

EXECUTIVE SECRETARIAT

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		SUSPENSE	17 Nov		
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Remarks: Please prepare acknowledgment for DCI's signature.

[Signature]
 Executive Secretary
 9 November 1982
 Date

United States Senate

WASHINGTON, D.C. 20510

Executive Registry
82-12970

November 8, 1982

82-2616

The Honorable William J. Casey
Director
Central Intelligence Agency
Washington, D.C. 20505

Dear Bill:

I have introduced S. 2919, a bill to provide funds for Soviet studies. I have introduced this bill with Senator Biden, the ranking minority member on the Subcommittee on European Affairs. The bill proposes to establish an endowment in the Treasury Department with a one-time appropriation of \$50 million. The interest on this principal amount will be provided to the leading umbrella organizations in the field of Soviet studies to help redress our declining capabilities in that area. At current rates of interest, funds approximating four to five million dollars a year would be disbursed.

The Subcommittee on European Affairs received testimony on this subject on September 22. Among those who enthusiastically supported the concept of the bill were Deputy Secretary Stoessel, Admiral Inman, and General Odom. Each testified to the importance of restoring our capability in the field of Soviet studies and to the vital foreign policy, intelligence, and defense needs which this capability will help to meet.

I am well aware of the difficult budget situation which we face. Yet I am persuaded that this project is an important one which is fully justified even in this time of scarce federal resources. The proposal has attracted a broad base of support in the Senate, and I am confident that with Administration backing it could become a reality in the near future. For this reason, I am writing to ask your support for this proposal and for your advocacy in Administration budget discussions. I have enclosed a copy of the bill and a brief summary of the problem which it intends to address. Please feel free to contact me if you have any questions about the bill.

With continuing best wishes.

Sincerely,

Richard G. Lugar
Chairman, Subcommittee on
European Affairs



RGL:jbr

97TH CONGRESS
2^D SESSION

S. 2919

To help ensure the Nation's independent factual knowledge of Soviet-bloc countries, to help maintain the national capability for advanced research and training on which that knowledge depends, and to provide partial financial support for national programs to serve both purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 16 (legislative day, SEPTEMBER 8), 1982

Mr. LUGAR (for himself and Mr. BIDEN) introduced the following bill; which was read twice and referred jointly to the Committees on Foreign Relations and Labor and Human Resources, by unanimous consent

A BILL

To help ensure the Nation's independent factual knowledge of Soviet-bloc countries, to help maintain the national capability for advanced research and training on which that knowledge depends, and to provide partial financial support for national programs to serve both purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That this Act may be cited as the "Soviet-Bloc Research and
- 4 Training Act of 1982".

5 **FINDINGS AND DECLARATIONS**

- 6 **SEC. 2. (a) The Congress finds and declares that—**

1 (1) factual knowledge, independently verified,
2 about Soviet-bloc countries is of the utmost importance
3 for the national security of the United States, for the
4 furtherance of our national interests in the conduct of
5 foreign relations, and for the prudent management of
6 our domestic affairs;

7 (2) the development and maintenance of knowl-
8 edge about Soviet-bloc countries depends upon the na-
9 tional capability for advanced research by highly
10 trained and experienced specialists, available for serv-
11 ice in and out of Government;

12 (3) certain essential functions are necessary to
13 ensure the existence of that knowledge and the capa-
14 bility to sustain it, including—

15 (A) graduate training;

16 (B) advanced research;

17 (C) public dissemination of research data,
18 methods and findings;

19 (D) contact and collaboration among Govern-
20 ment and private specialists and the facilitation of
21 research based on the extensive data holdings of
22 the United States Government; and

23 (E) first-hand experience of Soviet-bloc coun-
24 tries by American specialists including on-site

1 conduct of advanced training and research to the
2 extent practicable;

3 (4) three existing institutions already organized to
4 conduct the functions described in this section on a na-
5 tional scale are the National Council for Soviet and
6 East European Research, the Woodrow Wilson Inter-
7 national Center for Scholars, and the International Re-
8 search and Exchanges Board of the American Council
9 of Learned Societies; and

10 (5) it is in the national interest for the Federal
11 Government to supplement the support for the func-
12 tions described in this section furnished by local, State,
13 regional, and private agencies, organizations, and indi-
14 viduals, and thereby to stabilize the conduct of these
15 functions on a national scale, consistently, and on a
16 long range basis.

17 DEFINITIONS

18 SEC. 3. As used in this Act—

19 (1) the term "Board" means the International Re-
20 search and Exchanges Board organized in 1968 by the
21 American Council of Learned Societies and the Social
22 Science Research Council;

23 (2) the term "Center" means the Woodrow
24 Wilson International Center for Scholars of the Smith-
25 sonian Institution;

1 (3) the term "Fund" means the Soviet-Bloc Re-
2 search and Training Fund established under section 4;

3 (4) the term "institution of higher education" has
4 the same meaning given such term in section 1201(a)
5 of the Higher Education Act of 1965;

6 (5) the term "National Council" means the Na-
7 tional Council for Soviet and East European Research,
8 a not-for-profit corporation organized under the laws of
9 the District of Columbia in 1978; and

10 (6) the term "Secretary" means the Secretary of
11 the Treasury.

12 ESTABLISHMENT OF THE SOVIET-BLOC RESEARCH AND

13 TRAINING FUND

14 SEC. 4. There is established in the Treasury of the
15 United States a trust fund to be known as the Soviet-Bloc
16 Research and Training Trust Fund. The Fund shall consist
17 of—

18 (1) amounts appropriated to it by section 5; and

19 (2) interest and proceeds credited to it under sec-
20 tion (8)(c).

21 APPROPRIATIONS TO THE FUND

22 SEC. 5. There are appropriated to the Fund, out of any
23 money in the Treasury not otherwise appropriated,
24 \$50,000,000.

1 PAYMENTS FROM THE FUND; USES OF PAYMENTS

2 SEC. 6. (a) The interest on any obligations held in the
3 Fund shall be available, as provided in advance by appropri-
4 ation Acts, for payments to the National Council for use in
5 accordance with this section.

6 (b)(1) One-quarter of the payments made in each fiscal
7 year shall be used by the National Council to—

8 (A) develop and conduct a research agenda of a
9 national research program at the postdoctoral or equiv-
10 alent level in the field of Soviet and East European
11 studies to be designed in consultation with officials of
12 the Federal Government designated by the Secretary
13 of State;

14 (B) disseminate information about the research
15 program described in clause (A) and solicit proposals
16 for research contracts from American institutions of
17 higher education and not-for-profit corporations, which
18 contracts shall contain shared-cost provisions; and

19 (C) award contracts for such research projects as
20 the Board of Trustees of the Council determines will
21 best serve to carry out the purposes of this Act after
22 reviewing the proposals submitted under clause (B).

23 (2) One part of the payments made in each fiscal year
24 shall be used by the National Council to—

1 (A) establish and carry out a program of graduate,
2 postdoctoral, and teaching fellowships for advanced
3 training in Soviet studies and related studies conducted
4 (i) at American institutions of higher education and (ii)
5 on a shared-cost basis;

6 (B) disseminate information on the fellowship pro-
7 gram described in clause (A) and solicit applications for
8 fellowships from qualified institutions of higher educa-
9 tion and qualified individuals;

10 (C) award such fellowships as the Board of Trust-
11 ees of the National Council determines will best serve
12 to carry out the purposes of this Act after reviewing
13 applications submitted under clause (B); and

14 (D) disseminate research, data, and findings on
15 Soviet studies and related fields in such a manner and
16 to such extent as the Board of Trustees of the National
17 Council determines will best serve to carry out the
18 purposes of this Act.

19 (3) One part of such payments made in each fiscal year
20 to the National Council shall be used for payments to the
21 Center to—

22 (A) provide fellowship support and research facili-
23 ties in Washington, District of Columbia, for American
24 specialists in the field of Soviet studies to conduct ad-

1 vanced research with particular emphasis upon the use
2 of data on Soviet-bloc countries:

3 and

4 (B) conduct seminars, conferences, and other simi-
5 lar workshops designed to facilitate research collabora-
6 tion between Government and private specialists in the
7 field of Soviet and East European studies.

8 (4) One part of such payments made in each fiscal year
9 to the National Council shall be used for payments to the
10 Board to conduct specialized programs in advanced training
11 and research on a reciprocal basis in the Union of Soviet
12 Socialist Republics and other nations of Eastern Europe de-
13 signed to facilitate access for American specialists to research
14 institutes, personnel, archives, documentation, and other re-
15 search and training resources located in the Union of Soviet
16 Socialist Republics and such nations.

17 (c)(1) Payments under this Act shall be made as soon
18 after approval of the application as practicable.

19 (2) Payments under this Act may be made in install-
20 ments, in advance or by way of reimbursement with neces-
21 sary adjustments on account of overpayments and underpay-
22 ments.

1 APPLICATIONS

2 SEC. 7. (a) The National Council shall prepare and
3 submit an application to the Secretary once each fiscal year.

4 Each such application shall—

5 (1) provide a description of the purposes for which
6 the payments will be used in accordance with section
7 (6); and

8 (2) provide such fiscal control and such accounting
9 procedures as may be necessary (A) to insure a proper
10 accounting of Federal funds paid to the applicant under
11 this Act, and (B) to insure the verification of the costs
12 of the continuing education program furnished by the
13 applicant.

14 (b) The Secretary shall expeditiously approve any appli-
15 cation that meets the requirements of this section.

16 MANAGEMENT OF THE FUND

17 SEC. 8. (a) It shall be the duty of the Secretary to invest
18 such portion of the Fund as is not, in his judgment, required
19 to meet current withdrawals. Such investments may be made
20 only in interest-bearing obligations of the United States or in
21 obligations guaranteed as to both principal and interest by
22 the United States. For such purpose, such obligations may be
23 acquired (1) on original issue at the issue price, or (2) by
24 purchase of outstanding obligations at the market price. The
25 purposes for which obligations of the United States may be

1 issued under the Second Liberty Bond Act are extended to
2 authorize the issuance at par of special obligations exclusive-
3 ly to the Fund. Such special obligations shall bear interest at
4 a rate equal to the average rate of interest, computed as to
5 the end of the calendar month next preceding the date of
6 such issue, borne by all marketable interest-bearing obliga-
7 tions of the United States then forming a part of the public
8 debt; except that where such average rate is not a multiple of
9 one-eighth of 1 per centum, the rate of interest of such spe-
10 cial obligations shall be the multiple of one-eighth of 1 per
11 centum next lower than such average rate. Such special obli-
12 gations shall be issued only if the Secretary determines that
13 the purchase of other interest-bearing obligations of the
14 United States, or of obligations guaranteed as to both princi-
15 pal and interest by the United States on original issue or at
16 the market price, is not in the public interest.

17 (b) Any obligation acquired by the Fund (except special
18 obligations issued exclusively to the Fund) may be sold by the
19 Secretary at the market price, and such special obligations
20 may be redeemed at par plus accrued interest.

21 (c) The interest on, and the proceeds from the sale or
22 redemption of, any obligations held in the Fund shall be cred-
23 ited to and form a part of the Fund.

10

REPORT

1

2 SEC. 9. The National Council shall prepare and submit
3 to the President and the Congress at the end of each fiscal
4 year in which the National Council receives assistance under
5 this Act a report of the activities of the National Council, and
6 the activities of the Board and the Center, supported by as-
7 sistance under this Act, together with such recommendations
8 as the National Council deems advisable.

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SOVIET-BLOC RESEARCH AND TRAINING FUND

PROBLEM: The United States is running low on a element vital to its national security: expertise on the Soviet Bloc. While the USSR has invested massively in international studies, including closely targeted research on the U.S., we have done the exact opposite. Private and public funding for foreign language and area studies, heavy in the 1960s, has dropped so low over the past decade that in the key area of Soviet Bloc analysis we have fewer than two-thirds of the specialists we need. Although government agencies, with some exceptions, are not feeling an acute, immediate shortage of qualified personnel, they and the broader academic world face the reality that junior scholars are not now entering the field in number sufficient to replace those who are retiring (especially in economics) or to expand research into areas that have received insufficient attention (Soviet activities in Africa and Europe, Soviet conduct in the SALT negotiations, and Soviet minorities in Central Asia). The reservoir of academic expertise is drying up. Seeing a future of diminishing academic opportunities and shrinking funding from private and public sources, younger scholars are turning away from Soviet studies to more promising career fields. As a result, our national capability to analyze our principal adversary--a fundamental ingredient of American strength--is in serious jeopardy. Once the capacity is dismantled, it will take decades at very high cost to recreate. The urgent need is to provide a stable foundation for Soviet studies, a base on which scholars and institutions can rely and rebuild.

PROPOSAL: To meet this national security requirement, this bill would establish an endowment of \$50 million to create a Soviet-Bloc Research and Training Fund. The sum would be invested and reinvested in U.S. Treasury debt instruments, the interest from which will be used to support a national program of (1) advanced research for broad dissemination to the public and to government policy-makers and (2) the training of research specialists under university auspices in the U.S. as well as support for their studies in East European countries and the Soviet Union.

The interest from the Fund would be made available to the existing National Council for Soviet and East European Research, the Woodrow Wilson International Center for Scholars, and the International Research and Exchanges Board (IREX) to finance the work of U.S. scholars in Washington-area research facilities and the programs of exchange which take American specialists into the Soviet Bloc. The Council itself would continue and expand its current support for a nationwide program of advanced research on the USSR and Eastern Europe at U.S. research institutions and fund specialized training on a shared-cost basis. There would be an annual report to Congress on these activities.