McCumber of North Dakota and Peter Norbeck of South Dakota. McCumber and Norbeck enjoyed remarkable success in their respective political careers and certainly rank among the most influential national leaders ever produced by the States of North and South Dakota.

McCumber was first elected to the Senate in 1899. At the time of his retirement in March, 1923, he was outranked in seniority by only three of his 95 colleagues in the Senate and had established a record among North Dakotans for longevity in Congress. McCumber was Chairman of the Committee on Pensions, 1903–1913 and 1919–1922. In January, 1922, he relinquished the chairmanship of the Pensions panel to become Chairman of the prestigious Committee on Finance. In the latter capacity McCumber was largely responsible for three of the priority legislative measures of the decade subsequent to the World War I armistice, the Tariff (Fordney-McCumber) Act of 1922, the Foreign Debt Commission Act, and the Adjusted Serviceman's Compensation Bill. The Tariff Act, approved after prolonged and acrimonious debates in the House and Senate, revived the practice of imposing protective duties on foreign imports. The Foreign Debt Commission Act was designed to facilitate preliminary negotiations with European nations on formulas under which the substantial financial obligations contracted throughout World War I would be honored. Vetoed by President Harding, the Adjusted Serviceman's Compensation Bill provided for a 20 year endowment policy for Americans who had served in the armed forces during the wartime emergency.

A former Lieutenant-Governor and Governor of South Dakota, Norbeck was Chairman of the Committee on Pensions, 1925–1927, and the Committee on Banking and Currency, 1927–1933. Gravely concerned over the magnitude of the Great Depression, he played a pivotal role in the deliberations evolving around two measures to alleviate the suffering permeating the nation, the Home Loan Bank Act and the Unemployment Relief (Garner-Wagner) Bill.

Norbeck was firmly convinced that the failure of the federal government to insist upon strict regulation of stock exchanges had been a major factor precipitating the Depression, and in 1932 he presided over a lengthy inquiry on the alleged deficiencies of prevailing stock market practices. Also a senior member of the Committee on Agriculture and Forestry, the South Dakotan in 1932 authored a comprehensive bill to provide for a program to mitigate the excesses of the escalating farm crisis. Despite the fact that the Democratic presidential candidate, Franklin D. Roosevelt, scored an overwhelming victory in South Dakota in 1932, Norbeck in the same year was handily re-elected to his third term in the Senate.

In addition to the obvious talents and abilities of the aforementioned congressmen, three major factors accounted for their collective influence between April, 1921, and July, 1932. These factors were as follows: (1) Affiliation with the dominant political party; (2) Accumulation of seniority; and (3) Possession of desirable committee assignments.

From 1921 to 1931 the Republican Party controlled both the House of Representatives and the United States Senate. Each of the gentlemen cited above was a Republican. Indeed, the states of North and South Dakota had seldom elected Democrats to any major office. Since the Republicans determined the success or failure of all meaningful legislation from 1921 to 1931, it was certainly understandable why these congressmen from the northern Great Plains enjoyed somewhat of a political advantage.

Throughout the 12 years between 1920 and 1932 the citizens of North and South Dakota maintained a tradition of re-electing incumbents to the House and Senate. By the adjournment of the First Session of the 72nd Congress the eight gentlemen previously cited had compiled 97 years of uninterrupted congressional service. The accumulation of such considerable seniority in large measure explained why these congressmen were so influential. Thus, unlike those states having a high proportion of junior members within the ranks of their delegations, the stature of North and South Dakota was roughly commensurate with the aggregate seniority of their congressmen.

Most significantly congressmen from North and South Dakota were conspicuous by their presence on several key committees. Among these panels were the Senate Committees on Finance, Banking and Currency, and Agriculture and Forestry and the House Committees on the Judiciary, Agriculture, and Flood Control. Between 1921 and 1932 these six committees were responsible for initiating a sizeable portion of the principal bills and resolutions considered by the two Houses. Even under normal conditions each of these committees would have been quite important. Their importance, however, was accentuated by the pressing need for legislation to remedy such problems as the farm crisis of the 1920s and the suffering caused during the early stages of the Great Depression.

The eight aforementioned members of the House of Representatives and United States Senate were chosen by the citizens of the northern Great Plains to serve in Congress during one of the most legendary periods in the country's history. Between April 11, 1921, and July 16, 1932, each of these gentlemen compiled records of genuine accomplishment. Although the States of North and South Dakota accounted for only one percent of the nation's total population, their congressmen exerted profound and disproportionate influence on Capitol Hill.●

THE SALT TREATY

● Mr. McGOVERN. Mr. President, I have decided after months of careful thought that on balance, the SALT treaty holds out more hope for the United States and the world than would rejection of the treaty.

The best description of the treaty has been provided by Gen. David Jones, testifying for the Joint Chiefs of Staff, when he described it as "a modest but useful step."

The treaty is disappointing in that it permits both Russia and the United States to further escalate the arms race after each is already capable of destroying the other several times over. In this sense the treaty ratifies a balance of nuclear terror with the potential of bankrupting national treasuries if not destroying civilization.

I vote for the treaty—not because of its intrinsic merit—but because it is part of a negotiating process between the two great military powers that holds out the hope of genuine arms reduction in the years immediately ahead. The Senate Foreign Relations Committee has now adopted unanimously a declaration of policy which I was privileged to sponsor which says in effect to the negotiators of the SALT III treaty: "Don't bring us another treaty unless it pledges significant and substantial reductions of arms on both sides." The purpose of that declaration is to begin with the high, but supposedly equivalent, limits set by SALT II and then as quickly as possible to scale down those limits mutually and annually. I would expect the reductions to be at least 30 percent below the SALT II levels in all strategic categories and subcategories. Those reductions should average at least 5 percent during each year that SALT II is operative.

With the unanimous approval of this declaration by my colleagues on the Foreign Relations Committee whom I hold in high esteem, and with the assumption that the full Senate will accept this declaration of policy for SALT III, it is now my intention to vote for the SALT II treaty and to begin today to work for its passage and the implementation of a genuine arms reduction policy in the future.

May I add one note: I would hope that our European friends would not, as some have suggested, rush ahead with new theater nuclear weapons. To do so could foreclose the possibility of mutual arms reductions in Europe. Soviet officials have recently taken initiatives to reduce troop and tank deployments in Eastern Europe. They have talked of possible reductions in intermediate-range missiles. Those initiatives should be carefully weighed and responded to at the diplomatic table—not ignored by a mindless plunge into new theater weapons that are potentially destabilizing and counterproductive.

For our European allies as for the United States and the Soviet Union, there is no reasonable alternative to détente. Either we must all work to reverse the arms race and learn to live together or we will die together.

These are the considerations that have led me to enlist in the effort to ratify the SALT II treaty. I congratulate President Carter, Secretary Vance, Secretary Brown, General Jones, Ambassadors Warnke and Earle, Mr. Cutler, and their predecessors in the Ford and Nixon administrations for their diligent work and incredible patience in keeping alive the hope that the world may yet be rescued from nuclear catastrophe.●

MARYLAND'S INTERNATIONAL HORSERACE

● Mr. MATHIAS. Mr. President, the 28th annual running of the Washington, D.C., International will take place tomorrow at the Laurel Race Course in Laurel, Md. The International brings together champion thoroughbreds from all over the globe, and bestows the coveted "horse of the world" honors. Just as the United States crowns its best 3-year-old thoroughbreds with the Triple Crown, so the world at large crowns its best horse through the International Crown. The international competition begins with the King George IV and Queen Elizabeth Stakes at Ascot, England; continues with the Prix de l'Arc de Triomphe at Longchamp, France; and concludes with the final jewel, the International at Laurel.

The race has carried the name of Maryland all over the world, and we Marylanders are proud to host this prestigious classic. Our State is rightly said to be the birthplace of all horseracing in the United States, since the first thoroughbred on this continent was owned by a colonial Governor of Maryland. Selima was brought to his Prince George's County plantation in the middle of the 18th century, and ever since then, horseracing has been a conspicuous part of the Maryland tradition. As in the past, I am pleased to recommend the race to Senators as first-rate recreation and entertainment on an autumn afternoon in the midst of our busy agenda on Capitol Hill. I trust that we will have resolved all pending urgent national problems by post time so that we can attend with a clear conscience.

With the prospect of a great afternoon ahead of us, I think it might be appropriate to call attention to a small dark cloud on the horizon—the possibility of Federal legislation on the problem of horse drugging. A shadow has recently fallen on the racetracks in connection with the use of medical drugs on racing thoroughbreds. This practice has become widespread before races, in order to numb or abate any injury, soreness, pain, depression, or other physical or psychological handicap that might hamper the animal's performance. Such drug treatment is deeply inhumane to the horses, and, in addition, is unfair to the bettors, since the track records are worthless without accompanying drug records. It has been tolerated and condoned by most States because of some shortsighted and overconfident recommendations by trainers and veterinarians. Their evaluations were soon undercut by a series of racetrack accidents involving horse collapses that were traced partly or wholly to the prerace use of painkillers, respiration aids, and other medication. There were cases where horses in no reasonable condition to run were brought to the starting line after artificial numbing and priming, only to break down in the middle of the race—to the hazard of other horses and the jockeys. One such incident resulted in the death of a jockey in Maryland last year.

As the accidents mount, the threat of Federal regulatory intervention looms large. The Humane Society of the United States has drafted a bill that would impose a total nationwide ban on medications for 72 hours preceding a race, and that bill now sits quietly on a back burner in the U.S. Congress. I have long thought that the Federal Government should be the regulator of last resort, and it should intervene only if the States and the horsemen fail to act on their own. That being the case, I am heartened by the fact that, in the face of the threat of Federal legislation, the racing officials in Pennsylvania, West Virginia, and Delaware have talked about establishing a uniform antidrug standard. New York and New Jersey have already enacted a prohibition. With this kind of positive reaction, the need for Federal intervention might be superseded by responsible reform measures initiated from within the State horse-racing organizations. I note with particular satisfaction that the Maryland Racing Commission will soon be joining this movement to prohibit all use of medications on horses scheduled to race, and to keep horses that need medication out of races.

As the birthplace of American horseracing, Maryland belongs in the ranks of States determined to end horse drugging a practice that threatens the integrity and reputation of this gentle, time-honored pastime. I hope that all Senators from horseracing States will urge their State racing commissions to do the same. Let us move now to preserve the clean, sportsmanlike qualities that make horseracing the sport of kings and the king of sports. The last thing the horsemen of this country need is the muzzle of the Federal Government in their stable.●

SENATE RESOLUTION 279—DIRECTING SENATE LEGAL COUNSEL TO REPRESENT CERTAIN SENATE EMPLOYEES

Mr. ROBERT C. BYRD. Mr. President, I send a resolution to the desk and ask that it be stated.

The PRESIDING OFFICER. The resolution will be stated.

The assistant legislative clerk read as follows:

A resolution (S. Res. 279) directing Senate legal counsel to represent certain Senate employees and authorizing them to testify and produce documents with respect to certain matters.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent for the immediate consideration of the resolution.

The PRESIDING OFFICER. Is there objection?

Mr. HARRY F. BYRD, JR. Mr. President, reserving the right to object, what is the unanimous-consent request?

Mr. ROBERT C. BYRD. For the immediate consideration of the resolution, and I will be glad to explain what the

resolution is if the Senator will reserve the right to object.

Mr. HARRY F. BYRD, JR. Mr. President, I reserve the right to object.

Mr. ROBERT C. BYRD. Mr. President, two employees of the Senate, Mr. Richard Wegman and Mr. John Childers, respectively chief counsel and former minority staff director of the Committee on Governmental Affairs, have been subpenaed by counsel for the defendants in United States against Lance, et al., a criminal indictment in the District Court for the Northern District of Georgia. The subpena calls for their appearance to testify and produce documents of the committee. Defendant's counsel have indicated, however, that an affidavit by Mr. Wegman may be sufficient in lieu of appearances by these employees.

The Ethics in Government Act of 1978, Public Law 95-521, provides that the Senate may direct the Office of Senate Legal Counsel to represent Senate committees and employees. This resolution authorizes the Senate legal counsel to represent employees of the committee and Mr. Childers in connection with the subpenas. In addition, the resolution, as required by Senate rule XXX, authorizes these employees to testify and produce documents with respect to the matters described in the subpenas issued in the case of United States against Lance.

I move that the Senate approve this resolution.

Mr. HARRY F. BYRD, JR. Mr. President, just one question, and I will not object. This has nothing to do with the suit brought by Senator GOLDWATER?

Mr. ROBERT C. BYRD. Oh, no. My distinguished friend knows that before I would call up any resolution with reference to that matter, I would notify him, Mr. GOLDWATER, Mr. JAVITS, and Mr. CHURCH. I am not accustomed to moving in such ways.

Mr. HARRY F. BYRD, JR. I am certain of that. I thank the Senator from West Virginia.

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

The resolution was considered and agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. RES. 279

Whereas, in the case of United States of America v. T. Bertram Lance, et al., (Criminal Indictment No. CR-134-A), pending in the United States District Court for the Northern District of Georgia, subpoenas have been issued by the court and served upon Richard A. Wegman and John Childers, employees of the Senate, directing them to appear and give testimony and produce documents, papers, or records, in connection with defendants' motion to dismiss the indictment.

Whereas, Title VII of the Ethics in Government Act of 1978, Public Law 95-521 ("the Act"), establishes the Office of Senate Legal Counsel and provides that the Senate may direct its Counsel to represent Senate employees;

Whereas, by the privileges of the Senate of the United States no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, by the privileges of the Senate of the United States, and by Rule XXX of the Standing Rules of the Senate, no officer or employee of the Senate is authorized to produce any information, documents, papers or records of the Senate but by order of the Senate and information secured by officers or employees of the Senate pursuant to their official duties may not be revealed without the consent of the Senate;

Whereas, when it appears that testimony of an officer or employee of the Senate is needful for use in any court for the promotion of justice and, further, that such testimony may involve documents, papers and records under the control of or in the possession of the Senate and communications, conversations, and matters related thereto, the Senate will take such action thereon as will promote the ends of justice consistently with the privileges and rights of the Senate. Now, therefore be it

Resolved, that pursuant to Section 704 (a)(2) of the Act the Senate Legal Counsel is directed to represent Richard A. Wegman and other employees of the Committee on Governmental Affairs, and John Childers, in respect to subpoenas issued to them in connection with defendants' motion to dismiss the indictment in the case of United States v. Lance, et al., and be it further,

Resolved, that Richard A. Wegman, John Childers, and other employees of the Committee on Governmental Affairs are authorized, in response to subpoenas issued by the District Court for the Northern District of Georgia in connection with defendants' motion to dismiss the indictment in the case of United States v. Lance, et al., to testify concerning matters described in the subpoenas issued to Mr. Wegman and Mr. Childers, and that Richard A. Wegman is authorized to produce documents described in the subpoena issued to him.

DISTRICT OF COLUMBIA RETIREMENT REFORM ACT—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from Missouri (Mr. EAGLETON), I submit a report of the committee of conference on S. 1037 and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 1037) to establish an actuarially sound basis for financing retirement benefits for police officers, firefighters, teachers, and judges of the District of Columbia and to make certain changes in such benefits, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all of the conferees.

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

(The conference report is printed in the House proceedings of the RECORD of November 2, 1979.)

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the report was agreed to.

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

The motion to lay on the table was agreed to.

MIGRATION AND REFUGEE ASSISTANCE

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. CHURCH, I ask that the Chair lay before the Senate a message from the House of Representatives on H.R. 4955.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the House agree to the amendment of the Senate to the bill (H.R. 4955) entitled "An Act to authorize additional appropriations for migration and refugee assistance for the fiscal years 1980 and 1981 and to authorize humanitarian assistance for the victims of the famine in Cambodia", with the following amendment:

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

SUPPLEMENTAL MIGRATION AND REFUGEE ASSISTANCE AUTHORIZATION

SECTION 1. Section 102(a)(4) of the Department of State Authorization Act, Fiscal Years 1980 and 1981 (title I of Public Law 96-60), is amended by striking out "$248,951,000 for the fiscal year 1980, and $254,188,000 for the fiscal year 1981" and inserting in lieu thereof "$456,241,000 for the fiscal year 1980, and $457,798,000 for the fiscal year 1981".

CAMBODIAN DISASTER RELIEF ASSISTANCE

SEC. 2. Chapter 9 of part I of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following:

"SEC. 495H. CAMBODIAN DISASTER RELIEF ASSISTANCE.—(a) The Congress recognizes that prompt United States assistance is necessary to alleviate the human suffering arising from famine and disease in Cambodia. Accordingly, the President is authorized to furnish assistance, on such terms and conditions as he may determine, for disaster relief to alleviate the suffering of the victims of famine and disease in Cambodia. Assistance provided under this section shall be for humanitarian purposes and limited to the civilian population, with emphasis on providing food, medicine and medical care, clothing, temporary shelter, transportation for emergency supplies and personnel, and similar assistance to save human lives.

"(b) Assistance provided under this section or any other provision of law to alleviate the human suffering caused by famine and disease in Cambodia shall be provided, to the maximum extent practicable, through international agencies and private voluntary organizations such as (among others) the World Relief Committee, World Medical Missions, Inc., Cama Services, World Vision, Food for the Hungry, Thailand Baptist Mission, Catholic Relief Services, Oxfam, and the International Rescue Committee.

"(c)(1) In providing assistance under this section, the President shall satisfy himself that adequate procedures have been established to ensure that such assistance reaches the innocent victims of famine and disease for whom it is intended. Such procedures shall include end use monitoring of deliveries on a periodic basis by individuals having freedom of movement where the assistance is being distributed within Cambodia.

"(2) Not later than 90 days after the enactment of this section, the President shall report to the Congress on compliance wih this subsection.

"(d)(1) In addition to amounts otherwise available for such purposes, there is authorized to be appropriated for purposes of this section $30,000,000 for the fiscal year 1980, which amount is authorized to remain available until expended.

"(2) Obligations incurred, prior to the enactment of appropriations to carry out this section, against other appropriations or accounts for the purpose of alleviating the hu-

man suffering caused by famine and disease in Cambodia may be charged to the appropriations authorized by paragraph (1) of this subsection.

"(3) The President may exercise the authority of section 610(a) of this Act (without regard to the 20 percent limitation contained in that section on increases in accounts) in order to transfer, for use in carrying out this section, up to $30,000,000 of the funds made available for the fiscal year 1980 to carry out other provisions of this Act.

"(4) Priority shall be given in allocating assistance under the Agricultural Trade Development and Assistance Act of 1954 to furnishing agricultural commodities for use in carrying out this section.

"(e) Assistance under this section shall be provided in accordance with the policies and utilizing the general authorities provided in section 491.".

INDOCHINA MIGRATION AND REFUGEE ASSISTANCE PROGRAM

SEC. 3. (a) Section 2(b) of the Indochina Migration and Refugee Assistance Act of 1975 is amended by striking out "1979" and inserting in lieu thereof "1981".

(b) The amendment made by subsection (a) shall be effective as of October 1, 1979.

REPORT ON COSTS OF REFUGEE ASSISTANCE PROGRAMS

SEC. 4. Not later than 60 days after the date of enactment of this Act, the President shall report to the Congress—

(1) the estimated total costs to the United States Government, during fiscal year 1980 and fiscal year 1981, of domestic and foreign assistance to refugees under all programs of the United States Government, and

(2) the estimated total costs to State and local governments during such fiscal years for assistance to refugees which is attributable to such programs.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate agree to the House amendment to the Senate amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

Mr. STEVENS. Mr. President, may I inquire what that motion was? I am sorry.

Mr. ROBERT C. BYRD. I move that the Senate agree to the House amendment to the Senate amendment.

Mr. STEVENS. No objection. I apologize to the majority leader.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

Mr. ROBERT C. BYRD. I move to reconsider the vote by which the motion was agreed to.

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

The motion to lay on the table was agreed to.

NATIONAL FAMILY WEEK

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from North Dakota (Mr. BURDICK), I ask that the Chair lay before the Senate a message from the House of Representatives on House Joint Resolution 68.

The PRESIDING OFFICER. The joint resolution will be stated.

The assistant legislative clerk read as follows:

A joint resolution (H.J. Res. 68) to authorize the President to issue a proclamation designating the week beginning on November 18, 1979, as "National Family Week".

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the joint resolution be considered as having been read the first and second times, and that the Senate proceed to its consideration.

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

The question is on the third reading of the joint resolution.

The joint resolution (H.J. Res. 68) was ordered to a third reading, was read the third time, and passed.

The preamble was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was passed.

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

The motion to lay on the table was agreed to.

UNANIMOUS-CONSENT AGREEMENT—H.R. 4391

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on the military construction appropriations bill there be a time agreement as follows: one hour on the bill equally divided between Mr. HUDDLESTON and Mr. STEVENS, 30 minutes on any amendment, 20 minutes on any debatable motion, appeal, or point of order if the Chair submits the point of order to the Senate for debate, and that the agreement be in the usual form as to the division and control of time.

Mr. STEVENS. Mr. President, there is no objection.

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 H.R. 4391 (Order No. 437), an act making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes.

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:

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 Kentucky (Mr. Huddleston) and the Senator from Alaska (Mr. Stevens): *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.

ORDER VITIATING THE ORDER TO CONVENE THE SENATE ON SATURDAY, NOVEMBER 10, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the convening of the Senate on tomorrow be vitiated.

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

ORDER FOR RECESS UNTIL 10:30 A.M. TUESDAY, NOVEMBER 13, 1979

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 10 o'clock on Tuesday next.

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

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the convening hour on Tuesday be changed from 10 a.m. to 10:30 a.m.

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

ORDER FOR RECOGNITION OF SENATOR SCHMITT ON TUESDAY, NOVEMBER 13, 1979, AND RESUMING CONSIDERATION OF H.R. 4391

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday next, after the two leaders or their designees have been recognized under the standing order, Mr. SCHMITT be recognized for not to exceed 15 minutes, at the conclusion of which the Senate then resume the consideration of the military construction appropriations bill.

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

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.

MILITARY CONSTRUCTION APPROPRIATIONS, 1981

Mr. ROBERT C. BYRD. Mr. President, I ask for regular order.

The PRESIDING OFFICER. Regular order is the military construction appropriations.

The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (H.R. 4391) making appropriations for military construction for the Department of Defense for the fiscal year ending September 30, 1980, and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Appropriations with amendments.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that no time be charged against the bill today.

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

ORDER FOR RECOGNITION OF SENATOR SCHMITT ON FRIDAY, NOVEMBER 16, 1979

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on next

Friday, after the two leaders or their designees have been recognized under the standing order, Mr. SCHMITT be recognized for not to exceed 15 minutes.

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

Mr. HARRY F. BYRD, JR. Mr. President, is that for next Tuesday?

Mr. ROBERT C. BYRD. Mr. President, I had obtained an order for Mr. SCHMITT for next Tuesday and this is an order for Mr. SCHMITT for next Friday.

Mr. HARRY F. BYRD, JR. Mr. President, I should have spoken earlier.

ORDER FOR RECOGNITION OF SENATOR HARRY F. BYRD, JR., ON TUESDAY, NOVEMBER 13, 1979

Mr. HARRY F. BYRD, JR. Mr. President, will the Senator be inclined to give me 15 minutes on Tuesday, following Mr. SCHMITT?

Mr. ROBERT C. BYRD. Yes. Mr. President, I make that request.

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

PROPOSED ORDER OF BUSINESS

Mr. MATSUNAGA. Mr. President, for the information of the Senators, after the disposition of the military construction appropriations measure, H.R. 4391, it is the intention of the leadership to take up Calendar Order No. 396, S. 1724, a bill to authorize the Secretary of Health, Education, and Welfare to make grants to States in order to provide assistance to households which cannot meet the high cost of fuel, and for other purposes.

Mr. STEVENS. Mr. President, I appreciate the statement of the Senator from Hawaii. We understand that is the intention. Because of problems on this side, we have not been able to agree to that, but we do understand there will be the intention to call it up.

We also understand there will be the necessity to consider the budget waiver at that time.

It is my intention to cooperate in every way with the majority leader, consistent with the instructions I have received as the acting minority leader.

Mr. MATSUNAGA. I thank the acting minority leader for his consideration.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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.

VETERANS DAY, 1979

Mr. ROBERT C. BYRD. Mr. President, Monday the Senate will not be in session in order to commemorate Veterans Day. Most of us will take this time to visit our home States. Many of us will take some part in Veterans Day ceremonies. This Nation has a historic commitment to honor and care for these who have borne arms during times of war and peace. Veterans Day is one way Americans demonstrate their respect for those men and women who have endured hardship and sacrifice in serving this country so ably.

In the United States today there are more than 29 million men and women who are veterans of duty in the armed services, and more than 26 million of these are veterans of wartime service. Five years ago the Nation ended America's direct involvement in the Vietnam war. Since that time, we have been at peace. More than 2½ million veterans served in Vietnam, and another 6 million served elsewhere during those years.

As this decade draws to a close, we are faced by challenges. These challenges are filled with very real dangers, in both the short and long term. We face powerful adversaries—whether they be military buildup by the Soviet Union or an increasing dependence on oil tankers from the other side of the world. Most basic, we face the ever-present challenge of honoring our commitments—to our own citizens and to citizens of other nations.

We owe a debt to recent veterans which we are just beginning to pay. At the same time our debt to veterans of other eras remains as compelling as ever. We owe a continuing debt to those men and women who have put aside their own lives to serve in the country's armed services.

Mr. President, it is my hope that citizens pause on Veterans Day to honor, to remember and "to care for him who shall have borne the battle."

THE SALT II TREATY

Mr. ROBERT C. BYRD. Mr. President, this morning, the Foreign Relations Committee completed its markup of the SALT II treaty and, by a vote of 9 to 6, voted to report the treaty to the Senate for its consideration.

The committee has completed what is without doubt the most exhaustive examination of a treaty in modern American history: 2 months of hearings and a month-long markup session. Scores of witnesses of all opinions have been heard, and over 30 proposed additions to the resolution of ratification have been considered. The result of the committee's effort is an impressive record that will guide us all in our debate on this most important matter.

It has not always been easy work for the committee. From time to time, events in the world have intruded. There have been a few attempts to slow the committee's work in one fashion or another. But because of the strong leadership and perseverance of the committee chairman, the distinguished Senator from Idaho (Mr. CHURCH) and the ranking minority member, the distinguished Senator from New York (Mr. JAVITS) the committee has succeeded in performing its duties in a manner consonant with the highest tradition of impartiality and scrupulous fairness.

The vote of the committee reflects the fairness with which the committee has proceeded. It is not a party line vote. Senators from both sides of the aisle have felt free throughout to speak their minds and vote their convictions. The result is a vote which is bipartisan and reflects, therefore, the highest traditions of the Senate on foreign policy issues: the principle that "politics stops at the water's edge."

I compliment Mr. CHURCH and I compliment Mr. JAVITS upon the very skillful fashion in which they steered this treaty through very dangerous waters to the stage of reporting it to the Senate.

Mr. President, I trust that the same spirit of bipartisanship will prevail when the Senate turns to debating the treaty.

Mr. STEVENS. Will the Senator yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. STEVENS. Mr. President, I am certain that the minority leader, when he returns on Tuesday, will have a comment concerning this report. I shall not comment on it.

I would like to ask the majority leader, however—I do not expect an answer at this time, but I hope that we shall learn soon how long it will be before we can get the hearings—not the report but the hearings—of the Senate Committee on Foreign Relations. I understand that there are some classified matters that have to be removed, but I do hope that, if possible, before we take it up, we shall have a chance to read the information that will be made public in the hearings.

Mr. ROBERT C. BYRD. The distinguished acting Republican leader makes a request that is reasonable and, in my judgement, very pertinent and appropriate. I share with him that hope and I am confident that the chairman and ranking member of the Foreign Relations Committee will feel likewise. Just as soon as any information in that regard can be made available, I assure the distinguished acting Republican leader that both he and the Republican leader will be so informed.

THE QUESTION OF GERMANENESS

Mr. ROBERT C. BYRD. Mr. President, earlier today, the Senate voted 44 to 40 to table an appeal from the ruling of the Chair. I made the tabling motion because the Chair had ruled correctly. I am glad that the Senate voted to sustain the Chair.

Let me emphasize at the outset that the 44-to-40 vote was not—n-o-t, "not"—a vote on the merits of the amendment of the Senator from Colorado (Mr. ARMSTRONG). His amendment, as I understand it, would have lifted the pay cap on certain military personnel.

Lest there be any misunderstanding about this vote, I believe that I can correctly say that many Senators voted to sustain the ruling of the Chair who also agreed with Senator ARMSTRONG's amendment and who even may have cosponsored it.

But that amendment did not belong on that bill—and that is what the 44-to-40 vote was about.

The amendment was offered to an appropriations bill—the Department of Defense appropriations bill. The amendment did not purport to appropriate funds, or to raise or to lower an appropriation already in the bill. Instead, it attempted to put legislative language in the bill; of course, that is conerary to the Senate rule.

I refer to rule XVI, which prohibits legislation on appropriations bills.

This is an important rule—yet it has been abused in recent years.

Authorization bills set the parameters of legislation; they create and define Government programs, and they provide authority for the use of funds which subsequently may be appropriated.

Appropriations bills are money bills; they are not meant to legislate programs. An appropriation bill is not the proper vehicle for legislative language.

Yet, more and more frequently, appropriations bills are used to define legislation. This is against the rule and, generally it is against sound policy.

Occasionally, there may be an emergency situation when legislation would be necessary on an appropriation bill but, for the most part, that is not the case.

During the 94th, 95th, and the 1st session of the 96th Congress, there were nearly 100 rollcall votes in the Senate on legislative riders on appropriations bills.

The main result of this has been chaos—c-h-a-o-s: appropriations bills have been delayed time and time again because they carry legislative riders. It is this practice which has led to payless paydays for many Government workers—including those in the military.

May I say again, payless paydays for many Government workers, including those—I say again, including those—in the military.

Again and again, the deadlines of the Congressional Budget Act have been missed—not because of deadlocks or delays over dollar figures—but because of deadlocks and delays over legislature language.

It costs the Government money. That means it costs you money, Mr. President; it costs me money, Mr. President, it costs the taxpayers money when appropriations deadlines are missed. Contracts are canceled, workers are sometimes laid off when a new fiscal year begins without enactment of appropriations bills. Then, when the deadlock has finally been resolved and the appropriation is enacted, the agency or program must gear up again. This is inefficient, this is wasteful.

What the Chair ruled, in the case of the Armstrong amendment, was entirely proper and—in my view—the only correct interpretation of rule XVI as applied to that amendment.

The House bill—and this is important—did not contain any language whatsoever on this matter. Thus the Senate precedent—that once the House opens up the door by legislating on an appropriation bill, the Senate may then properly amend the same language germanely—was not applicable here.

There was no House language in the bill to which the Armstrong amendment would be germane. Thus, to raise the question of germaneness was really a fiction. There was nothing for the Armstrong amendment to be germane to.

Mr. President, I do not recall—I may have done so in my 22 years here, but I do not recall ever having voted, certainly since I have been in the leadership, to call an amendment germane when it, indeed, was not germane. No matter how strongly I support the substantive issue, I always walk up to that desk and say to the Parliamentarian, "Is this amendment really germane?" If the Parliamentarian says "No, it is not germane, there is no House language for it to be germane to," I vote "no" on the question of germaneness.

That was the situation here today. There was no House language for the Armstrong amendment to be germane to.

The problem is that, so often, when the question of germaneness is raised, Members walk into the Chamber and they vote "yea" on the question of germaneness because they feel they are voting on the substantive issue. They vote "yea" on the question of germaneness. Thus, the Senate often votes an amendment to be germane when obviously, it is not germane because there is no House language in the bill for the amedment to be germane to. It is a pure fiction. It is a farce.

That was precisely the situation today, when the point of order was raised by Mr. STENNIS, the distinguished chairman of the Subcommittee on Defense Appropriations, that the amendment by Mr. ARMSTRONG was legislation on an appropriation bill. Mr. ARMSTRONG then raised the question of germaneness, which Senators have done from time to time, and he was certainly within his rights to do that. I thought it was about time for the Senate to face up to this issue in a straightforward and direct way.

So I made the point of order that, when there is no House language for a Senate amendment to be germane to, the Chair has the duty not to submit the question of germaneness to the Senate, but, rather, to rule in support of a point of order that such an amendment does, indeed, constitute legislation on an appropriation bill, and that there is no House language in the bill for such amendment to be germane to and, consequently, that such amendment is not germane.

The Chair so ruled and the Senate sustained the ruling of the Chair. So, as for the amendment, however meritorious it might have been, it simply did not belong on this bill.

The vote on my motion to table the appeal from the ruling of the Chair—that the Armstrong amendment was not germane—was consistent with rule XVI.

It was not a vote on the Armstrong amendment itself, but it was a vote in support of orderly procedure in the Senate. I hope that that vote will provide a way to avoid in the future the growing inclination to attach riders to appropriations bills that constitute legislation thereon and which are, obviously, not germane to any House language in the bill. Of course, when the House has opened the door with legislation on an appropriations bill, this precedent would not govern.

Mr. STEVENS. Mr. President, the evening is late. I certainly would not wish to debate the matter with my good friend.

I will say the converse of what the majority leader said is also true. There are Members who voted against the tabling of the motion to appeal the point of order who might not have supported the amendment, and also those who will welcome the establishment of the precedent who, because of the circumstances, did not believe that a motion to table under these circumstances was appropriate.

I know my friend realizes the feeling that some of us have about tabling appeals from rulings of the Chair, but I will say that, for myself, I do agree that the precedent established is a valuable one for the Appropriations Committee's work and the consideration of that work on the floor of the Senate.

It is, I believe, a narrow exception and one that will have to be reviewed with, I think, firmness but fairness as we proceed, because it is a new precedent for the Senate. It could be that there may well be a disagreement as to whether the precedent should be limited to the circumstances where there is no language of the House if in fact there is a funding by the House of an item which might be subject to appropriate legislation under the previous precedents dealing with the rule of germaneness.

But I do not think it is time now to debate that, the scope of this precedent.

It is a valuable precedent. I regret it was before the Senate in a manner that I felt compelled to vote against a motion to table because of my duties as the acting leader, because I do think, as I said, it is a valuable precedent and one we must all study carefully to determine in the days ahead what the scope of it will be as we try to make the management of the appropriations bills on the floor more meaningful and to expedite the work of the Appropriations Committee here on the floor of the Senate.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished acting Republican leader.

I can only say I understand his position and the reasons for his voting against tabling the appeal.

I agree that on the appeal itself, if I had not moved to table, the vote on the appeal itself would have sustained the Chair even more strongly than the vote on my motion to table indicated.

The reason I moved to table, however, was simply that that motion brought the matter to a head fast. There was no further debate, and time was of the essence this afternoon.

I find nothing in what the able acting Republican leader has said that I can quarrel with.

Mr. MATSUNAGA. Will the distinguished majority leader yield?

Mr. ROBERT C. BYRD. Yes, I yield.

Mr. MATSUNAGA. Mr. President, I wish to congratulate the Senator from West Virginia for having brought about a much-needed precedent by his aggressive action today. History will show that the Senate, by supporting the majority leader in this procedural matter, eliminated a most troublesome and time-wasting process too frequently employed in the past.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator from Hawaii, Mr. MATSUNAGA.

I appreciate his position.

There were others who, as he, were, likewise, cosponsors of the amendment, however, who voted to uphold the ruling of the Chair.

I think there must be an orderly procedure in the Senate. We do not have the rules of the House and we have to depend upon fewer rules than does the House, and we have to depend largely on precedents. Sometimes the Senate overturns precedents and makes new precedents.

But I hold the Chair's rulings pretty much in considerable reverence. Once in a while I think the Chair rules wrongly and I challenge it. Sometimes the Chair is overruled. Sometimes the Chair is not.

But it is the Senate, after all, that makes that decision.

When I first came to this body, Senator Richard B. Russell was regarded as the Senator who knew more about the rules and precedents than did any other Senator. I was very impressed by Senator Russell, by his calm judgment and his careful approach to matters, his evenhandedness, and his fairness.

I hesitate to say his was a "mastery" of the rules because I do not think anybody has ever mastered the rules and precedents. Even the Parliamentarians are not masters of the rules and precedents. They, too, have to research them from time to time to find the answer to a question.

But Senator Russell, so far as Senators go, was one, I think, to whom everyone looked as being a Senator who knew a great deal about the rules and precedents and who always tried to apply them fairly and evenhandedly.

He suggested to me once, that I as a new Member then, should always try as much as I could to sustain a ruling of the Chair. The Senate can throw out the book of precedents if we are not careful; and the precedents, really, in some ways, are more important than the rules.

Why do I say that? Because the rules do not flesh out themselves. It is the precedents that flesh out the rules.

One can study the rules and memorize the rules, but it is the book of precedents, which is a couple of inches thick, that I found Senator Russell studying from time to time.

I said, "How do you go about learning so much about these rules?"

He said, "Well, it's not only the rules; it's also the precedents."

I had never seen that book of precedents until he called my attention to it.

He said, "That's what you need to learn. That's what you need to study."

So I listened to Senator Russell; and I have tried, on the whole, to follow his advice and sustain the rulings of the Chair, regardless of the subject matter.

I am sure that Senator Russell once in a while sought to overturn the rulings of the Chair, and probably with success.

At times, the precedents do not fit present-day conditions. So precedents sometimes have to be changed to fit present-day conditions. New precedents must also be established from time to time.

So I say to my friend from Hawaii that I very seldom turn against the Chair, but I have done it a very few times. But it is the Senate that makes the decision; and the Senate, I think, made the right decision today.

A HOLIDAY WISH BY THE MAJORITY LEADER

Mr. ROBERT C. BYRD. Mr. President, I thank all Senators for their patience. I think this has been a good week. The energy bill was passed. It was not supposed to pass this week. It was supposed to take longer than a week. The Senate did itself proud.

Senators have worked hard, and I hope they have a good holiday weekend.

I suppose that some of the Senators in the Chamber now are wondering when that weekend is going to begin and when the Senator from West Virginia is going to sit down.

I wish my very close friend, the acting Republican leader, well for the weekend. I wish my friend from Hawaii, the chief deputy majority whip, well for the weekend.

I wish a good weekend to the Senator who now sits in the Chair and presides with a degree of dignity and efficiency and skill that is "so rare as a day in June." Senator BOREN is a former Governor of Oklahoma.

I wish a good Veterans Day holiday to all the wonderful people who help us: Bill Hildenbrand; Joe Stewart; Mary Jane Checchi, who is the chief counsel and staff director of the Democratic policy committee; all the pages; the representatives of the press, the fourth estate—we do not see many of them up there tonight; the Secretary of the Senate and the Sergeant at Arms and their assistants; the doorkeepers; the official reporters; the people who work so well in the cloakrooms; and the Senate Chaplain.

I hope that when we return on Tuesday, we will be ready for hard work, long days as we fulfill our duties to the Nation.

I yield the floor.

RECESS UNTIL 10:30 A.M. TUESDAY, NOVEMBER 13, 1979

Mr. MATSUNAGA. Mr. President, if there be no further business, I move, in accordance with the previous order, that the Senate stand in recess until 10:30 a.m. on Tuesday next.

The motion was agreed to; and at 7:44 p.m., the Senate recessed until Tuesday, November 13, 1979, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate November 9, 1979:

DEPARTMENT OF STATE

Donald R. Toussaint, of Virginia, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Socialist Republic of Sri Lanka, and to serve concurrently and without additional compensation as Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Maldives.

EXTENSIONS OF REMARKS

MAMIE DOUD EISENHOWER

HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, November 7, 1979

● Mr. MURPHY of Illinois. Mr. Speaker, the passing of our former First Lady, Mrs. Mamie Doud Eisenhower, is a great loss to America. She will long be remembered as a gracious, soft-spoken woman who brought grace and warmth to the White House. She was, as columnist Nick Thimmesch has noted, President Eisenhower's "quiet strength." Considering the difficulties of the Presidency, Mamie's love and support of Ike was an invaluable contribution, not only to him but to the Nation as well. Mr. Speaker, I would like to insert at this point in the RECORD Mr. Thimmesch's warm tribute to Mamie Eisenhower.

I REMEMBER MAMIE

(By Nick Thimmesch)

Mamie Eisenhower was worth listening to. The trouble was that, when Ike was alive, she was careful not to talk publicly too often and, after he died, few of us tried to find out what she had to say. Her health was often frail, but she had strong will and had thought life through.

I spent a day with her in the Bicentennial summer when she made a rare public appearance by riding on the Freedom Train from Gettysburg to York, Pa. I had never met her, and my recollections were that she was Ike's smiling, attractive partner, bland of remark, the proper Republican woman. I was to learn something.

The Freedom Train crawled across the countryside, so Mamie had time to see the clusters of people in fields and in small towns. They waved and their mouths formed the word "Mamie," causing her to beam.

"It makes your heart warm," she said. I am fortunate, because most widows are forgotten."

Ike was her life, and everybody asked about their years together. "When people remark how close I was to him, well of course we were close," she said. "But you never really know a person; you only understand them. Nobody knows anybody else's inner thoughts."

She saw Ike as the head of the house, as the man who deserved to come home to her and dinner and a pleasant evening with no heavy discussion of the military or the presidency or politics. She had a keen sense of divided responsibilities; his was work and hers was home and hearth.

When he asked, "What should I do about this situation?" she usually turned the question away. And if he ventured toward her territory, he was in trouble. When Ike sent a memo to a White House staffer about menus, Mamie countermanded the order.

She believed in the old values. For instance, children should be given leeway to find

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